

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)
(Incorporated in Malaysia)

Consolidated Statement Of Comprehensive Income
For the Financial Period Ended 31 December 2018
(The figures have not been audited)

		Individual Quarter		Change		Year-to-Date		Change	
		3 months ended	3 months ended	Favourable/	(Unfavourable)	6 months ended	6 months ended	Favourable/	(Unfavourable)
		31.12.18	31.12.17	RM'000	%	31.12.18	31.12.17	RM'000	%
		RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
			Restated*	RM'000	%		Restated*	RM'000	%
Revenue	4	3,493	3,594	(101)	-3	5,841	6,890	(1,049)	-15
Other income		-	6	(6)	-100	1	23	(22)	-96
Changes in inventories		(491)	(285)	(206)	-72	106	5	101	2020
Staff costs		(369)	(314)	(55)	-18	(963)	(664)	(299)	-45
Depreciation		(114)	(78)	(36)	-46	(199)	(145)	(54)	-37
Subcontract labour costs,									
fertilizer and chemical costs		(973)	(819)	(154)	-19	(1,516)	(1,634)	118	7
Foreign exchange gain		272	1,088	(816)	-75	507	2,675	(2,168)	-81
Other expenses		(232)	(467)	235	50	(1,614)	(1,469)	(145)	-10
Fair value (loss)/gain on biological assets		(10)	(88)	78	89	10	120	(110)	-92
Profit from operations	4	1,576	2,637	(1,061)	-40	2,173	5,801	(3,628)	-63
Share of (loss)/profit of associates		(6,779)	2,356	(9,135)	-388	(9,612)	3,276	(12,888)	-393
(Loss)/Profit before tax	20	(5,203)	4,993	(10,196)	-204	(7,439)	9,077	(16,516)	-182
Income tax	21	(30)	(42)	12	29	(29)	(90)	61	68
(Loss)/Profit after tax		(5,233)	4,951	(10,184)	-206	(7,468)	8,987	(16,455)	-183
<u>Other Comprehensive Income/(Loss)</u>									
Investments:									
- Net change in fair value taken to equity		(21,198)	9,558	(30,756)	-322	(30,946)	16,157	(47,103)	-292
Foreign currency translation		(66)	(11,184)	11,118	99	6,826	(15,426)	22,252	144
Other comprehensive (loss)/income for the period , net of tax		(21,264)	(1,626)	(19,638)	-1208	(24,120)	731	(24,851)	-3400
Total comprehensive (loss)/ income for the period		(26,497)	3,325	(29,822)	-897	(31,588)	9,718	(41,306)	-425
(Loss)/Profit per share attributable to equity holders									
Basic (Sen)	26(a)	(7.89)	7.46			(11.26)	13.55		
Diluted (Sen)	26(b)	(7.89)	7.46			(11.26)	13.55		

* Prior year figures were restated upon adoption of amendments of MFRS.

The consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to the financial statements.

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)
(Incorporated in Malaysia)

Consolidated Statement of Financial Position
As at 31 December 2018

	(Unaudited)	Restated*	Restated*
	As at	As at	As at
	31.12.18	30.06.18	01.07.17
	RM'000	RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	105,079	104,241	103,309
Bearer plants	33,828	30,902	24,731
Investment property	36,881	35,980	38,225
Investment in associates	74,763	84,331	85,164
Investments	200,145	244,428	218,805
	<u>450,696</u>	<u>499,882</u>	<u>470,234</u>
Current assets			
Inventories	132	26	42
Biological assets	128	118	128
Trade and other receivables	5,284	797	348
Prepayments	245	1,031	1,016
Dividends receivable	1,317	-	-
Investment held for distribution	14,316	-	-
Tax recoverable	158	101	474
Cash and bank balances	141,317	143,980	150,821
	<u>162,897</u>	<u>146,053</u>	<u>152,829</u>
TOTAL ASSETS	<u>613,593</u>	<u>645,935</u>	<u>623,063</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders			
of the Company			
Share capital	66,333	66,333	66,333
Reserves	520,382	570,992	549,528
	<u>586,715</u>	<u>637,325</u>	<u>615,861</u>
Non-current liabilities			
Other payables	412	387	336
Provision for retirement benefits	56	51	41
Deferred tax liability	5,344	5,344	5,406
	<u>5,812</u>	<u>5,782</u>	<u>5,783</u>
Current liabilities			
Trade and other payables	1,909	2,695	1,357
Dividend payable	19,022	-	-
Tax payable	135	133	62
	<u>21,066</u>	<u>2,828</u>	<u>1,419</u>
Total liabilities	<u>26,878</u>	<u>8,610</u>	<u>7,202</u>
TOTAL EQUITY AND LIABILITIES	<u>613,593</u>	<u>645,935</u>	<u>623,063</u>

* Prior year figures were restated upon adoption of amendments of MFRS.

The consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to the financial statements.

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)

(Incorporated in Malaysia)

**Consolidated Statement of Changes in Equity
For the Financial Period Ended 31 December 2018**

(The figures have not been audited)

	← Non-Distributable →				← Distributable →				Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Capital Reserves RM'000	Fair Value Reserve RM'000	Foreign Exchange Fluctuation Reserves RM'000	Cultivation and Replacement Reserves RM'000	General Reserve RM'000	Retained Earnings RM'000	
Opening balance at 1 July 2018 (as previously stated)	66,333	8,645	136,581	186,429	55,540	5,956	11,000	162,471	632,955
Prior year adjustments	-	-	(194)	(24,403)	-	-	-	28,967	4,370
Opening balance at 1 July 2018 (as restated)	66,333	8,645	136,387	162,026	55,540	5,956	11,000	191,438	637,325
Total comprehensive (loss)/income for the period	-	-	-	(30,946)	6,826	-	-	(7,468)	(31,588)
Dividends	-	-	-	-	-	-	-	(19,022)	(19,022)
Closing balance at 31 December 2018	66,333	8,645	136,387	131,080	62,366	5,956	11,000	164,948	586,715
Opening balance at 1 July 2017 (as previously stated)	66,333	8,645	139,051	158,322	64,799	5,956	11,000	157,459	611,565
Prior year adjustments	-	-	(2,665)	(24,241)	-	-	-	31,202	4,296
Opening balance at 1 July 2017 (as restated)	66,333	8,645	136,386	134,081	64,799	5,956	11,000	188,661	615,861
Total comprehensive income/(loss) for the period (as restated)	-	-	-	16,157	(15,426)	-	-	8,987	9,718
Dividends	-	-	-	-	-	-	-	(1,327)	(1,327)
As at 31 December 2017 (as restated)	66,333	8,645	136,386	150,238	49,373	5,956	11,000	196,321	624,252

* The opening balances were restated upon adoption of MFRS.

The consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to the financial statements.

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)
(Incorporated in Malaysia)

Consolidated Statement of Cash Flows
For the Financial Period Ended 31 December 2018

(The figures have not been audited)

	6 months period	
	31.12.18	31.12.17
	RM'000	RM'000
		(Restated)
OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(7,439)	9,077
Adjustments for:		
Depreciation	199	145
Provision for retirement benefit	30	23
Unrealised foreign exchange gain	(511)	(2,679)
Dividend income	(2,159)	(1,112)
Interest income	(864)	(594)
Fair value gain on biological assets	(10)	(120)
Share of loss/(gain) of associates	9,612	(3,276)
	<hr/>	<hr/>
Operating cash flows before working capital changes	(1,142)	1,464
Receivables	(2,644)	143
Prepayments	(1,031)	-
Inventories	(106)	(5)
Payables	(787)	59
	<hr/>	<hr/>
Cash flows (used in)/from operations	(5,710)	1,661
Taxes paid	(80)	(126)
	<hr/>	<hr/>
Net cash flows (used in)/from operating activities	<u>(5,790)</u>	<u>1,535</u>
INVESTING ACTIVITIES		
Addition to fixed deposits	(8,493)	(7,640)
Dividends received	2,979	2,129
Interest received	838	392
Purchase of property, plant and equipment	(933)	(415)
Addition to bearer plants	(3,031)	(3,025)
	<hr/>	<hr/>
Cash flows used in investing activities	<u>(8,640)</u>	<u>(8,559)</u>
FINANCING ACTIVITY		
Dividends paid, representing net cash used in financing activity	<hr/> -	<hr/> (1,327)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(14,430)	(8,351)
EFFECTS OF EXCHANGE RATE CHANGES	3,273	(3,870)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	<hr/> 75,419	<hr/> 148,949
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD (Note 27)	<hr/> <u>64,262</u>	<hr/> <u>136,728</u>

* The opening balances were restated upon adoption of MFRS.

The consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to the financial statements.

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to FRS 134

1. Basis of Preparation

The interim financial statements of the Group for the financial period ended 31 December 2018 are prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), including MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards, MFRS 141: Agriculture, MFRS 15: Revenue from Contracts with Customers and MFRS 9: Financial Instruments.

The interim financial statements have been prepared on a historical cost basis, except for freehold land included within property, plant and equipment, investment properties, investment in precious metals, available-for-sale investments and biological assets that have been measured at their fair values.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

2. Significant accounting policies

Changes in accounting policies

The Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 July 2017 and throughout all comparable interim periods presented, as if these policies had always been in effect. Comparative information in these financial statements have been restated to give effect to these changes and the financial impact on transition from Financial Reporting Standards in Malaysia to MFRS are disclosed as follows:-

i) Bearer plants

Prior to the adoption of MFRS 141 Agriculture, new planting expenditure incurred were capitalized and were not depreciated while replanting expenditure were recognised in profit or loss in the year the expenditures are incurred. Under MFRS 116, new planting expenditure and replanting expenditures are capitalized as bearer plants. On maturity, these expenditures are amortised over the useful life of the bearer plants.

ii) Biological assets

Prior to the adoption of MFRS 141 Agriculture, agricultural produce growing on the bearer plants ("biological assets") were not recognised. With the adoption of the MFRS 141, biological assets within the scope of MFRS 141 are measured at fair value less costs to sell. The changes in fair value less costs to sell of the biological assets are recognised in profit or loss.

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to FRS 134

2. Significant accounting policies (cont'd)

Changes in accounting policies (cont'd)

iii) Financial instruments

Under MFRS 139, the Group's equity instruments were classified as AFS financial assets. With the adoption of MFRS 9, investment in equity instruments classified as FVOCI are not subject to an impairment assessment. The impairment losses made earlier are transferred out from profit or loss or retained earnings to other comprehensive income or fair value reserve.

Condensed Consolidated Statement of Financial Position

	Previously Stated RM'000	Increase/ (Decrease) RM'000	Restated RM'000
As at 1 July 2017			
Bearer Plants	-	24,731	24,731
Biological assets	20,563	(20,435)	128
Reserves	545,232	4,296	549,528
As at 30 June 2018			
Bearer Plants	-	30,902	30,902
Biological assets	26,650	(26,532)	118
Reserves	566,622	4,370	570,992

Condensed Consolidated Statement of comprehensive income

	Previously Stated RM'000	(Decrease)/ Increase RM'000	Restated RM'000
For 3 months ended 31 December 2017			
Depreciation	(37)	(41)	(78)
Subcontract labour costs, fertilizer and chemical costs	(881)	62	(819)
Fair value loss on biological assets	-	(88)	(88)
Share of profit of associates	818	1,538	2,356
Profit before tax	3,522	1,471	4,993
Profit after tax	3,480	1,471	4,951
Other comprehensive income	37	(1,663)	(1,626)

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to FRS 134

2. Significant accounting policies (cont'd)

Changes in accounting policies (cont'd)

Condensed Consolidated Statement of comprehensive income (cont'd)

	Previously Stated RM'000	(Decrease)/ Increase RM'000	Restated RM'000
For 6 months ended 31 December 2017			
Depreciation	(63)	(82)	(145)
Subcontract labour costs, fertilizer and chemical costs	(1,751)	117	(1,634)
Fair value gain on biological assets	-	120	120
Share of profit of associates	789	2,487	3,276
Profit before tax	6,435	2,642	9,077
Profit after tax	6,345	2,642	8,987
Other comprehensive income	3,218	(2,487)	731

Standards and interpretations issued but not yet effective

Amendments to MFRS 3: Definition of Business

Amendments to MFRS 9: Prepayment Features with Negative Compensation

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and
or Joint Venture

MFRS 16 Leases

MFRS 17 Insurance Contracts

Amendments to MFRS 101 and MFRS 128: Definition of Material

Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement

Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures

IC 23 Uncertainty over Income Tax Treatments

Annual Improvements to MFRS Standards 2015–2017 Cycle: Amendments to MFRS 3, MFRS 11,
MFRS 112 and MFRS 123

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2018 was not qualified.

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to FRS 134

4. Segmental Information

	6 months ended	
	31.12.18	31.12.17
	RM'000	RM'000
Segment Revenue		
Plantation	2,482	4,836
Investment	3,024	1,707
Rental	335	347
Total	<u>5,841</u>	<u>6,890</u>
Segment results		
Plantation	173	2,886
Investment	3,376	4,179
Rental	181	253
	<u>3,730</u>	<u>7,318</u>
Unallocated corporate expenses	<u>(1,557)</u>	<u>(1,517)</u>
Profit from operations	<u>2,173</u>	<u>5,801</u>
Segment assets		
Plantation	169,503	173,893
Investment	<u>444,090</u>	<u>465,848</u>
Total assets	<u>613,593</u>	<u>639,741</u>

5. Unusual Items due to their Nature, Size or Incidence

During the financial period ended 31 December 2018, the Company reported the following unusual items:-

- 1) On 30 October 2018, the Company declared single tier first and final dividend of 2 sen per share, special dividend of 4 sen per share and dividend in-specie of up to 3,838,090 ordinary shares of Kluang Rubber Company (Malaya) Berhad to its shareholders. As such, the dividend payable of RM19.02 million comprise of cash dividends of RM3.98 million and dividend in-specie of RM15.04 million.
- 2) Dividends receivable of RM1.32 million comprising of cash dividends of RM622,000 and dividend in-specie of 186,662 ordinary shares of Kluang Rubber Company (Malaya) Berhad amounting to RM696,000.
- 3) Prior year figures were restated due to adoption of MFRS.

Other than the above, there were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 December 2018.

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to FRS 134

6. Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter and year-to-date results.

7. Comments about Seasonal or Cyclical Factors

The revenue and earnings are impacted by the production of fresh fruit bunches and volatility of the selling price of crude palm oil. The production of fresh fruit bunches is influenced by weather conditions, production cycle and age of oil palms.

8. Dividends Paid

No dividend was paid during the current quarter. Details of dividends declared are disclosed in Note 5.

9. Debt and Equity Securities

There were no issuance, repurchase and repayment of debts and equity securities in the current quarter and year-to-date.

10. Changes in Composition of the Group

There were no changes in the composition of the Group for the financial year ended 31 December 2018.

11. Capital Commitments

There are no commitments for the purchase of property, plant and equipment not provided for in the financial statements as at 31 December 2018.

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 31 December 2018.

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to FRS 134

13. Related Party Transactions

Transactions with related parties are as follows:

	Individual Quarter		Year-To-Date	
	31.12.18 RM'000	31.12.17 RM'000	31.12.18 RM'000	31.12.17 RM'000
Estate agency fee payable to Kluang Estates (1977) Sdn Bhd, a company in which a director, Lee Chung-Shih Justin, has an interest (recurrent)	32	50	65	103
Administration and accounting support services payable to The Nyalas Rubber Estates Limited, a company in which a director, Lee Chung-Shih Justin, has an interest (recurrent)	203	208	457	462
Administration and support services payable to Estate & Trust Agencies (1927) Limited, a company in which a director, Lee Chung-Shih Justin, has an interest (recurrent)	50	55	102	106
Land lease rental payable to Kuala Pergau Rubber Plantations Plc, a company in which a director, Lee Chung-Shih Justin, has an interest and Balaraman A/L Annamaly is a common director (recurrent)	63	62	125	125

14. Subsequent Events

There were no material events subsequent to the end of the current quarter.

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to FRS 134

15. Fair Value Hierarchy

The Group uses the following hierarchy for determining the fair value of all assets and liabilities carried at fair value:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
31.12.18				
Investment in financial assets	160,646	25,528	-	186,174
Investment in precious metal - gold bullion	13,971	-	-	13,971
Investment held for distribution	14,316	-	-	14,316
Freehold land	-	-	102,134	102,134
Investment property	-	-	36,881	36,881
Biological assets	-	-	128	128
	<u>188,933</u>	<u>25,528</u>	<u>139,143</u>	<u>353,604</u>
30.06.18				
Investment in financial assets	201,697	29,405	-	231,102
Investment in precious metal - gold bullion	13,326	-	-	13,326
Freehold land	-	-	102,134	102,134
Investment property	-	-	35,980	35,980
Biological assets	-	-	118	118
	<u>215,023</u>	<u>29,405</u>	<u>138,232</u>	<u>382,660</u>

There have been no transfers between Level 1, Level 2 and Level 3 fair value measurements during the current financial period and the comparative period. There were no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)
(Incorporated in Malaysia)

**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

16. Performance Review

The Group's revenue of RM3.50 million and RM5.84 million for the current quarter and period-to-date respectively were lower than the revenue reported for last year's corresponding quarter of RM3.59 million and period-to-date of RM6.89 million. The decreases in revenue for the current quarter and period-to-date were mainly due to the substantial declines in tonnage harvested and falls in the average prices of fresh fruit bunches ("FFB"). Although lower tonnage harvested and the decrease in average price of FFB, there were increases in interest income and dividend income when compared to last year's corresponding quarter and period-to-date.

For the current quarter, the Group reported an after-tax loss of RM5.23 million while last year's corresponding quarter was an after-tax profit of RM4.95 million. This was mainly due to:-

- 1) Revenue achieved for the current quarter was lower than last year's corresponding quarter's.
- 2) Share of the financial results of the associates was a loss of RM6.78 million for the current quarter while last year's corresponding quarter was a profit of RM2.36 million.
- 3) Foreign exchange gain of RM272,000 for the current quarter was significantly lower than last year's corresponding quarter's gain of RM1.09 million.

For the current 6 months to-date, the Group reported an after-tax loss of RM7.47 million as compared to last year's corresponding period-to-date's profit of RM8.99 million. The adverse performance was due to :-

- 1) Share of the financial results of the associates' for the current period-to-date was a loss of RM9.61 million which was a negative turnaround from last year's corresponding period-to-date's profit of RM3.28 million.
- 2) Foreign exchange difference for the current period-to-date was a gain of RM507,000 which was lower than last year's gain of RM2.68 million.

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)
(Incorporated in Malaysia)

**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

**17. Comment on Material Change in Profit Before Taxation for the Current Quarter as
Compared with the Immediate Preceding Quarter**

	Current Quarter 31.12.18 RM'000	Preceding Quarter 30.09.18 RM'000 (Restated)	Favourable/(Unfavourable)	
			RM'000	%
Revenue	3,493	2,348	1,145	49
Operating Profit	1,576	597	979	164
Share of Loss of associate	(6,779)	(2,833)	(3,946)	-139
(Loss) before tax	(5,203)	(2,236)	(2,967)	-133
(Loss) after tax	(5,233)	(2,235)	(2,998)	-134
(Loss) attributable to the equity holder of the company	(5,233)	(2,235)	(2,998)	-134

For the quarter under review, the Group's revenue of RM3.49 million was higher than the immediate preceding quarter's of RM2.35 million despite lower crop sales. This was due to higher dividend income of RM1.64 million recorded during the current quarter as compared to the immediate preceding quarter's receipt of RM520,000.

The Group reported a pre-tax loss of RM5.20 million for the current quarter which was higher as compared to the immediate preceding quarter's loss of RM2.24 million. This was mainly due to share of the associates' loss of RM6.78 million being significantly higher than the immediate preceding quarter's loss of RM2.83 million.

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)
(Incorporated in Malaysia)

**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

18. Commentary on Prospects

For the remaining six month period of financial year ending 30 June 2019 (January – June 2019), the Company expects total FFB production for the current financial year to be lower than the financial year ended 30 June 2018 (July 2017 – June 2018). Due to weather and manpower conditions, FFB production for the six month period to date (1H2019) fell below our expectations. As such, the Company expects a lower financial year-on-year FFB production.

Challenges faced by the plantation operations include adverse weather conditions, labour requirements and pest attacks.

Overall, with the lower expected FFB production relative to the previous year, the Group expects performance from the plantation segment for financial year ending 30 June 2019 to be challenging.

The Group's results are also dependent on dividend income receivable from its investments, market valuation of its publicly listed investments and the effect of currency fluctuations.

The results of the associated companies may be affected by the market valuations of its investments and currency fluctuations.

19. Profit/(Loss) Forecast or Profit Guarantee

There is no profit forecast or profit guarantee.

20. (Loss)/profit before Tax

(Loss)/profit for the year is arrived after (crediting)/charging:

	Individual Quarter		Period-To-Date	
	31.12.18	31.12.17	31.12.18	31.12.17
	RM'000	RM'000	RM'000	RM'000
Interest income	(443)	(173)	(864)	(594)
Other income including investment income	(1,807)	(739)	(2,494)	(1,460)
Depreciation and amortization	114	78	199	145
Fair value loss/(gain) on biological assets	10	88	(10)	(120)
Realised foreign exchange loss	0	0	4	4
Unrealised foreign exchange gain	(272)	(1,088)	(511)	(2,679)

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)
(Incorporated in Malaysia)

**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

21. Income Tax Expense

	Individual Quarter		Period-To-Date	
	3 months ended		6 months ended	
	31.12.18	31.12.17	31.12.18	31.12.17
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	9	19	23	44
Foreign income tax	21	23	41	46
	<u>30</u>	<u>42</u>	<u>64</u>	<u>90</u>
Over provision of income tax in prior years				
Foreign tax	-	-	(35)	-
Total income tax expense	<u>30</u>	<u>42</u>	<u>29</u>	<u>90</u>

The income tax expenses for the current quarter and period-to-date were due to the non-deductible expenses and losses even though the Group was in a loss position.

As for last year's corresponding quarter and period-to-date, the effective tax rates were lower as certain income were not subject to income tax.

For current period-to-date there was a write back of prior-year foreign income tax over-provision of RM35,000. This arose from the London's investment property which was tenanted in September 2016.

22. Corporate Proposals

There was no corporate proposal announced by the Company as at the date of the issue of this quarterly report.

23. Borrowings

There were no borrowings and debt securities as at 31 December 2018.

24. Changes in Material Litigation

There was no pending material litigation as at the date of the issue of this quarterly report.

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)
(Incorporated in Malaysia)

**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
 Bursa Malaysia Securities Berhad**

25. Dividend Payables

On 30 October 2018, the Company declared single tier first and final dividend of 2 sen per share, special dividend of 4 sen per share and dividend in-specie up to 3,838,090 ordinary shares of Kluang Rubber Company (Malaya) Berhad to its shareholders. As such, the dividend payable of RM19.02 million comprise of cash dividends of RM3.98 million and dividend in-specie of RM15.04 million.

26. (Loss)/Earnings Per Share

(a) Basic

Basic (loss)/earning per share amounts are calculated by dividing (loss)/profit for the period attributable to ordinary equity holders by the weighted average number of ordinary shares in issue during the financial period.

	Individual Quarter		Period-To-Date	
	3 months ended		6 months ended	
	31.12.18	31.12.17	31.12.18	31.12.17
(Loss)/Profit attributable to ordinary equity holders (RM'000)	<u>(5,233)</u>	<u>4,951</u>	<u>(7,468)</u>	<u>8,987</u>
Weighted average number of ordinary shares in issue ('000)	<u>66,333</u>	<u>66,333</u>	<u>66,333</u>	<u>66,333</u>
Basic (loss)/earnings per share (Sen)	<u>(7.89)</u>	<u>7.46</u>	<u>(11.26)</u>	<u>13.55</u>

(b) Diluted

Diluted (loss)/earning per share is the same as basic (loss)/earning per share as there are no dilutive potential ordinary shares outstanding as at 31 December 2018.

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (3327-U)
(Incorporated in Malaysia)

**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

27. Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents comprise the following:

	6 months period	
	31.12.18	31.12.17
	RM'000	RM'000
Cash and bank balances	141,317	146,240
Less: Short-term deposits with a licensed bank with maturities more than 90 days	(77,055)	(9,512)
Cash and cash equivalents	<u>64,262</u>	<u>136,728</u>

28. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 February 2019.