



**Interim Financial Report on
Unaudited Consolidated Results for the
First Quarter Ended
31 March 2009**

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KUB MALAYSIA BERHAD

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

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2009

The Board of Directors hereby announce the unaudited financial results of the Group for the financial period ended 31 March 2009.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/2009 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2008 RM'000	CURRENT YEAR TO DATE 31/03/2009 RM'000	PRECEDING YEAR CORRESPONDING TO DATE 31/03/2008 RM'000
Revenue	179,759	190,959	179,759	190,959
Operating expenses	(177,353)	(187,432)	(177,353)	(187,432)
Other operating income	2,954	8,886	2,954	8,886
Results from operating activities	<u>5,360</u>	<u>12,413</u>	<u>5,360</u>	<u>12,413</u>
Finance costs	(2,205)	(1,579)	(2,205)	(1,579)
Share of profit of associates	260	512	260	512
Profit before tax	<u>3,415</u>	<u>11,346</u>	<u>3,415</u>	<u>11,346</u>
Income tax expense	(1,319)	(1,965)	(1,319)	(1,965)
Profit for the period	<u>2,096</u>	<u>9,381</u>	<u>2,096</u>	<u>9,381</u>
Attributable to:				
Equity holders of the Company	2,431	8,461	2,431	8,461
Minority interests	(335)	920	(335)	920
Profit for the period	<u>2,096</u>	<u>9,381</u>	<u>2,096</u>	<u>9,381</u>
Earnings per share attributable to equity holders of the Company (sen) :				
- Basic and diluted	<u>0.44</u>	<u>1.52</u>	<u>0.44</u>	<u>1.52</u>

The Condensed Consolidated Income Statement should be read in conjunction with the Group's Annual Audited Financial Statements for the financial year ended 31 December 2008.

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INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2009

CONDENSED CONSOLIDATED BALANCE SHEET

	UNAUDITED AS AT END OF CURRENT QUARTER 31/03/2009 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR END 31/12/2008 RM'000
Assets		
Property, plant and equipment	124,286	125,177
Intangible assets	17,327	17,327
Development expenditure	9,099	9,099
Prepaid lease payments	61,549	61,876
Investment property	11,470	11,517
Investment in associates	19,413	25,154
Other investments	162	263
Deferred tax assets	5,309	1,893
Total non-current assets	248,615	252,306
Other investments	2,886	2,886
Inventories	23,060	46,700
Receivables, deposits and prepayments	182,064	166,464
Current tax assets	1,877	3,295
Cash and bank balances	196,600	214,988
Total current assets	406,487	434,333
Assets classified as held for sale	24,866	25,877
Total assets	679,968	712,516
Equity		
Share capital	222,586	222,586
Reserves	52,001	55,052
Retained earnings	42,342	39,911
Total equity attributable to equity holders of the Company	316,929	317,549
Minority interests	20,157	20,492
Total equity	337,086	338,041
Borrowings	27,668	27,456
Deferred tax liabilities	8,728	7,805
Provision for liabilities	6,946	6,946
Total non-current liabilities	43,342	42,207
Payables and accruals	212,004	219,680
Provision for tax	8,350	5,206
Borrowings	73,979	101,144
Total current liabilities	294,333	326,030
Liabilities classified as held for sale	5,207	6,238
Total liabilities	342,882	374,475
Total equity and liabilities	679,968	712,516
Net assets per share attributable to ordinary equity holders of the parent (RM)	0.57	0.57

The Condensed Consolidated Balance Sheet should be read in conjunction with the Group's Annual Audited Financial Statements for the financial year ended 31 December 2008.

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INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2009

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	←			Attributable to equity holders of the Company			→			Total equity RM'000
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Capital redemption reserve RM'000	Translation reserve RM'000	Other reserves RM'000	Retained earnings RM'000	Total RM'000	Minority interest RM'000	
At 1 January 2009	222,586	5,965	34,016	312	(1,001)	15,760	39,911	317,549	20,492	338,041
Foreign exchange translation differences	-	-	-	-	(3,051)	-	-	(3,051)	-	(3,051)
Profit for the period	-	-	-	-	-	-	2,431	2,431	(335)	2,096
At 31 March 2009	<u>222,586</u>	<u>5,965</u>	<u>34,016</u>	<u>312</u>	<u>(4,052)</u>	<u>15,760</u>	<u>42,342</u>	<u>316,929</u>	<u>20,157</u>	<u>337,086</u>
At 1 January 2008	556,465	317,288	38,330	-	392	15,760	(637,023)	291,212	17,894	309,106
Disposal of subsidiary companies	-	-	(4,314)	-	-	-	-	(4,314)	(10,838)	(15,152)
Foreign exchange translation differences	-	-	-	-	20	-	-	20	-	20
Redemption of RCPS	-	-	-	312	-	-	(312)	-	-	-
Profit for the period	-	-	-	-	-	-	8,461	8,461	920	9,381
At 31 March 2008	<u>556,465</u>	<u>317,288</u>	<u>34,016</u>	<u>312</u>	<u>412</u>	<u>15,760</u>	<u>(628,874)</u>	<u>295,379</u>	<u>7,976</u>	<u>303,355</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's Annual Audited Financial Statements for the financial year ended 31 December 2008.

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INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2009

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	CURRENT YEAR TO DATE 31/03/2009 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2008 RM'000
Net cash generated from operating activities	12,835	43,742
Net cash used in investing activities	(1,603)	(2,627)
Net cash used in financing activities	(33,779)	(7,977)
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(22,547)	33,138
Cash and cash equivalents at beginning of period	138,102	37,552
Cash and cash equivalents at end of period	<u>115,555</u>	<u>70,690</u>
 Cash and cash equivalents included in the condensed consolidated cash flow statement comprise the following:		
Cash on hand and at banks	48,150	41,744
Deposits (excluding deposits pledged)	95,477	31,338
Bank overdrafts	(28,072)	(2,392)
	<u>115,555</u>	<u>70,690</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Group's Annual Audited Financial Statements for the financial year ended 31 December 2008.

KUB MALAYSIA BERHAD

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INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2009

EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Basis of preparation and accounting policies

The interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("FRS") 134 "Interim Financial Reporting" and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2008.

The accounting policies and methods of computation adopted by the Group for the interim financial statements are consistent with those adopted for the audited financial statements for the year ended 31 December 2008.

2. Audit report of the preceding annual financial statements

The auditors have expressed an unqualified opinion on the Group's statutory financial statements for the year ended 31 December 2008.

3. Seasonal or cyclical nature of operations

The business operations of the Group are not materially affected by seasonal or cyclical fluctuations.

4. Items of unusual nature, size or incidence

There are no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial year-to-date.

5. Changes in estimates

There are no changes in estimates that have had a material effect on the financial statements of the current quarter and financial year-to-date.

6. Debt and equity structure

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and financial year-to-date.

7. Dividends paid

There was no dividend paid in the current quarter and financial year-to-date.

The directors have recommended a first and final gross dividend in respect of previous financial year ended 31 December 2008 of 2.4 sen less 25 per cent taxation on 556,464,690 ordinary shares for approval by the shareholders at the forthcoming Annual General Meeting ("AGM") amounting to RM10,016,364.

8. Segment reporting

The Group's primary format for reporting segment information is business segments based on the Group's management and internal reporting structure and organised into Information & Communication Technology ("ICT"), Energy, Food Related ("Food") and Properties, Engineering & Construction ("PEC").

Segment information for the current financial period to 31 March 2009 is as follows:

	ICT RM'000	PEC RM'000	Food RM'000	Energy RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue							
External sales	48,689	49,777	20,016	61,273	4	-	179,759
Inter-segment sales	1,023	-	-	-	6,038	(7,061)	-
Total revenue	49,712	49,777	20,016	61,273	6,042	(7,061)	179,759
Results							
Profit/(loss) from operations	4,333	3,610	(1,874)	1,270	(1,979)	-	5,360
Finance costs	(418)	(1,255)	(477)	(21)	(34)	-	(2,205)
Share of profit of associates	-	-	-	-	260	-	260
Income tax expense	(943)	(124)	(104)	(148)	-	-	(1,319)
Profit/(loss) for the period	2,972	2,231	(2,455)	1,101	(1,753)	-	2,096

9. Carrying amount of revalued assets

There is no revaluation of property, plant and equipment brought forward from the previous audited annual financial statements as the Group does not adopt a revaluation policy on its property, plant and equipment.

10. Subsequent events

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen since 31 March 2009 to the date of this announcement which would substantially affect the financial results of the Group for the period ended 31 March 2009 that have not been reflected in the condensed financial statements, except as disclosed in Notes 11 and 17.

11. Changes in the composition of the group

There were no changes in the composition of the Group during the current quarter and financial period under review, except as disclosed below:

- (a) On 8 April 2009, A&W Distribution Co. Ltd., a dormant company incorporated in Thailand, which is a subsidiary of A&W Restaurants (Thailand) Co. Ltd., had been struck off from the Bangkok Registration Office of Partnerships and Companies, Department of Business Development, Ministry of Commerce, Thailand; and
- (b) On 30 April 2009, A&W (Singapore) Pte. Ltd. and Harbour Place Developments Pte. Ltd., both are dormant companies and wholly-owned subsidiaries of the Company had been struck off from the Accounting and Corporate Regulatory Authority (ACRA), Singapore.

12. Capital commitments

There are no capital commitments except as disclosed below:

	As at end of current quarter 31/03/2009 RM'000
Capital expenditure:	
Property, plant and equipment	
Approved and contracted for	1,170
Approved but not contracted for	<u>46,153</u>
	<u>47,323</u>
Lease and repurchase commitments	
Less than a year	1,863
Between one and five years	9,394
More than five years	<u>9,977</u>
	<u>21,234</u>

13. Contingent liabilities

There are no changes in the contingent liabilities as at the date of this announcement since the preceding financial year ended 31 December 2008.

14. Tax

	3 months ended		3 months ended	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	RM'000	RM'000	RM'000	RM'000
Current tax	<u>1,319</u>	<u>1,965</u>	<u>1,319</u>	<u>1,965</u>

The effective tax rate for the current financial year under review is higher than the statutory tax rate as certain expenses which are not deductible for tax purposes and profits of certain subsidiaries cannot be offset against losses of other subsidiaries for income tax purposes.

15. Sale of unquoted investments and/or properties

There was no material sale of unquoted investments and/or properties for the current quarter and financial year-to-date except for the disposal of a single-storey factory located at Jelapang Industrial Estate in Ipoh, Perak which was completed in January 2009. The Group recognised approximately RM0.9 million gain on the disposal of the above said property for the current quarter under review.

16. Quoted securities

There was no material purchase or disposal of quoted securities for the current quarter and financial year-to-date.

The Group's investments in quoted securities as at the end of the reporting period are as follows :-

	RM'000
At cost	<u>10,135</u>
At book value	<u>2,886</u>
At market value	<u>2,886</u>

17. Status of corporate proposals

No	Date of Announcement	Subject	Status
1.	05.06.2007 17.01.2008 08.04.2008 29.07.2008 18.11.2008 25.02.2009	Proposed disposal of 38.2% equity interest, comprising 2,781,310 ordinary shares of USD1.00 each in Progas Holdings Limited, a company incorporated in Republic of Mauritius to Progas Energy Limited ("PEL") for a total consideration of USD5,562,620.	The Group is reviewing the proposed disposal as PEL is unable to meet its contractual obligation.
2.	05.12.2007 05.05.2008 05.06.2008 05.08.2008 05.11.2008 05.12.2008 05.01.2009 25.02.2009 05.03.2009 05.05.2009	Proposed disposal of 100% equity interest, comprising 500,000 and 1,000,000 ordinary shares of RM1.00 each in ITTAR-IPP (PJ) Sdn Bhd and KUB Singgahsana (PJ) Sdn Bhd by ITTAR Sdn Bhd and KUB Hotel and Resort Management Sdn Bhd, a wholly-owned subsidiary of the Company, to Eden Industries Sdn Bhd for a total consideration of RM3,500,000.	The extended conditional period date has been extended to 5 June 2009.
3.	29.02.2008	Proposed disposal of 21 parcels of land held under various grants measuring approximately 352.165 hectares in the Mukim of Belanja, District of Kinta, State of Perak by Lembayung Sukma Sdn Bhd, a subsidiary of Bina Alam Bersatu Sdn Bhd which in turn is a subsidiary of KUB to Putrajaya Holdings Sdn Bhd for a total cash consideration of RM45,487,054.	Pending approval from the relevant authorities.
4.	23.04.2009	Proposed purchase of the Company's own shares as quoted on Bursa Malaysia Securities Berhad up to ten per centum (10%) of the issued and paid-up share capital of the Company at any given point of time during the authorised period.	Pending approval by the shareholders of the Company at the forthcoming 44th AGM.

18. Group borrowings and debt securities

		As at end of current quarter 31/03/2009 RM'000
Non-current		
Term loans	- secured	26,485
Finance leases		<u>1,183</u>
		<u>27,668</u>
Current		
Term loans	- secured	3,902
Bank overdrafts	- secured	28,072
Revolving credit	- secured	13,678
Bankers' acceptances / Trust receipts	- secured	27,078
Finance leases		<u>1,249</u>
		<u>73,979</u>

19. Financial instruments with off balance sheet risk

As at the reporting date, the Group does not have any off balance sheet financial instruments.

20. Material litigation

As at the date of this report, the Group does not have any material litigation which would have a material adverse effect on the financial position of the Group.

21. Profit before tax for the current quarter compared to the immediate preceding quarter

For the quarter under review, the Group recorded a lower profit before tax of RM3.4 million as compared to the previous quarter of RM20.9 million. Higher profit in the immediate preceding quarter was contributed by the gain on disposal of the building known as KUB.com of RM16.2 million.

22. Review of performance for the current interim financial period compared to the corresponding period in the preceding year

The Group recorded a revenue of RM179.8 million and profit before tax of RM3.4 million compared to RM191.0 million and RM11.3 million respectively in the corresponding period last year. PEC and ICT sectors are the main contributors to the Group's results in the current quarter while Plantation and PEC sector contributed to the performance in the corresponding quarter last year. The higher profit in corresponding period last year was partly attributed to a gain on disposal of subsidiaries of RM5.4 million.

23. Prospects

Despite the challenges in the current economic situation, the Group is cautiously optimistic in maintaining its positive results in the next quarter.

24. Profit forecast / profit guarantee

In relation to the acquisition of Ibuzawa Corporation Sdn Bhd and Empirical Systems (M) Sdn Bhd, the Group is given 2 years cumulative profit guarantee by the vendors for financial years ended 31 December 2008 and ending 31 December 2009 respectively.

Other than the above, the Group has neither made any profit forecast nor issued any profit guarantee.

25. Dividends

The Board does not recommend any dividend for the current quarter and financial year under review.

26. Earnings per share

(a) Basic earnings per share

The basic earnings per share is calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period.

	3 months ended	
	31/03/2009	31/03/2008
Profit for the period attributable to equity holders of the Company	2,431	8,461
Weighted average number of ordinary shares in issue	('000) 556,465	556,465
Basic earnings per share	(sen) 0.44	1.52

(b) Diluted earnings per share

There was no fully diluted effect on the earnings per share for the period under review.

By Order of the Board

EULIS RACHMATIAH ISKANDAR SASTRAWIDJAJA

Company Secretary
27 May 2009