



ANNUAL REPORT 2022



# STRENGTHENING **COMPETENCIES**



## STRENGTHENING COMPETENCIES

The visual for this year's Annual Report represents the long-term growth that we aspire to achieve by building capabilities and expanding capacities across our business divisions. Just as the spiral expands, we will develop greater competitive advantages that enable our sustainable progress as an organisation. All the while, we will remain true to our corporate values, which are represented through icons positioned within the spiral.

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As part of our sustainability initiatives, KUB Malaysia Berhad is reducing the print run of all publications. We encourage you to visit our Annual Report microsite at <https://www.kub.com/agm2022/download> to download, retrieve and view the annual report at your convenience.

The printed copy of the Annual Report is also available upon request by filling the requisition form available at our website and returning it to us via post or fax.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Datuk Seri Johari  
bin Abdul Ghani**  
Chairman, Non-Independent  
Non-Executive Director

**Dato' Ahmad Ibnihajar**  
Independent Non-Executive Director

**Mohammad Farish Nizar  
bin Othman**  
Independent Non-Executive Director

**Datuk Haji Mohd Haniff  
bin Haji Koslan**  
Independent Non-Executive Director

**Datuk Norliza binti Abdul Rahim**  
Independent Non-Executive Director

**Megat Joha bin Megat Abdul  
Rahman**  
Non-Independent Non-Executive Director

**Kasinathan a/l Tulasi**  
Independent Non-Executive Director

**Tee Beng Thong**  
Independent Non-Executive Director

**Ahmed Fairuz bin Abdul Aziz**  
Group Managing Director

## COMPANY SECRETARIES

**Azleen binti Abdullah**  
(MAICSA 7057423/PC 201908002775)

**Norita binti Misra**  
(LS 0010426/PC 202008002369)

## REGISTERED OFFICE

**KUB Malaysia Berhad**  
(196501000205 (6022-D))  
Suite A-22-1, Level 22  
Hampshire Place Office  
157 Hampshire  
No. 1 Jalan Mayang Sari  
50450 Kuala Lumpur

Tel : +(603) 2721 9600  
Fax : +(603) 2721 9610  
Website : www.kub.com

## EXTERNAL AUDITORS

**Deloitte PLT**  
(LLP0010145-LCA)  
Chartered Accountants (AF 0080)  
Level 16, Menara LGB  
1, Jalan Wan Kadir  
Taman Tun Dr. Ismail  
60000 Kuala Lumpur

Tel : +(603) 7610 8888  
Fax : +(603) 7726 8986

## STOCK EXCHANGE LISTING

**Bursa Malaysia Securities Berhad**  
(200301033577 (635998-W))  
Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

Market : Main Market  
Stock Name : KUB  
Stock Code : 6874  
Sector : Industrial Products and  
Services

## SHARE REGISTRAR

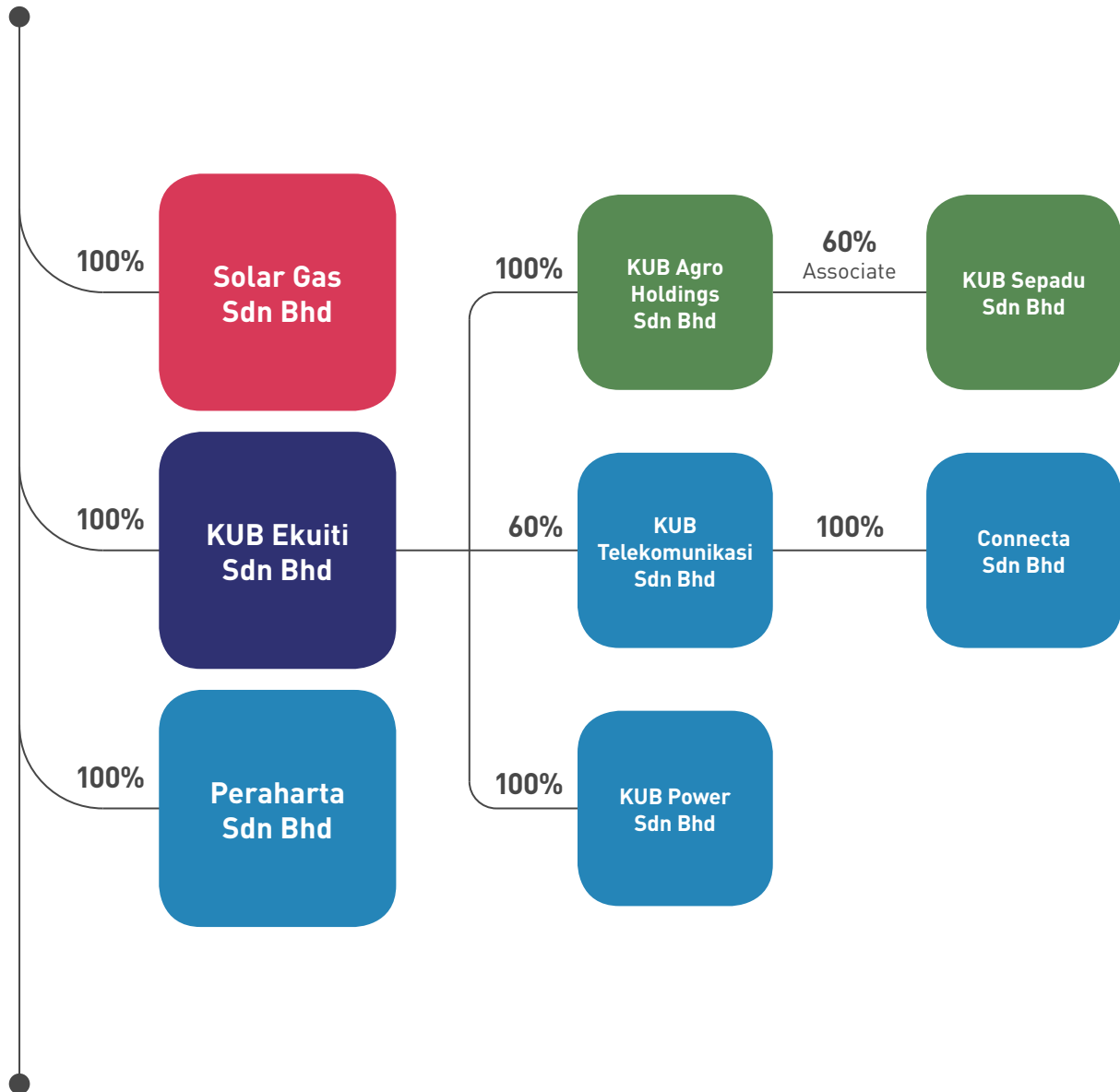
**Boardroom Share Registrars Sdn Bhd**  
(199601006647 (378993-D))  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan

Tel : +(603) 7890 4700  
Fax : +(603) 7890 4670

## PRINCIPAL BANKERS

Malayan Banking Berhad  
Affin Bank Berhad

# CORPORATE STRUCTURE



● LPG Division ● Agro Division ● Others ● Investment Holding

Note: The above structure represents active companies.

# BOARD OF DIRECTORS



**DATUK SERI JOHARI BIN ABDUL GHANI**  
Chairman  
Non-Independent Non-Executive Director

**AHMED FAIRUZ BIN ABDUL AZIZ**  
Group Managing Director



**DATO' AHMAD IBNIHAJAR**  
Independent Non-Executive Director



## BOARD OF DIRECTORS

**MOHAMMAD FARISH NIZAR  
BIN OTHMAN**  
Independent Non-Executive Director



**DATUK NORLIZA  
BINTI ABDUL RAHIM**  
Independent Non-Executive Director

**MEGAT JOHA BIN  
MEGAT ABDUL RAHMAN**  
Non-Independent  
Non-Executive Director



**DATUK HAJI MOHD HANIFF  
BIN HAJI KOSLAN**  
Independent Non-Executive Director



**KASINATHAN A/L TULASI**  
Independent Non-Executive Director

**TEE BENG THONG**  
Independent Non-Executive Director



# PROFILE OF DIRECTORS

**Date of Appointment**  
4 March 2019

**Length of Tenure  
as Director**  
3 years 6 months

**Board Committee  
Membership**  
None

**Jul 2021 – Jun 2022  
Board Meeting Attendance**  
5/5

## DATUK SERI JOHARI BIN ABDUL GHANI

Chairman, Non-Independent Non-Executive Director

Malaysian • 58 • Male



### Qualification(s)

- Chartered Accountant, Association of Chartered Certified Accountants, United Kingdom

### Areas of Expertise(s)

- Corporate Recovery/Turnaround
- Finance
- Business Management

### Other Directorship(s)

- Listed Entities**
- Chairman, C.I. Holdings Berhad
- Public Companies**
- None

### Working Experience(s)

#### Present

- ~ **Within KUB Group**
  - Chairman, KUB Malaysia Berhad
- ~ **Other Companies/Bodies**
  - Chairman, JAG Capital Holdings Sdn Bhd

#### Past

- Former Minister of Finance II
- Accountant, Peat Marwick & Co. (now known as KPMG)

**Date of Appointment**  
1 October 2020

**Length of Tenure  
as Director**  
1 year 11 months

**Board Committee  
Membership**  
None

**Jul 2021 – Jun 2022  
Board Meeting Attendance**  
5/5

## AHMED FAIRUZ BIN ABDUL AZIZ

Group Managing Director

Malaysian • 44 • Male



### Qualification(s)

- Bachelor of Science in Accounting and Finance, London School of Economics and Political Science, United Kingdom
- Fellow Member, Institute of Chartered Accountants, England and Wales
- Member of Malaysian Institute of Accountants

### Areas of Expertise(s)

- Corporate Finance
- Tax, Treasury and Financial Reporting
- Audit and Advisory

### Other Directorship(s)

- Listed Entities**
- Pos Malaysia Berhad
- Public Companies**
- KUB Development Berhad

### Working Experience(s)

#### Present

- ~ **Within KUB Group**
  - Directors within KUB Group of Companies
- ~ **Other Companies/Bodies**
  - None

#### Past

- Group Chief Executive Officer, KUB Malaysia Berhad (December 2019 to September 2020)

- Group Chief Financial Officer, KUB Malaysia Berhad (2016 to 2019)
- Group Chief Financial Officer/Head, Group Corporate Finance/Senior Manager, Group Corporate Finance, Naza Corporation Group of Companies (2008 to 2015)
- Manager, Group Corporate Finance/Executive, Investment Banking Division, CIMB Investment Bank Berhad (2005 to 2008)
- Senior Associate 1, Messrs. Ernst & Young (2002 to 2005)
- Associate, Messrs. Arthur Andersen & Co. (2001 to 2002)

## PROFILE OF DIRECTORS

**Date of Appointment**  
27 November 2015

**Length of Tenure as Director**  
6 years 10 months

**Board Committee Membership**  
Member, Board Nomination and Remuneration Committee

**Jul 2021 – Jun 2022 Board Meeting Attendance**  
5/5



**DATO' AHMAD IBNIHAJAR**  
Independent Non-Executive Director

**Malaysian • 72 • Male**

### Qualification(s)

- Bachelor of Economics (Business Administration), University of Malaya
- Fellow of the Chartered Institute of Logistics and Transport, Malaysia

### Areas of Expertise(s)

- Banking
- Investment
- Management and Leadership

### Other Directorship(s)

#### Listed Entities

- None

#### Public Companies

- None

### Working Experience(s)

#### Present

##### ~ Within KUB Group

- None

##### ~ Other Companies/Bodies

- Chairman, Heirs Corporation Sdn Bhd since 1991
- Chairman, Penang Sentral Sdn Bhd

#### Past

- Chairman, KUB Malaysia Berhad
- Board of Governors, Universiti Sains Malaysia
- Chairman, D'Nonce Technology Berhad from 2000 to 2018
- Chairman, Commerce Assurance Berhad from 2001 to 2005
- Director, Malaysian Resources Corporation Berhad from 2000 to 2013
- Managing Director, Penang Port Sdn Bhd from 1999 to 2013

- Director, PW Consolidated Berhad from 1997 to 2004
- Director, Bumiputera Technology Venture Capital Sdn Bhd from 1996 to 2008
- Managing Director, Bumiputera Technology Venture Capital Management Sdn Bhd from 1996 to 2008
- Managing Director, Taiping Securities Sdn Bhd from 1996 to 1999
- Executive Director, WM Svene-Nor JV Sdn Bhd from 1991 to 1993
- Managing Director, United Traders Securities Sdn Bhd from 1984 to 1991
- Branch Manager, Malayan Banking Berhad from 1980 to 1984
- Forex Dealer and Portfolio Manager, Malayan Banking Berhad, London from 1976 to 1979

**Date of Appointment**  
27 November 2015

**Length of Tenure as Director**  
6 years 10 months

**Board Committee Membership**  
Chairman, Board Audit Committee

**Jul 2021 – Jun 2022 Board Meeting Attendance**  
5/5



**MOHAMMAD FARISH NIZAR BIN OTHMAN**  
Independent Non-Executive Director

**Malaysian • 50 • Male**

### Qualification(s)

- Bachelor of Accountancy (Honours), International Islamic University of Malaysia
- Member, Malaysian Institute of Accountants
- Member, Chartered Institute of Management Accountants

### Areas of Expertise(s)

- Finance
- Accounting
- Strategic Management
- Corporate Governance

### Other Directorship(s)

#### Listed Entities

- None

#### Public Companies

- None

### Working Experience(s)

#### Present

##### ~ Within KUB Group

- None

##### ~ Other Companies/Bodies

- Director, Technology Development of Malaysian Technology Development Corporation

#### Past

- Director, Corporate Services, Malaysian Technology Development Corporation
- Director, Advisory and Value-Added Services, Malaysian Technology Development Corporation
- General Manager, Business Development and Tender Coordination, Scomi Engineering Berhad
- Messrs. KPMG Kuala Lumpur, Chartered Accountant from 2002 to 2004
- Messrs. PricewaterhouseCoopers Kuala Lumpur, Chartered Accountant from 1996 to 2000

**Date of Appointment**  
25 August 2016

**Length of Tenure  
as Director**  
6 years 1 month

**Board Committee  
Membership**  
Member,  
Board Risk  
Management  
Committee

**Jul 2021 – Jun 2022  
Board Meeting Attendance**  
5/5



## DATUK HAJI MOHD HANIFF BIN HAJI KOSLAN

Independent Non-Executive Director

Malaysian • 63 • Male

### Qualification(s)

- International Executive Master of Business Administration, Paris Graduate School of Management, France
- Certified International Project Manager & Fellow, American Academy of Project Management
- Registered Business Analyst & Fellow, American Academy of Financial Management

### Areas of Expertise(s)

- Property Development
- Construction
- Taxation
- Business Strategies
- Management

### Other Directorship(s)

#### Listed Entities

- None

#### Public Companies

- None

### Working Experience(s)

#### Present

- ~ **Within KUB Group**
  - None
- ~ **Other Companies/Bodies**
  - None

### Past

- President, Ranhill Corporation Sdn Bhd from 1998 to 2000
- Executive Director, Bridgecon Holdings Berhad from 1997 to 1998
- Executive Director, Kumpulan KKHM Sdn Bhd from 1989 to 1997
- Tax Consultant, Messrs. Aidid & Co from 1986 to 1989
- Tax Consultant, Messrs. K.K San Liew & Loke from 1984 to 1986
- Tax Assistant, Jabatan Hasil Dalam Negeri (now known as Inland Revenue Board of Malaysia) from 1980 to 1984

**Date of Appointment**  
28 August 2018

**Length of Tenure  
as Director**  
4 years 1 month

**Board Committee  
Membership**  
• Chairman, Board Risk  
Management Committee  
• Member, Board  
Nomination and  
Remuneration Committee

**Jul 2021 – Jun 2022  
Board Meeting Attendance**  
5/5



## DATUK NORLIZA BINTI ABDUL RAHIM

Independent Non-Executive Director

Malaysian • 53 • Female

### Qualification(s)

- Master of Business Administration in Accounting, Lincoln University
- Bachelor of Advanced Financial Planning, Miami University
- Bachelor of Commerce and Management (majoring in accounting), Lincoln University
- Diploma in Accountancy, Politeknik Ungku Omar

### Areas of Expertise(s)

- Property Development
- Construction
- Information Communication and Technology

### Other Directorship(s)

#### Listed Entities

- Director, Boustead Heavy Industries Corporation Berhad

#### Public Companies

- Chairman, UDA Holdings Berhad

### Working Experience(s)

#### Present

- ~ **Within KUB Group**
  - None
- ~ **Other Companies/Bodies**
  - None

### Past

- Chairman, Mutiara.com from 2015 to 31 July 2018
- Board Member, JKP Sdn Bhd, Penang from 2013 to 31 July 2018
- Member of the Upper House (Senator) from May 2011 to May 2017
- Assistant Director, State Housing Office, Penang from 1992 to 1996

## PROFILE OF DIRECTORS

**Date of Appointment**  
4 March 2019

**Length of Tenure as Director**  
3 years 6 months

**Board Committee Membership**

- Chairman, Board Nomination and Remuneration Committee
- Member, Board Audit Committee

**Jul 2021 – Jun 2022 Board Meeting Attendance**  
5/5



### MEGAT JOHA BIN MEGAT ABDUL RAHMAN

Non-Independent Non-Executive Director

Malaysian • 59 • Male

#### Qualification(s)

- American Institute of Certified Public Accountants, United States of America
- Degree in Accounting and Finance, Boston University, Massachusetts

#### Areas of Expertise(s)

- Accounting
- Business Development
- Corporate Restructuring
- Finance
- Strategic Planning

#### Other Directorship(s)

##### Listed Entities

- Group Managing Director, C.I. Holdings Berhad

##### Public Companies

- Chairman, Central Cables Berhad

#### Working Experience(s)

##### Present

##### ~ Within KUB Group

- Chairman, several subsidiaries of KUB

##### ~ Other Companies/Bodies

- None

##### Past

- General Manager, Boustead Sissons Paints Sdn Bhd
- Group CEO, Majuperak Holdings Berhad
- Chief Operating Officer cum Executive Director (Operations), Mayban Securites Sdn Bhd
- Assistant General Manager, Labuan International Financial Exchange ('LFX')
- Investigations Senior Manager for Market Supervision, Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Securities Berhad)

- Served Kumpulan FIMA Berhad in various capacities as Vice President for Agro-based Group and Business Development and as Executive Director and Chief Executive Officer, Percetakan Keselamatan Nasional and Security Printers, FIMA Berhad
- Messrs. KPMG Kuala Lumpur
- Messrs. KPMG Chicago, United States of America

**Date of Appointment**  
1 October 2020

**Length of Tenure as Director**  
1 year 11 months

**Board Committee Membership**

- Member, Board Audit Committee

**Jul 2021 – Jun 2022 Board Meeting Attendance**  
5/5



### KASINATHAN A/L TULASI

Independent Non-Executive Director

Malaysian • 64 • Male

#### Qualification(s)

- Barrister, Lincoln's Inn
- Bachelor of Law (LL.B)(Hons.), University of London

#### Areas of Expertise(s)

- Legal and Compliance

#### Other Directorship(s)

##### Listed Entities

- Director, C.I. Holdings Berhad

##### Public Companies

- Director, Central Cable Berhad

#### Working Experience(s)

##### Present

##### ~ Within KUB Group

- None

##### ~ Other Companies/Bodies

- Consultant, Messrs. Amir & Rajpal Ghai

##### Past

- Advocate and Solicitor, Messrs. Affendi Zahari
- Legal Assistant, Messrs. Sajali, Amier & Partners
- Read in Chambers of Mr. Philip Waller QC, London

**Date of Appointment**  
1 October 2020**Length of Tenure  
as Director**  
1 year 11 months**Board Committee  
Membership**Member, Board  
Risk Management  
Committee**Jul 2021 – Jun 2022  
Board Meeting Attendance**  
5/5**TEE BENG THONG**

Independent Non-Executive Director

**Malaysian • 55 • Male****Qualification(s)**

- Associate Member, Certified Practising Accountant, Australia
- Degree, Bachelor of Business (Accounting), Monash University, Melbourne, Australia

**Areas of Expertise(s)**

- Professional HR Practitioner
- Trained Accountant
- C-suites and Board Interactions
- Financial Statements
- Community Relations
- Goal-setting and Strategic Planning
- Strategic Advisory
- Corporate Governance

**Other Directorship(s)****Listed Entities**

- None

**Public Companies**

- None

**Working Experience(s)****Present**~ **Within KUB Group**

- None

~ **Other Companies/Bodies**

- Vice President, St. John Ambulance of Malaysia (KSU)

**Past**

- Chief Executive Officer, Seek Executive Search Sdn Bhd
- Chief Executive Officer, JMW International Pty Ltd
- Senior Consultant/Partner, JM Williams & Associates Sdn Bhd in 2000
- BBB Distributor Sdn Bhd
- Coopers & Lybrand (now known as PricewaterhouseCoopers) in 1993

**Additional Information**

- Save as disclosed below, none of the Directors has any family relationship with or is related to any Director and/or substantial shareholders of KUB Malaysia Berhad, or has any personal interest in any business arrangement involving the Company:
  - JAG Capital Holdings Sdn Bhd is a substantial shareholder of the Company.
  - The nominee Directors of JAG Capital Holdings Sdn Bhd are:
    - Datuk Seri Johari bin Abdul Ghani
    - Megat Joha bin Megat Abdul Rahman
- None of the Directors has been convicted for offences within the past five (5) years or imposed with any public sanction or penalty by the relevant regulatory bodies during the financial period other than traffic offences, if any.
- The details of Directors' attendance at Board meetings held in the financial period ended 30 June 2022 are set out in the Profile of Directors and the Corporate Governance Overview Statement in this Annual Report.

## BOARD COMMITTEES

<b>BOARD AUDIT COMMITTEE</b>	<b>APPOINTED WITH EFFECT FROM (W.E.F.)</b>
<ol style="list-style-type: none"> <li>1. Mohammad Farish Nizar bin Othman (Chairman)</li> <li>2. Megat Joha bin Megat Abdul Rahman</li> <li>3. Kasinathan a/l Tulasi</li> </ol>	<p>27/11/2015 01/04/2019 16/10/2020</p>
<b>BOARD NOMINATION AND REMUNERATION COMMITTEE</b>	<b>APPOINTED WITH EFFECT FROM (W.E.F.)</b>
<ol style="list-style-type: none"> <li>1. Megat Joha bin Megat Abdul Rahman (Chairman)</li> <li>2. Dato' Ahmad Ibnihajar</li> <li>3. Datuk Norliza binti Abdul Rahim</li> </ol>	<p>28/05/2021 28/05/2021 28/05/2021</p>
<b>BOARD RISK MANAGEMENT COMMITTEE</b>	<b>APPOINTED WITH EFFECT FROM (W.E.F.)</b>
<ol style="list-style-type: none"> <li>1. Datuk Norliza binti Abdul Rahim (Chairman)</li> <li>2. Datuk Haji Mohd Haniff bin Haji Koslan</li> <li>3. Tee Beng Thong</li> </ol>	<p>01/04/2019 16/10/2020 16/10/2020</p>

Note: The Board Employee Share Option Scheme ('ESOS') Committee has been dissolved on 30 August 2022 following the expiration of the ESOS on 24 July 2022.

# PROFILE OF SENIOR MANAGEMENT



## MOHAMED ROZAIDI BIN MD SHARIF

Director/Chief Executive Officer  
Solar Gas Sdn Bhd

Malaysian • 44 • Male

### Date of Appointment

1 July 2022

### Length of Service

2 months

### Qualification(s)

- Bachelor of Business Administration (Transportation), University Teknologi MARA, Shah Alam

### Areas of Expertise(s)

- Operations
- Sales & Marketing
- Retail
- Logistics & Distribution
- Digital Solutions
- Connectivity & Telecommunications

### Working Experience(s)

- Acting Chief Executive Officer, Solar Gas Sdn Bhd (March 2022)
- Chief Operating Officer, Solar Gas Sdn Bhd (September 2021)
- Chief Executive Officer, Postal Services, Pos Malaysia Berhad
- Group Head, Operation, Pos Malaysia
- Group Managing Director, Altel Holdings Sdn Bhd
- Chief Commercial Officer, Altel Communications Sdn Bhd
- Director, Regional Enterprise Business Solutions, Celcom Axiata Berhad
- Director, Sales Management and Planning, Celcom Axiata Berhad
- Vice President, Sales Operations and Distributions, Celcom Axiata Berhad
- Chief Executive Officer, C-Mobile Sdn Bhd
- Vice President, Sabah Region, Celcom Axiata Berhad
- General Manager, Retail Sales and Distribution, Celcom Axiata Berhad

### Other Directorship(s)

#### Listed Entities

- None

#### Public Companies

- None



## DR. CHOW KOK CHENG

Executive Director/Chief Executive Officer  
KUB Agro Holdings Sdn Bhd

Malaysian • 63 • Male

### Date of Appointment

1 June 2021

### Length of Service

1 year 3 months

### Qualification(s)

- Doctor of Business Management, IPE Management School, Paris
- Master of Business Administration (General Management), Heriot-Watt University, United Kingdom
- Professional Advanced Diploma (Oil Palm Estate Practice), the Incorporated Society of Planters

### Areas of Expertise(s)

- Plantation Management
- Consultancy and Advisory on Plantation

### Working Experience(s)

- Group Chief Executive Officer/Managing Director, Tradewinds Plantation Berhad (2018-2021)
- Senior General Manager-Plantation, Tradewinds Plantation Berhad (2016 to 2018)
- Director of Plantation, Tradewinds Plantation Berhad (2015 to 2016)
- General Manager (CEO'S Office) Tradewinds Plantation Berhad (2015)
- Senior General Manager-Estates, Head of Operations, Hap Seng Plantations Holdings Berhad (2014)
- Planting Advisor, Hap Seng Plantations Holdings Berhad (2011 to 2014)

### Other Directorship(s)

#### Listed Entities

- None

#### Public Companies

- None

## PROFILE OF SENIOR MANAGEMENT



### DR. BADRULHISHAM BIN MOHD GHAZALI

Director/Chief Executive Officer  
KUB Telekomunikasi Sdn Bhd

Malaysian • 47 • Male

#### Date of Appointment

17 March 2020

#### Length of Service

2 years 6 months

#### Qualification(s)

- Doctorate in Mechanical Engineering, University of Adelaide, Australia
- Bachelor Degree in Mechanical Engineering (1<sup>st</sup> Class Honours), University of Adelaide, Australia

#### Areas of Expertise(s)

- Corporate and Strategic Planning
- Business Development Management

#### Working Experience(s)

- Assistant Vice President Strategic Planning and Performance Management, KUB Malaysia Berhad (2016 to 2019)
- Director/Consultant, Timur Axis Sdn Bhd (2015 to 2016)
- Chief Executive Officer, CMS Consortium Ecotour Sdn Bhd (2014 to 2015)
- Head, Export and Group Corporate Strategy, Proton Holdings Berhad (2012 to 2014)
- Head, Corporate Strategy, Proton Holdings Berhad (2008 to 2012)

#### Other Directorship(s)

##### Listed Entities

- None

##### Public Companies

- KUB Development Berhad

#### Additional Information

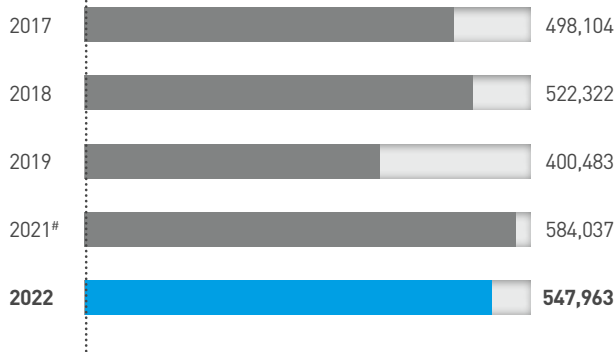
1. None of the Senior Management personnel has any family relationship with or is related to any Director and/ or substantial shareholders of KUB Malaysia Berhad, or has any personal interest in any business arrangement involving the Company.
2. None of the Senior Management personnel has been convicted for offences within the past five (5) years or imposed with any public sanction or penalty by any regulatory bodies other than traffic offences, if any.
3. The full profiles of the Senior Management are available online at [www.kub.com](http://www.kub.com).

# 5-YEAR GROUP FINANCIAL HIGHLIGHTS

## REVENUE

(RM'000)

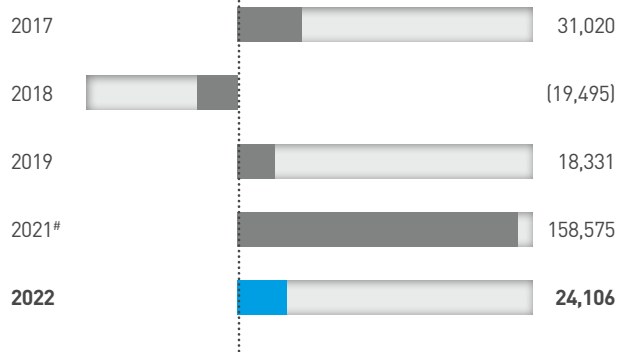
# RM547,963



## PROFIT/(LOSS) FOR THE YEAR/PERIOD

(RM'000)

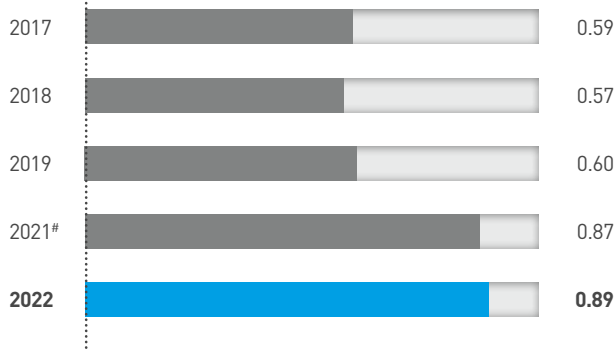
# RM24,106



## NET ASSETS PER SHARE

(RM)

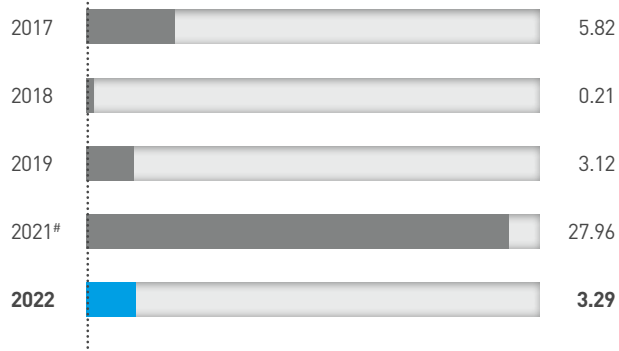
# RM0.89



## BASIC EARNINGS PER SHARE

(SEN)

# 3.29 sen



RM'000	FY2017	FY2018	FY2019	FP2021#	FY2022
Revenue*	498,104	522,322	400,483	584,037	547,963
Profit/(Loss) before taxation*	38,975	(30,169)	20,590	167,791	33,173
Profit/(Loss) for the year	31,020	(19,495)	18,331	158,575	24,106
Profit attributable to owners of the Company	32,395	1,177	17,355	155,562	18,284
Shareholders' fund	327,672	315,480	335,132	483,519	493,312
Basic earnings per share (sen)	5.82	0.21	3.12	27.96	3.29
Net assets per share (RM)	0.59	0.57	0.60	0.87	0.89
Dividend declared per share (sen)	1.0	1.0	-	1.5	1.5
Gearing ratio (times)	0.17	0.54	0.31	0.08	0.11

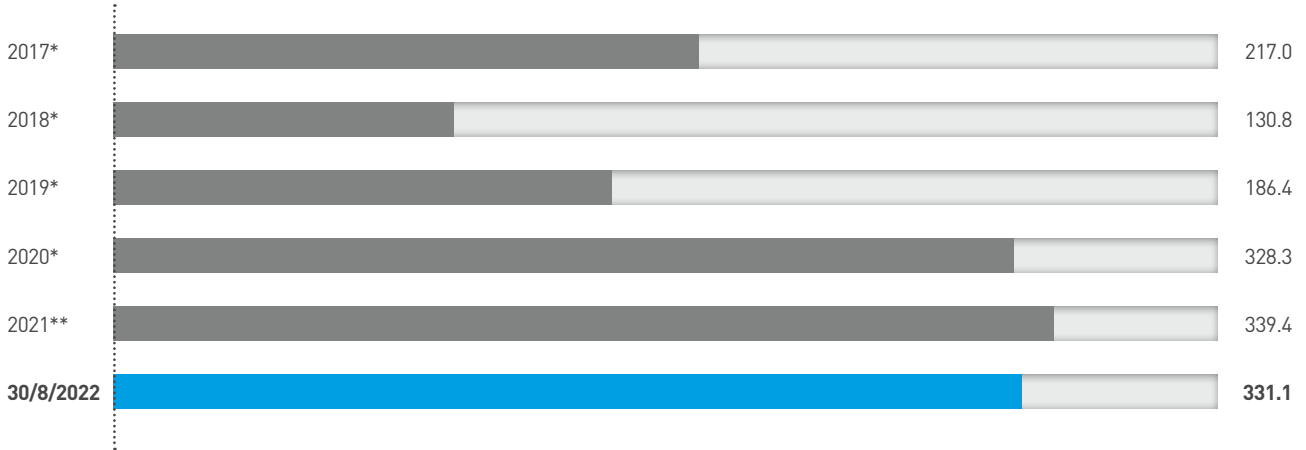
\* Restated for 2017 and 2018.

# Due to the change of financial year end from 31 December to 30 June, the Group financial results presented for 2021 is for a 18-month period ended 30 June 2021.

# ECONOMIC VALUE FOR SHAREHOLDERS

## MARKET CAPITALISATION

(RM Million)



\* closing price as at 31 December

\*\* closing price as at 30 June

## SHARE PRICE MOVEMENT#

(RM)



# Daily Closing Prices

## MONTHLY TRADING VOLUME & SHARE PRICE STATISTICS

MONTH	SEP '21	OCT '21	NOV '21	DEC '21	JAN '22	FEB '22	MAR '22	APR '22	MAY '22	JUN '22	JUL '22	AUG '22
Volume ('000)	23,431	90,236	28,068	9,113	15,303	16,249	7,751	6,924	2,765	4,091	674	4,750
High (RM)	0.655	0.785	0.710	0.645	0.680	0.660	0.620	0.635	0.620	0.600	0.550	0.615
Low (RM)	0.530	0.605	0.580	0.570	0.600	0.585	0.555	0.590	0.580	0.495	0.490	0.525
Closing Price (RM)	0.630	0.710	0.595	0.625	0.625	0.605	0.600	0.610	0.585	0.540	0.550	0.595

# THE GROUP MANAGING DIRECTOR'S STATEMENT AND MANAGEMENT DISCUSSION & ANALYSIS



Dear Valued Shareholder,

**The past 12 months have witnessed global instability at a level that is unprecedented in recent times. Coming off the back of the COVID-19 pandemic and its resulting supply chain disruptions, the Russia-Ukraine conflict has further destabilised the global economy, leading to spikes in energy and raw material prices.**

During this time of geopolitical and macroeconomic uncertainty, our business divisions have displayed commendable resilience, while at Group level we have steadfastly stayed the course on our long-term business transformation plan, executing on operational efficiency measures and investing in our core assets.

This Group-wide focus on building capabilities and enhancing competitiveness within our core business divisions is reflected in our report theme for Financial Year ('FY') FY2022: "Strengthening Competencies". It describes the efforts we continue to make in building capabilities and expanding capacities across our business divisions. Furthermore, it recognises the need to develop greater competitive advantages to successfully compete in fast-evolving operating environments.

On that note, please take the time to read the analysis below to understand how the committed actions we have taken in FY2022 will enable us to weather challenges yet to come and build towards a future of consistent and sustainable growth.

## FINANCIAL PERFORMANCE REVIEW

In the preceding financial year (FY2021), the Group changed its financial year end from 31 December to 30 June. As a result, there is no basis for accurate year-on-year comparison of our FY2022 financial results. With that said, the Group attained a revenue of RM548.0 million over the preceding 12 months, measuring favourably against the RM584.0 million revenue obtained over the 18 months from 1 January 2020 to 30 June 2021.

At the business division level, our LPG division delivered 88.2% of revenue, followed by the Agro division (8.1%) and other sectors of business (3.7%).

In terms of profit, FY2022 delivered a decent profit after zakat and tax ('PAT') of RM24.1 million, which was largely driven by the strong uptrend in crude palm oil ('CPO') prices and the increase in the liquefied petroleum gas ('LPG') contract price ('CP') over the past year. While our profit continued to be negatively impacted by the Malaysian Government's COVID-19 pandemic containment measures, the relaxation of the measures has elicited a strong rebound in recent quarters.

It is also worth noting that in FY2021, our annual profit of RM158.6 million was inflated by the gain on disposal of Johor-based estates under our Agro division totalling RM122.5 million, and the gain on disposal of our associate company KUB-Berjaya Enviro Sdn Bhd for RM30.5 million. Therefore, when removing these factors from consideration, it becomes clear that FY2022 saw a solid increase in profit - a trend which we hope to continue as the full effect of our Group-wide operational streamlining and competency building exercises are realised over the years to come.

Supporting our cautiously optimistic outlook, we possess the financial resources and the flexibility to capitalise on organic and inorganic growth opportunities, as evidenced by our total assets of RM641.0 million (FY2021: RM643.7 million), our cash and bank balances of RM391.9 million (FY2021: RM423.1 million) and our gearing ratio of 0.11 times (FY2021: 0.08 times). This is after factoring in the deconsolidation of the Group's subsidiary, KUB Sepadu Sdn Bhd ('KUBS'), which removed a sizeable contributor to assets and bank balance from our books.

## THE GROUP MANAGING DIRECTOR'S STATEMENT AND MANAGEMENT DISCUSSION & ANALYSIS

### REVENUE AND PROFITABILITY ANALYSIS

Revenue

**RM548.0**

million

Profit After Zakat and Tax

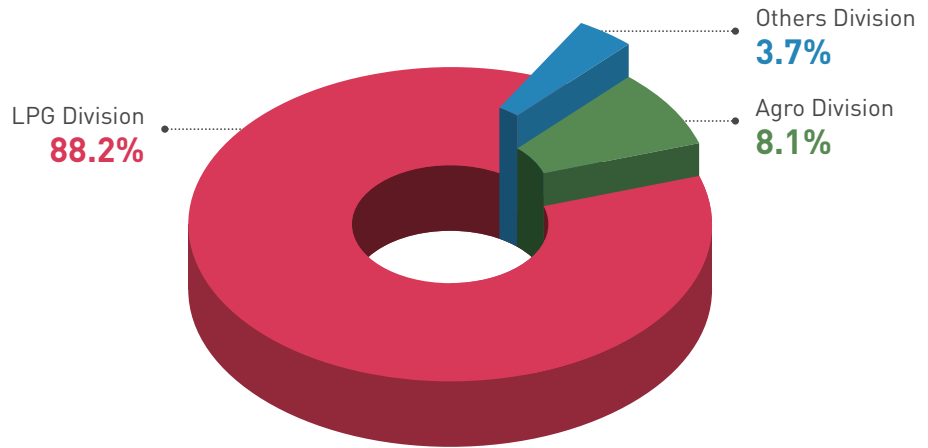
**RM24.1**

million

Basic Earnings per Share

**3.29**

sen



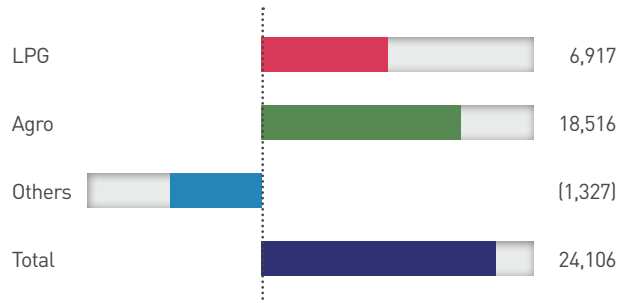
### REVENUE BY DIVISION

(RM'000)



### PROFIT/(LOSS) AFTER ZAKAT AND TAX BY DIVISION

(RM'000)



### BALANCE SHEET ANALYSIS

Total Assets

(RM'000)



Total Liabilities

(RM'000)



Total Borrowings

(RM'000)



Shareholders' Fund/  
Equity

**RM493.3**

million

FY2021: RM483.5 million

Total Cash and Bank  
Balances

**RM391.9**

million

FY2021: RM423.1 million

Net Assets per Share

**RM0.89**

FY2021: RM0.87

Gearing Ratio

**0.11**

times

FY2021: 0.08 times



## LPG DIVISION

**The LPG division is the Group's main contributor to revenue. It carries out the importation, bottling, marketing and distribution of Liquefied Petroleum Gas ('LPG') under the established brand name of Solar Gas and is operated by our wholly-owned subsidiary Solar Gas Sdn Bhd ('Solar Gas').**

To maintain strong brand presence and sales in its core markets of the Central and Southern regions of Peninsular Malaysia, Solar Gas operates three (3) facilities that include its main import terminal in Westport, Klang (Selangor), a plant in Tebrau (Johor) and a plant in Beranang (Selangor). It also maintains a network of third-party bottlers located in Prai (Penang) and Tasek (Perak), thereby ensuring its presence across Peninsular Malaysia, with a focus on the Central, Southern and Northern regions.

In FY2022, the LPG division recorded revenue of RM483.2 million and PAT of RM6.9 million. While the rise in revenue can be attributed to a higher average CP, our year-on-year profit suffered due to the decline in business activity amongst commercial outlets such as restaurants and factories - which form a significant portion of our clientele - in the first quarter of the financial year. With pandemic restrictions in place, it was difficult for many of our dealers to maintain target sales volumes, and the resulting margin squeeze was further exacerbated by the continued closure of the Malaysia-Singapore border.

That said, with the border now having reopened and COVID-19 restrictions largely lifted, we expect to see a steady recovery in sales volumes, in turn positively impacting our near-term revenue and profit-generating abilities.

Looking beyond financial performance, our LPG division is navigating a variety of external challenges that include an increasingly competitive marketplace and its attendant threat of price wars, and the rise of substitute products such as Natural Gas and Liquefied Natural Gas. In addition, the Russia-Ukraine conflict and its resulting sanctions have had an inflationary effect on the price of fuels used in the divisions, significantly impacting margins.

Nevertheless, FY2022 saw steady progress on both ongoing and one-off initiatives to enhance our competitiveness and drive incremental sales, as detailed below:

### WHAT WE HAVE DONE IN FY2022

#### Brand Modernisation

Spent a total of RM2.4 million on the reconditioning and requalification ('RCRQ') of our existing cylinders, and RM1.2 million on the repainting of cylinders.

#### Capacity Building

Completed our planned LPG sphere at our Westport Klang facility, at a cost of RM10.8 million. The sphere has increased our storage capacity by 1,000 metric tonnes ('MT'), better equipping us to cater to the expected rise in demand for LPG over the medium-to-long-term.

#### Marketing Outreach

Continued to build our downstream presence by recruiting new sub-dealers, adding new stores to our distribution network and increasing supply to convenience stores, thereby driving incremental sales. Meanwhile, we maintained our ongoing social media engagement activities to increase brand awareness and uptake across consumer and commercial market sectors.

## THE GROUP MANAGING DIRECTOR'S STATEMENT AND MANAGEMENT DISCUSSION & ANALYSIS

At the same time, we continued to carry out dealer network activities in FY2022 with the aim of retaining our dealers, expanding our network and increasing sales volumes. These activities included the offering of competitive sales incentives, the provision of cylinders to dealers, and various brand uplift activities such as our initiative to replace old shop signages for our dealers. These activities play a crucial role in our efforts to scale up and meet post-pandemic demand.

Looking forward, we will continue to be proactive in driving organic growth, uplifting the image of the Solar Gas brand and streamlining our operations, all while striving to achieve greater cost efficiency by implementing new technologies and leveraging strategic partnerships.

In the realm of the Solar Gas brand, our RCRQ and repainting activities will continue apace, as will our ongoing social media marketing efforts. These initiatives will be complemented by our ongoing dealer acquisition drive, which seeks to enhance dealer coverage in underrepresented areas of the country, particularly in the Northern and Central regions. By increasing dealer coverage, we seek to recover our pre-pandemic run rates and restore divisional revenue to its full potential.

Operationally, we will further invest in the modernisation of our processes, installing palletising systems for more efficient and safe loading and unloading of LPG cylinders. This will serve to reduce our distribution costs by minimising our reliance on manual labour, and complements our commitment to adopting practices that create Environmental, Social and Governance ('ESG') value.



Finally, we will seek greater cost-efficiencies across our value chain by sourcing for lower cost sources of LPG at the upstream level, maintaining lean production processes, and by aggressively pursuing bulk sales contracts to maximise our sales volume and generate greater economies of scale.

While the proactive actions we are taking stand us in good stead to compete strongly in the LPG market, it would be remiss of me not to stress that our future performance will nevertheless depend heavily on external factors such as crude oil prices, rising inflation and the continuation of the Russia-Ukraine conflict. Meanwhile in Malaysia, the increase in the Overnight Policy Rate will also have a dampening effect on consumer spending.

What we can, and will continue to do, is mitigate against the impact of such external factors by strengthening supply chain management, driving operational and cost efficiencies, and maximising the reach and reputation of our brand across our core markets.





## AGRO DIVISION

**Our Agro division comprises two oil palm estates in Mukah, Sarawak, totalling 4,616 hectares owned by KUBS.**

The division posted an annual revenue of RM44.2 million in FY2022, bolstered by the continued uptrend in CPO prices. However, we also faced lower-than-anticipated fresh fruit bunches ('FFB') production due to heavy rainfall and an acute labour shortage at our estates. These challenges – in addition to high fertiliser costs – impacted operational and cost efficiency, negatively impacting our profit-generating abilities.

On a positive note, the comprehensive plan that we have put in place to upgrade our estates – as detailed below – has yielded strong results in FY2022:

### WHAT WE HAVE DONE IN FY2022



#### Crop Recovery Optimisation

- Spent RM1.5 million on the upgrading and gravelling of 20km of field roads at our Sungai Nape estate.
- Mechanised our infield FFB collection and evacuation processes by introducing additional mini-tractors and high-lift trailers.



#### Replanting Old Oil Palm Stands

- Carried out in-depth analysis and planning towards implementing a replanting programme whereby old and low yielding oil palm fields will be replaced to optimise future palm yields.
- Implemented Closed Ended Conservation Trenches ('CECT') techniques for the replanting of fields.
- Constructed new perimeter roads for improved inspection and enhanced operational efficiency of future fields.



#### Estate Infrastructure Improvement

- Completed construction of two (2) block, six (6) door workers' quarters, complete with modern amenities, at our Sungai Buloh and Sungai Nape estates, accommodating an additional sixty (60) workers.



#### Implementing Centralised Data Analytics

- Successfully migrated estate data to a new Estate Computer System ('iECS') for better data management and improved oversight of estate operations.

## THE GROUP MANAGING DIRECTOR'S STATEMENT AND MANAGEMENT DISCUSSION & ANALYSIS



As noted within previous quarterly reports released by the Group, a winding up petition against KUBS was filed in the High Court (the 'Court') by its minority shareholders on 28 November 2019. KUBS was then served a winding up petition and an order for the appointment of interim liquidators ('Order for IL') on 16 December 2019. However, the Court granted a stay on the Order for IL pending the Court hearing, which was then adjourned on many occasions due to the pandemic.

On 15 June 2022, the Court granted the winding up order, leading to the appointment of liquidators and causing the Group to lose control over the company. As a result, the accounts of KUBS have been deconsolidated from the Group's accounts.

Subsequently, on 17 June 2022, KUB Agro Holdings Sdn Bhd ('KUBAH') filed an application for a stay of execution of the winding up order ('Stay Application') as well as a Notice of Appeal ('Winding Up Appeal'). Pending the conclusion of the Stay Application, as disclosed in Note 40 to the financial statements in this report, KUBS has been classified as an associate company to the Group.

The deconsolidation and reclassification of KUBS as an associate company resulted in the Group recognising a gain of RM1.1 million after taking into consideration the net fair value of the retained investment in KUBS of RM45.7 million. Overall, the division delivered a strong PAT contribution to the Group of RM18.5 million in FY2022.

Subject to the outcome of the Stay Application and Winding up Appeal, we plan to execute a variety of initiatives in FY2023 aimed at mitigating operational challenges and further upgrading our estates. These initiatives include the gravelling of collection roads and replacement of wooden bridges at our Sungai Nape estate, the construction of new workers' quarters and amenities, the procurement of new vehicles for the transportation of labour and FFB, and the use of various technologies to enhance production efficiencies.

In line with our ESG commitments, FY2023 will also see the introduction of a zero-burn policy for the first phase of the planned oil palm replanting exercise at our Sungai

Buloh estate, whereby no burning will be carried out when clearing old stands. Contributing to the circular economy, the CECT technique will be used to retain old chipped trunks, while efficient water management techniques will be utilised for water retention and distribution. Finally, after the land clearing stage is complete, we will introduce the Deacidification, Covers Establishment and Advanced Fertilisation ('DCA') technique to adjust soil pH levels for optimal nutrient uptake, utilise pure legumes for ground cover, and employ advanced fertilisers to ensure optimal palm growth during replanting.

Adhering to these planet-friendly techniques, our goal is to complete the replanting of 294 hectares of old and low yielding oil palm stands at our Sungai Nape estate in FY2023, to be followed by a further 313 hectares at Sungai Nape in FY2024 and 398 hectares at our Sungai Buloh estate in FY2025. This is in line with our annual replanting target of 8%, which means that all old palms across our estates will be replaced by 2031.

Definitive plans are also in place to effectively manage rat and bunch moth infestations, improve field conditions, and enhance our preparedness for the impacts of the seasonal monsoon and its resulting floods. To mitigate against the impact of floods and optimise crop recovery, we also plan to narrow our harvesting intervals.

These planned initiatives will equip us well to navigate what will likely be a challenging year ahead, with the escalating cost of production inputs expected to drive greater pressure on our profit margins in the division.

During the past year alone, the price of the fertilisers that we use has increased by 312%, driven by supply chain bottlenecks and dwindling supply brought about by the Russia-Ukraine conflict. This was compounded by the increase in the Malaysian minimum wage (from RM1,200 per month to RM1,500 per month), an 8% increase in levies to import foreign workers, and across-the-board increases in the cost of materials such as herbicides, pesticides, building materials, diesel and spare parts. Furthermore, the escalation in the cost of crude oil shows no sign of slowing down and will continue to drive global inflation and raise costs across all inputs.



## OTHERS

**Aside from our core business divisions of LPG and Agro, the Group provides infrastructure solutions and supply, maintenance and ancillary services in information, communications and technology (our 'ICT business'), civil engineering works in the power sector (our 'Power business'), and undertakes property management for several properties owned by Group subsidiaries.**

In FY2022, our business activities in these sectors amounted to a revenue of RM20.5 million and a loss after zakat and tax ('LAT') of RM1.3 million. The loss was driven primarily by our ICT business, where low revenues were compounded by one-off payments necessitated by a staff rationalisation exercise. However, the financial impact of our losses was cushioned by the reversal of impairment losses on receivables and the provision of costs recorded in prior years by our other businesses.

Looking at the performance of our ICT business in more detail, its lower-than-expected revenue of RM16.5 million was due to a highly competitive marketplace, where a slew of new market entrants led to bidding wars and the failure to secure projects which we had anticipated winning. Moreover, a prolonged economic recovery caused a continued subdued demand for new ICT installations and maintenance support by telcos, particularly in conventional network technologies namely Metro-E and Dense Wavelength-Division Multiplexing ('DWDM'), including from KUB Telekomunikasi Sdn Bhd's ('KUBTel') main client Telekom Malaysia ('TM').

With the aim of returning KUBTel to profitability, we have outlined key turnaround initiatives for FY2023 which are focused around securing early market entry in private 5G and 5G Centralised Radio Access Network ('CRAN') Fronthaul solutions.

To meet the expected growth in demand for Private 5G, we are working towards developing product readiness and optimising speed-to-market across Multi-Edge Computing, Private 5G Core and 5G-in-a-box, while undertaking extensive business development activities. Meanwhile, our drive to lead in CRAN Fronthaul solutions is bolstered by our continuous positive engagements with Digital Nasional Berhad ('DNB') – Malaysia's special purpose vehicle to drive 5G adoption and South Korean technology powerhouse HFR Inc. ('HFR'). Our plan is to deliver on business cases established in consultancy with DNB, utilising fronthaul solutions developed in tandem with HFR.



## THE GROUP MANAGING DIRECTOR'S STATEMENT AND MANAGEMENT DISCUSSION & ANALYSIS

We will also invest in making gains within market segments where we have an existing presence. Within the Metro-E segment, we will strengthen our existing partnership with Nokia and establish collaborative relationships with other global technology players with an eye to providing infrastructure solutions and maintenance support. We will also expand our presence in the telecommunications build and lease territory, including by increasing our presence in several other areas and providing services that assist in the rollout of 5G telecommunications being carried out by DNB.

Lastly, in our continuous effort to right size our workforce and streamline our cost base, we are approaching the completion of the final leg of the division's Mutual Separation Scheme. This will be executed alongside selective reskilling of existing employees and recruitment of specialised professionals, with the aim of ensuring that we possess the skillsets to meet the evolving demands of the ICT industry across our focus areas.

In our Power business, revenue was minimal as all projects have reached their tail-end. Moving forward, the business will seek to maintain optimal efficiency and bid for contracts that leverage its core competencies.

Meanwhile, our subsidiary Peraharta Sdn Bhd continues to manage and maintain properties owned by the Group in Bangunan Sri Kinta, Perak, and Wisma Kota Bharu, Kelantan, generating rental income that contributes to our bottom line.



### PROSPECTS

We expect our operating environment to remain challenging during FY2023 as the Russia-Ukraine conflict continues and countries navigate post-pandemic challenges. More specifically, we anticipate that inflation and interest rates will continue to rise, thereby depressing consumer confidence, and that the relative strengthening of the US Dollar will hamper our purchasing power.

With 'uncertainty' the byword for the 12 months to come, we are adopting a cautious outlook for our businesses in FY2023, prioritising measures to sustain Group profitability. Having said that, our caution does not mean that we will hold back on strengthening our core competencies. On the contrary, now is the right time to invest in improvements, as the new economy that emerges after present uncertainties have died down will present many opportunities for growth.

At the divisional level, our LPG division will continue to be the main driver of Group revenue. To build our market share and preserve our operating margins amidst stiff competition, we will double down on aggressive marketing strategies aimed at expanding our dealer network and gaining new industrial, commercial and retail clients. At the same time, we will continue to carry out supply chain management and cost containment initiatives, thereby mitigating against rising production costs and the potential impact of price wars in the energy sector. We will also carry out hedging strategies to counter the impact of fluctuations in the MYR/USD exchange rate.

Our outlook for the division is boosted by the reopening of the Malaysia-Singapore border, which promises to restore pre-pandemic demand from Johor-based businesses dependent on the Singapore economy. Moreover, we anticipate that our newly-operational LPG sphere in Westport, Klang, will strengthen our position in the increasingly competitive domestic energy market.

In our Agro division, the deconsolidation of KUBS poses a significant challenge to our operations. However, barring any unforeseen circumstances, we expect to realise the division's financial results in full through the equity accounting method.

Looking forward, the division will face continued challenges through the softening of CPO prices and continued shortages in foreign labour, while the rising cost of inputs such as fertilisers, agrochemicals, building materials, spare parts, ancillaries and fuel will impact margins. However, our initiatives – including the mechanisation of in-field collection, manuring and field upkeep activities, increased adoption of best agricultural practices and implementation of practices for enhanced productivity – will soften the adverse impact of rising costs.

Our ICT and Power businesses, meanwhile, will adopt aggressive bidding strategies, seeking to capitalise on opportunities to tender for projects that have a need for their diverse capabilities, all while accelerating the various operational improvement and strategic cost management initiatives which have been earmarked.

## DIVIDENDS

On 30 August 2022, the Board of Directors (the 'Board') approved and declared a first and final single tier dividend of 1.5 sen per share on 556,464,690 ordinary shares. This will amount to a total payout of RM8.3 million, reflecting a payout ratio of 45.65% of the Profit After Tax and Minority Interests ('PATAMI') of the Group.

The dividend is payable on 13 October 2022 to shareholders whose names appear in the Record of Depositors at the close of business on 15 September 2022.

## APPRECIATION

I would like to extend my sincere gratitude to the Group's valued shareholders, employees and suppliers for their continued faith and committed partnership during the past year. While significant challenges have come our way, the steadfast and resilient manner in which we have faced up to and overcome the obstacles in our way is the truest reflection of our core values and a testament to the strength of our community.

I look forward to working with you to strengthen our competencies and build a better and more sustainable future.

**Ahmed Fairuz bin Abdul Aziz**  
Group Managing Director



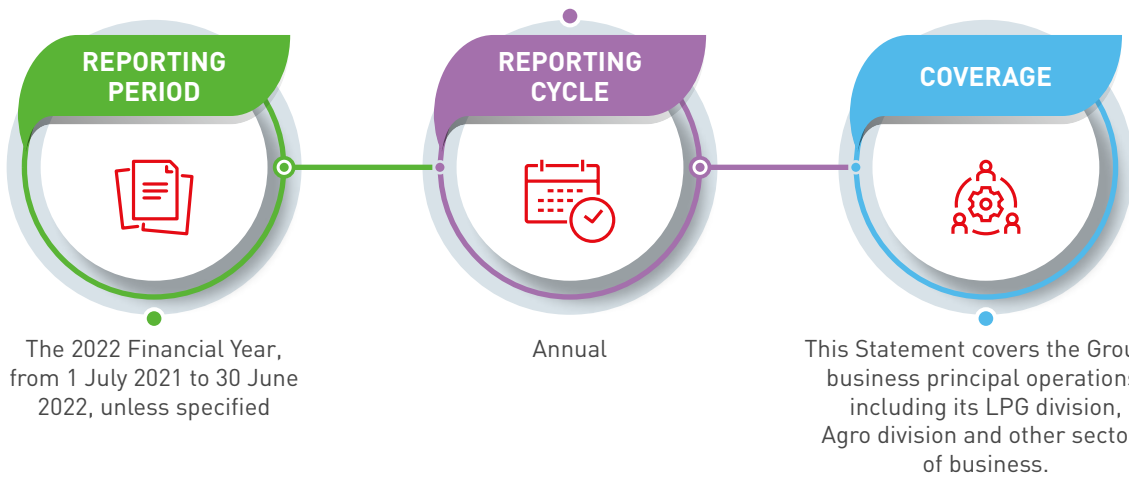
# SUSTAINABILITY STATEMENT

## ABOUT THIS STATEMENT

FY2022 was yet another unprecedented year for the nation, as Malaysia continued to battle against the COVID-19 pandemic before eventually entering the endemic phase.

During these challenging yet opportunity-rich times, the Group Sustainability Statement summarises our continued commitment to responsible business operations. It also outlines the sustainability initiatives we are spearheading to create long-term value for our customers, local communities and the planet.

### SCOPE OF STATEMENT



## FRAMEWORK AND GUIDELINES

The disclosures contained in this Statement integrate elements of Main Market Listing Requirements ('MMLR') of Bursa Malaysia Securities Berhad ('Bursa Securities') and other local and global frameworks and benchmarks:

- Global Reporting Initiative ('GRI') Standards: Core Option
- United Nations Sustainable Development Goals ('UNSDGs')

The following GRI reporting principles have been applied within this Statement:

Stakeholder Inclusiveness	Materiality	Sustainability Context	Completeness
Using insights from key stakeholders to inform sustainability expectations and review material matters	Focusing on issues that reflect the Group's sustainability impacts and are of utmost importance to its stakeholders, and/or are relevant to changing operating environments and the Group's corporate values	Showcasing the Group's performance in the broader context of sustainability	Covering material topics and boundaries that significantly affect the ESG performance, thereby enabling stakeholders to assess the Group's performance in the current reporting year

## FEEDBACK

For further enquiries, please contact:

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Suite A-22-1, Level 22, Hampshire Place Office  
157 Hampshire, No. 1 Jalan Mayang Sari, 50450 Kuala Lumpur  
Tel: 603 - 2721 9600 Fax: 603 - 2721 9610

**SUSTAINABILITY GOVERNANCE**

The Group’s commitment to sustainability is reflected in a robust sustainability governance structure. This structure is spearheaded by the Board of Directors, who govern sustainability, oversee the implementation of the sustainability strategies, review major related issues regularly and approve the guiding group-level policies.

The Board is responsible for the overall sustainability performance of the Group, and consider ESG matters in formulating the Group’s strategy. The Group integrates ESG matters that are material to value creation into its strategies in setting the objectives, driving behaviour, measuring performance and determining remuneration. KUB established a Sustainability Policy and Framework to affirm sound action plans.



Figure 1 - Structure and Responsibilities of Governance Committees









The LPG division’s storage tanks including the third tank completed in FY2022 in Westport.

## SUSTAINABILITY STATEMENT

### STAKEHOLDER INTERACTION

The Group values stakeholders input and commits to proactive and constructive engagement with various stakeholders at all levels. Engaging stakeholders allows the Group to transform the industry value chain beyond the Group's immediate activities. The table below highlights areas of interest, methods and frequency of engagement across all stakeholder groups.

STAKEHOLDER GROUP	AREAS OF INTEREST	METHODS OF ENGAGEMENT	MONTHLY	QUARTERLY	HALF YEARLY	ANNUALLY	BIANNUALLY	AS AND WHEN REQUIRED	
<b>Customers</b> 	<ul style="list-style-type: none"> <li>Business outlook</li> <li>Market positioning</li> <li>Quality goods and services</li> </ul>	Customer surveys					■		
		Sales/technical visits							■
		Corporate website/ social media platforms							■
		Periodical Productivity Reporting	■						
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Career opportunities</li> <li>Work-life balance</li> <li>Skills development</li> <li>Benefits and rewards</li> </ul>	Employee performance and KPI reviews				■			
		Briefing sessions on good ethics and Whistleblowing Policy							■
		Periodical medical check-up reviews							■
		Induction, training and competency development							■
		Discussion on work planning							■
		Occupational Safety and Health Committee meetings		■					
		Safety briefings to employees and workers							■
		Safety and competency training							■
		Regular business communication							■
		Periodic inspections							■
		Briefing on good labour practice							■
<b>Suppliers</b> 	<ul style="list-style-type: none"> <li>Local partnerships</li> <li>Business relationships</li> <li>Operational efficiency</li> </ul>	Periodical Productivity Reporting	■						
		Interviews/meetings for participation in the procurement as contractor/vendor							■
		Safety briefings							■
		Vendor performance appraisal processes				■	■		
		Due diligence activities							■
		Periodic inspections of compliance with legal requirements							■
		Discussions with contractor/vendor on relevant laws and regulations							■
		Digital/manual platform for submission of complaints/feedback by respective stakeholders							■

STAKEHOLDER GROUP	AREAS OF INTEREST	METHODS OF ENGAGEMENT	MONTHLY	QUARTERLY	HALF YEARLY	ANNUALLY	BIANNUALLY	AS AND WHEN REQUIRED	
<b>Government and Regulators</b> 	<ul style="list-style-type: none"> <li>• Compliance</li> <li>• Nation-building agenda</li> <li>• Partnerships and collaborations</li> </ul>	Audit reports						■	
		Issuance of Permit to Work for Foreign Workers							■
		Annual fire drills				■			
		CIDB and NIOSH briefings							■
		Annual General Meeting					■		
		Quarterly updates on financial results		■					
<b>Shareholders, Investors and Business Partners</b> 	<ul style="list-style-type: none"> <li>• Investment opportunities</li> <li>• Long-term sustainability</li> <li>• Business outlook</li> <li>• Market positioning</li> <li>• Return on Investment</li> <li>• Dividends</li> <li>• Governance of ESG risks and opportunities</li> </ul>	Evaluations of Group Performance scorecard	■						
		Director Circular Resolutions							■
		Audit reports				■			
		Bursa Securities announcements and Share Price Movement update on the Investor Relations section of the KUB corporate website							■
		Meetings with management and the Board							■
		Feedback from respective shareholders							■
		Annual General Meeting					■		
		Press releases and statements to the media							■
<b>Communities and Interest Groups (such as NGOs and the Media)</b> 	<ul style="list-style-type: none"> <li>• Company performance</li> <li>• Community programmes</li> <li>• Charitable donations and sponsorships</li> </ul>	Community outreach programme						■	

# SUSTAINABILITY STATEMENT

## MANAGING MATERIALITY

With stakeholder priorities constantly shifting, the Group’s materiality assessment enables it to identify and prioritise the issues that matter most.

In FY2022, the materiality matrix was updated based on the most recent materiality survey conducted.

### Topics Covered in Materiality Study

#### ECONOMIC

- Ethical Conduct & Compliance
- Sustainable Supply Chain
- Industrial Advancement & Nation-Building



#### ENVIRONMENTAL

- Energy & Carbon Management
- Waste
- Water
- Biodiversity & Conservation



#### SOCIAL

- Fair Employment Practices
- Community Contributions
- Human Rights
- Employee Relations
- Training & Development
- Health & Safety
- Quality & Customer Satisfaction
- Data Privacy & Security



#### GOVERNANCE

- Good Governance
- Risk Management



## THE PROCESS

The Group commissioned an external consultant to conduct a materiality assessment, thereby ensuring the anonymity of respondents. Each stakeholder rated the importance they placed on 19 areas of sustainability risks and opportunities that guide the Group in strategically managing ESG risks and opportunities for the key stakeholders. The stakeholder groups that participated in the materiality assessment include:

- Board of Directors
- Employees
- Customers
- Suppliers
- Government and Regulators
- Shareholders, Investors and Business Partners
- Communities and Interest Groups (such as NGOs and the Media)

Based on the materiality assessment, the Group mapped initiatives under each sustainability pillar against the UNSDGs.

## THE RESULTS

The materiality matrix that follows is the result of the materiality assessment, reflecting the respective level of importance of the materiality matters assessed to stakeholders (vertical axis) against its strategic and operational impact on the Group (horizontal axis).

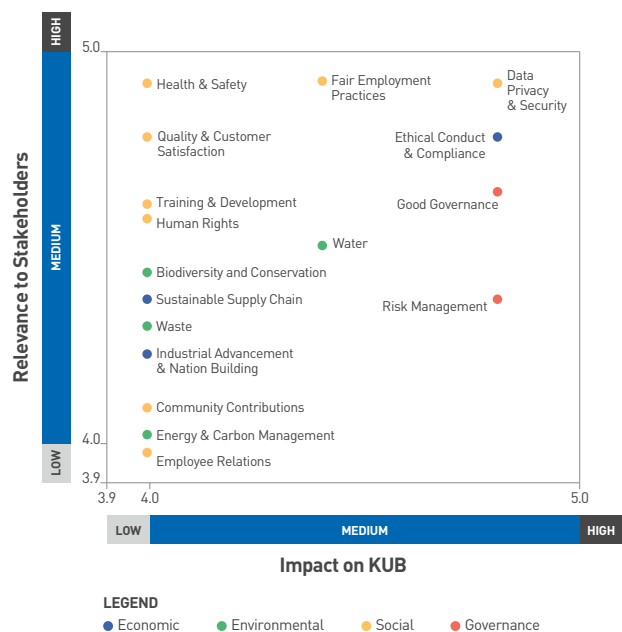


Figure 2 - KUB Group Sustainability Matrix

## ECONOMIC

The Group's diversified businesses focus on generating sustainable shareholder value while contributing to national development and growth.

In the knowledge that a return to 'business as usual' is insufficient for a durable and resilient economic recovery from the COVID-19 crisis, the Group has introduced a sustainable, inclusive growth plan which focuses on sustainable solutions beyond improving business and economic performance.

The Group's LPG business continued to operate efficiently in securing business while sourcing more competitive LPG supply sources. Meanwhile, the completion of a new LPG storage tank in Westport has increased storage capacity by 1,000 MT, enabling the Group to cater to an expected increase in demand. The Group has also ramped up its dealer acquisition initiatives while working closely with other LPG suppliers to mitigate against fluctuations in demand.

Meanwhile, the Group's Agro business underwent various upgrades throughout the years, covering infrastructure at estates, water treatment plants and workers' quarters. The Agro business also repaired and resurfaced 79km of estate main and field road works and installed new fertiliser stores, genset hoses and workshops. In addition, the Agro business expedited replanting exercises to ensure reliable future production volumes.

Aside from LPG and Agro, the Group also constructs telecommunication towers to help the country address the asymmetrical distribution of ICT access. This initiative is aligned with the National Digital Transformation agenda and National Broadband Plan, which is rolling out wired and wireless high-speed broadband services nationwide for a connected and informed society.

In addition, the Group formed a joint venture between KUB Ekuiti Sdn Bhd and the South Korean digital technology, HFR Inc. This strategic partnership aims to penetrate new segments within the telecommunication industry in line with government initiatives. The Group also participated in projects exploring cutting-edge technologies such as 5G, with a view to playing a greater role in empowering Malaysia's digital journey.

## Responsible Sourcing

The Group is committed to responsible supply chain management by implementing ethical sourcing practices, thereby delivering sustainable products and services for its customers. The Group ensures that its supply chain parties comply with the Group's Vendor Code of Business Ethics Policy.

Maintaining a diverse employee base and inclusive employment policies is an imperative of the Group, and this commitment extends across the Group's value chain too. In line with this, the Group is committed to diversifying its supplier base and has begun analysing and exploring opportunities to partner with and support various suppliers outside its traditional base. However, the Group still prioritises local suppliers in procuring goods and services, with a view to driving the development of Malaysia's national economy.

DESCRIPTION	LPG	AGRO	OTHERS	TOTAL
Total Vendors	733	170	764	1,667
No. of Local Vendors	720	170	753	1,643
Percentage of Local Vendors	98.2%	100%	98.6%	98.6%

## Ethics and Compliance

By behaving with integrity and maintaining compliance at all times, the Group seeks to strengthen its relationships with customers, business partners, employees, shareholders and the community.

The Group complies with national and international laws and regulations relevant to its industries, and broader regulations pertaining to preventing corruption, breaches of trust, fraud and money laundering. It expects its supply chain partners to operate to the same high standards.

The Group's Anti-Bribery and Corruption Policy ('ABC Policy'), Vendor Code of Business Ethics ('COBE'), Whistleblowing Policy and Employee Handbook clearly state the Group's commitment to integrity and transparency, with the Board of Directors overseeing the Group's compliance with all policies. Opposing all forms of corruption, the Group adheres to the highest ethical standards when doing business.

Complementing these policies, open and effective communication throughout the organisation promotes a better work culture. In line with this, the Group acknowledges the risk of violations of its codes and policies, and has introduced a system for reporting concerns (whistleblowing). All stakeholders are encouraged to report suspected violations of the Group's principles, with their anonymity safeguarded throughout the whistleblowing process.

## SUSTAINABILITY STATEMENT

### REGENERATIVE PLANET

The Group seeks to balance business needs and environmental impact within its operations and across its supply chain, with the aim of maintaining compliance with all applicable environmental laws and regulations.

#### Waste Management

The Group complies with the regulatory scheduled waste disposal requirements. The LPG division generates and disposes of scheduled waste, comprising contaminated waste (SW409), empty containers (SW410) and paint waste (SW417). All scheduled waste is removed from sites within 180 days and disposed of by a licensed contractor.

For ICT related, the waste is managed by the Department of Environment registered recyclers. The scheduled waste disposal is updated in the Electronic Scheduled Waste Information System, in accordance with the Environmental Quality Act 1974.

#### Coexisting with Nature

Agroecological approaches can protect, manage and restore nature while providing healthy food and securing livelihoods. In line with this, the Group applies ecological principles towards designing and managing its systems, aiming to actively conserve and sustain biodiversity at different levels while delivering positive business impact.

In addressing the risk posed by pests, the Agro division takes an ecosystem-wide approach rather than focusing on reducing pest-induced losses in ecosystems alone. Although insecticides and rat poison are still in use, the Agro division uses class 3 and 4 chemicals that do not harm the environment. In addition, planting flowers allows ecological sustainability and biodiversity conservation with natural control agents killing the bagworms, caterpillar natter and plant worms.

### From Local to Global Ambitions

The Group's various certifications and standards reflect its adoption of best practices towards ensuring quality and consistency across the ESG spectrum, with the diagram below illustrating the certifications attained as of 30 June 2022.



Figure 3 - Certificate Attained by the Group as of 30 June 2022

### SUPPORTING OUR PEOPLE AND OUR COMMUNITIES

The Group is committed to promoting equal opportunity, strengthening diversity and respecting human rights at its workplaces. This is furthered by ensuring healthy work environments and providing employees with attractive remuneration packages, social insurance, provident fund contributions and various allowances. The Group is also active in advocating social progress and its positive impacts on local communities.

#### Equal Opportunities

The Group's continued success is due to the range of backgrounds, areas of expertise and perspectives found across its team. The Group promotes equal opportunities in all aspects of its operations, ensuring all employees can reach their full potential regardless of status, background and personal characteristics.

#### Employee Wellness

As restrictions are gradually relaxed, the Group aims to respond effectively to the post-COVID-19 environment by providing employment arrangements that give its employees opportunities to balance their work and lives. Enhancing workplace flexibility while driving operational efficiencies is the key focus moving forward, with a one-day-a-week work from home rotation has been introduced across the Group. During the pandemic, the Group also introduced special leave dispensation for employees scheduled to undertake their COVID-19 vaccination.

On a separate note, the Group's in-house Kelab KUB fosters employer-employee relationships, promoting employee wellness, with 74 members as of June 2022. As the country entered the endemic phase and slowly reopened activities, the club organised more engagement programmes in FY2022, including meetings, badminton sessions and an annual dinner whereby orphans from Rumah Nur Sakinah were also invited. In addition, the club also raised fund to help 12 employees whose homes had been severely damaged by the floods that hit the country in December 2021.

**Training and Development**

The Group focused on developing technical and behavioural competency frameworks during the year in review, providing a foundation for the improvement of many processes, including recruitment and selection, performance assessment, development planning and career path management. Much of the Group's employee learning relied on virtual platforms, allowing for flexible and scalable upskilling of its diverse workforce.



Figure 4 - Among Training Areas Attended by the Employees in FY2022

**Safety, Health and Quality**

The Group prioritises the safety and health of its employees, with enhanced processes and system helping to protect the wellbeing of all who are directly or indirectly involved in the Group's operations. Supporting this, the Safety and Health Policy follows the International Labour Organisation principles and requirements stipulated by Malaysia's Department of Occupational Safety and Health ('DOSH'). All contractors and business partners must adhere to the Safety and Health Policy.

The Group's LPG business recently transitioned from OHSAS 18001 to ISO 45001:2018. ISO 45001:2018 is the world's first global health and safety management standard based on several management principles for health and safety in the workplace, including employee safety, reduced workplace risks and the creation of better working conditions.

The Group provides all employees throughout its operations with a safe working environment. The safety related roles and responsibilities at each of the Group's businesses include:

- Identifying and evaluating safety and health risks
- Implementing health and safety standards
- Promoting employee awareness and safe behaviour
- Establishing safe operating procedures

The Group acknowledges on the various safety risks its employees face at workplace, nurturing a safety culture by conducting several employee safety and health programmes annually. These safety programmes include fire drills, first aid training, and hearing conservation programmes.



The 30m Telecommunication Tower erected in Kg Paya Berenjut, Kemaman, Terengganu.

## SUSTAINABILITY STATEMENT

### Examples of Safety Programmes

- (a) Fire drills
- (b) First aid training
- (c) Hearing conservation programme
- (d) Toolbox and induction sessions
- (e) Tanker loading and unloading training
- (f) Work instruction training
- (g) Pest control
- (h) Internal ISO 45001:2018 competition and awards

Furthermore, active collaboration between certified safety officers and local authorities such as DOSH and BOMBA enables the Group to coordinate safety training sessions that improve employee knowledge and skills.

The Group did not suffer any severe injuries or fatalities during the last financial year. There were also no cases of non-compliance and penalties issued for safety breaches. The table below presents the safety performance of the LPG business in the past three years.

INDICATOR	FY2020	FY2021	FY2022
Fatality Cases	0	0	0
Lost Workday Cases	0	0	0
Restricted Workday Cases	0	1	2
First Aid Cases	0	2	0
Near Miss Cases	0	1	0
Dangerous Occurrence Cases	0	1	0
Fire Cases	0	0	0
Property Damage Cases	0	1	0
Vehicle Accident Cases	0	0	0
Number of Days Lost	0	0	0

Of equal importance to safety is the quality of the products and services that the Group provides. The diagram below details the quality processes that are carried out across the Group's business divisions.

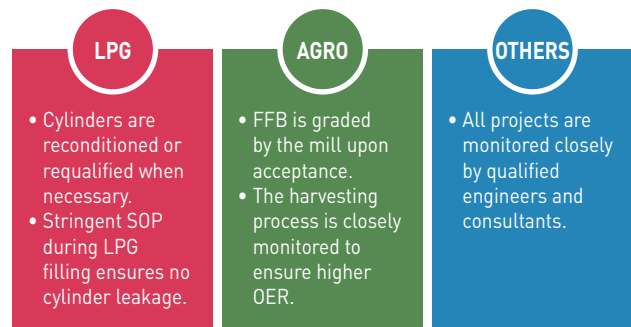


Figure 5 - Quality Process Across Group's Business Divisions

### Thriving Communities

Corporate citizenship has been an integral part of the Group since its incorporation, and the Group and its employees are committed to delivering lasting contributions to communities beyond the impact of business activities alone.

The Group's businesses contribute to the improvement of economic livelihoods through the direct and indirect employment opportunities it creates, the taxes it pays to the government, and through the investments it makes in local communities.

Various community-based programmes are undertaken on a regular basis, supporting worthy causes that assist communities in need. Most recently, the Group has contributed by:

- Donating van jenazah to the Muslim community
- Providing laptops to IPT students
- Financial support for employees and members of local communities

Moving forward, the Group will continue to actively explore strategic approaches towards developing and implementing investment programmes that are linked to its businesses and operations.



The Agro division's newly refurbished workers' quarters in Mukah, Sarawak.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of KUB Malaysia Berhad ('KUB' or the 'Company') is committed to exercise good corporate governance practices by upholding and applying the Principles and Practices set out in the updated Malaysian Code on Corporate Governance 2021 (the 'Code'), MMLR and other statutory requirements. The Board recognises that maintaining good governance is important for business and key to delivering shareholder value.

This statement is prepared in compliance with the MMLR and is to be read together with Corporate Governance Report 2022 which can be downloaded from KUBM's website at [www.kub.com](http://www.kub.com) or from Bursa Securities's website.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

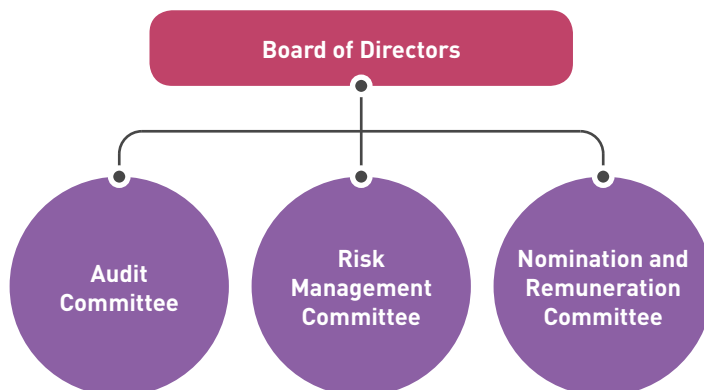
### I. BOARD RESPONSIBILITIES

#### 1. Board of Directors

The Board plays a critical role in setting the appropriate tone at the top and is tasked with leading and managing the Company and its subsidiaries (the 'Group') effectively and ethically. Each Director has a legal duty to act in the best interest of the Group. The Directors collectively and individually are aware of their responsibilities to the stakeholders for the manner in which the affairs of the Group are managed, details of which are set out in the Board Charter which is published on the Company's website at [www.kub.com](http://www.kub.com).

The Group's corporate governance structure consists of a set of structures, policies and procedures. The first of these structures is the Board which is supported by three (3) Board Committees to which the Board has delegated specific responsibilities, namely the Audit Committee, Risk Management Committee, Nomination and Remuneration Committee.

The following diagram shows a brief overview of the three (3) Board Committees of the Company, each of which is explained in further details in item 6 of this Corporate Governance Overview Statement:



All the Board Committees are actively engaged and act as oversight committees. They evaluate and recommend matters under their purview for the Board to consider and approve. The Board also receives updates from the respective Chairman of the Board Committees on matters that have been discussed and deliberated at the respective meetings.

The Board communicates its directions to the Management through the Group Managing Director ('GMD'). The Management is responsible for the day-to-day management of the Group pursuant to the powers delegated by the Board, subject to compliance with the applicable laws and regulations.

The Board oversees the business affairs of the Group with duties including adopting strategic plans, approving key business initiatives and major investments, reviewing financial and management performance, developing corporate objectives and implementing investor relations programmes.

#### 2. Chairman and GMD

The Chairman of the Board is a Non-Independent Non-Executive Chairman who leads the Board, with focus on governance and compliance and acts as a facilitator at Board meetings to ensure that contributions from Directors are forthcoming on matters being deliberated and that no Board Member dominates the discussion.

He further seeks to secure the provision of accurate, timely and clear information to the Board. During the Board meetings, the Chairman also maintains a collaborative atmosphere and ensures that all Directors are able to contribute as well as express their dissenting views to the Board.

The distinct and separate roles of the Chairman and GMD which are undertaken by two (2) different individuals with clear division of responsibilities have ensured the balance of power and authority such that no one individual has unfettered powers of decision-making.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### 3. Company Secretary

The Board is assisted by qualified and competent Company Secretaries who play a vital role in advising the Board in relation to the Company's Constitution, the Board policies, procedures and compliance with the applicable laws and regulations. All Directors have unrestricted access to the advice and services of the Company Secretaries for the purposes of conducting the Board's affairs and the business. If necessary, the Board is entitled to obtain independent professional advice, at the Company's cost, relating to the affairs of the Group or their responsibilities as Directors.

The Company Secretaries ensure that all Board and Board Committee meetings are properly convened and that accurate and proper records of the deliberations, proceedings and resolutions passed are recorded and statutory registers are properly maintained at the registered office of the Company.

The appointment and removal of Company Secretaries are matters reserved for the Board.

The Board is satisfied with the professionalism and competency of the Company Secretaries as shown in their advice and support provided to the Board and its Committees.

### 4. Board Charter, Codes and Policies

The Board has the following in place:

#### a) Board Charter

The Board Charter sets out the key values, principles and guidance for Directors and Management in discharging their duties towards the Company. The Board will review the Board Charter periodically and make any necessary amendments to remain consistent with the Board objectives, current law and practices. A copy of the Board Charter is published on the Company's website at [www.kub.com](http://www.kub.com).

#### b) Code of Conduct of Directors

The Code of Conduct encompasses all aspects of the Group's daily business operations. Directors and employees of the Group are required to comply, observe and promote honesty and integrity when engaging with both employees and stakeholders.

All Directors and employees of the Group are expected to exercise caution and due care to safeguard confidential and price-sensitive information of the Company and its business associates from being misused including for personal benefit, at all times.

Notices on the closed period for trading in the Company's shares are sent to Directors, principle officers and relevant employees on a quarterly basis, specifying the timeframe during which they are prohibited from dealing in the Company's shares, unless they comply with the procedures for dealings during closed period as stipulated in the MMLR. The Code of Conduct can be found on the Company's website at [www.kub.com](http://www.kub.com).

#### c) Anti-Bribery and Corruption Policy

The Anti-Bribery and Corruption Policy sets out the parameters to prevent the occurrence of bribery and corrupt practices in relation to the Group's operations. This policy is published on the Company's website at [www.kub.com](http://www.kub.com).

Relevant procedures have been implemented, as guided by the Guideline on Adequate Procedures issued pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009.

#### d) Whistleblowing Policy

The Whistleblowing Policy serves as a guide to directors, employees, business associates and other stakeholders on how to raise genuine concerns related to possible improprieties in matters of financial reporting, compliance, corruption and other practices at the earliest opportunity and in an appropriate way. The policy outlines the relevant procedures such as when, how and to whom a concern may be properly raised about the genuinely suspected or instances of wrongdoing. This policy is available on the Company's website at [www.kub.com](http://www.kub.com).

#### e) Vendor Code of Business Ethics ('COBE')

The Group expects its joint venture vendors, contractors, subcontractors, consultants, suppliers, agents and other providers of goods and services who are doing business directly and indirectly for the Group ('Business Associates') to follow the COBE and all other relevant policies of the Group as a condition of doing business with the Group.

The COBE provides guidance to all Business Associates on what the Group believes to be sustainable business relationships based on the key principles of integrity, honesty, accountability and compliance with applicable laws and regulations. The COBE is available on the Company's website at [www.kub.com](http://www.kub.com).

## 5. Board Meeting and Access to Information

The Board ordinarily schedules to meet quarterly with additional meetings to be convened when urgent and important decisions need to be made between the scheduled meetings. To facilitate the Directors' time planning, an annual meeting calendar will be prepared and circulated before the beginning of each year.

The Board had held five (5) Board Meetings (including the Annual General Meeting) during the financial year ended 30 June 2022 ('FY2022') and the attendance record is as follows:

DIRECTORS	NO. OF MEETING
1. Datuk Seri Johari bin Abdul Ghani	5/5
2. Dato' Ahmad Ibhijahar	5/5
3. Mohammad Farish Nizar bin Othman	5/5
4. Datuk Haji Mohd Haniff bin Haji Koslan	5/5
5. Datuk Norliza binti Abdul Rahim	5/5
6. Megat Joha bin Megat Abdul Rahman	5/5
7. Kasinathan a/l Tulasi	5/5
8. Tee Beng Thong	5/5
9. Ahmed Fairuz bin Abdul Aziz	5/5

There is a procedure in place for timely dissemination of Board and Board Committee papers as well as minutes of meetings to all Directors within a reasonable period prior to the Board and Board Committee meetings, to facilitate decision making and to deal with matters arising from such meetings. The Board may also invite external parties such as the external auditors, solicitors and consultants as and when the need arises.

## 6. Board Committees

The Board Committees are to examine specific issues within their respective approved terms of reference and report to the Board with their recommendations. However, the ultimate responsibility for decision making remains with the Board. The term of reference of the Board Committees are available on the Company's website at [www.kub.com](http://www.kub.com).

## Board Audit Committee ('BAC')

The BAC monitors internal control policies and procedures designed to safeguard the Group's assets and to maintain the integrity of financial reporting. The BAC maintains direct and unfettered access to the Company's External Auditors, Internal Auditors and Management.

The BAC comprises two (2) Independent Non-Executive Directors and a Non-Independent Non-Executive Director who possess financial expertise and commercial acumen to discharge their responsibilities. The Chairman of the BAC is not the Chairman of the Board to ensure objectivity in its findings and recommendations.

A full BAC report is set out on page 48 this Annual Report.

## Board Nomination and Remuneration Committee ('BNRC')

The BNRC assists the Board in ensuring that the Board comprises of individuals with the necessary skills, knowledge and experience for the effective discharge of its responsibilities, and in matters relating to the remuneration of the Board and Senior Management.

The BNRC comprises entirely Non-Executive Directors which majority are Independent Directors. Summary of the matters reviewed by the BNRC for the FY2022 is set out in the Corporate Governance Report 2022.

## Board Risk Management Committee ('BRMC')

The BRMC assists the Board in ensuring the effective functioning of the Enterprise Risk Management Framework within the Group, to provide oversight, direction and counsel to the risk management process and to advise the Board on risk related issues.

All three (3) members of the BRMC are an Independent Non-Executive Director.

## II. BOARD COMPOSITION

### 1. Composition and Diversity

The Company sees diversity as an essential component of effective decision-making. In any appointment, a number of aspects such as gender, age, education, experience, skills and knowledge are taken into consideration to form a diversified Board and Senior Management. The Board encourages women to take up board positions and has established the Board Diversity Policy with the objective of achieving at least ten per cent (10%) women representation. This policy is published on the Company's website.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

In line with the updated MMLR, the Company has adopted the Fit and Proper Policy for appointment and re-election of directors, considering all factors including character and integrity, experience and competence, and time and commitment. The policy is published on the Company's website.

### 2. Independence and Tenure

Independent Directors make up sixty-seven per cent (67%) of the Board membership in compliance with Paragraph 15.02(1) of the MMLR and Practice 5.2 of the Code.

The Board also acknowledges Practice 5.1 and Practice 5.3 of the Code that the tenure of an Independent Director should not exceed a cumulative term limit of nine (9) years. The Independent Director is to relinquish its Directorship once the nine (9) years limit is reached.

### 3. Board Appointment and Re-election of Directors

The Board, through the BNRC, will consider the following factors for the appointment of new Directors and re-election of retiring Directors:

- (i) Character and Integrity
  - Probity
  - Personal integrity
  - Financial integrity
  - Reputation
- (ii) Experience and Competence
  - Qualification, training, skills
  - Experience and expertise
  - Past performance/track record
- (iii) Time and Commitment
  - Ability to discharge role
  - Participation and contribution

The BNRC identifies suitable candidates from various sources with appropriate skill and experience. The Board will make the final decision on any proposed appointment after taking into consideration the recommendation from the BNRC.

Pursuant to the Company's Constitution, one-third (1/3) of the Board is subject to retirement by rotation at each AGM provided always that each Director shall retire at least once in every three (3) years and the retiring Director shall be eligible for re-election at each AGM of the Company. Further, a retiring Director shall retain office until the close of the AGM at which he retires.

Details of the Directors who are retiring and standing for re-election at the Fifty-Seventh Annual General Meeting ('57<sup>th</sup> AGM') are reflected in the Notice of the Annual General Meeting as stated in the Annual Report 2022.

### 4. Annual Assessment

The BNRC is responsible for evaluating the performance and effectiveness of the entire Board, the Board Committees and individual Directors on a yearly basis. The annual assessments for the Board, Board Committees and individual Directors (including Independent Directors) were carried out on a self and peer assessment basis. The results were summarized and discussed at the BNRC meeting and also shared with the entire Board. The BNRC reviews the outcome of the evaluation and recommends to the Board on areas for continuous improvement and also for the purpose of forming the basis of recommending relevant Directors for re-election at the AGM.

The BNRC had in August 2022 assessed the effectiveness of the Board, its Committees and the contribution of each Director by identifying the strengths and weaknesses of the Board.

The assessment criteria used in the assessment of Board and Individual Directors include the Board's mix of skills, knowledge, diversity, size and experience, core competencies and contribution of each Director. The Board Committees were assessed based on their roles and responsibilities, scope and knowledge, frequency and length of meetings, supply of sufficient and timely information to the Board and also overall effectiveness and efficiency in discharging their function.

The Board is comfortable that the skills and experience of the current Directors satisfy the requirements of the skills matrix. The Directors have diverse and relevant range of skills, backgrounds, knowledge and experience to ensure effective governance of the business.

### 5. Board Evaluation

The Board's evaluation comprises performance evaluation of the Board and various Board Committees, Directors' self-evaluation, Directors' peer evaluation and assessment of the independence of the Independent Directors. The assessment is based on four (4) main areas relating to board structure, board operations, Board and Chairman's roles and responsibilities and Board Committees' roles and responsibilities. For Directors' peer evaluation, the assessment criteria include abilities and competencies, calibre and personality, technical knowledge, objectivity and the level of participation at Board and Committee meetings including his or her contribution to Board's processes.

## 6. Directors Training

All Directors have attended the Mandatory Accreditation Programme as required by the MMLR.

The Board members are also encouraged to attend training programmes conducted by highly competent professionals and which are relevant to the Group's operations and business.

In March 2022, the Company conducted an in-house training programme for Board Members and Management to keep abreast on the development and the importance of Environment, Social and Governance moving forward.

Listed below are the training programmes attended by Directors during the FY2022:

DIRECTORS	TRAINING(S)
1. Datuk Seri Johari bin Abdul Ghani	<ul style="list-style-type: none"> <li>In House Training – Environment, Social and Governance ('ESG') – Terminology, Principles and Structure</li> <li>Virtual MIA International Accountants Conference 2022 – Leading ESG, Charting Sustainability</li> </ul>
2. Dato' Ahmad Ibnihajar	<ul style="list-style-type: none"> <li>In House Training – Environment, Social and Governance ('ESG') – Terminology, Principles and Structure</li> </ul>
3. Mohammad Farish Nizar bin Othman	<ul style="list-style-type: none"> <li>In House Training – Departmental Level – Building Effective Management and Leadership Skills (BML)</li> <li>In House Training – Corporate Governance (Awareness Level)</li> <li>Webinar Series: Fundamentals of Personal Taxation</li> <li>Company Secretaries Training Programmes Essential 1.0 – Part C</li> <li>In House Training – Environment, Social and Governance ('ESG') – Terminology, Principles and Structure</li> <li>Fross &amp; Sullivan Think Tank – How Is The Russia-Ukraine Conflict Driving Global Macroeconomics Shifts</li> </ul>
4. Datuk Haji Mohd Haniff bin Haji Koslan	<ul style="list-style-type: none"> <li>In House Training – Environment, Social and Governance ('ESG') – Terminology, Principles and Structure</li> <li>Webinar on Net Zero Emissions – The Pathway to Business Resilience</li> </ul>
5. Datuk Norliza binti Abdul Rahim	<ul style="list-style-type: none"> <li>Section 17A of the MACC Act 2009 – The Introduction of Corporate Liability</li> <li>Rapid Bus Transformation Lab Opening</li> <li>In House Training for Boustead Holdings Berhad – Entitled Related Party Transactions Simplified</li> <li>BHIC Board of Directors Retreat</li> <li>Rapid Bus Transformation Lab Closing</li> <li>UDA Holdings Berhad Board Retreat</li> <li>Webinar Mental Health – Royale Chulan</li> <li>In House Training – Environment, Social and Governance ('ESG') – Terminology, Principles and Structure</li> <li>MICG – Webinar on Governance, Ethics and a Code of Conduct</li> </ul>
6. Megat Joha bin Megat Abdul Rahman	<ul style="list-style-type: none"> <li>BDO Tax Budget Webinar 2021</li> <li>SC's Audit Oversight Board Conversation with Audit Committees</li> <li>In House Training – Environment, Social and Governance ('ESG') – Terminology, Principles and Structure</li> </ul>
7. Kasinathan a/l Tulasi	<ul style="list-style-type: none"> <li>Securities Commission ('SC') Guidelines on Conduct of Directors and Implications to both Directors and Management</li> <li>In House Training – Environment, Social and Governance ('ESG') – Terminology, Principles and Structure</li> </ul>
8. Tee Beng Thong	<ul style="list-style-type: none"> <li>In House Training – Environment, Social and Governance ('ESG') – Terminology, Principles and Structure</li> </ul>

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

DIRECTORS	TRAINING(S)
9. Ahmed Fairuz bin Abdul Aziz	<ul style="list-style-type: none"> <li>• Transformative Innovation Reshaping Business Realities in Extraordinary Times</li> <li>• Corporate Governance Regulatory Updates for the Capital Markets</li> <li>• Managing Culture to Prevent Misconduct</li> <li>• In House Training – Environment, Social and Governance ('ESG') – Terminology, Principles and Structure</li> <li>• 9<sup>th</sup> Governance in Procurement Conference 2021 – Procurement Digitalisation for the Future</li> </ul>

### III. REMUNERATION

#### 1. Remuneration Policies

The BNRC reviews the Compensation Policy ('Policy'), aligns the Policy to corporate performance and ensures that compensation offered is competitive. The Policy provides the employees with the standards and processes for the development, implementation, management and governance of compensation practices.

The Board ensures that KUB Group's remuneration remains competitive to attract and retain employees with the necessary skills and experience. The remuneration of Non-Executive Directors should be adequate to attract, retain and motivate individuals with the necessary attributes. Various factors such as the Group's requirement and the candidates' expertise and experience are taken into consideration in determining their remuneration packages.

#### 2. Terms of Reference of the BNRC

The roles and responsibilities of the BNRC are incorporated in its Terms of References, which are available on the Company's website.

#### 3. Remuneration of Directors

The remuneration of Directors for the financial year under review is as follows:

EXECUTIVE DIRECTOR	REMUNERATION		
	SALARY, BONUS AND OTHER EMOLUMENTS/ ALLOWANCES (RM)	BENEFITS IN KIND (RM)	TOTAL (RM)
Ahmed Fairuz bin Abdul Aziz	1,113,735	21,697	1,135,432

NON-EXECUTIVE DIRECTORS	REMUNERATION			
	FEES (RM)	ALLOWANCE (RM)	BENEFITS IN KIND (RM)	TOTAL (RM)
Datuk Seri Johari bin Abdul Ghani	80,000	10,000	11,934	101,934
Dato' Ahmad Ibnihajar	60,000	7,500	5,380	72,880
Mohammad Farish Nizar bin Othman	60,000	17,500	2,134	79,634
Datuk Haji Mohd Haniff bin Haji Koslan	60,000	12,500	39,521	112,021
Datuk Norliza binti Abdul Rahim	60,000	17,500	6,384	83,884

NON-EXECUTIVE DIRECTORS	REMUNERATION			
	FEES (RM)	ALLOWANCE (RM)	BENEFITS IN KIND (RM)	TOTAL (RM)
Megat Joha bin Megat Abdul Rahman	60,000	12,500	2,134	74,634
Kasinathan a/l Tulasi	60,000	12,500	8,492	80,992
Tee Beng Thong	60,000	12,500	13,951	86,451
<b>TOTAL</b>	<b>500,000</b>	<b>102,500</b>	<b>89,930</b>	<b>692,430</b>

#### 4. Remuneration of Senior Management

The remuneration framework outlines the total compensation packages comprising fixed remuneration and variable remuneration payable to employees. Fixed remuneration refers to basic salary and other fixed income commensurate with the role and position of an individual employee, taking into consideration professional experience, qualifications, responsibilities, job complexity and local market conditions.

Variable remuneration refers to discretionary bonuses and other benefits, which are cash-based and excludes shares and non-cash instruments. The total amount for the variable remuneration is determined by a financial matrix that includes factors such as KUB Group's overall performance, achievement of selected financial ratios, market trends and economic outlook.

The total value of cash-based remuneration for the top five (5) Senior Management of KUB Group for financial year ended 30 June 2022 is shown below:

KEY MANAGEMENT PERSONNEL	GROUP (RM)
Salary, allowances and bonuses	2,628,786
Defined contribution plan - EPF	289,065
Social security contributions	4,825
<b>TOTAL</b>	<b>2,922,676</b>

Note: Excludes the remuneration of Group Managing Director, which is declared under the Directors' Remunerations section of this Statement.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### I. BAC

##### 1. Composition

The BAC comprises two (2) Independent Non-Executive Directors and a Non-Independent Non-Executive Director. All BAC members are financially literate and are able to analyse and interpret financial statements in order to effectively discharge their duties and responsibilities as members of the BAC. The Chairman of the BAC is not the Chairman of the Board, ensuring that the impartiality and objectivity of the Board's review on the BAC findings and recommendations remain intact.

In line with the latest MCGG requirement, the Board has amended the BAC Term of Reference ('TOR') require a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the BAC.

##### 2. External Auditors

The BAC assesses the suitability, objectivity and independence of the external auditors on annual basis. The BAC will take into consideration the adequacy of the experience and resources of the audit firm and obtains the written assurance from the external auditors confirming that they are and have been independent throughout the conduct of audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The assessment procedures are spell out in the BAC TOR which is published on the Company's website.

The Company had also adopted the External Auditors' Assessment Policy which serves as a guideline for the BAC in assessing the External Auditors. A copy of the policy is available on the Company's website.

The external auditors also have direct access to the BAC to highlight any issues of concern at any point of time. Pursuant to the BAC TOR, the BAC shall meet with the external auditors at least twice a year without the presence of the Group Managing Director and Management to discuss on audit findings, audit plans and the Company's financial statements.

##### 3. Financial Reporting

The Board aims to present a clear, balanced and comprehensive assessment of the Group's financial position and future prospects that extends to the annual and quarterly financial statements. The Board ensures that the annual and interim financial statements are prepared so as to give a true and fair view of the current financial status of the Group in accordance with the applicable approved accounting standards.

In assisting the Board to discharge its duties on financial reporting, the BAC is tasked with reviewing the quarterly results and the year-end financial statements of the Group, focusing particularly on:

- a) Changes in, or implementation of changes in accounting policy;
- b) Significant matters highlighted including financial reporting issues, significant judgement made by Management, significant and unusual events or transactions and how these matters are being addressed;
- c) Compliance with accounting standards and other legal requirements.

A full BAC report is set out on page 48 of this Annual Report.

#### II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The BRMC oversee the risk management activities of KUB Group. All three (3) members of the BRMC are an Independent Non-Executive Director. The BRMC periodically reviews the Enterprise Risk Management Framework ('Framework') and processes based on the Statement on Risk Management and Internal Control Guidelines for Directors of Listed Issuers to ensure their continued relevance. The establishment of the Framework is guided by the principles and processes outlined in MS ISO 31000: Risk Management - Principles and Guidelines.

The Statement on Risk Management and Internal Control of the Group in page 43 of this Annual Report provides an overview of the risk management practices and internal controls implemented by the Group.

The BRMC is guided by its TOR which is available on the Company's website.

#### III. INTERNAL AUDIT FUNCTION

Internal audit is independent from the management and the activities under its review. KUB Group Risk and Audit Division assists the BAC in discharging its duties and responsibilities. The Terms of Reference of the internal audit function is spelt out in the Internal Audit Charter. The principal role of internal audit is to undertake independent, regular and systematic reviews of the internal control systems in order to provide a reasonable assurance on the adequacy, integrity and effectiveness of the system of internal control, risk management and governance processes.

## **PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**

### **I. ENGAGEMENT WITH SHAREHOLDERS AND STAKEHOLDERS**

The Board recognises the importance of transparency and accountability to its shareholders and stakeholders. The shareholders and stakeholders are informed on the performance and major corporate activities through timely dissemination of quarterly financial results, circulars, annual reports and corporate announcements.

The Annual Report provides the shareholders and stakeholders with a comprehensive overview of the financial and non-financial information. Components such as Management Discussion Analysis, Corporate Governance Overview Statement, Sustainability Statement and Statement of Risk Management and Internal Control form an integral parts of the non-financial information.

### **II. ANNUAL GENERAL MEETINGS**

The General Meeting allows the shareholders to engage with the Board. The Board provides the shareholders with adequate time to discuss the resolutions to be tabled at the AGM. The Notice of the AGM is issued twenty-eight (28) days before the AGM as recommended by the Code, instead of twenty-one (21) days under the Companies Act, 2016 and MMLR.

The Notice outlines the resolutions to be tabled, accompanied by explanatory notes and background information, where applicable. Under the MMLR, all resolutions will be voted by poll in accordance to the procedures set out in the Constitution. A shareholder may vote through proxies, provided the proxy form is deposited at least forty-eight (48) hours before the AGM.

In order to help the effort of the Government of Malaysia to curb the spread of Covid-19, the Company had on 28 October 2021 successfully conducted its Fifty-Sixth Annual General Meeting virtually using remote participation and electronic voting. This is in accordance to Section 327 of the Companies Act, 2016 which allows for general meeting to be conducted using any technology or electronic means.

The Board has reviewed, deliberated and approved this Corporate Governance Overview Statement on 23 September 2022.

# ADDITIONAL COMPLIANCE INFORMATION

The following information is provided in compliance with Paragraph 9.25 of the MMLR as set out in Appendix 9C.

## A. UTILISATION OF PROCEEDS RAISED FROM ANY CORPORATE PROPOSAL

There were no proceeds raised from any Corporate Proposal in the financial year ended 30 June 2022.

## B. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to the external auditors of the Group, Deloitte PLT and its other member firms for the financial year ended 30 June 2022 are as follows:

PARTICULARS	GROUP RM	COMPANY RM
Statutory Audit Services	338,000	145,000
Non-Audit Fees	189,700	69,500
Total	527,700	214,500

The Group's non-audit fees were mainly in relation to the provision of the taxation compliance and advisory services, transfer pricing documentations, agreed-upon procedures and review of the Statement on Risk Management and Internal Control.

## C. MATERIAL CONTRACTS

During the financial year, there were no material contracts entered into by the Company and its subsidiaries (not being contracts entered into in the ordinary course of business) involving interests of Directors, chief executive who is not a director or major shareholders.

## D. EMPLOYEE SHARE OPTION SCHEME ('ESOS')

At the Extraordinary General Meeting on 23 May 2017, the shareholders approved the Company to grant ESOS options to the Directors and the eligible employees subject to the By-Laws. Its implementation is for a period of five (5) years from 25 July 2017 and expired on 24 July 2022.

However, as at the financial year ended 30 June 2022, the Company has not granted any ESOS option.

The Board noted that the ESOS options has expired on 24 July 2022. Subsequent thereto, the Board had on 30 August 2022 dissolved the ESOS Committee.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board is pleased to provide the Statement on Risk Management and Internal Control ('Statement') according to Paragraph 15.26(b) of MMLR with regards to the Group's risk management and internal control practices aligned with the Code.

The Statement outlines practices and processes adopted by the Board in reviewing the adequacy and integrity of the risk management and internal control system of the Group.

## RESPONSIBILITY AND ACCOUNTABILITY

### Board

The Board is responsible to provide reasonable assurance on a sound system of risk management and internal control ('System'). The System is reviewed on an ongoing basis to ensure it is functioning effectively following the Code to safeguard shareholders' investment and the Group's assets. Nonetheless, despite the inherent limitations, the Board recognises that the System is designed to manage, rather than to eliminate the risk of failure to achieve the policies, goals and objectives of the Group. Therefore, only reasonable rather than absolute assurance is provided against material misstatement of management and financial information, financial losses, fraud and breaches of laws or regulations.

The Board discharges its stewardship role with the identification of risks, implementation of appropriate internal controls and review of the adequacy and integrity of the internal control system. The Board ensures the adoption of strategic plans for the Group, oversees the conduct of its business, reviews the financial performance, monitors the compliance of operation with the applicable laws, and ensures sound corporate governance through effective interaction with the Management, external and internal auditors. In discharging the role, the Board is assisted by the Board Risk Management Committee and the Board Audit Committee.

### Board Risk Management Committee ('BRMC') and Board Audit Committee ('BAC')

The BRMC and BAC are established and governed by clearly defined terms of reference and specific authorities within their scope respectively. The review of the risk management and internal control reports and processes is delegated by the Board to assist the Board in reviewing and overseeing the effectiveness of the System.

The BRMC assists the Board by undertaking the responsibilities of supervising and monitoring the Group's principal risks, recommends to the Board appropriate risk management policies, risk tolerance levels and risk management processes, quarterly updates the Board on the status of significant risks, the progress and the effectiveness of agreed action plans and recommends additional risk management strategies and mitigation plans for the Board's approval to mitigate or minimise the impact of the identified risks.

The BAC on the other hand reviews the risk management and internal control issues highlighted by the external and internal auditors and evaluates the effectiveness and adequacy of the internal control system. The BAC has unrestricted access to both external and internal auditors and actively oversees the independence, scope of work and resources of the audit function.

The BRMC and the BAC meet on a periodical basis, engaging the Management. The BAC has the right to convene meetings with the auditors without the presence of other directors and the Management team. The key matters discussed in the meetings are tabled to the Board. Risk and internal control related matters that warrant the attention of the Board are presented by the BRMC and BAC to the Board for deliberation and recommendation for approval, and matters or decisions made within the BRMC and BAC's purview are updated to the Board for notation.

### Management

In addition to execution and/or ensuring adoption of strategic plans within the Group, the Management recognises the responsibility to implement the Board-approved risk related frameworks and policies that support the System. The Management ensures the System is operated adequately and effectively in achieving its established business goals and objectives.

## RISK MANAGEMENT

Risk management through the System establishes effective and sound management practices, informed decision-making process and increases the confidence level of stakeholders in the performance of the Group. It has been in place up to the date of approval of the annual report and financial statements. It is periodically reviewed and guided by the Statement on Risk Management and Internal Control Guidelines for Directors of Listed issuers.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### Risk Management Framework

The System is guided by the established Enterprise Risk Management Framework ('Framework') which adopted the principles and process outlined in the MS ISO 31000; Risk Management – Principles and Guidelines ('Principle'). The Principle is broad but appropriately adopted for the Group's risk management and internal control practices respectively.

The Framework is developed to facilitate the Group in facing the changing and challenging business environment and shall be continuously improved to implement, monitor, review and improve the overall risk management activities. Other objectives of the Framework are:

- (a) Guidance in managing risks to ensure resources are prioritised and deployed most efficiently and effectively to manage both opportunities and threats based on capabilities;
- (b) Promoting a good risk culture, creating understanding among the employees on the implication of risk exposures, opportunities and threats and responding effectively in the day-to-day strategic planning and operational activities; and
- (c) Ensuring that the Framework and the process of risk management are integrated into all business and operational processes including governance, strategic and operational planning, and decision making.

### Risk Management Process

The risk management process includes the process of identifying, evaluating, assessing, treating, monitoring and reviewing the risks which include financial, operational and compliance areas. The identified risks are deliberated at Board level and included in the *Risk Register* upon approval to ensure proper implementation of risk mitigation actions by the Management.

### Risk Factors and Mitigation Strategies

The Group rates its risks based on the level of its significance of potential impact, how it may affect the Group's overall performances and the level of likelihood of its occurrence. The level of tolerance is expressed through the *Risk Impact* and *Likelihood* matrix with guidance on risk treatment for action to be taken on respective risks. A set of quantitative and qualitative parameters is established according to the Group's risk tolerance to measure the impact at different dimensions.

Based on the ratings, primary risks are continuously assessed to ensure that the mitigation actions are implemented and monitored to alleviate the magnitude of impact. Secondary risks are continuously reviewed and monitored to ensure that the internal controls are effective and efficient to mitigate further escalation of the likelihood and the impact.

### KEY INTERNAL CONTROL ACTIVITIES

The Board is committed to ensuring effective internal controls within the Group's business operations both strategically and operationally. Among the key controls include:

#### Board

The Board, as governed by its Board Charter incorporates risk management in all aspects of the Group affairs with the defined roles and responsibilities and appropriate tools to support the System. The Board sets appropriate policies to ensure the System is functioning effectively in managing risks that may impede the achievement of the Group's objectives. At a minimum, the Board meets quarterly and has a formal agenda on matters for discussion. The Board is kept updated on the Group's performance, activities, and operations on a timely and regular basis.

#### Board Committees

The Board committees including the BRMC, the BAC and the Board Nomination and Remuneration Committee ('BNRC') assist the Board in overseeing and examining all matters within their respective scope of responsibilities and terms of reference. The Board committees meet regularly where any recommendation and minutes of the meeting are tabled to the Board for approval. The full *Board Committees Listing* is set out on page 10 of this Annual Report.

#### Board's Term of Reference

In its commitment to a healthy corporate culture that engenders integrity, transparency and fairness, the Board has adopted best practices in corporate governance. A comprehensive list of policies has been established to assist the Board in ensuring effective oversight, directing and counseling the Group on governance, and implementing strategies to achieve the overall Group's objectives.

## Organisational Structure

The Board establishes a defined organisational structure with a clear demarcation of responsibility and accountability within the Group that is directly aligned to the business strategy and operational demands. Each operational unit is headed by an individual who is fully accountable to ensure that the business activities are implemented in full compliance with the Group's objectives and policies. The structure and its function are regularly reviewed to ascertain the effectiveness and, if needed, to cater to changes in business requirements.

### Limit of Authority

The delegation of responsibilities of the Board and the Management as well as the delineation of respective authority limits are defined in the Board-Approved Authority Guides which include KUB Management Guidelines ('KUBMaG') and subsidiary specific management guidelines. These provide the framework that clearly defines the level of authority of respective personnel in carrying out their responsibilities and creates awareness among employees concerning the basic internal control components.

### Business Plan, Budget, Financial and Operational Review

The Group prepares a business plan and budget each year to establish targets against which performances are compared and monitored as well as to facilitate resource allocation by focusing on areas of concern. The Board and Senior Management review the plan and the budget before its finalisation to ensure it reflects the corporate intent of the Group and strategically aligns the resource allocation.

Subsequently, the BAC together with the Management reviews the Group's performance by deliberating the Group's financial results quarterly and assessing the function of the internal control system before it is tabled to the Board for approval or decision-making processes. The Management also meets on monthly basis to deliberate financial and operational performance and discuss action to be taken moving forward.

## Policies and Procedures

Policies and standard operating procedures ('SOP') are established to provide management and operational guidelines to the Group's operating units. These policies and procedures are documented and subject to regular review, update, and enhancement to reflect present requirements and maintain relevance. Amongst the policies are:

### Integrity Related Policies

The Board has established the ABC Policy, the COBE, and Whistleblowing Policy in line with the introduction of Section 17A of the Malaysian Anti-Corruption Commission Act 2009. These policies outline the Group's commitment to upholding all laws and regulatory requirements relating to anti-bribery and corruption. All directors, employees, and business associates are responsible to understand and comply with these policies. Violation of the policies is to be taken seriously and may result in actions taken by the Group including but not limited to review of employment, appointment, or business arrangements that may lead to disciplinary actions, reprimand, suspension, dismissal, termination of a business relationship, blacklisting and/or reporting to the authorities consistent with the applicable laws and regulations. These policies are available on the Company's website at [www.kub.com](http://www.kub.com).

### Procurement and Strategic Sourcing ('Procurement Policy')

The Procurement Policy aims to support good and sustainable procurement practices on goods, works and services for the Group. It outlines that all procurement decisions within the Group are guided by defined principles i.e., to ensure the Group and the suppliers comply with all applicable laws and regulations throughout the procurement life cycle. The Procurement Policy at all times promotes ethical vendor management via the COBE which includes the ABC Policy and Conflict of Interest in the vendor selection, tender and procurement processes.

### Information & Communication Technology ('ICT Policy')

The ICT Policy supports monitoring and reporting of cyber threats or information security. A Disaster Recovery Centre is maintained to support identified critical business applications during disruption. To ensure proper protection in responding to cybersecurity threats, adequate ICT security tools and procedures are in place to detect, respond and mitigate the threats.

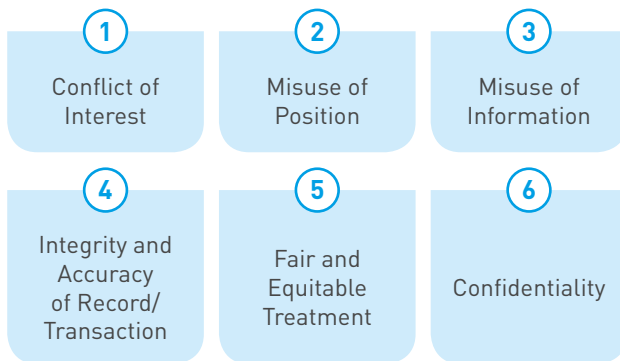
## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### Human Resource ('HR') Policies and Procedures

A comprehensive set of HR Policies and Procedures are established within the Group to ensure the Group complies with relevant legislation and applies the best HR practices including workforce planning, recruitment, compensation and benefits, industrial relations, employee engagement, employee development, performance management and salary administration.

In addition, the Group's *Employee Handbook* has also been revised to spell out the general terms and conditions of employment applicable to the Group's employees. It shall remain in force unless superseded by new Terms and Conditions of Service, or terminated as provided herein. The objectives include promoting a performance culture that supports business growth, providing clear focus and meaningful measurement that can link to rewards, retaining performers through competitive compensation opportunities and encouraging a performance driven culture that fosters teamwork and collaboration across the Group.

The *Employee Handbook* also stated the Code of Ethics and Conduct as a guide on moral and ethical behaviour that is expected from all employees. It covers six broad categories namely:



The *Employee Handbook* is accessible online through the HR System, BOSSiNet for employees' reference.

### Project Management Policy, Procedures and Guidelines ('PMPP')

The scope of PMPP includes project sales (prospecting, tenders, and post-tender), project initiation (project authorisation, initiation, and project dashboard), project planning, project execution (site administration, inspection and testing, control on monitoring and measuring equipment, and maintenance and repair of plant machinery and equipment) and project post execution (final inspection, project handover, and defects liability). PMPP is designed to cover revenue generating projects and contracts from external parties, spanning acceptance, delivery, and management.

### **Staff Competency, Training and Development Programme**

The Group believes that an effective organisation requires employees at all levels to be competent, skillful, and capable to contribute to the achievement of the Group's vision and mission. Training and development programmes are implemented to ensure that employees are equipped with the necessary competencies.

The implementation of the training and development programmes is to address the deficiency of competency in bridging the gap between performance and opportunity, thus assisting the Group to develop talented employees to be potential leaders in the industry.

### **Insurance Coverage on Employees, Assets, and Other Obligations Within the Group**

The Group believes in the importance of a competitive reward package to attract and retain talent. The Group retains its compensation positioning against the market with the provision of coverage for Group Hospitalisation and Surgical and Group Term Life Insurance. Both coverages include the cost of dental, inpatient and outpatient treatment, critical illnesses, rehabilitation, physiotherapy, and death from all causes.

Besides insurance for its employees, the Group also purchases insurance for its physical assets and other contractual obligations. The coverage includes damage or loss of assets in the event of a fire, theft of assets, liability coverage for the legal responsibility to others for accidents, bodily injury, property damage, and coverage for computers and servers.

Insurance coverage is reviewed yearly to ensure comprehensive coverage to mitigate business risks given the ever-changing business environment.

### **Internal Audit**

The internal audit function assesses the Group's system of internal control, the management of risks, and the governance process. Regular assessments are conducted and the outcomes are independently reported to the BAC. The agreed corrective measures for the findings raised in the internal audit reports will be actioned by the Management based on the agreed action plan within the stipulated timeline.

The details of internal audit activities are provided in the *Board Audit Committee Report* on page 48 of this Annual Report.

## Sustainability Reporting

The Group believes that the emerging risks and opportunities linked to the ESG matters increasingly affect business values, share prices, and stakeholders' areas of concern. By incorporating sustainability considerations into business strategies and processes, value is added in the long run, indicating that the Group looks beyond short-term profitability and considers medium-to-long-term business viability. The full *Sustainability Statement* is set out on page 24 of this Annual Report.

## CONCLUSION

The Board has reviewed and is satisfied with the adequacy and effectiveness of its risk management and internal control system for the financial year ended 30 June 2022. Where exceptions were noted, no material control failure or weakness had resulted in a material loss that had not been disclosed in the Group's financial statements. For areas requiring attention, measures are taken to ensure the ongoing adequacy and effectiveness of risk management and internal control. The Board and the Management will continuously improve and seek assurance on the efficiency and effectiveness of the internal control system through independent assessments by its external and internal auditors.

The Board has received assurance from the Group Managing Director that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects.

This Statement is made based on the recommendation of the BRMC to the Board as per the Board's resolution dated 23 September 2022.

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR, the external auditor, Deloitte PLT, has reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed following the ISAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and Recommended Practice Guide ('RPG') 5 (Revised) issued by the Malaysian Institute of Accountants. RPG5 (Revised) does not require the external auditor to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on their procedures performed, the External Auditors have reported to the Board that nothing has come to the attention that caused them to believe that the Statement has not been prepared, in all material aspects, following the disclosures required by Paragraphs 41 and 42 of the Guidelines, nor is it factually inaccurate.

# BOARD AUDIT COMMITTEE REPORT

The Board is pleased to present the report on the Board Audit Committee ('BAC') for the financial year ended 30 June 2022.

## COMPOSITION

The BAC consists of the following members:

- ▶ **Mohammad Farish Nizar bin Othman (Chairman)**  
Independent Non-Executive Director
- ▶ **Megat Joha bin Megat Abdul Rahman (Member)**  
Non-Independent Non-Executive Director
- ▶ **Kasinathan a/l Tulasi (Member)**  
Independent Non-Executive Director

The BAC is governed by its Terms of Reference as set out in the Governance section at [www.kub.com](http://www.kub.com), conforming to the requirements of the Code. The majority of the members of the BAC are Independent Non-Executive Directors and the current BAC chairman is a member of the Malaysian Institute of Accountants ('MIA'), thereby complying with Paragraph 15.09(1)(c)(i) of the MMLR.

## MEETINGS

During the financial year effective 1 July 2021 until 30 June 2022, the BAC held a total of five (5) meetings, with the following record of attendance.

### Directors Attendance

DIRECTORS	ATTENDANCE
Mohammad Farish Nizar bin Othman	5/5
Megat Joha bin Megat Abdul Rahman	5/5
Kasinathan a/l Tulasi	5/5

The Company Secretaries were present during all the meetings except for the private sessions with the external auditors. The Group Managing Director, representatives of the external auditor, Deloitte PLT, the Group Risk and Audit ('GRAD'), and Senior Management personnel also attended the meetings upon invitation.

The BAC Chairman updated the Board on matters deliberated after each BAC Meeting. This is to ensure that the Board is updated on the significant matters raised by the external and internal auditors.

The BAC in discharging its functions and duties had carried out the following works to meet its responsibilities during the financial year ended 30 June 2022:

## 1. Financial Results and Corporate Governance

- a) Reviewed the quarterly unaudited financial results, year-end financial statements, and announcements to Bursa Securities before recommending to the Board for approval, focusing particularly on;
  - changes in and the implementation of changes in accounting policy;
  - significant matters highlighted including financial reporting issues, significant judgments made by the Management, significant and unusual events or transactions, and how these matters were addressed; and
  - compliance with accounting standards and other legal requirements.
- b) Reviewed the Group's compliance level, in particular pertaining to the quarterly and year-end financial statements with the MMLR, Financial Reporting Standards issued by the Malaysian Accounting Standards Board ('MASB'), and other legal and regulatory requirements;
- c) Reviewed the audited financial statements of the Group with external auditors before submission to the Board for its consideration and approval. The review is to ensure that the audited financial statements were drawn up following the provisions of the Companies Act 2016 and the Malaysian Financial Reporting Standards issued by MASB;
- d) Reviewed the issuance of the Letter of Financial Support in respect of KUBM Group of Companies and recommended to the Board for approval;
- e) Reviewed the Related Party Transactions entered by the Group in compliance with the MMLR;
- f) Reviewed minutes of the BAC meetings; and
- g) Reviewed the application of corporate governance principles and the Group's compliance with the best practices set out under the Code to prepare the Corporate Governance Overview Statement, Statement on Risk Management and Internal Control, and the Board Audit Committee Report according to the MMLR for the Board's approval.

## 2. External Audit

- a) Reviewed the external auditor's scope of work and audit plans for the year ended 30 June 2022 as per the audit planning memorandum;
- b) Reviewed with the external auditors the results of the audit, audit reports, and management letter, including the management's response, evaluation of the system of internal controls, and the assistance given by the employees to the external auditors;
- c) Reviewed the proposed audit fees for the external auditors for the year ended 30 June 2022 and recommended to the Board for approval; and
- d) Met with the external auditors twice during the year without the presence of the Management.

## 3. Internal Audit

- a) Reviewed the presented internal audit reports which incorporate the results of the internal audit programme and processes or investigations undertaken based on findings and recommendations concerning the adequacy and integrity of the internal control system;
- b) Reviewed with the Management agreed actions taken based on findings and recommendations raised in the internal audit reports to improve the system of internal controls;
- c) Assessed the performance of the internal audit function via the status updates of the internal audit plan as compared to the approved annual internal audit plan and reviewed the reasonableness of the compensation of the members of the function; and
- d) Reviewed and approved the internal audit function, budget, and annual internal audit plan to ensure the adequacy of its resources, competencies, scope, functions, and coverage. The level of authority under the internal audit function in carrying out its functions is spelt out in the BAC approved Internal Audit Charter.

## SUMMARY OF WORKS OF THE INTERNAL AUDIT FUNCTION

The BAC is assisted by GRAD in discharging its duties and responsibilities throughout the financial year. The terms of reference of the internal audit function are spelt out in the Internal Audit Charter. The principal role of the internal audit function is to undertake independent, regular, and systematic reviews of the internal control systems to provide independent and reasonable assurance of the adequacy, integrity, and effectiveness of the Group's system of internal control, risk management, and governance process.

The internal audit function has no operational responsibility and authority over the audited activities. It adopts a risk-based approach in preparing its annual internal audit plan. The audit plan and its program, the budgets, the manpower resources and the key performance indicators are submitted to the BAC for review and approval.

For the year ended 30 June 2022, a total of nine (9) audits were carried out on a holistic approach following the annual internal audit plan, covering divisions including LPG, Power, and Information and Communications Technology.

The key assurance includes carrying out analysis to determine the efficiency of business carried out by the Group and evaluating the systems established to ensure compliance with laws, regulations, policies, plans and procedures which could have a significant risk impact on the Group. The key areas covered in the audit include governance structure, legal and compliance, financial management, strategic planning, procurement processes, supply chain management, inventory management, project management, and HR policies and procedures. The internal audit reports were incorporated with the internal control assessment, areas for improvement, management comments, and agreed rectification plans. The reports were forwarded to the Management for necessary corrective actions. The Management is responsible for ensuring that the rectification plans are pursued within the required time frame. The implementation of the rectification plans is continuously monitored through periodic follow-up reviews, which are reported and presented to the BAC on a periodical basis.

KUB is a corporate member of the Institute of Internal Auditors of Malaysia ('IIAM') that allows the internal auditors to have access to internal audit information, networking, and training in ensuring its commitment that its activities meet the standards required by the Institute of Internal Auditors International Professional Practices Framework.

The internal audit function is supported by two (2) internal auditors, both of whom are members of IIAM and MIA. The total costs incurred for the internal audit function of the Group for the year ended 30 June 2022 amounted to RM333,195.23.

# STATEMENT OF DIRECTORS' RESPONSIBILITY

## FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 2016 to prepare the financial statements for each financial year which have been made out in accordance with the applicable accounting standards and the requirements of the Companies Act, 2016 in Malaysia.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of KUB Group and the Company at the end of the financial period, and of the results and cash flows of KUB Group and the Company for the financial period.

In preparing the financial statements, the Directors have:

- Adopted appropriate accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent; and
- Prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that KUB Group and the Company keep accounting records which disclose the financial position and performance of KUB Group and the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Companies Act, 2016.

The Directors are responsible for taking such reasonable steps to safeguard the assets of KUB Group and the Company, to detect and prevent fraud and other irregularities.

# FINANCIAL

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# DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2022.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and provision of management services to its subsidiaries.

The subsidiaries are principally engaged in the business of liquefied petroleum gas ('LPG'), agricultural businesses and others as stated in Note 41 to the financial statements.

As disclosed in this report, on 15 June 2022, the Group had deconsolidated the financial position of KUB Sepadu Sdn Bhd ('KUBS'), being the subsidiary of the Group carrying on the agricultural business. The Group subsequently classified KUBS as an associate.

## RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	<b>Group RM'000</b>	<b>Company RM'000</b>
Profit before zakat and taxation	33,173	1,828
Taxation	(9,067)	-
<b>Profit for the year</b>	<b>24,106</b>	<b>1,828</b>
Profit attributable to:		
Owners of the Company	18,284	1,828
Non-controlling interests	5,822	-
	<b>24,106</b>	<b>1,828</b>

## DIVIDENDS

Since the end of the previous financial period, the Company had paid the first and final single tier dividend of 1.5 sen on 556,464,690 ordinary shares amounting to RM8,346,970 for the financial period ended 30 June 2021.

On 30 August 2022, the Board of Directors approved and declared a first and final single tier dividend of 1.5 sen on 556,464,690 ordinary shares amounting to RM8,346,970 in respect of the financial year ended 30 June 2022. The first and final dividend will be payable on 13 October 2022.

The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2023.

## RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

## ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

## SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

## OTHER STATUTORY INFORMATION

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amount of bad debts written off or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year and secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

As disclosed in Note 40 to the financial statements, on 15 June 2022, the High Court of Malaya (the 'Court') granted a winding up order filed by the minority shareholders against a subsidiary of the Group, KUBS and liquidators have since been appointed. Following this, the Group lost control over KUBS and KUBS's financial position has been deconsolidated from the Group on 15 June 2022. The Group subsequently classified KUBS as an associate.

Save as above, in the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

## DIRECTORS' REPORT

### DIRECTORS

The Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Datuk Seri Johari bin Abdul Ghani (Chairman)  
Dato' Ahmad Ibnihajar  
Mohammad Farish Nizar bin Othman  
Datuk Haji Mohd Haniff bin Haji Koslan  
Datuk Norliza binti Abdul Rahim  
Megat Joha bin Megat Abdul Rahman  
Kasinathan a/l Tulasi  
Tee Beng Thong  
Ahmed Fairuz bin Abdul Aziz

The Directors of the subsidiary companies in office during the financial year and during the period from the end of the financial year to the date of this report are:

Megat Joha bin Megat Abdul Rahman  
Ahmed Fairuz bin Abdul Aziz  
Mohamed Rozaidi bin Md Sharif (Appointed on 15 March 2022)  
Dr. Chow Kok Cheng  
Dr. Badrulhisham bin Mohd Ghazali  
Shahril Fitri bin Mustapha  
Han Junhee  
Mohamed Nizham bin Abdullah Hamidi  
Brian John Ahern  
Ken Tang Chow  
Vincent Chow (Alternate Director to Ken Tang Chow)  
Datuk Amar Abdul Hamed bin Sepawi  
Polit bin Hamzah (Alternate Director to Datuk Amar Abdul Hamed bin Sepawi)  
Dato' Ngeeng Eng Cheng  
Hussein bin Kadri (Deceased on 9 September 2021)  
Alphonsus Dorhat Rahani (Alternate Director to Hussein bin Kadri) (Resigned on 9 September 2021)  
Asmajuda bin Usman (Appointed on 26 November 2021, resigned on 20 September 2022)  
Mohamad Mazri Bin Zainal Abidin (Resigned on 27 October 2021)  
Azman bin Abdullah (Resigned on 14 March 2022)

### DIRECTORS' INTERESTS

The interest in shares in the Company and in a related corporation of those who were Directors of the Company at the end of the financial year according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016 are as follows:

	As at	Number of ordinary shares		As at
	1.7.2021	Acquired	Sold	30.6.2022*
<b>Shares in the Company, KUB Malaysia Berhad</b>				
<b>Direct Interest</b>				
Kasinathan a/l Tulasi	370,000	-	-	<b>370,000</b>
<b>Indirect Interest</b>				
Datuk Seri Johari bin Abdul Ghani	183,400,000	-	-	<b>183,400,000*</b>

\* Deemed interest by virtue of his interest in JAG Capital Holdings Sdn Bhd.

By virtue of the Director's interests in the shares of the Company, the above-mentioned Directors are also deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

None of the other Directors in office at the end of the financial year held shares or had beneficial interest in the shares of the Company or its related corporation during or at the beginning and end of the financial year.

**DIRECTORS' BENEFITS**

During and at the end of the financial year, no arrangement subsisted to which the Company was a party, whereby Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous period, none of the Directors of the Company have received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown below) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The details of the directors' remuneration for the financial year ended 30 June 2022 are set out below:

	<b>Group RM'000</b>	<b>Company RM'000</b>
Directors' remuneration		
Fees	500	500
Salaries and other emoluments	2,983	1,096
Defined contribution plans	287	119
Benefits-in-kind	141	112
	<b>3,911</b>	<b>1,827</b>

Transactions between the Company with a company/firm in which certain Director of the Company has substantial interest:

	<b>Company RM'000</b>
Provision for management services	480

**INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS**

The Company maintains a Directors' and officers' liability insurance throughout the financial year, which provides appropriate insurance cover for the Directors and officers of the Company and its Group of companies.

During the financial year, the total amount of indemnity coverage and the insurance premium paid for the Group are RM10,000,000 and RM11,458 respectively.

There was no indemnity given to or insurance effected for auditors of the Group and the Company in accordance with Section 289 of the Companies Act, 2016.

## DIRECTORS' REPORT

### AUDITORS

The auditors, Deloitte PLT, have indicated their willingness to continue in office.

### AUDITORS' REMUNERATION

The amounts paid or payable as remuneration of the auditors of the Group and of the Company for the financial year ended 30 June 2022 are as follow:

	<b>Group RM'000</b>	<b>Company RM'000</b>
Deloitte PLT	338	145
Other auditors	18	-
	<b>356</b>	<b>145</b>

Signed on behalf of the Board in accordance with a resolution of the Directors,

**DATUK SERI JOHARI BIN ABDUL GHANI**

**AHMED FAIRUZ BIN ABDUL AZIZ**

Kuala Lumpur  
26 September 2022

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KUB MALAYSIA BERHAD  
(Incorporated in Malaysia)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of KUB MALAYSIA BERHAD, which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 63 to 157.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ('By-Laws') and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Our audit performed and responses thereon
<p><b>Accounting treatment relating to the investment in a former subsidiary arising from loss of control</b></p> <p>On 15 June 2022, the High Court of Malaya ('the Court') granted a winding up order filed by the minority shareholders against a subsidiary of the Group, KUB Sepadu Sdn Bhd ('KUBS') and liquidators have since been appointed. Following this, the Group has lost control over KUBS and KUBS's financial position has been deconsolidated from the Group on 15 June 2022. The Group recognised a gain on deconsolidation of RM1,141,000.</p>	<p>We performed the following audit procedures, among others:</p> <p><u>Classification of KUBS as an associate of the Group</u></p> <ul style="list-style-type: none"> <li>Assessed the appropriateness of management's judgements and basis of conclusion for the classification of the investment in KUBS as an associate with reference to the supporting evidence;</li> <li>Read the affidavits to understand the case facts and reviewed the evidence that supports the arrangement of current operations at KUBS;</li> </ul>

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KUB MALAYSIA BERHAD  
(Incorporated in Malaysia)

### Key Audit Matter (cont'd)

Key audit matter	Our audit performed and responses thereon
<p><b>Accounting treatment relating to the investment in a former subsidiary arising from loss of control</b> (cont'd)</p> <p>On 17 June 2022, the immediate holding company of KUBS, KUB Agro Holdings Sdn Bhd ('KUBAH') filed a stay of execution of the winding up order ('Stay Application') and Notice of Appeal ('Winding Up Appeal'). The Court has fixed 30 September 2022 to give its decision on the Stay Application and the case management for the Winding Up Appeal has been fixed on 6 October 2022. In the interim, the key management personnel appointed by KUBAH is still actively managing the operations of KUBS. Pending the conclusion of the Stay Application, the liquidators have given an undertaking to the Court not to dispose of any assets of KUBS and to stay the operational handover.</p> <p>In view of the above, KUBS is still carrying on its business operations as usual. Following this and pending the Stay and Appeal proceedings, the Group considered its investment in KUBS does not meet the criteria to be classified as 'non-current asset held for sale' or 'discontinued operation' in accordance with <i>MFRS 5 Non-current Assets Held for Sale and Discontinued Operations</i>, as the assets of KUBS are not available for immediate sale in its present condition and circumstances, and no active programme or committed plan to sell the assets of KUBS have been initiated.</p> <p>Upon further assessment made by the management, the Group has determined that it has significant influence over KUBS by virtue of the following:</p> <p>(i) its 60% investment in KUBS is still retained,</p> <p>(ii) KUBAH's power to participate in the financial and operating decision making of KUBS including provision of essential technical information through the key management personnel from the Group, and</p> <p>(iii) KUBS is dependent on the Group for the continued existence of business through its manpower sharing arrangements.</p> <p>The Group has therefore classified KUBS as its associate and the financial results subsequent to 15 June 2022 are incorporated in the financial statements of the Group using the equity method of accounting. At the initial recognition, the Group has determined the fair value of investment in KUBS at RM45,715,000 using a discounted cash flow model.</p>	<p>We performed the following audit procedures, among others: (cont'd)</p> <p><u>Classification of KUBS as an associate of the Group</u> (cont'd)</p> <ul style="list-style-type: none"> <li>• Reviewed the assessment made by management's specialist on the existence of significant influence over KUBS, and assessed the competency, qualification and experience of the specialist;</li> <li>• Inspected correspondences and memorandums exchanged between the liquidators and KUBAH relating to essential technical information and key operational matters of KUBS; and</li> <li>• Held a meeting with and read the opinion from external solicitors of KUBAH about certain interpretation of the laws with respect to significant influence.</li> </ul> <p><u>Fair value of retained interest in KUBS as an associate of the Group</u></p> <ul style="list-style-type: none"> <li>• Obtained and reviewed discounted cash flow forecast and projections of KUBS, and challenged key assumptions used by management in the projection such as revenue growth rate, discount rates, projection period, replanting plans and incremental rates for costs throughout the projection period;</li> <li>• Obtained assistance from our own valuation specialists to review the appropriateness of valuation methodology used and to assess the reasonableness of the discount rate used by management in the discounted cash flow forecast and projections of KUBS; and</li> <li>• Assessed the adequacy of key assumptions disclosure in the Group's financial statements.</li> </ul> <p><u>Classification of KUBS's operations in accordance with MFRS 5 Non-current Assets Held for Sale and Discontinued Operations</u></p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of management's judgements and the Group's conclusion that the operations of KUBS does not meet the criteria to be classified as non-current asset held for sale or discontinued operation in accordance with <i>MFRS 5 Non-current Assets Held for Sale and Discontinued Operations</i>;</li> </ul>

**Key Audit Matter** (cont'd)

Key audit matter	Our audit performed and responses thereon
<p><b>Accounting treatment relating to the investment in a former subsidiary arising from loss of control</b> (cont'd)</p> <p>The classification of KUBS as an associate involves significant judgment of the management in determination of the existence of significant influence over KUBS to be in accordance with <i>MFRS 128 Investments in Associates and Joint Ventures</i>. Refer to "Significant Accounting Estimates and Judgements" in Note 4.1(b) to the financial statements.</p> <p>In addition, management considers its conclusion on the classification of KUBS as a continuing operation in accordance with <i>MFRS 5 Non-current Assets Held for Sale and Discontinued Operations</i> to be a critical accounting judgement. Refer to "Significant Accounting Estimates and Judgements" in Note 4.1(a) to the financial statements.</p> <p>Furthermore, initial recognition of the fair value of the retained interest in KUBS as an associate in accordance with <i>MFRS 13 Fair Value Measurement</i> involves significant level of judgment and estimates, which are exposed to management bias. Refer to "Significant Accounting Estimates and Judgements" in Note 4.2(d) to the financial statements.</p>	<p>We performed the following audit procedures, among others: (cont'd)</p> <p><u>Classification of KUBS's operations in accordance with MFRS 5 Non-current Assets Held for Sale and Discontinued Operations</u> (cont'd)</p> <ul style="list-style-type: none"> <li>• Read the liquidators' affidavit and undertaking from liquidators not to dispose of any assets of KUBS and to stay the operational handover; and</li> <li>• Obtained and reviewed the correspondences between the management and the liquidators for any indication by the liquidators to sell the assets of KUBS.</li> </ul> <p><u>Accounting treatment on deconsolidation of KUBS</u></p> <ul style="list-style-type: none"> <li>• Performed an audit of KUBS management accounts as of 15 June 2022;</li> <li>• Obtained and checked the mathematical accuracy of management's calculation of the gain on deconsolidation of KUBS as of 15 June 2022 that disclosed in the financial statements of the Group; and</li> <li>• Evaluated the adequacy and the appropriateness of the disclosures included in the financial statements of the Group.</li> </ul>
<p><b>Assessing the impact of expected credit losses ('ECLs') on trade receivables, contract assets and finance lease receivables of the Group</b></p> <p>MFRS 9 requires the use of an expected credit loss ('ECL') model to measure impairment of financial assets. The model requires consideration of both historical and current information, as well as reasonable and supportable forecasts of future conditions (including macroeconomic information).</p> <p>The Group uses a provision matrix to calculate ECLs for trade receivables, contract assets and finance lease receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., nature of project undertaking, product type, customer type and rating, and coverage by bank guarantee or other forms of credit insurance).</p>	<p>In assessing the recoverability of trade receivables, contract assets and finance lease receivables of the Group, we performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the process relating to the ECL of trade receivables, contract assets and finance lease receivables;</li> <li>• Evaluated the methodology and model used by management to ascertain that these have been consistently applied by management;</li> <li>• Evaluated the completeness, accuracy and relevance of data used in the ECL model and checked the mathematical accuracy of the calculations;</li> <li>• Tested the accuracy of the ageing against supporting documents on a sample basis;</li> </ul>

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KUB MALAYSIA BERHAD  
(Incorporated in Malaysia)

### Key Audit Matter (cont'd)

Key audit matter	Our audit performed and responses thereon
<p><b>Assessing the impact of expected credit losses ('ECLs') on trade receivables, contract assets and finance lease receivables of the Group</b> (cont'd)</p> <p>The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.</p> <p>We considered this as a key audit matter due to significant judgements and estimates involved in the assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs, including the scenarios related to the spread of COVID-19 in which the positive outcome from the endemic phase of the outbreak remains uncertain. Refer to "Significant Accounting Estimates and Judgements" in Note 4.2(c) to the financial statements.</p>	<p>In assessing the recoverability of trade receivables, contract assets and finance lease receivables of the Group, we performed the following audit procedures: (cont'd)</p> <ul style="list-style-type: none"> <li>Assessed and considered the reasonableness of the key judgements and estimates of the current and forward-looking information as well as discussed with management to understand the judgements and estimates involved in applying the simplified approach of using lifetime ECL on trade receivables, contract assets and finance lease receivables, including considering the impact from the COVID-19 outbreak during the endemic phase;</li> <li>Evaluated the adequacy of the Group's disclosures included in the financial statements; and</li> <li>Evaluated the adequacy of the impairment losses recognised and the appropriateness of the disclosures included in the financial statements of the Group.</li> </ul>

### Company

There are no key audit matters to be communicated in respect of the audit of the financial statements of the Company.

### Information Other than the Financial Statements and Auditors' Report thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Board of Directors for the Financial Statements**

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intends to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KUB MALAYSIA BERHAD  
(Incorporated in Malaysia)

### Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 41 to the financial statements.

### OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

**DELOITTE PLT (LLP0010145-LCA)**  
Chartered Accountants (AF 0080)

**SITI HAJAR BINTI OSMAN**  
Partner - 03061/04/2023 J  
Chartered Accountant

26 September 2022

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

(With comparative figures for the financial period from 1 January 2020 to 30 June 2021)

	Note	Group		Company	
		1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000
Revenue	5	<b>547,963</b>	584,037	<b>10,550</b>	131,218
Cost of sales	6	<b>(500,507)</b>	(519,875)	-	-
<b>Gross profit</b>		<b>47,456</b>	64,162	<b>10,550</b>	131,218
Other income		<b>10,756</b>	168,390	<b>4,936</b>	90,404
Distribution expenses		<b>(2,245)</b>	(3,151)	-	-
Administrative expenses		<b>(20,192)</b>	(34,025)	<b>(6,957)</b>	(13,323)
Other expenses		<b>(6,089)</b>	(31,948)	<b>(9,386)</b>	(57,028)
<b>Profit/(Loss) from operations</b>		<b>29,686</b>	163,428	<b>(857)</b>	151,271
Finance income	7	<b>4,281</b>	5,713	<b>3,051</b>	3,746
Finance costs	8	<b>(879)</b>	(5,201)	<b>(366)</b>	(21)
Share of results of associates	19(ii)	<b>85</b>	3,851	-	-
<b>Profit before zakat and taxation</b>	9	<b>33,173</b>	167,791	<b>1,828</b>	154,996
Zakat		-	96	-	-
Taxation	12	<b>(9,067)</b>	(9,312)	-	-
<b>Profit for the year/period</b>		<b>24,106</b>	158,575	<b>1,828</b>	154,996
<b>Profit attributable to:</b>					
Owners of the Company		<b>18,284</b>	155,562	<b>1,828</b>	154,996
Non-controlling interests	33	<b>5,822</b>	3,013	-	-
		<b>24,106</b>	158,575	<b>1,828</b>	154,996



# STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Assets</b>					
<b>Non-current Assets</b>					
Property, plant and equipment	15	<b>98,496</b>	146,863	<b>1,624</b>	2,018
Investment properties	16	<b>14,718</b>	16,371	<b>14,044</b>	14,389
Right-of-use assets	17	<b>2,794</b>	3,867	<b>759</b>	1,214
Finance lease receivables	17	<b>956</b>	1,145	-	-
Investments in subsidiaries	18	-	-	<b>185,933</b>	173,925
Investments in associates	19	<b>45,800</b>	-	-	-
Other investments	20	<b>6,591</b>	6,624	<b>6,591</b>	6,624
		<b>169,355</b>	174,870	<b>208,951</b>	198,170
<b>Current Assets</b>					
Inventories	21	<b>5,743</b>	4,236	-	-
Biological assets	22	-	1,057	-	-
Amount due from subsidiaries	23	-	-	<b>1,861</b>	1,944
Trade and other receivables	24	<b>66,363</b>	32,498	<b>520</b>	540
Contract assets	24	<b>2,775</b>	4,884	-	-
Finance lease receivables	17	<b>194</b>	164	-	-
Tax recoverable		<b>1,968</b>	2,910	-	-
Cash and bank balances	25	<b>391,930</b>	423,108	<b>302,927</b>	308,269
		<b>468,973</b>	468,857	<b>305,308</b>	310,753
Non-current assets held for sale	13	<b>2,711</b>	-	-	-
<b>TOTAL ASSETS</b>		<b>641,039</b>	643,727	<b>514,259</b>	508,923

## STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	30	228,863	228,863	228,863	228,863
Reserves	31	38,454	40,667	3,034	3,178
Retained earnings	32	225,995	213,989	266,616	273,135
Equity attributable to owners of the Company		493,312	483,519	498,513	505,176
Non-controlling interests	33	(14,807)	(2,048)	-	-
<b>Total Equity</b>		<b>478,505</b>	<b>481,471</b>	<b>498,513</b>	<b>505,176</b>
<b>Non-current Liabilities</b>					
Borrowings	27	14	1,076	-	-
Lease liabilities	17	1,203	2,295	349	820
Other payables	26	33,877	31,637	-	-
Deferred tax liabilities	28	10,511	15,716	-	-
		45,605	50,724	349	820
<b>Current Liabilities</b>					
Trade and other payables	26	61,620	72,123	1,255	1,923
Contract liabilities	26	-	617	-	-
Lease liabilities	17	1,177	1,088	471	415
Borrowings	27	54,023	37,638	-	-
Amount due to subsidiaries	23	-	-	13,671	589
Derivative financial liabilities	29	5	18	-	-
Provision for tax		104	48	-	-
		116,929	111,532	15,397	2,927
<b>Total Liabilities</b>		<b>162,534</b>	<b>162,256</b>	<b>15,746</b>	<b>3,747</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>641,039</b>	<b>643,727</b>	<b>514,259</b>	<b>508,923</b>

The accompanying Notes form an integral part of the Financial Statements.

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

(With comparative figures for the financial period from 1 January 2020 to 30 June 2021)

Group	Note	Equity attributable to owners of the Company		Non-distributable		Attributable to owners of the Company					Non-controlling interests RM'000
		Equity, total RM'000	Company, 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	(Premium) paid on acquisition of non-controlling interests RM'000	Merger reserve RM'000	
<b>As at 1 July 2021</b>		481,471	483,519	228,863	213,989	40,667	25,371	3,178	971	11,147	(2,048)
Profit for the year		24,106	18,284	-	18,284	-	-	-	-	-	5,822
Other comprehensive loss for the year		(144)	(144)	-	-	(144)	-	(144)	-	-	-
<b>Total comprehensive income/(loss)</b>		23,962	18,140	-	18,284	(144)	-	(144)	-	-	5,822
<b>Transactions with owners</b>											
Dividend paid	32	(8,347)	(8,347)	-	(8,347)	-	-	-	-	-	-
Reduction on capital reserves upon winding up of a subsidiary	31(a)	-	-	-	840	(840)	(840)	-	-	-	-
Members voluntary winding up of a subsidiary	31(d)	-	-	-	1,229	(1,229)	-	-	(1,229)	-	-
Deconsolidation of a subsidiary	40	(18,581)	-	-	-	-	-	-	-	-	(18,581)
<b>As at 30 June 2022</b>		<b>478,505</b>	<b>493,312</b>	<b>228,863</b>	<b>225,995</b>	<b>38,454</b>	<b>24,531</b>	<b>3,034</b>	<b>(258)</b>	<b>11,147</b>	<b>(14,807)</b>

## STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022  
(With comparative figures for the financial period from 1 January 2020 to 30 June 2021)

Group	Note	Attributable to owners of the Company									
		Non-distributable					Non-distributable				
		Equity, total RM'000	Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Retained earnings RM'000	Other reserves, total RM'000	Equity attributable to owners of the Company, total RM'000	Capital reserve RM'000	Fair value adjustment reserve RM'000	(Premium) paid on acquisition of non-controlling interests RM'000	Merger reserve RM'000
<b>As at 1 January 2020</b>		324,640	335,132	228,863	56,813	49,456	34,016	3,322	971	11,147	(10,492)
Profit for the period		158,575	155,562	-	155,562	-	-	-	-	-	3,013
Other comprehensive loss for the period		(144)	(144)	-	-	(144)	-	(144)	-	-	-
<b>Total comprehensive income/(loss)</b>		158,431	155,418	-	155,562	(144)	-	(144)	-	-	3,013
<b>Transactions with owners</b>											
Additional non-controlling interest arising on disposal of interest in subsidiary	33 <sup>(i)</sup>	7,199	1,175	-	1,175	-	-	-	-	-	6,024
Members voluntary winding up of a subsidiary	18(e)(iv) <sup>(ii)</sup>	(154)	439	-	439	-	-	-	-	-	(593)
Reduction on capital reserves upon strike off of subsidiaries	31(a)	(8,645)	(8,645)	-	-	(8,645)	(8,645)	-	-	-	-
<b>As at 30 June 2021</b>		481,471	483,519	228,863	213,989	40,667	25,371	3,178	971	11,147	(2,048)

(i) Movement in changes in equity arising from disposal of 40% equity in KUB Telekomunikasi Sdn Bhd.

(ii) Effect of member voluntary winding up of a subsidiary, Pernida Berhad.

Company	Note	Non-distributable		Distributable	Non-distributable
		Equity, total RM'000	Share capital RM'000	Retained earnings RM'000	Fair value adjustment reserve RM'000
<b>As at 1 July 2021</b>		505,176	228,863	273,135	3,178
Profit for the year		1,828	-	1,828	-
<b>Transaction with owners</b>					
Dividend paid	32	(8,347)	-	(8,347)	-
Other comprehensive loss for the year		(144)	-	-	(144)
Total comprehensive loss		(6,663)	-	(6,519)	(144)
<b>As at 30 June 2022</b>		<b>498,513</b>	<b>228,863</b>	<b>266,616</b>	<b>3,034</b>
<b>As at 1 January 2020</b>		350,324	228,863	118,139	3,322
Profit for the period		154,996	-	154,996	-
Other comprehensive loss for the period		(144)	-	-	(144)
Total comprehensive income/(loss)		154,852	-	154,996	(144)
<b>As at 30 June 2021</b>		505,176	228,863	273,135	3,178

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

(With comparative figures for the financial period from 1 January 2020 to 30 June 2021)

	Group		Company	
	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>				
Profit before zakat and taxation	<b>33,173</b>	167,791	<b>1,828</b>	154,996
Adjustments for:				
Depreciation of:				
- property, plant and equipment	<b>15,137</b>	25,385	<b>463</b>	1,205
- investment properties	<b>716</b>	757	<b>345</b>	207
- right-of-use assets	<b>1,388</b>	1,227	<b>455</b>	151
Finance costs	<b>879</b>	5,201	<b>366</b>	21
Allowance for impairment on trade and other receivables	<b>964</b>	6,481	-	-
Impairment losses on property, plant and equipment	<b>522</b>	116	-	116
Inventories written off/down	<b>154</b>	97	-	-
Property, plant and equipment written off	<b>105</b>	522	-	188
Net unrealised loss on foreign exchange	<b>13</b>	246	-	-
Loss on fair value changes of derivative instruments	<b>5</b>	18	-	-
Finance income	<b>(4,281)</b>	(5,713)	<b>(3,051)</b>	(3,746)
Reversal of allowance for impairment on trade and other receivables	<b>(3,178)</b>	(288)	-	-
Gain on deconsolidation of a subsidiary	<b>(1,141)</b>	-	-	-
Dividend income	<b>(282)</b>	(176)	<b>(7,632)</b>	(126,246)
Gain on fair value changes in biological assets	<b>(209)</b>	(1,160)	-	-
Reversal of provision for liquidated ascertained damages	<b>(179)</b>	-	-	-
Reversal of allowance for impairment on contract assets	<b>(120)</b>	-	-	-
(Gain)/Loss on fair value changes in investment in unquoted shares	<b>(111)</b>	228	<b>(111)</b>	228
(Gain)/Loss on disposal of:				
- property, plant and equipment	<b>(71)</b>	(168)	-	(10)
- investment properties	-	(8,237)	-	-
- non-current assets held for sale	-	(123,490)	-	(969)
- subsidiary	-	18,815	-	26,649
- associate	-	(30,518)	-	(71,000)
Provision for liquidated ascertained damages	-	2,356	-	-
Reduction in unguaranteed residual value	-	285	-	-
Allowance for impairment on contract assets	-	111	-	-
Forfeiture of deposits payable	-	(805)	-	-
Allowance for impairment on investment in subsidiaries				
- investment	-	-	<b>8,123</b>	27,360
- advances to subsidiaries	-	-	-	40
Allowance for impairment on financial guarantee	-	-	-	781
Reversal of allowance for impairment:				
- amount due from subsidiaries	-	-	<b>(560)</b>	(1,472)
- advances to subsidiaries	-	-	-	(8,375)
Share of results of associates	<b>(85)</b>	(3,851)	-	-
<b>Operating Profit Before Changes in Working Capital</b>	<b>43,399</b>	55,230	<b>226</b>	124

	Note	Group		Company	
		1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000
Changes in working capital:					
Contract assets		2,229	(4,655)	-	-
Trade and other receivables		(25,074)	(10,169)	20	1,229
Trade and other payables		(7,310)	11,601	(668)	(7,402)
Inventories		(1,661)	488	-	-
Contract liabilities		(617)	(364)	-	-
<b>Cash Generated From/(Used In) Operations</b>		<b>10,966</b>	52,131	<b>(422)</b>	(6,049)
Finance cost from lease liabilities		(162)	(214)	(42)	(17)
Zakat paid		-	(90)	-	-
Net tax paid		(6,877)	(9,358)	-	-
<b>Net Cash From/(Used In) Operating Activities</b>		<b>3,927</b>	42,469	<b>(464)</b>	(6,066)
<b>CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES</b>					
Interest received		4,281	5,713	3,051	3,746
Dividends received		282	176	7,632	126,246
Proceeds from disposal of property, plant and equipment		115	598	-	17
Deconsolidation of a subsidiary	40	(25,593)	-	-	-
Acquisition of property, plant and equipment	15	(19,145)	(19,555)	(69)	(2,309)
Proceeds from disposal of assets classified as held for sale		-	143,112	-	2,809
Proceeds from disposal of an associate		-	80,000	-	80,000
Net proceeds from disposal of investment properties		-	12,625	-	-
Proceed from partial disposal of equity in a subsidiary to non-controlling interest		-	7,200	-	-
Net proceeds from disposal of a subsidiary	18(e)(iii)	-	6,908	-	10,549
Repayment of advances from subsidiaries		-	-	2,022	42,773
Repayment of amount due from subsidiaries		-	-	4,713	12,789
Repayment of amount due to subsidiaries		-	-	(7,875)	-
Advance to subsidiaries					
- due from subsidiaries		-	-	(4,070)	-
- investment		-	-	(1,196)	(9,954)
<b>Net Cash (Used in)/From Investing Activities</b>		<b>(40,060)</b>	236,777	<b>4,208</b>	266,666

**STATEMENTS OF CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

(With comparative figures for the financial period from 1 January 2020 to 30 June 2021)

	Note	Group		Company	
		1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>					
Net drawdown of short-term borrowings		<b>17,079</b>	8,921	-	-
Decrease of deposits pledged with licensed banks		<b>5,789</b>	5,888	-	-
Dividend paid		<b>(8,347)</b>	-	<b>(8,347)</b>	-
Repayment of term loans		<b>(1,734)</b>	(4,052)	-	-
Repayment of lease liabilities	17	<b>(1,304)</b>	(1,104)	<b>(415)</b>	(130)
Interest paid		<b>(717)</b>	(4,987)	<b>(324)</b>	(4)
Repayment of hire purchase		<b>(22)</b>	(543)	-	(116)
<b>Net Cash From/(Used In) Financing Activities</b>		<b>10,744</b>	4,123	<b>(9,086)</b>	(250)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(25,389)</b>	283,369	<b>(5,342)</b>	260,350
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD</b>		<b>396,978</b>	113,609	<b>308,269</b>	47,919
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD</b>	25	<b>371,589</b>	396,978	<b>302,927</b>	308,269

The accompanying Notes form an integral part of the Financial Statements

# NOTES TO THE FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The consolidated financial statements of the Company as at and for the financial year ended 30 June 2022 comprise financial statements of the Company and its subsidiaries (together referred to as the "Group" and individually to as "Group entities") and the Group's interests in associates. The financial statements of the Company as at and for the financial year ended 30 June 2022 do not include other entities.

The principal activities of the Company are that of investment holding and provision of management services to its subsidiaries.

The subsidiaries are principally engaged in the business of liquefied petroleum gas ('LPG'), agricultural businesses and others as stated in Note 41.

As disclosed in Note 40, on 15 June 2022, the Group had deconsolidated the financial position of KUB Sepadu Sdn Bhd ('KUBS') being the subsidiary of the Group carrying on the agricultural business. The Group subsequently classified KUBS as an associate.

The registered office and principal place of business of the Company is located at Suite A-22-1, Level 22, Hampshire Place Office, 157 Hampshire No. 1, Jalan Mayang Sari, 50450 Kuala Lumpur.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 26 September 2022.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of Preparation of the Financial Statements

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRS'), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

#### Adoption of Amendments to MFRSs

In the current financial year, the Group and the Company adopted all the Amendments to MFRSs issued by the Malaysian Accounting Standards Board ('MASB') that are effective for an annual financial period beginning on or after 1 July 2021 as follows:

MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4, and MFRS 16	Interest Rate Benchmark Reform - Phase 2
Amendments to MFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021

The adoption of these Amendments to MFRSs did not result in significant changes in the accounting policies of the Group and of the Company and has no significant effect on the financial performance or position of the Group and of the Company.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 2.1 Basis of Preparation of the Financial Statements (cont'd)

##### Amendments to MFRSs in Issue but Not Yet Effective

At the date of authorisation for issue of these financial statements, the Amendments to MFRSs relevant to the Group and the Company which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

Amendments to MFRSs	Annual Improvement to MFRS Standards 2018 – 2020 <sup>1</sup>
Amendments to MFRS 3	Reference to Conceptual Framework <sup>1</sup>
Amendment to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current <sup>2</sup>
Amendments to MFRS 101	Disclosure of Accounting Policies <sup>2</sup>
Amendments to MFRS 108	Definition of Accounting Estimates <sup>2</sup>
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>2</sup>
Amendments to MFRS 116	Property, Plant, and Equipment - Proceeds before Intended Use <sup>1</sup>
Amendments to MFRS 137	Onerous Contract - Cost of Fulfilling a Contract <sup>1</sup>

<sup>1</sup> Effective for annual period beginning on or after 1 January 2022.

<sup>2</sup> Effective for annual period beginning on or after 1 January 2023.

<sup>3</sup> Effective date deferred to a date to be announced by MASB.

The initial application of the Amendments to MFRSs above are not expected to have any material financial impacts to the financial results of the Group and of the Company.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2, leasing transactions that are within the scope of *MFRS 16 Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in *MFRS 102 Inventories* or value in use in *MFRS 136 Impairment of Assets*.

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.1 Basis of Accounting (cont'd)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

#### 3.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and of its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same financial year as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Group controls an investee if and only if the Group has all the following:

- (a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (b) Exposure, or rights, to variable returns from its investment with the investee; and
- (c) The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting rights of an investee, the Group considers the following in assessing whether or not the Group's voting rights in an investee are sufficient to give it power over the investee:

- (a) The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (b) Potential voting rights held by the Group, other vote holders or other parties;
- (c) Rights arising from other contractual arrangements; and
- (d) Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.2 Basis of Consolidation (cont'd)

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

#### Business combinations and goodwill

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with *MFRS 112 Income Taxes* and *MFRS 119 Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with *MFRS 2 Share-Based Payments* at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with *MFRS 5 Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.
- Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 9 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

If the initial accounting for a business combination is incomplete by the end of the financial year in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as at the acquisition date that, if known, would have affected the amounts recognised as at that date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.3 Transactions with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the statements of financial position, separately from parent shareholders' equity. Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

#### 3.4 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

- (a) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);
- (b) Exposure, or rights, to variable returns from its investment with the investee; and
- (c) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

#### 3.5 Investments in associates

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with MFRS 5.

Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equal or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the year in which the investment is acquired.

The requirements of MFRS 136 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with MFRS 136 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with MFRS 136 to the extent that the recoverable amount of the investment subsequently increases.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.5 Investments in associates (cont'd)

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with MFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate.

In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate is disposed of.

When the Group reduces its ownership interest in an associate, but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

#### 3.6 Revenue

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer and are measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

The Group recognises revenue from the following major sources:

##### (a) LPG division

The revenue from sales of LPG is recognised as the goods are collected from the filling plant, being at the point in time when the control of the goods has been transferred. The revenue from the sales of LPG is recognised at fair value of the consideration received or receivable together with the subsidy receivable from the Government of Malaysia, which constitute the contracted selling price which represents the transaction price of the performance obligation, net of incentives and volume rebates. The incentives and volume rebates are variable considerations ('VC') which are determined on a monthly basis. Depending whether the Group grants credit terms to the customers, the payment of the transaction price are generally on a credit basis and is due at the end of credit term granted.

##### (b) Agro division

Sale of fresh fruit bunches ('FFB') is recognised net of taxes at the point in time when control of the goods has transferred to the customer, which is generally upon its collection or delivery. The transaction price is based on a formula determined within the contract which is guided by the industry.

There is no element of financing present as the Group's sale of goods is either on cash terms (immediate or advance payments), or on credit terms of up to 30 days.

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.6 Revenue (cont'd)

The Group recognises revenue from the following major sources: (cont'd)

##### (c) Information and communications technology ('ICT') business

The Group's revenue from ICT business is principally from the supply, construction and maintenance of information technology and telecommunication equipment and infrastructure.

##### (i) Sale of equipment and parts

Each sale of goods represents a single performance obligation of which its revenue will be recognised when control of the goods has been transferred to the customer, being at the point in time when the goods are delivered to the customer.

##### (ii) Construction of equipment and infrastructure

The contracts for construction of equipment and ICT related infrastructure comprise of multiple deliverables which includes significant integration service and are therefore recognised as a single performance obligation. Revenue is recognised progressively over time based on the percentage of completion by using the cost-to-cost method ('input method'), based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The Directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under MFRS 15.

The Group becomes entitled to invoice customers for construction of equipment and infrastructure based on achieving a series of performance-related milestones after a certification of performance is obtained from the customer.

Full provision is made for any foreseeable losses which is offset against revenue. There is no significant financing component in construction contracts with customers as the period between the recognition of revenue under the percentage of completion and the milestone payment is generally less than one year.

##### (iii) Maintenance services

Maintenance revenue is recognised at the point in time when the required works are completed except for corrective maintenance which recognised over the time.

##### (d) Construction of transmission lines and substations

The Group constructs transmission lines and substations under long-term contracts with customers. These have been identified as a single performance obligation.

The revenue from these construction contracts are recognised over time as the customer controls the projects during the course of construction by the Group. The Group considers the input method as an appropriate measure of the progress towards complete satisfaction of these performance obligations under MFRS 15. Variable consideration arises from potential liquidated ascertained damages ('LAD') which is estimated based on most likely method and is continuously assessed by the Group. There is no significant financing component in construction contracts with customers as the period between the recognition of revenue under the percentage of completion and the milestone payment is generally less than one year.

The Group becomes entitled to invoice customers for construction of transmission lines and substations based on achieving a series of performance-related milestones. When a particular milestone is reached, the customer is sent a relevant statement of work which later is verified and signed by the customers for an invoice for the related milestone payment. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost-to-cost method, then the Group recognises a contract liability for the difference.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.6 Revenue (cont'd)

The Group recognises revenue from the following major sources: (cont'd)

##### (d) Construction of transmission lines and substations (cont'd)

The Group has specifically considered MFRS 15's guidance on contract combinations, contract modifications arising from variation orders, variable consideration, principal versus agent consideration and the assessment of whether there is a significant financing component in the contracts.

##### (e) Management services to subsidiaries

The Company provides management services to its subsidiaries which are recognised at the point in time as and when the services are rendered.

##### (f) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

##### (g) Dividend income

Dividend income represents dividends received from subsidiaries, associates and other investments when there is a right to receive payment is established.

#### 3.7 Employee benefits

##### (a) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees. Short-term accumulating compensated absences such as paid annual leaves are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leaves are recognised when the absences occur.

##### (b) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

#### 3.8 Zakat

The Group recognises its obligations towards the payment of zakat on business. Zakat is recognised as and when the Group has a current zakat obligation as a result of a zakat assessment. The amount of zakat expense shall be assessed when a company within the Group has been in operation for at least 12 months, i.e. for the period known as "haul (eligible period)".

Zakat rates enacted or substantively enacted by the end of the financial year are used to determine the zakat expense. The rate of zakat on business, as determined by National Fatwa Council is 2.5% of the zakat base. The zakat base of the Group is determined based on the working capital method. Zakat on business is calculated by multiplying the zakat rate with zakat base. The amount of zakat assessed is recognised as an expense in the year in which it is incurred.

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.9 Income taxes

Income tax for the period comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognised, on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period. Deferred tax is recognised in the statement of profit or loss and other comprehensive income, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle their current tax assets and liabilities on a net basis.

#### 3.10 Foreign currency

##### (a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

##### (b) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the year except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.11 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Long-term leasehold land is initially measured at cost and depreciated over their lease terms.

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Bearer plants are living plants that are used in the production or supply of agriculture produce for more than one year and have remote likelihood of being sold as agriculture produce. The bearer plants that are available for use are measured at cost less accumulated depreciation and accumulated impairment losses. All costs directly related to bearer plants are capitalised until such time as the bearer plants reach maturity, at which point all further costs and interests are expensed and depreciation commences. Upon maturity, these expenditures are depreciated based on estimated annual yield over 25 years.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

#### **Factory and buildings**

- Factory and buildings	2% - 7%
- Storage tanks	7.5% - 10%

#### **Plant, renovation, cylinders and equipment**

- Renovations	10% - 20%
- Plant, machinery and tools	5% - 33%
- Cylinders	7.5% - 20%
- Furniture and fittings	10% - 33%
- Office equipment and computers	10% - 33%
- Tower infrastructure	10%

#### **Motor vehicles**

20%

Assets under construction are not depreciated as these assets are not yet available for use.

The residual value, useful life and depreciation method are reviewed at the end of the reporting period, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

#### 3.12 Investment properties

Investment properties are investments in land and buildings which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in Note 3.11.

The freehold land element of an investment property is not depreciated due to the unlimited useful life. Buildings which are situated on leasehold land are also depreciated at annual rate of depreciation of 2%.

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.12 Investment properties (cont'd)

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

Fair value, for purpose of disclosure in the financial statements, is arrived at by reference to market evidence of transaction prices for similar properties.

Transfers are made to or from investment property only when there is a change in use. Transfers between investment property and owner-occupied property do not change the carrying amount of the property transferred. The cost of the property remains unchanged for disclosure purposes.

#### 3.13 Biological assets

The biological assets of the Group comprise fresh fruit bunches ('FFB') prior to harvest. Biological assets are measured on initial recognition and at the end of each financial year at its fair value less costs to sell.

Changes in fair value of growing produce on bearer plants are recognised in profit or loss. The fair value of unharvested FFB is determined by using a discounted cash flow model with reference to the market prices of FFB at the date of harvest, adjusted for extraction rates, transportation and other costs to sell at the point of harvest.

#### 3.14 Impairment of non-financial assets

The carrying amounts of assets, other than inventories, deferred tax assets and non-current assets (or disposal groups) held for sale, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ('CGU') to which the asset belongs to.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An impairment loss is recognised in profit or loss in the year in which it arises.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

#### 3.15 Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.15 Financial instruments (cont'd)

##### *Financial assets*

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### *Classification of financial assets*

Financial assets that meet the following conditions are measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are measured at fair value through other comprehensive income ('FVTOCI'):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured at fair value through profit or loss ('FVTPL').

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

##### (i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.15 Financial instruments (cont'd)

##### *Financial assets* (cont'd)

##### *Classification of financial assets* (cont'd)

##### (i) Amortised cost and effective interest method (cont'd)

Interest income is recognised using the effective interest method for debt instruments measured at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent financial years, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

##### (ii) Financial assets designated as at FVTOCI

The Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings. Dividends on these investments in equity instruments are recognised in profit or loss in accordance with MFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

##### (iii) Financial assets at FVTPL

Unless the Group designates investments in equity instruments as FVTOCI, all other equity investments are designated as FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship.

##### *Impairment of financial assets*

The Group recognises a loss allowance for expected credit losses ('ECL') on trade receivables, lease receivables and contract assets. The amount of expected credit losses is updated at the end of each reporting period to reflect changes in credit risk since initial recognition of the respective financial instrument.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.15 Financial instruments (cont'd)

##### *Financial assets* (cont'd)

##### *Impairment of financial assets* (cont'd)

The Group always recognises lifetime ECL for trade receivables, lease receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of the financial period, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the end of the reporting period.

##### (i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the end of the reporting period with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

##### (ii) Definition of default

If information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors (without taking into account any collateral held by the Group), the Group considers this as constituting an event of default for internal credit risk management purposes.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 365 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

##### (iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the debtors;
- a breach of contract, such as a default or past due event; or
- it is becoming probable that the debtors will enter bankruptcy.

##### (iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.15 Financial instruments (cont'd)

##### *Financial assets* (cont'd)

###### *Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

##### *Financial liabilities*

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

###### *Financial liabilities measured at amortised cost*

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are initially recognised at fair value and subsequently are measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

###### *Financial guarantee contract liabilities*

A financial guarantee contract is a contract that requires the Company as the issuer to make specified payments to reimburse the financial institutions for a loss it incurs because a specified subsidiary fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with MFRS 9 (see financial assets in Note 3.15); and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

###### *Derecognition of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### 3.16 Contract assets and contract liabilities

Amounts relating to contract assets are balances due from customers under construction contracts that arise when the Group receives payments from customers in line with a series of performance related milestones. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.16 Contract assets and contract liabilities (cont'd)

If the milestone payment exceeds the revenue recognised to date under the cost-to-cost method, then the Group recognises a contract liability for the difference. There is not considered to be a significant financing component in construction contracts with customers as the period between the recognition of revenue under the cost-to-cost method and the milestone payment is always less than one year.

#### 3.17 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of LPG is based on weighted average method, whilst the cost of other type of inventories is based on first-in, first-out method. The cost of inventories includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

#### 3.18 Provisions

Provisions are made when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a realisable estimate of the amount can be made.

At the end of the reporting period, the provisions are reviewed by the Directors and adjusted to reflect the current best estimate. The provisions are reversed if they are no longer probable that the Group and the Company will be required to settle the obligation.

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

#### 3.19 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

#### 3.20 Leases

##### (a) As lessee

The Group and the Company assess whether a contract is or contains a lease, at inception of the contract. The Group and the Company recognise a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as photocopier and small items of office equipment). For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.20 Leases (cont'd)

##### (a) As lessee (cont'd)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use their incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statements of financial position. The total amount of cash paid is separated into a principal portion (presented within financing activities) and interest (presented within operating activities) in the statements of cash flows.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payment made.

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group and the Company did not make any such adjustments during the financial years presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group and the Company incur an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under MFRS 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group and the Company expect to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.20 Leases (cont'd)

##### (a) As lessee (cont'd)

The right-of-use assets are presented as a separate line in the statements of financial position. The Group and the Company apply MFRS 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 3.14.

As a practical expedient, MFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group and the Company have not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group and the Company allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (below RM20,000), the Group and the Company have opted to recognise a lease expense on a straight-line basis as permitted by MFRS 16. This expense is recognised in profit or loss.

##### (b) As lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Group enters into lease agreements with its customers as a lessor with respect to LPG storage tanks located at the customers' premises.

Finance lease income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies MFRS 15 to allocate the consideration under the contract to each component.

#### 3.21 Non-current assets (or disposal groups) held for sale and discontinued operation

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Immediately before classification as held for sale, the measurement of the non-current assets (or all the assets and liabilities in a disposal group) is brought up to date in accordance with applicable MFRSs. Then, on initial classification as held for sale, non-current assets or disposal groups (other than deferred tax assets, employee benefits assets, financial assets and inventories) are measured at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single coordinated major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 3.21 Non-current assets (or disposal groups) held for sale and discontinued operation (cont'd)

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interests in its former subsidiary after the sale.

#### 3.22 Derivative financial instruments

All derivative instruments are recognised in the statements of financial position on the trade date at the transaction price and are remeasured to fair value at the end of the reporting period.

Unmatured forward exchange contracts are valued at forward rates at the end of the reporting period, applicable to their respective dates of maturity, and unrealised losses and gains are recognised in profit or loss.

The fair value changes are attributable to changes in foreign exchange spot and forward rate. Forward currency contracts are valued using valuation obtained from counterparties.

#### 3.23 Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

#### 3.24 Segment reporting

For management purposes, the Group is organised into operating divisions based on their products and services which are independently managed by the respective division's head who is responsible for the performance of their divisions. The division heads report directly to the group managing director, the decision maker who regularly reviews the division results in order to allocate resources to the divisions and to assess the division performance. Additional disclosures on each of these divisions are shown in Note 39, including the factors used to identify the reportable divisions and the measurement basis of segment information.

#### 3.25 Statements of Cash Flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

Cash and cash equivalents, which comprise unpledged deposits with licensed banks and other financial institutions and cash on hand and at bank, are short-term, highly liquid investments and are readily convertible to cash with insignificant risks of changes in value.

### 4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

#### 4.1 Critical judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following critical judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

##### (a) Continuing operations assumption upon loss of control of KUB Sepadu Sdn Bhd ('KUBS')

As disclosed in Note 40, pending the conclusion of the stay of execution of the winding up order, the liquidators have given undertaking to the High Court ('the Court') not to dispose of any assets of KUBS and to stay the operational handover. Following this, KUBS is still carrying on its business operations as usual.

## NOTES TO THE FINANCIAL STATEMENTS

### 4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

#### 4.1 Critical judgements made in applying accounting policies (cont'd)

##### (a) Continuing operations assumption upon loss of control of KUB Sepadu Sdn Bhd ('KUBS') (cont'd)

The Group considered investment in KUBS does not meet the criteria to be classified as held for sale or discontinued operation as per *MFRS 5 Non-current Assets Held for Sale and Discontinued Operations ('MFRS 5')* for the following reasons:

- The assets of KUBS are not available for immediate sale in the present condition and circumstances
- No active programme or committed plan to sell the assets of KUBS have been initiated

The Group has therefore determined continuing operations assumption as carrying amounts of the assets of KUBS will be expected to be recovered principally through continuing use in the business rather than through a sale transaction.

##### (b) Classification between investment in an associate and other investment upon loss of control of KUBS

The Group has lost control over KUBS upon the winding up order by the Court on 15 June 2022, as the Group no longer met the elements of control as per *MFRS 10 Consolidated Financial Statements ('MFRS 10')*.

The Group subsequently determines that it has significant influence over KUBS at that date by virtue of the following:

- 60% investment in KUBS is still retained;
- Power to participate in the financial and operating decision making of KUBS including provision of essential technical information through the key management personnel from the Group; and
- KUBS is dependent on the Group for the continued existence of business through its manpower sharing arrangements.

The Group has therefore classified KUBS as its associate and the financial results subsequent to 15 June 2022 are incorporated in these financial statements using the equity method of accounting. At the initial recognition, the Group has determined the fair value of investment in KUBS at RM45,715,000 using a discounted cash flow model as disclosed in Note 19.

#### 4.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### (a) Impairment of investments in subsidiaries (Note 18) and associates (Note 19)

The Company assesses whether there is any indication that investments in subsidiaries and associates may be impaired at the end of each reporting period. If indicators are present, these assets are subject to an impairment review. The impairment review comprises a comparison of the carrying amount of the assets and the assets' estimated recoverable amount.

The Company determines whether investments are impaired following certain indications of impairment such as, amongst others, significant changes with adverse effects on the investment and deteriorating financial performance of the investment due to observed changes and fundamentals. Depending on their nature and the industries in which the investments relate to, judgements are made by management to select suitable methods of valuation such as the discounted cash flow method.

Once a suitable method of valuation is selected, management makes certain assumptions concerning the future to estimate the recoverable amount of the investment. These assumptions and other key sources of estimation uncertainty at the end of the reporting period, may have a significant risk of causing a material adjustment to the carrying amounts of the investments within the next financial year.

## 4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

### 4.2 Key sources of estimation uncertainty (cont'd)

#### (a) Impairment of investments in subsidiaries (Note 18) and associates (Note 19) (cont'd)

Depending on the specific individual investment, assumptions made by management may include, amongst others, assumptions on expected future cash flows, revenue growth, discount rate used for purposes of discounting future cash flows which incorporates the relevant risks, and expected future outcome of certain past events.

During the financial year, the Company has recognised an impairment loss in investment in subsidiaries of RM8,123,000 (2021: RM27,360,000) (Note 18(b)).

#### (b) Construction contracts

ICT and power related business recognise construction contracts revenue and expenses in profit or loss using the stage of completion method. The stage of completion is determined by the proportion that construction contract costs incurred for work performed to date over the total construction contract costs i.e input method.

Significant judgement is required in determining the stage of completion, the extent of the construction costs incurred, the estimated total construction contract revenue and costs, as well as the recoverability of the construction project. In making the judgement, the Group evaluates based on past experience, external economic factor and by relying on the work of specialists.

The construction contracts revenue and expenses recognised in profit or loss are disclosed in Note 5 and Note 6, respectively.

#### (c) Impairment for expected credit losses (ECLs) of trade receivables, contract assets (Note 24) and finance lease receivables (Note 17)

The Group uses a provision matrix to calculate ECLs for trade receivables, contract assets and finance lease receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., nature of project undertaking, product type, customer type and rating, and coverage by bank guarantee or other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 24, and finance lease receivables in Note 17.

#### (d) Fair value of investment retained in KUBS

In determining the fair value of investment retained in KUBS, the Group uses discounted cash flow method with the following assumptions:-

- (i) The annual projected revenue is derived from FFB harvested of adjusted oil palm site yield potential after taking into considerations the size of matured area, oil palm age, area, oil palm planting density, average FFB price and several other risk factors.
- (ii) Annual growth rates of CPO prices at 1% from five (5) years average historical data.
- (iii) The discount rate is based on observed rate of return for comparable assets that are traded in the market and is derived from its weighted average cost of capital, determined using a Capital Asset Pricing Model at 11.7%.
- (iv) The expected future cash flow includes the effect of replanting costs and the timing of the exercise.

Based on the above, the Group has determined the fair value of investment in KUBS at initial recognition of RM45,715,000.

## NOTES TO THE FINANCIAL STATEMENTS

### 5. REVENUE

Revenue comprise of the following:

	Group		Company	
	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000
Revenue from contract with customers	544,834	579,745	2,918	4,972
Revenue from other sources:				
- rental income (Note 17)	2,533	3,645	-	-
- finance lease income (Note 17)	314	471	-	-
Dividend income from:				
- subsidiaries	-	-	7,350	126,070
- others	282	176	282	176
	<b>547,963</b>	<b>584,037</b>	<b>10,550</b>	<b>131,218</b>

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following divisions. This is consistent with the revenue information that is disclosed for each reportable division under MFRS 8 Operating Segments (see Note 39):

#### Disaggregation of revenue from contracts with customers

Group 1.7.2021 to 30.6.2022 (12 months)	LPG RM'000	Agro RM'000	Others RM'000	Total RM'000
Sale of LPG*	482,884	-	-	482,884
Sale of equipment	-	-	4,887	4,887
Sale of FFB	-	44,233	-	44,233
Maintenance services	-	-	9,944	9,944
Construction contracts	-	-	2,603	2,603
Others	-	-	283	283
	<b>482,884</b>	<b>44,233</b>	<b>17,717</b>	<b>544,834</b>

Timing of revenue recognition:

- at a point in time	482,884	44,233	12,975	540,092
- over time	-	-	4,742	4,742
	<b>482,884</b>	<b>44,233</b>	<b>17,717</b>	<b>544,834</b>

Group 1.1.2020 to 30.6.2021 (18 months)	LPG RM'000	Agro RM'000	Others RM'000	Total RM'000
Sale of LPG*	450,555	-	-	450,555
Sale of equipment	-	-	21,283	21,283
Sale of FFB	-	82,756	-	82,756
Maintenance services	-	-	10,576	10,576
Construction contracts	-	-	13,553	13,553
Others	-	-	1,022	1,022
	<b>450,555</b>	<b>82,756</b>	<b>46,434</b>	<b>579,745</b>

Timing of revenue recognition:

- at a point in time	450,555	82,756	30,374	563,685
- over time	-	-	16,060	16,060
	<b>450,555</b>	<b>82,756</b>	<b>46,434</b>	<b>579,745</b>

\* Revenue represents the value of goods sold inclusive of government subsidies, net of applicable incentives and rebates.

**5. REVENUE** (cont'd)

The Company's revenue from contract with customers comprises of management services to subsidiaries, which are recognised at the point in time as and when the services are rendered.

The transaction price allocated to (partially) unsatisfied performance obligations at 30 June 2022 and 30 June 2021 are set out as below:

	Group	
	2022	2021
	RM'000	RM'000
Construction contracts	-	1,257

**6. COST OF SALES**

	Group	
	1.7.2021 to 30.6.2022 (12 months)	1.1.2020 to 30.6.2021 (18 months)
	RM'000	RM'000
Cost of inventories sold	487,238	495,444
Cost of construction services	2,465	13,581
Cost of maintenance services	9,032	8,322
Others	1,772	2,528
	<b>500,507</b>	519,875

**7. FINANCE INCOME**

	Group		Company	
	1.7.2021 to 30.6.2022 (12 months)	1.1.2020 to 30.6.2021 (18 months)	1.7.2021 to 30.6.2022 (12 months)	1.1.2020 to 30.6.2021 (18 months)
	RM'000	RM'000	RM'000	RM'000
Finance income from:				
- subsidiaries	-	-	84	759
- banks and other financial institutions	4,281	5,713	2,967	2,987
	<b>4,281</b>	5,713	<b>3,051</b>	3,746

## NOTES TO THE FINANCIAL STATEMENTS

### 8. FINANCE COSTS

	Group		Company	
	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000
Finance costs on:				
- bank borrowings	715	4,957	-	-
- lease liabilities (Note 17)	162	214	42	17
- obligations under hire purchase	2	30	-	4
- intercompany advances	-	-	324	-
	<b>879</b>	5,201	<b>366</b>	21

### 9. PROFIT BEFORE ZAKAT AND TAXATION

The profit before zakat and taxation has been arrived at after charging the following expenses:

	Group		Company	
	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000
Employee benefits expense (a)	20,049	25,867	3,598	6,746
Depreciation of:				
- property, plant and equipment (Note 15)	15,137	25,385	463	1,205
- investment properties (Note 16)	716	757	345	207
- right-of-use assets (Note 17)	1,388	1,227	455	151
Loss on disposal of a subsidiary (Note 18(e)(iii))	-	18,815	-	26,649
Provision for liquidated ascertained damages (Note 26(c))	-	2,356	-	-
Non-executive Directors' remuneration (Note 11)	688	1,032	602	986
Auditor's remuneration (Note 10)	557	780	222	317
Allowance for impairment:				
- trade and other receivables (Note 24)	964	6,481	-	-
- property, plant and equipment (Note 15)	522	116	-	116
- contract assets (Note 24)	-	111	-	-
- investment in subsidiaries (Note 18 (b))	-	-	8,123	27,360
- advance to subsidiaries (Note 18 (c))	-	-	-	40
- financial guarantee (Note 18(f))	-	-	-	781
Property, plant and equipment written off	105	522	-	188
Reduction in unguaranteed residual value (Note 17)	-	285	-	-
Unrealised loss on foreign exchange	13	246	-	-
Loss on fair value changes in investment in unquoted shares	-	228	-	228
Inventories written off/down	154	97	-	-
Realised loss on foreign exchange	1	41	-	-
Loss on fair value changes of derivatives instruments	5	18	-	-

**9. PROFIT BEFORE ZAKAT AND TAXATION** (cont'd)

Profit before zakat and taxation has been arrived at after crediting the following income:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Gain on disposal of non-current assets held for sale (Note 13)	-	123,490	-	969
Gain on deconsolidation of a subsidiary (Note 40)	<b>1,141</b>	-	-	-
Gain on disposal of associate company (Note 19)	-	30,518	-	71,000
Gain on fair value changes in investment in unquoted shares	<b>111</b>	-	<b>111</b>	-
Gain on disposal of investment properties	-	8,237	-	-
Realised gain on short-term investment	<b>2,969</b>	1,479	<b>2,969</b>	1,479
Gain on fair value changes in biological assets (Note 22)	<b>209</b>	1,160	-	-
Gain on disposal of property, plant and equipment	<b>71</b>	168	-	10
Forfeiture of deposits payable	-	805	-	-
Rental income	<b>12</b>	256	<b>404</b>	458
Reversal of provision for liquidated ascertained damages (Note 26(c))	<b>179</b>	-	-	-
Reversal of impairment of :				
- advance to subsidiaries (Note 18(c))	-	-	-	8,375
- amount due from subsidiaries (Note 23)	-	-	<b>560</b>	1,472
- trade and other receivables (Note 24)	<b>3,178</b>	288	-	-
- contract assets (Note 24)	<b>120</b>	-	-	-
Realised gain on foreign exchange - net	-	5	-	-

**(a) Employee Benefits Expenses**

The employee benefit expenses are as follows:

	Group		Company	
	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000
Wages, bonuses and salaries	<b>14,324</b>	19,291	<b>2,968</b>	4,997
Contributions to defined contribution plans	<b>1,577</b>	2,264	<b>319</b>	550
Social security contributions	<b>113</b>	168	<b>16</b>	28
Other benefits	<b>4,035</b>	4,144	<b>295</b>	1,171
	<b>20,049</b>	25,867	<b>3,598</b>	6,746

The above also includes the Group's and Company's Executive Director's remuneration amounting to RM3,082,000 and RM1,113,000 (2021: RM2,706,000 and RM648,000) respectively as disclosed in Note 11.

## NOTES TO THE FINANCIAL STATEMENTS

### 10. AUDITOR'S REMUNERATION

Details of auditor's remuneration are as follows:

	Group		Company	
	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000
Auditor's remuneration:				
Statutory audits				
- to the Company's auditors	338	380	145	153
- to other firms of auditors	18	24	-	-
Other services				
- to the Company's auditors*	190	259	70	59
- to other firms of auditors	11	117	7	105
<b>Total auditor's remuneration</b>	<b>557</b>	<b>780</b>	<b>222</b>	<b>317</b>

\* Fees for other services to the Company's auditors, Deloitte PLT and its other member firms in the year/period were incurred in relation to tax compliance and advisory services, transfer pricing documentations, agreed-upon procedures and review of Statement of Risk Management and Internal Control.

### 11. DIRECTORS' REMUNERATION

The details of remuneration for the Group's and the Company's Directors during the financial year/period are as follows:

	Group		Company	
	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000
Executive Director:				
Salaries and other emoluments	2,795	2,425	994	572
Defined contribution plans	287	281	119	76
<b>Total executive Director's remuneration excluding benefits-in-kind</b>	<b>3,082</b>	<b>2,706</b>	<b>1,113</b>	<b>648</b>
Estimated money value of benefits-in-kind	51	44	22	17
	<b>3,133</b>	<b>2,750</b>	<b>1,135</b>	<b>665</b>
Non-executive Directors:				
Fees	500	765	500	750
Allowances	188	167	102	136
Ex-gratia	-	100	-	100
<b>Total non-executive Directors' remuneration excluding benefits-in-kind (Note 9)</b>	<b>688</b>	<b>1,032</b>	<b>602</b>	<b>986</b>
Estimated money value of benefits-in-kind	90	117	90	116
	<b>778</b>	<b>1,149</b>	<b>692</b>	<b>1,102</b>
<b>Total Directors' remuneration excluding benefits-in-kind</b>	<b>3,770</b>	<b>3,738</b>	<b>1,715</b>	<b>1,634</b>
Estimated money value of benefits-in-kind	141	161	112	133
<b>Total Directors' remuneration</b>	<b>3,911</b>	<b>3,899</b>	<b>1,827</b>	<b>1,767</b>

## 12. TAXATION

### Major components of income tax expense

The major components of income tax expense for the year ended 30 June 2022 and period ended 30 June 2021 are as follows:

	Group		Company	
	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000
Estimated income tax:				
- Current year/period	7,763	6,789	-	-
- Under provision in prior years/periods	109	10	-	-
	<b>7,872</b>	6,799	-	-
Deferred tax (Note 28)				
- Origination of temporary differences	1,190	2,435	-	-
- Under provision in prior years/periods	5	78	-	-
	<b>1,195</b>	2,513	-	-
<b>Total</b>	<b>9,067</b>	9,312	-	-

The numerical reconciliations of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	Group		Company	
	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000
Profit before zakat and taxation	33,173	167,791	1,828	154,996
Tax expenses at the statutory tax rate of 24% (2021: 24%)	7,962	40,270	439	37,199
Income not subject to tax	(2,077)	(35,739)	(2,919)	(49,283)
Net effect of expenses not deductible for tax purposes	5,749	4,170	3,384	12,662
Effect on share of results of associate	20	924	-	-
Deferred tax assets not recognised during the financial year	932	714	-	-
Effect of utilisation of previously unrecognised tax losses and capital allowances	(3,633)	(1,115)	(904)	(578)
Under provision of tax expense in prior years/periods	109	10	-	-
Under provision of deferred tax in prior years/periods	5	78	-	-
<b>Tax expense for the year/period</b>	<b>9,067</b>	9,312	-	-

## NOTES TO THE FINANCIAL STATEMENTS

### 13. NON-CURRENT ASSETS HELD FOR SALE

The movements of the non-current assets held for sale for the current year and previous period are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At beginning of year/period	-	1,840	-	1,840
Transfer from investment property (Note 16)	2,711	-	-	-
Transfer from property, plant and equipment (Note 15)	-	17,004	-	-
Transfer from biological assets (Note 22)	-	778	-	-
Disposals	-	(19,622)	-	(1,840)
At end of year/period	2,711	-	-	-

#### Non-current assets held for sale in current financial year

- (i) On 20 May 2022, KUB Agro Holdings Sdn Bhd ('KUBAH') had entered into a sale and purchase agreement with a third party for the disposal of shop offices in Shah Alam, Selangor for a sale consideration of RM3,700,000. The carrying amount of the said property is RM2,711,000.

#### Non-current assets held for sale in prior period

- (i) On 26 February 2020, the Company had disposed of an office floor located at Oasis Square, Ara Damansara with a net sale consideration of RM2,809,000. The gain on disposal of RM969,000 was recognised in profit or loss as disclosed in Note 9.
- (ii) On 10 June 2020, KUBAH, a wholly-owned subsidiary of KUB Ekuiti Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company, had entered into a conditional Sale and Purchase Agreement with Beradin Plantation Sdn Bhd for the disposal of two oil palm estates known as Kahang Estate and Sungai Yong Estate measuring in aggregate 2,656.16 hectares for a total net cash consideration of RM140,303,000, after real property gains tax and other transaction costs amounting to RM17,697,000. The carrying amount of the said two oil palm estates was RM17,782,000. The disposal was completed on 2 April 2022 with a net gain on disposal of RM122,521,000 as disclosed in Note 9.

#### 14. EARNINGS PER ORDINARY SHARE

Basic and diluted earnings per ordinary share is calculated by dividing earnings for the year/period, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The following tables reflect the earnings and share data used in the computation of basic and diluted earnings per share for the year ended 30 June 2022 and period ended 30 June 2021:

	<b>Group</b> <b>1.7.2021 to</b> <b>30.6.2022</b> <b>(12 months)</b> <b>RM'000</b>	<b>1.1.2020 to</b> <b>30.6.2021</b> <b>(18 months)</b> <b>RM'000</b>
Profit net of taxation attributable to owners of the Company used in the computation of basic and diluted earnings per share	<b>18,284</b>	155,562
	<b>2022</b> <b>in '000</b>	<b>Group</b> <b>2021</b> <b>in '000</b>
Weighted average number of ordinary shares for basic and diluted earnings per share computation	<b>556,465</b>	556,465
	<b>1.7.2021 to</b> <b>30.6.2022</b> <b>(12 months)</b> <b>Sen</b>	<b>1.1.2020 to</b> <b>30.6.2021</b> <b>(18 months)</b> <b>Sen</b>
Basic and diluted earnings per share attributable to the owners of the Company	<b>3.29</b>	27.96

## NOTES TO THE FINANCIAL STATEMENTS

### 15. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Leasehold land RM'000	Bearer plants RM'000	Factory and buildings RM'000	Plant, renovation, cylinders and equipment RM'000	Motor vehicles RM'000	Assets under construction RM'000	Total RM'000
<b>Cost</b>								
At 1 July 2021	332	35,747	69,922	38,934	159,011	2,578	1,754	308,278
Additions	-	-	1,407	2,127	14,581	-	1,030	19,145
Disposals	-	-	-	-	(449)	-	-	(449)
Deconsolidation of a subsidiary (Note 40)	-	(9,765)	(71,329)	(12,581)	(517)	(967)	-	(95,159)
Written off	-	-	-	(117)	(10,376)	(118)	-	(10,611)
Reclassification	-	-	-	-	1,620	-	(1,620)	-
Transfer to investment property (Note 16)	-	-	-	(2,189)	-	-	-	(2,189)
At 30 June 2022	332	25,982	-	26,174	163,870	1,493	1,164	219,015

## 15. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold land RM'000	Leasehold land RM'000	Bearer plants RM'000	Factory and buildings RM'000	Plant, renovation, cylinders and equipment RM'000	Motor vehicles RM'000	Assets under construction RM'000	Total RM'000
<b>Accumulated depreciation and impairment</b>								
At 1 July 2021								
Accumulated depreciation	-	4,040	35,171	10,551	104,104	475	-	154,341
Accumulated impairment losses	-	6,958	-	-	116	-	-	7,074
	-	10,998	35,171	10,551	104,220	475	-	161,415
Depreciation charge for the year	-	206	2,835	1,287	8,848	1,961	-	15,137
Impairment losses charge for the year	-	-	-	-	-	-	522	522
Deconsolidation of a subsidiary (Note 40)	-	(4,246)	(38,006)	(1,597)	(471)	(909)	-	(45,229)
Disposals	-	-	-	-	(405)	-	-	(405)
Written off	-	-	-	(98)	(10,290)	(118)	-	(10,506)
Transfer to investment property (Note 16)	-	-	-	(415)	-	-	-	(415)
At 30 June 2022								
Accumulated depreciation	-	-	-	9,728	101,786	1,409	-	112,923
Accumulated impairment losses	-	6,958	-	-	116	-	522	7,596
	-	6,958	-	9,728	101,902	1,409	522	120,519
<b>Net carrying amount</b>	<b>332</b>	<b>19,024</b>	<b>-</b>	<b>16,446</b>	<b>61,968</b>	<b>84</b>	<b>642</b>	<b>98,496</b>
At 30 June 2022								

## NOTES TO THE FINANCIAL STATEMENTS

### 15. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold land RM'000	Leasehold land RM'000	Bearer plants RM'000	Factory and buildings RM'000	Plant, renovation, cylinders and equipment RM'000	Motor vehicles RM'000	Assets under construction RM'000	Total RM'000
<b>Cost</b>								
At 1 January 2020	332	122,378	115,583	51,167	149,513	4,142	-	443,115
Additions	-	150	984	5,432	16,035	2	1,754	24,357
Disposals	-	-	-	(441)	(1,591)	(615)	-	(2,647)
Disposal of a subsidiary (Note 18(e)(iii))	-	(78,622)	(25,805)	-	(304)	(878)	-	(105,609)
Written off	-	-	-	(14)	(4,219)	(73)	-	(4,306)
Transfer to investment property (Note 16)	-	(870)	-	(11,847)	-	-	-	(12,717)
Transfer to non-current assets held for sale (Note 13)	-	(7,289)	(20,840)	(5,363)	(423)	-	-	(33,915)
At 30 June 2021	332	35,747	69,922	38,934	159,011	2,578	1,754	308,278

## 15. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold land RM'000	Leasehold land RM'000	Bearer plants RM'000	Factory and buildings RM'000	Plant, renovation, cylinders and equipment RM'000	Motor vehicles RM'000	Assets under construction RM'000	Total RM'000
<b>Accumulated depreciation and impairment</b>								
At 1 January 2020								
Accumulated depreciation	-	5,936	45,711	14,455	94,986	927	-	162,015
Accumulated impairment losses	-	6,958	-	187	20	-	-	7,165
	-	12,894	45,711	14,642	95,006	927	-	169,180
Depreciation charged for the period	-	546	7,150	2,178	14,836	675	-	25,385
Impairment losses charged for the period	-	-	-	-	116	-	-	116
Disposals - depreciation	-	-	-	(80)	(1,437)	(493)	-	(2,010)
- impairment	-	-	-	(187)	(20)	-	-	(207)
Disposal of a subsidiary (Note 18(e)(iii)) - depreciation	-	(573)	(6,448)	-	(188)	(561)	-	(7,770)
Written off	-	-	-	(6)	(3,705)	(73)	-	(3,784)
Transfer to investment property (Note 16)	-	(199)	-	(2,385)	-	-	-	(2,584)
Transfer to non-current assets held for sale (Note 13)	-	(1,670)	(11,242)	(3,611)	(388)	-	-	(16,911)
At 30 June 2021								
Accumulated depreciation	-	4,040	35,171	10,551	104,104	475	-	154,341
Accumulated impairment losses	-	6,958	-	-	116	-	-	7,074
	-	10,998	35,171	10,551	104,220	475	-	161,415
<b>Net carrying amount</b>								
At 30 June 2021	332	24,749	34,751	28,383	54,791	2,103	1,754	146,863

## NOTES TO THE FINANCIAL STATEMENTS

### 15. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	Freehold buildings RM'000	Office renovation and equipment RM'000	Motor vehicles RM'000	Total RM'000
<b>Cost</b>				
At 1 July 2021	-	6,757	468	7,225
Additions	-	69	-	69
Written off	-	(167)	-	(167)
At 30 June 2022	-	6,659	468	7,127
<b>Accumulated depreciation and impairment</b>				
At 1 July 2021				
Accumulated depreciation	-	4,623	468	5,091
Accumulated impairment losses	-	116	-	116
	-	4,739	468	5,207
Depreciation charged for the year	-	463	-	463
Written off	-	(167)	-	(167)
At 30 June 2022				
Accumulated depreciation	-	4,919	468	5,387
Accumulated impairment losses	-	116	-	116
	-	5,035	468	5,503
<b>Net carrying amount</b>				
At 30 June 2022	-	1,624	-	1,624

**15. PROPERTY, PLANT AND EQUIPMENT** (cont'd)

Company	Freehold buildings RM'000	Office renovation and equipment RM'000	Motor vehicles RM'000	Total RM'000
<b>Cost</b>				
At 1 January 2020	13,553	8,096	468	22,117
Additions	-	2,309	-	2,309
Disposals	-	(31)	-	(31)
Written off	-	(3,617)	-	(3,617)
Transfer to investment properties (Note 16)	(13,553)	-	-	(13,553)
At 30 June 2021	-	6,757	468	7,225
<b>Accumulated depreciation and impairment</b>				
At 1 January 2020				
Accumulated depreciation	1,948	7,302	344	9,594
Accumulated impairment losses	-	-	-	-
	1,948	7,302	344	9,594
Depreciation charged for the period	307	774	124	1,205
Impairment losses charged for the period	-	116	-	116
Disposals	-	(24)	-	(24)
Written off	-	(3,429)	-	(3,429)
Transfer to investment properties (Note 16)	(2,255)	-	-	(2,255)
At 30 June 2021				
Accumulated depreciation	-	4,623	468	5,091
Accumulated impairment losses	-	116	-	116
	-	4,739	468	5,207
<b>Net carrying amount</b>				
At 30 June 2021	-	2,018	-	2,018

Assets under construction

Assets under construction of the Group include costs in relation to requalification of liquefied petroleum gas storage tank amounting to RM642,000. In the previous period, the assets under construction included construction of a storage tank facility for liquefied petroleum gas of RM1,620,000 which was completed in the current year and cost related to refrigerated liquid terminal facility of RM134,000.

Impairment loss on assets

The impairment loss of the Group for the current year mainly relates to costs of refrigerated liquid terminal facility of RM522,000 which the management has temporarily put on hold.

The impairment loss of the Company for the previous period mainly relates to impairment of office equipment of RM116,000.

Assets written off

The assets that were written off by the Group and the Company in the current year are mainly in relation to office renovation and equipment amounting to RM105,000 and RMNil (2021: RM522,000 and RM188,000).

## NOTES TO THE FINANCIAL STATEMENTS

### 15. PROPERTY, PLANT AND EQUIPMENT (cont'd)

#### Assets pledged as security

As at 30 June 2022, the freehold and leasehold land, and factory and buildings of the Group with a total carrying amount of RM75,832,000 (2021: RM79,706,000) are pledged to banks as security for borrowings as disclosed in Note 27.

#### Assets held under hire purchase

The carrying amount of assets held under hire purchase of the Group at the end of the reporting period was RM22,000 (2021: RM42,000).

#### Acquisition of property, plant and equipment

Acquisition of property, plant and equipment by the Group and the Company during the financial year/period was through the following:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Payment by cash	19,145	19,555	69	2,309
Other payables and accrued expenses (Note 26)	-	4,802	-	-
At end of year/period	19,145	24,357	69	2,309

### 16. INVESTMENT PROPERTIES

Group	Freehold land and buildings RM'000	Leasehold land and buildings RM'000	Total RM'000
<b>Cost</b>			
At 1 July 2021	27,995	2,595	30,590
Transfer from property, plant and equipment (Note 15)	2,189	-	2,189
Transfer to non-current assets held for sale (Note 13)	(4,348)	-	(4,348)
At 30 June 2022	25,836	2,595	28,431
<b>Accumulated depreciation</b>			
At 1 July 2021	13,754	465	14,219
Depreciation charged for the year (Note 9)	675	41	716
Transfer from property, plant and equipment (Note 15)	415	-	415
Transfer to non-current assets held for sale (Note 13)	(1,637)	-	(1,637)
At 30 June 2022	13,207	506	13,713
<b>Net carrying amount</b>			
At 30 June 2022	12,629	2,089	14,718
<b>Fair value</b>			
	26,870	6,900	33,770

**16. INVESTMENT PROPERTIES** (cont'd)

<b>Group</b>	<b>Freehold land and buildings RM'000</b>	<b>Leasehold land and buildings RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>			
At 1 January 2020	27,805	1,725	29,530
Disposal	(11,657)	-	(11,657)
Transfer from property, plant and equipment (Note 15)	11,847	870	12,717
At 30 June 2021	27,995	2,595	30,590
<b>Accumulated depreciation and impairment losses</b>			
At 1 January 2020			
Accumulated depreciation	10,665	213	10,878
Accumulated impairment losses	7,269	-	7,269
	17,934	213	18,147
Depreciation charged for the period (Note 9)	704	53	757
Disposal - impairment	(7,269)	-	(7,269)
Transfer from property, plant and equipment (Note 15)	2,385	199	2,584
At 30 June 2021			
Accumulated depreciation	13,754	465	14,219
Accumulated impairment losses	-	-	-
	13,754	465	14,219
<b>Net carrying amount</b>			
At 30 June 2021	14,241	2,130	16,371
<b>Fair value</b>			
	26,240	6,700	32,940
<b>Company</b>			
<b>Cost</b>			
At 1 July 2021/30 June 2022			17,217
<b>Accumulated depreciation</b>			
At 1 January 2021			2,828
Depreciation charged for the year (Note 9)			345
At 30 June 2022			3,173
<b>Net carrying amount</b>			
At 30 June 2022			14,044
<b>Fair value</b>			
			24,650

## NOTES TO THE FINANCIAL STATEMENTS

### 16. INVESTMENT PROPERTIES (cont'd)

Company	Freehold buildings RM'000
<b>Cost</b>	
At 1 January 2020	3,664
Transfer from property, plant and equipment (Note 15)	13,553
At 30 June 2021	17,217
<b>Accumulated depreciation</b>	
At 1 January 2020	366
Depreciation charged for the period (Note 9)	207
Transfer from property, plant and equipment (Note 15)	2,255
At 30 June 2021	2,828
<b>Net carrying amount</b>	
At 30 June 2021	14,389
<b>Fair value</b>	<b>24,650</b>

The following were recognised in profit or loss in respect of investment properties:

	Group		Company	
	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000
Rental income	1,778	3,123	404	585
Direct operating expenses	1,325	2,528	76	104

#### Valuation of investment properties

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Fair value measurement using significant unobservable inputs (Level 3)</b>				
Fair value of investment properties	33,770	32,940	24,650	24,650

The fair values of the investment properties are based on a valuation carried out by a firm of independent professional valuers who have appropriate professional qualifications and recent experience in the relevant location and assets being valued. The fair value was determined using comparison method that reflects recent transaction prices involving identical or similar property and location adjusted, if necessary, for any difference in the nature, site facilities, size and shapes, accessibility, infrastructures available, improvements made on the site, rental income, occupancy rate, operating costs and condition of the specific assets.

#### Investment properties pledged as security

Freehold buildings of the Group and of the Company with net carrying amount of RM7,874,000 and RM14,044,00 (2021: RM6,294,000 and RM14,389,000) respectively, are pledged as security for borrowings as disclosed in Note 27.

**17. LEASES****(i) As lessee****Right-of-use assets**

<b>Group</b>	<b>Land premises RM'000</b>	<b>Equipment RM'000</b>	<b>Office premise RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>				
At 1 July 2021	4,254	178	1,365	5,797
Additions	-	1,709	-	1,709
Deconsolidation of a subsidiary (Note 40)	-	(1,578)	-	(1,578)
At 30 June 2022	4,254	309	1,365	5,928
<b>Accumulated depreciation</b>				
At 1 July 2021	(1,646)	(133)	(151)	(1,930)
Depreciation charged for the year (Note 9)	(658)	(274)	(456)	(1,388)
Deconsolidation of a subsidiary (Note 40)	-	184	-	184
At 30 June 2022	(2,304)	(223)	(607)	(3,134)
<b>Net carrying amount</b>				
At 30 June 2022	1,950	86	758	2,794

<b>Group</b>	<b>Land premises RM'000</b>	<b>Equipment RM'000</b>	<b>Office premise RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>				
At 1 January 2020	4,254	178	-	4,432
Additions	-	-	1,365	1,365
At 30 June 2021	4,254	178	1,365	5,797
<b>Accumulated depreciation</b>				
At 1 January 2020	(659)	(44)	-	(703)
Depreciation charged for the period (Note 9)	(987)	(89)	(151)	(1,227)
At 30 June 2021	(1,646)	(133)	(151)	(1,930)
<b>Net carrying amount</b>				
At 30 June 2021	2,608	45	1,214	3,867

The Group leases its office floor premise, forklifts for 3 years and two plots of lands to operate two of its bottling plants, where the lease term is 5 years and 15 years, respectively. One of the bottling plants was paid upfront for 15 years since the date of acquisition and with an option to renew the lease after that date. With the exception of short-term lease and lease of low value of underlying assets, each lease is reflected on the statements of financial position as a right-of-use asset and a lease liability.

## NOTES TO THE FINANCIAL STATEMENTS

### 17. LEASES (cont'd)

#### (i) As lessee (cont'd)

##### Right-of-use assets (cont'd)

<b>Company</b>	<b>Office premise RM'000</b>
<b>Cost</b>	
As at 1 July 2021/ As at 30 June 2022	1,365
<b>Accumulated depreciation</b>	
As at 1 July 2021	(151)
Depreciation charged for the year (Note 9)	(455)
At 30 June 2022	(606)
<b>Net carrying amount</b>	
At 30 June 2022	<b>759</b>
<b>Cost</b>	
At 1 January 2020	-
Additions	1,365
At 30 June 2021	1,365
<b>Accumulated depreciation</b>	
As at 1 January 2020	-
Depreciation charged for the period (Note 9)	(151)
At 30 June 2021	(151)
<b>Net carrying amount</b>	
At 30 June 2021	<b>1,214</b>

During the previous period, the Company had entered into a new lease agreement for the rental of office floor. The lease term is for a period of 3 years.

**17. LEASES** (cont'd)**(i) As lessee** (cont'd)**Lease liabilities**

<b>Group</b>	<b>Land premises RM'000</b>	<b>Equipment RM'000</b>	<b>Office premise RM'000</b>	<b>Total RM'000</b>
At 1 July 2021	2,102	46	1,235	3,383
Additions	-	1,709	-	1,709
Finance costs	91	29	42	162
Deconsolidation of a subsidiary (Note 40)	-	(1,408)	-	(1,408)
Repayments of lease liabilities	(628)	(260)	(416)	(1,304)
Repayments of finance costs	(91)	(29)	(42)	(162)
<b>At 30 June 2022</b>	<b>1,474</b>	<b>87</b>	<b>819</b>	<b>2,380</b>
At 1 January 2020	2,988	134	-	3,122
Additions	-	-	1,365	1,365
Finance costs	194	3	17	214
Repayments of lease liabilities	(886)	(88)	(130)	(1,104)
Repayments of finance costs	(194)	(3)	(17)	(214)
<b>At 30 June 2021</b>	<b>2,102</b>	<b>46</b>	<b>1,235</b>	<b>3,383</b>

There were no lease liabilities in relation to one of the bottling plants amounting to RM625,000 (2021: RM715,000) which were paid upfront for 15 years.

The maturity analysis of the lease liabilities is presented below:

<b>Group 2022</b>	<b>Land premises RM'000</b>	<b>Equipment RM'000</b>	<b>Office premise RM'000</b>	<b>Total RM'000</b>
Year 1	719	48	495	1,262
Year 2	719	40	354	1,113
Year 3	120	-	-	120
	<b>1,558</b>	<b>88</b>	<b>849</b>	<b>2,495</b>
Less: unearned interest	(84)	(1)	(30)	(115)
	<b>1,474</b>	<b>87</b>	<b>819</b>	<b>2,380</b>
<b>2021</b>				
Year 1	719	46	457	1,222
Year 2	719	-	495	1,214
Year 3	719	-	354	1,073
Year 4	120	-	-	120
	<b>2,277</b>	<b>46</b>	<b>1,306</b>	<b>3,629</b>
Less: unearned interest	(175)	-	(71)	(246)
	<b>2,102</b>	<b>46</b>	<b>1,235</b>	<b>3,383</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 17. LEASES (cont'd)

#### (i) As lessee (cont'd)

##### Lease liabilities (cont'd)

The maturity analysis of the lease liabilities is presented below (cont'd):

Group 2022	Land premises RM'000	Equipment RM'000	Office premise RM'000	Total RM'000
Less than one year	660	46	471	1,177
Between 1 year and 5 years	814	41	348	1,203
	<b>1,474</b>	<b>87</b>	<b>819</b>	<b>2,380</b>
<b>2021</b>				
Less than one year	627	46	415	1,088
Between 1 year and 5 years	1,475	-	820	2,295
	<b>2,102</b>	<b>46</b>	<b>1,235</b>	<b>3,383</b>

Amounts recognised in profit or loss are as follows:

Group Leases under MFRS 16	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000
Depreciation expense on right-of-use assets	1,388	1,227
Interest expense on lease liabilities	162	214
Expense relating to leases of low value assets	136	237

Amounts recognised in the statements of cash flows are as follows:

Group	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000
Total cash outflow for leases	<b>1,466</b>	1,318

**17. LEASES** (cont'd)**(i) As lessee** (cont'd)**Extension options**

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liabilities of RM2,131,000 (2021: RM2,131,000).

<b>Company</b>	<b>Office premise</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of year/period	1,235	-
Additions	-	1,365
Finance costs (Note 8)	42	17
Repayments of finance cost	(42)	(17)
Repayments of lease liabilities	(415)	(130)
At end of year/period	820	1,235

The maturity analysis of the lease liabilities is presented below:

<b>Company</b>	<b>Office premise</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Year 1	495	457
Year 2	354	495
Year 3	-	354
	849	1,306
Less: unearned interest	(29)	(71)
	820	1,235
Less than one year	471	415
Between 1 year and 3 years	349	820
	820	1,235

Amounts recognised in profit or loss are as follows:

<b>Company</b>	<b>1.7.2021 to</b>	<b>1.1.2020 to</b>
	<b>30.6.2022</b>	<b>30.6.2021</b>
	<b>(12 months)</b>	<b>(18 months)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Leases under MFRS 16</b>		
Depreciation expense on right-of-use assets	455	151
Interest expense on lease liabilities	42	17

## NOTES TO THE FINANCIAL STATEMENTS

### 17. LEASES (cont'd)

#### (i) As lessee (cont'd)

##### Extension options (cont'd)

Amounts recognised in the statements of cash flows are as follows:

<b>Company</b>	<b>1.7.2021 to 30.6.2022 (12 months) RM'000</b>	<b>1.1.2020 to 30.6.2021 (18 months) RM'000</b>
Total cash outflow for leases	<b>457</b>	147

#### (ii) As lessor

##### Finance lease receivables

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the end of the reporting period.

	<b>2022 RM'000</b>	<b>2021 RM'000</b>
<b>Amounts receivable under finance leases:</b>		
Year 1	<b>452</b>	452
Year 2	<b>452</b>	452
Year 3	<b>70</b>	452
Year 4	<b>3</b>	70
Year 5	<b>-</b>	3
Undiscounted lease receivables	<b>977</b>	1,429
Unguaranteed residual values	<b>647</b>	647
	<b>1,624</b>	2,076
Less: Unearned finance lease income	<b>(474)</b>	(767)
Present value of lease payment receivables	<b>1,150</b>	1,309
Net investment in the lease	<b>1,150</b>	1,309
<b>Undiscounted lease receivables analysed as:</b>		
Recoverable within 12 months	<b>452</b>	452
Recoverable after 12 months	<b>525</b>	977
	<b>977</b>	1,429
<b>Net investment in the lease analysed as:</b>		
Recoverable within 12 months	<b>194</b>	164
Recoverable after 12 months	<b>956</b>	1,145
	<b>1,150</b>	1,309

**17. LEASES** (cont'd)**(ii) As lessor** (cont'd)**Finance lease receivables** (cont'd)

The following table presents the movements in the net investment in lease receivables:

	Group	
	2022	2021
	RM'000	RM'000
At beginning of year/period	1,309	1,692
Additions during the year/period	-	90
Finance lease income recognised (Note 5)	314	471
Repayments of finance lease receivables	(473)	(659)
Reduction in unguaranteed residual value (Note 9)	-	(285)
At end of year/period	<b>1,150</b>	1,309

The Group entered into a business arrangement for the supply of liquefied petroleum gas ('LPG') via bulk tank system with the average term of 5 years.

The LPG is to be delivered and stored in the bulk tank system located at customers' location. The Group has classified this as part of finance lease considering that physical access to the bulk tank system is controlled by the customer. Generally, these lease contracts do not include extension or early termination options.

The Group estimates the loss allowance on finance lease receivables at the end of the reporting period at an amount equal to lifetime ECL. None of the finance lease receivables at the end of the reporting period is past due and taking into account the historical default experience and the future prospects of the industries in which the lessees operate.

There has been no change in the estimation techniques or significant assumptions made during the current financial year in assessing the loss allowance for finance lease receivables.

**Operating lease**

The Group has entered into commercial property leases on its properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. These leases have an average tenure of between one and three years.

Rental income recognised in profit or loss of the Group for the current financial year/period are as follows:

	Group	
	1.7.2021 to	1.1.2020 to
	30.6.2022	30.6.2021
	(12 months)	(18 months)
	RM'000	RM'000
Rental income		
- Investment properties (Note 16)	1,778	3,123
- Tower infrastructure	755	522
	<b>2,533</b>	3,645

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the end of the reporting period.

## NOTES TO THE FINANCIAL STATEMENTS

### 17. LEASES (cont'd)

#### (ii) As lessor (cont'd)

##### Operating lease (cont'd)

Future minimum lease receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2022 RM'000	2021 RM'000
Less than one year	1,616	1,608
Between one and five years	557	2,065
	<b>2,173</b>	<b>3,673</b>

### 18. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022 RM'000	2021 RM'000
Unquoted shares, at cost (a)	225,769	364,485
Less: Accumulated impairment losses (b)	<b>(66,470)</b>	(197,063)
	<b>159,299</b>	167,422
Advances to subsidiaries (c)	20,131	-
Less: Accumulated impairment losses	-	-
	<b>20,131</b>	-
Financial guarantees (f)	9,616	10,397
Less: Accumulated impairment losses	<b>(3,113)</b>	(3,894)
	<b>6,503</b>	6,503
	<b>185,933</b>	173,925

A list of the subsidiaries is shown in Note 41.

**18. INVESTMENTS IN SUBSIDIARIES** (cont'd)

(a) Movement of cost of unquoted shares are as follows:

	Company	
	2022 RM'000	2021 RM'000
At beginning of year/period	364,485	234,354
Additional for the year/period (18(e)(i))	-	141,858
Disposal of subsidiary (18(e)(iii))	-	(10,000)
Write-off of investment in subsidiaries (18(d) and 18(e)(iv))	(138,716)	(1,727)
At end of year/period	225,769	364,485

(b) Movement in impairment account for unquoted shares are as follows:

	Company	
	2022 RM'000	2021 RM'000
At beginning of year/period	197,063	34,572
Charged for the year/period (Note 9)	8,123	27,360
Transfer from impairment of advances to subsidiaries (Note 18(c))	-	136,858
Write-off of investment in subsidiaries (Note 18(d) and 18(e)(iv))	(138,716)	(1,727)
At end of year/period	66,470	197,063

(c) Advances to subsidiaries

The advances to subsidiaries have no fixed tenure and the Company does not expect repayment in the foreseeable future. Accordingly, the balances have been classified as part of investments in subsidiaries.

Movement in advance to subsidiaries are as follows:

	Company	
	2022 RM'000	2021 RM'000
At beginning of year/period	-	207,390
Addition for the year/period	22,153	9,954
Transfer to amount due from subsidiaries (Note 23)	-	(22,076)
Repayment for the year/period	(2,022)	(44,773)
Capitalised during the year/period (Note 18(e)(i))	-	(141,858)
Disposal during the year/period (Note 18(e)(iii))	-	(8,637)
At end of year/period	20,131	-

Included in the addition to the advance to subsidiary in the current financial year is debt novation from KUB Ekuiti Sdn Bhd to the Company amounting to RM20,957,000.

Movement in impairment account for advances to subsidiaries are as follows:

	Company	
	2022 RM'000	2021 RM'000
At beginning of year/period	-	145,193
Allowance of impairment (Note 9)	-	40
Transfer to impairment account for unquoted shares (Note 18(b))	-	(136,858)
Reversal of impairment on advances to subsidiaries (Note 18(e)(ii))	-	(8,375)
At end of year/period	-	-

## NOTES TO THE FINANCIAL STATEMENTS

### 18. INVESTMENTS IN SUBSIDIARIES (cont'd)

#### (d) Transactions during the financial year

##### (i) Member's voluntary winding up

During the financial year, a wholly owned subsidiary of the Company, Peramining Sdn Bhd ('Peramining') which is currently dormant, had resolved by way of member's voluntary winding up at its respective general meeting held on 14 June 2022 pursuant to Section 439 (1)(b) of the Companies Act, 2016. The investment in Peramining amounting to RM5,008,000 which was fully impaired in previous years had been written off by the Company during the year.

##### (ii) Strike off of dormant subsidiary

The Company's wholly owned subsidiary, namely Restoran Kualiti Sdn Bhd ('Restoran Kualiti') had been struck off from the register pursuant to Section 550 of the Companies Act, 2016 and was accordingly dissolved. Following this, the Company had written-off of its investment in Restoran Kualiti amounting to RM133,708,000 which was fully impaired in previous years had been written off by the Company during the year.

#### (e) Transactions during the previous year

##### (i) Subscription of new shares in the subsidiaries

The Company had increased its investment in subsidiaries amounting to RM141,858,000 by capitalising the advances made to the following subsidiaries:

Subsidiaries	Date of Allotment	No. of share (Units)	RM'000
Restoran Kualiti Sdn Bhd	11 June 2021	131,707,846	131,708
Cybertrek (Malaysia) Sdn Bhd	4 June 2020	5,149,973	5,150
KUB Malua Plantation Sdn Bhd	25 September 2020	5,000,000	5,000

Subsequently, the impairment losses provided for Restoran Kualiti Sdn Bhd and Cybertrek (Malaysia) Sdn Bhd amounting to RM136,858,000 previously, has been transferred to impairment account for unquoted shares.

##### (ii) Reversal of impairment

During the previous financial period, there was repayment from a subsidiary namely KUB Ekuiti Sdn Bhd amounting to RM8,375,000. The reversal of impairment has been recognised in profit or loss accordingly.

##### (iii) Disposal of a subsidiary

On 8 April 2021, the Company had entered into a Share Sale Agreement 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 of RM1 per share and shareholders advances of RM8,637,000 for a total cash consideration of RM10,549,000 as determined at the completion date. Upon the disposal of KUB Malua, the amount outstanding from the said company of RM18,561,000 had been written off, which had resulted in loss on disposal to the Group and the Company of RM18,815,000 and RM26,649,000 respectively which was recognised in profit or loss as disclosed in Note 9. The transaction was completed on 30 April 2021.

KUB Malua is principally involved in cultivation of oil palm and management of oil palm estates in Kinabatangan, Sabah.

**18. INVESTMENTS IN SUBSIDIARIES** (cont'd)

## (e) Transactions during the previous year (cont'd)

## (iii) Disposal of a subsidiary (cont'd)

Effect of disposal of KUB Malua to the financial position of the Group in the previous period were as follows:

	<b>2021</b> <b>RM'000</b>
Property, plant and equipment (Note 15)	97,839
Biological assets (Note 22)	599
Trade and other receivables	1,189
Cash and bank balances	3,641
Trade and other payables	(4,090)
Amount due to holding company	(18,561)
Borrowings (Note 27)	(69,814)
Net assets disposed	10,803
Non-recoverability of intercompany advances	18,561
Loss on disposal of a subsidiary (Note 9)	(18,815)
Proceeds from disposal	10,549
Less: Cash and cash equivalents	(3,641)
Cash flow on disposal, net of cash disposed of	6,908

## (iv) Member's voluntary winding up

On 8 February 2021, a 86.37% owned subsidiary of the Company, Pernida Berhad ('Pernida') had wound up by way of members' voluntary winding up pursuant to Section 439 (1)(b) of the Companies Act, 2016. Pernida is a dormant company and the investment in Pernida was fully impaired in previous years.

## (f) Financial guarantees

This amount relates to fair value of corporate guarantee provided by the Company to banks for banking facilities granted to subsidiaries in prior years and which have been capitalised as part of the investment in these subsidiary companies.

Movement in impairment:

	<b>Company</b>	
	<b>2022</b> <b>RM'000</b>	<b>2021</b> <b>RM'000</b>
At beginning of year/period	<b>3,894</b>	3,113
Charged for the year/period (Note 9)	-	781
Written off during the year	<b>(781)</b>	-
At end of year/period	<b>3,113</b>	3,894

## NOTES TO THE FINANCIAL STATEMENTS

### 19. INVESTMENT IN ASSOCIATES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unquoted shares, at cost	17,834	26,833	16,854	25,854
Addition during the year/period (Note 40)	45,715	-	-	-
Share of post-acquisition reserves	85	42,552	-	-
Disposal during the year/period	-	(51,551)	-	(9,000)
	<b>63,634</b>	17,834	<b>16,854</b>	16,854
Less: Accumulated impairment losses	<b>(17,834)</b>	(17,834)	<b>(16,854)</b>	(16,854)
	<b>45,800</b>	-	-	-

A list of the associates is shown in Note 42.

Following the winding up order by the Court as disclosed in Note 40, the Group has subsequently classified KUBS as an associate and the financial results are incorporated in these financial statements using the equity method of accounting. At the initial recognition, the Group has determined the fair value of investment in KUBS at RM45,715,000 using a discounted cash flow model.

The Group's equity ownership in KUBS remained at 60%.

The inputs into the discounted cash flow model are as follows:

Valuation technique and key input	Significant unobservable input
<p><b>Income approach.</b></p> <p>In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of KUBS.</p>	<p>(i) The annual projected revenue is derived from FFB harvested of adjusted oil palm site yield potential after taking into considerations the size of matured area, oil palm age, oil palm planting density, average FFB price and several other risk factors.</p> <p>(ii) Annual growth rates of CPO prices at 1% from five (5) years average historical data.</p> <p>(iii) The discount rate is based on observed rate of return for comparable assets that are traded in the market and is derived from its weighted average cost of capital, determined using a Capital Asset Pricing Model at 11.7%.</p> <p>(iv) The expected future cash flow includes the effect of replanting costs and the timing of the exercise.</p>

Summarised financial information in respect of the Group's material associate in the current financial year is set out below. The summarised financial information represents the amounts in the financial statements of the associate and not the Group's share of those amounts.

**19. INVESTMENT IN ASSOCIATES** (cont'd)**KUB Sepadu Sdn Bhd**

## (i) Summarised statement of financial position

	<b>KUB Sepadu Sdn Bhd 30.6.2022 RM'000</b>
Non-current assets	51,438
Current assets	31,897
<b>Total assets</b>	<b>83,335</b>
Non-current liabilities	7,322
Current liabilities	29,415
<b>Total liabilities</b>	<b>36,737</b>
<b>Total equity</b>	<b>46,598</b>

## (ii) Summarised statement of profit or loss and other comprehensive income

	<b>KUB Sepadu Sdn Bhd 16.6.2022 to 30.6.2022 15 days RM'000</b>
Revenue	2,493
Profit for the period	141
<b>The Group's share of profit</b>	<b>85</b>

## (iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associates.

	<b>KUB Sepadu Sdn Bhd 30.6.2022 15 days RM'000</b>
Net assets as at beginning of year	46,457
Increase in fair value of investment retained	29,735
Profit for the period	141
<b>Net assets as at 30 June</b>	<b>76,333</b>
Interest in associate	60%
<b>Carrying value of Group's interest in associates</b>	<b>45,800</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 19. INVESTMENT IN ASSOCIATES (cont'd)

Summarised financial information in respect of the Group's material associate in the previous financial period is set out below. The summarised financial information represents the amounts in the financial statements of the associate and not the Group's share of those amounts.

On 25 June 2020, the Company had disposed of 40% equity interest in KUB Berjaya Enviro Sdn Bhd ('KUBE') comprised 9,000,000 ordinary shares for a total cash consideration of RM80,000,000. The carrying amount of KUBE as at the date of disposal was RM49,482,000. The gain on disposal arising from this transaction for the Group and the Company was RM30,518,000 and RM71,000,000 respectively as disclosed in Note 9.

#### KUB Berjaya Enviro Sdn Bhd

(i) Summarised statement of financial position

	<b>25.6.2020</b> <b>RM'000</b>
Non-current assets	182,212
Current assets	35,241
<b>Total assets</b>	<b>217,453</b>
Non-current liabilities	49,192
Current liabilities	44,556
<b>Total liabilities</b>	<b>93,748</b>
<b>Total equity</b>	<b>123,705</b>

(ii) Summarised statement of profit or loss and other comprehensive income

	<b>1.1.2020 to</b> <b>25.6.2020</b> <b>(6 months)</b> <b>RM'000</b>
Revenue	37,601
Profit for the period	9,627
The Group's share of profit	3,851
Dividend received from the associates during the period	2,070

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associates.

	<b>25.6.2020</b> <b>(6 months)</b> <b>RM'000</b>
Net assets as at beginning of period	119,249
Profit for the period	9,631
Less: Dividend for the period	(5,175)
<b>Net assets as at 25 June</b>	<b>123,705</b>
Interest in associate	40%
<b>Carrying value of Group's interest in associates</b>	<b>49,482</b>

(iv) There is no financial information available for the associates that are not individually material as at 30 June 2021. These associates are dormant companies and the Group and the Company had fully impaired the carrying amount for these associates in profit or loss.

**20. OTHER INVESTMENTS**

	<b>Group/Company</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Investments in equity instruments designated as FVTOCI		
- quoted shares in Malaysia	<b>5,051</b>	5,195
Investments in equity instruments designated as FVTPL		
- unquoted shares	<b>1,540</b>	1,429
<b>Total other investments</b>	<b>6,591</b>	6,624

The investments in quoted shares are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, Company has elected to designate these investments in equity instruments as at FVTOCI as recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

The fair values of the unquoted shares have been estimated using a discounted dividend model. The valuation requires management to make certain assumptions about the model inputs, including growth rates and required rate of return.

**21. INVENTORIES**

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Raw materials	<b>5,409</b>	3,158
Finished goods	<b>10</b>	738
Consumables	<b>324</b>	340
<b>Total inventories</b>	<b>5,743</b>	4,236

Cost of inventories recognised as an expense during the year/period was RM487,238,000 (2021: RM495,444,000).

The cost of inventories recognised as an expense includes RM154,000 (2021: RM97,000) in respect of write-off/write-down of inventories to net realisable value.

**22. BIOLOGICAL ASSETS**

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of year/period	<b>1,057</b>	1,274
Gain from changes in fair value (Note 9)	<b>209</b>	1,160
Transferred to non-current assets held for sale (Note 13)	-	(778)
Deconsolidated of a subsidiary (Note 40)	<b>(1,266)</b>	-
Disposal of a subsidiary (Note 18(e)(iii))	-	(599)
<b>At end of year/period</b>	<b>-</b>	1,057

## NOTES TO THE FINANCIAL STATEMENTS

### 22. BIOLOGICAL ASSETS (cont'd)

The Group's biological assets consist of fresh fruit bunches ('FFB'). Each FFB takes approximately six (6) months from pollination to reach maximum oil content to be ready for harvesting. During the year ended 30 June 2022, the Group harvested 42,609 tonnes of FFB (2021: 140,558 tonnes) up to the date of deconsolidation of its subsidiary, KUBS on 15 June 2022. The quantity of unharvested FFB of the Group in the previous period of 30 June 2021 in the fair valuation of FFB was 1,868 tonnes.

In determining the fair values of unharvested FFB, the management has considered the oil content of the unripe FFB from the week after pollination to the week prior to harvest and derived the assumption that the net cash flows to be generated from FFB prior to more than 15 days to harvest is negligible. Therefore, quantity of unripe FFB on bearer plant of up to 15 days prior to harvest was used for valuation purpose. The value of the unripe FFB was estimated to be approximately 80% of the ripe FFB, based on actual oil extraction rate and kernel extraction rate of the unripe FFB from the laboratory tests. Costs to sell include harvesting cost and transport.

FFB valuation have been classified as level 3 in the fair value hierarchy. The fair value of FFB is determined using a discounted cash flow model with reference to the market value of crude palm oil at the date of harvest, adjusted for extraction rates, transportation and other costs to sell at the point of harvest. Changes to the assumed prices of the FFB and tonnage included in the valuation will have a direct effect on the reported valuation.

### 23. AMOUNT DUE FROM/(TO) SUBSIDIARIES

	Company	
	2022	2021
	RM'000	RM'000
<b>Non-current</b>		
Amount due from subsidiaries	-	13,478
Less: Allowance for impairment losses	-	(13,478)
	-	-
<b>Current</b>		
Amount due from subsidiaries	15,886	3,051
Less: Allowance for impairment losses	(14,025)	(1,107)
	1,861	1,944
Amount due to subsidiaries	13,671	589

During the previous financial period, amount due from subsidiaries of RM22,076,000 had been transferred from advances to subsidiaries as disclosed in Note 18(c).

Upon the disposal of KUB Malua Plantation Sdn Bhd in the previous period, the amount outstanding from the said company of RM18,561,000 were written off.

The amount due from/(to) subsidiaries are unsecured and bears at the applicable market interest rate ranging from 3.18% - 5.40% (2021: 5.40%) per annum and repayable on demand.

Movement in allowance for impairment accounts are as follows:

	Company	
	2022	2021
	RM'000	RM'000
At beginning of year/period	14,585	16,057
Reversal for the year/period (Note 9)	(560)	(1,472)
At end of year/period	14,025	14,585

**24. TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS**

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Trade</b>				
Trade receivables (a)	19,408	24,125	-	-
Less: Allowance for impairment losses				
Lifetime ECL				
- Non credit-impaired	(1,104)	(1,081)	-	-
Lifetime ECL				
- Credit-impaired	(5,653)	(6,193)	-	-
	(6,757)	(7,274)	-	-
	12,651	16,851	-	-
<b>Non-trade</b>				
Government subsidy receivable	50,615	10,000	-	-
Deposits	1,222	3,672	333	332
Good and service tax receivables	-	69	-	-
Prepayments	830	967	28	66
Other receivables	1,522	4,339	159	142
Less: Allowance for impairment losses (b)	(477)	(3,400)	-	-
	53,712	15,647	520	540
Total trade and other receivables (net)	66,363	32,498	520	540
Net retention sum on contract included within trade receivables	-	1,160	-	-

**(a) Trade receivables**

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2021: 30 to 90 days) terms.

The Group uses a provision matrix to calculate ECLs for trade receivables, contract assets and finance lease receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., nature of project undertaking, product type, customer type and rating, and coverage by bank guarantee or other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

The Group has recognised a loss allowance of 100% (2021: 100%) on individually credit-impaired trade receivables over 1 year past due with no realistic prospect of recovery as historical experience has indicated that these receivables are generally not recoverable.

## NOTES TO THE FINANCIAL STATEMENTS

### 24. TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS (cont'd)

#### (a) Trade receivables (cont'd)

The ageing analysis of the Group's trade receivables is as follows:

	2022		Group		2021	
	Gross carrying amount RM'000	Lifetime ECL RM'000	Gross carrying amount RM'000	Lifetime ECL RM'000	Gross carrying amount RM'000	Lifetime ECL RM'000
Days past due:						
Not past due	<b>8,804</b>	<b>127</b>	12,451	45		
< 30 days	<b>1,650</b>	<b>14</b>	1,930	99		
31 - 60 days	<b>882</b>	<b>63</b>	1,272	109		
61 - 90 days	<b>2,236</b>	<b>879</b>	200	20		
91 - 180 days	<b>183</b>	<b>21</b>	2,079	808		
> 1 year	<b>5,653</b>	<b>5,653</b>	6,193	6,193		
Total	<b>19,408</b>	<b>6,757</b>	24,125	7,274		

Movement in allowance for impairment that has been recognised for trade receivables are as follows:

	Group	
	2022 RM'000	2021 RM'000
At beginning of year/period	<b>7,274</b>	3,175
Charged for the year/period (Note 9)	<b>700</b>	4,387
Reversal during the year/period (Note 9)	<b>(1,217)</b>	(288)
At end of year/period	<b>6,757</b>	7,274

#### (b) Other receivables

Movement in allowance for impairment that has been recognised for other receivables are as follows:

	Group	
	2022 RM'000	2021 RM'000
At beginning of year/period	<b>3,400</b>	1,400
Charged for the year/period (Note 9)	<b>264</b>	2,094
Reversal during the year (Note 9)	<b>(1,961)</b>	-
Written off during the year/period	<b>(1,226)</b>	(94)
At end of year/period	<b>477</b>	3,400

**24. TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS** (cont'd)**(c) Contract assets**

	Group	
	2022 RM'000	2021 RM'000
At beginning of year/period	4,267	(641)
Revenue recognised during the year/period (Note 5)	2,603	13,553
Progress billing during the year/period	(4,215)	(8,534)
Allowance for impairment during the year/period	-	(111)
Reversal of impairment during the year/period	120	-
<b>At end of year/period</b>	<b>2,775</b>	<b>4,267</b>
Analyse as:		
Contract assets	2,775	4,884
Contract liabilities	-	(617)
<b>Net contract assets</b>	<b>2,775</b>	<b>4,267</b>

Included in additions to aggregate costs incurred to-date are the following amounts charged during the year/period:

	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000
Interest capitalised	13	13
Staff costs	633	1,463
Rental	46	64

Movement in the allowance for impairment losses of contract assets are as follows:

	2022 RM'000	2021 RM'000
At beginning of year/period	120	531
Charged for the year/period (Note 9)	-	111
Reversal during the year/period (Note 9)	(120)	-
Write off during the year/period	-	(522)
<b>At end of year/period</b>	<b>-</b>	<b>120</b>

Construction contracts revenue and costs are disclosed in Note 5 and Note 6 respectively.

**25. CASH AND BANK BALANCES**

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and bank balances	198,529	24,225	185,520	1,962
Deposits with licensed banks	193,401	398,883	117,407	306,307
	<b>391,930</b>	423,108	<b>302,927</b>	308,269

Included in cash at banks of the Group is an amount of RM6,865 (2021: RM6,849) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 which is restricted from use in other operations.

## NOTES TO THE FINANCIAL STATEMENTS

### 25. CASH AND BANK BALANCES (cont'd)

Included in deposits with licensed banks of the Group is an amount of RM20,341,000 (2021: RM26,130,000) which has been pledged as security for borrowings of the Group as disclosed in Note 27.

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and bank balances	391,930	423,108	302,927	308,269
Less: Deposits pledged with licensed banks	(20,341)	(26,130)	-	-
Cash and cash equivalents	371,589	396,978	302,927	308,269

The weighted average effective interest rates ('WAEIR') of the Group's and of the Company's non-pledged deposits with licensed banks as at the end of the reporting period are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
WAEIR (%)	2.2	2.0	2.2	2.0
Maturity period (days)	50	41	70	51

### 26. TRADE AND OTHER PAYABLES, REFUNDABLE CYLINDER DEPOSITS AND CONTRACT LIABILITIES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Non-current</b>				
<b>Non-trade:</b>				
Refundable cylinder deposits (b)	33,877	31,637	-	-
<b>Current</b>				
<b>Trade:</b>				
Trade payables (a)	40,503	25,690	-	-
<b>Non-trade:</b>				
Other payables	8,001	19,815	1,128	1,767
Deposits	666	3,135	127	156
Real property gains tax	-	9,087	-	-
Refundable cylinder deposits (b)	9,957	11,724	-	-
Provisions (c)	2,493	2,672	-	-
	21,117	46,433	1,255	1,923
	61,620	72,123	1,255	1,923

Included in other payables of the Group in the previous period are amounts owing to property, plant and equipment creditor and accrued expenses amounting to RM2,029,000 and RM2,773,000 respectively.

**26. TRADE AND OTHER PAYABLES, REFUNDABLE CYLINDER DEPOSITS AND CONTRACT LIABILITIES (cont'd)****(a) Trade payables**

These amounts are non-interest bearing and normally settled between 60 to 90 days (2021: 60 to 90 days) terms.

**(b) Refundable cylinder deposits**

	Group	
	2022	2021
	RM'000	RM'000
Current	9,957	11,724
Non-current	33,877	31,637
	<b>43,834</b>	43,361

The refundable cylinder deposits are deposits received in exchange of gas cylinders which has no scheduled repayment term and refundable upon return of the cylinders in good working condition. The Group has classified RM33,877,000 (2021: RM31,637,000) into non-current liabilities based on the Group's long-term experiences with the customers in prior years which are currently still active.

**(c) Provisions**

Movement of provision for liquidated ascertained damages during the year/period is as follows:

	Group	
	2022	2021
	RM'000	RM'000
At beginning of year/period	2,672	316
Additions (Note 9)	-	2,356
Reversal (Note 9)	(179)	-
At end of year/period	<b>2,493</b>	2,672

The provision for liquidated ascertained damages is made based on the approved contract terms and is computed on the agreed penalty charges per delay multiplied by the number of days delayed.

**Contract liabilities**

	Group	
	2022	2021
	RM'000	RM'000
Construction contracts (Note 24)	-	617

Contract liabilities relating to construction contracts are balances due to customers under construction contracts. These arise if a particular milestone billing exceeds the revenue recognised to date.

## NOTES TO THE FINANCIAL STATEMENTS

### 27. BORROWINGS

	Group	
	2022 RM'000	2021 RM'000
<b>Long-term borrowings</b>		
<b>Secured</b>		
Term loans (a)	-	1,039
Hire purchase payables (b)	14	37
At end of year/period	<b>14</b>	1,076
<b>Short-term borrowings</b>		
<b>Secured</b>		
Term loans (a)	-	695
Revolving credits	-	10,000
Bankers acceptances	44,000	25,000
Invoice financing	10,000	-
Trust receipts	-	1,921
Hire purchase payables (b)	23	22
At end of year/period	<b>54,023</b>	37,638
<b>Total borrowings</b>		
Term loans (a)	-	1,734
Revolving credits	-	10,000
Bankers acceptances	44,000	25,000
Invoice financing	10,000	-
Trust receipts	-	1,921
Hire purchase payables (b)	37	59
At end of year/period	<b>54,037</b>	38,714

The range of weighted average effective of interest rates ('WAEIR') (% per annum) of the borrowings at the end of the reporting period are as follows:

	Group	
	2022 WAEIR %	2021 WAEIR %
Term loans	-	5.50
Hire purchase	4.79	4.79
Revolving credits	-	3.92
Trust receipts	-	5.56
Invoice financing	6.40	-
Bankers acceptances	3.15	2.90

The secured borrowings of the Group and of the Company are secured by way of fixed and floating charges over certain assets of the Group and of the Company including deposits with licensed banks of RM20,341,000 (2021: RM32,018,000) which has been pledged as security as disclosed in Note 15, Note 16 and Note 25 respectively.

Excluding hire purchase, the bank borrowings of the Group amounting to RM54,000,000 (2021: RM38,655,000) are also secured by corporate guarantee from the Company. In the event of default in any of the facilities, the maximum exposure of the Company would be amounting to RM35,096,000 (2021: RM16,427,000) as explained in Note 37(b).

**27. BORROWINGS** (cont'd)**(a) Term loans**

	Group	
	2022 RM'000	2021 RM'000
<b>The maturity profile of the Group's term loans are as follows:</b>		
Less than 1 year	-	695
Between 1 year and 5 years	-	1,039
	-	1,734

During the current financial year, the Group has made full settlement of the term loan on 15 April 2022.

**(b) Hire purchase payables**

	Group	
	2022 RM'000	2021 RM'000
<b>Future minimum hire purchase payables</b>		
Less than 1 year	24	24
Between 1 year and 5 years	14	38
Total future minimum lease payments	38	62
Less: Future finance charges	(1)	(3)
	37	59
<b>Analysis of present value of hire purchase payables</b>		
Less than 1 year	23	22
Between 1 year and 5 years	14	37
	37	59
Less: Due within 12 months	(23)	(22)
Due after 12 months	14	37

The table below details changes in the Group's liabilities arising from financing activities are those for which cash flows were, or future cash flow will be, classified in the Group's statements of cash flows as cash flow from financing activities.

## NOTES TO THE FINANCIAL STATEMENTS

### 27. BORROWINGS (cont'd)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At beginning of year/period				
Term loans	1,734	75,600	-	-
Hire purchase payables	59	602	-	116
Short term borrowings	36,921	28,000	-	-
	<b>38,714</b>	104,202	-	116
Drawdown during the year/period:				
Short term borrowings	178,774	62,921	-	-
Repayment during the year/period:				
Term loans	(1,734)	(4,052)	-	-
Hire purchase payables	(22)	(543)	-	(116)
Short term borrowings	(159,695)	(54,000)	-	-
Interest paid	(717)	(4,987)	-	(4)
	<b>(162,168)</b>	(63,582)	-	(120)
Disposal of a subsidiary (Note 18)				
Term loan	-	(69,814)	-	-
Non-cash changes:				
Finance costs	717	4,987	-	4
At end of year/period:				
Term loans	-	1,734	-	-
Hire purchase payables	37	59	-	-
Short term borrowings	54,000	36,921	-	-
<b>Total</b>	<b>54,037</b>	38,714	-	-

### 28. DEFERRED TAX LIABILITIES

	Group	
	2022 RM'000	2021 RM'000
At beginning of year/period	15,716	13,203
Recognised in profit or loss (Note 12)	1,195	2,513
Deconsolidation of a subsidiary (Note 40)	(6,400)	-
At end of year/period	<b>10,511</b>	15,716

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Group	
	2022 RM'000	2021 RM'000
Deferred tax assets	(541)	(994)
Deferred tax liabilities	11,052	16,710
	<b>10,511</b>	15,716

**28. DEFERRED TAX LIABILITIES** (cont'd)

The components and movements of deferred tax liabilities and assets during the financial year/period prior to offsetting are as follows:

**Deferred tax liabilities of the Group:**

	<b>Property, plant and equipment RM'000</b>
At 1 January 2020	13,585
Recognised in profit or loss	3,125
At 30 June 2021/1 July 2021	16,710
Recognised in profit or loss	742
Deconsolidation of a subsidiary (Note 40)	(6,400)
At 30 June 2022	<b>11,052</b>

**Deferred tax assets of the Group:**

	<b>Provisions RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
At 1 January 2020	(313)	(69)	(382)
Recognised in profit or loss	313	(925)	(612)
At 30 June 2021/1 July 2021	-	(994)	(994)
Recognised in profit or loss	-	453	453
At 30 June 2022	-	<b>(541)</b>	<b>(541)</b>

Deferred tax assets have not been recognised in respect of the following items due to the uncertainty of their recoverability:

	<b>Group</b>		<b>Company</b>	
	<b>2022 RM'000</b>	<b>2021 RM'000</b>	<b>2022 RM'000</b>	<b>2021 RM'000</b>
Unutilised tax losses	<b>67,930</b>	79,395	<b>10,798</b>	14,566
Unabsorbed capital allowances	<b>42,203</b>	41,986	<b>3,204</b>	3,204
Other deductible temporary differences	<b>107</b>	112	-	-
	<b>110,240</b>	121,493	<b>14,002</b>	17,770
Effect of deconsolidation of subsidiaries on unutilised business losses and unabsorbed capital allowances	<b>(24,701)</b>	(15,593)	-	-
	<b>85,539</b>	105,900	<b>14,002</b>	17,770

The benefits of these tax losses and tax credits will only be obtained if the relevant subsidiaries derive future assessable income of a nature and amount sufficient for the benefits to be utilised.

## NOTES TO THE FINANCIAL STATEMENTS

### 28. DEFERRED TAX LIABILITIES (cont'd)

Under the Finance Act 2021 which was gazetted on 31 December 2021, the unused tax losses accumulated up to year of assessment 2018 can now be carried forward for 10 consecutive years of assessment until year of assessment 2028 and it will be disregarded in year of assessment 2029. The time frame to carry forward current year tax losses for the year of assessment 2019 and subsequent years of assessment be extended from 7 to 10 consecutive years of assessment. Expiry date of the Group's and the Company's unutilised tax losses is summarised below:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Tax losses YA 2018 and before - will expire in 2029	36,124	50,669	4,728	8,496
Tax losses YA2019 - expire in 2030	11,257	11,980	6,070	6,070
Tax losses YA2020 - expire in 2031	1,446	1,217	-	-
Tax losses YA2021 - expire in 2032	1,527	1,217	-	-
Tax losses YA2022 - expire in 2033	3,873	-	-	-
<b>Total</b>	<b>54,227</b>	<b>65,083</b>	<b>10,798</b>	<b>14,566</b>

### 29. DERIVATIVE FINANCIAL LIABILITIES

	Group	
	Contract notional amount RM'000	Fair value of derivative liabilities RM'000
<b>2022</b>		
Forward currency contracts	34,342	(5)
<b>2021</b>		
Forward currency contracts	18,001	(18)

The Group uses forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure.

Forward currency contracts are used to hedge the Group's purchases denominated in United States Dollar ('USD') for which firm commitments existed at the end of the reporting period, extending to July 2022 (2021: July 2021).

During the financial year, the Group recognised a loss of RM4,668 (2021: loss of RM17,760) arising from fair value changes of derivative as at the end of the reporting period. The fair value changes are attributable to changes in foreign exchange spot and forward rate. Forward currency contracts are valued using valuation obtained from counterparties.

### 30. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2022 '000	2021 '000	2022 RM'000	2021 RM'000
Issued and fully paid	556,465	556,465	228,863	228,863

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

**31. RESERVES**

		Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Capital reserve	(a)	<b>24,531</b>	25,371	-	-
Fair value adjustment reserve	(b)	<b>3,034</b>	3,178	<b>3,034</b>	3,178
Merger reserve	(c)	<b>11,147</b>	11,147	-	-
(Premium)/Discount paid on acquisition of non-controlling interest	(d)	<b>(258)</b>	971	-	-
<b>Total</b>		<b>38,454</b>	40,667	<b>3,034</b>	3,178

- (a) Capital reserve arose from the capitalisation of bonus shares issued by certain subsidiaries in prior years. A reduction of capital reserve amounting to RM840,000 (2021: RM8,645,000) was in relation to a subsidiary that was dissolved during the current financial year.
- (b) Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of financial asset fair value through other comprehensive income.

	Group/Company	
	2022 RM'000	2021 RM'000
At beginning of year/period	<b>3,178</b>	3,322
Loss on fair value	<b>(144)</b>	(144)
At end of year/period	<b>3,034</b>	3,178

- (c) Merger reserve amounting to approximately RM11,147,000 arose from the acquisition of KUB Ekuiti Sdn. Bhd. in 1997.
- (d) Premium paid on acquisition of non-controlling interest amounting to RM258,000 arose from the acquisition of remaining equity interest of Empirical Systems (M) Sdn Bhd in 2014.

During the financial year, an indirectly owned subsidiary, KFT International (Malaysia) Sdn Bhd ('KFT') had resolved by way of a special resolution at its respective Extraordinary General Meeting held on 14 June 2022 to approve the member's voluntary winding up pursuant to Section 439(1) (b) of the Companies Act, 2016. Following this, a discount on acquisition of RM1,229,000 was transferred to retained profits upon winding up of KFT.

**32. RETAINED EARNINGS AND DIVIDENDS**

The Company may distribute dividends out of its entire retained earnings as at 30 June 2022 under the single tier system.

During the current financial year, the Company had paid the first and final single tier dividend of 1.5 sen on 556,464,690 ordinary shares amounting to RM8,346,970 for the financial period ended 30 June 2021.

On 30 August 2022, the Board of Directors approved and declared a first and final single tier dividend of 1.5 sen on 556,464,690 ordinary shares amounting to RM8,346,970 in respect of the financial year ended 30 June 2022. The first and final dividend will be payable on 13 October 2022.

The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2023.

## NOTES TO THE FINANCIAL STATEMENTS

### 33. NON-CONTROLLING INTERESTS

Details of non-wholly owned subsidiaries that have material non-controlling interests:

Name of subsidiaries	Profit/(Loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000	2022 RM'000	2021 RM'000
KUB Sepadu Sdn Bhd (a)	7,115	4,064	-	11,466
KUB Maju Mill Sdn Bhd	(10)	(14)	(18,512)	(18,503)
KUB Telekomunikasi Sdn Bhd	(1,283)	(1,035)	3,705	4,989
Others	-	(2)	-	-
	<b>5,822</b>	<b>3,013</b>	<b>(14,807)</b>	<b>(2,048)</b>

Proportion of ownership held by non-controlling interests in KUBS: Nil% (2021: 40%), KUB Maju Mill Sdn Bhd: 33.9% (2021: 33.9%) and KUB Telekomunikasi Sdn Bhd ('KUBTel') 40% (2021: 40%).

- (a) As disclosed in Note 40, the Group has lost control over KUBS upon the winding up order and appointment of liquidators. KUBS's financial position has been deconsolidated from the Group on 15 June 2022. Accordingly, the carrying amount of non-controlling interests of RM18,581,000 in KUBS has been derecognised.
- (b) On 7 August 2020, a wholly-owned subsidiary of the Company namely KUB Ekuiti Sdn Bhd ('KUBE'), had entered into a joint venture arrangement with HFR, Inc., in relation to 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 cash consideration of RM7,200,000.

Included in non-controlling interests balances for KUBTel was RM6,024,000 arriving from the disposal of the Group's interest in KUBTel.

Summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests are set out below. The summarised financial information below represents amounts before intragroup eliminations and consolidation adjustments.

#### (i) Summarised statement of financial position

2022	KUB Maju Mill RM'000	KUBTel RM'000
Non-current assets	-	2,448
Current assets	39	14,032
Total assets	39	16,480
Non-current liabilities	-	188
Current liabilities	54,649	7,030
Total liabilities	54,649	7,218
(Capital deficiency)/Total equity	(54,610)	9,262
Non-controlling interests	(18,512)	3,705
Equity attributable to owners of the Company	(36,098)	5,557

**33. NON-CONTROLLING INTERESTS** (cont'd)**(i) Summarised statement of financial position** (cont'd)

<b>2021</b>	<b>KUB Sepadu RM'000</b>	<b>KUB Maju Mill RM'000</b>	<b>KUBTel RM'000</b>
Non-current assets	50,084	-	1,675
Current assets	16,925	71	19,736
<b>Total assets</b>	<b>67,009</b>	<b>71</b>	<b>21,411</b>
Non-current liabilities	7,266	-	589
Current liabilities	31,079	54,653	8,349
<b>Total liabilities</b>	<b>38,345</b>	<b>54,653</b>	<b>8,938</b>
<b>Total equity/(capital deficiency)</b>	<b>28,664</b>	<b>(54,582)</b>	<b>12,473</b>
Non-controlling interests	11,466	(18,503)	4,989
Equity attributable to owners of the Company	17,198	(36,079)	7,484

**(ii) Summarised statement of profit or loss and other comprehensive income**

<b>1.7.2021 to 30.6.2022 (12 months)</b>	<b>KUB Sepadu RM'000</b>	<b>KUB Maju Mill RM'000</b>	<b>KUBTel RM'000</b>
Revenue	<b>44,233</b>	-	<b>16,767</b>
Profit/(Loss) for the year	<b>17,787</b>	<b>(28)</b>	<b>(3,208)</b>
Profit/(Loss) for the year attributable to owners of the Company	<b>10,672</b>	<b>(18)</b>	<b>(1,925)</b>
Profit/(Loss) for the year to the non-controlling interest	<b>7,115</b>	<b>(10)</b>	<b>(1,283)</b>
<b>1.1.2020 to 30.6.2021 (18 months)</b>			
Revenue	43,065	-	38,344
Profit/(Loss) for the year	10,160	(42)	(3,157)
Profit/(Loss) for the year attributable to owners of the Company	6,096	(28)	(2,122)
Profit/(Loss) for the year to the non-controlling interest	4,064	(14)	(1,035)

**(iii) Summarised statement of cash flows**

<b>1.7.2021 to 30.6.2022 (12 months)</b>	<b>KUB Sepadu RM'000</b>	<b>KUB Maju Mill RM'000</b>	<b>KUBTel RM'000</b>
Net cash inflows/(outflows) from:			
- Operating activities	<b>19,240</b>	<b>37</b>	<b>1,150</b>
- Investing activities	<b>(3,686)</b>	-	<b>(1,542)</b>
- Financing activities	<b>(482)</b>	-	<b>3,627</b>
<b>Net cash inflows</b>	<b>15,072</b>	<b>37</b>	<b>3,235</b>
<b>1.1.2020 to 30.6.2021 (18 months)</b>			
Net cash inflows/(outflows) from:			
- Operating activities	14,953	(1,948)	(3,447)
- Investing activities	(5,085)	11	53
- Financing activities	(1,390)	1,260	2,267
<b>Net cash inflows/(outflows)</b>	<b>8,478</b>	<b>(677)</b>	<b>(1,127)</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 34. COMMITMENTS, CONTINGENT LIABILITIES AND MATERIAL LITIGATION

#### (a) Capital commitments

Authorised capital expenditure not provided for in the financial statements are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Property, plant and equipment</b>				
- Contracted	<b>6,675</b>	11,446	<b>15</b>	-
- Not contracted	<b>14,662</b>	17,620	<b>43</b>	-
	<b>21,337</b>	29,066	<b>58</b>	-

#### (b) Contingent Liabilities

On 19 November 2018, a subsidiary, KUB Telekomunikasi Sdn Bhd ('KUBTel') received a letter of demand from a sub-contractor claiming additional costs incurred, payment on outstanding invoices and a retention sum amounting to RM3,595,000. This demand was due to an early termination of its services to complete an automatic fare collection system project.

On 29 August 2019, the sub-contractor has revised their claims to RM2,883,000. KUBTel has denied all the disputed claims and similarly seeks to set-off and/or counterclaim RM3,306,000 being the costs incurred by KUBTel to complete the works which the sub-contractor had failed to complete and other related charges.

KUBTel has made an assessment and based on the legal advice in respect of this matter, the Group believes that it has good grounds to defend and contest against the claim.

#### (c) Material Litigation

On 28 November 2019, a winding up petition was filed in the Court against a subsidiary of the Group, KUBS, 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 KUBS. The Court granted the order for the appointment of interim liquidators on 9 December 2021 ('Order for IL').

The winding up petition together with the Order for IL was served on KUBS on 16 December 2019.

On 18 December 2019, the immediate holding company of KUBS, KUBAH as the Opposing Contributory filed an application to set aside the Order for IL ('Setting Aside Application'). On 20 December 2019, the Court granted a stay on the Order for IL pending the disposal of the winding up petition and/or Setting Aside Application.

On 15 June 2022, the Court granted a winding up order and liquidators were appointed.

On 17 June 2022, KUBAH filed a Notice of Appeal ('Winding Up Appeal') as well as an application for stay of execution of the winding up order ('Stay Application'). The Court has fixed 30 September 2022 to give its decision on the Stay Application and the case management for the Winding Up Appeal has been fixed on 6 October 2022. KUBAH has on 13 September 2022 filed its Record and Memorandum of Appeal to the Court of Appeal.

### 35. RELATED PARTY DISCLOSURES

A related party of the Company refers to:

- (i) a person or a close member of that person's family who:
    - (a) has control or joint control over the Company;
    - (b) has significant influence over the Company; or
    - (c) is a member of the key management personnel of the Company having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.
  - (ii) a subsidiary or associate of the Company and its subsidiaries;
  - (iii) an entity of which the Company or its subsidiaries are an associate or joint venture to;
  - (iv) an entity, together with the Company are joint ventures of the same third party;
  - (v) an entity controlled or jointly controlled by a person identified in (i); and
  - (vi) an entity of which a person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (a) During the financial year/period, significant transactions undertaken on basis agreed with related parties are as follows:

	Company	
	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000
Management fees from subsidiaries	2,918	4,972
Rental income from subsidiaries	404	458
IT services rendered by a subsidiary	(120)	(164)
Interest income from subsidiaries	84	759
Interest expense charged by subsidiaries	(324)	-

Information regarding outstanding balances arising from related party transactions as at 30 June 2022 and 30 June 2021 are disclosed in Note 18 and Note 23.

- (b) Remuneration of key management personnel other than the Directors of the Group and of the Company:

	Group		Company	
	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000
<b>Other key management personnel</b>				
Salaries, allowances and bonuses	1,339	3,265	712	2,716
Defined contribution plan	161	370	85	303
Social security contributions	3	8	2	7
Other benefits	-	168	-	168
	<b>1,503</b>	<b>3,811</b>	<b>799</b>	<b>3,194</b>

Key management personnel comprise persons of the Group entities having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.

Details of the Company's Directors remuneration for the Group and of the Company are disclosed in Note 11. Other key management personnel include persons other than the Directors within the Group.

## NOTES TO THE FINANCIAL STATEMENTS

### 35. RELATED PARTY DISCLOSURES (cont'd)

- (c) Transactions between the Company with a company/firm in which certain Director of the Company has substantial interest:

	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000
Provision for management services	480	240

There were no outstanding balances arising from the related party transactions above as at 30 June 2022 and 30 June 2021.

The Directors are of the opinion that all the transactions above have been entered into in the normal course of business under commercial terms mutually agreed between the parties involved.

### 36. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of financial assets and liabilities of the Group and of the Company as at 30 June 2022 and 30 June 2021 are not materially different from their carrying values due to the relatively short-term maturity of these financial instruments or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period except for:

	Group			
	2022	Fair value	2021	Fair value
	Carrying amount RM'000	RM'000	Carrying amount RM'000	RM'000
<b>Financial liabilities at amortised cost</b>				
Term loans (Note 27)	-	-	1,734	1,643
Hire purchase payables (Note 27)	37	36	59	58

#### Fair value of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Group</b>				
<b>2022</b>				
<b>Financial assets:</b>				
Fair value through other comprehensive income				
- investment in quoted shares (Note 20)	5,051	-	-	5,051
Fair value through profit or loss				
- investment in unquoted shares (Note 20)	-	-	1,540	1,540
<b>Financial liabilities:</b>				
Derivatives - Forward currency contracts (Note 29)	-	5	-	5

**36. FAIR VALUE OF FINANCIAL INSTRUMENTS** (cont'd)**Fair value of financial instruments that are carried at fair value** (cont'd)

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy: (cont'd)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Group</b>				
<b>2021</b>				
<b>Financial assets:</b>				
Fair value through other comprehensive income				
- investment in quoted shares (Note 20)	5,195	-	-	5,195
Fair value through profit or loss				
- investment in unquoted shares (Note 20)	-	-	1,429	1,429
<b>Financial liabilities:</b>				
Derivatives - Forward currency contracts (Note 29)	-	18	-	18

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers between the fair value hierarchy during the financial year ended 30 June 2022 and financial period ended 30 June 2021.

**Categories of financial instruments:**

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Financial assets</b>				
At amortised costs:				
Finance lease receivables (Note 17)	1,150	1,309	-	-
Trade and other receivables	65,533	31,462	492	474
Amount due from subsidiaries (Note 23)	-	-	1,861	1,944
Cash and bank balances (Note 25)	391,930	423,108	302,927	308,269
At FVTOCI:				
Other investments				
- investment in quoted shares (Note 20)	5,051	5,195	5,051	5,195
At FVTPL:				
Other investments				
- investment in unquoted shares (Note 20)	1,540	1,429	1,540	1,429

## NOTES TO THE FINANCIAL STATEMENTS

### 36. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

#### Categories of financial instruments: (cont'd)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>Financial liabilities</b>				
At amortised costs:				
Trade and other payables (Note 26)	<b>49,170</b>	48,640	<b>1,255</b>	1,923
Lease liabilities (Note 17)	<b>2,380</b>	3,383	<b>820</b>	1,235
Amount due to subsidiaries (Note 23)	-	-	<b>13,671</b>	589
Borrowings (Note 27)	<b>54,037</b>	38,714	-	-
Refundable cylinder deposits (Note 26)	<b>43,834</b>	43,361	-	-
At FVTPL:				
Derivative financial liabilities (Note 29)	<b>5</b>	18	-	-

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees on policies and procedures for the management of these risks. The Board Risk Management Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current year and the previous year of the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

#### (a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables, contract assets and finance lease receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. Trade receivables and finance lease receivables are monitored on an ongoing basis via Group management reporting procedures.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to minimise exposure to bad debts.

**37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)****(a) Credit risk (cont'd)**Exposure to credit risk

At the end of the reporting year, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group does not have any major concentration of credit risk related to any financial instruments except for the concentration of credit risk arising from exposures to the Government of Malaysia and Government Linked Corporations amounting to RM53,390,000 and RM1,387,000 (2021: RM14,884,000 and RM3,018,000) representing 80% and 2% (2021: 47% and 10%) of the Group's trade and other receivables, respectively.

The Group uses a provision matrix to calculate ECLs for trade receivables, contract assets and finance lease receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., nature of project undertaking, product type, customer type and rating, and coverage by bank guarantee or other forms of credit insurance). Note 24 includes further details on the loss allowance for these assets respectively.

The Company has no default experiences on amount due from subsidiaries and corporate guarantee provided to the bank for banking facilities granted to subsidiaries. The Company monitors the cash flow position of the subsidiaries regularly.

**(b) Liquidity risk**

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of standby credit facilities.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and prudently balances its portfolio with some short-term funding so as to achieve overall cost effectiveness.

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Weighted average effective interest rate %	Group				Total RM'000
		Carrying amount RM'000	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	
<b>2022</b>						
<b>Financial liabilities:</b>						
Refundable cylinder deposits	-	43,834	9,957	33,877	-	43,834
Trade and other payables	-	49,170	49,170	-	-	49,170
Lease liabilities	2.50 - 5.80	2,380	1,262	1,233	-	2,495
Borrowings	3.15 - 6.40	54,037	54,024	14	-	54,038
Total undiscounted financial liabilities		149,421	114,413	35,124	-	149,537

## NOTES TO THE FINANCIAL STATEMENTS

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

#### (b) Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations. (cont'd)

	Group					
	Weighted average effective interest rate %	Carrying amount RM'000	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
<b>2021</b>						
<b>Financial liabilities:</b>						
Refundable cylinder deposits	-	43,361	11,724	31,637	-	43,361
Trade and other payables	-	48,640	48,640	-	-	48,640
Lease liabilities	3.88 - 4.00	3,383	1,222	2,407	-	3,629
Borrowings	2.90 - 5.56	38,714	37,817	1,061	-	38,878
Total undiscounted financial liabilities		134,098	99,403	35,105	-	134,508
	Company					
	Weighted average effective interest rate %	Carrying amount RM'000	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
<b>2022</b>						
<b>Financial liabilities:</b>						
Trade and other payables	-	1,255	1,255	-	-	1,255
Lease liabilities	4.0	820	495	354	-	849
Amount due to subsidiaries	-	13,671	13,671	-	-	13,671
Total undiscounted financial liabilities		15,746	15,421	354	-	15,775
<b>2021</b>						
<b>Financial liabilities:</b>						
Trade and other payables	-	1,923	1,923	-	-	1,923
Lease liabilities	4.0	1,235	457	849	-	1,306
Amount due to subsidiaries	-	589	589	-	-	589
Total undiscounted financial liabilities		3,747	2,969	849	-	3,818

**37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)**

For the financial year ended 30 June 2022, the Company has assessed the existing financial guarantee in relation to guarantee provided by the Company to banks for banking facilities granted to subsidiaries amounting to RM35,096,000 (2021 RM16,427,000) and determined that the guarantees are more likely not to be called upon by the financiers. However, this estimate is subject to change depending on the probability of the financier claiming under the guarantee. The amounts for the financial guarantee are the maximum amount that the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the financiers.

**(c) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short-term in nature and have been mostly placed in fixed deposits.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

The information on the weighted average effective interest rates ('WAEIR') as at the end of the reporting period and the maturities of the Group's financial instruments that are exposed to interest rate risk is disclosed in Note 27.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the Group's profit for the year/period would have been RMNil (2021: RM3,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

**(d) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is primarily United States Dollar. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept at an acceptable level.

The Group has entered into forward currency contracts for certain transactions to manage the exposures in foreign currencies as disclosed in Note 29. The Board is of the opinion that the unhedged foreign currencies exposures are minimal and can be efficiently managed.

The amounts of trade payables denominated in foreign currencies as at the end of the reporting period is as follows:

	Group	
	2022	2021
	RM'000	RM'000
Trade payables hedged using forward currency contracts	<b>34,342</b>	18,001

## NOTES TO THE FINANCIAL STATEMENTS

### 38. CAPITAL MANAGEMENT

The primary objectives of the Group's and the Company's capital management is to ensure that they maintain healthy capital ratios in order to support their business and maximise shareholders value.

The Group and the Company manage their capital structure and makes adjustments to it, in light of changes in economic conditions by maintaining or adjusting the capital structure, i.e. the Company may issue new shares, adjust the dividend payment to shareholders or obtain funding through external borrowings. No changes were made in the objectives, policies or processes during the year ended 30 June 2022 and period ended 30 June 2021.

The Group and the Company monitor their capital using a gearing ratio, which is total borrowings divided by shareholders' fund. The Group's and the Company's gearing ratio as at 30 June 2022 and 30 June 2021 are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Borrowings - long-term	14	1,076	-	-
Borrowings - short-term	54,023	37,638	-	-
Total borrowings	54,037	38,714	-	-
Total shareholders' fund	493,312	483,519	498,513	505,176
Gearing ratio	11%	8%	N/A	N/A

### 39. SEGMENT INFORMATION

The Group has three reportable divisions, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately as they required different business strategies. For each of strategic business units, the chief executive officer reviews internal management reports on a regular basis.

The three reportable divisions are as follows:

#### (i) LPG

- Importation, bottling and trading of liquefied petroleum gas ('LPG')

#### (ii) Agricultural businesses ('Agro')

- Oil palm plantations and estate management

#### (iii) Others

- Infrastructure solutions, supply, maintenance and ancillary services in information, communications and technology ('ICT'), engineering and civil works in the power sectors, property management services, investment holding and provision of management services.

Division performance is evaluated based on operating profit or loss which, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

The financial results of ICT division has been classified into Others in the current financial year as it does not represent a significant component of the Group. As a result, the comparative segmental information for the period ended 30 June 2021 have been represented to conform to the current year's presentation.

**39. SEGMENT INFORMATION** (cont'd)**Business segments**

2022	LPG RM'000	Agro RM'000	Others RM'000	Eliminations RM'000	Note	Total RM'000
<b>Revenue</b>						
External sales	483,198	44,233	20,532	-		547,963
Inter division sales	-	-	10,943	(10,943)	A	-
Total revenue	483,198	44,233	31,475	(10,943)		547,963
<b>Results</b>						
Profit/(Loss) from operations	9,463	24,105	(3,882)	-		29,686
Finance income	876	265	3,140	-		4,281
Finance costs	(620)	(181)	(78)	-		(879)
Share of results of associates	-	85	-	-		85
Profit/(Loss) before zakat and taxation	9,719	24,274	(820)	-		33,173
Taxation	(2,802)	(5,758)	(507)	-		(9,067)
Segment profit/(loss)	6,917	18,516	(1,327)	-		24,106

## NOTES TO THE FINANCIAL STATEMENTS

### 39. SEGMENT INFORMATION (cont'd)

#### Business segments (cont'd)

1.7.2021 to 30.6.2022 (12 months)	LPG RM'000	Agro RM'000	Others RM'000	Note	Total RM'000
<b>Other information</b>					
Depreciation	(10,952)	(4,177)	(2,112)	B	(17,241)
Allowance for impairment on trade and other receivables	(754)	-	(210)		(964)
Impairment losses on property, plant and equipment	-	-	(522)		(522)
Property, plant and equipment written off	(101)	-	(4)		(105)
Inventories written off	-	-	(154)		(154)
Reversal of allowance for impairment on trade and other receivables	-	-	3,178		3,178
Gain on deconsolidation of a subsidiary	-	1,141	-		1,141
Gain on fair value changes in biological assets	-	209	-		209
Reversal of provision for liquidated ascertained damages	-	-	179		179
Reversal of impairment on contract assets	-	-	120		120
Gain on fair value changes in investment unquoted shares	-	-	111		111
Gain on disposal of property, plant and equipment	71	-	-		71
<b>2022</b>					
	LPG RM'000	Agro RM'000	Others RM'000		Total RM'000
<b>Assets</b>					
Segment assets	213,520	2,505	376,503		592,528
Investments in associate	-	45,800	-		45,800
Non-current assets held for sale	-	2,711	-		2,711
Total assets	213,520	51,016	376,503		641,039
<b>Liabilities</b>					
Segment liabilities	149,770	1,786	10,978		162,534
Additions to non-current assets:					
- Property, plant and equipment	13,365	3,618	2,162		19,145

**39. SEGMENT INFORMATION** (cont'd)**Business segments** (cont'd)

2021	LPG RM'000	Agro RM'000	Others RM'000	Eliminations RM'000	Note	Total RM'000
<b>Revenue</b>						
External sales	451,026	82,756	50,255	-		584,037
Inter division sales	-	-	131,093	(131,093)	A	-
Total revenue	451,026	82,756	181,348	(131,093)		584,037
<b>Results</b>						
Profit/(Loss) from operations	14,096	151,543	(2,211)	-		163,428
Finance income	1,522	697	3,494	-		5,713
Finance costs	(717)	(4,462)	(22)	-		(5,201)
Share of results of associates	-	-	3,851	-		3,851
Profit before zakat and taxation	14,901	147,778	5,112	-		167,791
Zakat	96	-	-	-		96
Taxation	(3,982)	(5,053)	(277)	-		(9,312)
Segment profit	11,015	142,725	4,835	-		158,575

## NOTES TO THE FINANCIAL STATEMENTS

### 39. SEGMENT INFORMATION (cont'd)

#### Business segments (cont'd)

1.1.2020 to 30.6.2021 (18 months)	LPG RM'000	Agro RM'000	Others RM'000	Note	Total RM'000
<b>Other information</b>					
Depreciation	(14,922)	(9,643)	(2,804)	B	(27,369)
Allowance for impairment on trade and other receivables	-	-	(6,481)		(6,481)
Allowance for impairment on contract assets	-	-	(111)		(111)
Impairment losses on property, plant and equipment	-	-	(116)		(116)
Property, plant and equipment written off	-	(30)	(492)		(522)
Inventories written down	-	(97)	-		(97)
Provision for liquidated ascertained damages	-	-	(2,356)		(2,356)
Loss on disposal of subsidiary	-	-	(18,815)		(18,815)
Loss on fair value changes in investment unquoted shares	-	-	(228)		(228)
Gain on disposal of property, plant and equipment	149	9	10		168
Gain on disposal of non-current assets held for sale	-	122,521	969		123,490
Gain on disposal of associate	-	-	30,518		30,518
Gain on disposal of investment property	-	-	8,237		8,237
Gain on fair value changes in biological assets	-	1,160	-		1,160
Reversal of allowance for impairment on trade and other receivables	168	-	120		288
<b>2021</b>					
	LPG RM'000	Agro RM'000	Others RM'000		Total RM'000
<b>Assets</b>					
Segment assets	172,956	81,173	389,598		643,727
<b>Liabilities</b>					
Segment liabilities	113,778	31,627	16,851		162,256
Additions to non-current assets:					
- Property, plant and equipment	15,388	6,182	2,787		24,357

**39. SEGMENT INFORMATION** (cont'd)

**A** Inter-segment revenues which are eliminated on consolidation is as follows:

	Group	
	1.7.2021 to 30.6.2022 (12 months) RM'000	1.1.2020 to 30.6.2021 (18 months) RM'000
Dividend income	7,350	126,070
Management fees	2,918	4,972
ICT services	675	51
	<b>10,943</b>	<b>131,093</b>

**B** Depreciation relates to property, plant and equipment, investment properties and right-of-use assets.

Geographical information

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

Information on major customers

Included in revenues arising from the major customers are contract with Government and Government Linked Companies amounting to RM272,435,000 (2021: RM185,967,000).

**40. SIGNIFICANT EVENT**

On 15 June 2022, the Court granted a winding up order filed by the minority shareholders against a subsidiary of the Group, KUBS and liquidators have since been appointed. Following this, the Group had lost control over KUBS and KUBS's financial position has been deconsolidated from the Group on 15 June 2022. The Group recognised a gain on deconsolidation of RM1,141,000.

On 17 June 2022, the immediate holding company of KUBS, KUBAH filed a stay of execution of the winding up order ('Stay Application') and Notice of Appeal ('Winding Up Appeal'). The Court has fixed 30 September 2022, to give its decision on the Stay Application and the case management for the Winding Up Appeal has been fixed on 6 October 2022. In the interim, the key management personnel appointed by KUBAH, is still actively managing the operations of KUBS. Pending the conclusion of the Stay Application, the liquidators have given an undertaking to the Court not to dispose of any assets of KUBS and to stay the operational handover.

In view of the above, KUBS is still carrying on its business operations as usual. Following this and pending the Stay Application and appeal proceedings, the Group considered its investment in KUBS does not meet the criteria to be classified as 'non-current asset held for sale' or 'discontinued operation' in accordance with *MFRS 5 Non-current Assets Held for Sale and Discontinued Operations* as the assets of KUBS are not available for immediate sale in the present condition and circumstances, and no active programme or committed plan to sell the assets of KUBS have been initiated.

Upon further assessment made by the management, the Group determined that it has significant influence over KUBS by virtue of the following:

- (i) 60% investment in KUBS is still retained;
- (ii) Power to participate in the financial and operating decision making of KUBS including provision of essential technical information through the key management personnel from the Group; and
- (iii) KUBS is dependent on the Group for the continued existence of business through its manpower sharing arrangements.

The Group has therefore, classified KUBS as its associate and the financial results subsequent to 15 June 2022 are incorporated in these financial statements using the equity method of accounting. At the initial recognition, the Group has determined the fair value of investment in KUBS at RM45,715,000 using a discounted cash flow model as disclosed in Note 19.

## NOTES TO THE FINANCIAL STATEMENTS

### 40. SIGNIFICANT EVENT (cont'd)

The deconsolidation had the following effects on the Group's assets and liabilities on 15 June 2022:

	RM'000
Property, plant and equipment (Note 15)	49,930
Right of use assets (Note 17)	1,394
Inventories	1,279
Biological assets (Note 22)	1,266
Trade and other receivables	3,073
Cash and bank balances	25,593
Trade and other payables	(10,833)
Amount due to holding company	(16,892)
Lease liabilities (Note 17)	(1,408)
Deferred taxation (Note 28)	(6,400)
Provision for tax	(739)
Net assets of KUBS	46,263
Derecognition of non-controlling interest (Note 33)	(18,581)
Net assets of KUBS deconsolidated from the Group	27,682
Fair value of investment in KUBS retained as an associate (Note 19)	45,715
Non-recoverability of advances to associates	(16,892)
Net assets of KUBS deconsolidated from the Group	(27,682)
Gain on deconsolidation of KUBS (Note 9)	1,141

The gain on deconsolidation of KUBS is recorded as part of other income in the statement of profit or loss and other comprehensive income.

Net cash outflow arising on deconsolidation of KUBS is as follows:

Proceeds from deconsolidation	-
Less: cash and cash equivalents	(25,593)
Net cash outflow from deconsolidation	(25,593)

### 41. INVESTMENTS IN SUBSIDIARIES

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation/ Principal place of business	% of ownership interest and voting power held by the Group**		% of ownership interest and voting power held non-controlling**		Principal activities
		2022	2021	2022	2021	
		%	%	%	%	
<b>Held by the Company:</b>						
KUB Ekuiti Sdn Bhd	Malaysia	100	100	-	-	Investment holding
Empirical Systems (M) Sdn Bhd	Malaysia	100	100	-	-	Information and communication technology infrastructure and consultation

**41. INVESTMENTS IN SUBSIDIARIES** (cont'd)

Details of the subsidiaries are as follows: (cont'd)

Name of subsidiaries	Country of incorporation/ Principal place of business	% of ownership interest and voting power held by the Group**		% of ownership interest and voting power held non-controlling**		Principal activities
		2022	2021	2022	2021	
		%	%	%	%	
<b>Held by the Company:</b> (cont'd)						
Restoran Kualiti Sdn Bhd#	Malaysia	-	100	-	-	Investment holding
Solar Gas Sdn Bhd	Malaysia	100	100	-	-	Importation, bottling and trading of LPG
Peraharta Sdn Bhd	Malaysia	100	100	-	-	Property management
Perbiba Sdn Bhd*	Malaysia	100	100	-	-	Dormant
Peramining Sdn Bhd^^	Malaysia	-	100	-	-	Dormant
Gerik Timber Industries Sdn Bhd*	Malaysia	100	100	-	-	Dormant
Cybertrek (Malaysia) Sdn Bhd*	Malaysia	100	100	-	-	Dormant
<b>Held through KUB Ekuiti Sdn Bhd:</b>						
KUB Agro Holdings Sdn Bhd	Malaysia	100	100	-	-	Investment holding
KUB Telekomunikasi Sdn Bhd	Malaysia	60	60	40	40	Assembly and commissioning of telecommunication equipment
KUB Power Sdn Bhd	Malaysia	100	100	-	-	Supply and erection of electrical substations and transmission lines
KUB Realty Sdn Bhd*	Malaysia	100	100	-	-	Dormant
KUB Development Berhad*	Malaysia	100	100	-	-	Dormant
ITTAR Sdn Bhd*	Malaysia	100	100	-	-	Dormant
KUB Hotel and Resort Management Sdn Bhd*	Malaysia	100	100	-	-	Dormant
KUB Microelectronics Sdn Bhd*	Malaysia	78	78	22	22	Dormant

## NOTES TO THE FINANCIAL STATEMENTS

### 41. INVESTMENTS IN SUBSIDIARIES (cont'd)

Details of the subsidiaries are as follows: (cont'd)

Name of subsidiaries	Country of incorporation/ Principal place of business	% of ownership interest and voting power held by the Group**		% of ownership interest and voting power held non-controlling**		Principal activities
		2022	2021	2022	2021	
		%	%	%	%	
<b>Held through KUB Ekuiti Sdn Bhd:</b> (cont'd)						
Perumahan KUB Sdn Bhd^^	Malaysia	-	100	-	-	Dormant
KUB Gas Terminal Sdn Bhd*	Malaysia	<b>100</b>	100	-	-	Liquefied petroleum gas storage
KFT International (Malaysia) Sdn Bhd^^	Malaysia	-	100	-	-	Assembly and installation of telecommunication equipment
<b>Held through Empirical Systems (M) Sdn Bhd:</b>						
Credensoft Solutions Sdn Bhd#	Malaysia	-	70	-	30	Dormant
<b>Held through KUB Agro Holdings Sdn Bhd:</b>						
KUB Sepadu Sdn Bhd##	Malaysia	-	60	-	40	Cultivation and management of oil palm estates
<b>Held through KUB Agro Holdings Sdn Bhd and KUB Sepadu Sdn Bhd:</b>						
KUB Maju Mill Sdn Bhd	Malaysia	<b>66</b>	66	<b>34</b>	34	Processing of palm oil products
<b>Held through KUB Development Berhad:</b>						
Kesina Development Sdn Bhd^^	Malaysia	-	100	-	-	Dormant

\* Audited by firms other than Deloitte PLT

\*\* Equals to the proportion of voting rights held

# The subsidiaries have been struck off the register pursuant to Section 550 of the Companies Act, 2016 in the current year

## Winding up order by the Court as disclosed in Note 34(c)

^ The auditors' report on the financial statements of this subsidiary includes an emphasis of matter regarding cease of operation since 2019. The financial statements of this subsidiary have been prepared on a basis other than going concern

^^ Wound up by way of Member's Voluntary Winding-up in the current year

## 42. INVESTMENTS IN ASSOCIATES

Details of the subsidiaries are as follows:

Name of associates	Country of incorporation/ Principal place of business	% of ownership interest and voting power held by the Group		Principal activities
		2022 %	2021 %	
<b>Held by the Company:</b>				
Progas Holding Limited	Pakistan	<b>38</b>	38	Investment holding
<b>Held by KUB Agro Holdings Sdn. Bhd.</b>				
KUB Sepadu Sdn.Bhd#	Malaysia	<b>60</b>	-	Cultivation and management of oil palm estates
<b>Held through KUB Telekomunikasi Sdn Bhd:</b>				
Sphairon (Malaysia) Sdn Bhd	Malaysia	<b>49</b>	49	Dormant

# Winding up order by the Court as disclosed in Note 34(c)

# STATEMENT BY DIRECTORS

The Directors of **KUB MALAYSIA BERHAD**, state that, in their opinion, the accompanying financial statements of the Group and of the Company give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022 and of their financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Signed on behalf of the Board  
in accordance with a resolution of the Directors,

**DATUK SERI JOHARI BIN ABDUL GHANI**

**AHMED FAIRUZ BIN ABDUL AZIZ**

Kuala Lumpur  
26 September 2022

# DECLARATION BY THE OFFICER

PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **ROHAIZA BINTI KAMSAN**, the officer primarily responsible for the financial management of **KUB MALAYSIA BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

**ROHAIZA BINTI KAMSAN**

Subscribed and solemnly declared by the  
abovenamed **ROHAIZA BINTI KAMSAN** at KUALA LUMPUR  
on 26th day of September, 2022.

Before me,

**COMMISSIONER FOR OATHS**

# LIST OF PROPERTIES

AS AT 30 JUNE 2022

LOCATION/ADDRESS	DESCRIPTION	USAGE	AREA	TENURE	NET BOOK VALUE AS AT 30/06/2022 (RM'000)	AGE OF BUILDING (YEARS)	DATE OF ACQUISITION
<b>KUB MALAYSIA BERHAD</b>							
Unit No. C-3-01, C-3A-01, C-8-01, C-9-01 & C-10-01, Block C Oasis Square, Ara Damansara 47301 Petaling Jaya Selangor	Office space	Commercial	39,514.62 sq. feet	Freehold	14,044	12	24 May 2010
<b>KUB AGRO HOLDINGS SDN BHD</b>							
Unit No. G-30, 1-30, 2-30, 3-30 and 4-30, Block 4 No. 7, Taman Seri Business Park Persiaran Sukan, Seksyen 13 40100 Shah Alam Selangor	Office space	Commercial	7.653 sq. feet	Leasehold (99 years expiring 2109)	2,711	13	15 April 2013
<b>KUB DEVELOPMENT BERHAD</b>							
Lot 12701 Mukim of Serting Ulu District of Jempol Negeri Sembilan	Vacant Development Land	Industrial	8.04 hectares	Leasehold (99 years expiring 2086)	652	-	1999
<b>PERAHARTA SDN BHD</b>							
Lot 4180N, Bangunan Sri Kinta Jalan Sultan Idris Shah, Ipoh Perak	4-Storey Podium Block and 9-Storey Tower Block	Commercial	11,115 sq. meters	Strata Title	4,755	40	1983
Lot No. 373, Seksyen 16 District of Kota Bharu Kelantan	5-Storey Office Building	Commercial	637 sq. meters	Leasehold (66 years expiring 2061)	1,212	37	4 December 2012
<b>SOLAR GAS SDN BHD</b>							
PTD 40053 Mukim of Tebrau District of Johor Bahru Johor	Land, Office & Plant	Industrial	143,609 sq. feet	Freehold	1,053	34	1 July 1998
<b>KUB GAS TERMINAL SDN BHD</b>							
HS(D) 67801, PT 64539 Mukim of Klang Klang, Selangor	Vacant land	Industrial	3.10 hectares	Leasehold (99 years expiring 2097)	19,024	-	25 September 2018

# ANALYSIS OF SHAREHOLDINGS

AS AT 15 SEPTEMBER 2022

Issued Shares : RM228,862,797.00 of 556,464,690 Ordinary Shares

Class of Shares : Ordinary Shares

Voting Rights : One vote per Ordinary Share (On a Poll)

## ANALYSIS BY SIZE OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES HELD	% OF SHAREHOLDINGS
Less than 100	7,738	15.13	320,255	0.06
100 – 1,000	25,398	49.65	16,083,132	2.89
1,001 – 10,000	15,948	31.18	42,985,887	7.72
10,001 – 100,000	1,800	3.52	55,606,317	9.99
100,001 to less than 5%	260	0.51	155,714,740	27.98
5% and above	3	0.01	285,754,359	51.36
<b>Total</b>	<b>51,147</b>	<b>100.00</b>	<b>556,464,690</b>	<b>100.00</b>

## DIRECT AND INDIRECT INTERESTS OF DIRECTORS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act, 2016 the Directors' Interest in the Company and its subsidiaries are as follows:

NO.	NAMES	DIRECT SHAREHOLDINGS	INDIRECT SHAREHOLDINGS	% OF SHAREHOLDINGS
1.	Datuk Seri Johari bin Abdul Ghani	-	183,400,000*	32.96*
2.	Dato' Ahmad Ibnihajar	-	-	-
3.	Mohammad Farish Nizar bin Othman	-	-	-
4.	Datuk Haji Mohd Haniff bin Haji Koslan	-	-	-
5.	Datuk Norliza binti Abdul Rahim	-	-	-
6.	Megat Joha bin Megat Abdul Rahman	-	-	-
7.	Kasinathan a/l Tulasi	370,000	-	0.07
8.	Tee Beng Thong	-	-	-
9.	Ahmed Fairuz bin Abdul Aziz	-	-	-

Notes:

\* Deemed interest by virtue of his interest in JAG Capital Holdings Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.

**SUBSTANTIAL SHAREHOLDERS**

NO.	NAMES	DIRECT SHAREHOLDINGS		INDIRECT SHAREHOLDINGS	
		NO. OF SHARES HELD	% OF SHAREHOLDINGS	NO. OF SHARES HELD	% OF SHAREHOLDINGS
1.	JAG Capital Holdings Sdn Bhd  <u>Shares held in the name of:</u> Cimsec Nominees (Tempatan) Sdn Bhd Datuk Seri Johari bin Abdul Ghani*	183,400,000	32.96	-	-
		-	-	183,400,000	32.96
2.	Anchorscape Sdn Bhd	52,354,359	9.41	-	-
3.	Leasing Corporation Sdn Bhd  <u>Shares held in the name of:</u> MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd	50,000,000	8.99	-	-

Notes:

\* Deemed interest by virtue of his interest in JAG Capital Holdings Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.

**TOP THIRTY (30) LARGEST SHAREHOLDERS**

NO.	NAMES	NO. OF SHARES HELD	% OF SHAREHOLDINGS
1.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB for JAG Capital Holdings Sdn Bhd	183,400,000	32.96
2.	Anchorscape Sdn Bhd	52,354,359	9.41
3.	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Leasing Corporation Sdn Bhd	50,000,000	8.99
4.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Hock Fatt	20,500,000	3.68
5.	Geo-Mobile Asia Sdn Bhd	12,450,000	2.24
6.	Lim Gaik Bway @ Lim Chiew Ah	5,217,500	0.94
7.	Camasia Limited	5,001,000	0.90
8.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Erwin Selvarajah a/l Peter Selvarajah	5,000,000	0.90
9.	Leong Kong Min	4,200,000	0.75
10.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Lian Seng	4,100,000	0.74
11.	Grand Terrace Sdn Bhd	3,546,400	0.64
12.	Rubber Thread Industries (M) Sdn. Berhad	3,404,400	0.61

## ANALYSIS OF SHAREHOLDINGS

AS AT 15 SEPTEMBER 2022

### TOP THIRTY (30) LARGEST SHAREHOLDERS (cont'd)

NO.	NAMES	NO. OF SHARES HELD	% OF SHAREHOLDINGS
13.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Khoo Bee Lian	3,211,900	0.58
14.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Kian Aik	2,700,000	0.49
15.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Erwin Selvarajah a/l Peter Selvarajah	2,320,000	0.42
16.	Md Anwar bin Mamood	2,100,000	0.38
17.	Wong Lee Peng	2,026,200	0.36
18.	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Bank Bhd for Perbadanan Kemajuan Negeri Perak	2,000,000	0.36
19.	Sukumaran s/o Ramasamy	1,924,600	0.35
20.	Wong Wai Kong	1,838,000	0.33
21.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Kian Aik	1,713,100	0.31
22.	Ong Beng Kee	1,500,000	0.27
23.	Azri bin Abdul Ghani	1,432,300	0.26
24.	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank of New York Mellon for Acadian Emerging Markets Micro-Cap Equity Master Fund	1,217,200	0.22
25.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Gan Cheong Poon	1,200,000	0.22
26.	Yap Mei Lian	1,180,000	0.21
27.	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt AN for UOB Kay Hian Pte Ltd	1,125,000	0.20
28.	Chee Sok Mee	1,046,800	0.19
29.	Olive Lim Swee Lian	1,040,000	0.19
30.	Goh Soon An	1,002,000	0.18

# NOTICE OF 57<sup>TH</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Fifty-Seventh ('57<sup>th</sup>') Annual General Meeting ('AGM') of KUB Malaysia Berhad ('KUB' or 'the Company') will be held **VIRTUALLY** through live streaming from the Board Room, KUB Malaysia Berhad, Suite A-22-1, Level 22, Hampshire Place Office, 157 Hampshire, No. 1 Jalan Mayang Sari, 50450 Kuala Lumpur on Thursday, 27 October 2022 at 10.00 a.m. to transact the following businesses:

## AGENDA

### As Ordinary Business

1. To receive the Audited Financial Statements for the financial period ended 30 June 2022 together with the Reports of the Directors and Auditors thereon.
2. To re-elect the following Directors who retire by rotation in accordance with Clause 94 of the Company's Constitution, and being eligible have offered themselves for re-election:
  - (i) Datuk Seri Johari bin Abdul Ghani
  - (ii) Datuk Norliza binti Abdul Rahim
  - (iii) Megat Joha bin Megat Abdul Rahman
3. To approve the payment of the following Directors' Remuneration:
  - (i) Directors' Fees of RM600,000 for the Non-Executive Directors for the period from 27 October 2022 until the conclusion of the 58<sup>th</sup> AGM; and
  - (ii) Benefits payable up to an amount of RM350,000 to the Non-Executive Directors (excluding the Directors' Fees) for the period from 27 October 2022 until the conclusion of the 58<sup>th</sup> AGM.
4. To re-appoint Deloitte PLT as Auditors of the Company for the ensuing financial year and to authorise the Directors to fix their remuneration.

**Please refer to Note 2**

**Resolution 1  
Resolution 2  
Resolution 3**

**Please refer to Note 3**

**Resolution 4**

**Resolution 5  
Please refer to Note 4**

**Resolution 6  
Please refer to Note 5**

### As Special Business

To consider, and if thought fit, to pass with or without any modifications, the following Ordinary Resolution:

5. Authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016 ('CA 2016').

'THAT subject to Sections 75 and 76 of the CA 2016 and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby authorised to issue and allot shares in the Company, at any time upon passing of this resolution until the conclusion of the next AGM and upon such terms and conditions, for such purposes and to persons whomsoever the Directors may, in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being, AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad ('Bursa Malaysia').'

**Resolution 7**

## NOTICE OF 57<sup>TH</sup> ANNUAL GENERAL MEETING

6. To transact any other business for which due notice shall have been given.

**FURTHER NOTICE IS HEREBY GIVEN THAT** for the purpose of determining a member who shall be entitled to attend this 57<sup>th</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 67 of the Constitution of the Company and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 20 October 2022. Only a depositor whose name appears on the Record of Depositors as at 20 October 2022 shall be entitled to attend the said Meeting or appoint proxy(ies) to attend and/or vote on his/her stead.

By Order of the Board

**AZLEEN BINTI ABDULLAH (MAICSA 7057423 /SSM PC NO. 201908002775)**  
**NORITA BINTI MISRA (LS 0010426/SSM PC NO. 202008002369)**

Company Secretaries  
Kuala Lumpur  
28 September 2022

### NOTES:

#### 1. Appointment of Proxy

- (i) A member of the Company entitled to attend, speak and vote at the above-mentioned Meeting may appoint a maximum of two (2) proxies, to attend and vote in his/her stead. Where a member appoints two (2) proxies, the member shall specify the proportion of the member's shareholding to be represented by each proxy, failing which the appointment shall be invalid. A proxy may but need not be a member of the Company.
- (ii) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ('omnibus account') as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (iii) The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised or if the appointer is a corporation, either under its common seal or signed under the hand of its attorney or by an officer given the authority on behalf of the corporation. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation.
- (iv) The Proxy Forms must be deposited at the office of the Company's share registrar, **Boardroom Share Registrars Sdn Bhd (Company Reg. No: 199601006647 (378993-D)), 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan** by hand or by fax to **+(603) 7890 4670** or by e-mail to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) or lodge electronically at <https://investor.boardroomlimited.com> not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.
- (v) Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia, all resolutions set out in the Notice of the 57<sup>th</sup> AGM will be put to vote on a Poll.

(vi) **No shareholders/proxies shall be physically present at the broadcast venue.** Please refer to the Administrative Details of the 57<sup>th</sup> AGM on remote participation and voting facilities for the virtual meeting which can be downloaded from <https://www.kub.com/agm2022/download>.

(vii) In disclosing the proxy's personal data, you as shareholder warrant that the proxy (ies) has/have given his/her consent for the disclosure and processing of personal data under the Personal Data Protection Act, 2010.

#### 2. Audited Financial Statements for the Financial Period Ended 30 June 2022

This Agenda is meant for discussion only and will not be put for voting. The approval from shareholders is not required in accordance with Section 340(1)(a) of the CA 2016.

#### 3. Re-election of Directors who retire in accordance with Clause 94 of the Constitution of the Company

Clause 94 of the Constitution of the Company provides that at the AGM, one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office. All Directors shall retire from office once at least in each three (3) years. A retiring director shall be eligible for re-election and shall retain office until the conclusion of the AGM at which he retires. Out of the Board size of nine (9), three (3) Directors are to retire in accordance with Clause 94 of the Company's Constitution.

The Board Nomination and Remuneration Committee ('BNRC') has assessed each of the retiring Directors' performance and, contributions based on the Board Effectiveness Assessment for 2021/2022 and the ability to act in the best interest of the Company. Being satisfied with the assessment results, the Board approved the BNRC's recommendation that the Directors who retire are eligible to stand for re-election.

The retiring Directors had abstained from deliberations and decisions on their eligibility to stand for re-election at the relevant Board and Committee meetings.

#### 4. Directors' Remuneration

Pursuant to Section 230(1) of the CA 2016, the fees of the directors and any benefits payable to the directors of a public listed company and its subsidiaries shall be approved at a general meeting. Therefore, the Board agreed that the shareholders' approval shall be sought at the 57<sup>th</sup> AGM on the Directors' Remuneration in two (2) separate resolutions as follows:

- (i) **Resolution 4** - Payment of Directors' Fees for the period from 27 October 2022 until the conclusion of the 58<sup>th</sup> AGM; and

On 30 August 2022, the Board agreed to seek the shareholders' approval for the Company to pay the Directors' Fees of up to RM600,000 for the period from 27 October 2022 until the conclusion of the 58<sup>th</sup> AGM. In the event of a new appointment or resignation of the Directors, the Directors' Fees will be pro-rated accordingly. Resolution 4, if passed, will authorise the payment of the Directors' Fees to the Directors on a quarterly basis effective 27 October 2022.

- (ii) **Resolution 5** - Benefits payable to the Non-Executive Directors ('NEDs') (excluding the Directors' Fees) for the period from 27 October 2022 until the conclusion of the 58<sup>th</sup> AGM ('the Relevant Period').

On 30 August 2022, the Board agreed to seek the shareholders' approval for the Company to pay the Directors' Benefits of RM350,000 for the Relevant Period. Resolution 5, if passed, will authorise the payment of the Directors' Benefits up to RM350,000 ('the Proposed Amount') to the NEDs by the Company for the Relevant Period. The estimated amount payable is based on the assumption that the Company maintain its existing Board composition. The payment of the Directors' Benefits will be made by the Company as and when incurred. In the event the Proposed Amount is insufficient, approval will be sought at the 58<sup>th</sup> AGM for the additional benefits.

#### 5. Re-appointment of Deloitte PLT as Auditors of the Company

On 30 August 2022, the Board approved the recommendation by the Audit Committee on the re-appointment of Deloitte PLT as Auditors of the Company. The Board and the Audit Committee have collectively agreed that Deloitte PLT had met the relevant criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia.

#### 6. Statement Accompanying Notice of Annual General Meeting of the Company

This statement contains additional information required under Appendix 8A of the Main Market Listing Requirements of Bursa Malaysia.

#### EXPLANATORY NOTES TO THE SPECIAL BUSINESS:

##### 1. Resolution 7 - Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016

Resolution 7, which is for the purpose of granting a renewal of General Mandate ('General Mandate'), if passed, will empower the Directors to issue and allot new shares in the Company up to an amount not exceeding in total ten per centum (10%) of the issued shares of the Company for such purposes and to such person or persons whomsoever as the Directors consider would be in the interest of the Company. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting of the Company.

The General Mandate will provide flexibility to the Company for any possible fund-raising activities including but not limited to further placement of shares, for purpose of funding future investment project(s), working capital and/or acquisitions. As at the date of this Notice, no new shares in the Company were issued pursuant to the General Mandate granted to the Directors at the 56<sup>th</sup> AGM held on 28 October 2021 and which will lapse at the conclusion of the 57<sup>th</sup> AGM.

## STATEMENT ACCOMPANYING NOTICE OF 57<sup>TH</sup> ANNUAL GENERAL MEETING PURSUANT TO PARAGRAPH 8.27(2) OF BURSA MALAYSIA MAIN MARKET LISTING REQUIREMENTS

The name of the Director who is due for retirement and seeking re-election pursuant to the Constitution is listed in the Notice of the 57<sup>th</sup> AGM. Their profile is set out in the Profile of Directors in the Annual Report 2022.

Directors' securities holdings are provided under the Analysis of Shareholdings section of the Annual Report 2022.

# ADMINISTRATIVE DETAILS

FOR THE 57<sup>TH</sup> ANNUAL GENERAL MEETING ('AGM') KUB MALAYSIA BERHAD ('KUB' OR 'THE COMPANY')

<b>DATE</b>	: THURSDAY, 27 OCTOBER 2022
<b>TIME</b>	: 10.00 A.M.
<b>ONLINE MEETING PLATFORM</b>	: <a href="https://meeting.boardroomlimited.my">https://meeting.boardroomlimited.my</a>
<b>BROADCAST VENUE</b>	: BOARD ROOM, KUB MALAYSIA BERHAD SUITE A-22-1, LEVEL 22, HAMPSHIRE PLACE OFFICE 157 HAMPSHIRE, NO. 1 JALAN MAYANG SARI 50450 KUALA LUMPUR

## 1. VIRTUAL AGM

- (i) The AGM will be conducted on a **virtual** basis through live streaming and online remote voting using the **REMOTE PARTICIPATION AND ELECTRONIC VOTING ('RPEV')** facilities pursuant to Section 327 of the Companies Act, 2016 ('CA 2016') and Clause 63(c) of the Constitution of the Company.
- (ii) **No shareholders/proxies shall be physically present at the broadcast venue.** The Meeting is in compliance with Section 327(2) of the CA 2016 which provides that the main venue of the AGM shall be in Malaysia and the chairperson must be present at the main venue of the AGM. The virtual Meeting will enable the shareholders/proxies to participate in the proceedings without the need to be physically present, given the current circumstances relating to Covid-19 and best health practices.
- (iii) The Company will be using the online meeting platform provided by the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd at <https://meeting.boardroomlimited.my> ('the Meeting Portal'). With this RPEV facility, you may exercise your right as a shareholder of the Company to participate (including to pose questions to the Board/Management of the Company) and vote at the comfort of your home.

## 2. REMOTE PARTICIPATION AND ELECTRONIC VOTING ('RPEV')

Before you can access the Meeting portal, please follow the steps below to register for the RPEV facilities:

### Step 1 – Register Online with Boardroom Smart Investor Portal (for first time registration)

*[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2 and Submit request for Remote Participation user ID and password].*

- (a) Access the website <https://investor.boardroomlimited.com>
- (b) Click «**Register**» to sign up as a user.
- (c) Complete registration and upload softcopy of MyKAD or Passport (front and back in **JPG, PNG** or **PDF** format).
- (d) Please enter a valid email address and wait for Boardroom's email verification.
- (e) Your registration will be verified and approved within (1) one business day and an email notification will be provided.

### Step 2 – Submit Request for Remote Participation User ID and Password for the AGM

*[Note: The registration for remote access will be opened on **Wednesday, 28 September 2022 at 10.00 a.m.** and closed on **Tuesday, 25 October 2022 at 10.00 a.m.**]*

**Individual Members**

- (a) Login to <https://investor.boardroomlimited.com> using your user ID and password above.
- (b) Select '**KUB MALAYSIA BERHAD ANNUAL GENERAL MEETING**' from the list of Corporate Meetings and click '**Enter**'.
- (c) Click on '**Register for RPEV**'.
- (d) Read and agree to the Terms & Condition and click '**Next**'.
- (e) Enter your CDS Account Number and thereafter submit your request.

**Corporate Shareholders, Authorised Nominee and Exempt Authorised Nominee**

- (a) Write in to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) and provide the name of Member and CDS Account Number accompanied with the Certificate of Appointment of Corporate Representative or Form of Proxy to submit the request.
- (b) Please provide a softcopy of the Corporate Representative's MyKad/Identification Card (Front and Back) or Passport in **JPG, PNG** or **PDF** format as well as his/her email address.

Thereafter:

- (a) You will receive a notification via email from Boardroom that your request has been received and is being verified.
- (b) Upon system verification against the AGM's Record of Depositories, you will receive an email from Boardroom either approving or rejecting your registration for remote participation.
- (c) You will also receive your remote access user ID and password along with the email from Boardroom if your registration is approved after **Tuesday, 25 October 2022 at 10.00 a.m.**, this being the closing date of the registration date.

**Step 3 – Login to Virtual Meeting Portal (<https://meeting.boardroomlimited.my>)**

*[Please note that the quality of the connectivity to Virtual Meeting Portal for live webcast as well as for remote online voting is highly dependent on the bandwidth and the stability of the internet connectivity available at the location of the remote users].*

- (a) The Virtual Meeting Portal will be open for login starting one (1) hour before the commencement of AGM at 9.00 a.m. on **Thursday, 27 October 2022**.
- (b) Follow the steps given to you in the email (Refer to Step 2 above) along with your remote access user ID and password to login to the Virtual Meeting Portal.
- (c) The steps will also guide you how to view the live webcast, ask questions and vote.
- (d) The live webcast will end and the Messaging window will be disabled once the Chairman announces the closure of the AGM.
- (e) You can now logout from the Virtual Meeting Portal.

**3. PROXY**

- (i) A shareholder who is entitled to remotely participate and vote at the Meeting is entitled to appoint proxy(ies) to remotely participate and vote in his/her stead. If you are not able to participate in the AGM remotely, you are encouraged to appoint the Chairman of the Meeting as your proxy and indicate the voting instructions in the Proxy Form.
- (ii) The Proxy Form must be deposited to the office of the Company's Share Registrar, **Boardroom Share Registrars Sdn Bhd, 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan** by hand or by e-mail at [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) or by fax to **+(603) 7890 4670** not less than **forty-eight (48) hours** before the time for holding the Meeting or any adjournment thereof.

## ADMINISTRATIVE DETAILS

FOR THE 57<sup>TH</sup> ANNUAL GENERAL MEETING ('AGM') KUB MALAYSIA BERHAD  
('KUB' OR 'THE COMPANY')

- (iii) You may also opt to submit your Proxy Form via the Boardroom Smart Investor Portal, following the procedures detailed below:

**Step 1 – Register Online with Boardroom Smart Investor Portal (for first time registration)**

*[Note: Please refer to Note 2, Step 1 above for the procedures]*

**Step 2 – e-Proxy Lodgement**

- (a) Login to <https://investor.boardroomlimited.com> using your user ID and password.
- (b) Select '**KUB MALAYSIA BERHAD ANNUAL GENERAL MEETING**' from the list of Corporate Meetings and click '**Enter**'.
- (c) Click on '**Submit eProxy Form**'.
- (d) Read and accept the General Terms and Conditions by clicking '**Next**'.
- (e) Enter your CDS Account Number and number of securities held.
- (f) Select your proxy – either the Chairman of the meeting or individual named proxy(ies) and enter the required particulars of your proxy(ies).
- (g) Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote.
- (h) Review and confirm your proxy appointment.
- (i) Click '**Apply**'.
- (j) Download or print the eProxy Form as acknowledgement.

- (iv) Please do not submit any Proxy Form if you wish to participate in the Meeting yourself. A shareholder will not be allowed to participate if he/she has appointed a proxy.
- (v) If you have submitted the Proxy Form and subsequently decide to participate in the Meeting, please write to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) to revoke the appointment of your proxy(ies) not less than forty-eight (48) hours before the AGM which is on **Tuesday, 25 October 2022 at 10.00 a.m.**. Your proxy(ies) on revocation would not be allowed to participate in the Meeting. In such event, you should advise your proxy(ies) accordingly.

## 4. VOTING PROCEDURES

- (i) The voting will be conducted by poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Company has appointed Boardroom Share Registrars Sdn Bhd as Poll Administrator to conduct the poll by way of electronic voting ('E-Voting'). A Scrutineer will be appointed to verify the poll results.
- (ii) The E-Voting may be carried out using personal smart mobile phones, tablets or laptops. There are two (2) methods to access the facilities, namely:
  - Scan the QR Code provided in the email notification; OR
  - Navigate to the website at <https://meeting.boardroomlimited.my>
- (iii) Please note that the above options are available to **(i) Individual Members (ii) Corporate Shareholders (iii) Authorised Nominees and (iv) Exempt Authorised Nominees.**
- (iv) You will be able to view a live webcast of the Meeting, ask questions and submit your votes in real time whilst the meeting is in progress.
- (v) Shareholders can vote on the resolution at any time from the commencement of the AGM at 10.00 a.m. until the end of the voting session which will be announced by the Chairman of the meeting.
- (vi) Upon completion of the voting session, the Scrutineer will verify and announce the poll results followed by the Chairman's declaration whether the resolution is duly passed or not.

## 5. PROCEDURES OF THE AGM

- (i) The Login User Guide for participation, posing questions and voting at the AGM will be emailed together with your user ID and password once your registration has been approved.
- (ii) No recording or photography of the Meeting proceedings is permitted.
- (iii) Please ensure that you are connected to the internet at all times in order to participate and vote when the AGM has commenced. It is your responsibility to ensure that connectivity for the duration of the Meeting is not interrupted.
- (iv) You will be able to view the Company's presentation or slides via the live webcast.
- (v) The Board will endeavour to respond to all questions related to resolutions, financial performance and business prospects within the time available. The questions may be submitted via the messaging window two (2) weeks before the AGM.

## 6. NO DOOR GIFTS OR FOOD VOUCHER

No distribution of door gifts or food vouchers will be given to the shareholders/proxy(ies).

## 7. ENQUIRY

Kindly contact the following persons during office hours between 8.30 a.m. to 5.30 p.m., Monday to Friday if you have any questions on the AGM:

### (i) Group Secretarial Division, KUB Malaysia Berhad

Telephone : +(603) 2721 9600

Facsimile : +(603) 2721 9610

Azleen binti Abdullah/Norita binti Misra

### (ii) Boardroom Share Registrars Sdn Bhd

(RPEV registration, proxy lodgement and technical assistance)

Telephone : +(603) 7890 4700

Facsimile : +(603) 7890 4670

E-mail : [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com)

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# PROXY FORM



CDS Account No.	
No. of Shares Held	

I/We \_\_\_\_\_ NRIC/Passport No. \_\_\_\_\_  
(Block Letters)

of \_\_\_\_\_  
(Full Address)

Telephone No.: \_\_\_\_\_ Email Address: \_\_\_\_\_

being a member/members of KUB Malaysia Berhad ('Company'), hereby appoint Chairman of the Meeting\* or

\_\_\_\_\_ NRIC/Passport No. \_\_\_\_\_  
(Block Letters)

of \_\_\_\_\_  
(Full Address)

Telephone No.: \_\_\_\_\_ Email Address: \_\_\_\_\_

and/or failing him \_\_\_\_\_ NRIC/Passport No. \_\_\_\_\_  
(Block Letters)

of \_\_\_\_\_  
(Full Address)

Telephone No.: \_\_\_\_\_ Email Address: \_\_\_\_\_

as my/our proxy(ies) to vote for me/us on my/our behalf at the 57<sup>th</sup> Annual General Meeting of the Company to be held **virtually** through live streaming from the **Board Room, KUB Malaysia Berhad, Suite A-22-1, Level 22, Hampshire Place Office, 157 Hampshire, No. 1 Jalan Mayang Sari, 50450 Kuala Lumpur** on **Thursday, 27 October 2022** at **10.00 a.m.** or at any adjournment thereof.

*\*If you wish to appoint other person(s) as your proxy/proxies, kindly delete the phrase 'Chairman of the Meeting' and insert name(s) of the desired person(s).*

My/our proxy(ies) is/are to vote as indicated by an 'X' in the appropriate spaces below:

RESOLUTIONS		FIRST PROXY		SECOND PROXY	
		FOR	AGAINST	FOR	AGAINST
<b>ORDINARY RESOLUTIONS</b>					
1.	Re-election of Datuk Seri Johari bin Abdul Ghani				
2.	Re-election of Datuk Norliza binti Abdul Rahim				
3.	Re-election of Megat Joha bin Megat Abdul Rahman				
4.	Approval of the Directors' Fees of RM600,000 for the Non-Executive Directors for the period from 27 October 2022 until the conclusion of the 58 <sup>th</sup> AGM				
5.	Approval of the Non-Executive Directors' Benefits up to an amount of RM350,000 to the Non-Executive Directors (excluding the Directors' Fees) for the period from 27 October 2022 until the conclusion of the 58 <sup>th</sup> AGM				
6.	Re-Appointment of Deloitte PLT as Auditors				
<b>SPECIAL BUSINESS</b>					
7.	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016				

The proportion of my/our holding to be represented by my/our proxy/proxies is as follows:

Dated this \_\_\_\_\_ day of \_\_\_\_\_ of 2022.

First Proxy	%
Second Proxy	%
<b>Total</b>	<b>100%</b>

\_\_\_\_\_  
 Signature of Member/Common Seal/Attorney/Authorised Officer

**\*\*Strike out whichever is not desired. (Unless otherwise instructed, the Proxy/(ies) may vote as he/she thinks fit)**

**Notes:**

- (i) A member of the Company entitled to attend, speak and vote at the above-mentioned Meeting may appoint a maximum of two (2) proxies, to attend and vote in his/her stead. Where a member appoints two (2) proxies, the member shall specify the proportion of the member's shareholding to be represented by each proxy, failing which the appointment shall be invalid. A proxy may but need not be a member of the Company.
- (ii) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ('omnibus account') as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (iii) The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised or if the appointer is a corporation, either under its common seal or signed under the hand of its attorney or by an officer given the authority on behalf of the corporation. A proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation.
- (iv) The Proxy Forms must be deposited at the office of the Company's share registrar, **Boardroom Share Registrars Sdn Bhd (Company Reg. No.: 199601006647 (378993-D)), 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan** by hand or by fax to **+(603) 7890 4670** or by e-mail to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) or lodge electronically at <https://investor.boardroomlimited.com> not less than **forty-eight (48) hours** before the time for holding the Meeting or any adjournment thereof.
- (v) **No shareholders/proxies shall be physically present at the broadcast venue.** Please refer to the Administrative Details of the 57<sup>th</sup> AGM on remote participation and voting facilities for the virtual meeting.
- (vi) In disclosing the proxy's personal data, you as shareholder warrant that the proxy (ies) has/have given his/her consent for the disclosure and processing of personal data in accordance to the Notice of the AGM under the Personal Data Protection Act, 2010.

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**KUB MALAYSIA BERHAD (196501000205 (6022-D))**  
**c/o THE REGISTRAR**  
**BOARDROOM SHARE REGISTRARS SDN BHD**  
(Company Reg. No.: 199601006647 (378993-D))

11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

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# GROUP DIRECTORY



## LPG DIVISION

- **Solar Gas Sdn Bhd**  
(196901000777 (9189-U))
- **KUB Gas Terminal Sdn Bhd**  
(201801025164 (1287184-A))

### Business Address

#### Corporate Office:

Level 3, Unit 1, Capital 3  
Oasis Square, Ara Damansara  
Jalan PJU 1A/7A  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Tel : +(603) 7610 9488  
Fax: +(603) 7610 9489

#### Operations Office:

(Westport Branch)  
Lot 55710  
Lorong Kenanga 8  
Liquid Bulk Terminal  
Westport, Pulau Indah  
42009 Port Klang  
Selangor Darul Ehsan  
Tel : +(603) 3101 1799  
Fax: +(603) 3101 1791

(Beranang Branch)  
No. 2, Jalan Perusahaan 3  
Kawasan Perusahaan Beranang  
43700 Beranang  
Selangor Darul Ehsan  
Tel : +(603) 8725 6660  
Fax: +(603) 8725 6855

(Johor Bahru Branch)  
16A-16C, Jalan Sri Purnama 5  
Kawasan Perindustrian Sri Purnama  
81100 Johor Bahru  
Johor Darul Takzim  
Tel : +(607) 333 1351  
Fax: +(607) 332 6527



## AGRO DIVISION

- **KUB Agro Holdings Sdn Bhd**  
(197901002890 (47135-V))

### Business Address

Suite A-22-1, Level 22  
Hampshire Place Office  
157 Hampshire  
No. 1 Jalan Mayang Sari  
50450 Kuala Lumpur  
Tel : +(603) 2721 9600  
Fax: +(603) 2721 9610



## OTHER DIVISIONS

- **KUB Power Sdn Bhd**  
(199201004834 (236338-P))
- **Peraharta Sdn Bhd**  
(197401002041 (19250-X))
- **KUB Telekomunikasi Sdn Bhd**  
(199101019684 (230021-D))
- **Connecta Sdn Bhd**  
(202001002285 (1358604-W))

### Business Address

#### KUB Power Sdn Bhd

Level 3, Unit 1, Capital 3  
Oasis Square, Ara Damansara  
Jalan PJU 1A/7A  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Tel : +(603) 7610 0018  
Fax: +(603) 7610 0017

#### Peraharta Sdn Bhd

Suite A-22-1, Level 22  
Hampshire Place Office  
157 Hampshire  
No. 1 Jalan Mayang Sari  
50450 Kuala Lumpur  
Tel : +(603) 2721 9600  
Fax: +(603) 2721 9610

#### KUB Telekomunikasi Sdn Bhd Connecta Sdn Bhd

Level 9 & 10, Unit 1, Capital 3  
Oasis Square, Ara Damansara  
Jalan PJU 1A/7A  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Tel : +(603) 7623 6400  
Fax: +(603) 7623 0116

*Note: Registered Office of all Companies located at:*

#### **KUB Malaysia Berhad** (196501000205 (6022-D))

Suite A-22-1, Level 22  
Hampshire Place Office  
157 Hampshire  
No. 1 Jalan Mayang Sari  
50450 Kuala Lumpur  
Tel : +(603) 2721 9600  
Fax: +(603) 2721 9610  
Website: [www.kub.com](http://www.kub.com)

[www.kub.com](http://www.kub.com)

**KUB Malaysia Berhad** (196501000205 (6022-D))

Suite A-22-1, Level 22, Hampshire Place Office, 157 Hampshire  
No. 1 Jalan Mayang Sari, 50450 Kuala Lumpur

**Tel: +603-2721 9600 Fax: +603-2721 9610**