



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

31 December 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 DECEMBER 2023

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER 31/12/2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2022 RM'000	% + / (-)	CURRENT TO DATE 31/12/2023 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2022 RM'000	% + / (-)
Revenue	133,603	125,637	6%	247,641	254,046	(3%)
Cost of sales and operating expenses	(130,156)	(123,913)		(241,077)	(251,021)	
Other income	1,302	9,751		4,121	11,271	
Other expenses	(1,261)	(1,886)		(2,418)	(3,194)	
Results from operating activities	3,488	9,589	(64%)	8,267	11,102	(26%)
Finance income	3,481	1,122		6,953	2,194	
Finance costs	(36)	(29)		(50)	(108)	
Share of profit of associate	-	1,362		-	3,259	
Profit before tax	6,933	12,044	(42%)	15,170	16,447	(8%)
Zakat	(567)	-		(567)	-	
Income tax expense	(1,303)	(727)		(2,428)	(1,206)	
Profit for the period	5,063	11,317	(55%)	12,175	15,241	(20%)
Profit attributable to :						
- Owners of the Company	5,027	11,540		12,376	15,284	
- Non-controlling interests	36	(223)		(201)	(43)	
	5,063	11,317	(55%)	12,175	15,241	(20%)
Earnings per share attributable to owners of the Company (sen) :						
Basic and diluted	0.90	2.07		2.22	2.75	

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 31 DECEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER 31/12/2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2022 RM'000		CURRENT YEAR TO DATE 31/12/2023 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2022 RM'000	
Profit for the period	5,063	11,317	(55%)	12,175	15,241	(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)	217	72	201%	1,515	(1,443)	205%
Total comprehensive income for the period, net of tax	5,280	11,389	(54%)	13,690	13,798	(1%)
Total comprehensive income attributable to :						
Owners of the Company	5,244	11,612		13,891	13,841	
Non-controlling interests	36	(223)		(201)	(43)	
	5,280	11,389	(54%)	13,690	13,798	(1%)

The Condensed Consolidated Statement of Comprehensive Income 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 31 DECEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT END OF CURRENT QUARTER 31/12/2023 RM'000	AS AT PRECEDING FINANCIAL YEAR END 30/6/2023 RM'000
Assets		
Property, plant and equipment	96,483	97,883
Investment properties	10,806	11,067
Right-of-use assets	1,068	1,723
Finance lease receivables	672	712
Other investments	68,641	67,126
Total non-current assets	177,670	178,511
Inventories	3,739	3,441
Trade and other receivables	69,171	52,260
Contract assets	-	266
Finance lease receivables	169	245
Tax recoverable	1,175	1,355
Derivative financial assets	-	33
Cash, bank balances and deposits	371,956	405,568
Total current assets	446,210	463,168
Non-current assets held for sale	-	5,857
Total Assets	623,880	647,536
Equity		
Share capital	228,863	228,863
Reserves	38,238	36,723
Retained earnings	252,706	251,459
Total equity attributable to owners of the Company	519,807	517,045
Non-controlling interests	(14,944)	(14,743)
Total equity	504,863	502,302
Liabilities		
Lease liabilities	41	181
Other payables	34,379	34,379
Deferred tax liabilities	10,860	10,860
Total non-current liabilities	45,280	45,420
Trade and other payables	71,791	57,252
Lease liabilities	607	1,114
Borrowings	2	41,114
Provision for tax	1,337	334
Total current liabilities	73,737	99,814
Total liabilities	119,017	145,234
Total equity and liabilities	623,880	647,536
Net assets per share attributable to owners of the Company (RM)	0.93	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.

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the Company →					← Non-distributable reserves →				
	Equity attributable to owners of the Company, total RM'000	Equity 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	12,175	12,376	-	12,376	-	-	-	-	-	(201)
Other comprehensive loss for the period	1,515	1,515	-	-	1,515	-	1,515	-	-	-
Total comprehensive income/(loss)	13,690	13,891	-	12,376	1,515	-	1,515	-	-	(201)
Transaction with owners										
Dividend paid	(11,129)	(11,129)	-	(11,129)	-	-	-	-	-	-
At 31 December 2023	504,863	519,807	228,863	252,706	38,238	24,531	2,818	(258)	11,147	(14,944)
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	15,241	15,284	-	15,284	-	-	-	-	-	(43)
Other comprehensive loss for the period	(1,443)	(1,443)	-	-	(1,443)	-	(1,443)	-	-	-
Total comprehensive income/(loss)	13,798	13,841	-	15,284	(1,443)	-	(1,443)	-	-	(43)
Transaction with owners										
Dividend paid	(8,347)	(8,347)	-	(8,347)	-	-	-	-	-	-
At 31 December 2022	483,956	498,806	228,863	232,932	37,011	24,531	1,591	(258)	11,147	(14,850)

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.

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CUMULATIVE CURRENT YEAR TO DATE 31/12/2023 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2022 RM'000
Profit before taxation	15,170	16,447
Adjustments for :		
Depreciation of property, plant and equipment	6,570	6,015
Depreciation of right-of-use assets	655	597
Depreciation of investment properties	261	273
Gain on fair value recognition of other investment	-	(8,213)
Gain on fair value changes of derivative instruments	(26)	(25)
Property, plant and equipment written off	15	16
Allowance for impairment on receivables	448	1,063
Unrealised gain on fair value changes in short term investment	-	(2,273)
Gain on disposal of property, plant and equipment	(10)	(122)
Gain on disposal of non-current assets held for sale	(3,925)	-
Reversal of allowance for impairment on receivables	(115)	-
Finance income	(6,953)	(2,194)
Finance costs	50	108
Share of results of associate	-	(3,259)
Operating profit before working capital changes	12,140	8,433
Changes in working capital:		
Inventories	(298)	264
Trade and other payables	15,367	2,868
Trade and other receivables	(18,464)	8,038
Contract assets	266	1,483
	9,011	21,086
Finance costs - lease liabilities	(24)	(52)
Net tax paid	(1,245)	(140)
Net cash generated from operating activities	7,742	20,894
Acquisition of property, plant and equipment	(5,430)	(5,632)
Acquisition of short term investments	-	(201,330)
Finance income received	6,953	2,194
Net proceeds from disposal of property, plant and equipment	255	122
Net proceeds from disposal of assets classified as held for sale	9,782	-
Net cash generated from/(used in) investing activities	11,560	(204,646)

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)

	CUMULATIVE CURRENT YEAR TO DATE 31/12/2023 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2022 RM'000
Net repayment of short term borrowings	(41,100)	(49,000)
Increase/(Decrease) of deposits pledged with licensed banks	6,374	(5)
Finance costs paid	(26)	(56)
Dividend paid	(11,129)	(8,347)
Repayment of lease liabilities	(647)	(625)
Repayment of hire purchase	(12)	(11)
Net cash used in financing activities	(46,540)	(58,044)
Net decrease in cash and cash equivalents	(27,238)	(241,796)
Cash and cash equivalents at beginning of period	385,721	371,589
Cash and cash equivalents at end of period	358,483	129,793

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

Cash and bank balances	15,626	15,807
Deposits with licensed banks	356,330	134,332
Cash, bank balances and deposits	371,956	150,139
Deposits pledged with licensed banks	(13,473)	(20,346)
	358,483	129,793

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 31 DECEMBER 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 2023, except for the adoption of the following amendments to MFRSs:

Amendments to MFRS 101	Presentation of Financial Statements - 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
Amendments to MFRS 107 and MFRS 7	Statements of Cash Flows - Supplier Finance Arrangements	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 31 DECEMBER 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 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 for the financial period 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 31 December 2023 that have not been reflected in the financial statements for the financial period under review.

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 financial 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 31/12/2023 RM'000	As at 30/6/2023 RM'000
Property, plant and equipment		
Approved and contracted for	1,388	5,030
Approved but not contracted for	5,295	6,953
	<u>6,683</u>	<u>11,983</u>

11. Related Party Transactions

Save as disclosed in Note 22, there were no other significant related party transactions reported in the financial period under review.

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 31 DECEMBER 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 sectors, property management services for several properties owned by the Group and investment holding.

Segment information for the current financial period ended 31 December 2023 is as follows:

	LPG	Others	Eliminations	Total
<i>in RM'000</i>				
Revenue				
External sales	244,446	3,195	-	247,641
Inter-segment sales/revenue	-	11,778	(11,778)	-
Total revenue	244,446	14,973	(11,778)	247,641
Results				
Profit/(Loss) from operating activities	10,622	(4,058)	-	6,564
Net other (expenses)/income	(1,058)	2,761	-	1,703
Finance income	1,187	5,766	-	6,953
Finance costs	(45)	(5)	-	(50)
Profit before tax	10,706	4,464	-	15,170
Zakat	(567)	-	-	(567)
Income tax expense	(2,264)	(164)	-	(2,428)
Profit for the period	7,875	4,300	-	12,175

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 31 DECEMBER 2023**

12. Segmental reporting (cont'd)

Segmental information for the period ended 31 December 2022 is as follows:

<i>in RM'000</i>	LPG	Others	Eliminations	Total
Revenue				
External sales	244,883	9,163	-	254,046
Inter-segment sales/revenue	-	5,888	(5,888)	-
Total revenue	244,883	15,051	(5,888)	254,046
Results				
Profit/(Loss) from operating activities	7,170	(4,145)	-	3,025
Net other (expenses)/income	(2,045)	10,122	-	8,077
Finance income	592	1,602	-	2,194
Finance costs	(93)	(15)	-	(108)
Share of results of associate	-	3,259	-	3,259
Profit before tax	5,624	10,823	-	16,447
Income tax expense	(1,104)	(102)	-	(1,206)
Profit for the period	4,520	10,721	-	15,241

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

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

12. Segmental reporting (cont'd)

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

As at 31 December 2023	LPG	Others	Total
<i>in RM'000</i>			
Assets			
Segment assets	184,744	439,136	623,880
Liabilities			
Segment liabilities	101,906	17,111	119,017

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 31 DECEMBER 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 December 2023, the Group registered revenue of RM247.6 million and a profit after tax ("PAT") of RM12.2 million as compared to a top line of RM254.0 million and a PAT of RM15.2 million in the corresponding period last year.

The Group's revenue was lower than the corresponding period last year due to the lower revenue achieved by the Others division, mainly the ICT business. The Group's PAT in the current period was largely driven by the encouraging performance from the LPG division and gain from disposal of assets amounting to RM3.9 million. However, the PAT was relatively lower by 20% or RM3.1 million as compared to the corresponding period last year due to the significant gain on initial recognition of fair value of investment in KUB Sepadu Sdn Bhd amounting to RM8.2 million in the previous year.

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

LPG Division : The revenue in LPG remained consistent at RM244 million on the back of increase in sales volume by 11% despite a drop in average Contract Price ("CP"). The overall PAT increased by 74% or RM3.4 million in tandem of the higher sales volume and reduction in LPG costs.

Others : The division's revenue was mainly contributed by the ICT business and property management services. A significant reduction in revenue of RM6.0 million was largely due to expiry of several supply of equipment and maintenance services contracts in the previous financial year. The PAT in the current period, however, was contributed by the gain on disposal of assets located at Ara Damansara and Kota Bharu totalling RM3.9 million.

Included in the division's previous year PAT of RM10.7 million were share of profit from KUB Sepadu Sdn Bhd ("KUBS") (formerly an associated company) of RM3.3 million and a gain on fair value of investment in KUBS amounting to RM8.2 million upon its initial recognition as financial assets (under Other Investments).

Excluding the exceptional gains in both years, the PAT of the Group for the current period would have been at RM8.3 million which is 18.6% higher against RM7.0 million in the corresponding period last year predominantly contributed by the improved performance in the Group's LPG business.

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

	Individual Quarter 3 months ended		%
	31/12/2023 RM'000	30/9/2023 RM'000	
Revenue	133,603	114,038	17.2%
Results			
Profit from operating activities	3,447	3,117	10.6%
Net other income	41	1,662	
Finance income	3,481	3,472	
Finance costs	(36)	(14)	
Profit before tax	6,933	8,237	(15.8%)
Zakat and income tax expense	(1,870)	(1,125)	
Profit for the period	5,063	7,112	(28.8%)

The quarterly revenue rose by 17.2% or RM19.6 million from the preceding quarter largely contributed by the higher average CP although there was a reduction in LPG sales volume by 6%.

Despite the increase, the Group posted a lower PAT by 28.8% or RM2.0 million as a result of relatively lower net other income and higher zakat and income tax expenses in the current quarter. The PAT in the preceding quarter included the gain on disposal of office units located at Ara Damansara amounting to RM2.8 million.

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS
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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 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 29 February 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.

Following the shareholders' approval being obtained at the Extraordinary General Meeting held on 28 February 2024, Central Cables Berhad is now a subsidiary of the Group. The acquisition is expected to contribute positively to the Group's earnings and hence further strengthen the Group's financial performance going forward.

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

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived after crediting/(charging) :				
Finance income	3,481	1,122	6,953	2,194
Other income including investment income	35	1,501	71	2,793
Finance costs	(36)	(29)	(50)	(108)
Depreciation and amortisation	(3,761)	(3,496)	(7,486)	(6,885)
Impairment on receivables (net)	(232)	(811)	(333)	(1,063)
Assets written off	-	-	(15)	(16)
Gain on disposal of property, plant and equipment	54	37	10	122
Gain on disposal of assets held for sale	1,161	-	3,925	-
Gain on fair value recognition of other investment	-	8,213	-	8,213
Foreign exchange (loss)/gain				
- realised	(32)	-	(32)	(1)
- unrealised	13	-	26	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.

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.

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS
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**EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD**

20. Tax

	Current Quarter 3 months ended		Cumulative Quarter 6 months ended	
	31/12/2023 RM'000	31/12/2022 RM'000	31/12/2023 RM'000	31/12/2022 RM'000
Malaysian income tax:				
Current tax	1,303	673	2,428	1,152
Under provision in prior year	-	54	-	54
	<u>1,303</u>	<u>727</u>	<u>2,428</u>	<u>1,206</u>

The effective tax rate for the current financial period under review was 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 31 December 2023		
	Long Term	Short Term	Total Borrowings
Secured			
Hire purchase payables	-	2	2
	<u>-</u>	<u>2</u>	<u>2</u>
<i>in RM'000</i>	As at 31 December 2022		
	Long Term	Short Term	Total Borrowings
Secured			
Invoice financing	-	5,000	5,000
Hire purchase payables	2	24	26
	<u>2</u>	<u>5,024</u>	<u>5,026</u>

22. Status of corporate proposals

On 21 November 2023, the Company had entered into a conditional share purchase agreement ("SPA") with the majority shareholder, JAG Capital Holdings Sdn Bhd to acquire 45,924,632 ordinary shares in Central Cables Berhad ("CCB") ("CCB Shares"), representing approximately 86.65% equity interest in CCB for a purchase consideration of RM119.42 million ("Purchase Consideration") to be satisfied wholly via the issuance of 199,035,059 new KUB Shares at an issue price of RM0.60 per KUB Share ("Consideration Shares") ("Proposed Acquisition").

Subsequently, on 8 January 2024, the Company entered into a supplemental agreement to the SPA to vary the mode of settlement of the Purchase Consideration from the issuance of 199,035,059 new KUB Shares at an issue price of RM0.60 per Consideration Share to the issuance of 199,035,059 new redeemable convertible preference shares ("RCPS") ("Consideration RCPS") at an issue price of RM0.60 per RCPS.

In conjunction with the Proposed Acquisition and in accordance with Paragraph 10.13 of the Main Market Listing Requirements ("MMLR"), the Company is proposing to diversify the operations carried on by the Company and its subsidiaries to include the manufacturing and supply of power cables and wires.

The Proposed Acquisition is a related party transaction pursuant to Paragraph 10.08 of the MMLR.

Upon completion of the Proposed Acquisition, KUB will hold approximately 86.65% shareholding in CCB. Accordingly, pursuant to subsection 218(2) of the Capital Markets and Services Act, 2007 and subparagraph 4.01(a) of the Rules on Takeovers, Mergers and Compulsory Acquisitions issued by the Securities Commission, KUB will extend a mandatory general offer to acquire all the remaining CCB Shares not already owned by KUB of up to 7,075,368 CCB Shares ("CCB Offer Shares"), representing approximately 13.35% equity interest in CCB for an offer consideration of RM2.60037 per CCB Offer Share to be satisfied either wholly in cash or via the issuance of new RCPS in KUB at an issue price of RM0.60 based on an exchange ratio of 4.33395 new RCPS to be issued for every 1 CCB Offer Share.

The Proposed Acquisition has been approved by the shareholders at an Extraordinary General Meeting held on 28 February 2024.

Save as disclosed above, there were no other corporate proposals announced by the Group but have yet to be completed.

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23. Dividend Declared

No dividend has been declared for the quarter ender review.

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 ("Minority Shareholders")

On 28 November 2019, a winding-up petition was filed in the High Court of Malaya at Shah Alam against a subsidiary of the Group, KUB Sepadu ("KUBS") by its Minority Shareholders.

On 2 December 2019, the Minority Shareholders filed an application for the appointment of interim liquidators for KUBS. 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 were served on KUBS on 16 December 2019.

On 18 December 2019, the immediate holding company of KUBS, KUB Agro Holdings Sdn Bhd ("KUB Agro") 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 a winding-up order filed by the Minority Shareholders and dismissed the application of KUBAH to set aside the appointment of the Interim Liquidators.

On 17 June 2022, KUBAH 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. KUBAH 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.

On 2 December 2022, KUBAH 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.

KUBAH 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.

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

On 25 September 2023, the Winding-Up Appeal was partially heard and adjourned wherein the Court on 26 September 2023 fixed the continued hearing date for the Winding-Up Appeal on 5 December 2023. However, the hearing on 5 December 2023 did not proceed and the said hearing was further adjourned to 29 February 2024.

The solicitors have advised that KUBAH has a reasonably good chance of succeeding in the Winding-Up 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 (2) 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")

**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)

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.

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.

The Company, KUB Realty and KUBAH have filed defence to KEJORA's Writ and Statement of Claim on 1 May 2023 (Enclosure 1).

The Company, KUB Realty and KUBAH have also filed an application for Pengarah Pejabat Tanah Dan Galian Johor and Pentadbir Tanah Daerah Kluang to be joined as parties to KEJORA's.

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

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

The KUB Defendant Group has applied to make Pengarah Pejabat Tanah Johor Dan Galian Johor and Pentadbir Tanah Daerah 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. The KUB Defendant Group was advised by its solicitors to file a Counterclaim against KEJORA and include to Pengarah Pejabat Tanah Dan Galian Johor and Pentadbir Tanah Daerah Kluang as parties vide the Counterclaim instead. In that regard, the Joinder Application was withdrawn with liberty to file afresh.

b) BPSB's Third party Proceedings

The Court has directed BPSB 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. BPSB'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 its Writ and Statement of Claim

KEJORA filed an application to amend its Writ and Statement of Claim on 11 May 2023 ("Amendment Application"). The 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 the 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, BPSB 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 BPSB'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.

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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)

c) KEJORA's application to amend its Writ and Statement of Claim (cont'd)

KEJORA had subsequently on 21 November 2023 filed its Amended Statement of Claim and BPSB had subsequently filed an Amended Defence on 30 November 2023.

As at 10 January 2024, the KUB Group had in turn filed a fresh Defence and Counterclaim against KEJORA, the Pengarah Pejabat Tanah Dan Galian and Pentadbir Tanah Daerah Kluang seeking, inter alia, indemnity and declarations pertaining to the Lands. KEJORA has yet to file a Reply to the Defence and Counterclaim filed by the KUB Group.

KEJORA has filed its Reply to KUB Group's Defence and Counterclaim on 14 February 2024. With respect to BPSB's third party notice/proceedings, the KUB Group has filed its Defence on 19 February 2024. The next case management date is fixed on 11 March 2024.

The KUB Group 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.

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	
	31/12/2023 RM'000	31/12/2022 RM'000	31/12/2023 RM'000	31/12/2022 RM'000
Earnings for the period attributable to owners of the parent	5,027	11,540	12,376	15,284
Weighted average number of ordinary shares ('000)	556,465	556,465	556,465	556,465
Basic earnings per share (sen)	0.90	2.07	2.22	2.75

(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
28 February 2024