



**Interim Financial Report on
Unaudited Consolidated Results for the
Quarter Ended
30 September 2021**

| Contents: | Pages |
|--|--------------|
| Condensed Consolidated Statement of Profit or Loss | 1 |
| Condensed Consolidated Statement of Comprehensive Income | 2 |
| Condensed Consolidated Statement of Financial Position | 3 |
| Condensed Consolidated Statement of Changes in Equity | 4 |
| Condensed Consolidated Statement of Cash Flows | 5 |
| Explanatory Notes | 6 - 13 |

KUB MALAYSIA BERHAD

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

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2021

The Board of Directors hereby announce the unaudited financial results of the Group for the financial period ended 30 September 2021.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| | CURRENT YEAR TO DATE 30/9/2021 RM'000 3 months |
|--|---|
| Revenue | 106,210 |
| Cost of sales and operating expenses | (100,835) |
| Other income | 1,694 |
| Other expenses | (999) |
| Results from operating activities | 6,070 |
| Finance income | 1,553 |
| Finance costs | (267) |
| Profit before tax | 7,356 |
| Income tax expense | (1,798) |
| Profit for the period | 5,558 |
| Profit attributable to : | |
| - Owners of the parent | 4,465 |
| - Non-controlling interests | 1,093 |
| | 5,558 |
| Earnings per share attributable to owners of the parent (sen) : | |
| Basic and diluted | 0.80 |

There is no comparative for the quarter ended 30 September 2021. Due to the change in the financial year end from 31 December to 30 June, the Unaudited Condensed Consolidated Statement of Profit or Loss for the current quarter ended 30 September 2021, being the first quarter of the financial year ending 30 June 2022, is not comparable with any comparative period previously reported.

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Group's Annual Audited Financial Statements for the financial period ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial report.

KUB MALAYSIA BERHAD

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

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2021

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | CURRENT YEAR TO DATE 30/9/2021 RM'000 3 months |
|--|---|
| Profit for the period | 5,558 |
| 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) | 145 |
| Total comprehensive income for the period, net of tax | <hr/> 5,703 <hr/> |
| Total comprehensive income attributable to : | |
| Owners of the parent | 4,610 |
| Non-controlling interests | <hr/> 1,093 |
| | <hr/> 5,703 <hr/> |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's Audited Financial Statements for the financial period ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial report.

KUB MALAYSIA BERHAD

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

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2021

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | AS AT END OF CURRENT QUARTER 30/9/2021 RM'000 | AS AT PRECEDING FINANCIAL PERIOD END 30/6/2021 RM'000 |
|---|--|--|
| Assets | | |
| Property, plant and equipment | 143,937 | 146,863 |
| Investment properties | 16,198 | 16,371 |
| Right-of-use assets | 3,574 | 3,867 |
| Finance Lease receivables | 1,106 | 1,145 |
| Other investments | 6,769 | 6,624 |
| Total non-current assets | 171,584 | 174,870 |
| Inventories | 7,727 | 4,236 |
| Biological assets | 1,160 | 1,057 |
| Trade and other receivables | 53,516 | 32,498 |
| Contract assets | 4,910 | 4,884 |
| Finance lease receivables | 165 | 164 |
| Tax recoverable | 2,653 | 2,910 |
| Cash, bank balances and deposits | 370,204 | 423,108 |
| Total current assets | 440,335 | 468,857 |
| Total Assets | 611,919 | 643,727 |
| Equity | | |
| Share capital | 228,863 | 228,863 |
| Reserves | 40,812 | 40,667 |
| Retained earnings | 218,454 | 213,989 |
| Total equity attributable to owners of the parent | 488,129 | 483,519 |
| Non-controlling interests | (955) | (2,048) |
| Total equity | 487,174 | 481,471 |
| Liabilities | | |
| Borrowings | 872 | 1,076 |
| Lease liabilities | 2,021 | 2,295 |
| Refundable cylinder deposits | 31,637 | 31,637 |
| Deferred tax liabilities | 15,783 | 15,716 |
| Total non-current liabilities | 50,313 | 50,724 |
| Trade and other payables | 68,192 | 72,141 |
| Contract liabilities | 630 | 617 |
| Lease liabilities | 1,093 | 1,088 |
| Borrowings | 3,717 | 37,638 |
| Provision for tax | 800 | 48 |
| Total current liabilities | 74,432 | 111,532 |
| Total liabilities | 124,745 | 162,256 |
| Total equity and liabilities | 611,919 | 643,727 |
| Net assets per share attributable to owners of the parent (RM) | 0.88 | 0.87 |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's Audited Financial Statements for the financial period ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial report.

KUB MALAYSIA BERHAD

(Company No. 6022-D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2021

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | ←----- Attributable to owners of the parent -----> | | | | | -----> Non-distributable reserves -----> | | | | |
|--|--|----------------------------|--------------------------------|---------------------------------------|------------------------------|---|--|-----------------------------|--|--|
| | 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 July 2021 | 481,471 | 228,863 | 213,989 | 40,667 | 25,371 | 3,178 | 971 | 11,147 | (2,048) | |
| Profit for the period | 5,558 | - | 4,465 | - | - | - | - | - | 1,093 | |
| Other comprehensive income for the period | 145 | - | - | 145 | - | 145 | - | - | - | |
| Total comprehensive income | 5,703 | - | 4,465 | 145 | - | 145 | - | - | 1,093 | |
| At 30 September 2021 | 487,174 | 228,863 | 218,454 | 40,812 | 25,371 | 3,323 | 971 | 11,147 | (955) | |

There is no comparative for the quarter ended 30 September 2021. Due to the change in the financial year end from 31 December to 30 June, the Unaudited Condensed Consolidated Statement of Changes in Equity for the current quarter ended 30 September 2021, being the first quarter of the financial year ending 30 June 2022, is not comparable with any comparative period previously reported.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's Audited Financial Statements for the financial period ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial report.

KUB MALAYSIA BERHAD

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

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2021

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | CUMULATIVE CURRENT YEAR TO DATE 30/9/2021 RM'000 3 months |
|---|--|
| Profit before taxation | 7,356 |
| Adjustments for : | |
| Depreciation of property, plant and equipment | 3,751 |
| Depreciation of right-of-use assets | 292 |
| Depreciation of investment properties | 173 |
| Unrealised fair value gain on short term investments | (500) |
| Gain on fair value changes in biological assets | (103) |
| Gain on fair value changes of derivative instruments | (18) |
| Allowance for impairment on trade and other receivables | 89 |
| Reversal of allowance for impairment on receivables | (120) |
| Finance income | (1,553) |
| Finance costs | 229 |
| Dividend income | (141) |
| Operating profit before working capital changes | 9,455 |
| Changes in working capital: | |
| Inventories | (3,491) |
| Trade and other payables | (3,939) |
| Trade and other receivables | (20,336) |
| Contract assets | (26) |
| Contract liabilities | 13 |
| | (18,324) |
| Finance costs - lease liabilities | (38) |
| Net tax paid | (789) |
| Net cash used in operating activities | (19,151) |
| Acquisition of property, plant and equipment | (825) |
| Dividends received | 141 |
| Finance income received | 1,553 |
| Net cash generated from investing activities | 869 |
| Decrease of deposits pledged with licensed banks | 171 |
| Finance costs paid | (229) |
| Repayment of lease liabilities | (268) |
| Repayment of hire purchase | (6) |
| Repayment of term loans | (198) |
| Net repayment of short term borrowings | (33,921) |
| Net cash used in financing activities | (34,451) |
| Net decrease in cash and cash equivalents | (52,733) |
| Cash and cash equivalents at beginning of period | 396,978 |
| Cash and cash equivalents at end of period | 344,245 |
| Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following : | |
| Cash and bank balances | 27,434 |
| Deposits with licensed banks | 342,770 |
| Cash, bank balances and deposits | 370,204 |
| Deposits pledged with licensed banks | (25,959) |
| | 344,245 |

There is no comparative for the quarter ended 30 September 2021. Due to the change in the financial year end from 31 December to 30 June, the Unaudited Condensed Consolidated Statement of Cash Flows for the current quarter ended 30 September 2021, being the first quarter of the financial year ending 30 June 2022, is not comparable with any comparative period previously reported.

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's Audited Financial Statements for the financial period ended 30 June 2021 and the accompanying explanatory notes attached to this interim financial report.

KUB MALAYSIA BERHAD

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

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 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 period ended 30 June 2021.

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 period ended 30 June 2021, except for the adoption of the following amendments to MFRSs:

| | |
|-------------------------------------|--|
| Amendments to MFRS 7, 9, 16 and 139 | Interest Rate Benchmark Reform - Phase 2 |
| Amendments to MFRS 16 | Leases (COVID-19 Related Rent Concessions beyond 30 June 2021) |

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 |
|------------------------|---|--|
| 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 for the imposition of the several Movement Control Orders (MCOs) and various Standard Operating Procedures (SOPs) by the Government in response to the COVID-19 pandemic in the current financial period which had an adverse impact on LPG demand and business operations across all divisions (as disclosed in Note 13), there were no other unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

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.

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.

6. Dividends paid

No dividend was paid in the current quarter under review.

7. Subsequent events

There were no other items, transactions or events of a material and unusual nature which have arisen since 30 September 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

There were no other changes in the composition of the Group for the current quarter under review.

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 30/9/2021 RM'000 | As at 30/6/2021 RM'000 |
|---------------------------------|------------------------------|------------------------------|
| Property, plant and equipment | | |
| Approved and contracted for | 15,731 | 11,446 |
| Approved but not contracted for | 17,099 | 17,620 |
| | <u>32,830</u> | <u>29,066</u> |

11. Related Party Transactions

There were no significant related party transactions reported in the current quarter under review.

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2021**

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 are 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") 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.

All of the Group's revenue are derived from Malaysia.

Segment information for the current financial period ended 30 September 2021 is as follows:

| | LPG | Agro | ICT | Others | Eliminations | Total |
|---|---------------|---------------|--------------|---------------|---------------------|----------------|
| RM'000 | | | | | | |
| Revenue | | | | | | |
| External sales | 91,596 | 10,489 | 3,270 | 855 | - | 106,210 |
| Inter-segment sales | - | - | 86 | 754 | (840) | - |
| Total revenue | 91,596 | 10,489 | 3,356 | 1,609 | (840) | 106,210 |
| Results | | | | | | |
| Profit/(Loss) from operating activities | 2,510 | 4,945 | (831) | (554) | - | 6,070 |
| Finance income | 222 | 37 | 20 | 1,274 | - | 1,553 |
| Finance costs | (134) | (103) | (18) | (12) | - | (267) |
| Profit/(Loss) before tax | 2,598 | 4,879 | (829) | 708 | - | 7,356 |
| Zakat and Income tax expense | (619) | (1,179) | - | - | - | (1,798) |
| Profit/(Loss) for the period | 1,979 | 3,700 | (829) | 708 | - | 5,558 |

There is no comparative for the quarter ended 30 September 2021. Due to the change in the financial year end from 31 December to 30 June, the segmental reporting for the current quarter ended 30 September 2021, being the first quarter of the financial year ending 30 June 2022, is not comparable with any comparative period previously reported.

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2021**

12. Segmental reporting (cont'd)

Segmental assets and liabilities as 30 September 2021 as compared with the last annual financial statements:

| As at 30 September 2021 | LPG | Agro | ICT | Others | Total |
|--------------------------------|------------|-------------|------------|---------------|--------------|
| <i>RM'000</i> | | | | | |
| Assets | | | | | |
| Segment assets | 148,995 | 75,204 | 21,202 | 366,518 | 611,919 |
| Liabilities | | | | | |
| Segment liabilities | 88,555 | 22,021 | 6,864 | 7,305 | 124,745 |
| | | | | | |
| As at 30 June 2021 | LPG | Agro | ICT | Others | Total |
| <i>RM'000</i> | | | | | |
| Assets | | | | | |
| Segment assets | 172,956 | 81,173 | 22,073 | 367,525 | 643,727 |
| Liabilities | | | | | |
| Segment liabilities | 113,778 | 31,627 | 8,244 | 8,607 | 162,256 |

**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 financial period ended 30 September 2021, the Group registered revenue of RM106.2 million and a profit after tax ("PAT") of RM5.6 million.

The Group's results in the current period were largely driven by the increase in average LPG contract price ("CP") and strong uptrend in CPO prices. The Group's sales demand and operations, on the other hand, continues to experience the impact from the COVID-19 pandemic as a result of several containment measures taken by the Government.

The segmental performance review by divisions for the period under review are as follows:

LPG Division : The division recorded a revenue of RM91.6 million on the back of a high average CP compensated however by a lower than projected average monthly sales volume in both domestic and industrial segments. The various COVID-19 related standard operating procedures ("SOPs") implemented such as dining-in prohibition, restricted operating hours and worker capacity limitation resulted in restaurants as well as factories operating on a reduced capacity thereby affecting overall LPG demand. The prolonged closure of the Malaysia-Singapore border has further worsened the demand in the southern region area. The relaxation of the SOPs in September 2021, however had helped cushion the impact on the above.

Overall, the division recorded lower than expected profit of RM1.98 million due to the revenue factors mentioned above coupled with the high cost of production which impacted the total operating margins.

Agro Division : The Agro division's revenue and profitability are now entirely from the Group plantation estates in Mukah, Sarawak. The division posted a revenue of RM10.5 million supported by the continued uptrend in CPO prices in the current period.

The sales volume, however, saw a lower than anticipated fresh fruit bunches (FFB) production due to labour shortages in the estates that have impacted the efficiency in harvesting as the national borders remain closed which has disrupted the intake of foreign workers. Additionally, the division also experienced a relatively high cost of production as a result of the increase in fertiliser cost.

With all the above factors, the PAT of the division stood at RM3.7 million in the current period.

ICT Division : The division's adverse results were largely due to the reduction in the value of contracts and delay in several maintenance services activities. As a result of this and combined with the effect of lower operating margins and high administrative expenses, the division registered a loss before tax of RM0.8 million in the current period.

Others : This segment includes the business related to engineering civil works in the power sector, property management services for several properties owned by the Group and corporate expenses. The PAT of RM0.7 million was mainly attributable to interest income earned and reversal of provision of cost in prior years.

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

| | Individual Quarter | | % |
|------------------------------|---------------------------------|---------------------------------|--------|
| | 3 months 30/9/2021 RM'000 | 3 months 30/6/2021 RM'000 | |
| Revenue | 106,210 | 93,864 | 13.2 |
| Results | | | |
| Profit from operations | 5,375 | 1,093 | 391.8 |
| Net other income | 695 | 96,386 | |
| Finance income | 1,553 | 1,390 | |
| Finance costs | (267) | (410) | |
| Profit before tax | 7,356 | 98,459 | (92.5) |
| Zakat | - | 96 | |
| Income tax expense | (1,798) | (2,240) | |
| Profit for the period | 5,558 | 96,315 | (94.2) |

The increase in revenue by 13.2% or RM12.3 million was largely contributed by the higher average CP and CPO prices as well as slightly higher FFB production. The LPG sales volume, however dropped by 5% due to continued COVID-19 restrictions.

The Group's significant PAT in the previous quarter was attributable to the realised gain on disposal of Kluang estates netted off with the loss on disposal of KUB Malua Plantation Sdn Bhd.

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

15. Prospects

The outlook for the Group's overall performance for the financial year ending 30 June 2022 will largely depend on the movements in global crude oil and palm oil commodity prices as well as the COVID-19 pandemic related measures undertaken by the Government. Notwithstanding the ongoing uncertainties, the Group is cautiously optimistic that the performance will remain stable supported predominantly by the LPG and Agro divisions.

The continuing effects of the pandemic are likely to affect our LPG business in particular, with diminished demand amongst the commercial market customers in our core Southern region market likely to persist until the reopening of the Malaysia-Singapore border. However, with the National Recovery Plan and relaxation of various SOPs, the Group expects that the demand for LPG to increase, albeit the speed of the recovery depends on various other factors as well as the regions we operate.

The Group will also continue to embark on various initiatives by enhancing our marketing and customer segmentation strategies, improving supply and inventory management capabilities and initiate cost containment efforts across the division.

For the Agro division, we expect the CPO prices to remain favourable throughout the year. The acute shortage of workers due to continued restrictions on foreign workers movement and rising fertiliser cost remains as a concern to the Group hence we anticipate that this challenging operating environment will continue in the near term.

To overcome this, we have accelerated our mechanisation programme in various field operations to alleviate the workers shortage challenge in our estates. Overall, with the anticipated strong CPO price to hold up throughout most of the financial year, we expect the plantation segment to continue to perform well.

The Group will continue to aggressively bid for further sizeable ICT contracts whenever the opportunity arises to enhance our order book and also actively explore new sources of revenue growth to create more recurring and sustainable income in the ICT business in the future. In addition, we will further strengthen the various operational improvement and cost management initiatives in the division.

Recognising the continued threat that the uncertainty of the pandemic presents, we will continue to prioritise pre-emptive balance sheet and effective cash flow management over the coming quarters in order to maintain the sustainability of our businesses. Amidst prevailing uncertainties, the Group will continue to be vigilant and take appropriate and timely measures to sustain the Group's profitability for the financial year 2022.

16. Profit forecast / profit guarantee

The Group has neither made any profit forecast nor issued any profit guarantee during the current quarter under review.

17. Audit Report of preceding annual financial statements

The auditors have expressed an unqualified opinion on the Group's statutory financial statements for the period ended 30 June 2021.

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

| | Current Quarter 3 months ended 30/9/2021 RM'000 |
|--|--|
| Profit before tax is arrived after crediting/(charging) - continuing operations: | |
| Finance income | 1,553 |
| Other income including investment income | 1,556 |
| Finance costs | (267) |
| Depreciation and amortisation | (4,216) |
| Reversal / Impairment on receivables (net) | 31 |
| Foreign exchange gain | 785 |
| - realised | 18 |
| - unrealised | |

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.

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2021**

**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 30/9/2021 |
|------------------------------|--------------------------------|
| | RM'000 |
| Malaysian income tax: | |
| Current tax | 1,798 |
| Over provision in prior year | - |
| | 1,798 |

21. Group borrowings and debt securities

| <i>RM'000</i> | As at 30 September 2021 | | |
|------------------------|-------------------------|--------------|------------------|
| | Long Term | Short Term | Total Borrowings |
| Secured | | | |
| Term loans | 841 | 695 | 1,536 |
| Bankers acceptances | - | 3,000 | 3,000 |
| Hire purchase payables | 31 | 22 | 53 |
| | 872 | 3,717 | 4,589 |

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 22 November 2021 has been vacated by the Court to 12 April 2022.

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 |
|--|--------|-------------------|
| | | 30/9/2021 |
| | | RM'000 |
| Earnings for the period attributable to owners of the parent | | 4,465 |
| Weighted average number of ordinary shares | ('000) | 556,465 |
| Basic earnings per share | (sen) | 0.80 |

(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

Azleen Abdullah

Norita Misra

Company Secretaries

25 November 2021