

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (195801000191 (3327-U))
(Incorporated in Malaysia)

Consolidated Statement Of Comprehensive Income
For the Financial Period Ended 30 September 2020

(The figures have not been audited)

		Individual Quarter		Change		Period-to-Date		Change	
		3 months ended	3 months ended	(Unfavourable)/	Favourable	3 months ended	3 months ended	(Unfavourable)/	Favourable
		30.09.20	30.09.19	RM'000	%	30.09.20	30.09.19	RM'000	%
		RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	4	4,511	2,574	1,937	75	4,511	2,574	1,937	75
Other income		18	1	17	1700	18	1	17	1,700
Changes in inventories		325	301	24	8	325	301	24	8
Staff costs		(479)	(509)	30	6	(479)	(509)	30	6
Depreciation		(540)	(526)	(14)	-3	(540)	(526)	(14)	-3
Subcontract labour costs, fertilizer and chemical costs		(4,686)	(2,766)	(1,920)	-69	(4,686)	(2,766)	(1,920)	-69
Foreign exchange gain/(loss)		1,882	(2,351)	4,233	180	1,882	(2,351)	4,233	180
Other expenses		(1,263)	(1,102)	(161)	-15	(1,263)	(1,102)	(161)	-15
Fair value gain on biological assets		198	17	181	1065	198	17	181	1065
Fair value gain/(loss) on investments		4,335	(205)	4,540	2215	4,335	(205)	4,540	2215
Gain on sale of investment		2,272	-	2,272	N.M.	2,272	-	2,272	N.M.
Finance lease expense		(36)	(38)	2	5	(36)	(38)	2	5
Profit/(Loss) from operations	4	6,537	(4,604)	11,141	242	6,537	(4,604)	11,141	242
Share of profit/(loss) of associates		4,747	(1,462)	6,209	425	4,747	(1,462)	6,209	425
Profit/(Loss) before tax	20	11,284	(6,066)	17,350	286	11,284	(6,066)	17,350	286
Income tax expense	21	(30)	(20)	(10)	-50	(30)	(20)	(10)	-50
Profit/(Loss) after tax		11,254	(6,086)	17,340	285	11,254	(6,086)	17,340	285
Other Comprehensive (Loss)/Income									
Investments:									
- Fair value loss		(9,215)	(16,433)	7,218	44	(9,215)	(16,433)	7,218	44
- Reclassification to profit or loss		(2,272)	-	(2,272)	N.M.	(2,272)	-	(2,272)	N.M.
Foreign currency translation		(8,476)	3,365	(11,841)	-352	(8,476)	3,365	(11,841)	-352
Other comprehensive loss for the period , net of tax		(19,963)	(13,068)	(6,895)	-53	(19,963)	(13,068)	(6,895)	-53
Total comprehensive loss for the period		(8,709)	(19,154)	10,445	55	(8,709)	(19,154)	10,445	55
Profit/(Loss) per share attributable to equity holders									
Basic (Sen)	26(a)	16.97	(9.17)			16.97	(9.17)		
Diluted (Sen)	26(b)	16.97	(9.17)			16.97	(9.17)		

* N.M = Not Meaningful

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 (195801000191 (3327-U))
(Incorporated in Malaysia)

Consolidated Statement of Financial Position
As at 30 September 2020

	(Unaudited)	(Audited)
	As at	As at
	30.09.20	30.06.20
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	108,446	107,668
Right-of-use assets	3,025	3,066
Bearer plants	34,212	34,547
Investment property	31,412	32,372
Investment in associates	84,124	81,744
Investments	187,079	193,573
	<u>448,298</u>	<u>452,970</u>
Current assets		
Inventories	350	25
Biological assets	420	221
Trade and other receivables	1,639	1,843
Prepayments	277	296
Tax recoverable	93	80
Cash and bank balances	119,614	124,085
	<u>122,393</u>	<u>126,550</u>
Total Assets	<u>570,691</u>	<u>579,520</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	74,978	74,978
Reserves	480,532	489,241
	<u>555,510</u>	<u>564,219</u>
Non-current liabilities		
Other payables	520	510
Lease liabilities	2,874	2,839
Provision for retirement benefits	71	70
Deferred tax liability	8,747	8,747
	<u>12,212</u>	<u>12,166</u>
Current liabilities		
Trade and other payables	2,827	3,022
Lease liabilities	106	105
Tax payable	36	8
	<u>2,969</u>	<u>3,135</u>
Total liabilities	<u>15,181</u>	<u>15,301</u>
Total Equity and liabilities	<u>570,691</u>	<u>579,520</u>

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 (195801000191 (3327-U))

(Incorporated in Malaysia)

**Consolidated Statement of Changes in Equity
For the Financial Period Ended 30 September 2020**

(The figures have not been audited)

	← Non-Distributable →				Distributable	
	Share Capital RM'000	Capital Reserves RM'000	Fair Value Reserve RM'000	Foreign Exchange Fluctuation Reserves RM'000	Retained Earnings RM'000	Total Equity RM'000
Balance at 1 July 2020	74,978	104,662	104,946	54,378	225,255	564,219
Total comprehensive (loss)/income for the period	-	-	(11,487)	(8,476)	11,254	(8,709)
Balance at 30 September 2020	<u>74,978</u>	<u>104,662</u>	<u>93,459</u>	<u>45,902</u>	<u>236,509</u>	<u>555,510</u>
Balance at 1 July 2019	74,978	101,191	141,713	44,930	235,041	597,853
Total comprehensive (loss)/income for the period	-	-	(16,433)	3,365	(6,086)	(19,154)
Balance at 30 September 2019	<u>74,978</u>	<u>101,191</u>	<u>125,280</u>	<u>48,295</u>	<u>228,955</u>	<u>578,699</u>

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (195801000191 (3327-U))
(Incorporated in Malaysia)

Consolidated Statement of Cash Flows
For the Financial Period Ended 30 September 2020
(The figures have not been audited)

	3 months period	
	30.09.20	30.09.19
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit/(Loss) before tax	11,284	(6,066)
Adjustments for:		
Depreciation	540	526
Provision for retirement benefit	2	13
Unrealised foreign exchange (gain)/loss	(1,882)	2,351
Dividend income	(530)	(526)
Interest income	(128)	(513)
Fair value gain on biological assets	(198)	(17)
Fair value (gain)/loss on other investments	(4,335)	205
Finance lease interest	36	38
Gain on sale of investment	(2,272)	-
Share of profit/(loss) of associates	(4,747)	1,462
	<hr/>	<hr/>
Operating cash flows before working capital changes	(2,230)	(2,527)
Receivables	(297)	(70)
Prepayments	19	163
Inventories	(325)	(301)
Payables	(187)	555
	<hr/>	<hr/>
Cash flows used in operations	(3,020)	(2,180)
Taxes paid	-	(64)
Retirement benefit paid	-	168
Taxes refunded	(13)	-
	<hr/>	<hr/>
Net cash flows used in operating activities	(3,033)	(2,076)
INVESTING ACTIVITIES		
Uplift of fixed deposits	58,354	10,333
Dividends received	530	527
Interest received	640	1,039
Purchase of investments	(6,071)	(6,343)
Addition to bearer plants	(83)	(241)
Purchase of property, plant and equipment	(858)	(204)
Proceeds from sale of investment	5,738	-
	<hr/>	<hr/>
Cash flows generated from investing activities	58,250	5,111
NET INCREASE IN CASH AND CASH EQUIVALENTS	55,217	3,035
EFFECTS OF EXCHANGE RATE CHANGES	(1,334)	(909)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	60,351	63,228
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD (Note 27)	<u>114,234</u>	<u>65,354</u>

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 (195801000191 (3327-U))
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to MFRS 134

1. Basis of Preparation

The interim financial statements of the Group for the financial period ended 30 September 2020 are prepared in accordance with Malaysian Financial Reporting Standards ("MFRS").

The interim financial statements have been prepared on a historical cost basis, except for investment properties, certain 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 accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statement for the financial year ended 30 June 2020 except for the adoption of the amended FRSs and annual improvements which are relevant to the Group's operations with effect from 1 July 2020 as set out below:

Amendments to MFRS 3: Definition of a Business

Amendments to MFRS 101 and 108: Definition of Material

Amendments to references to the Conceptual Framework in
MFRS Standards

Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate
Benchmark Reform

Amendment to MFRS 16: Covid-19-Related Rent Concessions

The adoption of the above amendments to MFRS did not have any significant impact on the financial statements.

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (195801000191 (3327-U))
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to MFRS 134

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2020 was not qualified.

4. Segmental Information

	3 months ended	
	30.09.20	30.09.19
	RM'000	RM'000
Segment Revenue		
Plantation	3,683	1,373
Investment	658	1,040
Rental	170	161
Total	<u>4,511</u>	<u>2,574</u>
Segment results		
Plantation	(1,517)	(2,493)
Investment	6,846	(1,383)
Rental	162	66
	<u>5,491</u>	<u>(3,810)</u>
Unallocated corporate expenses	1,046	(794)
Profit/(Loss) from operations	<u>6,537</u>	<u>(4,604)</u>
Segment assets		
Plantation	166,966	166,560
Investment	403,725	429,709
Total assets	<u>570,691</u>	<u>596,269</u>

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

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 September 2020.

6. Changes in Estimates

There were no changes in estimates that have had a material effect on the current quarter results.

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (195801000191 (3327-U))
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Part A - Explanatory Notes Pursuant to MFRS 134

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. Cash Dividends Paid

No dividend was paid during the current quarter.

9. Debt and Equity Securities

There were no issuance, repurchase and repayment of debts and equity securities for the financial period ended 30 September 2020.

10. Changes in Composition of the Group

There were no changes in the composition of the Group for the financial period ended 30 September 2020.

11. Capital Commitments

There are no commitments for the purchase of property, plant and equipment not provided for in the financial statements as at 30 September 2020.

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 30 September 2020.

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (195801000191 (3327-U))
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to MFRS 134

13. Related Party Transactions

Transactions with related parties are as follows:

	Individual Quarter		Period-To-Date	
	30.09.20 RM'000	30.09.19 RM'000	30.09.20 RM'000	30.09.19 RM'000
Rental expense payable to Kluang Estates (1977) Sdn Bhd, a company in which a director, Lee Chung-Shih Justin, has an interest (recurrent)	15	-	15	-
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)	254	254	254	254
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	50	50	50
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	63	63	63

14. Subsequent Events

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

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (195801000191 (3327-U))
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to MFRS 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
30.09.20				
Investment in financial instruments	114,757	37,531	-	152,288
Investment in precious metal - gold bullion	20,706	-	-	20,706
Investment property	-	-	31,412	31,412
Biological assets	-	-	420	420
	<u>135,463</u>	<u>37,531</u>	<u>31,832</u>	<u>204,826</u>
30.06.20				
Investment in financial instruments	125,035	34,258	-	159,293
Investment in precious metal - gold bullion	19,996	-	-	19,996
Investment property	-	-	32,372	32,372
Biological assets	-	-	221	221
	<u>145,031</u>	<u>34,258</u>	<u>32,593</u>	<u>211,882</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 (195801000191 (3327-U))
(Incorporated in Malaysia)

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
For the Financial Period Ended 30 September 2020

16. Performance Review

The Group recorded revenue of RM4.51 million for the 1st quarter of financial year ending 30 June 2021. This was higher than last year's corresponding quarter of RM2.57 million due to increase in crop sales on account of higher tonnage of fresh fruit bunches ("FFB") harvested and higher FFB prices. However dividend and interest income was lower than the corresponding quarter of a year ago.

For the current quarter, the Group reported an after-tax profit of RM11.25 million while last year's corresponding quarter was an after-tax loss of RM6.09 million. The positive variance of RM17.34 million was due to :-

- 1) Revenue achieved for the current quarter was higher than last year's corresponding quarter.
- 2) Foreign exchange gain of RM1.88 million was reported for the current quarter while last year's corresponding quarter was a loss of RM2.35 million.
- 3) The investments measured at fair value through profit or loss reported a gain of RM4.34 million for the current quarter while it was a loss of RM205,000 during last year's corresponding quarter.
- 4) The sale of investment in precious metal resulted in a gain of RM2.27 million while there was none during the quarter of a year ago.
- 5) Share of the associates' financial results was a profit of RM4.75 million for the current quarter as compared to the loss of RM1.46 million reported for last year's corresponding quarter.

However, subcontract costs of RM4.69 million was higher than last year's corresponding quarter's costs of RM2.77 million due to the increase of fertilizer usage on newly matured plants.

The Group's total other comprehensive loss for the current quarter was RM19.96 million which was higher than last year's corresponding quarter's loss of RM13.07 million. This was mainly due to foreign currency translation for the current quarter was a loss of RM8.48 million while last year's corresponding quarter was a gain of RM3.37 million. However, the fair value loss (FVTOCI) of RM9.22 million arising from the revaluation of the Group's investments for the current quarter was lower than last year's corresponding quarter's loss of RM16.43 million. The reclassification of RM2.27 million to profit or loss statement was on account of the sale of investment in precious metal.

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (195801000191 (3327-U))
(Incorporated in Malaysia)

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
For the Financial Period Ended 30 September 2020

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

	Current	Preceding	Favourable/(Unfavourable)	
	Quarter	Quarter		
	30.09.20	30.06.20	RM'000	%
	RM'000	RM'000		
Revenue	4,511	5,914	(1,403)	-24
Operating Profit	6,537	2,354	4,183	-178
Share of Profit of associate	4,747	5,764	(1,017)	-18
Profit before tax	11,284	8,118	3,166	39
Profit after tax	11,254	10,017	1,237	12
Profit attributable to the equity holders of the company	11,254	10,017	1,237	12

For the current quarter under review, the Group's revenue of RM4.51 million was lower than the immediate preceding quarter's RM5.91 million. This was mainly due to lower investment income of RM530,000 for the current quarter as compared to the immediate preceding quarter's RM2.74 million. However, crop sales of RM3.68 million for the current quarter was higher than immediate preceding quarter's RM2.66 million on account of higher tonnage harvested and higher FFB prices.

The Group reported a pre-tax profit of RM11.28 million for the current quarter which was higher than the immediate preceding quarter's profit of RM8.12 million, despite of lower revenue. This was mainly due to:-

- 1) The revaluation of the Group's investment property for the immediate preceding quarter was a loss of RM4.43 million while there was none during the current quarter.
- 2) The sale of investment in precious metal resulted in a gain of RM2.27 million for the current quarter while there was none during the immediate preceding quarter.

However, subcontractor labour cost, fertilizer and chemical costs of RM4.69 million for the current quarter was higher than the immediate preceding quarter's RM3.26 million. In addition, share of the associates' profit of RM4.75 million for the current quarter was lower than the immediate preceding quarter's profit of RM5.76 million.

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (195801000191 (3327-U))
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Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
For the Financial Period Ended 30 September 2020

18. Commentary on Prospects

For the financial year ending 30 June 2021, the Group expects FFB production to be higher than the financial year ended 30 June 2020.

In recent months, Crude palm oil ("CPO") price increased sharply and is expected to be supportive in the near term, as a result of tight palm oil inventories and increased global demand.

The Group's results are also dependent on dividend income receivable from its investments, market valuation of its 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 Forecast or Profit Guarantee

There is no profit forecast or profit guarantee.

20. Profit/(Loss) before Tax

Profit/(Loss) for the period is arrived after charging/(crediting):

	Individual Quarter		Period-To-Date	
	30.09.20	30.09.19	30.09.20	30.09.19
	RM'000	RM'000	RM'000	RM'000
Interest income	(128)	(513)	(128)	(513)
Other income including investment income	(700)	(687)	(700)	(687)
Depreciation	540	526	540	526
Gain on sale of investment	(2,272)	-	(2,272)	-
Fair value gain on biological assets	(198)	(17)	(198)	(17)
Foreign exchange gain	(1,882)	(2,351)	(1,882)	(2,351)

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (195801000191 (3327-U))
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Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
For the Financial Period Ended 30 September 2020

21. Income Tax Expense

	Individual Quarter		Period-To-Date	
	3 months ended		3 months ended	
	30.09.20	30.09.19	30.09.20	30.09.19
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Foreign tax	30	20	30	20
Total income tax expense	<u>30</u>	<u>20</u>	<u>30</u>	<u>20</u>

For the current quarter and last year's corresponding's quarter, there were no Malaysian tax liability as the taxable income was offsetted by the current and last year's corresponding's quarter trading loss.

For the foreign taxes for the respective quarters and under provision for prior years, these arose from the rental income of the Group's investment property in London.

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 30 September 2020.

24. Changes in Material Litigation

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

25. Dividend Payables

The directors do not recommend any dividend for the current quarter under review.

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (195801000191 (3327-U))
(Incorporated in Malaysia)

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
For the Financial Period Ended 30 September 2020

26. Earning/(Loss) Per Share

(a) Basic

Basic earnings/(loss) per share amounts are calculated by dividing profit/(loss) 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		3 months ended	
	30.09.20	30.09.19	30.09.20	30.09.19
Profit/(Loss)/Profit attributable to ordinary equity holders (RM'000)	11,254	(6,086)	11,254	(6,086)
Weighted average number of ordinary shares in issue ('000)	66,333	66,333	66,333	66,333
Basic earning/(loss) per share (Sen)	16.97	(9.17)	16.97	(9.17)

(b) Diluted

Diluted earnings/(loss) per share is the same as basic earnings/(loss) per share as there are no dilutive potential ordinary shares outstanding as at 30 September 2020.

27. Cash and cash equivalents

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

	3 months period	
	30.09.20	30.09.19
	RM'000	RM'000
Cash and bank balances	119,614	132,967
Less: Short-term deposits with a licensed bank with maturities more than 90 days	(5,380)	(67,613)
Cash and cash equivalents	<u>114,234</u>	<u>65,354</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 26 November 2020.