



**Interim Financial Report on
Unaudited Consolidated Results for the
Quarter Ended
31 March 2021**

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KUB MALAYSIA BERHAD

(Company No. 6022-D)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 31 MARCH 2021

The Board of Directors hereby announce the unaudited financial results of the Group for the financial period ended 31 March 2021.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	CURRENT YEAR QUARTER 31/3/2021 RM'000 3 months	CURRENT YEAR TO DATE 31/3/2021 RM'000 15 months
Revenue	110,943	490,173
Cost of sales and operating expenses	(102,825)	(464,280)
Other income	1,508	45,662
Other expenses	(964)	(5,606)
Results from operating activities	8,662	65,949
Finance income	875	4,323
Finance costs	(900)	(4,791)
Share of profit of associates	-	3,851
Profit before tax	8,637	69,332
Income tax expense	(2,135)	(7,072)
Profit for the period	6,502	62,260
Profit attributable to :		
- Owners of the parent	5,503	59,353
- Non-controlling interests	999	2,907
	6,502	62,260
Earnings per share attributable to owners of the parent (sen) :		
Basic and diluted	0.99	10.67

Following the change in financial year end from 31 December 2020 to 30 June 2021, the next set of audited financial statements shall be for a period of eighteen (18) months from 1 January 2020 to 30 June 2021 and thereafter, the financial year end shall be 30 June for each subsequent year. Accordingly, there are no comparative figures to be presented in this Consolidated Statements of Profit or Loss and Consolidated Statements of Other Comprehensive Income.

The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Group's Annual Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

KUB MALAYSIA BERHAD

(Company No. 6022-D)
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INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 31 MARCH 2021

CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

	CURRENT YEAR QUARTER 31/3/2021 RM'000 3 months	CURRENT YEAR TO DATE 31/3/2021 RM'000 15 months
Profit for the period	6,502	62,260
Other comprehensive income that will not be reclassified subsequently to profit or loss :		
Net fair value changes in quoted share at fair value through other comprehensive income (FVTOCI)	(288)	650
Total comprehensive income for the period, net of tax	6,214	62,910
Total comprehensive income attributable to :		
Owners of the parent	5,215	60,003
Non-controlling interests	999	2,907
	6,214	62,910

The Condensed Consolidated Statements of Other Comprehensive Income should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

KUB MALAYSIA BERHAD

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INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 31 MARCH 2021

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	AS AT END OF CURRENT QUARTER 31/3/2021 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/12/2019 RM'000
Assets		
Property, plant and equipment	247,457	273,935
Investment properties	13,170	11,383
Right-of-use assets	4,230	3,729
Investment in associates	-	47,700
Other investments	7,645	6,996
Finance Lease receivables	1,468	1,577
Total non-current assets	273,970	345,320
Inventories	4,477	4,821
Biological assets	2,529	1,274
Trade and other receivables	61,401	46,074
Contract assets	4,514	340
Finance lease receivables	161	115
Tax recoverable	1,133	910
Cash, bank balances and deposits	226,799	145,627
Total current assets	301,014	199,161
Non-current assets held for sale	16,603	1,840
Total Assets	591,587	546,321
Equity		
Share capital	228,863	228,863
Reserves	50,106	49,456
Retained earnings	117,345	56,813
Total equity attributable to owners of the parent	396,314	335,132
Non-controlling interest	(1,719)	(10,492)
Total equity	394,595	324,640
Liabilities		
Borrowings	67,226	71,033
Lease liabilities	2,566	2,480
Refundable cylinder deposits	20,522	17,778
Deferred tax liabilities	13,135	13,203
Total non-current liabilities	103,449	104,494
Trade and other payables	83,443	81,765
Contract liabilities	1,218	981
Lease liabilities	1,083	642
Borrowings	4,844	33,169
Provision for tax	2,955	630
Total current liabilities	93,543	117,187
Total liabilities	196,992	221,681
Total equity and liabilities	591,587	546,321
Net assets per share attributable to owners of the parent (RM)	0.71	0.60

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

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INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 31 MARCH 2021

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	← Attributable to owners of the parent →					← Non-distributable reserves →				
	Equity, total RM'000	Equity attributable to owners of the parent, total RM'000	Share capital RM'000	Retained earnings RM'000	Other reserves, total RM'000	Capital reserve RM'000	Fair value adjustment reserve RM'000	Discount paid on acquisition of non-controlling interests RM'000	Merger reserve RM'000	Non- controlling interests RM'000
At 1 January 2020	324,640	335,132	228,863	56,813	49,456	34,016	3,322	971	11,147	(10,492)
Profit for the period	62,260	59,353	-	59,353	-	-	-	-	-	2,907
Other comprehensive loss not to be reclassified to profit or loss in subsequent year, net of tax	650	650	-	-	650	-	650	-	-	-
Total comprehensive income	62,910	60,003	-	59,353	650	-	650	-	-	2,907
Transaction with owners										
Change of equity ownership	7,199	1,179	-	1,179	-	-	-	-	-	6,020
Capital repayment paid to the non-controlling interest at a subsidiary	(154)	-	-	-	-	-	-	-	-	(154)
At 31 March 2021	394,595	396,314	228,863	117,345	50,106	34,016	3,972	971	11,147	(1,719)

There are no comparative figures disclosed for the cumulative period-to-date results following the change in the financial year end from 31 December to 30 June.

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

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INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 31 MARCH 2021

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	CUMULATIVE CURRENT YEAR TO DATE 31/3/2021 RM'000 15 months
Profit before taxation	69,332
Adjustments for :	
Depreciation of property, plant and equipment	22,126
Depreciation of right-of-use assets	980
Depreciation of investment properties	573
Unrealised fair value gain on short term investments	(976)
Gain on fair value changes in biological assets	(1,255)
Assets written off	484
Allowance for impairment on trade and other receivables	143
Impairment loss o lease receivables	282
Impairment losses on property, plant and equipment	152
Unrealised loss on foreign exchange	245
Gain on disposal of property, plant and equipment	(141)
Gain on disposal of non-current assets held for sale	(969)
Gain on disposal of investment property	(8,237)
Gain on disposal of associate company	(30,519)
Reversal of allowance for impairment on receivables	(221)
Finance income	(4,323)
Finance costs	4,791
Dividend income	(176)
Forfeiture of cylinder deposits payable	(543)
Share of results of associate	(3,851)
Operating profit before working capital changes	47,897
Changes in working capital:	
Inventories	344
Trade and other payables	14,046
Trade and other receivables	(16,013)
Contract assets	(4,174)
Contract liabilities	237
	42,337
Finance costs - lease liabilities	(176)
Net tax paid	(4,971)
Net cash generated from operating activities	37,190
Acquisition of property, plant and equipment	(18,554)
Dividends received	176
Finance income received	4,323
Net proceeds from disposal of property, plant and equipment	433
Net proceeds from disposal of investment property	12,625
Net proceeds from disposal of assets classified as held for sale	2,741
Net proceeds from disposal of associate company	80,000
Net cash generated from investing activities	81,744

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INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 31 MARCH 2021

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)

	CUMULATIVE CURRENT YEAR TO DATE 31/3/2021 RM'000 15 months
Increase of deposits pledged with licensed banks	(505)
Finance costs paid	(4,791)
Repayment of lease liabilities	(839)
Repayment of hire purchase	(276)
Repayment of term loans	(3,856)
Net repayment of short term borrowings	(28,000)
Net cash used in financing activities	(38,267)
Net increase in cash and cash equivalents	80,667
Cash and cash equivalents at beginning of year	113,609
Cash and cash equivalents at end of year	194,276
Cash and cash equivalents included in the condensed consolidated statements of cash flows comprise the following :	
Cash and bank balances	23,595
Deposits with licensed banks	203,204
Cash, bank balances and deposits	226,799
Deposits pledged with licensed banks	(32,523)
	194,276

There are no comparative figures disclosed in the condensed consolidated statements of cash flows for the cumulative period-to-date following the change in the financial year end from 31 December to 30 June.

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

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INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 31 MARCH 2021

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

1. Basis of preparation and accounting policies

The interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting* and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2019.

The accounting policies and methods of computation adopted by the Group for the interim financial statements are consistent with those adopted for the audited financial statements for the year ended 31 December 2019, except for the mandatory adoption of the following amendments to MFRSs:

Amendments to MFRS 3	Business Combination - Definition of a Business
Amendments to MFRS 7, MFRS 9 and MFRS 139	Financial Instruments - Interest Rate, Benchmark Reform
Amendments to MFRS 101	Presentation of Financial Statements - Definition of Material
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material

The adoption of the above did not have any significant impact on the interim financial results upon their initial application.

New MFRSs that have been issued but not yet effective

The standards and amendments that are issued but not yet effective up to the date of this interim report are disclosed below:

		Effective for financial periods beginning on or after
Amendments to MFRS 16	Covid-19 Related Rent Concessions	1 June 2021
MFRS 17	Insurance Contracts	1 January 2023
MFRSs	Annual improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3	Business Combinations - Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts – Costs of Fulfilling a Contract	1 January 2022
Amendments to MFRS 101	Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current	1 January 2023

2. Seasonal or cyclicity of operations

The Group's Agro business is influenced by both Crude Palm Oil ("CPO") prices and Fresh Fruit Bunches ("FFB") crop production which may be affected by weather and cropping patterns. The cyclical swing in FFB crop production is generally at its lowest in the first half of the year, with gradual increase to peak production towards the second half.

The remainder of the Group's operations are not materially affected by any seasonal or cyclical events.

3. Items of unusual nature, size or incidence

Save as disclosed below, there were no other unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review and financial period to-date.

- (i) The imposition of the Movement Control Order (MCO) by the Government in response to the COVID-19 pandemic between 18 March 2020 to 9 June 2020 and 13 January 2021 to 25 February 2021 had an adverse impact on business operations across all divisions (as disclosed in Note 13).
- (ii) During the second quarter, the Group disposed its 40% equity interest in KUB Berjaya Enviro Sdn Bhd for a total cash consideration of RM80 million. Following this, the Group recognised a gain on disposal of RM30.5 million.

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

4. Changes in estimates

There were no major changes in estimates that have had a material effect on the financial statements of the current quarter under review and financial period to-date.

5. Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter under review and financial period to-date.

6. Dividends paid

No dividend was paid in the current quarter under review and financial period to-date.

7. Subsequent events

On 10 June 2020, KUB Agro Holdings Sdn Bhd entered into a Sale and Purchase Agreement to dispose its two (2) oil palm estates in Kluang, Johor for a total cash consideration of RM158.0 million. The transaction was completed in the subsequent quarter ie. on 2 April 2021, with the Group recording a gain on disposal of approximately RM122.2 million.

On 8 April 2021, the Company entered into a Share Sale Agreement ("SSA") with Tradewinds Plantation Berhad for the disposal of its 100% equity interest in KUB Malua Plantation Sdn Bhd ("KUB Malua") comprising 10,000,000 ordinary shares for a total cash consideration of RM10.549 million as determined at the completion date. The transaction was completed on 30 April 2021 and the Group is expected to record a one-off estimated net loss on disposal of approximately RM18.7 million mainly as a result of non-recoverability of the Company's prior intercompany advances to KUB Malua.

Save as disclosed above, there were no other items, transactions or events of a material and unusual nature which have arisen since 31 March 2021 to the date of this announcement that have not been reflected in the condensed financial statements.

8. Changes in the composition of the Group

On 25 June 2020, the Company has disposed its 40% equity interest in KUB Berjaya Enviro Sdn Bhd comprising 9,000,000 ordinary shares to Berjaya Group Berhad for a total cash consideration of RM80 million. The gain on disposal arising from this transaction is RM30.5 million. Following the disposal, KUBE has therefore ceased to be an associate company of KUB.

On 7 August 2020, a wholly-owned subsidiary of the Company, namely KUB Ekuiti Sdn Bhd, had entered into a joint venture arrangement with HFR, Inc. ('HFR'), in relation to KUB Telekomunikasi Sdn Bhd ("KUBTEL") (a wholly-owned subsidiary of KUBE) via the disposal of 5,600,000 ordinary shares representing 40% of the issued share capital of KUBTEL for RM7.2 million.

Save as disclosed above, there were no other changes in the composition of the Group for the current quarter under review and financial period to-date.

9. Changes in contingent liabilities

There were no changes in contingent liabilities of the Group since the last reported in the audited financial statements.

10. Capital commitments

The capital expenditures that have not been provided for in the interim financial report are as follows :

	As at 31/3/2021 RM'000	As at 31/12/2019 RM'000
Property, plant and equipment		
Approved and contracted for	10,011	1,054
Approved but not contracted for	3,642	6,353
	<u>13,653</u>	<u>7,407</u>

11. Related Party Transactions

There were no significant related party transactions reported in the current quarter under review and financial period to-date.

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS
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EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

12. Segmental reporting

The Group's primary format for reporting segmental information is business segments based on the Group's management and internal reporting structure which organised into several divisions i.e. importation, bottling, marketing and distribution of Liquefied Petroleum Gas ("LPG"), oil palm plantation ("Agro"), information and communications technology ("ICT"), construction of substations, transmission lines and interconnection facilities ("Power") and Others. The division's head of each business unit reports directly to the Group Managing Director who regularly reviews the divisions' results with regards to performance assessment and resource allocations.

Segment information for the current financial period ended 31 March 2021 is as follows:

	LPG	Agro	ICT	Power	Others	Eliminations	Total
RM'000							
Revenue							
External sales	370,722	72,820	34,430	9,348	2,853	-	490,173
Inter-segment sales	-	-	-	-	15,270	(15,270)	-
Total revenue	370,722	72,820	34,430	9,348	18,123	(15,270)	490,173
Results							
Profit/(Loss) from operating activities	11,558	25,211	(577)	675	29,082	-	65,949
Finance income	1,329	395	240	63	2,296	-	4,323
Finance costs	(642)	(4,140)	-	-	(9)	-	(4,791)
Share of results of associates	-	-	-	-	3,851	-	3,851
Profit/(Loss) before tax	12,245	21,466	(337)	738	35,220	-	69,332
Income tax expense	(2,940)	(3,836)	(211)	-	(85)	-	(7,072)
Profit/(Loss) for the period	9,305	17,630	(548)	738	35,135	-	62,260

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12. Segmental reporting (cont'd)

Segmental assets and liabilities as 31 March 2021 as compared with the last annual financial statements:

As at 31 March 2021	LPG	Agro	ICT	Power	Others	Total
<i>RM'000</i>						
Assets						
Segment assets	145,539	175,045	22,283	9,467	222,650	574,984
Non-current assets held for sale	-	16,603	-	-	-	16,603
Total Assets	145,539	191,648	22,283	9,467	222,650	591,587
Liabilities						
Segment liabilities	77,707	101,355	3,949	4,197	9,784	196,992

As at 31 December 2019	LPG	Agro	ICT	Power	Others	Total
<i>RM'000</i>						
Assets						
Segment assets	162,627	187,333	23,841	12,350	110,630	496,781
Investment in associates	-	-	-	-	47,700	47,700
Non-current assets held for sale	-	-	-	-	1,840	1,840
Total Assets	162,627	187,333	23,841	12,350	160,170	546,321
Liabilities						
Segment liabilities	106,516	97,558	3,380	6,491	7,736	221,681

**EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD**

13. Group's Financial Performance Review and Segmental Analysis

For the period ended 31 March 2021, the Group registered revenue of RM490.2 million and a profit after tax ("PAT") of RM62.3 million.

The Group's results in the current period were largely attributable to several exceptional items ie. the gain on disposal of an associate company, KUB Berjaya Enviro Sdn Bhd ("KUBE") of RM30.5 million and the gain on disposal of freehold lands in Langkawi, Kedah of RM8.2 million.

During the current period, the Group also experienced challenging conditions with the depressed global oil market in the second quarter of 2020 and the imposition of the Movement Control Order ("MCO") and the Conditional Movement Control Order ("CMCO") by the Government due to the COVID-19 pandemic which significantly impacted the Group's sales demand and operations.

The segmental performance review by divisions are as follows:

LPG Division : The division recorded a lower than expected revenue of RM370.7 million and PAT of RM9.3 million in the current period with a marginally lower average contract price ("CP") and lower average monthly sales volume particularly in the commercial and industrial segments resulting from the series of MCOs and CMCOs. During this period, restaurants as well as factories were operating on a reduced capacity, thereby affecting overall LPG demand. The adverse impact of the declining crude oil prices in the beginning of the year 2020 and continuing intense market competition combined with high cost of production also have caused further margin compression in the current period.

Agro Division : The notably high revenue and PAT was largely driven by the strong uptrend in average crude palm oil ("CPO") prices and low finance charges despite a reduction in fresh fruit bunches ("FFB") production in the current quarter.

ICT Division : The division's revenue was primarily contributed by the commencement of new projects in the third quarter of 2020. The implementation, however, was to a certain extent impacted by the interstate and interdistrict restriction movements which caused a delay in project fulfillment of certain orders. As a result of this and higher operating costs, the division posted a loss after tax of RM0.5 million.

Power Division : The PAT of RM0.7 million was substantially contributed by the reversal of over provision of costs relating to projects performed in previous years.

Others : This segment includes the property management business for several properties owned by the Group, corporate expenses and share of profit from associate. The favourable results achieved for the division in the current period were mainly contributed by a significant gain on disposal of KUBE and lands in Langkawi, Kedah.

14. Profit for the period for the current quarter compared to the immediate preceding quarter

	Individual Quarter		%
	3 months 31/3/2021 RM'000	3 months 31/12/2020 RM'000	
Revenue	110,943	110,859	0.1
Results			
Profit from operations	8,662	11,573	(25.2)
Finance income	875	816	
Finance costs	(900)	(754)	
Profit before tax	8,637	11,635	(25.8)
Income tax expense	(2,135)	(2,584)	
Profit for the period	6,502	9,051	(28.2)

The Group registered a lower PAT by 28.2% or RM2.5 million largely due to lower operating margins from the LPG and Agro divisions as a result of weaker sales volume and lower FFB production despite a higher average CP and CPO prices.

**EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD**

15. Prospects

The Group foresees economic uncertainty, market turbulence and weak consumer sentiment to remain as issues throughout the remaining financial period amid the COVID-19 pandemic and volatility in global crude oil prices.

The restrictions imposed by the Government to contain the COVID-19 outbreak continues to have a profound impact to the LPG business and is expected to still persist throughout the next few months. Nevertheless, the Group will continue to implement mitigation measures to cushion the impact including enhancing the robustness of our product mix model and customer segmentation strategy, improving supply and inventory management capabilities and initiate cost containment efforts across the division.

For the Agro division, although the overall performance has significantly improved, the Group intends to review the position, plan and strategies of the division with priority given to the effective management of our Group's balance sheet and cash flows. In view of this, the Group has disposed its oil palm estate in Kluang, Johor and a subsidiary, which owns another oil palm estate located in Kinabatangan, Sabah. The Group will reinvest the proceeds for its operations and expansion of its other businesses and future business opportunities as and when they arise.

The Group will continue to aggressively seek for further sizeable contracts whenever the opportunity arises to enhance our order book and hopes to expand its ICT business following the joint venture arrangement with HFR, Inc. in the second quarter of last year.

Pre-emptive balance sheet and effective cash flow management will also be the Group's priority in the coming quarters in order to maintain sustainability of its businesses under the present circumstances. As such, we will proactively re-assess our capital expenditure plans, tighten up operating expenditure, review investment decisions and re-optimize our capital structure where necessary.

16. Profit forecast / profit guarantee

The Group has neither made any profit forecast nor issued any profit guarantee during the current quarter under review and financial period to-date.

17. Audit Report of preceding annual financial statements

The auditors have expressed an unqualified opinion on the Group's statutory financial statements for the year ended 31 December 2019.

18. Notes to the profit/(loss) before tax

	Current Quarter 3 months ended 31/3/2021 RM'000	Cumulative Quarter 15 months ended 31/3/2021 RM'000
Profit before tax is arrived after crediting/(charging) - continuing operations:		
Finance income	875	4,323
Other income including investment income	1,431	5,520
Finance costs	(900)	(4,791)
Depreciation and amortisation	(5,093)	(23,679)
Reversal on receivables (net)	493	78
Assets written off	(229)	(484)
Impairment on property, plant and equipment	(152)	(152)
Impairment on lease receivables	(282)	(282)
Gain on disposal of property, plant and equipment	-	141
Gain on disposal of investment property	-	8,237
Gain on disposal of assets held for sale	-	969
Gain on disposal of associate company	-	30,519
Foreign exchange gain/(loss) - realised	(20)	(35)
- unrealised	(228)	(245)

Save as disclosed above, other items as required to be disclosed under Appendix 9B, Part A (16) of the Bursa Listing Requirements are not applicable.

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**EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD**

19. Gains or losses arising from fair value changes of financial liabilities

There were no material gains or losses arising from changes on the fair values of financial liabilities for the current quarter under review.

20. Tax

	3 months ended 31/3/2021	15 months ended 31/3/2021
	RM'000	RM'000
Malaysian income tax:		
Current tax	2,135	6,771
Over provision in prior year	-	(38)
	<u>2,135</u>	<u>6,733</u>
Deferred tax:		
Current	-	338
Over provision in prior year	-	1
	<u>-</u>	<u>339</u>
	<u>2,135</u>	<u>7,072</u>

The effective tax rate for the current period under review is significantly lower than the statutory tax rate as certain gain on disposals or income are capital gain in nature and the profits of certain subsidiaries cannot be offset against losses of other subsidiaries for income tax purposes.

21. Group borrowings and debt securities

<i>RM'000</i>	As at 31 March 2021		
	Long Term	Short Term	Total Borrowings
Secured			
Term loans	67,045	4,822	71,867
Hire purchase payables	181	22	203
	<u>67,226</u>	<u>4,844</u>	<u>72,070</u>

22. Status of corporate proposals

As at the date of this report, there were no corporate proposals announced by the Group but have yet to be completed.

23. Dividend Declared

No dividend has been declared for the quarter under review.

**EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD**

24. Material litigation

Save as disclosed below, there were no other material litigation matters involving the Company and/or its subsidiaries as at the latest practicable date of this quarterly report.

On 28 November 2019, a winding up petition was filed in the High Court at Shah Alam against a subsidiary, KUB Sepadu Sdn Bhd ("KUB Sepadu") by its minority shareholders, Medan Sepadu Sdn Bhd and Lembaga Amanah Kebajikan Kaum Melanau Sarawak ("Minority Shareholders").

On 2 December 2019, the Minority Shareholders filed an application for the appointment of interim liquidators for KUB Sepadu. The High Court granted the order for the appointment of interim liquidators on 9 December 2019 ("Order for IL").

The Winding Up Petition together with the Order for IL was served on KUB Sepadu on 16 December 2019.

On 18 December 2019, KUB Agro Holdings Sdn Bhd, the immediate holding company of KUB Sepadu as the Opposing Contributory filed an application to set aside the Order for IL ("Setting Aside Application"). On 20 December 2019, the High Court granted a stay on the Order for IL pending the disposal of the Winding Up Petition and/ or Setting Aside Application.

The Court hearing which was initially scheduled on 12 April 2021 has been vacated by the Court to 13 July 2021.

The Group sought legal advice in respect of this matter and believes that it has good grounds to defend and contest against the case.

25. Earnings per share

(a) Basic earnings per share

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

	3 months ended 31/3/2021	15 months ended 31/3/2021
	RM'000	RM'000
Earnings for the period attributable to owners of the parent	5,503	59,353
Weighted average number of ordinary shares in issue ('000)	556,465	556,465
Basic earnings per share (sen)	0.99	10.67

(b) Diluted earnings per share

The Group has no dilution in its earnings per ordinary share in the quarter under review and financial period to-date.

By Order of the Board

Mohamat Yusof Abu Bakar
Norita Misra
Company Secretaries

28 May 2021