

PRESS RELEASE
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KUB Records Another Positive Quarter

PETALING JAYA, 30 NOVEMBER 2017 – KUB MALAYSIA BERHAD ('KUB' or 'the Group') today announced its third quarter financial results for the financial year ending 31 December 2017 ("Q3FYE2017") with **revenue of RM138.0 million**. This is an increase of 7.3% compared to the immediate preceding quarter ("Q2FYE2017"). The higher revenue was driven by stronger topline performances in the Group's Agro, Food and Power sectors.

The Group reported a Profit before Tax ("PBT") of RM3.5 million for the current quarter under review as compared to RM9.3 million in the immediate preceding quarter ("Q2FYE2017"). The decline of pre-tax earnings was mainly due to the recognition of a one-off gain on the disposal of the Group's non-core properties amounting to RM6.0 million recognised in Q2FYE2017.

For the current cumulative quarter under review ("3QFYE2017"), revenue of RM415.3 million is 14.0% higher than the corresponding period in the previous year ("3QFYE2016"). Correspondingly, 3QFYE2017 Profit after Tax ("PAT") grew by 12.1%, to RM16.1 million from RM14.4 million in 3QFYE2016.

- **Energy sector** – Revenue improved by 28% to RM293.9mil as compared to 3QFYE2016, primarily attributable to the higher average contract price ("CP") of liquefied petroleum gas (LPG). However, the overall operating margins for the sector have reduced as a result of an increase in the average LPG costs, stiffer competition particularly in the commercial segment and a rise in administrative expenses.
- **Agro sector** - Revenue for 3QFYE2017 grew by 40% to RM37.5 million as compared to 3QFYE2016, mainly due to the increase in average crude palm oil ("CPO") prices and the higher crop production arising from the increased estate harvesting area.

Food Sector – Revenue for 3QFYE2017 surged 32% to RM44.6 million from RM33.7 million in 3QFYE2016, contributed by the opening of eight additional restaurant outlets coupled with the improvement of sales from existing and new outlets.

"We have recorded three positive quarters so far this financial year and are looking forward to delivering encouraging full year results. Our Energy sector will continue to be the primary revenue and earnings driver for the Group and we will continue to intensify our efforts to build our market share while preserving our operational margins. We aim to further expand our distribution capacity and market base in the Klang Valley



going forward,” commented Datuk Rahim Abdul Mohd Zin, the President & Group Managing Director of KUB.

He added, “With our productivity and cost optimization strategies, we expect the overall performance in the Agro sector to improve in the next quarter and in the next financial year. We are also at the tail-end of concluding the acquisition of our newest plantation estate in Sungai Kinabatangan, Sabah which will further boost the Group’s earnings in the Agro sector. ”

To recap, the Group, via its wholly owned subsidiary, KUB Malua Plantation Sdn Bhd, is in the process of finalising the proposed RM100.4 million acquisition of a brownfield oil palm plantation estate in Sungai Kinabatangan, Sabah. The estate, measuring approximately 1,534 hectares (3,791 acres) has a total planted area of 1,503.05 hectares and produced 33,727 metric tonnes of fresh fruit bunches (‘FFB’) in 2016. The said acquisition is expected to be completed by the year end and is expected to contribute positively to the Group’s Agro sector earnings in 2018.

“In addition to improving the Group’s segmental earnings from our core businesses, we are continuously exploring opportunities that will be synergistic to the Group’s current businesses and provide recurring income, which will in turn result in improved earnings growth and stability.” concluded Datuk Rahim.

ABOUT KUB MALAYSIA BERHAD

KUB Malaysia Berhad (‘KUB’) is a diversified group listed on the Main Market of Bursa Malaysia, operating in the core business of Agro Business, Information & Communications Technology (‘ICT’), Energy, Food Business, Property and Power sectors. KUB started as a Bumiputera-controlled co-operative known as Koperasi Usaha Bersatu Malaysia Berhad, which subsequently engineered the reverse takeover of Permodalan Perak Berhad (‘PBB’), a company listed on the Bumiputera Stock Exchange in 1996, PBB changed its name to KUB Malaysia Berhad and thereafter listed on the Main Market Board of KLSE in 1997.

For more information please go to <http://www.kub.com>

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