

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

Consolidated Statement Of Comprehensive Income
For the Financial Year Ended 30 June 2018
(The figures have not been audited)

	Note	Individual Quarter 3 months ended		Change Favourable (Unfavourable)		Year-to-Date 12 months ended		Change Favourable (Unfavourable)	
		30.06.18 RM'000	30.06.17 RM'000	RM'000	%	30.06.18 RM'000	30.06.17 RM'000	RM'000	%
Revenue	4	12,293	9,537	2,756	29	29,105	25,293	3,812	15
Other income		131	202	(71)	-35	155	217	(62)	-29
Changes in inventories		(40)	(285)	245	86	(20)	(219)	199	91
Staff costs		(1,149)	(719)	(430)	-60	(3,256)	(2,395)	(861)	-36
Depreciation		(164)	(103)	(61)	-59	(511)	(400)	(111)	-28
Subcontract labour costs, fertilizer and chemical costs		(1,203)	(1,112)	(91)	-8	(5,078)	(4,423)	(655)	-15
Foreign exchange (loss)/gain		(4,564)	(22)	(4,542)	-20645	108	(4,153)	4,261	103
Other expenses		(1,476)	(1,332)	(144)	-11	(6,288)	(6,049)	(239)	-4
Reversal of loss on disposal on investment properties		-	431	(431)	-100	-	-	-	-
Gain on sale of available-for-sale investment		-	-	-	-	-	6,128	(6,128)	-100
Fair value (loss)/gain on investment properties		(212)	2,129	(2,341)	-110	(212)	2,129	(2,341)	-110
Impairment loss on available-for-sale investments		(526)	(6,821)	6,295	92	(526)	(6,821)	6,295	92
Profit from operations	4	3,090	1,905	1,185	62	13,477	9,307	4,170	45
Share of (loss)/profit of associates		(2,614)	(1,603)	(1,011)	-63	959	(3,556)	4,515	127
Profit before tax	20	476	302	174	58	14,436	5,751	8,685	151
Income tax expense	21	(79)	(278)	199	72	(689)	(1,201)	512	43
Profit after tax		397	24	373	1554	13,747	4,550	9,197	202
Other comprehensive income									
Investments:									
- Fair value (loss)/gain		(10,667)	48,840	(59,507)	-122	49,832	56,942	(7,110)	-12
- Reclassification to profit or loss		526	6,821	(6,295)	-92	526	6,821	(6,295)	-92
Equity interest in parent held by subsidiary		-	-	-	-	(163)	-	(163)	N.M
Foreign currency translation		24,314	(14,145)	38,459	272	(30,341)	30,132	(60,473)	-201
Share of other comprehensive (loss)/income of associates		(5,882)	634	(6,516)	-1028	(2,428)	5,782	(8,210)	-142
Other comprehensive income for the year, net of tax		8,291	42,150	(33,859)	-80	17,426	99,677	(82,251)	-83
Total comprehensive income for the year		8,688	42,174	(33,486)	-79	31,173	104,227	(73,054)	-70
Profit attributable to:									
Owners of the parent		(553)	(700)	147	21	6,483	1,843	4,640	252
Non-controlling interest		950	724	226	31	7,264	2,707	4,557	168
		397	24	373	1554	13,747	4,550	9,197	202
Total comprehensive income attributable to:									
Owners of the parent		11,722	17,930	(6,208)	-35	12,120	47,086	(34,966)	-74
Non-controlling interest		(3,034)	24,244	(27,278)	-113	19,053	57,141	(38,088)	-67
		8,688	42,174	(33,486)	-79	31,173	104,227	(73,054)	-70
(Loss)/Earnings per share attributable to owners of the parent:									
Basic (Sen)	26(a)	(0.88)	(1.11)			10.26	2.92		
Diluted (Sen)	26(b)	(0.88)	(1.11)			10.26	2.92		

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 2018**

	(Unaudited) As at 30.06.18 RM'000	(Audited) As at 30.6.2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	300,899	300,025
Biological assets	26,986	20,899
Investment properties	65,010	68,594
Investment in associates	102,915	105,606
Investments	488,206	452,955
	<u>984,016</u>	<u>948,079</u>
Current assets		
Inventories	27	47
Trade and other receivables	2,009	1,380
Prepayments	706	657
Tax recoverable	130	652
Cash and bank balances	265,423	270,455
	<u>268,295</u>	<u>273,191</u>
TOTAL ASSETS	<u>1,252,311</u>	<u>1,221,270</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	63,172	63,172
Reserves	624,368	612,832
	<u>687,540</u>	<u>676,004</u>
Non-controlling interests	543,473	525,661
Total equity	<u>1,231,013</u>	<u>1,201,665</u>
Non-current liabilities		
Deferred tax liabilities	15,403	15,465
Other payables	611	523
Provision for retirement benefits	55	51
	<u>16,069</u>	<u>16,039</u>
Current liabilities		
Trade and other payables	5,007	3,391
Tax payable	222	175
	<u>5,229</u>	<u>3,566</u>
Total liabilities	<u>21,298</u>	<u>19,605</u>
TOTAL EQUITY AND LIABILITIES	<u>1,252,311</u>	<u>1,221,270</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 2018**

(The figures have not been audited)

	← Non distributable →							← Distributable →					
	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 2017	1,201,665	676,004	63,172	5,216	216,947	147,753	75,600	(25,649)	4,862	5,662	17,412	165,029	525,661
Total comprehensive income/(loss) for the year	31,173	12,120	-	-	(1,030)	21,017	(14,186)	(164)	-	-	-	6,483	19,053
Dividend paid	(1,825)	(584)	-	-	-	-	-	-	-	-	-	(584)	(1,241)
As at 30 June 2018	1,231,013	687,540	63,172	5,216	215,917	168,770	61,414	(25,813)	4,862	5,662	17,412	170,928	543,473
Opening balance at 1 July 2016	1,099,177	629,501	63,172	5,216	214,438	119,669	60,950	(25,649)	4,862	5,662	17,412	163,769	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	1,201,665	676,004	63,172	5,216	216,947	147,753	75,600	(25,649)	4,862	5,662	17,412	165,029	525,661

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)
(Incorporated in Malaysia)

Consolidated Statement of Cash Flows
For the Financial Year Ended 30 June 2018

(The figures have not been audited)

	12 months ended	
	30.06.18	30.06.17
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before taxation	14,436	5,751
Adjustments for:		
Depreciation	511	400
Plant and equipment written off	103	2
Gain on disposal of property, plant and equipment	-	(12)
Gain on disposal of available-for-sale financial asset	-	(6,128)
Provision for retirement benefit	10	9
Dividend income	(11,167)	(8,959)
Interest income	(2,240)	(1,915)
Share of (profit)/loss of associates	(959)	3,556
Investment properties written off	-	230
Fair value loss/(gain) on investment properties	212	(2,129)
Impairment loss on available-for-sale investments	526	6,821
Unrealised foreign exchange (gain)/loss	(116)	4,125
Operating cash flows before working capital changes	<u>1,316</u>	<u>1,751</u>
Receivables	(93)	649
Prepayments	(48)	14
Inventories	20	219
Payables	1,750	(748)
Cash flows from operations	<u>2,945</u>	<u>1,885</u>
Retirement benefit paid	(5)	-
Taxes refunded	587	307
Taxes paid	(757)	(1,054)
Net cash flows from operating activities	<u>2,770</u>	<u>1,138</u>
INVESTING ACTIVITIES		
Dividends received	12,421	11,131
Interest received	1,697	2,071
(Addition to)/Withdrawal from fixed deposits	(131,881)	6,743
Purchase of property, plant and equipment	(1,488)	(666)
Addition to biological assets	(6,087)	(10,473)
Proceeds from sale of available-for-sale investments	-	6,256
Proceeds from sale of property, plant and equipment	-	135
Cash flows (used in)/from investing activities	<u>(125,338)</u>	<u>15,197</u>
FINANCING ACTIVITIES		
Dividends paid to owners of the Company	(584)	(583)
Dividends paid to non-controlling interest	(1,241)	(1,156)
Net cash used in financing activities	<u>(1,825)</u>	<u>(1,739)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(124,393)	14,596
EFFECTS OF EXCHANGE RATE CHANGES	(12,520)	8,813
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	257,439	234,030
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	120,526	257,439
(Note 27)	<u>120,526</u>	<u>257,439</u>

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, investment in precious metals 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 2017. 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 2017.

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 2017 except for the adoption of the amended FRSs and annual improvements which are relevant to the Group's operation with effect from 1 July 2017 as set out below:

- Amendments to FRS 107: Disclosure Initiative
- Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses
- Amendments to FRS 12: Disclosure of Interest in Other Entities

The adoption of the above Amendments and Annual Improvements does not have any effect on the financial performance or position of the Group.

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.

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

Part A - Explanatory Notes Pursuant to FRS 134

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2017 was not qualified.

4. Segmental Information

	12 months ended	
	30.06.18	30.06.17
	RM'000	RM'000
Segment Revenue		
Plantation	14,065	12,901
Investment	15,040	12,392
Total	<u>29,105</u>	<u>25,293</u>
Segment results		
Plantation	7,292	6,955
Investment	13,756	12,784
	<u>21,048</u>	<u>19,739</u>
Unallocated corporate expenses	(7,571)	(10,432)
Profit from operations	<u>13,477</u>	<u>9,307</u>
Segment assets		
Plantation	371,817	372,456
Investment	880,433	848,213
	<u>1,252,250</u>	<u>1,220,669</u>
Unallocated corporate asset	61	601
Total assets	<u>1,252,311</u>	<u>1,221,270</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 year ended 30 June 2018.

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 2017, as reported in the directors' report of that year, the following dividend was paid during the financial year ended 30 June 2018:

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

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

Part A - Explanatory Notes Pursuant to FRS 134

9. Debt and Equity Securities

There were no issuance, repurchase and repayment of debts and equity securities for the financial year ended 30 June 2018.

10. Changes in Composition of the Group

There were no changes in the composition of the Group for the financial year ended 30 June 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 30 June 2018.

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 30 June 2018.

13. Related Party Transactions

Transactions with related parties are as follows:

	Individual Quarter		Year-To-Date	
	3 months ended		12 months ended	
	30.06.18	30.06.17	30.06.18	30.06.17
	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)	231	238	947	957
Estate agency fee payable to Kluang Estates (1977) Sdn Bhd, a company in which a director, Lee Chung-Shih, has an interest (recurrent)	53	51	298	261
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)	68	454	1,771	2,046
Administration and support services payable to Estate & Trust Agencies (1927) Limited, a company in which a director, Lee Chung-Shih, has an interest (recurrent)	144	101	414	346
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	62	250	250

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

Part A - Explanatory Notes Pursuant to FRS 134

14. Subsequent Events

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

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
30.06.18				
Available-for-sale investments	426,593	41,311	-	467,904
Investment in precious metal	20,302	-	-	20,302
Freehold land	-	-	297,930	297,930
Investment properties	-	-	65,010	65,010
	<u>446,895</u>	<u>41,311</u>	<u>362,940</u>	<u>851,146</u>
30.06.17				
Available-for-sale investments	370,757	60,723	-	431,480
Investment in precious metal	21,475	-	-	21,475
Freehold land	-	-	297,930	297,930
Investment properties	-	-	68,594	68,594
	<u>392,232</u>	<u>60,723</u>	<u>366,524</u>	<u>819,479</u>

There have been no transfers between Level 1, Level 2 and Level 3 fair value measurements during the current financial year and the comparative year. There was 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)
(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 reported revenue of RM12.29 million for the current quarter ended 30 June 2018 which was higher than last year's corresponding quarter's revenue of RM9.54 million. This was mainly due to higher dividend and interest income after offsetting the lower crop sales. Crop sales was down by about 5% on account of the 15% decrease in average price of fresh fruit bunches ("FFB") as compared to the average FFB price for last year's corresponding quarter.

For the current quarter, the Group reported an after-tax profit of RM397,000 which was higher than last year's corresponding quarter's after-tax profit of RM24,000. This was mainly due to:-

- 1) Higher revenue achieved.
- 2) The impairment loss of RM526,000 on available-for-sale investments for the current quarter was significantly lower than the last year corresponding quarter's loss of RM6.82 million.

However, for the current quarter, share of loss of associates for the current quarter was RM2.61 million which was higher than last year's corresponding quarter's loss of RM1.60 million. Foreign exchange loss for the current quarter was RM4.56 million which was also higher than the last year corresponding's loss of RM22,000. Revaluation of its investment properties for the current quarter was a loss of RM212,000 while it was a gain of RM2.13 million recorded a year ago.

The Group's revenue for the current financial year ended 30 June 2018 was RM29.11 million. This was higher than last year's revenue of RM25.29 million, mainly due to higher crop sales, dividend and interest income. Crop sales amounted to RM25.50 million which was about 26% higher than last year's RM20.31 million. These were due to higher tonnage harvested mitigated by about 13% fall in the average price of fresh fruit bunches ("FFB") as compared to the average FFB price for a year ago.

The Group reported an after-tax-profit of RM13.75 million for the current financial year ended 30 June 2018. This was higher than last year's RM4.55 million by RM9.14 million despite the Group benefitting from the gain of RM6.13 million arising from the sale of available-for-sale investments a year ago. This was mainly due to:-

- 1) Higher revenue achieved.
- 2) Share of the financial results of the associates for the current financial year was a profit of RM959,000 while it was a loss of RM3.56 million a year ago.
- 3) Foreign exchange difference was a gain of RM108,000 which was a positive turnaround from last year's loss of RM4.15 million.
- 4) The impairment loss of RM526,000 on available-for-sale investments for the current financial year was significantly lower than the last year's loss of RM6.82 million.

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**

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

	Current Quarter 30.06.18 RM'000	Preceding Quarter 31.03.18 RM'000	Change Favourable/(Unfavourable)	
			RM'000	%
Revenue	12,293	3,961	8,332	210
Operating profit	3,090	1,805	1,285	71
Share of (loss)/profit of associate	(2,614)	2,784	(5,398)	-194
Profit before tax	476	4,589	(4,113)	-90
Profit after tax	397	4,456	(4,059)	-91
Profit attributable to:				
Owners of the parent	(553)	2,434	(2,987)	-123
Non-controlling interest	950	2,022	(1,072)	-53
	<u>397</u>	<u>4,456</u>		

For the quarter under review, the Group's revenue of RM12.29 million was higher than the immediate preceding quarter's RM3.96 million despite lower crop sales. This was mainly due to the receipt of dividend income of RM8.99 million while there was none during the immediate preceding quarter.

The Group reported a pre-tax profit of RM476,000 which was lower than the immediate preceding quarter's RM4.59 million despite higher revenue. This was mainly due to:-

- 1) Share of the associates' financial results for the current quarter was a loss of RM2.61 million as compared with the immediate preceding quarter's profit of RM2.78 million.
- 2) The foreign exchange difference for the current quarter was a loss of RM4.56 million while it was a gain of RM1.54 million for the immediate preceding quarter.
- 3) An impairment loss of RM526,000 on available-for-sale investments for the current quarter was recorded while there was none during the immediate preceding quarter.
- 4) Revaluation of its investment properties for the current quarter was a loss of RM212,000 while there was none during the immediate preceding quarter.

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**

18. Commentary on Prospects

For the financial year ending 30 June 2019, the Company expects a financial year-on-year improvement for its FFB production.

With the expected increase in minimum wages for plantation workers, labour cost is expected to be impacted. Additional challenges may be imposed by adverse weather conditions, labour requirements and pest attacks.

Overall, the Group expects performance from the plantation segment for financial year ending 30 June 2019 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 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 year is arrived after charging/(crediting):

	Individual Quarter		Year-To-Date	
	30.06.18	30.06.17	30.06.18	30.06.17
	RM'000	RM'000	RM'000	RM'000
Interest income	(580)	(434)	(2,240)	(1,915)
Other income including investment income	(131)	(6,871)	(12,955)	(10,694)
Depreciation and amortization	164	103	511	400
Gain on disposal of available-for-sale financial asset	-	-	-	(6,128)
Impairment loss on available-for-sale investments	526	6,821	526	6,821
Fair value loss/(gain) on investment properties	212	(2,129)	212	(2,129)
Foreign exchange loss/(gain)	4,564	22	(108)	4,153

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	
	30.06.18 RM'000	30.06.17 RM'000	30.06.18 RM'000	30.06.17 RM'000
Current tax:				
Malaysian income tax	108	118	582	757
Foreign tax	16	(378)	160	(56)
	<u>124</u>	<u>(260)</u>	<u>742</u>	<u>701</u>
Under/(Over) provision of income tax in prior years				
prior years				
Malaysian income tax	(1)	(81)	(9)	(81)
Foreign tax	18	59	18	21
	<u>17</u>	<u>(22)</u>	<u>9</u>	<u>(60)</u>
Deferred tax:				
Relating to origination and reversal of temporary differences	(62)	320	(62)	320
Under provision in prior years	-	240	-	240
	<u>(62)</u>	<u>560</u>	<u>(62)</u>	<u>560</u>
Total income tax expense	<u>79</u>	<u>278</u>	<u>689</u>	<u>1,201</u>

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

During the current year, there was a reversal of temporary difference of deferred tax of RM62,000 while last year's was an additional deferred tax of RM560,000 in respect of the capitalisation of the development expenditure from the leased land.

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 2018.

24. Changes in Material Litigation

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

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**

25. Dividend Payable

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

26. Earnings Per Share

(a) Basic

Basic (loss)/earnings per share amounts are calculated by dividing (loss)/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	
	30.06.18	30.06.17	30.06.18	30.06.17
(Loss)/Earnings attributable to owners of the parent (RM'000)	<u>(553)</u>	<u>(700)</u>	<u>6,483</u>	<u>1,843</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 (loss)/earnings per share (Sen)	<u>(0.88)</u>	<u>(1.11)</u>	<u>10.26</u>	<u>2.92</u>

(b) Diluted

Diluted (loss)/earnings per share is the same as basic (loss)/earnings per share as there is no dilutive potential ordinary shares outstanding as at 30 June 2018.

27. Cash and cash equivalents

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

	12 months period	
	30.06.18	30.06.17
	RM'000	RM'000
Cash and bank balances	265,423	270,455
Less: Short-term deposits with a licensed bank with maturities more than 90 days	(144,897)	(13,016)
Cash and cash equivalents	<u>120,526</u>	<u>257,439</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 29 August 2018.