

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

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

	Note	Individual Quarter 3 months ended		Change Favourable (Unfavourable)		Period-to-Date 6 months ended		Change Favourable (Unfavourable)	
		31.12.18 RM'000	31.12.17 RM'000	RM'000	%	31.12.18 RM'000	31.12.17 RM'000	RM'000	%
		Restated*				Restated*			
Revenue	4	3,739	6,309	(2,570)	-41	8,660	12,851	(4,191)	-33
Other income		1	6	(5)	-83	2	23	(21)	-91
Changes in inventories		(636)	(448)	(188)	-42	107	7	100	1429
Staff costs		(731)	(576)	(155)	-27	(1,807)	(1,196)	(611)	-51
Depreciation		(211)	(197)	(14)	-7	(390)	(383)	(7)	-2
Subcontract labour costs, fertilizer and chemical costs		(1,419)	(1,261)	(158)	-13	(2,518)	(2,637)	119	5
Foreign exchange gain		357	1,208	(851)	-70	787	3,133	(2,346)	-75
Other expenses		(1,039)	(1,215)	176	14	(3,712)	(3,240)	(472)	-15
Fair value (loss)/gain on biological assets		(57)	(204)	147	72	(33)	100	(133)	-133
Profit from operations	4	4	3,622	(3,618)	-100	1,096	8,658	(7,562)	-87
Share of (loss)/profit of associates		(8,327)	2,356	(10,683)	-453	(11,809)	3,276	(15,085)	-460
(Loss)/Profit before tax	20	(8,323)	5,978	(14,301)	-239	(10,713)	11,934	(22,647)	-190
Income tax expense	21	(69)	(227)	158	70	(124)	(477)	353	74
(Loss)/Profit after tax		(8,392)	5,751	(14,143)	-246	(10,837)	11,457	(22,294)	-195
Other comprehensive (loss)/income									
Investments:									
- Fair value (loss)/gain		(38,546)	34,317	(72,863)	-212	(63,538)	39,806	(103,344)	-260
Foreign currency translation		512	(22,929)	23,441	102	17,154	(28,799)	45,953	160
Other comprehensive (loss)/gain for the period, net of tax		(38,034)	11,388	(49,422)	-434	(46,384)	11,007	(57,391)	-521
Total comprehensive (loss)/income for the period		(46,426)	17,139	(63,565)	-371	(57,221)	22,464	(79,685)	-355
(Loss)/Profit attributable to:									
Owners of the parent		(8,125)	2,735	(10,860)	-397	(9,577)	5,669	(15,246)	-269
Non-controlling interest		(267)	3,016	(3,283)	-109	(1,260)	5,788	(7,048)	-122
		(8,392)	5,751	(14,143)	-246	(10,837)	11,457	(22,294)	-195
Total comprehensive (loss)/income attributable to:									
Owners of the parent		(25,863)	7,860	(33,723)	-429	(30,614)	7,510	(38,124)	-508
Non-controlling interest		(20,563)	9,279	(29,842)	-322	(26,607)	14,954	(41,561)	-278
		(46,426)	17,139	(63,565)	-371	(57,221)	22,464	(79,685)	-355
(Loss)/Earnings per share attributable to owners of the parent:									
Basic (Sen)	26(a)	(12.86)	4.33			(15.16)	8.97		
Diluted (Sen)	26(b)	(12.86)	4.33			(15.16)	8.97		

* Prior year figures were restated upon adoption of MFRS.

The consolidated statement of comprehensive income 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 Financial Position**As at 31 December 2018**

	(Unaudited) As at 31.12.18 RM'000	Restated* As at 30.6.2018 RM'000	Restated* As at 01.7.2017 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	301,844	300,899	300,025
Bearer plants	37,210	34,282	28,213
Investment properties	66,626	65,010	68,594
Investment in associates	91,097	102,915	105,606
Investments	432,509	488,206	452,955
Deferred tax asset	298	298	260
	<u>929,584</u>	<u>991,610</u>	<u>955,653</u>
Current assets			
Inventories	135	27	47
Biological assets	252	285	314
Trade and other receivables	12,685	2,009	1,375
Prepayments	283	706	663
Tax recoverable	385	130	652
Cash and bank balances	258,926	265,423	270,455
	<u>272,666</u>	<u>268,580</u>	<u>273,506</u>
TOTAL ASSETS	<u>1,202,250</u>	<u>1,260,190</u>	<u>1,229,159</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent			
Share capital	63,172	63,172	63,172
Reserves	591,058	622,256	610,810
	<u>654,230</u>	<u>685,428</u>	<u>673,982</u>
Non-controlling interests	512,168	553,166	535,312
Total equity	<u>1,166,398</u>	<u>1,238,594</u>	<u>1,209,294</u>
Non-current liabilities			
Deferred tax liabilities	15,707	15,701	15,725
Other payables	658	611	523
Provision for retirement benefits	61	55	51
	<u>16,426</u>	<u>16,367</u>	<u>16,299</u>
Current liabilities			
Trade and other payables	4,242	5,007	3,391
Dividend payables	14,975	-	-
Tax payable	209	222	175
	<u>19,426</u>	<u>5,229</u>	<u>3,566</u>
Total liabilities	<u>35,852</u>	<u>21,596</u>	<u>19,865</u>
TOTAL EQUITY AND LIABILITIES	<u>1,202,250</u>	<u>1,260,190</u>	<u>1,229,159</u>

* Prior year figures were restated upon adoption of MFRS.

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 Period Ended 31 December 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 2018 (as previously stated)	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
Prior year adjustments	7,581	(2,112)	-	-	(127)	2,030	1,936	-	-	-	-	(5,951)	9,693
Opening balance at 1 July 2018 (as restated)	1,238,594	685,428	63,172	5,216	215,790	170,800	63,350	(25,813)	4,862	5,662	17,412	164,977	553,166
Total comprehensive (loss)/income for the period	(57,221)	(30,614)	-	-	-	(29,112)	8,075	-	-	-	-	(9,577)	(26,607)
Dividend	(14,975)	(584)	-	-	-	-	-	-	-	-	-	(584)	(14,391)
As at 31 December 2018	1,166,398	654,230	63,172	5,216	215,790	141,688	71,425	(25,813)	4,862	5,662	17,412	154,816	512,168
Opening balance at 1 July 2017 (as previously stated)	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
Prior year adjustments	7,629	(2,022)	-	-	(1,775)	2,355	1,936	-	-	-	-	(4,538)	9,651
Opening balance at 1 July 2017 (as restated)	1,209,294	673,982	63,172	5,216	215,172	150,108	77,536	(25,649)	4,862	5,662	17,412	160,491	535,312
Total comprehensive income/(loss) for the period (as restated)	22,464	7,510	-	-	-	15,983	(14,142)	-	-	-	-	5,669	14,954
Dividend	(1,825)	(584)	-	-	-	-	-	-	-	-	-	(584)	(1,241)
As at 31 December 2017 (as restated)	1,231,758	681,492	63,172	5,216	215,172	166,091	63,394	(25,649)	4,862	5,662	17,412	166,160	550,266

*The opening balances were restated upon adoption of MFRS.

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

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

Consolidated Statement of Cash Flows
For the Financial Period Ended 31 December 2018
(The figures have not been audited)

	6 months ended	
	31.12.18	31.12.17
	RM'000	RM'000
		Restated*
OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(10,713)	11,934
Adjustments for:		
Depreciation	390	383
Provision for retirement benefit	5	6
Dividend income	(1,891)	(2,425)
Interest income	(1,437)	(1,067)
Share of loss/(profit) of associates	11,809	(3,276)
Fair value loss/(gain) on biological assets	33	(100)
Unrealised foreign exchange gain	(789)	(3,153)
Operating cash flows before working capital changes	(2,593)	2,302
Receivables	(10,697)	(478)
Prepayments	467	305
Inventories	(107)	(7)
Payables	(740)	304
Cash flows (used in)/from operations	(13,670)	2,426
Taxes paid	(399)	(513)
Net cash flows (used in)/from operating activities	(14,069)	1,913
INVESTING ACTIVITIES		
Dividends received	4,525	3,442
Interest received	1,428	752
Addition to fixed deposits	(782)	(66,528)
Purchase of property, plant and equipment	(1,140)	(485)
Addition to bearer plants	(3,122)	(3,056)
Cash flows from/(used in) investing activities	909	(65,875)
FINANCING ACTIVITIES		
Dividends paid to owners of the Company	-	(584)
Dividends paid to non-controlling interest	-	(1,241)
Net cash used in financing activities	-	(1,825)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(13,160)	(65,787)
EFFECTS OF EXCHANGE RATE CHANGES	5,882	(6,817)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	120,526	257,438
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD (Note 27)	113,248	184,834

* Prior year figures were restated upon adoption of MFRS.

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

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
(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 31 December 2018 are prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), including MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards, MFRS 141: Agriculture, MFRS 15: Revenue from Contracts with Customers and MFRS 9: Financial Instruments.

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

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

2. Significant accounting policies

Changes in accounting policies

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

i) Bearer plants

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

ii) Biological assets

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

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

Part A - Explanatory Notes Pursuant to MFRS 134

2. Significant accounting policies (cont'd)

Changes in accounting policies (cont'd)

iii) Financial instruments

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

Condensed Consolidated Statement of Financial Position

	Previously Stated RM'000	Increase/ (Decrease) RM'000	Restated RM'000
As at 1 July 2017			
Bearer plants	-	28,213	28,213
Biological assets	20,899	(20,585)	314
Reserves	612,832	(2,022)	610,810
Non-controlling interests	525,661	9,651	535,312

As at 30 June 2018

Bearer plants	-	34,282	34,282
Biological assets	26,986	(26,701)	285
Reserves	624,368	(2,112)	622,256
Non-controlling interests	543,473	9,693	553,166

Condensed Consolidated Statement of comprehensive income

	Previously Stated RM'000	(Decrease)/ Increase RM'000	Restated RM'000
For 3 months ended 31 December 2017			
Depreciation	(111)	(86)	(197)
Subcontract labour costs, fertilizer and chemical costs	(1,342)	81	(1,261)
Fair value loss on biological assets	-	(204)	(204)
Share of profit of associates	817	1,539	2,356
Profit before tax	4,648	1,330	5,978
Profit after tax	4,421	1,330	5,751
Other comprehensive income	12,927	(1,539)	11,388

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

Part A - Explanatory Notes Pursuant to MFRS 134

2. Significant accounting policies (cont'd)

Changes in accounting policies (cont'd)

Condensed Consolidated Statement of comprehensive income (cont'd)

	Previously Stated RM'000	(Decrease)/ Increase RM'000	Restated RM'000
For 6 months ended 31 December 2017			
Depreciation	(211)	(172)	(383)
Subcontract labour costs, fertilizer and chemical costs	(2,785)	148	(2,637)
Fair value gain on biological assets	-	100	100
Share of profit of associates	789	2,487	3,276
Profit before tax	9,371	2,563	11,934
Profit after tax	8,894	2,563	11,457
Other comprehensive income	13,494	(2,487)	11,007

Standards and interpretations issued but not yet effective

Amendments to MFRS 3: Definition of Business

Amendments to MFRS 9: Prepayment Features with Negative Compensation

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

MFRS 16 Leases

MFRS 17 Insurance Contracts

Amendments to MFRS 101 and MFRS 128: Definition of Material

Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement

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

IC 23 Uncertainty over Income Tax Treatments

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

3. Auditors' Report on Preceding Annual Financial Statements

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

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

Part A - Explanatory Notes Pursuant to MFRS 134

4. Segmental Information

	6 months ended	
	31.12.18	31.12.17
	RM'000	RM'000
		(Restated)
Segment Revenue		
Plantation	4,527	8,528
Investment	4,133	4,323
	<u>8,660</u>	<u>12,851</u>
Segment results		
Plantation	793	5,053
Investment	3,578	3,931
	<u>4,371</u>	<u>8,984</u>
Unallocated corporate expenses	<u>(3,275)</u>	<u>(326)</u>
Profit from operations	<u>1,096</u>	<u>8,658</u>
Segment assets		
Plantation	380,061	376,182
Investment	821,466	873,457
	<u>1,201,527</u>	<u>1,249,639</u>
Unallocated corporate asset	<u>723</u>	<u>192</u>
Total assets	<u>1,202,250</u>	<u>1,249,831</u>

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

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

- 1) Prior year figures were restated due to adoption of MFRS.
- 2) On 30 October 2018, the Company declared single tier first and final dividend of 1 sen per share to its shareholders. The subsidiary of the Company, Sungei Bagan Rubber Company (Malaya) Berhad declared single tier first and final dividend of 2 sen per share, special dividend of 4 sen per share and dividend in-specie of up to 3,838,090 ordinary shares of Kluang Rubber Company (Malaya) Berhad to its shareholders. The other subsidiary of the Company, Kuchai Development Berhad declared single tier first and final dividend of 1 sen per share, special dividend of 4 sen per share and dividend in-specie of up to 1,976,957 ordinary shares of Kluang Rubber Company (Malaya) Berhad shares to its shareholders. As such, the dividend payables of RM14.98 million comprise of cash dividends of RM5.22 million and dividend in-specie of RM9.76 million.

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

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

Part A - Explanatory Notes Pursuant to MFRS 134

6. Changes in Estimates

There were no changes in estimates that have had a material effect on 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

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

9. Debt and Equity Securities

There were no issuance, repurchase and repayment of debts and equity securities for the financial period ended 31 December 2018.

10. Changes in Composition of the Group

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

11. Capital Commitments

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

12. Changes in Contingent Liabilities and Contingent Assets

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

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
(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	
	3 months ended		6 months ended	
	31.12.18	31.12.17	31.12.18	31.12.17
	RM'000	RM'000	RM'000	RM'000
Rental income from Ice Cold Beer Pte. Ltd., a company in which a director, Lee Chung-Shih Justin has an interest (recurrent)	237	240	470	484
Estate agency fee payable to Kluang Estates (1977) Sdn Bhd, a company in which a director, Lee Chung-Shih Justin, has an interest (recurrent)	50	84	114	178
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)	481	492	1,066	1,081
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)	77	96	175	185
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)	62	62	125	125

14. Subsequent Events

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

KLUANG RUBBER COMPANY (MALAYA) BERHAD (3441-K)
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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
31.12.18				
Investments in financial assets	374,948	36,276	-	411,224
Investment in precious metal	21,285	-	-	21,285
Freehold land	-	-	297,930	297,930
Investment properties	-	-	66,626	66,626
Biological assets	-	-	252	252
	<u>396,233</u>	<u>36,276</u>	<u>364,808</u>	<u>797,317</u>
30.06.18				
Investments in financial assets	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
Biological assets	-	-	285	285
	<u>446,895</u>	<u>41,311</u>	<u>363,225</u>	<u>851,431</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)
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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's revenue of RM3.74 million and RM8.66 million for the current quarter and period-to-date respectively were lower than the revenue reported for last year's corresponding quarter of RM6.31 million and period-to-date of RM12.85 million. The decreases in revenue for the current quarter and period-to-date were mainly due to the substantial declines in tonnage harvested and falls in the average price of fresh fruit bunches ("FFB"). Although lower tonnage harvested and the decrease in average price of FFB, there was increase in interest income when compared to last year's corresponding quarter and period-to-date.

For the current quarter, the Group reported an after-tax loss of RM8.39 million while last year's corresponding quarter was an after-tax profit of RM5.75 million. This was mainly due to:-

- 1) Revenue achieved for the current quarter was lower than a year ago.
- 2) Share of the associates' financial results was a loss of RM8.33 million for the current quarter while it was a profit of RM2.36 million a year ago.
- 3) The foreign exchange gain of RM357,000 for the current quarter was lower than last year's corresponding quarter's gain of RM1.21 million.

The Group reported an after tax-loss of RM10.84 million at the end of the 6 months ended 31 December 2018 as compared to last year's corresponding period of an after-tax profit of RM11.46 million. This was mainly due to:-

- 1) Revenue achieved for the current period-to-date was lower than a year ago.
- 2) Share of the financial results of the associates for the current period-to-date was a loss of RM11.81 million while it was a profit of RM3.28 million a year ago.
- 3) The foreign exchange gain of RM787,000 was significantly lower than last year's RM3.13 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 31.12.18 RM'000	Preceding Quarter 30.09.18 RM'000	Change Favourable/(Unfavourable)	
			RM'000	%
Revenue	3,739	4,921	(1,182)	-24
Operating profit	4	1,092	(1,088)	-100
Share of loss of associate	(8,327)	(3,482)	(4,845)	-139
Loss before tax	(8,323)	(2,390)	(5,933)	-248
Loss after tax	(8,392)	(2,445)	(5,947)	-243
Loss attributable to:				
Owners of the parent	(8,125)	(1,452)	(6,673)	-460
Non-controlling interest	(267)	(993)	726	73
	<u>(8,392)</u>	<u>(2,445)</u>		

For the quarter under review, the Group's revenue of RM3.74 million was lower than the immediate preceding quarter's RM4.92 million. This was mainly due to the receipt of dividend income of RM463,000 for the current quarter which was lower than the immediate preceding quarter's RM1.43 million.

The Group reported a pre-tax loss of RM8.32 million for the current quarter which was higher as compared to the immediate preceding quarter's loss of RM2.39 million. This was mainly due to:-

- 1) Revenue achieved for the current quarter was lower the immediate preceding quarter.
- 2) Share of financial results of associates' loss of RM8.33 million was significantly higher than the immediate preceding quarter's loss of RM3.48 million.

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18. Commentary on Prospects

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

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

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

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

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

19. Profit Forecast or Profit Guarantee

There is no profit forecast or profit guarantee.

20. (Loss)/Profit before tax

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

	Individual Quarter		Period-To-Date	
	31.12.18	31.12.17	31.12.18	31.12.17
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
Interest income	(751)	(537)	(1,437)	(1,067)
Other income including investment inc	(869)	(1,346)	(2,698)	(3,279)
Depreciation and amortization	211	197	390	383
Foreign exchange gain	(357)	(1,208)	(787)	(3,133)

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21. Income Tax Expense

	Individual Quarter 3 months ended		Period-To-Date 6 months ended	
	31.12.18 RM'000	31.12.17 RM'000	31.12.18 RM'000	31.12.17 RM'000
Current tax:				
Malaysian income tax	30	181	70	385
Foreign tax	39	46	89	92
	<u>69</u>	<u>227</u>	<u>159</u>	<u>477</u>
Over provision of income tax in prior years				
Foreign tax	-	-	(35)	-
	<u>-</u>	<u>-</u>	<u>(35)</u>	<u>-</u>
Total income tax expense	<u>69</u>	<u>227</u>	<u>124</u>	<u>477</u>

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

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

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

22. Corporate Proposals

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

23. Borrowings

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

24. Changes in Material Litigation

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

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25. Dividend Payable

On 30 October 2018, the Company declared single tier first and final dividend of 1 sen per share to its shareholders. The subsidiary of the Company, Sungei Bagan Rubber Company (Malaya) Berhad declared single tier first and final dividend of 2 sen per share, special dividend of 4 sen per share and dividend in-specie of up to 3,838,090 ordinary shares of Kluang Rubber Company (Malaya) Berhad to its shareholders. The other subsidiary of the Company, Kuchai Development Berhad declared single tier first and final dividend of 1 sen per share, special dividend of 4 sen per share and dividend in-specie of up to 1,976,957 ordinary shares of Kluang Rubber Company (Malaya) Berhad to its shareholders. As such, the dividend payable of RM14.98 million comprise of cash dividends of RM5.22 million and dividend in-specie of RM9.76 million.

26. (Loss)/Earnings Per Share

(a) Basic

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

	Individual Quarter		Period-To-Date	
	3 months ended		6 months ended	
	31.12.18	31.12.17	31.12.18	31.12.17
		(Restated)		(Restated)
(Loss)/Earnings attributable to owners of the parent (RM'000)	<u>(8,125)</u>	<u>2,735</u>	<u>(9,577)</u>	<u>5,669</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>(12.86)</u>	<u>4.33</u>	<u>(15.16)</u>	<u>8.97</u>

(b) Diluted

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

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27. Cash and cash equivalents

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

	31.12.18	31.12.17
	RM'000	RM'000
Cash and bank balances	258,926	264,378
Less: Short-term deposits with a licensed bank with maturities more than 90 days	(145,678)	(79,544)
Cash and cash equivalents	<u>113,248</u>	<u>184,834</u>

28. Authorisation for Issue

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