



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

30 September 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 30 SEPTEMBER 2023

The Board of Directors hereby announce the unaudited financial results of the Group for the financial period ended 30 September 2023.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	CUMULATIVE QUARTER		% + / (-)
	CURRENT YEAR QUARTER 30/9/2023 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2022 RM'000	
Revenue	114,038	128,409	(11%)
Cost of sales and operating expenses	(110,921)	(127,108)	
Other income	2,819	1,520	
Other expenses	(1,157)	(1,308)	
Results from operating activities	4,779	1,513	216%
Finance income	3,472	1,072	
Finance costs	(14)	(79)	
Share of profit of associate	-	1,897	
Profit before tax	8,237	4,403	87%
Income tax expense	(1,125)	(479)	
Profit for the period	7,112	3,924	81%
Profit attributable to :			
- Owners of the Company	7,349	3,744	
- Non-controlling interests	(237)	180	
	7,112	3,924	81%
Earnings per share attributable to owners of the Company (sen) :			
Basic and diluted	1.32	0.67	

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 2023 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 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	CUMULATIVE QUARTER		% + / (-)
	CURRENT QUARTER 30/9/2023 RM'000	PRECEDING YEAR YEAR CORRESPONDING PERIOD 30/9/2022 RM'000	
Profit for the period	7,112	3,924	81%
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)	1,298	(1,515)	186%
Total comprehensive income for the period, net of tax	8,410	2,409	249%
Total comprehensive income attributable to :			
Owners of the Company	8,647	2,229	
Non-controlling interests	(237)	180	
	8,410	2,409	249%

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's Audited Financial Statements for the financial year 30 June 2023 and the accompanying explanatory notes attached to this interim financial report.

KUB MALAYSIA BERHAD

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INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT END OF CURRENT QUARTER 30/09/2023 RM'000	AS AT PRECEDING FINANCIAL YEAR END 30/6/2023 RM'000
Assets		
Property, plant and equipment	98,056	97,883
Investment properties	10,936	11,067
Right-of-use assets	1,396	1,723
Finance lease receivables	681	712
Other investments	68,424	67,126
Total non-current assets	179,493	178,511
Inventories	2,492	3,441
Trade and other receivables	60,966	52,260
Contract assets	-	266
Finance lease receivables	220	245
Tax recoverable	986	1,355
Derivative financial assets	-	33
Cash, bank balances and deposits	385,113	405,568
Total current assets	449,777	463,168
Non-current assets held for sale	1,192	5,857
Total Assets	630,462	647,536
Equity		
Share capital	228,863	228,863
Reserves	38,021	36,723
Retained earnings	258,808	251,459
Total equity attributable to owners of the Company	525,692	517,045
Non-controlling interests	(14,980)	(14,743)
Total equity	510,712	502,302
Liabilities		
Lease liabilities	42	181
Other payables	34,379	34,379
Deferred tax liabilities	10,860	10,860
Total non-current liabilities	45,281	45,420
Trade and other payables	72,657	57,252
Lease liabilities	932	1,114
Borrowings	8	41,114
Provision for tax	872	334
Total current liabilities	74,469	99,814
Total liabilities	119,750	145,234
Total equity and liabilities	630,462	647,536
Net assets per share attributable to owners of the Company (RM)	0.94	0.93

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 2023 and the accompanying explanatory notes attached to this interim financial report.

KUB MALAYSIA BERHAD

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INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the Company →					← 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
At 1 July 2023	502,302	517,045	228,863	251,459	36,723	24,531	1,303	(258)	11,147	(14,743)
Profit for the period	7,112	7,349	-	7,349	-	-	-	-	-	(237)
Other comprehensive loss for the year	1,298	1,298	-	-	1,298	-	1,298	-	-	-
Total comprehensive income/(loss)	8,410	8,647	-	7,349	1,298	-	1,298	-	-	(237)
At 30 September 2023	510,712	525,692	228,863	258,808	38,021	24,531	2,601	(258)	11,147	(14,980)
At 1 July 2022	478,505	493,312	228,863	225,995	38,454	24,531	3,034	(258)	11,147	(14,807)
Profit for the period	3,924	3,744	-	3,744	-	-	-	-	-	180
Other comprehensive loss for the year	(1,515)	(1,515)	-	-	(1,515)	-	(1,515)	-	-	-
Total comprehensive income/(loss)	2,409	2,229	-	3,744	(1,515)	-	(1,515)	-	-	180
At 30 September 2022	480,914	495,541	228,863	229,739	36,939	24,531	1,519	(258)	11,147	(14,627)

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 2023 and the accompanying explanatory notes attached to this interim financial report.

KUB MALAYSIA BERHAD

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INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CUMULATIVE CURRENT YEAR TO DATE 30/9/2023 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2022 RM'000
Profit before taxation	8,237	4,403
Adjustments for :		
Depreciation of property, plant and equipment	3,267	2,955
Depreciation of right-of-use assets	327	298
Depreciation of investment properties	131	136
Gain on fair value changes of derivative instruments	(46)	(25)
Property, plant and equipment written off	15	16
Allowance for impairment on receivables	120	395
Unrealised loss on foreign exchange	(13)	-
Unrealised gain on fair value changes in short term investment	-	(935)
Loss/(Gain) on disposal of property, plant and equipment	44	(85)
Gain on disposal of non-current assets held for sale	(2,764)	-
Reversal of allowance for impairment on receivables	(19)	(143)
Finance income	(3,472)	(1,072)
Finance costs	14	79
Share of results of associate	-	(1,897)
Operating profit before working capital changes	5,841	4,125
Changes in working capital:		
Inventories	949	341
Trade and other payables	16,433	1,170
Trade and other receivables	(9,680)	1,683
Contract assets	266	1,483
	13,809	8,802
Finance costs - lease liabilities	(14)	(27)
Net tax paid	(218)	(40)
Net cash generated from operating activities	13,577	8,735
Acquisition of property, plant and equipment	(3,701)	(2,339)
Acquisition of short term investments	-	(175,346)
Finance income received	3,472	1,072
Net proceeds from disposal of property, plant and equipment	202	85
Net proceeds from disposal of assets classified as held for sale	7,429	-
Net cash generated from/(used in) investing activities	7,402	(176,528)

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INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)

	CUMULATIVE CURRENT YEAR TO DATE 30/9/2023 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/9/2022 RM'000
Net repayment of short term borrowings	(41,100)	(54,000)
(Increase)/Decrease of deposits pledged with licensed banks	(167)	24
Finance costs paid	-	(79)
Repayment of lease liabilities	(328)	(311)
Repayment of hire purchase	(6)	(6)
Net cash used in financing activities	(41,601)	(54,372)
Net decrease in cash and cash equivalents	(20,622)	(222,165)
Cash and cash equivalents at beginning of period	385,721	371,589
Cash and cash equivalents at end of period	365,099	149,424

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

Cash and bank balances	15,083	14,050
Deposits with licensed banks	370,030	155,691
Cash, bank balances and deposits	385,113	169,741
Deposits pledged with licensed banks	(20,014)	(20,317)
	365,099	149,424

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 2023 and the accompanying explanatory notes attached to this interim financial report.

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INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 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 2023.

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:

Amendments to MFRS 101	Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current - Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
Amendments to MFRS 112	Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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
Amendments to MFRS 16	Leases - Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Presentation of Financial Statements - Non-current Liabilities with Covenants	1 January 2024

2. Seasonal or cyclicity of operations

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

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2023**

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

3. Items of unusual nature, size or incidence

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 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 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 2.0 sen per ordinary share amounting to RM11.1 million in respect of the financial year ended 30 June 2023 was paid on 5 October 2023.

7. Subsequent events

There were no items, transactions or events of a material and unusual nature which have arisen since 30 June 2023 to the date of this announcement.

8. Changes in the composition of the Group

During the current period under review, a dormant subsidiary namely Perbiba Sdn Bhd had been struck off pursuant to section 550 of the Companies Act 2016 and ceased to be the subsidiary of the Group.

Save as disclosed 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 30/9/2023 RM'000	As at 30/6/2022 RM'000
Property, plant and equipment		
Approved and contracted for	2,555	5,030
Approved but not contracted for	6,174	6,953
	<u>8,729</u>	<u>11,983</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 30 SEPTEMBER 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") 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.

Segment information for the current financial period ended 30 September 2023 is as follows:

	LPG	Others	Eliminations	Total
<i>in RM'000</i>				
Revenue				
External sales	112,441	1,597	-	114,038
Inter-segment sales	-	734	(734)	-
Total revenue	112,441	2,331	(734)	114,038
Results				
Profit from operating activities	4,949	(1,832)	-	3,117
Net other income/(expenses)	(625)	2,287	-	1,662
Finance income	603	2,869	-	3,472
Finance costs	(11)	(3)	-	(14)
Profit before tax	4,916	3,321	-	8,237
Income tax expense	(1,069)	(56)	-	(1,125)
Profit for the period	3,847	3,265	-	7,112

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

Note : Due to the deconsolidation of the Group's former subsidiary/associate, KUB Sepadu Sdn Bhd, the financial results of Agro division has been classified into 'Others' as it is no longer represent a major component of the Group.

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2023**

12. Segmental reporting (cont'd)

Segmental information for the period ended 30 September 2022 is as follows:

<i>in RM'000</i>	LPG	Others	Eliminations	Total
Revenue				
External sales	123,784	4,625	-	128,409
Inter-segment sales	-	825	(825)	-
Total revenue	123,784	5,450	(825)	128,409
Results				
Profit/(Loss) from operating activities	2,939	(1,638)	-	1,301
Net other (expenses)/income	(747)	959	-	212
Finance income	279	793	-	1,072
Finance costs	(72)	(7)	-	(79)
Share of results of associate	-	1,897	-	1,897
Profit before tax	2,399	2,004	-	4,403
Income tax expense	(460)	(19)	-	(479)
Profit for the period	1,939	1,985	-	3,924

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

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2023**

12. Segmental reporting (cont'd)

Segmental assets and liabilities as at 30 September 2023 as compared with the last annual financial statements:

As at 30 September 2023	LPG	Others	Total
<i>in RM'000</i>			
Assets			
Segment assets	178,989	450,281	629,270
Non-current assets held for sale	-	1,192	1,192
Total Assets	178,989	451,473	630,462
Liabilities			
Segment liabilities	98,858	20,892	119,750
As at 30 June 2023	LPG	Others	Total
<i>in RM'000</i>			
Assets			
Segment assets	202,094	439,585	641,679
Non-current assets held for sale	-	5,857	5,857
Total Assets	202,094	445,442	647,536
Liabilities			
Segment liabilities	125,295	19,939	145,234

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 30 SEPTEMBER 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 30 September 2023, the Group registered revenue of RM114.0 million and a profit after tax ("PAT") of RM7.1 million as compared to a top line of RM128.4 million and a PAT of RM3.9 million in the corresponding period last year.

The improvement in Group results in the current period were largely driven by the encouraging performance from the LPG division and a gain from disposal of assets of RM2.8 million.

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

LPG Division : The division's revenue decreased by 9% or RM11.3 million as a result of the drop in average Contract Price ("CP") despite higher sales volume by 17%. The overall PAT, however, significantly improved to RM3.8 million from RM1.9 million in the corresponding period last year on the back of higher sales volume and reduction in LPG costs.

Others : The division's profit of RM3.3 million was predominantly contributed by the gain on disposal of an office units located at Ara Damansara amounting to RM2.8 million.

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

	Individual Quarter 3 months ended		%
	30/9/2023 RM'000	30/6/2023 RM'000	
Revenue	114,038	104,883	8.7
Results			
Profit from operating activities	3,117	4,432	(29.7)
Net other income	1,662	4,844	
Finance income	3,472	3,267	
Finance costs	(14)	(26)	
Profit before tax	8,237	12,517	(34.2)
Zakat and income tax expense	(1,125)	(2,290)	
Profit for the period	7,112	10,227	(30.5)

Higher revenue in the current quarter by 8.7% or RM9.2 million was mainly driven by strong growth in LPG sales volume by 17%.

Despite the increase, the Group posted a lower PAT by 30.5% or RM3.1 million as a result of relatively lower operating margins from the LPG division and the recognition of the fair value gain on investment in KUBS amounting to RM5.2 million in the preceding quarter.

Excluding the gain on disposal of assets in the current quarter of RM2.8 million and the fair value gain in the preceding quarter, the PAT of both quarters would have been RM4.3 million and RM5.0 million respectively.

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2023**

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

15. Prospects

The Group continues to foresee a challenging and competitive economic environment to remain as issues in FY2024 due to weakening of the Ringgit and 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 division is poised to record a strong performance throughout FY2024, driving continued top-line growth into the foreseeable future.

For our oil palm plantation business, apart from attempting to overturn the winding up order of KUBS at the Court of Appeal (fixed for hearing on 5 December 2023) we are still 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. However, in the event we are unsuccessful in our appeal or fail to reach a commercial settlement with the minority shareholders, the Liquidators will commence the liquidation process. We estimate the net distribution payment to the Group from the liquidation to be equal or more than the current fair value of the investment recorded in our financial statements.

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 FY2024.

16. Profit forecast/profit guarantee

The Group has neither made any profit forecast nor issued any profit guarantee during the financial year 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 2023.

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

	Individual Quarter	
	3 months ended	
	30/9/2023	30/9/2022
	RM'000	RM'000
Profit before tax is arrived after crediting/(charging) :		
Finance income	3,472	1,072
Other income including investment income	36	1,292
Finance costs	(14)	(79)
Depreciation and amortisation	(3,725)	(3,389)
Impairment on receivables (net)	(101)	(252)
Assets written off	(15)	(16)
Gain on disposal of property, plant and equipment	(44)	85
Gain on disposal of assets held for sale	2,764	-
Foreign exchange (loss)/gain		
- realised	-	(1)
- unrealised	13	25

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.

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2023**

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

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	
	30/9/2023	30/9/2022
	RM'000	RM'000
Malaysian income tax:		
Current tax	1,125	479
	<u>1,125</u>	<u>479</u>

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

21. Group borrowings and debt securities

<i>in RM'000</i>	As at 30 September 2023		
	Long Term	Short Term	Total Borrowings
Secured			
Hire purchase payables	-	8	8
	-	8	8

<i>in RM'000</i>	As at 30 September 2022		
	Long Term	Short Term	Total Borrowings
Secured			
Hire purchase payables	23	8	31
	23	8	31

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.

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

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 was partially heard on 25 September 2023. The continued hearing date is fixed on 5 December 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. On 30 May 2023, the application was dismissed by the High Court.

KUB Agro also filed an application to fixed the remuneration of the Liquidators on 28 April 2023 but this application was withdrawn with the view to focus on the Winding Up Appeal hearing.

On 21 June 2023, the Minority Shareholders filed an application to strike out the Winding Up Appeal hearing but this application was dismissed on 30 August 2023 at the Court of Appeal.

(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"). 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.

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

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).

Currently, there are 3 applications pending the trial of the matter.

a) **KUBM, KUB Realty and KUBAH's ("KUB Group") Application for Joinder (Enclosure 17)**

KUB Group has applied to make *Pejabat Pengarah Tanah Dan Galian Johor* and The Land Administrator of the District of Kluang as parties to the suit as their inclusion is necessary to determine the disputes between the Parties.

On 3 September 2023, the Court vacated the hearing of the Joinder Application and fixed it for case management on 8 November 2023. KUB Group was advised by its solicitors to file a Counterclaim against KEJORA and include to Pejabat Pengarah Tanah Dan Galian Johor and The Land Administrator of the District of Kluang as parties vide the Counterclaim instead. In that regard, the Joinder Application was withdrawn with liberty to file afresh.

b) **Beradin's Third party Proceedings**

The Court has directed Beradin to file any third-party proceedings by 4 July 2023 and to update the Court on its status on 18 July 2023 at the next Case Management. Beradin's application for third party proceeding directions is fixed for hearing on 8 November 2023. The Court on 8 November 2023 allowed the application with no order as to costs.

c) **KEJORA's application to amend their Writ and Statement of Claim**

KEJORA filed an application to amend their Writ and Statement of Claim on 11 May 2023. KUB Group is to file their Affidavit in Reply by 18 July 2023. This is fixed for hearing on 8 November 2023. KUB Group was advised by its solicitors that should not object to the said Amendment Application on the condition that KUB Group be given the liberty to file fresh pleading (i.e. Defence and Counterclaim).

KEJORA did not oppose or object to the above proposal and the Court directed the following during the hearing of the said Amendment Application on 8 November 2023 and case management of the Joinder Application and Enclosure 1 on 9 November 2023:- KEJORA to file & serve Amended Statement of Claim by or before 22 November 2023, KUB Group to file & serve Defence & Counterclaim by or before 6 December 2023, Beradin to file & serve Amended Defence by or before 6 December 2023, KEJORA to file & serve Reply to KUB Group's Defence & Defence to Counterclaim by or before 20 December 2023, KEJORA to file & serve Amended Reply to D4's Defence 20 December 2023, pleadings are deemed to be closed on 3 January 2023; and next case management for Enclosure 1 is fixed on **9 January 2024**.

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 the likelihood of KEJORA succeeding in its claim is remote.

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2023**

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

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	
	30/9/2023 RM'000	30/9/2022 RM'000
Earnings for the period attributable to owners of the parent	7,349	3,744
Weighted average number of ordinary shares ('000)	556,465	556,465
Basic earnings per share (sen)	1.32	0.67

(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 November 2023