



**Interim Financial Report on
Unaudited Consolidated Results for the
Quarter Ended
31 March 2024**

Contents:	Pages
Condensed Consolidated Statement of Profit or Loss	1
Condensed Consolidated Statement of Comprehensive Income	2
Condensed Consolidated Statement of Financial Position	3
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Statement of Cash Flows	5 - 6
Explanatory Notes	7 - 18

KUB MALAYSIA BERHAD

(Company No. 196501000205 (6022-D))
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 31 MARCH 2024

The Board of Directors hereby announce the unaudited financial results of the Group for the financial period ended 31 March 2024.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER 31/3/2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2023 RM'000	% +/(-)	CURRENT TO DATE 31/3/2024 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2023 RM'000	% +/(-)
CONTINUING OPERATIONS						
Revenue	145,400	129,960	12%	393,041	384,006	2%
Cost of sales and operating expenses	(142,043)	(128,122)		(383,120)	(379,143)	
Other income	10,352	5,545		14,473	16,816	
Other expenses	(964)	(93)		(3,382)	(3,287)	
Results from operating activities	12,745	7,290	75%	21,012	18,392	14%
Finance income	3,510	2,841		10,463	5,035	
Finance costs	(274)	(26)		(324)	(134)	
Share of profit of associate	-	-		-	3,259	
Profit before tax	15,981	10,105	58%	31,151	26,552	17%
Zakat	-	-		(567)	-	
Income tax expense	(1,991)	(1,508)		(4,419)	(2,714)	
Profit for the period from continuing operations	13,990	8,597	63%	26,165	23,838	10%
DISCONTINUED OPERATIONS						
Profit for the period from discontinued operations	286	-		286	-	
Profit for the period	14,276	8,597	66%	26,451	23,838	11%
Profit attributable to :						
Owners of the Company						
- continuing operations	13,784	8,596		26,160	23,880	
- discontinued operations	286	-		286	-	
	14,070	8,596	64%	26,446	23,880	11%
Non-controlling interests	206	1		5	(42)	
	14,276	8,597	66%	26,451	23,838	11%
Earnings per share attributable to owners of the Company (sen) :						
Basic and diluted						
- continuing operations	2.48	1.54		4.70	4.29	
- discontinued operations	0.05	-		0.05	-	
	2.53	1.54		4.75	4.29	

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. 196501000205 (6022-D))
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 31 MARCH 2024

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER 31/3/2024 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/3/2023 RM'000		CURRENT YEAR TO DATE 31/3/2024 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2023 RM'000	
Profit for the period	14,276	8,597	66%	26,451	23,838	11%
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)	(361)	(40%)	1,298	(1,804)	172%
Total comprehensive income for the period, net of tax	14,059	8,236	71%	27,749	22,034	26%
Total comprehensive income attributable to :						
Owners of the Company						
- continuing operations	13,567	8,235		27,458	22,076	
- discontinued operations	286	-		286	-	
	13,853	8,235		27,744	22,076	26%
Non-controlling interests	206	1		5	(42)	
	14,059	8,236	71%	27,749	22,034	26%

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.

KUB MALAYSIA BERHAD

(Company No. 196501000205 (6022-D))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 31 MARCH 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT END OF CURRENT QUARTER 31/3/2024 RM'000	AS AT PRECEDING FINANCIAL YEAR END 30/6/2023 RM'000
Assets		
Property, plant and equipment	133,222	97,883
Investment properties	27,235	11,067
Right-of-use assets	2,084	1,723
Finance lease receivables	662	712
Other investments	6,146	67,126
Goodwill	56,830	-
Total non-current assets	226,179	178,511
Inventories	34,966	3,441
Trade and other receivables	79,706	52,260
Contract assets	-	266
Finance lease receivables	116	245
Tax recoverable	1,532	1,355
Derivative financial assets	-	33
Short-term investments	14,429	-
Cash, bank balances and deposits	364,075	405,568
Total current assets	494,824	463,168
Assets classified as held for sale	131,856	5,857
Total Assets	852,859	647,536
Equity		
Share capital	228,863	228,863
Redeemable Convertible Cumulative Preference Shares ("RCPS")	116,961	-
Reserves	38,021	36,723
Retained earnings	265,464	251,459
Total equity attributable to owners of the Company	649,309	517,045
Non-controlling interests	(402)	(14,743)
Total equity	648,907	502,302
Liabilities		
Lease liabilities	990	181
Borrowings	2,505	-
Other payables	34,379	34,379
Deferred tax liabilities	19,023	10,860
Total non-current liabilities	56,897	45,420
Trade and other payables	78,838	57,252
Lease liabilities	752	1,114
Borrowings	45,018	41,114
Provision for tax	462	334
Total current liabilities	125,070	99,814
Liabilities associated with assets classified as held for sale	21,985	-
Total liabilities	203,952	145,234
Total equity and liabilities	852,859	647,536
Net assets per share attributable to owners of the Company (RM)	1.17	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

(Company No. 196501000205 (6022-D))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 31 MARCH 2024

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CUMULATIVE CURRENT YEAR TO DATE 31/3/2024 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2023 RM'000
Profit before taxation		
- continuing operations	31,151	26,552
- discontinued operations	286	-
	31,437	26,552
Adjustments for :		
Depreciation of property, plant and equipment	10,357	9,017
Depreciation of right-of-use assets	982	897
Depreciation of investment properties	369	519
Gain on fair value recognition of other investment	(9,093)	(8,213)
Gain on fair value changes of derivative instruments	(33)	(62)
Property, plant and equipment written off	129	16
Investment property written off	-	225
Allowance for impairment on receivables	181	-
Unrealised gain on foreign exchange	(25)	-
Unrealised gain on fair value changes in short term investment	-	(157)
Gain on disposal of property, plant and equipment	(133)	(198)
Gain on disposal of non-current assets held for sale	(3,925)	(910)
Reversal of allowance for impairment on receivables	(236)	(3,044)
Finance income	(10,463)	(5,035)
Finance costs	324	134
Share of results of associate	-	(3,259)
Operating profit before working capital changes	19,871	16,482
Changes in working capital:		
Inventories	(3,553)	11
Trade and other payables	(1,729)	1,251
Trade and other receivables	(2,822)	1,697
Contract assets	266	2,623
	12,033	22,064
Finance costs - lease liabilities	(36)	(73)
Zakat paid	(567)	-
Net tax paid	(4,468)	(1,567)
Net cash (used in) generated from operating activities	6,962	20,424
Acquisition of property, plant and equipment	(6,542)	(8,928)
Acquisition of short term investments	(14,429)	(8,132)
Acquisition of subsidiaries, net of cash acquired	5,524	-
Finance income received	10,463	5,035
Net proceeds from disposal of property, plant and equipment	378	208
Net proceeds from disposal of assets classified as held for sale	9,782	3,621
Net cash generated from/(used in) investing activities	5,176	(8,196)

KUB MALAYSIA BERHAD

(Company No. 196501000205 (6022-D))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 31 MARCH 2024

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)

	CUMULATIVE CURRENT YEAR TO DATE 31/3/2024 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/3/2023 RM'000
Net repayment of short term borrowings	(41,100)	(54,000)
Decrease of deposits pledged with licensed banks	16,037	582
Finance costs paid	(288)	(61)
Dividend paid	(11,129)	(8,347)
Repayment of lease liabilities	(985)	(947)
Repayment of hire purchase	(84)	(17)
Repayment of term loans	(45)	-
Net cash used in financing activities	(37,594)	(62,790)
Net decrease in cash and cash equivalents	(25,456)	(50,562)
Cash and cash equivalents at beginning of period	385,721	371,589
Cash and cash equivalents at end of period	360,265	321,027

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

Cash and bank balances	19,918	11,837
Deposits with licensed banks	344,157	328,949
Cash, bank balances and deposits	364,075	340,786
Deposits pledged with licensed banks	(3,810)	(19,759)
	360,265	321,027

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.

KUB MALAYSIA BERHAD

(Company No. 196501000205 (6022-D))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED 31 MARCH 2024

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 MARCH 2024**

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

3. Items of unusual nature, size or incidence

The Group assets and liabilities for the current quarter were significantly impacted by acquisition of subsidiaries as disclosed in Note 8 below.

The Group has further assessed the fair value of investment in KUB Sepadu Sdn Bhd ("KUBS") as at 29 February 2024 prior to the classification of KUBS as a subsidiary. Based on the assessment, the Group recognised a fair value gain of RM9.1 million as a result of an increase of KUBS's recoverable assets.

The Group, at the same time, has reclassified the financial results of KUBS as discontinued operations and assets/liabilities held for sale respectively following the Group's intention to divest the subsidiary.

Save as disclosed 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

During the current quarter, the Company issued 199,035,059 new redeemable convertible preference shares ("RCPS") at an issue price of RM0.60 each to JAG Capital Holdings Sdn Bhd at the completion date as consideration for the acquisition of CCB.

Save as disclosed above, 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 March 2024 that have not been reflected in the financial statements for the financial period under review.

8. Changes in the composition of the Group

(i) Acquisition of a subsidiary, Central Cables Berhad

On 28 February 2024, the Group completed the acquisition of 86.65% equity interest in Central Cables Berhad ("CCB") via the issuance of 199,035,059 new redeemable convertible preference shares ("RCPS") at an issue price of RM0.60 per RCPS.

Details of net cash outflow arising from the acquisition are as follows :

	RM'000
Fair value of net assets acquired	97,557
Goodwill (provisional)	34,888
Non-controlling interests	(13,024)
Purchase consideration	119,421
<u>Net cash outflow arising from acquisition of CCB</u>	
Purchase consideration settled in cash and cash equivalents	-
Cash and cash equivalents acquired	39,388
Net cash inflows on acquisition	39,388

The fair value of net assets and goodwill in the above acquisition are provisionally determined and will be adjusted, where applicable, upon completion of the purchase price allocation as allowed under MFRS 3.

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 31 MARCH 2024**

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

(ii) Re-consolidation and acquisition of non-controlling interests of a subsidiary, KUB Sepadu Sdn Bhd ("KUBS")

In previous financial year, the Group has classified the investment in KUBS as a financial asset measured at fair value through profit or loss ("FVTPL") following the loss of the Group's significant influence over KUBS on 16 November 2022.

On 1 March 2024, as part of a settlement arrangement as disclosed in Note 24(a), KUB Agro Holdings Sdn Bhd, a wholly-owned subsidiary of the Company had entered into a Share Sale and Purchase Agreement for the purchase of 2,600,000 ordinary shares in KUBS representing the remaining 40% equity interest in KUBS from the non-controlling parties ie. Medan Sepadu Sdn Bhd and Lembaga Amanah Kebajikan Kaum Melanau Sarawak for a total cash consideration of RM60,000,000.

The Group has now resumed control over KUBS and re-consolidated the financial results from 1 March 2024.

Details of net cash outflow arising from the acquisition are as follows :

	RM'000
Fair value of net assets acquired	109,428
Goodwill (provisional)	21,943
Purchase consideration	131,371
<u>Net cash outflow arising from acquisition of KUBS</u>	
Purchase consideration settled in cash and cash equivalents	60,000
Cash and cash equivalents acquired	(26,136)
Net cash outflows on acquisition	33,864

The fair value of net assets and goodwill in the above acquisition are provisionally determined and will be adjusted, where applicable, upon completion of the purchase price allocation as allowed under MFRS 3.

(iii) Striking-off of subsidiary

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. The striking off has no impact to the Group's financial results in the current period.

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 31/3/2024 RM'000	As at 30/6/2023 RM'000
Property, plant and equipment		
Approved and contracted for	1,587	5,030
Approved but not contracted for	10,445	6,953
	12,032	11,983

11. Related Party Transactions

There were no significant related party transactions reported in the financial period under review.

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 31 MARCH 2024**

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"), manufacturing of cables and wires, and engineering civil works in the power sectors ("Power") and Others. Others includes the business related to infrastructure solutions, supply, maintenance and ancillary services in information, communications and technology (ICT), property management services for several properties owned by the Group and investment holding.

Segment information for the current financial period ended 31 March 2024 is as follows:

	Continuing operations				Total	Discontinued operations*	Total
	LPG	Power	Others	Eliminations			
<i>in RM'000</i>							
Revenue							
External sales	366,361	21,856	4,824	-	393,041	991	394,032
Inter-segment sales/revenue	-	-	12,617	(12,617)	-	-	-
Total revenue	366,361	21,856	17,441	(12,617)	393,041	991	394,032
Results							
Profit /(Loss) from operating activities	16,081	1,406	(7,566)	-	9,921	116	10,037
Net other (expenses)/income	(1,211)	559	11,743	-	11,091	11	11,102
Finance income	1,709	209	8,545	-	10,463	159	10,622
Finance costs	(116)	(198)	(10)	-	(324)	-	(324)
Profit before tax	16,463	1,976	12,712	-	31,151	286	31,437
Zakat	(567)	-	-	-	(567)	-	(567)
Income tax expense	(3,552)	(272)	(595)	-	(4,419)	-	(4,419)
Profit for the period	12,344	1,704	12,117	-	26,165	286	26,451

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

* Discontinued operations refer to financial results of KUB Sepadu Sdn Bhd following the Group's intention to divest the subsidiary.

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 31 MARCH 2024**

12. Segmental reporting (cont'd)

Segmental information for the period ended 31 March 2023 is as follows:

<i>in RM'000</i>	LPG	Others	Eliminations	Total
Revenue				
External sales	371,462	12,544	-	384,006
Inter-segment sales/revenue	-	13,024	(13,024)	-
Total revenue	371,462	25,568	(13,024)	384,006
Results				
Profit/(Loss) from operating activities	12,794	(7,931)	-	4,863
Net other (expenses)/income	(1,769)	15,298	-	13,529
Finance income	1,075	3,960	-	5,035
Finance costs	(114)	(20)	-	(134)
Share of results of associate	-	3,259	-	3,259
Profit before tax	11,986	14,566	-	26,552
Income tax expense	(2,679)	(35)	-	(2,714)
Profit for the period	9,307	14,531	-	23,838

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

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 31 MARCH 2024**

12. Segmental reporting (cont'd)

Segmental assets and liabilities as at 31 March 2024 as compared with the last annual financial statements:

As at 31 March 2024	LPG	Power	Others	Total
<i>in RM'000</i>				
Assets				
Segment assets	187,930	176,000	357,073	721,003
Assets held for sale	-	-	131,856	131,856
Total Assets	187,930	176,000	488,929	852,859
Liabilities				
Segment liabilities	100,805	67,294	13,868	181,967
Liabilities associated with assets classified as held for sale	-	-	21,985	21,985
Total Liabilities	100,805	67,294	35,853	203,952
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 MARCH 2024**

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 2024, the Group registered revenue of RM393.04 million and a profit after tax ("PAT") of RM26.5 million as compared to a top line of RM384.0 million and a PAT of RM23.8 million in the corresponding period last year.

The Group's revenue was marginally higher than the corresponding period last year by 2% due to contribution from the newly acquired subsidiary namely Central Cables Berhad ("CCB") amounting to RM21.4 million which was partially offset by the lower revenue achieved by LPG and Others divisions. The Group's PAT in the current period was largely attributable to several exceptional items ie. gain on fair value of investment in KUB Sepadu Sdn Bhd ("KUBS") of RM9.1 million and gain from disposal of assets amounting to RM3.9 million coupled with the encouraging performance from the LPG division.

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

LPG Division : The division recorded a marginal decline in revenue by 1% or RM5.1 million as a result of a drop in the average LPG contract price ("CP") despite higher sales volume by 7%. The overall PAT, however, improved to RM12.3 million an increase of 33% from the corresponding period last year on the back of higher sales volume and reduction in LPG costs.

Power : The division's revenue and PAT of RM21.9 million and RM1.7 million respectively for the current period was mainly contributed by the newly acquired subsidiary, CCB.

Others : The division's revenue represents the contribution from the ICT business and property management services. A significant reduction in revenue of RM7.7 million was largely due to the expiry of several supply of the ICT equipment and maintenance services contracts in the previous financial year. The PAT in the current period, however, was contributed by the gain on fair value of investment in KUBS amounting to RM9.1 million and disposal of assets located at Ara Damansara and Kota Bharu totalling RM3.9 million.

Included in the division's previous year PAT of RM14.5 million were share of profit from 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 items in both years, the PAT of the Group for the current period would have been at RM13.4 million which is 28.8% higher against RM10.4 million in the corresponding period last year predominantly contributed by the improved performance of 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		%
	31/3/2024	31/12/2023	
<u>Continuing operations</u>	RM'000	RM'000	+ / (-)
Revenue	145,400	133,603	8.8
Results			
Profit from operating activities	3,357	3,447	(2.6)
Net other income	9,388	41	
Finance income	3,510	3,481	
Finance costs	(274)	(36)	
Profit before tax	15,981	6,933	130.5
Zakat and income tax expense	(1,991)	(1,870)	
Profit for the period from continuing operations	13,990	5,063	176.3
Profit from discontinued operations	286	-	
Profit for the period	14,276	5,063	182.0

The quarterly revenue rose by 8.8% or RM11.8 million from the preceding quarter with the addition of CCB into the Group effective 1 March 2024. Revenue from the LPG business, on the other hand, slipped RM10.1 million as a result of lower average CP coupled with lower sales volume by 11%.

The PAT rose nearly three-fold in the current quarter following the recognition of a gain on fair value of investment in KUBS amounting to RM9.1 million. Excluding the gain, the PAT in the current quarter would have been similar at RM5.0 million.

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 31 MARCH 2024**

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 the remaining quarter of FY2024 due to the weakening Ringgit and continuing inflationary pressures.

Notwithstanding this, the Group is optimistic that we would remain resilient following the recent acquisition of CCB and deliver more sustainable growth in both our top and bottom-line going forward.

For the LPG division, we 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. With these initiatives in place, the division is poised to record a stronger performance throughout the remaining period in FY2024.

The Group has resumed full control over its oil palm business in Mukah, Sarawak following the setting aside of the Winding-Up Order and the subsequent acquisition of the remaining 40% stake in KUBS as announced in March 2024. Pursuant to this, a review was conducted to evaluate the strategic positioning of the Agro division within the Group, and as a result, the Group now intends to exit this sector and has reclassified the assets and liabilities in KUBS as held for sale. Any material development relating to this will be announced as and when required.

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.

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		Cumulative Quarter	
	3 months ended		9 months ended	
	31/3/2024	31/3/2023	31/3/2024	31/3/2023
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived after crediting/(charging) :				
Finance income	3,510	2,841	10,463	5,035
Other income including investment income	1,015	1,554	1,086	4,347
Finance costs	(274)	(26)	(324)	(134)
Depreciation and amortisation	(4,222)	(3,538)	(11,708)	(10,433)
Reversal of impairment on receivables (net)	388	4,107	55	3,044
Assets written off	(114)	(225)	(129)	(241)
Gain on disposal of property, plant and equipment	123	76	133	198
Gain on disposal of assets held for sale	-	910	3,925	910
Gain on fair value recognition of other investment	9,093	8,213	9,093	8,213
Foreign exchange gain				
- realised	56	-	24	1
- unrealised	7	37	33	62

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
FOR THE QUARTER ENDED 31 MARCH 2024**

**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 9 months ended	
	31/3/2024	31/3/2023	31/3/2024	31/3/2023
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax:				
Current tax	1,931	1,428	4,359	2,580
Under provision in prior year	60	80	60	134
	<u>1,991</u>	<u>1,508</u>	<u>4,419</u>	<u>2,714</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 March 2024		
	Long Term	Short Term	Total Borrowings
Secured			
Bankers Acceptances	-	44,663	44,663
Term loan	2,215	310	2,525
Hire purchase payables	290	45	335
	<u>2,505</u>	<u>45,018</u>	<u>47,523</u>
<i>in RM'000</i>	As at 31 March 2023		
	Long Term	Short Term	Total Borrowings
Secured			
Hire purchase payables	-	20	20
	<u>-</u>	<u>20</u>	<u>20</u>

22. Status of corporate proposals

As at the date of this report, there were no other 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.

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 31 MARCH 2024**

**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 (“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 Contributor 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 fix 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 parties amicably reached a full and final settlement on the disputes, claims and issues between themselves which originally resulted in the filing of the winding up petition. As the disputes between parties no longer existed, the Winding-Up Order was set aside by consent between parties by way of a Consent Order being granted and recorded by the Court of Appeal on 29 February 2024.

(b) Claim by Lembaga Kemajuan Johor Tenggara (“KEJORA”) against KUB Malaysia Berhad (the “Company”), KUB Realty Sdn Bhd (“KUB Realty”) and KUB Agro Holdings Sdn Bhd (“KUBAH”) (hereinafter referred to as “KUB Group”) in relation to disposal of two (2) oil palm estates in Kluang, Johor (said “Lands”) to Beradin Plantation Sdn Bhd (“BPSD”)

On 24 February 2023, KEJORA filed a claim in the High Court of Malaya at Johor Bahru against the KUB Group and BPSD. The claim was served on the KUB Group on 2 March 2023 and KUB Group had entered appearance on 6 March 2023.

Based on the action filed, KEJORA alleges that it has proprietary interest over the Lands which were purportedly leased by KEJORA as lessor to Koperasi Usaha Bersatu Malaysia Berhad (“Koperasi”) as lessee for 95 years. In this regard, KEJORA claims that the Lands had 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.

**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 (the "Company"), KUB Realty Sdn Bhd ("KUB Realty") and KUB Agro Holdings Sdn Bhd ("KUBAH") (hereinafter referred to as "KUB Group") in relation to disposal of two (2) oil palm estates in Kluang, Johor (said "Lands") to Beradin Plantation Sdn Bhd ("BPSD") (cont'd)**

KEJORA is now seeking, *inter alia*, to set aside the registrations and/or 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.

KUB Group vigorously disputed KEJORA's allegations. At all materials times, the KUB Group and BPSB had acted on the advice of qualified and established firms of advocates & solicitors. Further, all necessary approvals for the transfers related to the Lands were obtained from the relevant authorities carried out in accordance with all the relevant rules and regulations.

In this regard, all the transactions of the transfers were done bona fide with valuable consideration. The KUB Group had therefore filed a defence to KEJORA's Writ and Statement of Claim on 1 May 2023. The status of the proceedings are as follows:

- A) **KUB Group Application for Joinder of Pengarah Pejabat Tanah Johor dan Galian Johor ("PTG") and Pentadbir Tanah Daerah Kluang ("Kluang Land Office") [Enclosure 17] ("Joinder Application").**

On 11 May 2023, KUB Group applied to include PTG and Land Office Kluang as parties to the action as their inclusion would ideally be necessary to determine the disputes between the Parties.

- B) **BPSD Third-Party Proceedings against the Company, KUBAH and PTG [Enclosure 32] ("Third Party Proceedings").**

On 8 November 2023, the Court had allowed BPSD's application for the Third-Party Proceedings against the Company, KUBAH and PTG.

KUB Group (i.e. the Company and KUBAH) and PTG had filed their respective defence on 19 February 2024 [Enclosure 75] and 31 December 2023 [Enclosure 71].

- C) **KEJORA's application to amend its Writ and Statement of Claim [Enclosure 34] ("Amendment Application").**

On 26 June 2023, KEJORA had filed the Amendment Application.

KUB Group did not oppose KEJORA's Amendment Application subject to KEJORA allowing KUB Group to file a fresh Defence and Counterclaim against KEJORA, PTG, Kluang Land Office and BDSB.

Court allowed the Amendment Application by consent of the parties and KUB Group had withdrawn the Joinder Application with liberty to file afresh.

On 10 January 2024, KUB Group had filed its fresh Defence and Counterclaim against KEJORA, PTG, Kluang Land Office and BDSB [Enclosure 72] seeking, *inter alia*, indemnity and declarations pertaining to the Lands.

Parties have since exhausted all pleadings. However, to date, PTG and Kluang Land Office has yet to file a defence against KUB Group's Counterclaim.

- D) **Current Status of the Proceedings**

Proceedings on-going and there are no pending interlocutory proceedings before the Court. Parties have been directed to proceed with preparation of pre-trial papers and the next case management before the Court is fixed on 11 June 2024 – to provide updates on the status of the pre-trial papers.

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.

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS
FOR THE QUARTER ENDED 31 MARCH 2024**

**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		9 months ended	
	31/3/2024 RM'000	31/3/2023 RM'000	31/3/2024 RM'000	31/3/2023 RM'000
Earnings for the period attributable to owners of the parent				
- From continuing operations	13,784	8,596	26,160	23,880
- From discontinued operations	286	-	286	-
	14,070	8,596	26,446	23,880
Weighted average number of ordinary shares ('000)	556,465	556,465	556,465	556,465
Basic earnings per share (sen)				
- From continuing operations	2.48	1.54	4.70	4.29
- From discontinued operations	0.05	-	0.05	-
	2.53	1.54	4.75	4.29

(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 May 2024