

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
(Incorporated in Malaysia)

Consolidated Statement Of Comprehensive Income
For the Financial Year Ended 30 June 2017
(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Change Favourable (Unfavourable)		Year-to-Date 12 months ended		Change Favourable (Unfavourable)	
		30.06.17 RM'000	30.06.16 RM'000	RM'000	%	30.06.17 RM'000	30.06.16 RM'000	RM'000	%
Revenue	4	9,537	10,449	(912)	-9	25,293	24,593	700	3
Other Income		202	1	201	20100	217	23	194	843
Changes in Inventories		(285)	(54)	(231)	-428	(219)	217	(436)	-201
Staff Costs		(719)	(615)	(104)	-17	(2,395)	(2,022)	(373)	-18
Depreciation		(103)	(94)	(9)	-10	(400)	(341)	(59)	-17
Subcontract Labour Costs, Fertilizer and Chemical Costs		(1,112)	(1,177)	65	6	(4,423)	(5,238)	815	16
Reversal of Loss on Disposal on Investment properties		431	-	431	N.M.	-	-	-	N.M.
Foreign Exchange Loss		(22)	(6,922)	6,900	100	(4,153)	(7,858)	3,705	47
Other Expenses		(1,102)	(1,240)	138	11	(5,819)	(5,932)	113	2
Gain on Sale of Available-For-Sale Investment		-	-	-	-	6,128	-	6,128	N.M.
Fair Value Gain/(Loss) on Investment Properties		1,899	(422)	2,321	-550	1,899	(422)	2,321	-550
Impairment Loss on Available-For-Sale Investments		(6,821)	-	(6,821)	N.M.	(6,821)	-	(6,821)	N.M.
Profit from operations	4	1,905	(74)	1,979	2674	9,307	3,020	6,287	208
Share of (Loss)/Profit of Associates		(1,603)	151	(1,754)	-1162	(3,556)	2,393	(5,949)	-249
Profit before tax	20	302	77	225	292	5,751	5,413	338	6
Income tax expense	21	(278)	(128)	(150)	-117	(1,201)	(350)	(851)	-243
Profit after tax		24	(51)	75	147	4,550	5,063	(513)	-10
Other Comprehensive Income/(Loss)									
Available-for-sale investments:									
- Net change in fair value taken to equity		48,840	(21,599)	70,439	326	68,973	(45,502)	114,475	252
- Transferred to profit or loss on sale of available-for-sale investment		-	-	-	-	(12,031)	-	(12,031)	N.M.
- Transferred to profit or loss on impairment loss of available-for-sale investments		6,821	-	6,821	N.M.	6,821	-	6,821	N.M.
Foreign currency translation									
- Net change in foreign currency translation		(14,145)	16,765	(30,910)	-184	34,407	36,627	(2,220)	-6
- Transferred to profit or loss on sale of available-for-sale investment		-	-	-	-	(4,275)	-	(4,275)	N.M.
Share of other comprehensive (loss)/income of associates		634	(4,884)	5,518	113	5,782	(13,413)	19,195	143
Other comprehensive income/(loss) for the year, net of tax		42,150	(9,718)	51,868	534	99,677	(22,288)	121,965	547
Total comprehensive income/(loss) for the year		42,174	(9,769)	51,943	532	104,227	(17,225)	121,452	705
Profit attributable to:									
Owners of the parent		(700)	282	(982)	-348	1,843	2,917	(1,074)	-37
Non-controlling interest		724	(333)	1,057	317	2,707	2,146	561	26
		24	(51)	75	147	4,550	5,063	(513)	-10
Total comprehensive income/(loss) attributable to:									
Owners of the parent		17,930	(1,989)	19,919	1001	47,086	(5,895)	52,981	899
Non-controlling interest		24,244	(7,780)	32,024	412	57,141	(11,330)	68,471	604
		42,174	(9,769)	51,943	532	104,227	(17,225)	121,452	705
Earnings per share attributable to owners of the parent:									
Basic (Sen)	26(a)	(1.11)	0.45			2.92	4.62		
Diluted (Sen)	26(b)	(1.11)	0.45			2.92	4.62		

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

N.M. - Not Meaningful

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)

(Incorporated in Malaysia)

Consolidated Statement of Financial Position**As at 30 June 2017**

	(Unaudited) As at 30.06.17 RM'000	(Audited) As at 30.6.2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	300,025	299,883
Biological assets	20,899	10,426
Investment properties	68,594	64,447
Investment in associates	85,165	79,520
Available-for-sale investments	473,396	406,789
Deferred tax asset	-	205
	<u>948,079</u>	<u>861,270</u>
Current assets		
Inventories	47	266
Trade and other receivables	1,375	2,598
Prepayments	663	677
Tax recoverable	652	491
Cash and bank balances	270,455	253,789
	<u>273,192</u>	<u>257,821</u>
TOTAL ASSETS	<u>1,221,271</u>	<u>1,119,091</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	63,172	63,172
Reserves	612,833	566,330
	<u>676,005</u>	<u>629,502</u>
Non-controlling interests	525,661	469,676
Total equity	<u>1,201,666</u>	<u>1,099,178</u>
Non-current liabilities		
Deferred tax liability	15,465	15,137
Trade and other payables	523	445
Provision for retirement benefits	51	42
	<u>16,039</u>	<u>15,624</u>
Current liabilities		
Trade and other payables	3,391	4,180
Tax payable	175	109
	<u>3,566</u>	<u>4,289</u>
Total liabilities	<u>19,605</u>	<u>19,913</u>
TOTAL EQUITY AND LIABILITIES	<u>1,221,271</u>	<u>1,119,091</u>

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

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)

(Incorporated in Malaysia)

**Consolidated Statement of Changes in Equity
For the Financial Year Ended 30 June 2017**

(The figures have not been audited)

	← Non distributable →							← Distributable →					
	Equity Attributable to Owners of Equity, Total RM'000	Equity Attributable to Owners of the Parent, total RM'000	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Fair Value Reserve RM'000	Foreign Exchange Fluctuation Reserves RM'000	Equity Interest in the Company held by subsidiaries RM'000	Cultivation and Replacement Reserves RM'000	Property and Investment Reserve RM'000	General Reserve RM'000	Retained Earnings RM'000	Non- controlling interests RM'000
Opening balance at 1 July 2016	1,099,178	629,502	63,172	5,216	214,438	119,669	60,950	(25,649)	4,862	5,662	17,412	163,770	469,676
Total comprehensive income for the year	104,227	47,086	-	-	2,509	28,084	14,650	-	-	-	-	1,843	57,141
Dividend paid	(1,739)	(583)	-	-	-	-	-	-	-	-	-	(583)	(1,156)
As at 30 June 2017	1,201,666	676,005	63,172	5,216	216,947	147,753	75,600	(25,649)	4,862	5,662	17,412	165,030	525,661
Opening balance at 1 July 2015	1,118,190	636,028	63,172	5,216	220,259	139,992	43,618	(25,649)	4,862	5,662	17,412	161,484	482,162
Total comprehensive (loss)/income for the year	(17,225)	(5,895)	-	-	(5,821)	(20,323)	17,332	-	-	-	-	2,917	(11,330)
Dividend	(1,787)	(631)	-	-	-	-	-	-	-	-	-	(631)	(1,156)
As at 30 June 2016	1,099,178	629,502	63,172	5,216	214,438	119,669	60,950	(25,649)	4,862	5,662	17,412	163,770	469,676

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

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
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Consolidated Statement of Cash Flows
For the Financial Year Ended 30 June 2017
(The figures have not been audited)

	12 months ended	
	30.06.17	30.06.16
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before taxation	5,751	5,413
Adjustments for:		
Depreciation	400	341
Plant and equipment written off	2	-
Gain on disposal of property, plant and equipment	(12)	(20)
Gain on disposal of available-for-sale investments	(6,128)	-
Provision for retirement benefit	9	7
Dividend income	(8,959)	(11,063)
Interest income	(1,915)	(2,865)
Share of loss/(gain) of associates	3,556	(2,393)
Fair value (gain)/loss on investment properties	(1,899)	422
Impairment loss on available-for-sale investments	6,821	-
Unrealised foreign exchange loss	4,125	7,843
Operating cash flows before working capital changes	1,751	(2,315)
Receivables	649	(490)
Prepayments	14	(213)
Inventories	219	(216)
Payables	(748)	681
Cash flows from/(used in) operations	1,885	(2,553)
Retirement benefit paid	-	(5)
Taxes refunded	307	711
Taxes paid	(1,054)	(1,082)
Net cash flows from/(used in) operating activities	1,138	(2,929)
INVESTING ACTIVITIES		
Dividends received	9,383	10,639
Dividends received from associated company	1,748	4,685
Interest received	2,071	3,004
Withdrawal from fixed deposits	6,743	15,583
Purchase of property, plant and equipment	(666)	(1,216)
Addition of biological assets	(10,473)	(8,270)
Proceeds from sale of available-for-sale investments	6,256	-
Proceeds from sale of property, plant and equipment	135	20
Cash flows from investing activities	15,197	24,445
FINANCING ACTIVITIES		
Dividends paid to owners of the Company	(583)	(631)
Dividends paid to non-controlling interest	(1,156)	(1,156)
Net cash used in financing activities	(1,739)	(1,787)
NET INCREASE IN CASH AND CASH EQUIVALENTS	14,596	19,729
EFFECTS OF EXCHANGE RATE CHANGES	8,813	9,082
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	234,030	205,219
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (Note 27)	257,439	234,030

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

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to FRS 134

1. Basis of Preparation

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

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

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2016. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 30 June 2016.

2. Significant accounting policies

The significant accounting policies adopted in the unaudited interim financial statements are consistent with those adopted in the Group's audited financial statements for the financial year ended 30 June 2016.

(i) Revised FRSs issued and not yet effective

The Group has not early adopted the following revised FRSs which have been issued as at the date of authorisation of these financial statements and will be effective for the financial periods as stated below:

	Effective date for financial periods beginning on or after
Amendments to FRS 107: Disclosure Initiative	1 January 2017
Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to FRS 12 (Annual Improvements to FRS Standards 2014-2016 Cycle)	1 January 2017
FRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to FRS 134

2. Significant Accounting Policies (cont'd)

(i) Revised FRSs issued and not yet effective (cont'd)

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework and may in the alternative, apply Financial Reporting Standards ("FRS") as its financial reporting framework until the MFRS is mandatory for annual periods beginning on or after 1 January 2018.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 30 June 2019. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively against opening retained earnings.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2016 was not qualified.

4. Segmental Information

	12 months ended	
	30.06.17 RM'000	30.06.16 RM'000
Segment Revenue		
Plantation	12,901	9,740
Investment	12,392	14,853
Total	<u>25,293</u>	<u>24,593</u>
Segment results		
Plantation	6,955	2,508
Investment	12,784	5,922
	<u>19,739</u>	<u>8,430</u>
Unallocated corporate expenses	(10,432)	(5,410)
Profit from operations	<u>9,307</u>	<u>3,020</u>
Segment assets		
Plantation	372,456	358,786
Investment	848,213	759,955
	<u>1,220,669</u>	<u>1,118,741</u>
Unallocated corporate asset	602	351
Total assets	<u>1,221,271</u>	<u>1,119,092</u>

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
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Part A - Explanatory Notes Pursuant to FRS 134

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

One of the Available-For-Sale (“AFS”) investment was sold for RM6.26 million during the current year. This resulted in a net realized gain of RM6.13 million, comprising of:-

	RM'000
Fair Value of the sale of AFS investment	16,434
Less: Sales Proceeds	<u>(6,256)</u>
Loss on sale of AFS investment	(10,178)
Transfer of:	
• Previous years’ gain from Fair Value Reserve to Profit & Loss	12,031
• Previous years’ translation gain from Translation Reserve to Profit & Loss	<u>4,275</u>
Net realized gain of sale of AFS investments	<u><u>6,128</u></u>

Other than the sale of AFS investment and the impairment loss of RM6.82 million on the available-for-sale investments, there were no other unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial year ended 30 June 2017.

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 palms.

8. Dividend Paid

In respect of the financial year ended 30 June 2016, as reported in the directors' report of that year, the following dividends were paid during the current year:

	Amount RM	Net dividend per share Sen
First and final tax exempt (single-tier) dividend of 1%	<u>631,720</u>	<u>1.00</u>

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 during the current quarter.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
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Part A - Explanatory Notes Pursuant to FRS 134

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 June 2017.

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 30 June 2017.

13. Related Party Transactions

Transactions with related parties are as follows:

	Individual Quarter		Year-To-Date	
	3 months ended		12 months ended	
	30.06.17	30.06.16	30.06.17	30.06.16
	RM'000	RM'000	RM'000	RM'000
Rental income from Ice Cold Beer Pte. Ltd., a company in which a director, Lee Chung-Shih has an interest (recurrent)	238	242	957	926
Estate agency fee payable to Kluang Estates (1977) Sdn Bhd, a company in which a director, Lee Chung-Shih, has an interest (recurrent)	51	57	261	237
Administration and accounting support services payable to The Nyalas Rubber Estates Limited, a company in which a director, Lee Chung-Shih, has an interest (recurrent)	454	472	2,046	2,069
Administration and support services payable to Estate & Trust Agencies (1927) Limited, a company in which a director, Lee Chung-Shih, has an interest (recurrent)	101	86	346	322
Land lease rental payable to Kuala Pergau Rubber Plantations Plc, a company in which a director, Lee Chung-Shih, has an interest and Balaraman A/L Annamaly is a common director (recurrent)	62	63	250	276

14. Subsequent Events

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

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
(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
30.06.17				
Available-for-sale investments	412,673	60,723	-	473,396
Freehold land	-	-	297,930	297,930
Investment properties	-	-	68,594	68,594
	<u>412,673</u>	<u>60,723</u>	<u>366,524</u>	<u>839,920</u>
30.06.16				
Available-for-sale investments	354,771	52,018	-	406,789
Freehold land	-	-	298,052	298,052
Investment properties	-	-	64,447	64,447
	<u>354,771</u>	<u>52,018</u>	<u>362,499</u>	<u>769,288</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 change in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

16. Performance Review

The Group recorded revenue of RM9.54 million for the current quarter ended 30 June 2017. This was lower than last year's corresponding quarter of RM10.45 million, mainly due to lower dividend and interest income and lower crop sales on account of the decreases in FFB production, and fresh fruit bunch ("FFB") prices. Rental income from the investment property in London was RM561,000 while there was no revenue contribution during last year's corresponding quarter (4Q2016).

For the current quarter, the Group recorded an after-tax-profit of RM24,000 while it suffered a loss of RM51,000 for the corresponding quarter of last year. This was mainly due to:-

- 1) The foreign exchange loss of RM22,000 for the current quarter was lower than last year quarter's RM6.92 million.
- 2) Revaluation of its investment properties for the current quarter was a gain of RM1.90 million while it was a loss of RM422,000 for last year's corresponding quarter.

However, share of the financial result of the associates for the current quarter was a loss of RM1.60 million while it was a profit of RM151,000 during last year's corresponding quarter. In addition, for the current quarter, there was an impairment loss of RM6.82 million on available-for-sale investments while there was none during last year's corresponding quarter.

For the current financial year ended 30 June 2017, the Group's revenue of RM25.29 million was higher than last financial year of RM24.59 million. This was primarily due to the increased contributions from the plantation segment. Crop sales of RM12.90 million was higher than a year ago mainly on account of the increases in FFB prices. The Group also received rental income of RM561,000 during the current financial year while there was none for the last financial year.

The Group ended the current financial year with an after tax-profit of RM4.55 million which was lower than last financial year's RM5.06 million. This was mainly due to:-

- 1) The impairment loss of RM6.82 million on available-for-sale investments while there was none during last year.
- 2) Share of the financial results of the associates for the current year was a loss of RM3.56 million while it was a profit of RM2.39 million a year ago.
- 3) Income tax expense of RM1.20 million for the current year was higher than last financial year's RM350,000.

However, for the current financial year, the Group benefitted from the gain of RM6.13 million arising from the sale of available-for-sale investments while there was none during a year ago. The foreign exchange loss of RM4.15 million was lower than last year's RM7.86 million.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
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**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 30.06.17	Preceding Quarter 31.03.17	Change Favourable/(Unfavourable)	
	RM'000	RM'000	RM'000	%
Revenue	9,537	3,802	5,735	151
Operating Profit	1,905	10,954	(9,049)	-83
Share of loss of associate	(1,603)	(1,031)	(572)	-55
Profit before tax	302	9,923	(9,621)	-97
Profit after tax	24	9,940	(9,916)	-100
Profit attributable to:				
Owners of the parent	(700)	5,118	(5,818)	-114
Non-controlling interest	724	4,822	(4,098)	-85
	<u>24</u>	<u>9,940</u>		

For the quarter under review, the Group's revenue of RM9.54 million was higher than the immediate preceding quarter's RM3.80 million despite lower crop sales. This was mainly due to the receipt of dividend income of RM6.26 million during the current quarter while only RM12,000 was received during the immediate preceding quarter.

The Group reported a pre-tax profit of RM302,000 which was lower than the immediate preceding quarter's RM9.92 million despite higher revenue. This was mainly due to:-

- 1) The foreign exchange difference for the current quarter was a loss of RM22,000 while it was a gain of RM4.81 million for the immediate preceding quarter.
- 2) The impairment loss of RM6.82 million on available-for-sale investments while there was none during the immediate preceding quarter.
- 3) Gain on disposal of available-for-sale investment was a profit of RM6.13 million for the immediate preceding quarter while there was none during the current quarter.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
Bursa Malaysia Securities Berhad**

18. Commentary on Prospects

For Financial Year ending 2017/2018, management expects FFB production to improve. However, adverse weather conditions, labour requirements and pest attacks may pose challenges.

Overall, the Group expects performance from the plantation segment for financial year ending 30 June 2018 to be satisfactory.

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 further affected by the market valuations of their investments and currency fluctuations.

19. Profit Forecast or Profit Guarantee

There is no profit forecast or profit guarantee.

20. Profit before tax

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

	Individual Quarter		Year-To-Date	
	30.06.17	30.06.16	30.06.17	30.06.16
	RM'000	RM'000	RM'000	RM'000
Interest income	(434)	(657)	(1,915)	(2,865)
Other income including investment income	(6,871)	(7,707)	(10,694)	(12,011)
Interest expense	n/a	n/a	n/a	n/a
Depreciation and amortization	103	94	400	341
Gain on disposal of available-for-sale investments	-	n/a	(6,128)	n/a
Impairment loss on available-for-sale investments	6,821	-	6,821	-
Fair value (gain)/loss on investment properties	(1,899)	422	(1,899)	422
Foreign exchange (gain)/loss	22	6,922	4,153	7,858
Exceptional items	n/a	n/a	n/a	n/a

n/a : Not applicable

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
(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 3 months ended		Year-To-Date 12 months ended	
	30.06.17 RM'000	30.06.16 RM'000	30.06.17 RM'000	30.06.16 RM'000
Current tax:				
Malaysian income tax	118	141	757	327
Foreign tax	(378)	154	(56)	361
	<u>(260)</u>	<u>295</u>	<u>701</u>	<u>688</u>
Under/(Over) provision of income tax in prior years				
Malaysian income tax	(81)	(136)	(81)	(307)
Foreign tax	59	-	21	-
	<u>(22)</u>	<u>(136)</u>	<u>(60)</u>	<u>(307)</u>
Deferred tax:				
Relating to origination and reversal of temporary differences	320	(31)	320	(31)
Underprovision in prior years	240	-	240	-
	<u>560</u>	<u>(31)</u>	<u>560</u>	<u>(31)</u>
Total income tax expense	<u>278</u>	<u>128</u>	<u>1,201</u>	<u>350</u>

The effective tax rates for the current year and last year were lower than the statutory tax rate applicable in Malaysia as certain income were not subject to tax. The effective tax rates for the current quarter and last year's corresponding quarter was higher as certain expenses were not deductible for tax purposes.

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 June 2017.

24. Changes in Material Litigation

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

25. Dividend Payable

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

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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
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26. Earnings Per Share

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	Individual Quarter		Year-To-Date	
	3 months ended		12 months ended	
	30.06.17	30.06.16	30.06.17	30.06.16
Earnings attributable to owners of the parent (RM'000)	<u>(700)</u>	<u>282</u>	<u>1,843</u>	<u>2,917</u>
Weighted average number of ordinary shares in issue ('000)	<u>63,172</u>	<u>63,172</u>	<u>63,172</u>	<u>63,172</u>
Basic earnings per share (Sen)	<u>(1.11)</u>	<u>0.45</u>	<u>2.92</u>	<u>4.62</u>

(b) Diluted

Diluted earnings per share is the same as basic earnings per share as there is no dilutive potential ordinary shares outstanding as at 30 June 2017.

27. Cash and cash equivalents

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

	12 months period	
	30.06.17	30.06.16
	RM'000	RM'000
Cash and bank balances	270,455	253,789
Less: Short-term deposits with a licensed bank with maturities more than 90 days	<u>(13,016)</u>	<u>(19,759)</u>
Cash and cash equivalents	<u><u>257,439</u></u>	<u><u>234,030</u></u>

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**Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of
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28. Disclosure of Realised and Unrealised Retained Profits

The disclosure of realised and unrealised profits mentioned above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

The breakdown of retained profits of the Group, pursuant to the format prescribed by Bursa Malaysia, is as follows:

	As at 30.06.17	As at 30.06.16
	RM'000	RM'000
Total retained profits of the Group and its subsidiaries:		
- Realised	146,632	141,737
- Unrealised	40,766	39,465
	187,398	181,202
Less: Consolidation adjustments	(22,368)	(17,432)
	<u>165,030</u>	<u>163,770</u>

29. 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 21 August 2017.