

KLUANG RUBBER COMPANY (MALAYA) BERHAD (195901000092 (3441-K))
(Incorporated in Malaysia)

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

| | Note | Individual Quarter 3 months ended | | Change (Unfavourable)/ Favourable | | Year-to-Date 12 months ended | | Change (Unfavourable)/ Favourable | |
|--|-------|--------------------------------------|--------------------|---|-------------|---------------------------------|--------------------|---|-------------|
| | | 30.06.21 RM'000 | 30.06.20 RM'000 | RM'000 | % | 30.06.21 RM'000 | 30.06.20 RM'000 | RM'000 | % |
| Revenue | 4 | 13,894 | 12,092 | 1,802 | 15 | 31,674 | 25,911 | 5,763 | 22 |
| Other income | | - | 1 | (1) | -100 | 20 | 8 | 12 | 150 |
| Changes in inventories | | (296) | (148) | (148) | -100 | 37 | 10 | 27 | 270 |
| Staff costs | | (949) | (880) | (69) | -8 | (3,678) | (3,539) | (139) | -4 |
| Depreciation | | (671) | (709) | 38 | 5 | (2,674) | (2,603) | (71) | -3 |
| Subcontract labour costs, fertilizer and chemical costs | | (3,317) | (4,180) | 863 | 21 | (14,391) | (11,700) | (2,691) | -23 |
| Loss on compensation of bearer plant items | | (9) | - | (9) | N.M. | (9) | - | (9) | N.M. |
| Foreign exchange gain/(loss) | | 3,993 | 1,958 | 2,035 | 104 | 8,877 | (5,183) | 14,060 | 271 |
| Other expenses | | (2,452) | (1,161) | (1,291) | -111 | (8,674) | (7,318) | (1,356) | -19 |
| Finance lease expense | | (35) | (37) | 2 | 5 | (145) | (151) | 6 | 4 |
| Fair value gain/(loss) on biological assets | | 253 | (79) | 332 | 420 | 466 | 130 | 336 | 258 |
| Bearer Plants written off | | (220) | - | (220) | N.M. | (220) | - | (220) | N.M. |
| Gain on compulsory land acquisition | | 11,287 | - | 11,287 | N.M. | 11,287 | - | 11,287 | N.M. |
| Gain on sale of investment | | - | - | - | N.M. | 3,697 | - | 3,697 | N.M. |
| Fair value gain/(loss) on investment properties | | 4,947 | (5,433) | 10,380 | 191 | 4,947 | (5,433) | 10,380 | 191 |
| Fair value gain on investments | | 2,339 | 7,111 | (4,772) | -67 | 11,949 | 5,733 | 6,216 | 108 |
| Profit/(Loss) from operations | 4 | 28,764 | 8,535 | 20,229 | 237 | 43,163 | (4,135) | 47,298 | 1144 |
| Share of profit/(loss) of associates | | 123 | 7,083 | (6,960) | -98 | 18,252 | (2,185) | 20,437 | 935 |
| Profit/(Loss) before tax | 20 | 28,887 | 15,618 | 13,269 | 85 | 61,415 | (6,320) | 67,735 | 1072 |
| Income tax (expense)/credit | 21 | (668) | 2,065 | (2,733) | -132 | (824) | 1,968 | (2,792) | -142 |
| Profit/(Loss) after tax | | 28,219 | 17,683 | 10,536 | 60 | 60,591 | (4,352) | 64,943 | 1492 |
| Other comprehensive (loss)/Income | | | | | | | | | |
| Investments: | | | | | | | | | |
| - Fair value (loss)/gain | | (1,695) | 26,915 | (28,610) | -106 | 40,575 | (86,951) | 127,526 | 147 |
| - Reclassification to profit or loss | | - | - | - | - | (3,697) | - | (3,697) | N.M. |
| Share of other comprehensive income of associates | | - | 3,277 | (3,277) | -100 | - | 3,471 | (3,471) | 100 |
| Foreign currency translation - Translation difference | | 649 | 3,478 | (2,829) | -81 | (8,291) | 12,772 | (21,063) | -165 |
| Other comprehensive (loss)/income for the year, net of tax | | (1,046) | 33,670 | (34,716) | -103 | 28,587 | (70,708) | 99,295 | 140 |
| Total comprehensive income/(loss) for the year | | 27,173 | 51,353 | (24,180) | -47 | 89,178 | (75,060) | 164,238 | 219 |
| Profit/(Loss) attributable to: | | | | | | | | | |
| Owners of the parent | | 12,744 | 9,817 | 2,927 | 30 | 31,034 | (2,168) | 33,202 | 1531 |
| Non-controlling interest | | 15,475 | 7,866 | 7,609 | 97 | 29,557 | (2,184) | 31,741 | 1453 |
| | | <u>28,219</u> | <u>17,683</u> | <u>10,536</u> | <u>60</u> | <u>60,591</u> | <u>(4,352)</u> | <u>64,943</u> | <u>1492</u> |
| Total comprehensive income/(loss) attributable to: | | | | | | | | | |
| Owners of the parent | | 12,584 | 24,292 | (11,708) | -48 | 42,264 | (33,055) | 75,319 | 228 |
| Non-controlling interest | | 14,589 | 27,061 | (12,472) | -46 | 46,914 | (42,005) | 88,919 | 212 |
| | | <u>27,173</u> | <u>51,353</u> | <u>(24,180)</u> | <u>-47</u> | <u>89,178</u> | <u>(75,060)</u> | <u>164,238</u> | <u>219</u> |
| Earnings/(Loss) per share attributable to owners of the parent: | | | | | | | | | |
| Basic (Sen) | 26(a) | 20.33 | 15.56 | | | 49.45 | (3.43) | | |
| Diluted (Sen) | 26(b) | <u>20.33</u> | <u>15.56</u> | | | <u>49.45</u> | <u>(3.43)</u> | | |

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.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (195901000092 (3441-K))

(Incorporated in Malaysia)

Consolidated Statement of Financial Position**As at 30 June 2021**

| | (Unaudited) As at 30.06.2021 RM'000 | (Audited) As at 30.06.2020 RM'000 |
|--|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 297,731 | 304,412 |
| Right-of-use asset | 2,903 | 3,066 |
| Bearer plants | 37,504 | 38,531 |
| Investment properties | 69,369 | 61,299 |
| Investment in associates | 113,011 | 98,969 |
| Investments | 455,549 | 411,505 |
| | <u>976,067</u> | <u>917,782</u> |
| Current assets | | |
| Inventories | 67 | 29 |
| Biological assets | 827 | 361 |
| Trade and other receivables | 21,923 | 2,603 |
| Prepayments | 680 | 514 |
| Tax recoverable | 401 | 626 |
| Cash and bank balances | 237,235 | 228,063 |
| | <u>261,133</u> | <u>232,196</u> |
| TOTAL ASSETS | <u>1,237,200</u> | <u>1,149,978</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the Parent | | |
| Share capital | 68,388 | 68,388 |
| Reserves | 612,869 | 571,233 |
| Treasury shares | (1,698) | (701) |
| | <u>679,559</u> | <u>638,920</u> |
| Non-controlling interests | 518,734 | 473,056 |
| Total equity | <u>1,198,293</u> | <u>1,111,976</u> |
| Non-current liabilities | | |
| Other payables | 488 | 798 |
| Lease liabilities | 2,729 | 2,839 |
| Provision for retirement benefits | 88 | 86 |
| Deferred tax liabilities | 29,436 | 28,824 |
| | <u>32,741</u> | <u>32,547</u> |
| Current liabilities | | |
| Trade and other payables | 5,847 | 5,161 |
| Lease liabilities | 110 | 105 |
| Tax payable | 209 | 189 |
| | <u>6,166</u> | <u>5,455</u> |
| Total liabilities | <u>38,907</u> | <u>38,002</u> |
| TOTAL EQUITY AND LIABILITIES | <u>1,237,200</u> | <u>1,149,978</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 (195901000092 (3441-K))
(Incorporated in Malaysia)

Consolidated Statement of Changes in Equity
For the Financial Year Ended 30 June 2021
(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 | Capital Reserve RM'000 | Fair Value Reserve RM'000 | Foreign Exchange Fluctuation Reserves RM'000 | Treasury Shares RM'000 | Retained Earnings RM'000 | Non- Controlling Interests RM'000 |
| Balance at 1 July 2020 | 1,111,976 | 638,920 | 68,388 | 199,621 | 107,692 | 68,293 | (701) | 195,627 | 473,056 |
| Total comprehensive income/(loss) for the year | 89,178 | 42,264 | - | - | 15,921 | (4,691) | - | 31,034 | 46,914 |
| Buy-back of shares | (997) | (997) | - | - | - | - | (997) | - | - |
| Transfer of fair value reserve upon disposal of equity instruments designed at FVTOCI | - | - | - | - | (4,261) | (79) | - | 4,340 | - |
| Transfer of reserve upon compulsory land acquisition | - | - | - | (3,274) | - | - | - | 3,274 | - |
| Dividend | (1,864) | (628) | - | - | - | - | - | (628) | (1,236) |
| Balance at 30 June 2021 | 1,198,293 | 679,559 | 68,388 | 196,347 | 119,352 | 63,523 | (1,698) | 233,647 | 518,734 |
| Balance at 1 July 2019 | 1,192,913 | 676,466 | 68,388 | 198,114 | 146,772 | 61,606 | - | 201,586 | 516,447 |
| Total comprehensive (loss)/income for the year | (75,060) | (33,055) | - | 1,506 | (39,080) | 6,687 | - | (2,168) | (42,005) |
| Buy-back shares | (701) | (701) | - | - | - | - | (701) | - | - |
| Dividend | (5,176) | (3,790) | - | - | - | - | - | (3,790) | (1,386) |
| Balance at 30 June 2021 | 1,111,976 | 638,920 | 68,388 | 199,620 | 107,692 | 68,293 | (701) | 195,628 | 473,056 |

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 (195901000092 (3441-K))
(Incorporated in Malaysia)

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

| | 12 months ended | |
|---|------------------------|-----------------|
| | 30.06.21 | 30.06.20 |
| | RM'000 | RM'000 |
| OPERATING ACTIVITIES | | |
| Profit/(Loss) before taxation | 61,415 | (6,320) |
| Adjustments for: | | |
| Depreciation | 2,674 | 2,603 |
| Bearer plants written off | 220 | - |
| Loss on compensation of bearer plant items | 9 | - |
| Gain on compulsory land acquisition | (11,287) | - |
| Provision for retirement benefit | 6 | 24 |
| Dividend income | (9,009) | (9,251) |
| Interest income | (1,402) | (3,406) |
| Finance lease interest | 145 | 151 |
| Share of (profit)/loss of associates | (18,252) | 2,185 |
| Gain on sale of investment | (3,697) | - |
| Fair value (gain)/loss on investment properties | (4,947) | 5,433 |
| Fair value gain on biological assets | (466) | (130) |
| Fair value gain on other investments | (11,949) | (5,733) |
| Unrealised foreign exchange (gain)/loss | (8,887) | 5,183 |
| Operating cash flows before working capital changes | (5,427) | (9,261) |
| Receivables | (721) | (668) |
| Prepayments | (166) | 321 |
| Inventories | (37) | (10) |
| Payables | 369 | 358 |
| Cash flows used in operations | (5,982) | (9,260) |
| Retirement benefit paid | (4) | - |
| Taxes refunded | 363 | 295 |
| Taxes paid | (333) | (519) |
| Net cash flows used in operating activities | (5,956) | (9,484) |
| INVESTING ACTIVITIES | | |
| Dividends received | 10,503 | 11,166 |
| Interest received | 2,335 | 3,609 |
| Uplift of fixed deposits | 56,618 | 13,512 |
| Proceeds from sale of investments | 17,227 | - |
| Purchase of investments | (9,524) | (36,665) |
| Purchase of property, plant and equipment | (1,559) | (2,161) |
| Addition to bearer plants | (1,453) | (1,376) |
| Cash flows generated from/(used in) investing activities | 74,147 | (11,915) |
| FINANCING ACTIVITY | | |
| Dividends paid to owners of the company | (628) | (3,790) |
| Dividends paid to non-controlling interest | (1,236) | (1,386) |
| Buy-back of shares | (997) | (701) |
| Repayment of lease liability | (105) | (286) |
| Interest paid | (145) | (151) |
| Net cash used in financing activity | (3,111) | (6,314) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 65,080 | (27,713) |
| EFFECTS OF EXCHANGE RATE CHANGES | 710 | 1,337 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR | 109,548 | 135,924 |
| CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR (Note 27) | 175,338 | 109,548 |

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 (195901000092 (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 year ended 30 June 2021 are prepared in accordance with Malaysian Financial Reporting Standards ("MFRS").

The interim financial statements have been prepared on a historical cost basis, other than 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 2020 except for the adoption of the amended FRSs and annual improvements which are relevant to the Group's operations with effect from 1 July 2020 as set out below:

Amendments to MFRS 3: Definition of a Business

Amendments to MFRS 101 and 108: Definition of Material

Amendments to references to the Conceptual Framework in
MFRS Standards

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

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

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

3. Auditors' Report on Preceding Annual Financial Statements

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

KLUANG RUBBER COMPANY (MALAYA) BERHAD (195901000092 (3441-K))
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to MFRS 134

4. Segmental Information

| | 12 months ended | |
|--------------------------------|------------------------|------------------|
| | 30.06.21 | 30.06.20 |
| | RM'000 | RM'000 |
| Segment revenue | | |
| Plantation | 20,119 | 11,719 |
| Investment | 11,555 | 14,192 |
| | <u>31,674</u> | <u>25,911</u> |
| Segment results | | |
| Plantation | 13,519 | (3,683) |
| Investment | 39,568 | 6,055 |
| | <u>53,087</u> | <u>2,372</u> |
| Unallocated corporate expenses | (9,924) | (6,507) |
| Profit/(Loss) from operations | <u>43,163</u> | <u>(4,135)</u> |
| Segment assets | | |
| Plantation | 395,569 | 373,045 |
| Investment | 841,216 | 776,287 |
| | <u>1,236,785</u> | <u>1,149,332</u> |
| Unallocated corporate asset | 415 | 646 |
| Total assets | <u>1,237,200</u> | <u>1,149,978</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 2021.

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.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (195901000092 (3441-K))
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to MFRS 134

8. Cash Dividend Paid

In respect of the financial year ended 30 June 2020, as reported in the directors' report of that year, the following cash dividend was paid during the financial year ended 30 June 2021:

| | Amount | Net dividend |
|---|----------------|---------------------|
| | RM | per share |
| | | Sen |
| First and final tax exempt (single-tier) dividend | <u>627,615</u> | <u>1.00</u> |

9. Debt and Equity Securities

Purchase of shares Pursuant to Section 127 of the Companies Act 2016

During the twelve months ended 30 June 2021, the Company acquired 296,300 of its own ordinary shares from the open market for a cash consideration of RM996,381. The share buy-back was made pursuant to the approval obtained from the Company's shareholders at the Company's Annual General Meeting held on 10 December 2020. The repurchased shares are held as treasury shares in accordance with the requirement of Section 127 (4) of the Companies Act 2016.

Other than the above, there were no issuance, repurchase of debts and equity securities for the financial year ended 30 June 2021.

10. Changes in Composition of the Group

There were no changes in the composition of the Group for the financial year ended 30 June 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 June 2021.

12. Changes in Contingent Liabilities and Contingent Assets

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

KLUANG RUBBER COMPANY (MALAYA) BERHAD (195901000092 (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 | | Year-To-Date | |
|---|---------------------------|-----------------|------------------------|-----------------|
| | 3 months ended | | 12 months ended | |
| | 30.06.21 | 30.06.20 | 30.06.21 | 30.06.20 |
| | 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) | 241 | 160 | 876 | 870 |
| 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) | 45 | 45 | 180 | 150 |
| 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) | 562 | 98 | 2,254 | 1,771 |
| 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) | 354 | 97 | 706 | 454 |
| 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) | 62 | 62 | 250 | 250 |

14. Subsequent Events

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

KLUANG RUBBER COMPANY (MALAYA) BERHAD (195901000092 (3441-K))
(Incorporated in Malaysia)

Part A - Explanatory Notes Pursuant to MFRS 134

15. Fair Value Hierarchy

The Group uses the following hierarchy for determining the fair value of all assets and liabilities carried at fair value:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

| | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|----------------|----------------|----------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| 30.06.21 | | | | |
| Investments in financial instruments | 330,237 | 59,458 | - | 389,695 |
| Investment in precious metal - gold bullion | 29,442 | - | - | 29,442 |
| Investment properties | - | - | 69,369 | 69,369 |
| Biological assets | - | - | 827 | 827 |
| | <u>359,679</u> | <u>59,458</u> | <u>70,196</u> | <u>489,333</u> |
| 30.06.20 | | | | |
| Investments in financial instruments | 295,757 | 48,813 | - | 344,570 |
| Investment in precious metal - gold bullion | 30,465 | - | - | 30,465 |
| Investment properties | - | - | 61,299 | 61,299 |
| Biological assets | - | - | 361 | 361 |
| | <u>326,222</u> | <u>48,813</u> | <u>61,660</u> | <u>436,695</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 (195901000092 (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's revenue of RM13.89 million for the current quarter was higher than last year's corresponding quarter of RM12.09 million despite lower interest and rental income. The increase in revenue was mainly due to higher crop sales on account of increase in average price of fresh fruit bunches ("FFB").

For the current quarter, the Group reported an after-tax profit of RM28.22 million which was higher than last year's corresponding quarter's after-tax profit of RM17.68 million. This was mainly due to:-

- 1) Revenue achieved for the current quarter was higher than last year's corresponding quarter.
- 2) The foreign exchange gain of RM3.99 million for the current quarter was higher than last year's corresponding quarter's gain of RM1.96 million.
- 3) During the current quarter, 200 acres of the Group's land was compulsorily acquired by the Malaysian Government for a consideration of RM18.9 million. This resulted in a gain of RM11.29 million while there was no acquisition in last year's corresponding quarter.
- 4) The revaluation of investment properties led to a fair value gain of RM4.95 million for the current quarter as compared to the fair value loss of RM5.43 million reported for last year's corresponding quarter.

However, revaluation gain on its investments at fair value through profit or loss ("FVTPL") of RM2.34 million for the current quarter was lower than last year's corresponding quarter's gain of RM7.11 million. Share of the associates' profit of RM123,000 for the current quarter was also lower than last year's corresponding quarter's profit of RM7.08 million.

The Group's revenue of RM31.67 million for the current financial year was higher than last year's RM25.91 million. This was mainly due to higher crop sales on account of increase in average price of FFB and higher tonnage harvested. However, rental, interest and dividend income were lower as compared to a year ago.

The Group ended the current financial year with an after-tax profit of RM60.59 million which was a positive turnaround from last year's loss of RM4.35 million. This was mainly due to:-

- 1) Revenue achieved for the current financial year was higher than last year.
- 2) Foreign exchange difference was a gain of RM8.88 million for the current financial year while last year's was a loss of RM5.18 million.
- 3) The compulsory acquisition of 200 acres of land resulted in a gain of RM11.29 million for the current financial year while there was none a year ago.
- 4) The revaluation of investment properties led to a fair value gain of RM4.95 million for the current financial year while it was a loss of RM5.43 million a year ago.

KLUANG RUBBER COMPANY (MALAYA) BERHAD (195901000092 (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 (Cont'd)

- 5) Fair value gain on the Group's FVTPL investments of RM11.95 million for the current financial year was higher than last year's gain of RM5.73 million.
- 6) Share of the associates' financial results was a profit of RM18.25 million for the current financial year as compared to the loss of RM2.19 million reported a year ago.

During the current quarter, the Group posted total other comprehensive loss of RM1.05 million as compared to the profit of RM33.67 million reported during last year's corresponding quarter. This was mainly due to the revaluation loss of RM1.70 million of its investments at fair value through other comprehensive income ("FVTOCI") for the current quarter while it was a gain of RM26.92 million reported during last year's corresponding quarter. Foreign currency translation for the current quarter was a gain of RM649,000 and this was lower than last year's corresponding quarter's gain of RM3.48 million.

For the current financial year, the Group posted a total other comprehensive income of RM28.59 million while it was a loss of RM70.71 million reported last year. This was mainly due to fair value gain of RM40.58 million of its investments at FVTOCI while it was a loss of RM86.95 million a year ago. However, foreign currency translation for the current financial year was a loss of RM8.29 million while it was a gain of RM12.77 million reported during last year. The reclassification of RM3.70 million to profit or loss statement during the current financial year was on account of the sale of investment in precious metal while there was none a year ago.

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

| | Current Quarter 30.06.21 RM'000 | Preceding Quarter 31.03.21 RM'000 | Change (Unfavourable)/Favourable | |
|---------------------------------------|--|--|---|----------|
| | | | RM'000 | % |
| Revenue | 13,894 | 4,238 | 9,656 | 228 |
| Operating profit/(loss) | 28,764 | (4,145) | 32,909 | 794 |
| Share of profit of associates | 123 | 449 | (326) | -73 |
| Profit/(Loss) before tax | 28,887 | (3,696) | 32,583 | 882 |
| Profit/(Loss) after tax | 28,219 | (3,726) | 31,945 | 857 |
| Profit/(Loss) attributable to: | | | | |
| Owners of the parent | 12,744 | (1,862) | 14,606 | 784 |
| Non-controlling interest | 15,475 | (1,864) | 17,339 | 930 |
| | <u>28,219</u> | <u>(3,726)</u> | | |

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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 RM13.89 million was significantly higher than the immediate preceding quarter's RM4.24 million. This was mainly contributed by the receipt of dividend income of RM7.51 million while there was none during the immediate preceding quarter. Crop sales of RM5.81 million for the current quarter was higher than immediate preceding quarter's RM3.67 million on account of higher FFB prices and higher tonnage harvested.

The Group posted a pre-tax profit of RM28.89 million for the current quarter as compared to the immediate preceding quarter's pre-tax loss of RM3.70 million. This was due to:-

- 1) Revenue achieved for the current quarter was higher than the immediate preceding quarter.
- 2) The foreign exchange difference was a gain of RM3.99 million for the current quarter while it was a loss of RM2.12 million for the immediate preceding quarter.
- 3) A gain on compulsory land acquisition of RM11.29 million was reported for the current quarter while there was none during the immediate preceding quarter.
- 4) Revaluation of investment properties for the current quarter led to a gain of RM4.95 million while there was none during the immediate preceding quarter.
- 5) Fair value gain of RM2.34 million of the Group's FVTPL investments for the current quarter was higher than the immediate preceding quarter's gain of RM132,000.

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.

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 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.

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20. Profit/(Loss) before tax

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

| | Individual Quarter | | Year-To-Date | |
|---|--------------------|----------|--------------|----------|
| | 30.06.21 | 30.06.20 | 30.06.21 | 30.06.20 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Interest income | (339) | (699) | (1,402) | (3,406) |
| Other income including investment income | (7,740) | (7,709) | (10,173) | (10,794) |
| Fair value gain on investment | (2,339) | (7,111) | (11,949) | (5,733) |
| Fair value (gain)/loss on biological assets | (253) | 79 | (466) | (130) |
| Depreciation | 671 | 709 | 2,674 | 2,603 |
| Foreign exchange gain | (3,993) | (1,958) | (8,877) | 5,183 |

21. Income Tax Expense

| | Individual Quarter | | Year-To-Date | |
|---|--------------------|----------------|-----------------|-----------------|
| | 3 months ended | 3 months ended | 12 months ended | 12 months ended |
| | 30.06.21 | 30.06.20 | 30.06.21 | 30.06.20 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax: | | | | |
| Malaysian income tax | 3 | 3 | 3 | 6 |
| Foreign tax | 60 | 122 | 205 | 264 |
| | <u>63</u> | <u>125</u> | <u>208</u> | <u>270</u> |
| (Over)/Under provision of income tax in prior years | | | | |
| Malaysian income tax | - | - | 1 | - |
| Foreign tax | (7) | - | 3 | (48) |
| | <u>(7)</u> | <u>-</u> | <u>4</u> | <u>(48)</u> |
| Deferred tax: | | | | |
| Relating to origination and reversal of temporary differences | 612 | (2,190) | 612 | (2,190) |
| | <u>612</u> | <u>(2,190)</u> | <u>612</u> | <u>(2,190)</u> |
| Total income tax credit | <u>668</u> | <u>(2,065)</u> | <u>824</u> | <u>(1,968)</u> |

The effective tax rate for the last financial year was higher than the statutory tax rate applicable in Malaysia. This was due to the non-deductible expenses even though the Group was in loss position. As for the current quarter, last year's corresponding quarter and current financial year, the effective tax rates were lower as certain income were not subject to income tax.

The foreign taxes mainly arose from the rental income of the Group's investment properties in Singapore and London.

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21. Income Tax Expense (cont'd)

During the current year, the deferred tax of RM612,000 was the result of the following:-

- 1) Additional deferred tax liability of RM1.373 million was provided.
- 2) Reversal of deferred tax liability of RM754,000 in respect of compulsory land acquisition as the gain is exempted from Real Property Gain tax.
- 3) Reversal of deferred tax liability of RM7,000 due to the fair value loss of RM65,000 of Seminyah land.

Last year's reversal of RM2.190 million mainly arose from the consideration of unabsorbed business losses and capital allowances carried forward from prior years and non-current provisions.

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 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 Payable

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

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26. Earnings/(Loss) Per Share

(a) Basic

Basic earnings/(loss) per share amounts are calculated by dividing profit/(loss) for the period 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 | 3 months ended | 12 months ended | 12 months ended |
| | 30.06.21 | 30.06.20 | 30.06.21 | 30.06.20 |
| Profit/(Loss) attributable to owners of the parent (RM'000) | <u>12,744</u> | <u>9,817</u> | <u>31,034</u> | <u>(2,168)</u> |
| Weighted average number of ordinary shares in issue ('000) | <u>62,681</u> | <u>63,086</u> | <u>62,752</u> | <u>63,143</u> |
| Basic earnings/(loss) per share (Sen) | <u>20.33</u> | <u>15.56</u> | <u>49.45</u> | <u>(3.43)</u> |

(b) Diluted

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

27. Cash and cash equivalents

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

| | 30.06.21 | 30.06.20 |
|--|-----------------|-----------------|
| | RM'000 | RM'000 |
| Cash and bank balances | 237,235 | 228,063 |
| Less: Short-term deposits with a licensed bank with maturities more than 90 days | (61,897) | (118,515) |
| Cash and cash equivalents | <u>175,338</u> | <u>109,548</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 August 2021.