



**Interim Financial Report on  
Unaudited Consolidated Results for the  
Quarter Ended**

**31 December 2022**

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# KUB MALAYSIA BERHAD

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

## INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 31 DECEMBER 2022

The Board of Directors hereby announce the unaudited financial results of the Group for the financial period ended 31 December 2022.

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER 31/12/2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2021 RM'000	% + / (-)	CURRENT YEAR TO DATE 31/12/2022 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2021 RM'000	% + / (-)
Revenue	125,637	150,083	(16%)	254,046	256,293	(1%)
Cost of sales and operating expenses	(123,913)	(141,321)		(251,021)	(242,156)	
Other income	9,751	2,713		11,271	4,407	
Other expenses	(1,886)	(1,399)		(3,194)	(2,398)	
<b>Results from operating activities</b>	<b>9,589</b>	<b>10,076</b>	<b>(5%)</b>	<b>11,102</b>	<b>16,146</b>	<b>(31%)</b>
Finance income	1,122	732		2,194	2,285	
Finance costs	(29)	(279)		(108)	(546)	
Share of profit of associate	1,362	-		3,259	-	
<b>Profit before tax</b>	<b>12,044</b>	<b>10,529</b>	<b>14%</b>	<b>16,447</b>	<b>17,885</b>	<b>-8%</b>
Income tax expense	(727)	(2,295)		(1,206)	(4,093)	
<b>Profit for the period</b>	<b>11,317</b>	<b>8,234</b>	<b>37%</b>	<b>15,241</b>	<b>13,792</b>	<b>11%</b>
<b>Profit attributable to :</b>						
- Owners of the Company	11,540	6,183		15,284	10,648	
- Non-controlling interests	(223)	2,051		(43)	3,144	
	<b>11,317</b>	<b>8,234</b>	<b>37%</b>	<b>15,241</b>	<b>13,792</b>	<b>11%</b>
<b>Earnings per share attributable to owners of the Company (sen) :</b>						
Basic and diluted	2.07	1.11		2.75	1.91	

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Group's Annual Audited Financial Statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.

# KUB MALAYSIA BERHAD

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

## INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 31 DECEMBER 2022

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER 31/12/2022 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2021 RM'000		CURRENT YEAR TO DATE 31/12/2022 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2021 RM'000	
<b>Profit for the period</b>	11,317	8,234	37%	15,241	13,792	10.5%
Other comprehensive income that will not reclassified subsequently to profit or loss:						
Net fair value changes in quoted share at fair value through other comprehensive income (FVTOCI)	72	-	100%	(1,443)	145	(1095.2%)
<b>Total comprehensive income for the period, net of tax</b>	<b>11,389</b>	<b>8,234</b>	38%	<b>13,798</b>	<b>13,937</b>	(1.%)
<b>Total comprehensive income attributable to :</b>						
Owners of the Company	11,612	6,183		13,841	10,793	
Non-controlling interests	(223)	2,051		(43)	3,144	
	<b>11,389</b>	<b>8,234</b>	38%	<b>13,798</b>	<b>13,937</b>	(40.9%)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's Audited Financial Statements for the financial period year 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.

# KUB MALAYSIA BERHAD

(Company No. 6022-D)

(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 31 DECEMBER 2022

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT END OF CURRENT QUARTER 31/12/2022 RM'000	AS AT PRECEDING FINANCIAL PERIOD END 30/6/2022 RM'000
<b>Assets</b>		
Property, plant and equipment	98,097	98,496
Investment properties	14,445	14,718
Right-of-use assets	2,323	2,794
Finance lease receivables	841	956
Investment in associates	-	45,800
Other investments	62,465	6,591
<b>Total non-current assets</b>	<b>178,171</b>	<b>169,355</b>
Inventories	5,479	5,743
Trade and other receivables	57,839	66,363
Contract assets	1,292	2,775
Finance lease receivables	218	194
Tax recoverable	1,228	1,968
Short term investments	203,685	-
Cash, bank balances and deposits	150,139	391,930
<b>Total current assets</b>	<b>419,880</b>	<b>468,973</b>
Non-current assets held for sale	2,711	2,711
<b>Total Assets</b>	<b>600,762</b>	<b>641,039</b>
<b>Equity</b>		
Share capital	228,863	228,863
Reserves	37,011	38,454
Retained earnings	232,932	225,995
<b>Total equity attributable to owners of the Company</b>	<b>498,806</b>	<b>493,312</b>
Non-controlling interests	(14,850)	(14,807)
<b>Total equity</b>	<b>483,956</b>	<b>478,505</b>
<b>Liabilities</b>		
Borrowings	2	14
Lease liabilities	592	1,203
Other payables	33,877	33,877
Deferred tax liabilities	10,511	10,511
<b>Total non-current liabilities</b>	<b>44,982</b>	<b>45,605</b>
Trade and other payables	65,044	61,625
Lease liabilities	1,326	1,177
Borrowings	5,024	54,023
Provision for tax	430	104
<b>Total current liabilities</b>	<b>71,824</b>	<b>116,929</b>
<b>Total liabilities</b>	<b>116,806</b>	<b>162,534</b>
<b>Total equity and liabilities</b>	<b>600,762</b>	<b>641,039</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>0.90</b>	<b>0.89</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.

# KUB MALAYSIA BERHAD

(Company No. 6022-D)

(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 31 DECEMBER 2022

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the Company →					← Distributable      Non-distributable reserves →				
	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	Capital reserve RM'000	Fair value adjustment reserve RM'000	Premium paid on acquisition of non-controlling interests RM'000	Merger reserve RM'000	Non- controlling interests RM'000
<b>At 1 July 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>
Profit for the period	15,241	15,284	-	15,284	-	-	-	-	-	(43)
Other comprehensive income for the period	(1,443)	(1,443)	-	-	(1,443)	-	(1,443)	-	-	-
<b>Total comprehensive income</b>	<b>13,798</b>	<b>13,841</b>	<b>-</b>	<b>15,284</b>	<b>(1,443)</b>	<b>-</b>	<b>(1,443)</b>	<b>-</b>	<b>-</b>	<b>(43)</b>
<b>Transaction with owners</b>										
Dividend paid	(8,347)	(8,347)	-	(8,347)	-	-	-	-	-	-
<b>At 31 December 2022</b>	<b>483,956</b>	<b>498,806</b>	<b>228,863</b>	<b>232,932</b>	<b>37,011</b>	<b>24,531</b>	<b>1,591</b>	<b>(258)</b>	<b>11,147</b>	<b>(14,850)</b>
<b>At 1 July 2021</b>	<b>481,471</b>	<b>483,519</b>	<b>228,863</b>	<b>213,989</b>	<b>40,667</b>	<b>25,371</b>	<b>3,178</b>	<b>971</b>	<b>11,147</b>	<b>(2,048)</b>
Profit for the period	13,792	10,648	-	10,648	-	-	-	-	-	3,144
Other comprehensive income for the period	145	145	-	-	145	-	145	-	-	-
<b>Total comprehensive income</b>	<b>13,937</b>	<b>10,793</b>	<b>-</b>	<b>10,648</b>	<b>145</b>	<b>-</b>	<b>145</b>	<b>-</b>	<b>-</b>	<b>3,144</b>
<b>Transaction with owners</b>										
Dividend paid	(8,347)	(8,347)	-	(8,347)	-	-	-	-	-	-
<b>At 31 December 2021</b>	<b>487,061</b>	<b>485,965</b>	<b>228,863</b>	<b>216,290</b>	<b>40,812</b>	<b>25,371</b>	<b>3,323</b>	<b>971</b>	<b>11,147</b>	<b>1,096</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.

# KUB MALAYSIA BERHAD

(Company No. 6022-D)  
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## INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 31 DECEMBER 2022

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CUMULATIVE PRECEDING YEAR CURRENT YEAR TO DATE 31/12/2022 RM'000	CORRESPONDING PERIOD 31/12/2021 RM'000
Profit before taxation	16,447	17,885
Adjustments for :		
Depreciation of property, plant and equipment	6,015	7,469
Depreciation of right-of-use assets	597	585
Depreciation of investment properties	273	351
Gain on fair value recognition of other investment	(8,213)	-
Gain on fair value changes in biological assets	-	(111)
(Gain)/loss on fair value changes of derivative instruments	(25)	39
Property, plant and equipment written off	16	3
Allowance/(Reversal) for impairment on receivables	1,063	(1,079)
Impairment loss on inventories	-	171
Unrealised gain on foreign exchange	-	21
Unrealised gain on fair value changes in short term investment	(2,273)	(1,279)
Gain on disposal of property, plant and equipment	(122)	-
Reversal of allowance for impairment on receivables	-	-
Finance income	(2,194)	(2,285)
Finance costs	108	546
Dividend income	-	(141)
Share of results of associate	(3,259)	-
Operating profit before working capital changes	8,433	22,175
Changes in working capital:		
Inventories	264	(1,498)
Trade and other payables	2,868	8,994
Trade and other receivables	8,038	(38,059)
Contract assets	1,483	2,695
Contract liabilities	-	(617)
	21,086	(6,310)
Finance costs - lease liabilities	(52)	(81)
Net tax paid	(140)	(1,562)
<b>Net cash generated from/(used in) operating activities</b>	<b>20,894</b>	<b>(7,953)</b>
Acquisition of property, plant and equipment	(5,632)	(3,814)
Acquisition of short term investments	(201,330)	(182,729)
Dividends received	-	141
Finance income received	2,194	2,285
Net proceeds from disposal of property, plant and equipment	122	-
<b>Net cash used in investing activities</b>	<b>(204,646)</b>	<b>(184,117)</b>
Decrease of deposits pledged with licensed banks	(5)	5,361
Finance costs paid	(56)	(465)
Dividend paid	(8,347)	(8,347)
Repayment of lease liabilities	(625)	(586)
Repayment of hire purchase	(11)	(11)
Repayment of term loans	-	(399)
Repayment of short term borrowings	(49,000)	5,479
<b>Net cash used in financing activities</b>	<b>(58,044)</b>	<b>1,032</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(241,796)</b>	<b>(191,038)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>371,589</b>	<b>396,978</b>
<b>Cash and cash equivalents at end of period</b>	<b>129,793</b>	<b>205,940</b>

# KUB MALAYSIA BERHAD

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

## INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 31 DECEMBER 2022

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

	CUMULATIVE PRECEDING YEAR	
	CURRENT YEAR	CORRESPONDING
	TO DATE	PERIOD
	31/12/2022	31/12/2021
	RM'000	RM'000

Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following :

Cash and bank balances	15,807	43,766
Deposits with licensed banks	134,332	182,943
Cash, bank balances and deposits	<u>150,139</u>	<u>226,709</u>
Deposits pledged with licensed banks	(20,346)	(20,769)
	<u><b>129,793</b></u>	<u><b>205,940</b></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's Audited Financial Statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.

# KUB MALAYSIA BERHAD

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

## INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 31 DECEMBER 2022

### EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

#### 1. Basis of preparation and accounting policies

The interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting* and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's audited financial statements for the year ended 30 June 2022.

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 30 June 2022, except for the adoption of the following amendments to MFRSs:

MFRSs	Annual improvements to MFRS Standards 2018 - 2020
Amendments to MFRS 3	Business Combinations - Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts – Costs of Fulfilling a Contract

The adoption of the above did not result in significant impact on the interim financial results of the Group upon their initial application.

#### New MFRSs that have been issued but not yet effective

The standards and amendments that are issued but not yet effective up to the date of this interim report are disclosed below:

		Effective for financial periods beginning on or after
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current	1 January 2023
	- Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	
	- Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 16	Leases - Lease Liability in a Sale and Leaseback	1 January 2024

#### 2. Seasonal or cyclicity of operations

The Group's Agro business is influenced by both Crude Palm Oil ("CPO") prices and Fresh Fruit Bunches ("FFB") crop production which may be affected by weather and cropping patterns. The cyclical swing in FFB crop production is generally at its lowest in the first half of the year, with gradual increase to peak production towards the second half.

The remainder of the Group's operations are not materially affected by any seasonal or cyclical events.



**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS  
FOR THE QUARTER ENDED 31 DECEMBER 2022**

**EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134**

**3. Items of unusual nature, size or incidence**

With reference to the Winding Up of the Group's former subsidiary, KUB Sepadu Sdn Bhd ("KUBS") as disclosed in Note 24, the Liquidator had officially taken over the operational matters of KUBS on 16 November 2022. As a consequence thereof, the Group no longer holds significant influence over KUBS and has accordingly ceased to be an associate company of the Group.

The Group has therefore reclassified the investment in KUBS as a financial asset measured at fair value through profit or loss ("FVTPL") with the fair value of KUBS investment upon initial recognition recorded at RM57.3 million. As a result, the Group recognised a gain on the fair value of RM8.2 million in the current quarter.

Pending the conclusion of the Winding Up Appeal which has been fixed on 10 April 2023, the liquidator has given their undertaking not to dispose the assets of KUBS. As such, in view of there being no active programme or committed plan to sell the assets of KUBS by the liquidator, the Group is presenting the Agro segmental reporting as part of continuing operations.

Save as above, there were no other unusual items affecting assets, liabilities, equity, net income or cashflows during the current quarter under review.

**4. Changes in estimates**

There were no major changes in estimates that have had a material effect on the financial statements of the current quarter under review.

**5. Debt and equity securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter under review.

**6. Dividends paid**

The first and final single tier dividend of 1.5 sen per share amounting to RM8.3 million in respect of the financial year ended 30 June 2022 was paid on 13 October 2022.

**7. Subsequent events**

There were no items, transactions or events of a material and unusual nature which have arisen since 31 December 2022 to the date of this announcement.

**8. Changes in the composition of the Group**

As disclosed in Note 3, KUBS is no longer an associate company to the Group and has now been classified as a financial asset measured at FVTPL which forms part of Other Investments in the Statement of Financial Position.

Save as above, there were no other changes in the composition of the Group for the current quarter under review.

**9. Changes in contingent liabilities**

There were no changes in contingent liabilities of the Group since last reported in the audited financial statements.

**10. Capital commitments**

The capital expenditures that have not been provided for in the interim financial report are as follows :

	As at 31/12/2022 RM'000	As at 30/6/2022 RM'000
Property, plant and equipment		
Approved and contracted for	9,275	6,675
Approved but not contracted for	7,425	14,662
	<u>16,700</u>	<u>21,337</u>

**11. Related Party Transactions**

There were no significant related party transactions reported in the current quarter under review.

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS  
FOR THE QUARTER ENDED 31 DECEMBER 2022**

**EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134**

**12. Segmental reporting**

The Group's primary format for reporting segmental information is business segments based on the Group's management and internal reporting structure which are organised into several divisions i.e. importation, bottling, marketing and distribution of Liquefied Petroleum Gas ("LPG"), oil palm plantation ("Agro") and Others. Others includes the business related to infrastructure solutions, supply, maintenance and ancillary services in information, communications and technology (ICT), engineering civil works in the power sector, property management services for several properties owned by the Group and corporate expenses.

The division's head of each business unit reports directly to the Group Managing Director who regularly reviews the divisions' results with regards to performance assessment and resource allocations.

Segment information for the current financial period ended 31 December 2022 is as follows:

	<b>LPG</b>	<b>Agro</b>	<b>Others</b>	<b>Eliminations</b>	<b>Total</b>
<i>RM'000</i>					
<b>Revenue</b>					
External sales	244,883	340	8,823	-	254,046
Inter-segment sales	-	-	5,888	(5,888)	-
<b>Total revenue</b>	<b>244,883</b>	<b>340</b>	<b>14,711</b>	<b>(5,888)</b>	<b>254,046</b>
<b>Results</b>					
Profit from operating activities	7,170	(721)	(3,424)	-	3,025
Net other income/(expenses)	(2,045)	8,189	1,933	-	8,077
Finance income	592	15	1,587	-	2,194
Finance costs	(93)	-	(15)	-	(108)
Share of results of associates	-	3,259	-	-	3,259
<b>Profit before tax</b>	<b>5,624</b>	<b>10,742</b>	<b>81</b>	<b>-</b>	<b>16,447</b>
Income tax expense	(1,104)	(3)	(99)	-	(1,206)
<b>Profit/(loss) for the period</b>	<b>4,520</b>	<b>10,739</b>	<b>(18)</b>	<b>-</b>	<b>15,241</b>

All of the Group's revenue are derived from Malaysia.

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS  
FOR THE QUARTER ENDED 31 DECEMBER 2022**

**12. Segmental reporting (cont'd)**

Segmental information for the period ended 31 December 2021 is as follows:

<i>in RM'000</i>	<b>LPG</b>	<b>Agro</b>	<b>Others</b>	<b>Eliminations</b>	<b>Total</b>
<b>Revenue</b>					
External sales	222,509	24,154	9,630	-	256,293
Inter-segment sales	-	-	9,201	(9,201)	-
<b>Total revenue</b>	<b>222,509</b>	<b>24,154</b>	<b>18,831</b>	<b>(9,201)</b>	<b>256,293</b>
<b>Results</b>					
Profit from operating activities	6,035	12,479	(4,377)	-	14,137
Net other income/(expenses)	(372)	(35)	2,416	-	2,009
Finance income	422	64	1,799	-	2,285
Finance costs	(351)	(144)	(51)	-	(546)
<b>Profit/(Loss) before tax</b>	<b>5,734</b>	<b>12,364</b>	<b>(213)</b>	<b>-</b>	<b>17,885</b>
Income tax expense	(1,118)	(2,969)	(6)	-	(4,093)
<b>Profit/(Loss) for the period</b>	<b>4,616</b>	<b>9,395</b>	<b>(219)</b>	<b>-</b>	<b>13,792</b>

All of the Group's revenue are derived from Malaysia.

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS  
FOR THE QUARTER ENDED 31 DECEMBER 2022**

**12. Segmental reporting (cont'd)**

Segmental assets and liabilities as 31 December 2022 as compared with the last annual financial statements:

<b>As at 31 December 2022</b>	<b>LPG</b>	<b>Agro</b>	<b>Others</b>	<b>Total</b>
<i>RM'000</i>				
<b>Assets</b>				
Segment assets	172,599	59,238	366,214	598,051
Non-current assets held for sale	-	2,711	-	2,711
<b>Total Assets</b>	<b>172,599</b>	<b>61,949</b>	<b>366,214</b>	<b>600,762</b>
<b>Liabilities</b>				
Segment liabilities	<b>105,130</b>	<b>1,884</b>	<b>9,792</b>	<b>116,806</b>
<b>As at 30 June 2022</b>	<b>LPG</b>	<b>Agro</b>	<b>Others</b>	<b>Total</b>
<i>RM'000</i>				
<b>Assets</b>				
Segment assets	213,520	2,505	376,503	592,528
Investment in associates	-	45,800	-	45,800
Non-current assets held for sale	-	2,711	-	2,711
<b>Total Assets</b>	<b>213,520</b>	<b>51,016</b>	<b>376,503</b>	<b>641,039</b>
<b>Liabilities</b>				
Segment liabilities	<b>149,770</b>	<b>1,786</b>	<b>10,978</b>	<b>162,534</b>

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS  
FOR THE QUARTER ENDED 31 DECEMBER 2022**

**EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**13. Group's Financial Performance Review and Segmental Analysis**

For the financial period ended 31 December 2022, the Group registered revenue of RM254.0 million and a profit after tax ("PAT") of RM15.2 million as compared to a top line of RM256.3 million and a PAT of RM13.8 million in the corresponding period last year.

The Group's revenue in the current financial period were mainly driven by higher LPG sales volume. The overall revenue, however, was marginally lower than the corresponding period last year due to the absence of revenue contribution from the oil palm plantation business following the deconsolidation of KUBS as a subsidiary in June 2022. The PAT, however, increased by 11% to RM15.2 million following the recognition of the gain in fair value of investment in KUBS of RM8.2 million.

The segmental performance review by divisions for the period under review are as follows:

**LPG Division** : The division's revenue improved significantly by 10% or RM22.4 million on the back of higher sales volume by 14% despite a lower average contract price ("CP"). In the corresponding period last year, the LPG business was significantly impacted by the implementation of Movement Control Order ("MCO") by the Government under the Phase 1 of National Recovery Plan. The PAT in the previous period, however, was substantially enhanced by a gain on inventory holdings of RM3.1 million as opposed to the loss of RM0.4 million in the current period. Excluding the effect of this in both periods, the PAT for the current period is significantly higher.

**Agro Division** : The Agro division's revenue and profitability was formerly dependent on the plantation estates in Mukah, Sarawak held by KUBS. Following the deconsolidation of KUBS accounts and the official handover of the estates' operational matters to the liquidator on 16 November 2022, the Group no longer consolidates or equity account the financial results of KUBS respectively. The investment in KUBS is now classified as part of financial assets (under Other Investments) measured at FVTPL. Upon its initial recognition, the Group has recognised a gain on fair value of investment at RM8.2 million.

As of 31 December 2022, no active programme or committed plan to sell the assets of KUBS have been initiated by the liquidator pending the conclusion of the Winding Up Appeal on 10 April 2023. As such, the presentation of the Agro segments remain as part of continuing operations.

**Others** : The division's lower loss were mainly attributable to the improved performance by the ICT business attributable to a higher profit margin from the maintenance and services businesses.

**14. Profit for the period for the current quarter compared to the immediate preceding quarter**

	Individual Quarter 3 months ended		
	31/12/2022 RM'000	30/9/2022 RM'000	% + / (-)
Revenue	125,637	128,409	(2.2)
<b>Results</b>			
Profit from operating activities	1,724	1,301	32.5
Net other income	7,865	212	
Finance income	1,122	1,072	
Finance costs	(29)	(79)	
Share of profit of associate	1,362	1,897	
<b>Profit before tax</b>	<b>12,044</b>	<b>4,403</b>	173.5
Income tax expense	(727)	(479)	
<b>Profit for the period</b>	<b>11,317</b>	<b>3,924</b>	188.4

The quarterly revenue declined by 2.2% or RM2.8 million from the preceding quarter largely attributable to the lower average CP for LPG division despite increase in sales volume by 4%.

The PAT, however, posted a three-fold rise in the current quarter following the recognition of a gain on fair value of investment in KUBS amounting to RM8.2 million. Excluding the gain, the PAT in the current quarter would have been RM3.1 million, a decrease of 21% from the previous quarter resulting from lower share of profit reported and higher tax expenses.

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**15. Prospects**

The Group foresees market conditions remain challenging for FY2023 in view of the uncertainties due to the global supply chain disruptions and worsening inflationary pressures.

As the primary revenue and earnings driver of the Group, the LPG division will continue to embark on various initiatives to intensify its sales and marketing efforts to build its market share and to preserve its operational margins which have been impacted by escalating input costs and stiff competition. Barring unforeseen circumstances, the Group foresees a stronger performance for the LPG sales volume as compared to previous financial year which was impacted by the COVID 19 pandemic.

For the Agro division, apart from attempting to overturn the winding up order of KUBS at the Court Of Appeal (fixed for hearing on 10 April 2023) and via Section 493 of the Companies Act, 2016 at the High Court (fixed for hearing on 29 March 2023), we are also actively pursuing several other options in order to resolve this matter with the minority shareholders in an amicable and speedy manner to achieve the best outcome for KUBS and the Group.

Overall, the Group will continue to maintain a cautious stance on the overall market and industry outlook, while remaining flexible in executing strategic plans in expanding our existing business and identifying new business opportunities as and when they arise. The Group will also continue to be vigilant and take appropriate and timely measures to sustain the Group's profitability for the FY2023.

**16. Profit forecast / profit guarantee**

The Group has neither made any profit forecast nor issued any profit guarantee during the current quarter under review.

**17. Audit Report of preceding annual financial statements**

The auditors have expressed an unqualified opinion on the Group's statutory financial statements for the year ended 30 June 2022.

**18. Notes to the profit/(loss) before tax**

	Current Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived after crediting/(charging) :				
Finance income	1,122	732	2,194	2,285
Other income including investment income	1,501	1,708	2,793	3,264
Finance costs	(29)	(279)	(108)	(546)
Depreciation and amortisation	(3,496)	(4,189)	(6,885)	(8,405)
(Impairment)/Reversal on receivables (net)	(811)	1,049	(1,063)	1,079
Impairment loss on inventories	-	(171)	-	(171)
Assets written off	-	(3)	(16)	(3)
Gain on disposal of property, plant and equipment	37	-	122	-
Gain on fair value recognition of other investment	8,213	-	8,213	-
Foreign exchange (loss)/gain				
- realised	-	-	1	(21)
- unrealised	-	(21)	25	(39)

Save as disclosed above, other items as required to be disclosed under Appendix 9B, Part A (16) of the Bursa Listing Requirements are not applicable.

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**19. Gains or losses arising from fair value changes of financial liabilities**

There were no material gains or losses arising from changes on the fair values of financial liabilities for the current quarter under review.

**20. Tax**

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	31/12/2022 RM'000	31/12/2021 RM'000	31/12/2022 RM'000	31/12/2021 RM'000
Malaysian income tax:				
Current tax	671	2,466	1,150	4,264
Under provision in prior year	56	-	56	-
	<u>727</u>	<u>2,466</u>	<u>1,206</u>	<u>4,264</u>
Deferred tax:				
Current	-	(176)	-	(176)
Under provision in prior year	-	5	-	5
	<u>-</u>	<u>(171)</u>	<u>-</u>	<u>(171)</u>
	<u>727</u>	<u>2,295</u>	<u>1,206</u>	<u>4,093</u>

The effective tax rate for the current financial period under review was significantly lower than the statutory tax rate as the gain on fair value on investment is disregarded in determining the taxable income and certain entities are utilising the unabsorbed tax losses.

**21. Group borrowings and debt securities**

<i>RM'000</i>	As at 31 December 2022		
	Long Term	Short Term	Total Borrowings
<b>Secured</b>			
Invoice Financing	-	5,000	5,000
Hire purchase payables	2	24	26
	<u>2</u>	<u>5,024</u>	<u>5,026</u>

<i>RM'000</i>	As at 31 December 2021		
	Long Term	Short Term	Total Borrowings
<b>Secured</b>			
Term loans	530	805	1,335
Bankers acceptances	-	42,400	42,400
Hire purchase payables	26	23	49
	<u>556</u>	<u>43,228</u>	<u>43,784</u>

**22. Status of corporate proposals**

As at the date of this report, there were no corporate proposals announced by the Group but have yet to be completed.

**23. Dividend Declared**

No dividend has been declared for the quarter under review.

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**24. Material litigation**

Save as disclosed below, there were no other material litigation matters involving the Company and/or its subsidiaries as at the latest practicable date of this quarterly report.

On 28 November 2019, a winding up petition was filed in the High Court at Shah Alam against a subsidiary, KUB Sepadu Sdn Bhd ("KUB Sepadu") 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 KUB Sepadu. The High Court granted the order for the appointment of interim liquidators on 9 December 2019 ("Order for IL").

The Winding Up Petition together with the Order for IL was served on KUB Sepadu on 16 December 2019.

On 18 December 2019, KUB Agro Holdings Sdn Bhd ("KUB Agro"), the immediate holding company of KUB Sepadu as the Opposing Contributory filed an application to set aside the Order for IL ("Setting Aside Application"). On 20 December 2019, the High 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 the winding up order filed by the Minority Shareholders and dismissed the application of KUB Agro to set aside the appointment of the Interim Liquidators.

On 17 June 2022, KUB Agro filed a Notice of Appeal ("Winding Up Appeal") as well as an application for stay of execution of the winding up order ("Stay Application"). On 30 September 2022, the Court has decided to dismiss the Stay Application. KUB Agro has then filed an appeal for the Stay Application ("Stay Appeal") on 3 October 2022. The Stay Appeal, however, would only be heard on 5 January 2023. In view of this, the Board has decided to withdraw the Stay Appeal and instead to focus on the Winding Up Appeal which the hearing date has been fixed on 10 April 2023.

On 2 December 2022, KUB Agro has filed an application to terminate the winding up pursuant to Section 493 of the Companies Act, 2016 at the High Court and the court has fixed 29 March 2023 as the hearing date.

**25. Earnings per share**

**(a) Basic earnings per share**

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

	3 months ended		6 months ended	
	31/12/2022 RM'000	31/12/2021 RM'000	31/12/2022 RM'000	31/12/2021 RM'000
Earnings for the period attributable to owners of the parent	11,540	6,183	15,284	10,648
Weighted average number of ordinary shares ('000)	556,465	556,465	556,465	556,465
Basic earnings per share sen	2.07	1.11	2.75	1.91

**(b) Diluted earnings per share**

The Group has no dilution in its earnings per ordinary share in the quarter under review and financial year to-date.

By Order of the Board

**Azleen Abdullah**

**Norita Misra**

Company Secretaries

21 February 2023