



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

**31 March 2023**

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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 MARCH 2023

The Board of Directors hereby announce the unaudited financial results of the Group for the financial period ended 31 March 2023.

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER 31/3/2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2022 RM'000	% + / (-)	CURRENT YEAR TO DATE 31/3/2023 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2022 RM'000	% + / (-)
Revenue	129,960	141,015	(8%)	384,006	397,308	(3%)
Cost of sales and operating expenses	(128,122)	(136,757)		(379,143)	(378,913)	
Other income	5,545	3,991		16,816	8,398	
Other expenses	(93)	(1,226)		(3,287)	(3,624)	
<b>Results from operating activities</b>	<b>7,290</b>	<b>7,023</b>	<b>4%</b>	<b>18,392</b>	<b>23,169</b>	<b>(21%)</b>
Finance income	2,841	1,033		5,035	3,318	
Finance costs	(26)	(177)		(134)	(723)	
Share of profit of associate	-	-		3,259	-	
<b>Profit before tax</b>	<b>10,105</b>	<b>7,879</b>	<b>28%</b>	<b>26,552</b>	<b>25,764</b>	<b>3%</b>
Income tax expense	(1,508)	(1,777)		(2,714)	(5,870)	
<b>Profit for the period</b>	<b>8,597</b>	<b>6,102</b>	<b>41%</b>	<b>23,838</b>	<b>19,894</b>	<b>20%</b>
<b>Profit attributable to :</b>						
- Owners of the Company	8,596	5,585		23,880	16,233	
- Non-controlling interests	1	517		(42)	3,661	
	<b>8,597</b>	<b>6,102</b>	<b>41%</b>	<b>23,838</b>	<b>19,894</b>	<b>20%</b>
<b>Earnings per share attributable to owners of the Company (sen) :</b>						
Basic and diluted	1.54	1.00		4.29	2.92	

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 MARCH 2023

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER 31/3/2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2022 RM'000		CURRENT YEAR TO DATE 31/3/2023 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2022 RM'000	
<b>Profit for the period</b>	8,597	6,102	41%	23,838	19,894	20%
Other comprehensive loss that will not reclassified subsequently to profit or loss:						
Net fair value changes in quoted share at fair value through other comprehensive income (FVTOCI)	(361)	(433)	17%	(1,804)	(288)	526%
<b>Total comprehensive income for the period, net of tax</b>	<b>8,236</b>	<b>5,669</b>	45%	<b>22,034</b>	<b>19,606</b>	12%
<b>Total comprehensive income attributable to :</b>						
Owners of the Company	8,235	5,152		22,076	15,945	
Non-controlling interests	1	517		(42)	3,661	
	<b>8,236</b>	<b>5,669</b>	45%	<b>22,034</b>	<b>19,606</b>	12%

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 MARCH 2023

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT END OF CURRENT QUARTER 31/3/2023 RM'000	AS AT PRECEDING FINANCIAL PERIOD END 30/6/2022 RM'000
<b>Assets</b>		
Property, plant and equipment	98,265	98,496
Investment properties	12,888	14,718
Right-of-use assets	2,023	2,794
Finance lease receivables	778	956
Investment in associates	-	45,800
Other investments	62,105	6,591
<b>Total non-current assets</b>	<b>176,059</b>	<b>169,355</b>
Inventories	5,732	5,743
Trade and other receivables	68,332	66,363
Contract assets	152	2,775
Finance lease receivables	231	194
Tax recoverable	1,316	1,968
Short term investments	8,132	-
Cash, bank balances and deposits	340,786	391,930
<b>Total current assets</b>	<b>424,681</b>	<b>468,973</b>
Non-current assets held for sale	1,192	2,711
<b>Total Assets</b>	<b>601,932</b>	<b>641,039</b>
<b>Equity</b>		
Share capital	228,863	228,863
Reserves	36,650	38,454
Retained earnings	241,528	225,995
<b>Total equity attributable to owners of the Company</b>	<b>507,041</b>	<b>493,312</b>
Non-controlling interests	(14,849)	(14,807)
<b>Total equity</b>	<b>492,192</b>	<b>478,505</b>
<b>Liabilities</b>		
Borrowings	-	14
Lease liabilities	277	1,203
Other payables	33,385	33,877
Deferred tax liabilities	10,511	10,511
<b>Total non-current liabilities</b>	<b>44,173</b>	<b>45,605</b>
Trade and other payables	63,613	61,625
Lease liabilities	1,335	1,177
Borrowings	20	54,023
Provision for tax	599	104
<b>Total current liabilities</b>	<b>65,567</b>	<b>116,929</b>
<b>Total liabilities</b>	<b>109,740</b>	<b>162,534</b>
<b>Total equity and liabilities</b>	<b>601,932</b>	<b>641,039</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>0.91</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 MARCH 2023

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the Company →					← Non-distributable reserves →				
	Distributable		Non-distributable reserves							
	Equity attributable to owners	Share capital	Retained earnings	Other reserves, total	Capital reserve	Fair value adjustment reserve	Premium paid on acquisition of non-controlling interests	Merger reserve	Non- controlling interests	
	Equity, total RM'000	of the Company, total RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At 1 July 2022</b>	478,505	493,312	228,863	225,995	38,454	24,531	3,034	(258)	11,147	(14,807)
Profit for the period	23,838	23,880	-	23,880	-	-	-	-	-	(42)
Other comprehensive income for the period	(1,804)	(1,804)	-	-	(1,804)	-	(1,804)	-	-	-
<b>Total comprehensive income</b>	<b>22,034</b>	<b>22,076</b>	<b>-</b>	<b>23,880</b>	<b>(1,804)</b>	<b>-</b>	<b>(1,804)</b>	<b>-</b>	<b>-</b>	<b>(42)</b>
<b>Transaction with owners</b>										
Dividend paid	(8,347)	(8,347)	-	(8,347)	-	-	-	-	-	-
<b>At 31 March 2023</b>	<b>492,192</b>	<b>507,041</b>	<b>228,863</b>	<b>241,528</b>	<b>36,650</b>	<b>24,531</b>	<b>1,230</b>	<b>(258)</b>	<b>11,147</b>	<b>(14,849)</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	19,894	16,233	-	16,233	-	-	-	-	-	3,661
Other comprehensive income for the period	(288)	(288)	-	-	(288)	-	(288)	-	-	-
<b>Total comprehensive income</b>	<b>19,606</b>	<b>15,945</b>	<b>-</b>	<b>16,233</b>	<b>(288)</b>	<b>-</b>	<b>(288)</b>	<b>-</b>	<b>-</b>	<b>3,661</b>
<b>Transaction with owners</b>										
Dividend paid	(8,347)	(8,347)	-	(8,347)	-	-	-	-	-	-
<b>At 31 March 2022</b>	<b>492,730</b>	<b>491,117</b>	<b>228,863</b>	<b>221,875</b>	<b>40,379</b>	<b>25,371</b>	<b>2,890</b>	<b>971</b>	<b>11,147</b>	<b>1,613</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)

(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 31 MARCH 2023

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CUMULATIVE PRECEDING YEAR	
	CURRENT YEAR TO DATE 31/3/2023 RM'000	CORRESPONDING PERIOD 31/3/2022 RM'000
Profit before taxation	26,552	25,764
Adjustments for :		
Depreciation of property, plant and equipment	9,017	11,275
Depreciation of right-of-use assets	897	878
Depreciation of investment properties	519	543
Gain on fair value recognition of other investment	(8,213)	-
Gain on fair value changes in biological assets	-	(462)
(Gain)/loss on fair value changes of derivative instruments	(62)	33
Property, plant and equipment written off	16	3
Investment property written off	225	-
Reversal for impairment on receivables	(3,044)	(650)
Impairment loss on inventories	-	171
Unrealised gain on foreign exchange	-	16
Unrealised gain on fair value changes in short term investment	(157)	(1,467)
Gain on disposal of property, plant and equipment	(198)	(23)
Gain on disposal of non-current assets held for sale	(910)	-
Reversal of allowance for impairment loss on refundable security deposits	-	(1,961)
Finance income	(5,035)	(3,318)
Finance costs	134	723
Dividend income	-	(141)
Share of results of associate	(3,259)	-
Operating profit before working capital changes	16,482	31,384
Changes in working capital:		
Inventories	11	(7,567)
Trade and other payables	1,251	29,209
Trade and other receivables	1,697	(36,481)
Contract assets	2,623	2,434
Contract liabilities	-	(617)
	22,064	18,362
Finance costs - lease liabilities	(73)	(105)
Net tax paid	(1,567)	(4,130)
<b>Net cash generated from operating activities</b>	<b>20,424</b>	<b>14,127</b>
Acquisition of property, plant and equipment	(8,928)	(14,841)
Acquisition of short term investments	(8,132)	(182,869)
Dividends received	-	141
Finance income received	5,035	3,318
Net proceeds from disposal of property, plant and equipment	208	-
Proceeds from disposal of assets classified as held for sale	3,621	-
<b>Net cash used in investing activities</b>	<b>(8,196)</b>	<b>(194,251)</b>
Decrease of deposits pledged with licensed banks	582	5,831
Finance costs paid	(61)	(618)
Dividend paid	(8,347)	(8,347)
Repayment of lease liabilities	(947)	(937)
Repayment of hire purchase	(17)	(16)
Repayment of term loans	-	(669)
Repayment of short term borrowings	(54,000)	(35,637)
<b>Net cash used in financing activities</b>	<b>(62,790)</b>	<b>(40,393)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(50,562)</b>	<b>(220,517)</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>321,027</b>	<b>176,461</b>

# KUB MALAYSIA BERHAD

(Company No. 6022-D)

(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 31 MARCH 2023

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

	CUMULATIVE PRECEDING YEAR	
	CURRENT YEAR	CORRESPONDING
	TO DATE	PERIOD
	31/3/2023	31/3/2022
	RM'000	RM'000
Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following :		
Cash and bank balances	11,837	31,943
Deposits with licensed banks	328,949	164,817
Cash, bank balances and deposits	<u>340,786</u>	<u>196,760</u>
Deposits pledged with licensed banks	(19,759)	(20,299)
	<u><b>321,027</b></u>	<u><b>176,461</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 MARCH 2023

### 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
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 112	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 cyclical 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.



**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(a)), 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 previous quarter.

Pending the conclusion of the Winding Up Appeal which has been fixed on 25 September 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 financial period under review.

**4. Changes in estimates**

There were no significant changes in estimates of amounts reported in the previous quarters and financial years that have had a material effect on the financial statements of the financial period under review.

**5. Debt and equity securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period 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 March 2023 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 period 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 31/3/2023 RM'000	As at 30/6/2022 RM'000
Property, plant and equipment		
Approved and contracted for	12,245	6,675
Approved but not contracted for	5,747	14,662
	<u>17,992</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 MARCH 2023**

**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 March 2023 is as follows:

	<b>LPG</b>	<b>Agro</b>	<b>Others</b>	<b>Eliminations</b>	<b>Total</b>
<b>RM'000</b>					
<b>Revenue</b>					
External sales	371,462	443	12,101	-	384,006
Inter-segment sales	-	-	13,024	(13,024)	-
<b>Total revenue</b>	<b>371,462</b>	<b>443</b>	<b>25,125</b>	<b>(13,024)</b>	<b>384,006</b>
<b>Results</b>					
Profit/(Loss) from operating activities	12,794	(1,778)	(6,153)	-	4,863
Net other (expenses)/income	(1,769)	9,150	6,148	-	13,529
Finance income	1,075	23	3,937	-	5,035
Finance costs	(114)	-	(20)	-	(134)
Share of results of associates	-	3,259	-	-	3,259
<b>Profit before tax</b>	<b>11,986</b>	<b>10,654</b>	<b>3,912</b>	<b>-</b>	<b>26,552</b>
Income tax expense	(2,679)	(5)	(30)	-	(2,714)
<b>Profit for the period</b>	<b>9,307</b>	<b>10,649</b>	<b>3,882</b>	<b>-</b>	<b>23,838</b>

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

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS  
FOR THE QUARTER ENDED 31 MARCH 2023**

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

Segmental information for the period ended 31 March 2022 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	347,522	34,281	15,505	-	397,308
Inter-segment sales	-	-	10,251	(10,251)	-
<b>Total revenue</b>	<b>347,522</b>	<b>34,281</b>	<b>25,756</b>	<b>(10,251)</b>	<b>397,308</b>
<b>Results</b>					
Profit/(Loss) from operating activities	9,879	16,299	(7,783)	-	18,395
Net other (expenses)/income	(1,172)	256	5,690	-	4,774
Finance income	678	171	2,469	-	3,318
Finance costs	(508)	(154)	(61)	-	(723)
<b>Profit before tax</b>	<b>8,877</b>	<b>16,572</b>	<b>315</b>	<b>-</b>	<b>25,764</b>
Income tax expense	(1,556)	(3,967)	(347)	-	(5,870)
<b>Profit/(Loss) for the period</b>	<b>7,321</b>	<b>12,605</b>	<b>(32)</b>	<b>-</b>	<b>19,894</b>

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

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS  
FOR THE QUARTER ENDED 31 MARCH 2023**

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

Segmental assets and liabilities as 31 March 2023 as compared with the last annual financial statements:

<b>As at 31 March 2023</b>	<b>LPG</b>	<b>Agro</b>	<b>Others</b>	<b>Total</b>
<b>RM'000</b>				
<b>Assets</b>				
Segment assets	173,067	59,092	368,581	600,740
Non-current assets held for sale	-	-	1,192	1,192
<b>Total Assets</b>	<b>173,067</b>	<b>59,092</b>	<b>369,773</b>	<b>601,932</b>
<b>Liabilities</b>				
Segment liabilities	<b>101,276</b>	<b>2,311</b>	<b>6,153</b>	<b>109,740</b>
<b>As at 30 June 2022</b>	<b>LPG</b>	<b>Agro</b>	<b>Others</b>	<b>Total</b>
<b>RM'000</b>				
<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 MARCH 2023**

**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 March 2023, the Group registered revenue of RM384.0 million and a profit after tax ("PAT") of RM23.8 million as compared to a top line of RM397.3 million and a PAT of RM19.9 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 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. Despite this, the PAT rose to RM23.8 million or 20% following the improved performance by LPG division as well as 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 surge in division's revenue and PAT by 7% and 27% respectively were primarily attributable to higher sales volume by 12% and substantial reduction in LPG costs as well as direct selling expenses. 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 RM3.3 million as opposed to the minimal gain of RM0.2 million in the current period.

**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' operations to the liquidator on 16 November 2022, the Group no longer consolidates or equity accounts 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 in the second quarter of the financial year.

As of 31 March 2023, 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 25 September 2023. As such, the presentation of the Agro segments remain as part of continuing operations.

**Others** : The division's profit of RM3.9 million was substantially contributed by improved performance by the ICT business on the back of higher profit margin from the maintenance and services, and reversal of impairment on receivables by the power business.

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

	Individual Quarter		%
	3 months ended		
	31/3/2023	31/12/2022	%
	RM'000	RM'000	+ / (-)
Revenue	129,960	125,637	3.4
<b>Results</b>			
Profit from operating activities	1,838	1,724	6.6
Net other income	5,452	7,865	
Finance income	2,841	1,122	
Finance costs	(26)	(29)	
Share of profit of associate	-	1,362	
<b>Profit before tax</b>	<b>10,105</b>	<b>12,044</b>	(16.1)
Income tax expense	(1,508)	(727)	
<b>Profit for the period</b>	<b>8,597</b>	<b>11,317</b>	(24.0)

The quarterly revenue increased by 3.4% or RM4.3 million from the preceding quarter largely attributable to the higher LPG average contract price ("CP") despite lower sales volume by 4%.

The Group, however, posted significantly lower PAT than the previous quarter by 24% or RM2.7 million resulting from lower other income reported. Included in the previous quarter was 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 higher contributed by the improved performance of the LPG business and reversal of impairment on receivables.

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**15. Prospects**

The Group continues to foresee a challenging and competitive economic environment towards the end of the year FY2023 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 continues to foresee a stronger performance for the LPG business 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 25 September 2023) and via Section 493 of the Companies Act, 2016 at the High Court (fixed for decision on 30 May 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 financial period 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		9 months ended	
	31/3/2023	31/3/2022	31/3/2023	31/3/2022
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived after crediting/(charging) :				
Finance income	2,841	1,033	5,035	3,318
Other income including investment income	1,554	4,012	4,347	7,276
Finance costs	(26)	(177)	(134)	(723)
Depreciation and amortisation	(3,548)	(4,291)	(10,433)	(12,696)
Reversal / (Impairment) on receivables (net)	4,107	(429)	3,044	650
Impairment loss on inventories	-	-	-	(171)
Assets written off	(225)	-	(241)	(3)
Gain on disposal of property, plant and equipment	76	23	198	(23)
Gain on disposal of assets held for sale	910	-	910	-
Gain on fair value recognition of other investment	8,213	-	8,213	-
Foreign exchange (loss)/gain				
- realised	-	5	1	(16)
- unrealised	37	6	62	(33)

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 9 months ended	
	31/3/2023	31/3/2022	31/3/2023	31/3/2022
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
Current tax	1,463	966	2,613	5,231
Under / (over) provision in prior year	45	(7)	101	(7)
	<u>1,508</u>	<u>959</u>	<u>2,714</u>	<u>5,224</u>
Deferred tax:				
Current	-	813	-	641
Under provision in prior year	-	5	-	5
	<u>-</u>	<u>818</u>	<u>-</u>	<u>646</u>
	<u>1,508</u>	<u>1,777</u>	<u>2,714</u>	<u>5,870</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 March 2023		
	Long Term	Short Term	Total Borrowings
<b>Secured</b>			
Hire purchase payables	-	20	<b>20</b>
	<u>-</u>	<u>20</u>	<u><b>20</b></u>

<i>RM'000</i>	As at 31 March 2022		
	Long Term	Short Term	Total Borrowings
<b>Secured</b>			
Term loans	260	805	1,065
Bankers acceptances	-	1,284	1,284
Hire purchase payables	20	23	43
	<u><b>280</b></u>	<u><b>2,112</b></u>	<u><b>2,392</b></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.

**(a) KUB Sepadu Sdn Bhd and the minority shareholders, Medan Sepadu Sdn Bhd and Lembaga Amanah Kebajikan Kaum Melanau Sarawak**

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. The hearing of the Winding Up Appeal which was previously fixed on 10 April 2023 has been vacated and converted to a case management. During the case management, the Court has fixed 25 September 2023 as the hearing date.

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. On 29 March 2023, the case was heard and the Court has fixed 30 May 2023 to give its decision.

**(b) Claim by Lembaga Kemajuan Johor Tenggara ("KEJORA") against KUB Malaysia Berhad, KUB Realty Sdn Bhd and KUB Agro Holdings Sdn Bhd in relation to disposal of two (2) oil palm estates in Kluang, Johor**

On 10 June 2020, KUB Agro Holdings Sdn Bhd ("KUBAH") entered into a conditional Sale and Purchase Agreement ("SPA") with Beradin Plantation Sdn Bhd ("BPSB") for the disposal of two oil palm estates known as Kahang Estate and Sungai Yong Estate measuring in aggregate 2,656.1649 hectares for a total cash considerations of RM158.0 million. The disposal was completed on 2 April 2021.

Part of the oil palm estates disposed of under the Disposal comprised the following parcels of land, for a total cash consideration of RM103,687,500:

1. HSD 31404 PTD 4901, In the Mukim of Kahang, District of Kluang, State of Johor
2. HSD 31405 PTD 26005, In the Mukim of Kluang, District of Kluang, State of Johor
3. HSD 31406 PTD 26006, In the Mukim of Kluang, District of Kluang, State of Johor

(collectively the "Lands")

On 24 February 2023, KEJORA filed a claim in the High Court of Malaya at Johor Bahru against (1) the Company, (2) KUB Realty Sdn Bhd ("KUB Realty"), (3) KUBAH and (4) BPSB. The claim was served on the Company, KUB Realty and KUBAH on 2 March 2023.



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**24. Material litigation (cont'd)**

**(b) Claim by Lembaga Kemajuan Johor Tenggara ("KEJORA") against KUB Malaysia Berhad, KUB Realty Sdn Bhd and KUB Agro Holdings Sdn Bhd in relation to disposal of two (2) oil palm estates in Kluang, Johor (cont'd)**

Kejora alleges that the Lands were previously registered in its name as registered proprietor under a 99 year lease, and had been leased by Kejora as lessor to Koperasi Usaha Bersatu Malaysia Berhad ("Koperasi") as lessee for 95 years. Kejora contends that the Lands had subsequently been wrongfully transferred to KUB Realty by Koperasi and that it remains entitled to the Lands as the original lawful registered proprietor of the Lands under the head lease.

KEJORA is seeking to set aside the registrations of the transfer of title to the Lands into the name of KUB Realty on 18 December 1997 and subsequently from KUB Realty to KUBAH on 3 August 1999 and finally from KUBAH to BPSB on 15 April 2021 respectively.

The Company, KUB Realty and KUBAH vigorously dispute both KEJORA's contentions and allegations. At all materials times, The Company, KUB Realty, KUBAH and BPSB were acting on the advice of qualified and established firms of Advocates & Solicitors. Further, all the necessary approvals for any transfers related to the Lands were obtained from the relevant authorities and were made in accordance with the rules and regulations, and all the transactions of the transfers were done bona fide with valuable consideration.

KUBM, KUB Realty and KUBAH have filed our Defence to KEJORA's Writ and Statement of Claim on 1 May 2023 (Enclosure 1).

KUBM, KUB Realty and KUBAH have also filed an application for Pejabat Pengarah Tanah Dan Galian and Pentadbir Tanah Daerah Kluang to be joined as parties to KEJORA's suit (Enclosure 17).

During the case management on 16 May 2023, the Court has given several dates for the parties to file their reply and exchange of affidavits and submissions for both Enclosure 1 and 17.

The Court has fixed the next case management on 31 May 2023 for Enclosure 1 and has fixed 18 September 2023 as the hearing date for Enclosure 17.

The Company, KUB Realty and KUBAH have taken legal advice. Based on the transaction history of the actual version of events, we have been advised that we have a viable defence to KEJORA's claim.

**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		9 months ended	
	31/3/2023 RM'000	31/3/2022 RM'000	31/3/2023 RM'000	31/3/2022 RM'000
Earnings for the period attributable to owners of the parent	8,596	5,585	23,880	16,233
Weighted average number of ordinary shares ('000)	556,465	556,465	556,465	556,465
Basic earnings per share	sen 1.54	1.00	4.29	2.92

**(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  
30 May 2023