

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

Consolidated Statement Of Comprehensive Income
For the Financial Period Ended 30 September 2021
(The figures have not been audited)

		Individual Quarter		Change		Period-to-Date		Change	
		30.09.21	30.09.20	(Unfavourable)/ Favourable	%	30.09.21	30.09.20	(Unfavourable)/ Favourable	%
		RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	4	9,780	4,511	5,269	117	9,780	4,511	5,269	117
Other income		1	18	(17)	-94	1	18	(17)	-94
Changes in inventories		277	325	(48)	-15	277	325	48	15
Staff costs									
		(457)	(479)	22	5	(457)	(479)	22	5
Depreciation		(557)	(540)	(17)	-3	(557)	(540)	(17)	-3
Subcontract labour costs, fertilizer and chemical costs		(3,056)	(4,686)	1,630	35	(3,056)	(4,686)	1,630	35
Foreign exchange (loss)/gain		(1,500)	1,882	(3,382)	-180	(1,500)	1,882	(3,382)	-180
Other expenses		(1,697)	(1,263)	(434)	-34	(1,697)	(1,263)	(434)	-34
Fair value gain on biological assets		554	198	356	180	554	198	356	180
Fair value (loss)/gain on investments		(3,919)	4,335	(8,254)	-190	(3,919)	4,335	(8,254)	-190
Gain on sale of investment		-	2,272	(2,272)	N.M.	-	2,272	(2,272)	N.M.
Finance lease expense		(35)	(36)	1	3	(35)	(36)	1	3
(Loss)/Profit from operations	4	(609)	6,537	(7,146)	-109	(609)	6,537	(7,146)	-109
Share of (loss)/profit of associates		(5,857)	4,747	(10,604)	-223	(5,857)	4,747	(10,604)	-223
(Loss)/Profit before tax	20	(6,466)	11,284	(17,750)	-157	(6,466)	11,284	(17,750)	-157
Income tax expense	21	(20)	(30)	10	33	(20)	(30)	10	33
(Loss)/Profit after tax		(6,486)	11,254	(17,740)	-158	(6,486)	11,254	(17,740)	-158
<u>Other Comprehensive (Loss)/Income</u>									
Investments:									
- Fair value loss		(2,978)	(9,215)	6,237	68	(2,978)	(9,215)	6,237	68
- Reclassification to profit or loss		-	(2,272)	2,272	N.M	-	(2,272)	2,272	N.M
Foreign currency translation		2,752	(8,476)	11,228	132	2,752	(8,476)	11,228	132
Other comprehensive loss for the period , net of tax		(226)	(19,963)	19,737	99	(226)	(19,963)	19,737	99
Total comprehensive loss for the period		(6,712)	(8,709)	1,997	23	(6,712)	(8,709)	1,997	23
(Loss)/Profit per share attributable to equity holders									
Basic (Sen)	26(a)	(9.78)	16.97			(9.78)	16.97		
Diluted (Sen)	26(b)	(9.78)	16.97			(9.78)	16.97		

* 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 2021

	(Unaudited)	(Audited)
	As at	As at
	30.09.21	30.06.21
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	101,050	101,143
Right-of-use assets	2,862	2,903
Bearer plants	32,709	33,031
Investment property	36,976	36,649
Investment in associates	83,956	89,012
Investments	196,254	198,215
	<u>453,807</u>	<u>460,953</u>
Current assets		
Inventories	336	59
Biological assets	1,180	626
Trade and other receivables	3,005	21,260
Prepayments	304	469
Tax recoverable	120	114
Cash and bank balances	141,637	125,780
	<u>146,582</u>	<u>148,308</u>
Assets held for sale	24,811	22,584
	<u>171,393</u>	<u>170,892</u>
Total Assets	<u>625,200</u>	<u>631,845</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	74,978	74,978
Reserves	534,445	541,158
	<u>609,423</u>	<u>616,136</u>
Non-current liabilities		
Other payables	172	164
Lease liabilities	2,763	2,729
Provision for retirement benefits	69	67
Deferred tax liability	9,366	9,366
	<u>12,370</u>	<u>12,326</u>
Current liabilities		
Trade and other payables	3,239	3,235
Lease liabilities	111	110
Tax payable	57	38
	<u>3,407</u>	<u>3,383</u>
Total liabilities	<u>15,777</u>	<u>15,709</u>
Total Equity and liabilities	<u>625,200</u>	<u>631,845</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 2021**

(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 2021	74,978	97,118	119,278	46,076	278,685	616,135
Total comprehensive (loss)/income for the period	-	-	(2,978)	2,752	(6,486)	(6,712)
Transfer of fair value reserve upon disposal of equity instruments designed at FVTOCI	-	-	(2,355)	-	2,355	-
Balance at 30 September 2021	74,978	97,118	113,945	48,828	274,554	609,423
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)
Transfer of fair value reserve upon disposal of equity instruments designed at FVTOCI	-	-	-	-	-	-
Balance at 30 September 2020	74,978	104,662	93,459	45,902	236,509	555,510

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

Consolidated Statement of Cash Flows
For the Financial Period Ended 30 September 2021
(The figures have not been audited)

	3 months period	
	30.09.21	30.09.20
	RM'000	RM'000
OPERATING ACTIVITIES		
(Loss)/Profit before tax	(6,466)	11,284
Adjustments for:		
Depreciation	557	540
Provision for retirement benefit	3	2
Unrealised foreign exchange loss/(gain)	1,500	(1,882)
Dividend income	(536)	(530)
Interest income	(122)	(128)
Finance lease interest	35	36
Fair value gain on biological assets	(554)	(198)
Fair value loss/(gain) on other investments	3,919	(4,335)
Gain on disposal of investment	-	(2,272)
Share of loss/(profit) of associates	5,857	(4,747)
Operating cash flows before working capital changes	4,193	(2,230)
Receivables	(904)	(297)
Prepayments	165	19
Inventories	(277)	(325)
Payables	10	(187)
Cash flows generated from/(used in) operations	3,187	(3,020)
Taxes paid	(8)	-
Taxes refunded	-	(13)
Net cash flows generated from/(used in) operating activities	3,179	(3,033)
INVESTING ACTIVITIES		
(Addition)/Uplift of fixed deposits	(4)	58,354
Dividends received	536	530
Interest received	52	640
Purchase of property, plant and equipment	(1)	(858)
Purchase of investments	(9,958)	(6,071)
Addition to bearer plants	(101)	(83)
Proceeds from sale of investments	3,209	5,738
Compensation for damages arising from compulsory land acquisition	368	-
Proceeds from compulsory land acquisition	18,900	-
Cash flows generated from investing activities	13,001	58,250
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
EFFECTS OF EXCHANGE RATE CHANGES	(327)	(1,334)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	120,312	60,351
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD (Note 27)	136,165	114,234

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 2021 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 statements for the financial year ended 30 June 2021 except for the adoption of the amended FRSs and annual improvements which are relevant to the Group's operations with effect from 1 July 2021 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.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2021 was not qualified.

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

4. Segmental Information

	3 months ended	
	30.09.21	30.09.20
	RM'000	RM'000
Segment Revenue		
Plantation	8,949	3,683
Investment	658	658
Rental	173	170
Total	<u>9,780</u>	<u>4,511</u>
Segment results		
Plantation	5,213	(1,517)
Investment	(4,667)	6,846
Rental	75	162
	<u>621</u>	<u>5,491</u>
Unallocated corporate expenses	(1,230)	1,046
(Loss)/Profit from operations	<u>(609)</u>	<u>6,537</u>
Segment assets		
Plantation	189,073	166,966
Investment	<u>436,127</u>	<u>403,725</u>
Total assets	<u>625,200</u>	<u>570,691</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 2021.

6. Changes in Estimates

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

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Part A - Explanatory Notes Pursuant to MFRS 134

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 2021.

10. Changes in Composition of the Group

There were no changes in the composition of the Group for the financial period ended 30 September 2021.

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 2021.

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 30 September 2021.

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

13. Related Party Transactions

Transactions with related parties are as follows:

	Individual Quarter		Period-To-Date	
	30.09.21 RM'000	30.09.20 RM'000	30.09.21 RM'000	30.09.20 RM'000
Rental expense payable to Kluang Estates (1977) Sdn Bhd, a company in which a director, Lee Chung-Shih Justin, has an interest and Mugana Kerisnan A/L Karpiah is a common director (recurrent)	3	15	3	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) and Mugana Kerisnan A/L Karpiah is a common director (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)	60	50	60	50
Land lease rental payable to Kuala Pergau Rubber Plantations Plc, a company in which a director, Lee Chung-Shih Justin, has an interest, Mugana Kerisnan A/L Karpiah and Cheong Mun Hong are common directors (recurrent)	63	63	63	63

14. Subsequent Events

Other than disclosed in Note 22, there were no material events subsequent to the end of the current quarter.

SUNGEI BAGAN RUBBER COMPANY (MALAYA) BERHAD (195801000191 (3327-U))
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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
30.09.21				
Investment in financial instruments	113,732	39,189	-	152,921
Investment in precious metal - gold bullion	19,272	-	-	19,272
Investment property	-	-	36,976	36,976
Biological assets	-	-	1,180	1,180
	<u>133,004</u>	<u>39,189</u>	<u>38,156</u>	<u>210,349</u>
30.06.21				
Investment in financial instruments	121,915	42,720	-	164,635
Investment in precious metal - gold bullion	19,325	-	-	19,325
Investment property	-	-	36,649	36,649
Biological assets	-	-	626	626
	<u>141,240</u>	<u>42,720</u>	<u>37,275</u>	<u>221,235</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))
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Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
For the Financial Period Ended 30 September 2021

16. Performance Review

The Group's recorded revenue of RM9.78 million for the 1st quarter of financial year ending 30 June 2022. This was higher than last year's corresponding quarter of RM4.51 million due to the increase in crop sales on account of higher tonnage of fresh fruit bunches ("FFB") harvested and higher FFB prices.

For the current quarter, the Group reported an after-tax loss of RM6.49 million while last year's corresponding quarter's was an after-tax profit of RM11.25 million. This was mainly due to :-

- 1) Foreign exchange loss of RM1.50 million was reported for the current quarter while last year's corresponding quarter's was a gain of RM1.88 million.
- 2) The revaluation on investments at fair value through profit or loss ("FVTPL") was a loss of RM3.92 million for the current quarter while it was a gain of RM4.34 million during last year's corresponding quarter.
- 3) Share of the associates' financial results was a loss of RM5.86 million for the current quarter while profit of RM4.75 million was reported for last year's corresponding quarter.

The Group's other comprehensive loss for the current quarter was RM2.58 million which was lower than last year's corresponding quarter's loss of RM19.96 million. This was mainly due to fair value loss of RM5.33 million arising from the revaluation of the Group's investments at fair value through other comprehensive income ("FVTOCI") for the current quarter was lower than last year's corresponding quarter's loss of RM9.22 million. In addition, foreign currency translation for the current quarter was a gain of RM2.75 million while last year's corresponding quarter was a loss of RM8.48 million. During last year's corresponding quarter, the reclassification of RM2.27 million to profit or loss statement was on account of the sale of investment in precious metal while there was none during current quarter.

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

	Current Quarter 30.09.21 RM'000	Preceding Quarter 30.06.21 RM'000	Favourable/(Unfavourable)	
			RM'000	%
Revenue	9,780	7,230	2,550	35
Operating (Loss)/Profit	(609)	19,874	(20,483)	-103
Share of (Loss)/Profit of associate	(5,857)	99	(5,956)	-6016
(Loss)/Profit before tax	(6,466)	19,973	(26,439)	-132
(Loss)/Profit after tax	(6,486)	19,355	(25,841)	-134
(Loss)/Profit attributable to the equity holders of the company	(6,486)	19,355	(25,841)	-134

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 2021

17. Comment on Material Change in Profit Before Taxation for the Current Quarter as
Compared with the Immediate Preceding Quarter (cont'd)

For the current quarter under review, the Group's revenue of RM9.78 million was higher than the immediate preceding quarter's RM7.23 million. This was mainly due to crop sales of RM8.95 million for the current quarter was higher than the immediate preceding quarter's RM4.30 million on account of higher FFB prices and higher tonnage harvested. The new tenancy of the property in London commenced in July 2021 and therefore, rental income of RM173,000 was received for the current quarter while there was none during the immediate preceding quarter. However, dividend income of RM536,000 for the current quarter was lower than immediate preceding quarter's of RM2.82 million.

The Group reported a pre-tax loss of RM6.47 million for the current quarter while the immediate preceding quarter was a profit of RM19.97 million. This was due to:-

- 1) Subcontractor labour cost, fertilizer and chemical costs of RM3.06 million for the current quarter was higher than the immediate preceding quarter's RM2.79 million.
- 2) The foreign exchange difference was a loss of RM1.50 million for the current quarter while the immediate preceding quarter's was a gain of RM3.99 million.
- 3) Fair value loss of RM3.92 million of its FVTPL investments was reported for the current quarter while the immediate preceding quarter's was a gain of RM1.60 million.
- 4) Share of the financial results of associates for the current quarter was a loss of RM5.86 million while the immediate preceding quarter's was a profit of RM99,000.

18. Commentary on Prospects

For the financial year ending 30 June 2022, the Group expects FFB production to be higher than the financial year ended 30 June 2021. This is primarily due to the increasing maturity of the plantings at Kuala Pergau Estate.

However, plantation operations are expected to remain challenging due to the Covid-19 pandemic and tight labour situation.

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 associates may be affected by the market valuations of its investments and currency fluctuations.

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 2021

19. Profit Forecast or Profit Guarantee

There is no profit forecast or profit guarantee.

20. (Loss)/Profit before Tax

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

	Individual Quarter		Period-To-Date	
	30.09.21	30.09.20	30.09.21	30.09.20
	RM'000	RM'000	RM'000	RM'000
Interest income	(122)	(128)	(122)	(128)
Other income including investment income	(709)	(700)	(709)	(700)
Depreciation	557	540	557	540
Gain on sale of investment	-	(2,272)	-	(2,272)
Fair value gain on biological assets	(554)	(198)	(554)	(198)
Foreign exchange loss/(gain)	1,500	(1,882)	1,500	(1,882)

21. Income Tax Expense

	Individual Quarter		Period-To-Date	
	3 months ended		3 months ended	
	30.09.21	30.09.20	30.09.21	30.09.20
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	1	-	1	-
Foreign tax	19	30	19	30
Total income tax expense	<u>20</u>	<u>30</u>	<u>20</u>	<u>30</u>

For the current quarter, the Malaysian tax liability was derived from certain income which was not allowed to be absorbed by current trading losses. As for last year's corresponding's quarter, there was no Malaysia tax liability as chargeable income was absorbed by prior years' tax losses.

The foreign taxes arose from the rental income of the Group's investment property in London.

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Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
For the Financial Period Ended 30 September 2021

22. Corporate Proposals

The Company entered into a conditional agreement ("Agreement") on the proposed transfer by the Company of its entire 49% equity interest in Balland Properties Limited, held through its wholly-owned subsidiary, Springvale International Limited, and 9.44% equity interest in Kuchai Development Berhad, in exchange for 100% equity interest in Torbridge Holdings Limited held by The Nyalas Rubber Estates Limited ("Nyalas") at an agreed exchange value of RM32,166,047 ("the Exchange"). Please refer to the announcements dated 7 May 2021, 13 August 2021 and 11 November 2021 on the aforesaid.

On 12 November 2021, the Exchange was completed. Please refer to the announcement dated 12 November 2021 on the aforesaid.

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 2021.

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.

26. (Loss)/Earning Per Share

(a) Basic

Basic (loss)/earnings 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		3 months ended	
	30.09.21	30.09.20	30.09.21	30.09.20
(Loss)/Profit attributable to ordinary equity holders (RM'000)	<u>(6,486)</u>	<u>11,254</u>	<u>(6,486)</u>	<u>11,254</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>(9.78)</u>	<u>16.97</u>	<u>(9.78)</u>	<u>16.97</u>

(b) Diluted

Diluted (loss)/earnings per share is the same as basic earnings per share as there are no dilutive potential ordinary shares outstanding as at 30 September 2021.

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Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
For the Financial Period Ended 30 September 2021

27. Cash and cash equivalents

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

	Period-To-Date	
	30.09.21	30.09.20
	RM'000	RM'000
Cash and bank balances	141,637	119,614
Less: Short-term deposits with a licensed bank with maturities more than 90 days	(5,472)	(5,380)
Cash and cash equivalents	<u>136,165</u>	<u>114,234</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 25th November 2021.