

**QUARTERLY REPORT ON  
UNAUDITED CONSOLIDATED RESULTS  
FOR THE FINANCIAL SECOND QUARTER ENDED 30 JUNE 2000**

The Board of Directors has pleasure to announce the following unaudited consolidated results for the financial second quarter ended 30 June 2000.

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/6/00	PRECEDING YEAR QUARTER 30/6/99	CURRENT YEAR TO 30/6/00	PRECEDING YEAR TO 30/6/99
1 (a) Turnover	106,145	111,369	221,280	162,939
(b) Investment income	-	-	-	-
(c) Other income including interest income	3,022	3,558	7,462	5,673
2 (a) Operating profit/(loss) before interest on borrowing, depreciation & amortization, exceptional items, tax, minority interests ("MI") and extraordinary item ("EI")	1,221	1,096	2,328	(4,214)
(b) Interest on borrowings	(1,701)	(1,582)	(3,140)	(10,295)
(c) Depreciation & amortization	(6,741)	(3,164)	(12,182)	(8,196)
(d) Exceptional items	-	153,802	-	153,802
(e) Operating profits/(loss) after interest on borrowings, depreciation & amortization and exceptional items but before tax, MI & EI	(7,221)	150,152	(12,994)	131,097
(f) Share in the results of associated companies	(565)	(164)	(737)	(166)
(g) Profit/(loss) before tax, MI & EI	(7,786)	149,988	(13,731)	130,931
(h) Taxation	(1,100)	400	(4,100)	-
(i) (i) Loss after tax before deducting MI	(8,886)	150,388	(17,831)	130,931
(ii) Less MI	(490)	(2,370)	(1,436)	(2,984)
(j) Loss after tax attributable to shareholders	(9,376)	148,018	(19,267)	127,947
(k) (i) EI	-	-	-	-
(ii) Less MI	-	-	-	-
(iii) EI attributable to members of the Co.	-	-	-	-
(l) Loss after tax & EI attributable	(9,376)	148,018	(19,267)	127,947
3 (a) Earnings Per Share ("EPS") based on 2(j) above				
(i) Basic (sen)*	(1.86)	29.33	(3.82)	25.36
(ii) Fully diluted (sen)**	(1.76)	27.86	(3.63)	24.08

\*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 Restriction-in-Title lands.

## CONSOLIDATED BALANCE SHEET

	AS AT END OF CURRENT QUARTER  30/6/2000 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/12/1999 RM'000
1 Fixed Assets	284,430	173,928
2 Development Expenditure	168,374	154,542
3 Interest in Associated Companies	41,717	42,436
4 Other Investments	31,803	9,340
5 Deferred Costs	10,121	11,558
<b>6 Current Assets</b>		
<i>Stocks</i>	81,060	60,434
<i>Trade Debtors</i>	112,963	129,417
<i>Other Debtors, Deposits and Prepayments</i>	48,197	54,291
<i>Other Investment</i>	-	22,463
<i>Deposits with Licensed Banks and Finance Companies</i>	254,451	330,969
<i>Deposits with other Financial Institutions</i>	-	41,000
<i>Cash and Bank Balances</i>	31,524	30,677
	<b>528,195</b>	<b>669,251</b>
<b>7 Current Liabilities</b>		
<i>Short Term Borrowings</i>	54,965	57,757
<i>Trade Creditors</i>	51,034	45,485
<i>Other Creditors and Accruals</i>	121,087	102,874
<i>Provision for Taxation</i>	4,476	6,150
	<b>231,562</b>	<b>212,266</b>
<b>8 Net Current Assets</b>	<b>296,633</b>	<b>456,985</b>
	<b>833,078</b>	<b>848,789</b>
<b>9 Shareholders' Funds</b>		
<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>	(63,652)	(44,385)
	<b>750,260</b>	<b>769,527</b>
10 Minority Interests	29,953	28,645
11 Long Term Borrowings	49,519	43,040
12 Other Long Term Liabilities	3,346	7,577
	<b>833,078</b>	<b>848,789</b>
13 Net Tangible Assets per Share (RM)	1.47	1.50

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 1999.
2. There was no exceptional item for the period ended 30 June 2000.
3. There was no extraordinary item for the period ended 30 June 2000.
4. Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/6/00 RM'000	PRECEDING YEAR QUARTER 30/6/99 RM'000	CURRENT YEAR TO DATE 30/6/00 RM'000	PRECEDING YEAR QUARTER 30/6/99 RM'000
Taxation for the period	1,100	-	4,100	-
Previous years taxation under/ (over) provided	-	(400)	-	-
	<u>1,100</u>	<u>(400)</u>	<u>4,100</u>	<u>-</u>

5. There was no pre-acquisition profits for the period ended 30 June 2000.

6. Property

	RM'000
Total Purchase	64,370
Total Disposal	nil
Total Profit / (Loss) on Disposal	nil

7. Quoted securities

- a) There was neither purchase or disposal of quoted securities for the period ended 30 June 2000.
- b) Investment in quoted shares as at 30 June 2000:

	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 30 June 2000	18,542

8. The particular of acquisitions of long term investments for the period ended 30 June 2000 were as follows:

- a) Acquisition of a Subsidiary

	RM'000
Total purchase	3,200

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 30 August 2000 are as follows:
- a) On 8 March 1999, KUB entered into a conditional 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 has lapsed;
  - b) On 17 February 2000, a wholly owned subsidiary, KUB Telekomunikasi Sdn Bhd (“KUBTel”) entered into a Joint Venture Agreement (“the 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;
  - c) On 25 April 1998, KUB entered into a supplemental Sale and Purchase Agreement with Koperasi Usaha Bersatu Malaysia Berhad (in liquidation) (“Koperasi”) whereby part of Koperasi’s assets to be acquired were Malay Reserve and restriction-in-title lands (“the Lands”). The acquisition value of the Lands is RM48.08 million and this value will be satisfied by the issue of 26,711,111 new ordinary shares of RM1 each in KUB at an issue price of RM1.80 per share. Securities Commission in its letter dated 24 August 2000 has granted KUB a further extension to 30 April 2001 to effect the transfer of the Lands; and
  - d) On 21 August 2000, a wholly owned subsidiary, KUBTel entered into Subscription Agreement (“Agreement”) to subscribe 51% equity in Cybertrek (Malaysia) Sdn Bhd (formerly known as Mejati Spektrum Sdn Bhd)(“Cybertrek”). Cybertrek is a company which owns the technology that tracks, immobilizes and recovers stolen vehicles through the use of communication networks and global satellite positioning system in Malaysia. The equity participation pursuant to the Agreement is 51% KUBTel and 49% Mejati Services Sdn Bhd. KUBTel shall subscribe for five hundred and ten thousand (510,000) ordinary shares for RM1,010,000 only.
10. The Group’s operation for the period ended 30 June 2000 is 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 period ended 30 June 2000.
12. Group borrowings as at 30 June 2000:

- a) Breakdown between secured and unsecured borrowings:

<b>RM’000</b>	<b>AS AT END OF CURRENT QUARTER  30/6/2000</b>	<b>AS AT PRECEDING FINANCIAL YEAR END 31/12/1999</b>
Secured borrowings	104,484	100,681
Unsecured borrowings	-	116
<b>Total</b>	<b>104,484</b>	<b>100,797</b>

b) Breakdown between short and long term borrowings:

<b>RM000</b>	<b>AS AT END OF CURRENT QUARTER  30/6/2000</b>	<b>AS AT PRECEDING FINANCIAL YEAR END 31/12/1999</b>
Short Term Borrowings	54,965	57,757
Long Term Borrowings	49,519	43,040
<b>Total</b>	<b>104,484</b>	<b>100,797</b>

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

13. There was no material contingent liabilities incurred by the Group as at 30 August 2000.

14. There was no financial instruments with off balance sheet risk as at 30 June 2000.

15. There was no pending material litigation as at 30 August 2000.

16. Segmental Reporting for the period ended 30 June 2000:

<b>Segment</b>	<b>Turnover</b>	<b>Profit / (Loss) Before Tax</b>	<b>Assets Employed</b>
<b>(RM'000)</b>			
Information and Communication Technologies ("ICT")	145,136	(5,988)	381,283
Properties & Construction	35,784	6	303,796
Plantations	2,336	(838)	37,969
Consumer Products	36,623	(8,444)	86,699
Investments	3,229	1,253	254,893
Segment Total	223,108	(14,011)	1,064,640
Less: Consolidation Adjustment	(1,828)	280	
Group Total	221,280	(13,731)	1,064,640

17. The loss before tax excluding the exceptional item for the current quarter was higher by RM3.9 million (104%) than that of the preceding year's quarter mainly due lower revenue by RM5.2 million and higher depreciation and amortisation expenses by RM3.6 million.

## 18. REVIEW OF RESULTS

For the period under review, the Group has recorded RM221.3 million turnover which is higher by RM58.3 million (36%) than the preceding year's period. Significant improvement in turnover was recorded in ICT business by RM32.6 million (29%) and Properties & Construction by RM25.9 million (262%). ICT business had contributed 66% or RM145.1 million of the period's revenue. Accordingly, the Group has recorded a lower net loss of RM19.2 million for the period as against a net operating loss of RM25.9 million (excluding the exceptional item of RM153.8 million) in the preceding year's period.

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 continue its focus on ICT.

20. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

There was no profit forecast submitted to the Securities Commission.

21. No interim dividend has been declared/recommended.

By order of the Board

**ROSNAH MAHAT**  
Company Secretary  
30 August 2000