

**QUARTERLY REPORT ON
UNAUDITED CONSOLIDATED RESULTS
FOR THE FINANCIAL FOURTH QUARTER ENDED 31 DECEMBER 1999**

The Board of Directors has pleasure to announce the following unaudited consolidated results for the financial fourth quarter ended 31 December 1999.

**CONSOLIDATED INCOME STATEMENT
(RM'000)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR QUARTER 31/12/99	PRECEDING YEAR QUARTER 31/12/98	CURRENT YEAR ENDED 31/12/99	PRECEDING YEAR ENDED 31/12/98
1 (a) Turnover	99,644	53,669	327,192	330,422
(b) Investment income	-	-	35	990
(c) Other income including interest income	24,702	46	36,813	4,606
2 (a) Operating profit before interest on borrowing, depreciation & amortization, exceptional items, tax, minority interests ("MI") and extraordinary item ("EI")	21,410	(10,404)	15,998	(3,539)
(b) Interest on borrowings	(1,328)	(11,182)	(13,729)	(44,712)
(c) Depreciation & amortization	(10,150)	(4,869)	(22,803)	(10,492)
(d) Exceptional item	-	-	153,802	-
(e) Operating profits after interest on borrowings, depreciation & amortization and exceptional items but before tax, MI & EI	9,932	(26,455)	133,268	(58,743)
(f) Share in the results of associated companies	432	(58)	265	(443)
(g) Profit before tax, MI & EI	10,364	(26,513)	133,533	(59,186)
(h) Taxation	2,955	(1,155)	(288)	(4,562)
(i) (i) Profit after tax before deducting MI	13,319	(27,668)	133,245	(63,748)
(ii) Less MI	(7,033)	419	(9,298)	(1,154)
(j) Profit after tax attributable to shareholders	6,286	(27,249)	123,947	(64,902)
(k) (i) EI	-	-	-	-
(ii) Less MI	-	-	-	-
(iii) EI attributable to members of the Co.	-	-	-	-
(l) Profit / (loss) after tax & EI attributable	6,286	(27,249)	123,947	(64,902)
3 (a) Earnings Per Share ("EPS") based on 2(j) above				
(i) Basic (sen)*	1.25	(5.40)	24.56	(12.86)
(ii) Fully diluted (sen)**	1.18	(5.13)	23.33	(12.21)

*Basic EPS has been calculated based on 2 (j) above divided by the number of ordinary shares in issue of 504,620,391 shares of RM1.00 each.

**Fully diluted EPS has been calculated based on 2 (j) above divided by the number of ordinary shares in issue and an additional 26,711,111 new ordinary shares of RM1.00 each to be issued as considerations for acquisition of certain Malay Reserve and certain Restriction in Title lands.

CONSOLIDATED BALANCE SHEET

	AS AT END OF CURRENT FINANCIAL YEAR END 31/12/1999 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/12/1998 RM'000
1 Fixed Assets	173,928	133,324
2 Development Expenditure	154,542	119,067
3 Interest in Associated Companies	42,436	18,614
4 Other Investments	9,340	13,069
5 Deferred Costs	11,558	13,974
6 Current Assets		
<i>Stocks</i>	60,434	52,095
<i>Contract-in-progress</i>	-	18,738
<i>Trade Debtors</i>	129,417	102,389
<i>Other Debtors, Deposits and Prepayments</i>	54,291	48,877
<i>Associated Company</i>	-	670,000
<i>Other Investment</i>	22,463	22,451
<i>Deposits with Licensed Banks and Finance Companies</i>	330,969	53,712
<i>Deposits with other Financial Institutions</i>	41,000	-
<i>Cash and Bank Balances</i>	30,677	9,576
	669,251	977,838
7 Current Liabilities		
<i>Short Term Borrowings</i>	56,288	403,003
<i>Trade Creditors</i>	39,346	36,183
<i>Other Creditors and Accruals</i>	110,482	112,671
<i>Provision for Taxation</i>	6,150	16,550
	212,266	568,407
8 Net Current Assets	456,985	409,431
	848,789	707,479
9 Shareholders' Funds		
<i>Share Capital</i>	504,620	504,620
<i>Share Premium</i>	295,862	295,862
<i>Capital Reserve</i>	13,430	13,430
<i>Accumulated Loss</i>	(44,385)	(168,332)
	769,527	645,580
10 Minority Interests	28,645	18,801
11 Long Term Borrowings	43,040	35,805
12 Other Long Term Liabilities	7,577	7,293
	848,789	707,479
13 Net Tangible Assets per Share (RM)	1.50	1.25

Notes

1. The quarterly financial statements have been prepared using the same accounting policies and methods of computation as compared with the most recent annual financial statement as at 31 December 1998.
2. Exceptional item relates to the gain on disposal of 99,285,000 RHB Capital Berhad ("RHB Capital") shares at RM3.80 per share, received as part of the consideration for disposal of 30.01% equity in Sime Bank Berhad ("Sime Bank").
3. There were no extraordinary item for the year ended 31 December 1999.
4. Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/99 RM'000	PRECEDING YEAR QUARTER 31/12/98 RM'000	CURRENT YEAR ENDED 31/12/99 RM'000	PRECEDING YEAR ENDED 31/12/98 RM'000
Taxation for the period	-	784	-	4,191
Previous years taxation under/ (over) provided	(3,282)	301	(2,624)	301
Transfer of deferred tax to Profit & Loss	327	70	2,912	70
	<u>(2,955)</u>	<u>1,155</u>	<u>288</u>	<u>4,562</u>

5. There were no pre-acquisition profits for the year ended 31 December 1999.

6. Property

	RM'000
Total Purchases	22,639
Total Disposals	nil
Total Profit / (Loss) on Disposal	nil

7. Quoted securities

- a) The particulars of purchase and disposal of quoted securities for the year ended 31 December 1999 were as follows:

	RM'000
Total Purchases	24,175
Total Disposals	377,283
Total Profit on Disposal	153,802

- b) Investment in quoted shares as at 31 December 1999:

	RM'000
Total Investments at cost	26,730
Total Investments at book value after provision for diminution in value	24,983
Total Investments at market value as at 31 December 1999	22,637

8. The particular of disposal of long term investment for the year ended 31 December 1999 was as follow:

a) Acquisition of Subsidiaries

	RM'000
Total purchases	9,125

b) Acquisition of Other Investments

	RM'000
Total purchases	2,900

c) Disposal of Long Term Investment

	RM'000
Total Disposal	670,000
Total Profit / (Loss) on Disposal	nil

Except for the above, there were no other changes in the composition of the company for the current financial year to date including business combination, acquisition of subsidiaries and long term investments, restructuring and discontinuing of operations.

9. Status of corporate proposals announced but not yet completed as at 25 February 2000 were as follows:

- a) On 8 March 1999, KUB entered into a conditional agreement ("the Agreement") to dispose 6,300,000 ordinary shares of RM1.00 each representing 7 % equity interest in PSC Naval Dockyard Sdn Bhd to Penang Shipbuilding & Construction Sdn Bhd for a total consideration of RM33.0 million. The transaction is pending completion.
- b) On 22 November 1999, a wholly owned subsidiary, KUB Development Berhad entered into a Sale and Purchase Agreement to purchase 100% equity in Kesina Development Sdn Bhd for a consideration of RM3,200,000. The expected date of completion is in April 2000.
- c) On 17 December 1999, a wholly owned subsidiary, KUB Realty (PJ) Sdn Bhd entered into two Sale and Purchase Agreements with:
 - i) Ultimate Acres Sdn Bhd to purchase 20 parcels of shoplots/office located on level Ground, Level 1, Level 6 to 23 in the office tower known as Block D, Megan Phileo Avenue, 12, Jalan Yap Kwan Seng, Kuala Lumpur for a cash consideration of RM56,430,000.
 - ii) Phileo Avenue Sdn Bhd to purchase six level of car parking bays and ramps located on level Ground to 5 of the office tower known as Block C, Megan Phileo Avenue 12, Jalan Yap Kwan Seng, Kuala Lumpur for a cash consideration of RM5,940,000.

The expected date of completion for both agreements is in April 2000.

- d) On 9 February 2000, KUB Malaysia Berhad received the Securities Commission's approval for a further time extension of seven months to 31 July 2000, to effect the transfer of remaining Malay Reserve and restriction-in-title lands. The extension also applies to the issuance of shares, being the acquisition value of the lands.
- e) On 17 February 2000, a wholly owned subsidiary, KUB Telekomunikasi Sdn Bhd ("KUBTEL") entered into a Joint Venture Agreement with Barwaqo Telecommunication Services Co. ("BTS"), a company incorporated in United Kingdom, to resume telecommunication operations in Somalia via Somatel (Malaysia) Sdn Bhd ("Somatel"). Pursuant to the agreement, KUBTEL and BTS will acquire shareholding in Somatel on the basis of 51% and 49% respectively. The authorised and paid-up capital of Somatel is RM10 million and RM8 million respectively. The initial capital outlay and investment by KUBTEL is estimated at RM8.9 million.

f) On 21 February 2000, a wholly owned subsidiary, KUB Teknologi Sdn Bhd (“KUBTEK”) entered into a Shareholders’ Agreement with Octobot-APT (Malaysia) Sdn Bhd (“OCT”). Pursuant to the agreement, KUB Komunikasi Kreatif Sdn Bhd, a wholly owned subsidiary of KUBTEK will be a joint venture company (“JVC”) owned by KUBTEK and OCT on the basis of 51% and 49% respectively. The paid up capital of the JVC shall be RM2 million which RM1.02 million will be subscribed by KUBTEK. KUB Malaysia Berhad will advance to the JVC an approximately RM41 million for its showcase programme. The JVC will be a unique, one-stop business and technical centre for networked and electronic display systems. The system’s features include large-area, full colour, video-capable outdoor and indoor electronic smart displays with smart controllers that are networked for advertising and public interest messages.

10. The Group operation for the year ended 31 December 1999 was not subjected to any material seasonality or cyclicity.

11. There were no issuance and repayment of debt or equity securities, share buy backs, share cancellations, shares held as treasury shares and resale of treasury shares for the year ended 31 December 1999.

12. Group borrowings as at 31 December 1999:

a) Breakdown between secured and unsecured borrowings:

	RM’000
Secured borrowings	99,212
Unsecured borrowings	116
Total	99,328

b) Breakdown between short and long term borrowings:

	RM’000
Short Term Borrowings	56,288
Long Term Borrowings	43,040
Total	99,328

c) None of the borrowings were denominated in the foreign currency

13. There was no material contingent liability incurred by the Group as at 25 February 2000.

14. There was no financial instrument with off balance sheet risk as at 31 December 1999.

15. There was no pending material litigation as at 25 February 2000.

16. Segmental Reporting

Segment	Turnover	Profit before tax	Assets employed
Information & Communications Technologies	226,778	3,522	279,053
Properties & Construction	36,281	2,116	246,682
Plantation	7,558	1,285	36,400
Consumer Products	57,038	(10,932)	70,358
Investment	3,136	137,761	428,562
Total	330,791	133,752	1,061,055
Less: Consolidation Adjustments	(3,599)	(219)	
Group	327,192	133,533	1,061,055

17. There was no material change in profit before tax for the quarter ended 31 December 1999 as compared to the preceding quarter.

18. REVIEW OF RESULTS

1999 was the year in which the Group consolidated its business activities. The Company is now focussed on the investment in four major areas vis-à-vis Information & Communications Technologies ("ICT"), Properties & Construction, Plantation and Consumer Products.

During the year, KUB Malaysia has sold its 30.01% equity in Sime Bank Berhad to RHB Bank Berhad for RM670 million, part of which was satisfied via 99,285,714 shares in RHB Capital Berhad. Subsequently these shares were sold for RM377.3 million resulting in a net gain of RM153.8 million. The Group's financial position as at 31 December 1999 was strong with RM399.6 million cash and a low gearing of 13% of its shareholders' fund. The net tangible asset improved from RM1.25 to RM1.50 per share as at year end.

For the year, the Group has recorded RM322.5 million turnover which was 2.4% lower than the preceding year due to the slowing down of construction and dampening of the property market and the lower palm oil price. Nevertheless, the Group has recorded a net profit of RM123.9 million for the year as against a net loss of RM64.9 million in the preceding year. This profit was translated into an earning per share of 24.6 sen.

19. CURRENT YEAR'S PROSPECTS

We do not envisage the Group's results in 2000 to be influenced by any exceptional event. The Management will continue its efforts to improve the operating performance of the Group for the year. In 2000, the Company will further focus its businesses on ICT.

20. No interim or final dividend has been declared or recommended.

By order of the Board

EULIS RACHMATIAH ISKANDAR

Company Secretary

29 February 2000