

A large, abstract graphic consisting of numerous thin, curved lines that sweep upwards and to the right, creating a sense of motion and growth. The lines are colored with a gradient from light green to dark blue. A thin horizontal line in a similar color gradient crosses the page horizontally, intersecting the main graphic.

# POWERING AHEAD

ANNUAL REPORT **2024**

# 59<sup>TH</sup> ANNUAL GENERAL MEETING OF KUB MALAYSIA BERHAD

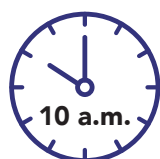
## BROADCAST VENUE

Board Room, KUB Malaysia Berhad,  
Suite A-22-1, Level 22, Hampshire Place Office,  
157 Hampshire, No. 1 Jalan Mayang Sari,  
50450 Kuala Lumpur

## DATE



## TIME



## POWERING AHEAD

A visually striking cover that symbolically reflects KUB Malaysia's dynamism and adaptability in pursuing new possibilities. The main design element features a multi-angled penrose arrow shape clad in KUB Malaysia's corporate gradient to represent the value of seamless synergy in paving the group's path ahead.



### Feedback

We are fully committed to listening to our stakeholders, and we welcome feedback on this report and any aspect of our performance.

To provide feedback, or for any inquiries on our report, please contact:

investorrelation@kub.com  
Tel : +(603) 2721 9600  
Fax: +(603) 2721 9610



### Feature in this Annual Report

As part of our sustainability initiatives, we are reducing the print run of all publications including Notice of Meeting, Annual Report and etc.

We encourage you to visit our webpage at <https://www.kub.com/investor-relations/general-meetings/> to download, retrieve and view the relevant documents at your convenience.

However the printed copy of the Annual Report is also available upon request by filling the requisition form available at our webpage and returning it to us via post, email or fax.

# INSIDE THIS REPORT

## 1 CORPORATE INFORMATION

- 02 Corporate Information
- 03 Corporate Structure
- 04 Board of Directors
- 06 Directors Profile
- 16 Board Committees
- 16 Senior Management Profile

## 2 HIGHLIGHTS

- 19 5-Year Group Financial Highlights
- 20 Economic Value for Shareholders

## 3 PERFORMANCE REVIEW

- 21 The Group Managing Director's Statement and Management Discussion & Analysis

## 4 CORPORATE GOVERNANCE

- 29 Sustainability Statement
- 52 Corporate Governance Overview Statement
- 59 Additional Compliance Information
- 60 Statement on Risk Management and Internal Control
- 65 Board Audit, Risk and Sustainability Committee Report
- 68 Statement of Directors' Responsibility

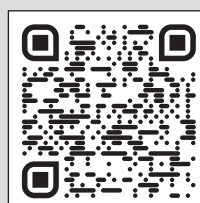
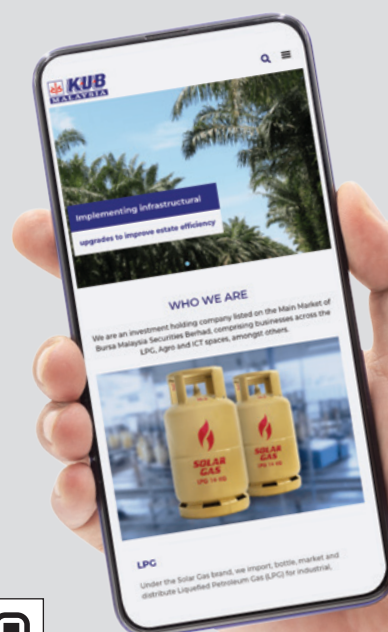
## 5 FINANCIAL STATEMENTS

- 69 Financial Statements

## 6 OTHER CORPORATE INFORMATION

- 176 List of Properties
- 177 Analysis of Shareholdings
- 179 Notice of the 59<sup>th</sup> Annual General Meeting
- 183 Statement Accompanying Notice of the 59<sup>th</sup> Annual General Meeting
- 184 Administrative Details

Proxy Form  
Group Directory



Scan here to view our Annual Report online or visit our website at <https://www.kub.com/investor-relations/reports/>

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Dato' Seri Norliza binti Abdul Rahim**  
Chairman, Independent Non-Executive Director

**Ahmed Fairuz bin Abdul Aziz**  
Group Managing Director

**Zakrysham bin Zainal Bahry**  
Executive Director  
(Appointed w.e.f. 1 April 2024)

**Dato' Ahmad Ibnihajar**  
Independent Non-Executive Director

**Teh Bee Tein**  
Independent Non-Executive Director

**Datuk Haji Mohd Haniff bin Haji Koslan**  
Independent Non-Executive Director

**Megat Joha bin Megat Abdul Rahman**  
Non-Independent Non-Executive Director

**Tee Beng Thong**  
Independent Non-Executive Director

**Amir Nashrin bin Johari**  
Non-Independent Non-Executive Director  
(Appointed w.e.f. 6 March 2024)

**Datuk Rashidah binti Mohd Sies**  
Independent Non-Executive Director  
(Appointed w.e.f. 1 April 2024)

**Datuk Seri Johari bin Abdul Ghani**  
Chairman/Non-Independent Non-Executive Director  
(Resigned w.e.f. 12 December 2023)

**Kasinathan a/l Tulasi**  
Independent Non-Executive Director  
(Retired w.e.f. 31 October 2023)

## COMPANY SECRETARIES

**Azleen binti Abdullah**  
(MAICSA 7057423/PC 201908002775)

**Norita binti Misra**  
(LS 0010426/PC 202008002369)

## REGISTERED OFFICE

**KUB Malaysia Berhad (196501000205 (6022-D))**  
Suite A-22-1, Level 22  
Hampshire Place Office  
157 Hampshire  
No. 1 Jalan Mayang Sari  
50450 Kuala Lumpur

Tel : +(603) 2721 9600  
Fax : +(603) 2721 9610  
E-mail : investorrelation@kub.com  
Website : www.kub.com

## EXTERNAL AUDITORS

**Deloitte PLT (LLP0010145-LCA)**  
Chartered Accountants (AF 0080)  
Level 16, Menara LGB  
1, Jalan Wan Kadir  
Taman Tun Dr. Ismail  
60000 Kuala Lumpur

Tel : +(603) 7610 8888  
Fax : +(603) 7726 8986

## STOCK EXCHANGE LISTING

**Bursa Malaysia Securities Berhad  
(200301033577 (635998-W))**

Exchange Square  
Bukit Kewangan  
50200 Kuala Lumpur

Market : Main Market  
Stock Name : KUB  
Stock Code : 6874  
Sector : Industrial Products and Services

## SHARE REGISTRAR

**Boardroom Share Registrars Sdn Bhd  
(199601006647 (378993-D))**

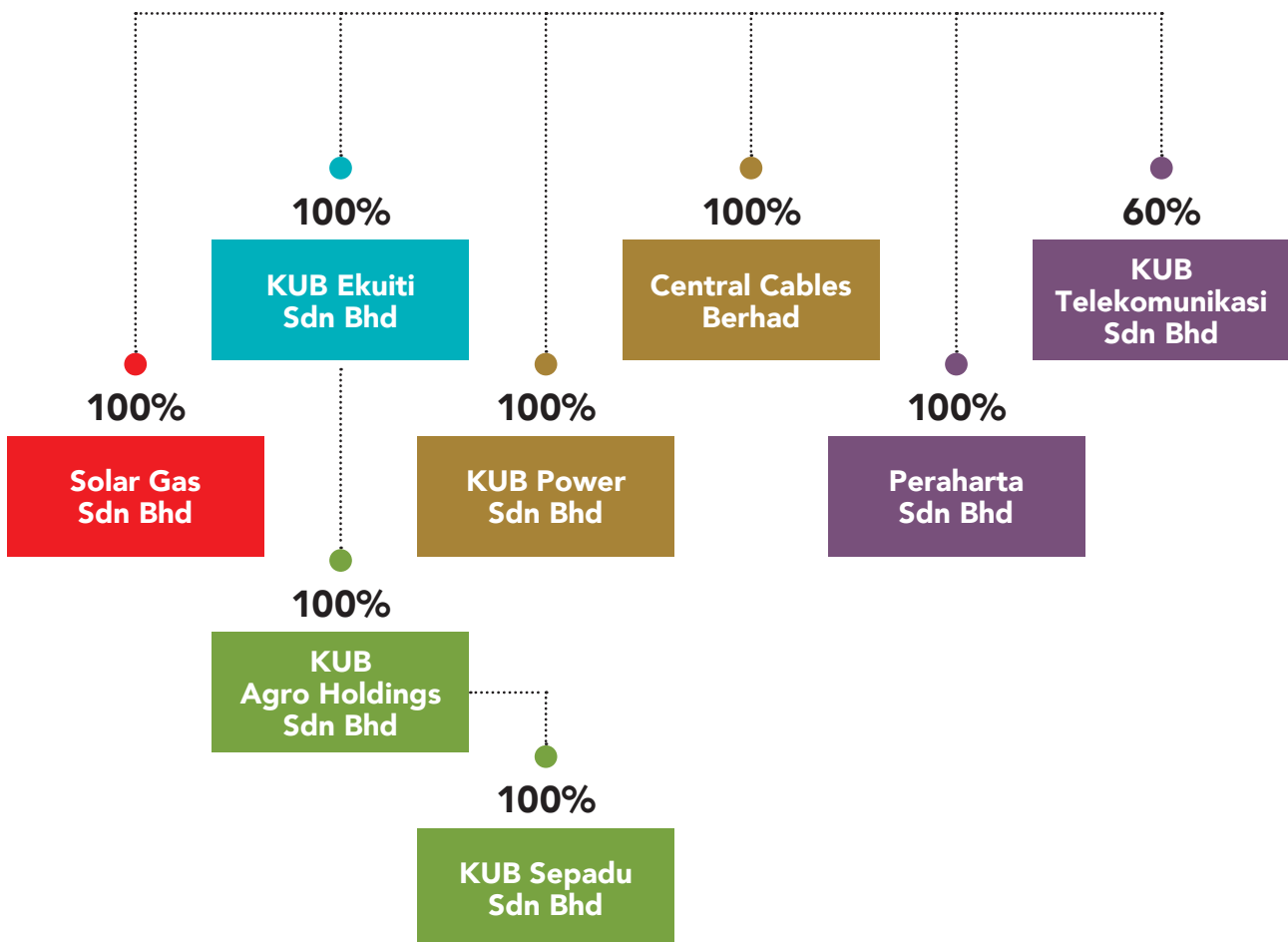
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan

Tel : +(603) 7890 4700  
Fax : +(603) 7890 4670  
E-mail : BSR.Helpdesk@boardroomlimited.com

## PRINCIPAL BANKERS

Malayan Banking Berhad  
Affin Bank Berhad  
CIMB Bank Berhad  
Bank Muamalat Malaysia Berhad

# CORPORATE STRUCTURE



### Legend:

- LPG Division
- Power Division
- Agro Division
- Investment Holding
- Others

Note: The above structure represents active companies

# BOARD OF DIRECTORS



**Standing from left:**

**Megat Joha bin  
Megat Abdul Rahman**  
Non-Independent  
Non-Executive Director

**Zakrysham bin  
Zainal Bahry**  
Executive Director

**Dato' Ahmad Ibnihajar**  
Independent Non-Executive  
Director

**Amir Nashrin  
bin Johari**  
Non-Independent  
Non-Executive Director

**Datuk Haji Mohd  
Haniff bin Haji Koslan**  
Independent Non-Executive  
Director



*Sitting from left:*

**Ahmed Fairuz  
bin Abdul Aziz**  
Group Managing  
Director

**Tee Beng Thong**  
Independent  
Non-Executive Director

**Teh Bee Tein**  
Independent  
Non-Executive Director

**Dato' Seri Norliza  
binti Abdul Rahim**  
Chairman, Independent  
Non-Executive Director

**Datuk Rashidah  
binti Mohd Sies**  
Independent  
Non-Executive Director

## DIRECTORS PROFILE



### DATO' SERI NORLIZA BINTI ABDUL RAHIM

Chairman  
Independent Non-Executive Director

#### Malaysian



#### Age

55

#### Female



#### Date of Appointment

28 August 2018

#### Length of Tenure as Director

6 years 2 months

#### Board Committee Membership

- None

#### Jul 2023 – Jun 2024

#### Board Meeting Attendance

9/9

#### Qualification(s)

- Master of Business Administration in Accounting, Lincoln University, US
- Bachelor of Commerce and Management (majoring in Accounting), Lincoln University, US
- Diploma in Accountancy, Politeknik Ungku Omar

#### Areas of Expertise(s)

- Property Development
- Construction
- Information Communication and Technology

#### Other Directorship(s)

##### Listed

- None

##### Public Companies

- None

#### Working Experience(s)

##### Present

##### Within KUB Group

- None

##### Other Companies/Bodies

- Chairman, Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN)

##### Past

- Chairman, UDA Holdings Berhad (2021 - 2022)
- Director, Boustead Heavy Industries Corporation Berhad
- Chairman, Mutiara.com (2015 - 2018)
- Board Member, JKP Sdn Bhd, Penang (2013 - 2018)
- Senator, Dewan Negara (Malaysia Senate) (2011 - 2017)
- Assistant Director, State Housing Office, Penang (1992 - 1996)



**AHMED FAIRUZ  
BIN ABDUL AZIZ**  
Group Managing Director

#### Malaysian



#### Age

46

#### Male



#### Date of Appointment

1 October 2020

#### Length of Tenure as Director

4 years

#### Board Committee Membership

- None

#### Jul 2023 – Jun 2024

**Board Meeting  
Attendance**  
9/9

#### Qualification(s)

- Bachelor of Science in Accounting and Finance, London School of Economics and Political Science, UK
- Fellow Member, Institute of Chartered Accountants, England and Wales
- Member, Malaysian Institute of Accountants

#### Areas of Expertise(s)

- Corporate Finance
- Tax, Treasury and Financial Reporting
- Audit and Advisory

#### Other Directorship(s)

##### Listed

- None

##### Public Companies

- KUB Development Berhad
- Central Cables Berhad

#### Working Experience(s)

##### Present

##### ▀ Within KUB Group

- Directors within KUB Group of Companies

##### ▀ Other Companies/Bodies

- None

##### Past

- Director, Pos Malaysia Berhad (2019 - 2023)
- Group Chief Executive Officer, KUB Malaysia Berhad (2019 - 2020)
- Group Chief Financial Officer, KUB Malaysia Berhad (2016 - 2019)
- Group Chief Financial Officer/Head of Group Corporate Finance/Senior Manager, Group Corporate Finance, Naza Corporation Group of Companies (2008 - 2015)
- Manager, Group Corporate Finance/Executive, Investment Banking Division, CIMB Investment Bank Berhad (2005 - 2008)
- Senior Associate 1, Messrs. Ernst & Young (2002 - 2005)
- Associate, Messrs. Arthur Andersen & Co. (2001 - 2002)

## DIRECTORS PROFILE



### DATO' AHMAD IBNIHAJAR

Independent Non-Executive Director

#### Malaysian



#### Age

74

#### Male



#### Date of Appointment

27 November 2015

#### Length of Tenure as Director

8 years 11 months

#### Board Committee Membership

- None

#### Jul 2023 – Jun 2024

#### Board Meeting

Attendance  
9/9

#### Qualification(s)

- Bachelor of Economics (Business Administration), Universiti Malaya
- Fellow, Chartered Institute of Logistics and Transport, Malaysia

#### Areas of Expertise(s)

- Banking
- Investment
- Management and Leadership

#### Other Directorship(s)

##### Listed

- None

##### Public Companies

- None

#### Working Experience(s)

##### Present

##### Within KUB Group

- None

##### Other Companies/Bodies

- Chairman, Heirs Corporation Sdn Bhd since 1991
- Chairman, Penang Sentral Sdn Bhd

##### Past

- Chairman, KUB Malaysia Berhad
- Board of Governors, Universiti Sains Malaysia
- Chairman, D'Nonce Technology Berhad (2000 - 2018)
- Chairman, Commerce Assurance Berhad (2001 - 2005)
- Director, Malaysian Resources Corporation Berhad (2000 - 2013)
- Managing Director, Penang Port Sdn Bhd (1999 - 2013)
- Director, PW Consolidated Berhad (1997 - 2004)
- Director, Bumiputera Technology Venture Capital Sdn Bhd (1996 - 2008)
- Managing Director, Bumiputera Technology Venture Capital Management Sdn Bhd (1996 - 2008)
- Managing Director, Taiping Securities Sdn Bhd (1996 - 1999)
- Executive Director, WM Svene-Nor JV Sdn Bhd (1991 - 1993)
- Managing Director, United Traders Securities Sdn Bhd (1984 - 1991)
- Branch Manager, Malayan Banking Berhad (1980 - 1984)
- Forex Dealer and Portfolio Manager, Malayan Banking Berhad, London (1976 - 1979)



## TEH BEE TEIN

Independent Non-Executive Director

### Malaysian



### Age

68

### Female



### Date of Appointment

19 January 2023

### Length of Tenure as Director

1 year 9 months

### Board Committee Membership

- Chairman, Board Audit, Risk and Sustainability Committee

### Jul 2023 – Jun 2024

### Board Meeting Attendance

9/9

### Qualification(s)

- Member, Malaysian Institute of Accountants
- Fellow Member, Association of Chartered Certified Accountants – UK
- Approved Company Auditor
- Registered Tax Agent

### Areas of Expertise(s)

- Statutory and Internal Audits
- Taxation Consulting and Planning
- Business Restructuring and Due Diligence
- Training and Seminars
- Building Construction and Property Development
- Manufacturing
- Retailers/Trading
- Investments

### Other Directorship(s)

#### Listed

- George Kent (Malaysia) Berhad

#### Public Companies

- None

### Working Experience(s)

#### Present

##### ▼ Within KUB Group

- None

##### ▼ Other Companies/Bodies

- B.T. Teh Tax Services Sdn Bhd

#### Past

- Director, C.I. Holdings Berhad
- Messrs. Ernst & Young

## DIRECTORS PROFILE



### DATUK HAJI MOHD HANIFF BIN HAJI KOSLAN

Independent Non-Executive Director

#### Malaysian



#### Age

65

#### Male



#### Date of Appointment

25 August 2016

#### Length of Tenure as Director

8 years 2 months

#### Board Committee Membership

- Member, Board Audit, Risk and Sustainability Committee

#### Jul 2023 – Jun 2024

#### Board Meeting

#### Attendance

9/9

#### Qualification(s)

- International Executive Master of Business Administration, Paris Graduate School of Management, France
- Certified International Project Manager and Fellow, American Academy of Project Management
- Registered Business Analyst and Fellow, American Academy of Financial Management

#### Areas of Expertise(s)

- Property Development
- Construction
- Taxation
- Business Strategies
- Management

#### Other Directorship(s)

##### Listed

- None

##### Public Companies

- None

#### Working Experience(s)

##### Present

##### Within KUB Group

- None

##### Other Companies/Bodies

- None

##### Past

- President, Ranhill Corporation Sdn Bhd (1998 - 2000)
- Executive Director, Bridgecon Holdings Berhad (1997 - 1998)
- Executive Director, Kumpulan KKHM Sdn Bhd (1989 -1997)
- Tax Consultant, Messrs. Aidid & Co (1986 - 1989)
- Tax Consultant, Messrs. K.K San Liew & Loke (1984 - 1986)
- Tax Assistant, Jabatan Hasil Dalam Negeri (now known as Inland Revenue Board of Malaysia) (1980 - 1984)



## MEGAT JOHA BIN MEGAT ABDUL RAHMAN

Non-Independent Non-Executive Director

### Malaysian



### Age

61

### Male



### Date of Appointment

4 March 2019

### Length of Tenure as Director

5 years 7 months

### Board Committee Membership

- Member, Board Audit, Risk and Sustainability Committee

### Jul 2023 – Jun 2024

### Board Meeting

### Attendance

8/9

### Qualification(s)

- American Institute of Certified Public Accountants, US
- Degree in Accounting and Finance, Boston University, Massachusetts

### Areas of Expertise(s)

- Accounting
- Business Development
- Corporate Restructuring
- Finance
- Strategic Planning

### Other Directorship(s)

#### Listed

- Chairman, C.I. Holdings Berhad
- Director, Marine & General Berhad

#### Public Companies

- None

### Working Experience(s)

#### Present

##### Within KUB Group

- Chairman, several subsidiaries of KUB

##### Other Companies/Bodies

- None

#### Past

- Chairman, Central Cables Berhad
- General Manager, Boustead Sissons Paints Sdn Bhd
- Group CEO, Majuperak Holdings Berhad
- Chief Operating Officer/Executive Director (Operations), Mayban Securites Sdn Bhd
- Assistant General Manager, Labuan International Financial Exchange ('LFX')
- Investigations Senior Manager for Market Supervision, Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Securities Berhad)
- Vice President, Agro-based Group and Business Development, FIMA Berhad
- Executive Director and Chief Executive Officer, Percetakan Keselamatan Nasional and Security Printers, FIMA Berhad
- Messrs. KPMG Kuala Lumpur
- Messrs. KPMG Chicago, US

## DIRECTORS PROFILE



### TEE BENG THONG

Independent Non-Executive Director

#### Malaysian



#### Age

57

#### Male



#### Date of Appointment

1 October 2020

#### Length of Tenure as Director

4 years

#### Board Committee Membership

- Chairman, Board Nomination and Remuneration Committee

#### Jul 2023 – Jun 2024

#### Board Meeting Attendance

9/9

#### Qualification(s)

- Associate Member, Certified Practising Accountant, Australia
- Bachelor of Business (Accounting), Monash University, Melbourne, Australia

#### Areas of Expertise(s)

- Professional Human Resource Practitioner
- Trained Accountant
- C-suites and Board Interactions
- Financial Statements
- Community Relations
- Goal-setting and Strategic Planning
- Strategic Advisory
- Corporate Governance

#### Other Directorship(s)

##### Listed

- None

##### Public Companies

- None

#### Working Experience(s)

##### Present

##### Within KUB Group

- None

##### Other Companies/Bodies

- Vice President, St. John Ambulance of Malaysia (KSU)

##### Past

- Chief Executive Officer, Seek Executive Search Sdn Bhd
- Chief Executive Officer, JMW International Pty Ltd
- Senior Consultant/Partner, JM Williams & Associates Sdn Bhd in 2000
- BBB Distributor Sdn Bhd
- Coopers & Lybrand (now known as PricewaterhouseCoopers) in 1993



## AMIR NASHRIN BIN JOHARI

Non-Independent Non-Executive Director

### Malaysian



### Age

30

### Male



### Date of Appointment

6 March 2024

### Length of Tenure as Director

7 months

### Board Committee Membership

- Member, Board Nomination and Remuneration Committee

### Jul 2023 – Jun 2024

### Board Meeting Attendance

1/1

### Qualification(s)

- Bachelor of Science in Accounting and Finance, Oxford Brookes University, Oxford, UK

### Areas of Expertise(s)

- Corporate Finance
- Accounting
- Treasury
- Compliance
- Credit Control
- Business Development
- Management Information System
- Strategic Planning

### Other Directorship(s)

#### Listed

- C.I. Holdings Berhad

#### Public Companies

- Central Cables Berhad

### Working Experience(s)

#### Present

##### Within KUB Group

- Directors within KUB Group Companies

##### Other Companies/Bodies

- JAG Capital Holdings Sdn Bhd
- Continental Resources Sdn Bhd
- Palmtop Vegeoil Products Sdn Bhd

#### Past

- Management Consultant, KPMG's Strategy & Operations
- External Financial Audit, KPMG Malaysia
- External Financial Audit, EY Malaysia

## DIRECTORS PROFILE



### DATUK RASHIDAH BINTI MOHD SIES

Independent Non-Executive Director

#### Malaysian



#### Age

60

#### Female



#### Date of Appointment

1 April 2024

#### Length of Tenure as Director

6 months

#### Board Committee Membership

- Member, Board Nomination and Remuneration Committee

#### Jul 2023 – Jun 2024

#### Board Meeting Attendance

1/1

#### Qualification(s)

- Advanced Management and Leadership Programme, University of Oxford, UK
- Master of Business Administration, US International University California, US
- Bachelor of Business Administration (Finance), Idaho State University, US
- Diploma in Public Administration, National Institute of Public Administration (INTAN)

#### Areas of Expertise(s)

- Investment
- Finance
- Budgeting
- Human Resources

#### Other Directorship(s)

##### Listed

- Malaysian Resources Corporation Berhad

##### Public Companies

- Bank Pembangunan Malaysia Berhad
- UDA Holdings Berhad

#### Working Experience(s)

##### Present

##### Within KUB Group

- None

##### Other Companies/Bodies

- None

##### Past

- Deputy Secretary General of Treasury (Management), Ministry of Finance (2021 - 2024)
- Under-Secretary, Government Investment Companies Division, Ministry of Finance (2018 - 2021)
- Deputy Under-Secretary, Commercial Sector, Government Investment Companies Division, Ministry of Finance (2016 - 2018)
- Head of Commercial Unit, Government Investment Companies Division, Ministry of Finance (2014 - 2016)
- Principal Assistant Secretary of Investment, Finance Division, Minister of Finance (Incorporated) (2003 - 2014)
- Assistant Secretary, Investment Section, Finance Division, Ministry of Finance (1989 - 2003)



**ZAKRYSHAM BIN  
ZAINAL BAHRY**

Executive Director

**Malaysian**



**Age**

57

**Male**



**Date of Appointment**

1 April 2024

**Length of Tenure  
as Director**

6 months

**Board Committee  
Membership**

- None

**Jul 2023 – Jun 2024**

**Board Meeting  
Attendance**

1/1

**Qualification(s)**

- Chartered Accountant (MIA)
- Chartered Association of Certified Accountants, UK

**Areas of Expertise(s)**

- Construction
- Logistics
- Banking and Insurance
- Manufacturing

**Other Directorship(s)**

**Listed**

- None

**Public Companies**

- Central Cables Berhad

**Working Experience(s)**

**Present**

► **Within KUB Group**

- Directors within KUB Group of Companies

► **Other Companies/Bodies**

- None

**Past**

- Head, Finance, Mayban Securities
- Senior Manager, Information Management, Talasco Insurance
- Head, Internal Audit, Renong Group
- Special Officer to Executive Director, UEM Direct Business Units
- Financial Controller, Gapima Logistics
- General Manager, UEM Leadership Centre (UEM Learning Centre)
- Head, Group Talent Management, UEM Group

**Additional Information**

- Save as disclosed below, none of the Directors have any family relationship with or is related to any Director and/or substantial shareholders of KUB Malaysia Berhad, or has any personal interest in any business arrangement involving the Company:
  - JAG Capital Holdings Sdn Bhd is a substantial shareholder of KUB.
  - The Nominee Director of JAG Capital Holdings Sdn Bhd is Megat Joha bin Megat Abdul Rahman.
  - Amir Nashrin bin Johari is the son of Datuk Seri Johari bin Abdul Ghani, who holds an indirect interest in the Company through JAG Capital Holdings Sdn Bhd i.e. the major shareholder of the Company.
- None of the Directors have been convicted for any offences within the past five (5) years or imposed with any public sanctions or penalties by the relevant regulatory bodies during the financial period other than traffic offences, if any.
- The details of Directors' attendance at Board meetings held in the financial period ended 30 June 2024 are set out in the Profiles of Directors and the Corporate Governance Overview Statement in this Annual Report.

## BOARD COMMITTEES

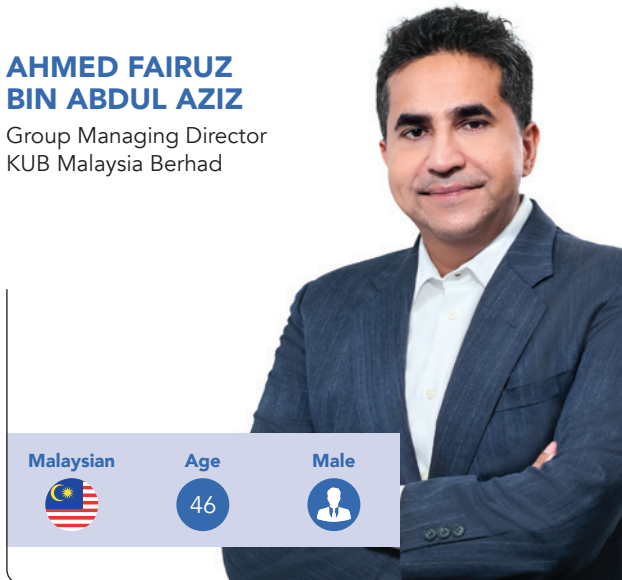
Board Audit, Risk and Sustainability Committee	Appointed with effect from (w.e.f.)
1. Teh Bee Tein (Chairman)	08/11/2023
2. Megat Joha bin Megat Abdul Rahman	08/11/2023
3. Datuk Haji Mohd Haniff bin Haji Koslan	08/11/2023
Board Nomination and Remuneration Committee	
1. Tee Beng Thong (Chairman) - Re-designated as Chairman w.e.f. 06/03/2024	08/11/2023
2. Amir Nashrin bin Johari	06/03/2024
3. Datuk Rashidah binti Mohd Sies	03/07/2024

Note: The Board Audit Committee and Board Risk Management Committee has been merged into a single Board Committee, whose purview now includes the sustainability.

## SENIOR MANAGEMENT PROFILE

### AHMED FAIRUZ BIN ABDUL AZIZ

Group Managing Director  
KUB Malaysia Berhad



Details are as expressed in page 07 of Annual Report 2024.

### ZAKRYSHAM BIN ZAINAL BAHRY

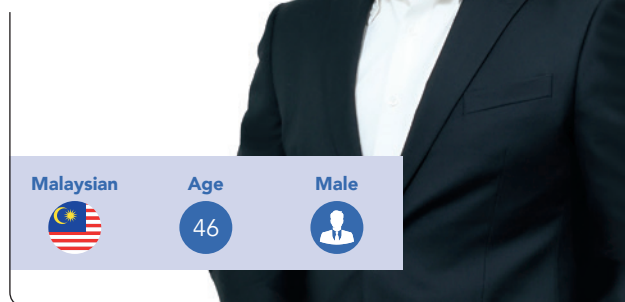
Chief Executive Officer  
Central Cables Berhad



Details are as expressed in page 15 of Annual Report 2024.

## MOHAMED ROZAIDI BIN MD SHARIF

Director/Chief Executive Officer  
Solar Gas Sdn Bhd



Malaysian



Age

46

Male



### Date of Appointment

1 July 2022

### Length of Tenure as Director

2 years 3 months

### Qualification(s)

- Bachelor of Business Administration (Transportation), University Teknologi MARA, Shah Alam

### Areas of Expertise(s)

- Operations
- Sales & Marketing
- Retail
- Logistics & Distribution
- Digital Solutions
- Connectivity & Telecommunications

### Working Experience(s)

- Acting Chief Executive Officer, Solar Gas Sdn Bhd (March 2022)
- Chief Operating Officer, Solar Gas Sdn Bhd (September 2021)
- Chief Executive Officer, Postal Services, Pos Malaysia Berhad
- Group Head, Operation, Pos Malaysia Berhad
- Group Managing Director, Altel Holdings Sdn Bhd
- Chief Commercial Officer, Altel Communications Sdn Bhd
- Director, Regional Enterprise Business Solutions, Celcom Axiata Berhad
- Director, Sales Management and Planning, Celcom Axiata Berhad
- Vice President, Sales Operations and Distributions, Celcom Axiata Berhad
- Chief Executive Officer, C-Mobile Sdn Bhd
- Vice President, Sabah Region, Celcom Axiata Berhad
- General Manager, Retail Sales and Distribution, Celcom Axiata Berhad

### Other Directorship(s)

#### Listed Entities

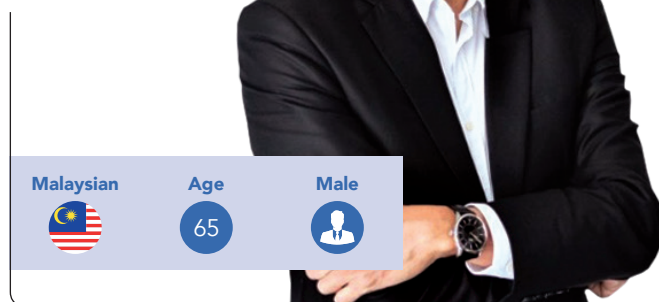
- None

#### Public Companies

- None

## DR. CHARLES CHOW KOK CHENG

Executive Director/  
Chief Executive Officer  
KUB Agro Holdings Sdn Bhd



Malaysian



Age

65

Male



### Date of Appointment

1 June 2021

### Length of Tenure as Director

3 years 4 months

### Qualification(s)

- Doctor of Business Management, IPE Management School, Paris
- Master of Business Administration (General Management), Heriot-Watt University, UK
- Professional Advanced Diploma (AISP), the Incorporated Society of Planters

### Areas of Expertise(s)

- Turnaround Plantation Company
- Plantation Management
- Consultancy and Advisory on Plantation

### Working Experience(s)

- Group Chief Executive Officer/Managing Director, Tradewinds Plantation Berhad (2018 - 2021)
- Senior General Manager-Plantation, Tradewinds Plantation Berhad (2016 - 2018)
- Director of Plantation, Tradewinds Plantation Berhad (2015 - 2016)
- General Manager (CEO's Office) Tradewinds Plantation Berhad (2015)
- Senior General Manager-Estates, Head of Operations, Hap Seng Plantations Holdings Berhad (2014)
- Planting Advisor, Hap Seng Plantations Holdings Berhad (2011 - 2014)

### Other Directorship(s)

#### Listed Entities

- None

#### Public Companies

- None

## SENIOR MANAGEMENT PROFILE

### ADAM VIN BIN RAWI

Executive Director  
KUB Telekomunikasi Sdn Bhd



#### Date of Appointment

15 May 2023

#### Length of Tenure as Director

1 year 5 months

#### Qualification(s)

- Bachelor Degree in Electronics and Communication Engineering, Robert Gordon University, Aberdeen

#### Areas of Expertise(s)

- Integrated Network Management Systems
- Network Infrastructure
- Project Management
- International Business
- Strategic Planning

#### Working Experience(s)

- Executive Director, KUB Telekomunikasi Sdn Bhd (May 2023 - to date)
- Vice President Operations, KUB Telekomunikasi Sdn Bhd (2021 - 2023)
- Head of Telco Infrastructure, KUB Telekomunikasi Sdn Bhd (2020 - 2021)
- Head of Business Development and Strategic Planning, KUB Telekomunikasi Sdn Bhd (2017 - 2019)
- Head of Transformation, KUB Telekomunikasi Sdn Bhd (2016 - 2017)
- Country Manager, KFT International Sdn Bhd (2006 - 2016)
- Technical Support, Engineer & Project Manager, KFT International Sdn Bhd (2003 - 2006)

#### Other Directorship(s)

##### Listed Entities

- None

##### Public Companies

- None

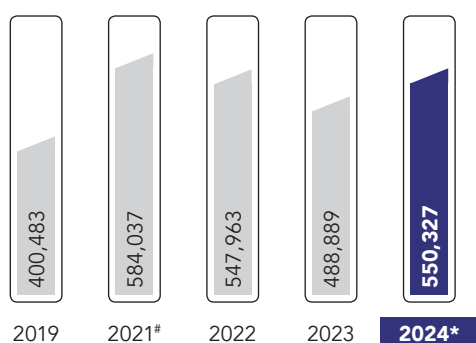
#### Additional Information

1. None of the Senior Management personnel has any family relationship with or is related to any Director and/or substantial shareholders of KUB Malaysia Berhad, or has any personal interest in any business arrangement involving the Company.
2. None of the Senior Management personnel has been convicted for any offences within the past five (5) years or subjected with any public sanctions or penalties by any regulatory bodies during the financial period other than traffic offences, if any.
3. The full profiles of the Senior Management are available online at <https://www.kub.com/about-us/management/>.

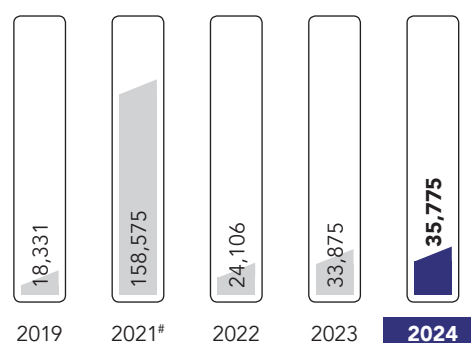
## 5-YEAR GROUP FINANCIAL HIGHLIGHTS

RM'000	2019	2021 <sup>#</sup>	2022	2023	2024
Revenue*	400,483	584,037	547,963	488,889	<b>550,327</b>
Profit before zakat and taxation*	20,590	167,791	33,173	38,879	<b>45,423</b>
Profit for the year	18,331	158,575	24,106	33,875	<b>35,775</b>
Profit attributable to owners of the Company	17,355	155,562	18,284	33,811	<b>35,723</b>
Shareholders' funds	335,132	483,519	493,312	517,045	<b>654,271</b>
Basic earnings per share (sen)	3.12	27.96	3.29	6.08	<b>6.42</b>
Diluted earnings per share (sen)	-	-	-	-	<b>4.73</b>
Net assets per share (RM)	0.60	0.87	0.89	0.93	<b>1.17</b>
Dividend per share (sen)	-	1.5	1.5	2.0	<b>3.5</b>
Gearing ratio (times)	0.31	0.08	0.11	0.08	<b>0.08</b>

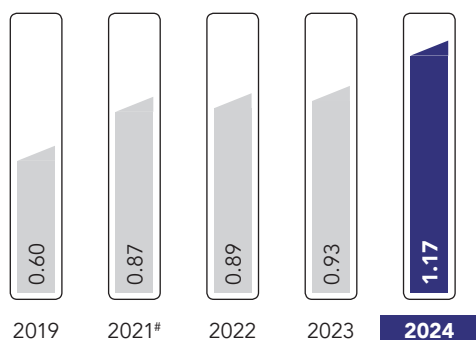
### REVENUE (RM'000)



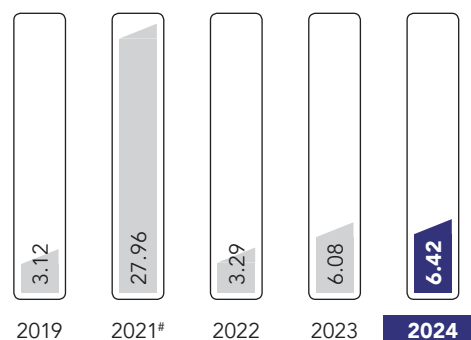
### PROFIT FOR THE YEAR (RM'000)



### NET ASSETS PER SHARE (RM)



### BASIC EARNINGS PER SHARE (SEN)



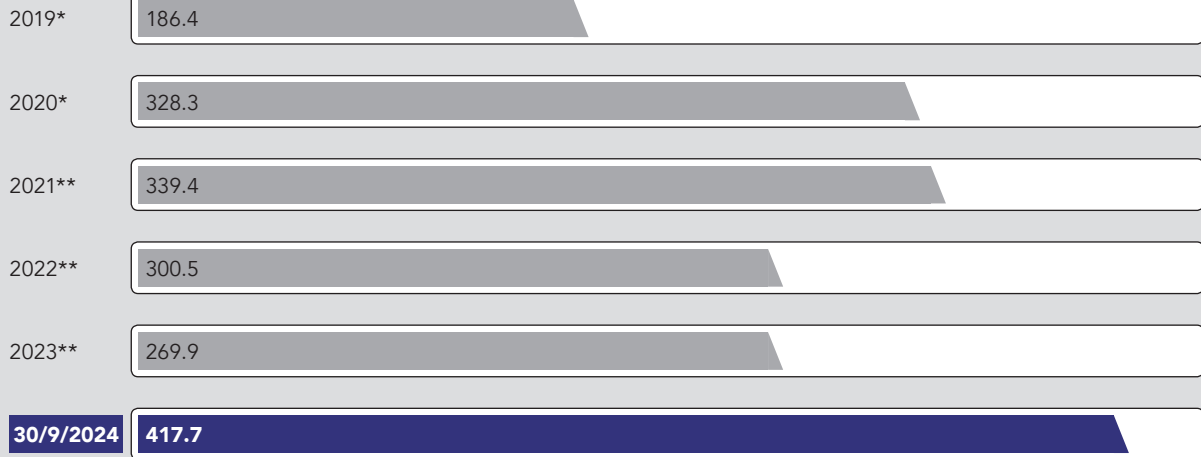
\* Continuing operations for FY2024

<sup>#</sup> Due to the change of financial year end from 31 December to 30 June, the Group financial results presented for 2021 is for a 18-month period ended 30 June 2021.

## ECONOMIC VALUE FOR SHAREHOLDERS

### MARKET CAPITALISATION

(RM'000)



\* Closing price as at 31 December

\*\* Closing price as at 30 June

### SHARE PRICE MOVEMENT#

(RM)



# Daily closing prices

### MONTHLY TRADING VOLUME & SHARE PRICE STATISTICS

Month	2023						2024					
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Volume ('000)	15,150	7,714	23,728	29,501	14,207	12,008	17,452	24,672	15,749	7,166	10,665	4,633
High (RM)	0.590	0.585	0.620	0.605	0.580	0.600	0.680	0.800	0.880	0.835	0.845	0.840
Low (RM)	0.515	0.520	0.560	0.570	0.560	0.560	0.585	0.645	0.725	0.760	0.680	0.750
Closing Price (RM)	0.520	0.570	0.585	0.580	0.570	0.585	0.655	0.735	0.770	0.805	0.750	0.750

# THE GROUP MANAGING DIRECTOR'S STATEMENT AND MANAGEMENT DISCUSSION & ANALYSIS

*Dear Valued Shareholders,*

During a year of continued economic uncertainty, we have powered ahead with our strategic growth plans, positioning KUB for a more profitable and prosperous future ahead.

Through the acquisition of Central Cables Berhad ('CCB'), we have re-established our Power division as a core segment within the Group by venturing upstream into the cables manufacturing business and evolve into a holistic power solutions provider. This move has enabled us to reduce our dependency on the LPG division as the main contributor to Group earnings.

Meanwhile, we are pleased to inform that the Group had reached a full and final settlement with the Minority Shareholders ('MIs') of KUB Sepadu Sdn Bhd ('KUBS') with regards to a winding-up order granted against KUBS by way of a consent order being obtained and recorded at the court. This settlement resulted in us acquiring the 40% stake held by the MIs, allowing KUBS to recommence operations as a going concern and enabling the Group to regain full ownership and management control over the company. Following this, we undertook a strategic evaluation of the Agro Division and ultimately decided to dispose a majority stake in KUBS, thus putting an end to an issue that had been afflicting the Group for the past few years, and upon completion of the sale, freeing up funds to invest in business opportunities which offer greater long-term prospects.

## Revenue

**RM550.3 million**

FY2023: RM488.9 million



## Profit After Zakat and Tax ('PAT')

**RM35.8 million**

FY2023: RM33.9 million



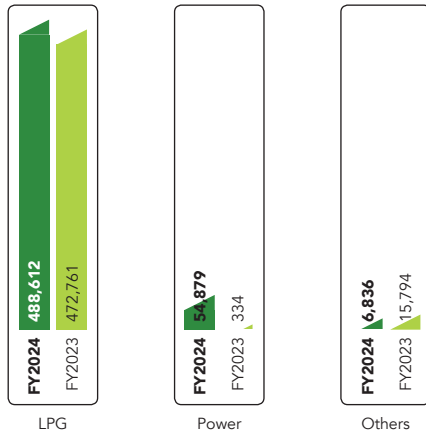
## A STRONG PERFORMANCE IN A CHALLENGING LANDSCAPE

Macroeconomic uncertainty and geopolitical instability continued to be key themes in FY2024. The conflicts in the Middle East and Ukraine were compounded by persistently high inflation across developed and emerging markets, leading to global interest rates hikes. This, in turn, caused a significant weakening of the Malaysian Ringgit as local investors flocked to safe haven currencies such as the US Dollar. Collectively, these factors led to higher import costs and weaker external demand for Malaysian companies, affecting a wide range of industries including the energy sector.

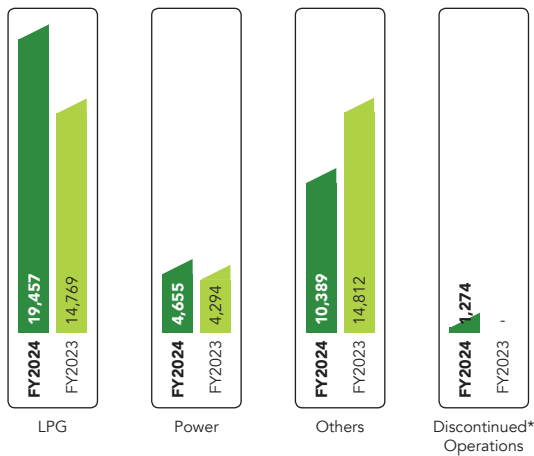
Against this challenging backdrop, we nevertheless delivered a strong financial performance in FY2024. Our revenue increased by 13% (RM550.3 million, compared to RM488.9 million in FY2023) due to a solid rise in sales volume within our LPG Division and a notable contribution from CCB in the four months since its acquisition. Meanwhile, our PAT improved by 6%, from RM33.9 million to RM35.8 million, due in part to better overall operating margins, a recurring gain on fair value of investment in KUBS of RM9.1 million and gains from the disposal of other assets amounting to RM3.9 million.

# THE GROUP MANAGING DIRECTOR'S STATEMENT AND MANAGEMENT DISCUSSION & ANALYSIS

## Revenue by Division (RM'000)



## PAT by Division (RM'000)

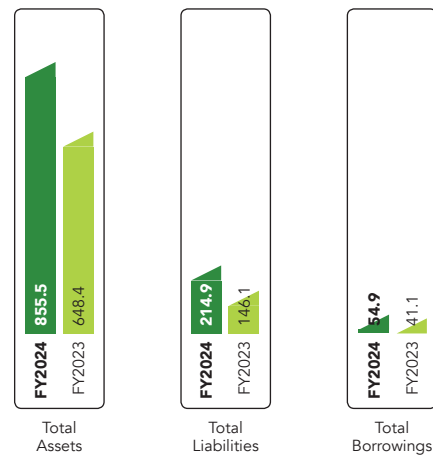


\* Discontinued operations include financial results from KUBS.



These encouraging results are complemented by a stronger group balance sheet, with total assets rising to RM855.5 million (FY2023: RM648.4 million), cash and bank balances sitting at RM412.4 million (FY2023: RM405.6 million) and gearing ratio remaining on par with FY2023 at 0.08 times. This positions us ideally to weather any future negative economic impacts and invest in sustainable growth opportunities as they arise.

## Balance Sheet Analysis (RM'million)



## Shareholders' Funds

**RM654.3 million**

FY2023: RM517.0 million

## Cash and Bank Balances

**RM412.4 million**

FY2023: RM405.6 million

## Net Assets Per Share

**RM1.17**

FY2023: RM0.93

## Gearing Ratio

**0.08 times**

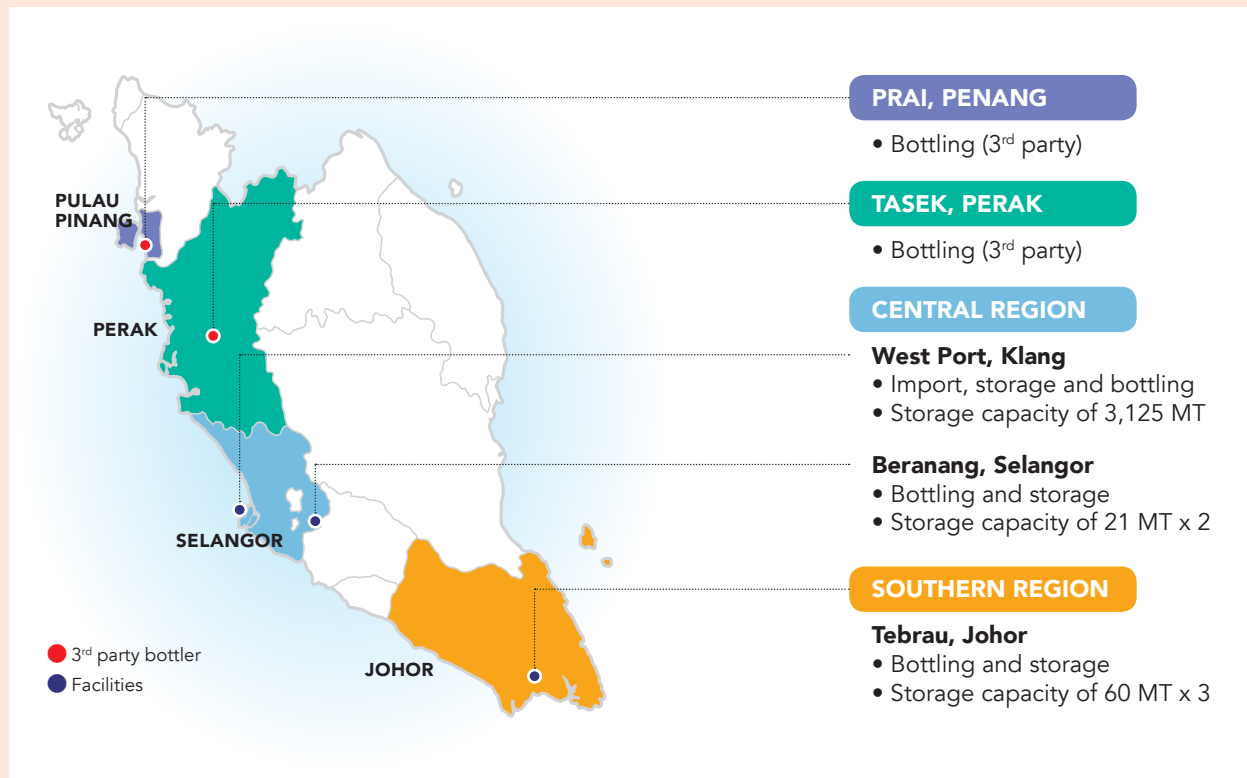
FY2023: 0.08 times



## LPG DIVISION

The LPG Division consists of our wholly-owned subsidiary, Solar Gas Sdn Bhd, a growing player in the Malaysian Liquefied Petroleum Gas industry with wide capabilities and an established network in importation, bottling, marketing and distribution. The division is the biggest contributor to Group-wide earnings, at 88.8% of total revenue in FY2024.

Solar Gas boasts an extensive network across Peninsular Malaysia, with an importation, storage and bottling plant in West Port (Selangor) and bottling plants in Beranang (Selangor) and Tebrau (Johor) collectively providing 3,347MT of storage capacity and enabling a wide reach to dealers across urban and rural areas in the Southern and Central regions of the peninsula. Complementing this, third party bottlers in Prai (Penang) and Tasek (Perak) enable us to effectively reach the Northern and other regions where we have lower penetration.



The division delivered RM488.6 million in revenue in FY2024, an increase of 3% compared to RM472.8 million in FY2023, driven by a 6% rise in overall sales volume. In tandem with a reduction in LPG purchase costs and other one-off income during the year led to a 32% rise in PAT from RM14.8 million to RM19.5 million.

Specifically, our growth was concentrated in the Central and Southern regions, where sales increased by 14% and 11% respectively, and in the domestic (residential and light commercial) segment, where our ongoing brand uplift and dealer recruitment efforts led to a 10% increase in sales. These gains offset a 13% reduction in bulk sales within the commercial and industrial segments, caused by intense pricing competition.

While our performance offers room for optimism, the LPG market remains highly competitive and volatile, with sharp movements in CP affecting our operations. Further to this, increased filling service caused by the Sales and Service Tax ('SST') hike to 8%, the newly imposed logistic services SST of 6% and the continued expenditure involved in upkeeping our cylinders is placing downward pressure on our margins.

Recognising these challenges, we continued to execute a multi-pronged strategy aimed at driving volume growth in both existing and new markets, maximising operational and cost efficiencies and improving the image and competitiveness of our brand.

## THE GROUP MANAGING DIRECTOR'S STATEMENT AND MANAGEMENT DISCUSSION & ANALYSIS



Our downstream network, which comprises our dealers and the businesses they supply to, is key to securing sustainable sales growth. Our ongoing dealer recruitment drive has improved our distribution capacity, enabling us to reach underpenetrated areas across the peninsula, and we have channelled the bulk of our sales efforts towards the domestic segment due to the oversaturated nature of the commercial and industrial markets, thus maximising the effectiveness of our network. This is supported by ongoing social media marketing activities, which help to maintain strong brand recognition and trust levels.

We are also working to arrange prompt cylinder exchanges and buybacks with our competitors, thus addressing the persisting issue of cylinder capacity shortfalls caused by the delay in the circulation of Solar Gas cylinders in the market.

Meanwhile, we have moved ahead with our ongoing cylinder reconditioning and requalification ('RCRO') exercise, investing a further RM2.0 million in cylinder repainting in FY2024. This initiative is vital to maintaining cylinder quality levels and an attractive brand image,

which are crucial determinants of consumer and business choice in an increasingly competitive LPG market.

In parallel to this, we continue to optimise cost efficiencies across the LPG value chain by leveraging the storage capacity of our West Port terminal, which enables us to ensure the continual availability of LPG to meet demand and minimise the impact of supply chain disruptions. In addition, we completed the installation of an automated pallet system within our West Port facility in FY2024, at a total cost of RM2.9 million, reducing our dependence on manual labour and reducing costs involved in cylinder loading and transportation. To further drive down costs, we are actively exploring ways to minimise our inventory holding losses while seeking out more cost-competitive LPG suppliers, with a view to securing long-term contracts at favourable price points.

Moving forward, these focus areas will be the cornerstone of our strategy to overcoming industry challenges and entrenching our position of strength in the LPG market.



## POWER DIVISION

The Power Division consists of KUB Power Sdn Bhd ('KUB Power'), through which we provide civil engineering works in the power sector, and CCB, our newly acquired subsidiary which is principally involved in the manufacturing of power cables and wires.



CCB commenced operations in 1967 and is based in Batu Berendam, Melaka. The company's key products include overhead bare conductors (up to 500kV in voltage), cross linked polyethylene ('XLPE') and thermoplastic polyethylene cables (from 1kV to 33kV), low voltage power and control XLPE or polyvinyl chloride cable cables (multicores up to 3.3kV, 1 to 4-cores) and housing wires, with the principal market for its products being Malaysia. Specifically, CCB has maintained a strong, longstanding business relationship with Tenaga Nasional Berhad ('TNB'), which contributes a significant portion of its annual revenue.

Our takeover of CCB took place across two stages, with the first being the acquisition of a 86.65% equity interest from our major shareholder, JAG Capital Holdings Sdn Bhd, on 28 February 2024 via the issuance of 199,035,059 new redeemable convertible preference shares ('RCPS') at an issue price of RM0.60 per RCPS, with the approach of executing the transaction using RCPS instead of cash enabling us to avoid immediate impacts to our cash flow and gearing level. We then acquired the remaining 13.35% of shares in CCB via cash/RCPS through an unconditional mandatory

take-over offer pursuant to the Rules on Take-overs, Mergers and Compulsory Acquisitions of Securities Commission Malaysia, making CCB a wholly-owned subsidiary of KUB on 24 June 2024.

With the acquisition, we now boast a strong presence in the upstream segment of the power industry, enabling us to provide more holistic power solutions – from hardware to engineering services – and improve our value proposition and market competitiveness. This will ultimately serve our overarching goal of diversifying our revenue streams, thereby reducing our dependence on the LPG Division as the driver of Group earnings.

In FY2024, the Power Division as a whole secured RM54.9 million in revenue and a PAT of RM4.7 million. This was primarily contributed by CCB, which delivered RM54.4 million in revenue and a PAT of RM4.2 million during the first four months since the acquisition (March to June 2024). Meanwhile, all projects undertaken by KUB Power have been completed and the company will continue to bid for new contracts whenever such opportunities arise.

## THE GROUP MANAGING DIRECTOR'S STATEMENT AND MANAGEMENT DISCUSSION & ANALYSIS

While CCB's robust financial performance augurs well for its future prospects, there are several key challenges which may impact earnings and profitability. This includes an increased cost of labour due to the higher government-mandated minimum wage and rising logistics costs caused by the implementation of SST at 6%.

In response to these challenges, we have identified strategies for CCB to execute across three key, complementary focus areas in FY2025.



Collectively, these strategies will enable us to maximise the quality and value of the products CCB creates while minimising unnecessary costs brought about by wastage, production errors or inefficient processes, thus mitigating against negative impacts that may arise during FY2025 and beyond.





## OTHERS DIVISION

**In addition to our LPG and Power divisions, we provide telecommunications infrastructure solutions, specialised engineering services for network equipment and engineering solutions to address industry requirements in the information, communications and technology sector (our 'ICT business') and property management services, via Peraharta Sdn Bhd, for Bangunan Sri Kinta in Ipoh. Prior to the decision to divest KUBS, we had also operated our Agro Division, which comprised of two oil palm estates in Mukah, Sarawak.**



Collectively, our business activities in these sectors (excluding the Agro Division) delivered a total revenue of RM6.8 million in FY2024 – a 56.9% decrease compared to the prior year's total of RM15.8 million – and a 29.7% fall in PAT, from RM14.8 million to RM10.4 million. Revenue was negatively impacted by the expiration of several ICT equipment and maintenance services contracts at the end of the previous financial year which were not replaced by any new significant contracts. Meanwhile, the fall in PAT was largely due to the higher gain on fair value of investment in previous financial year (RM13.4 million, compared to RM9.1 million in FY2024) and the RM3.1 million we received as our share of KUBS' profit in FY2023. In FY2024, meanwhile, we incurred higher expenses relating to several corporate exercises undertaken during the year. This was, however, offset by exceptional gains from the disposal of assets in Ara Damansara and Kota Bharu, totalling RM3.9 million.

Within our ICT Division, we expanded to 49 telecommunications towers over the past year securing seven additional sites through a key partnership with

various Mobile Network Operators ('MNOs') while identifying new potential tower sites for a major oil and gas company Malaysia in Kemaman, Terengganu. In addition, we are poised to capitalise on the evolving dual 5G network model landscape through our new private 5G offering, includes HFR's my5G platform. This solution enables enterprise digital transformation through flexible, cost-effective deployment, supporting the growing demand for industry-specific 5G networks and offering customised capabilities for B2B services.

Through our focus on telecommunications towers and private 5G solutions, we aim to assist businesses to fully leverage the power and potential of 5G. To this end, we are actively exploring both organic growth and possible strategic acquisitions to broaden this offering, focusing on projects that yield stable, recurring revenue. By integrating private 5G solutions with our existing tower portfolio, we are laying the groundwork for sustainable growth and a future-ready business model.

Additionally, we continue to strengthen key partnerships, such as long-term maintenance contracts and engineering services with Nokia and ZTE, ensuring reliable, high-quality service delivery.

Meanwhile, we disposed of two unproductive property assets in FY2024 – a five-storey office building located in Kota Bharu, Kelantan for RM2.5 million, and two office floors located in Oasis, Ara Damansara for RM7.7 million. The two transactions netted the Group a total gain of RM3.9 million.

Within the Agro Division, a full and final settlement was reached between KUBS and its then-minority shareholders – Medan Sepadu Sdn Bhd and Lembaga Amanah Kebajikan Kaum Melanau Sarawak – regarding the disputes in question, leading to the Winding-Up Order that was previously issued being set aside by the Court of Appeal on 29 February 2024. As part of the settlement agreement, KUB Agro Holdings Sdn Bhd, the parent company of KUBS, purchased the remaining 40% equity interest held by the minority shareholders for a total cash consideration of RM60 million, providing us with full control of our oil palm business in Mukah, Sarawak.

With this, we decided to undertake a review of the business and its current and potential value to the Group. This review determined that, due the ageing profile of the existing oil palms, the estates had limited

## THE GROUP MANAGING DIRECTOR'S STATEMENT AND MANAGEMENT DISCUSSION & ANALYSIS

scale of operations and would require significant financial investment in clearing and replanting programmes in the coming years. As such, it was decided that the best course of action would be to monetise the value of our plantation estates by selling our 70% stake in KUBS.

Subsequent to this, KUB Agro Holdings Sdn Bhd entered into a share purchase agreement with Sinong Enterprise Sdn Bhd on 26 August 2024 for the disposal of its 70% equity interest in KUBS for a cash consideration of approximately RM103.37 million. Once completed, the proceeds from this disposal will provide us with greater financial resources to invest in our existing core businesses and emerging business opportunities as they arise. It will form a key step in evolving our business away from higher risk and more capital intensive sectors towards more sustainable, evergreen areas of growth.

### PROSPECTS

Casting an eye to the near-term future, we expect that economic uncertainty, market volatility and inflationary pressure will remain as defining features of the global macroeconomic landscape, contributing towards a challenging operating environment for the Group. However, our resilient performance during the past year, allied with proactive efforts to grow new and sustainable revenue streams, provides us with optimism that we will navigate these challenges effectively and deliver sustainable top and bottom-line growth moving forward.

In our LPG Division, we will continue to implement initiatives aimed at driving cost efficiencies, increasing sales volume and expanding our market share. This will help to mitigate against a highly competitive LPG market, where new market entrants and cost pressures are driving margins downwards. Our double-digit growth in sales volume across the Central and Southern regions, however, indicates success in reaching underpenetrated markets.

Our acquisition of CCB, meanwhile, opens various growth opportunities for us as an integrated power solutions provider, combining our collective expertise across cable manufacturing and civil engineering. With the surge in major infrastructural and utilities projects such as the Central Spine Road, the Pan Borneo Highway and other initiatives developed in line with the 12<sup>th</sup> Malaysia Plan, CCB's established track record in the industry positions us strongly to expand our order book. Looking further ahead, Malaysia's New Energy Transition Roadmap ('NETR') will accelerate the nation's embrace of renewable energy, creating long-term, sustainable growth opportunities across the power and energy sector.

Meanwhile, we maintain a positive outlook for the ICT business as the imminent rollout of the nation's dual 5G network model offers substantial growth opportunities in private 5G solutions and tower construction and leasing over the medium to long term. Despite facing current delays and challenges, we are dedicated to optimising our operational efficiency while actively pursuing projects that ensure stable, recurring revenue streams.

Looking at our business as a whole, we will maintain a cautious stance on the overall market and industry outlook, while remaining flexible in executing our strategic plans. This will be supported by the proceeds from the monetisation of our plantation estates, which will provide us with the resources to capitalise on suitable organic and inorganic growth opportunities as and when they arise.

### DIVIDENDS

On 29 August 2024, the Board of Directors approved and declared a first and final single tier dividend of 3.5 sen per ordinary share and per RCPS in respect of the financial year ended 30 June 2024. This is the highest dividend that the Company has ever declared since the formation of KUB Malaysia Berhad in 1997 and amounts to a total payout of RM26,470,326 and a payout ratio of 74.1% of the Profit After Tax and Minority Interests of the Group.

The final dividend is payable on 14 October 2024 to shareholders whose names appear in the Record of Depositors at the close of business on 30 September 2024.

### APPRECIATION

At this juncture, I would like to place on record heartfelt thanks, on behalf of the entire Board of Directors, to Datuk Seri Johari bin Abdul Ghani, our former Chairman who resigned from his post during the past financial year. During his tenure of over five years, Datuk Seri Johari has been instrumental in driving the transformation of KUB to become the dynamic, future-facing organisation it is today, and his influence will continue to resonate deeply across our business.

On this note, I wish to offer my heartiest congratulations to Dato' Seri Norliza binti Abdul Rahim on her redesignation from Independent Non-Executive Director to Chairman of the Group. Under Dato' Seri Norliza's leadership, I have every confidence that KUB will continue to thrive and create sustainable value for our stakeholders.

I would also like to thank Mr Kasinathan a/l Tulasi, who leaves his role on the Board after a tenure of nearly four years and welcome our incoming Directors: En. Amir Nashrin bin Johari, Datuk Rashidah binti Mohd Sies and En. Zakrysham bin Zainal Bahry.

My appreciation echoes to our employees and suppliers for their hard work and dedication to the cause during the past year, to our customers for their continued support and loyalty, and to our shareholders for their unwavering faith amidst challenges. United by a common vision, we have built a stronger, more resilient and sustainable KUB, and are now ready to power ahead into a future of continued progress and growth.

Thank you for being part of this journey with us.

### AHMED FAIRUZ BIN ABDUL AZIZ

Group Managing Director

# SUSTAINABILITY STATEMENT

## ABOUT THIS STATEMENT

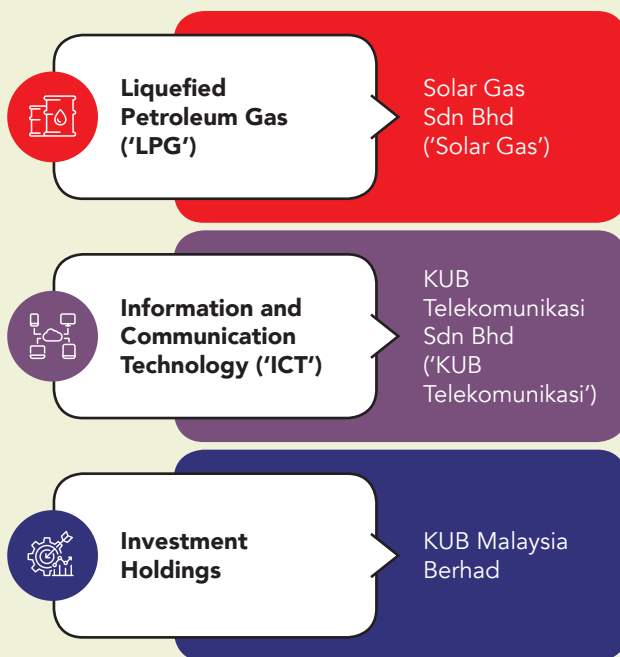
(GRI 2-3)

KUB Malaysia Berhad ('KUB' or 'the Company') and the KUB Group of Companies ('the Group') presents its Sustainability Statement for financial year ended ('FY') 30 June 2024 ('FY2024'), unless otherwise specified. This statement adheres to transparent reporting standards and reflects our unwavering commitment to sustainable business operations. Published annually alongside our Annual Report, this statement highlights our progress and performance in the context of economic, environmental, social and governance ('EESG') considerations.

## SCOPE AND BASIS OF SCOPE

(GRI 2-2)

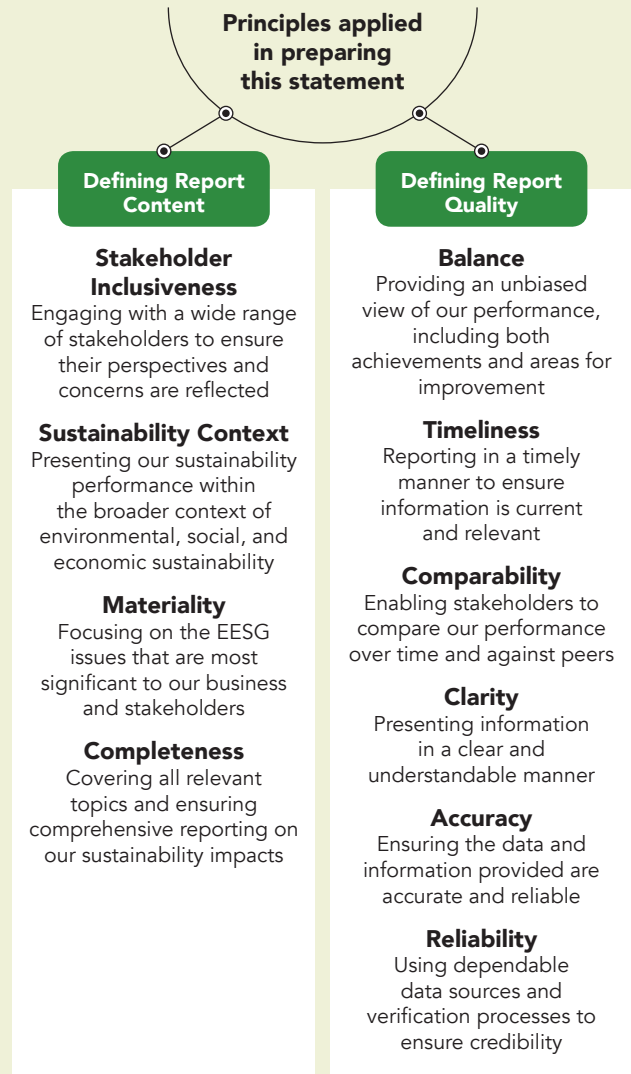
The scope of this report encompasses our principal business operations, which include:



The report covers all geographical areas within Malaysia where the Group operates. It includes all subsidiaries and operational units under KUB that significantly impact our sustainability footprint. Companies with minimal or no business activities and those held-for-sale are excluded. In February 2024, KUB acquired Central Cables Berhad ('CCB'), however, CCB will be excluded in the scope of this report and will be considered in subsequent reporting periods as it becomes fully integrated into our operations.

## REPORTING FRAMEWORKS AND STANDARDS

This report has been developed in accordance to Bursa Malaysia Securities Berhad's ('Bursa Malaysia') Main Market Listing Requirements ('MMLR'), with reference to Bursa Malaysia's Sustainability Reporting Guide (3<sup>rd</sup> Edition) and the Global Reporting Initiative ('GRI') Universal Standards 2021.



Our disclosures are also aligned with FTSE4Good criteria, reflecting our dedication to enhance our sustainability practices and transparency. We are consistently improving our FTSE4Good ESG score. **As at FY2023, the ESG score has increased to 2.5 with a 3-star rating. (FY2022: 1.5 with a 1-star rating)**

Furthermore, we support the 2030 Agenda for Sustainable Development and the 17 United Nations Sustainable Development Goals ('UN SDGs') and will continue mapping our materiality matters against these goals.

We are also committed to expanding our sustainability reporting to encompass climate-related issues and Task Force on Climate-related Financial Disclosures ('TCFD') Recommendations.



# SUSTAINABILITY STATEMENT

## SUSTAINABILITY GOVERNANCE

(GRI 2-14)

We are driven by our ambition to create long-term, sustainable value for all stakeholders. By accelerating the integration of EESG practices into our business strategy, we manage our operations more effectively, ensuring a better future for the organisation and its stakeholders.

The Board of Directors ('the Board') leads our sustainability approach, including the management of EESG risks and opportunities. The Board is supported by the Board Audit, Risk and Sustainability Committee ('BARSC') and the Sustainability Committee, both of which play crucial roles in ensuring that sustainability efforts and policies align with the Group's core principles and objectives.

The BARSC consists of majority Independent Non-Executive Directors and meets at least four times in a year to assist the Board in overseeing the Group's sustainability practice particularly in Environment, Social and Governance ('ESG') practices. Meanwhile, the Sustainability Committee is involved in the preparation of our ESG roadmap and Sustainability Statement.

Regular internal audits are conducted to ensure compliance and to identify areas of improvement. We engage stakeholders through meetings and surveys, and transparently report our sustainability performance annually while striving for continuous improvement. This involves setting ambitious but achievable targets, regularly reviewing and updating our sustainability policies, and staying informed of best practices and emerging trends in sustainability governance.



The following table describes the roles and responsibilities at each level of our sustainability governance:





## STAKEHOLDER ENGAGEMENT


(GRI 2-29)

As part of the Group's commitment to good business practices, we engage regularly with a wide range of key internal and external stakeholders. This process helps the Management to understand, prioritise and manage its sustainability impacts. We engage with stakeholders through various mechanisms, including direct dialogue, surveys, participation in professional and industry forums, and information sharing. The frequency and nature of these engagements encourage regular communication with stakeholders on important issues. The table below highlights areas of interest, methods and frequency of engagement across all stakeholder groups.

Stakeholder Group	Material Concerns	Engagement Method	Engagement Frequency					
			Monthly	Quarterly	Half-Yearly	Annually	Biannually	As and When Required
<b>Customers</b> 	<ul style="list-style-type: none"> <li>Business outlook</li> <li>Market positioning</li> <li>Quality goods and services</li> </ul>	Customer surveys					○	
		Sales/technical visits						○
		KUB's corporate website/social media platforms						○
		Periodical reporting						○
		Materiality surveys						○
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Career opportunities</li> <li>Work-life balance</li> <li>Skills development</li> <li>Benefits and rewards</li> <li>Equity</li> </ul>	Employee performance and key performance indicator ('KPI') reviews				○		
		Briefing sessions on good ethics and our Whistleblowing Policy						○
		Periodical medical check-up reviews						○
		Induction, training and competency development						○
		Coordination meetings						○
		Occupational Safety and Health Committee meetings		○				
		Safety briefings to employees and workers						○
		Safety and competency training						○
		Regular business communication						○
		Briefings on good labour practices and awareness						○
		Materiality surveys						○
		Employee commuting surveys						○

# SUSTAINABILITY STATEMENT

Stakeholder Group	Material Concerns	Engagement Method	Engagement Frequency					
			Monthly	Quarterly	Half-Yearly	Annually	Biannually	As and When Required
<b>Suppliers</b> 	<ul style="list-style-type: none"> <li>Local partnerships</li> <li>Business relationships</li> <li>Operational efficiency</li> </ul>	Periodical reporting						○
		Interviews/meetings for participation in the procurement as a contractor/vendor						○
		Safety briefings						○
		Vendor performance appraisal processes				○	○	
		Due diligence activities						○
		Periodic inspections of compliance with legal requirements						○
		Discussions with contractor/vendor on relevant laws and regulations						○
		Digital/manual platform for submission of complaints/ feedback by respective stakeholders						○
		Materiality surveys						○
<b>Government and Regulators</b> 	<ul style="list-style-type: none"> <li>Compliance</li> <li>Nation-building agenda</li> <li>Partnerships and collaborations</li> </ul>	Audit reports						○
		Issuance of employment permits for foreign workers						○
		Annual fire drills				○		
		Construction Industry Development Board ('CIDB') and National Institute of Occupational Safety and Health ('NIOSH') briefings						○
		Quarterly updates on financial results		○				
		Materiality surveys						○

Stakeholder Group	Material Concerns	Engagement Method	Engagement Frequency					
			Monthly	Quarterly	Half-Yearly	Annually	Biannually	As and When Required
<b>Shareholders, Investors and Business Partners</b> 	<ul style="list-style-type: none"> <li>Investment opportunities</li> <li>Long-term sustainability</li> <li>Business outlook</li> <li>Market positioning</li> <li>Return on Investment</li> <li>Dividends</li> <li>Governance of EESG risks and opportunities</li> </ul>	Evaluations of the Group scorecard	○					
		Director Circular Resolutions ('DCR')						○
		Audit reports				○		
		Bursa Malaysia announcements on financial results		○		○		
		Share price movement updates on the Investor Relations section of corporate website						○
		Meetings with Management and the Board						○
		Feedback from respective shareholders						○
		Annual General Meeting ('AGM')				○		
		Extraordinary General Meeting ('EGM')						○
		Press releases and statements to the media						○
		Materiality surveys						○
		Social contributions and community outreach programme						○

## MATERIALITY ASSESSMENT

(GRI 3-1)

We understand the importance of focusing on material matters that significantly impact our business and stakeholders. To identify these priorities, we conducted our first materiality assessment, involving both internal and external stakeholders.

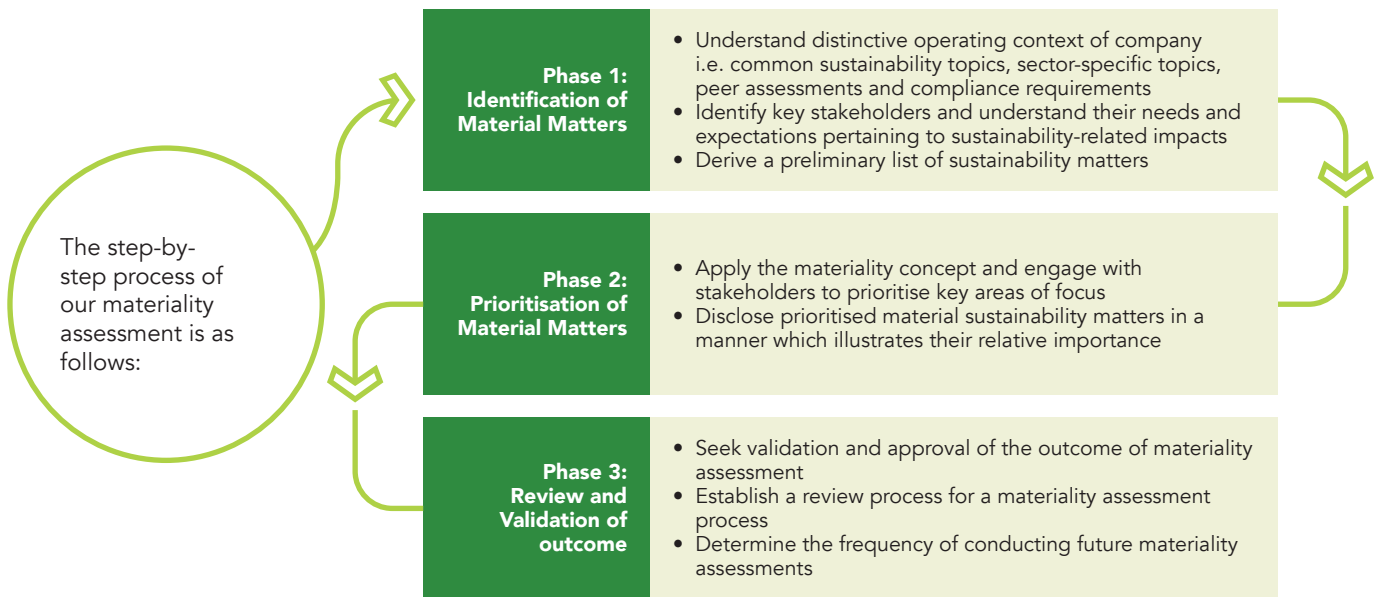
This assessment aimed to evaluate and prioritise key sustainability issues based on their significance to our business operations and their influence on stakeholders' decision-making processes. By engaging a wide range of stakeholders, we ensured a comprehensive understanding of the material matters that are most relevant to our sustainability strategy.

To streamline our approach and reduce overlap, we updated our material topics. We merged and renamed several topics to enhance clarity and relevance:

- Health and Safety has been renamed as Occupational Health & Safety.
- Sustainable Supply Chain is now under Supply Chain Management.
- Good Governance has been refined to Corporate Governance.
- Whistleblowing has been incorporated into Anti-Corruption.
- Employee Engagement and Training & Development have been consolidated under Labour Practices & Standards.

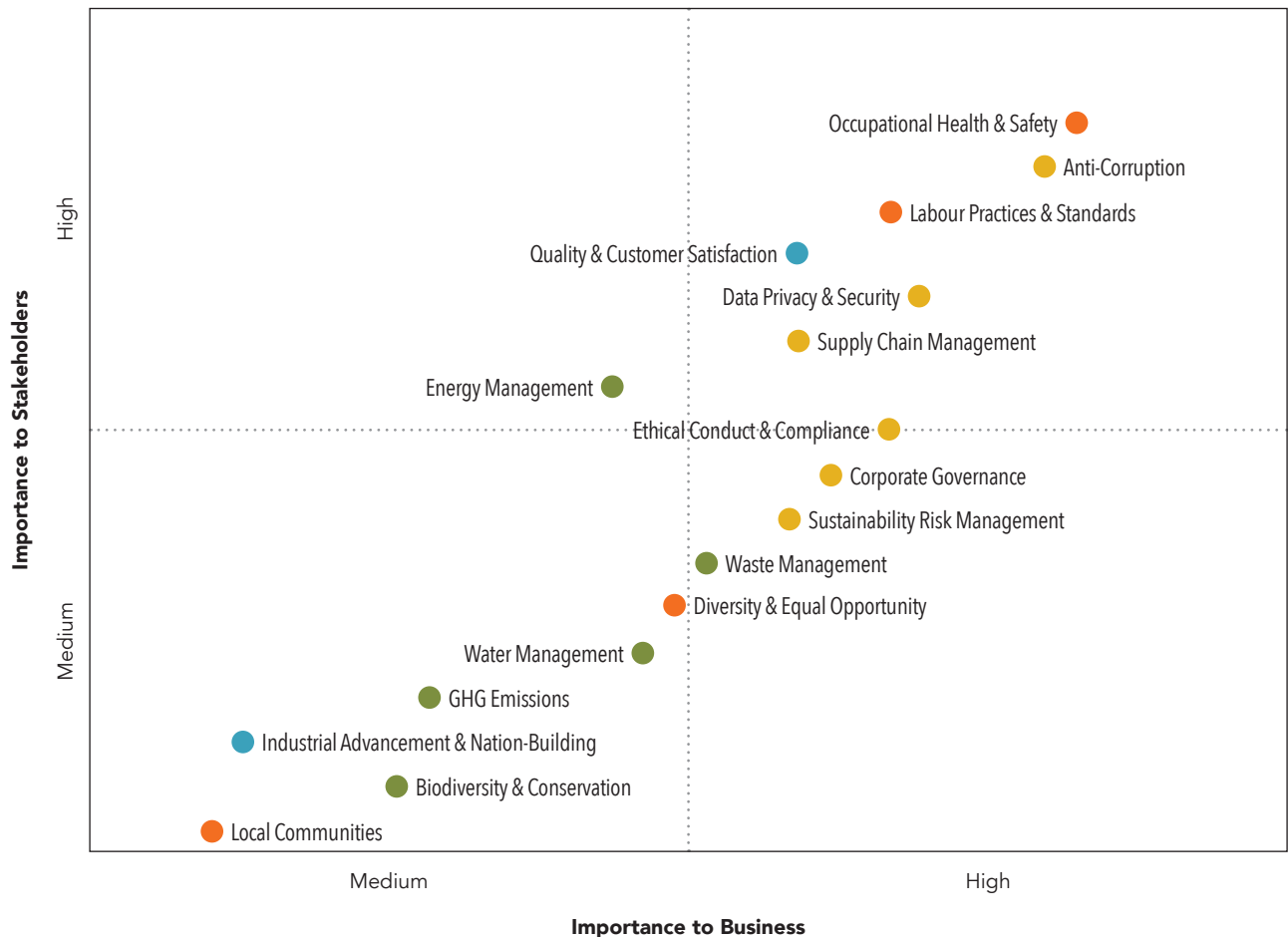
While the relative importance of these topics to our business remains the same, stakeholder perspectives have shifted due to the inclusion of external stakeholders and consultants in our assessment process. These changes reflect our commitment to addressing the evolving sustainability landscape and the specific needs of our stakeholders.

# SUSTAINABILITY STATEMENT















## Materiality Matrix

(GRI 3-2)
















**Legend**  
 ● Economic   ● Environmental   ● Social   ● Governance

## Material Topics

Materiality Issue	Linkage with Bursa Material Matters	Linkage with GRI Material Topics	Linkage with UN SDGs
<b>Economic</b>			
<b>Industrial Advancement &amp; Nation-Building</b> <i>Contributing to the nation's economic and industrial growth through innovative technologies, infrastructure development, and strategic partnerships that drive progress and improve livelihoods</i>	Not applicable ('N/A')	GRI 203: Indirect Economic Impacts 2016	  
<b>Quality &amp; Customer Satisfaction</b> <i>Delivering high-quality products and services that meet or exceed customer expectations, ensuring satisfaction, loyalty, and long-term success</i>	N/A	N/A	
<b>Supply Chain Management</b> <i>Ensuring responsible and sustainable practices throughout the supply chain, from sourcing locally to delivery, to maintain quality and integrity of products and services</i>	C7: Supply Chain Management	GRI 204: Procurement Practices 2016	
<b>Environment</b>			
<b>Energy Management</b> <i>Optimising energy consumption and improving energy efficiency across all operations to reduce environmental impact and operational costs</i>	C4: Energy Management	GRI 302: Energy 2016	 
<b>Water Management</b> <i>Implementing efficient water use practices and conservation measures to minimise environmental impact and ensure sustainable water resources</i>	C9: Water	GRI 303: Water and Effluents 2018	 
<b>Waste Management</b> <i>Reducing, reusing, and recycling waste materials to minimise environmental footprint and promote sustainable waste management practices</i>	C10: Waste Management	GRI 306: Waste 2020	
<b>Greenhouse gas ('GHG') Emissions</b> <i>Tracking and reducing greenhouse gas emissions to combat climate change and contribute to global efforts for a low-carbon economy</i>	C11: Emissions Management	GRI 305: Emissions 2016	
<b>Biodiversity &amp; Conservation</b> <i>Protecting and enhancing biodiversity through conservation efforts and sustainable practices that preserve ecosystems and natural habitats</i>	S1: Biodiversity	GRI 304: Biodiversity 2016	 

# SUSTAINABILITY STATEMENT

Materiality Issue	Linkage with Bursa Material Matters	Linkage with GRI Material Topics	Linkage with UN SDGs
<b>Social</b>			
<b>Occupational Health &amp; Safety</b> <i>Safeguarding employees' physical and mental health and keeping all stakeholders safe and free from injury, noncommunicable and infectious diseases and noise</i>	C5: Health and Safety	GRI 403: Occupational Health and Safety 2018	
<b>Labour Practices &amp; Standards</b> <i>Attracting and retaining talent with fair wages, reasonable hours, and respect for human rights. Investing in ongoing professional development to foster employee growth and innovation</i>	C6: Labour Practices and Standards	<ul style="list-style-type: none"> <li>GRI 401: Employment 2016</li> <li>GRI 402: Labor/Management Relations 2016</li> <li>GRI 404: Training and Education 2016</li> </ul>	  
<b>Local Communities</b> <i>Engaging with and supporting local communities through social responsibility initiatives, economic opportunities, and collaborative projects that enhance community well-being</i>	C2: Community/Society	GRI 413: Local Communities 2016	    
<b>Diversity &amp; Equal Opportunity</b> <i>Promoting an inclusive workplace that values diversity and provides equal opportunities for all employees regardless of gender, race, religion or background</i>	C3: Diversity	<ul style="list-style-type: none"> <li>GRI 405: Diversity and Equal Opportunity 2016</li> <li>GRI 406: Non-discrimination 2016</li> </ul>	 
<b>Governance</b>			
<b>Corporate Governance</b> <i>Delivering good and transparent corporate governance systems such as a balanced Board composition, stringent internal controls and a structured organisational framework</i>	N/A	N/A	
<b>Data Privacy &amp; Security</b> <i>Protecting sensitive data and personal information from unauthorised access and breaches through stringent cybersecurity measures and compliance with relevant data protection regulations</i>	C8: Data Privacy and Security	GRI 418: Customer Privacy 2016	 
<b>Anti-Corruption</b> <i>Implementing comprehensive measures to prevent and combat corruption, bribery and unethical practices within the organisation and its supply chain</i>	C1: Anti-Corruption	GRI 205: Anti-corruption 2016	 
<b>Ethical Conduct &amp; Compliance</b> <i>Adhering to the highest ethical standards and legal requirements in all business operations to maintain integrity and corporate responsibility</i>	N/A	<ul style="list-style-type: none"> <li>GRI 206: Anti-competitive Behaviour 2016</li> <li>2-27: Compliance with laws and regulations</li> </ul>	 
<b>Sustainability Risk Management</b> <i>Identifying and mitigating sustainability risks, especially those related to climate change, to ensure the long-term resilience and sustainability of operations and infrastructure.</i>	Linked to TCFD-related risk analysis and management		

## SUSTAINABLE ECONOMIC GROWTH

We actively contribute to industrial growth and nation-building by participating in key organisations and supporting community development. The Group is committed to delivering high-quality products and services through its robust Quality Management System and continuous process improvement, ensuring customer satisfaction. Additionally, we promote sustainable supply chain practices by working closely with suppliers, integrating ESG considerations, conducting thorough assessments, and supporting local procurement to enhance value and mitigate risks. These efforts collectively strengthen the economic foundation of our operations and drive sustainable economic growth.

### Industrial Advancement & Nation-Building

(GRI 203-2)

We are committed to contributing to industrial advancement and nation-building efforts. By actively engaging with various public and private organisations, the Group actively supports the economic, social, and environmental development of related industries.

We are a member of several key organisations (as listed below) that promote sustainable development and industrial growth. Through these memberships, we collaborate with industry peers, government bodies, and non-governmental organisations to drive initiatives that align with sustainable development guidelines.

Company Membership	Individual Membership
<ul style="list-style-type: none"> <li>Institute of Internal Auditors Malaysia ('IIAM')</li> <li>Malaysian Institute of Corporate Governance ('MICG')</li> <li>Minority Shareholder Watchdog Group ('MSWG')</li> <li>Malaysian Employers Federation ('MEF')</li> <li>Malaysian Association of Risk and Insurance Management ('MARIM')</li> <li>Malaysia Retail Chain Association ('MRCA')</li> </ul>	<ul style="list-style-type: none"> <li>Chartered Member of Institute of Internal Auditors Malaysia ('CMIIA')</li> <li>Malaysian Institute of Accountants ('MIA')</li> <li>Malaysian Institute of Chartered Secretaries and Administrators ('MAICSA')</li> <li>Certified Practising Accountant ('CPA') Australia</li> <li>Institute of Chartered Accountants in England and Wales ('ICAEW')</li> <li>Association of Chartered Certified Accountants ('ACCA')</li> <li>Institute of Enterprise Risk Practitioners ('IERP')</li> <li>Scrum Alliance</li> <li>Certified Safety and Health Officer ('SHO') under Department of Occupational, Safety and Health ('DOSH'), Malaysia</li> </ul>

We actively engage in activities and projects that foster sustainable industrial practices and contribute to nation-building. These include working alongside with industry leaders to develop and implement best practices, drive practical innovation and improve technologies and processes, participating in training programmes and workshops to build capacity within the industry, and supporting community development projects that enhance local infrastructure, education, and health services.

We have also aligned industrial advancement initiatives with the United Nations Sustainable Development Goals ('SDGs'), focusing on areas such as:

- **Decent Work and Economic Growth (SDG 8)**
- **Industry, Innovation, and Infrastructure (SDG 9)**
- **Sustainable Cities and Communities (SDG 11)**

Key highlights from the year include the implementation of new technologies in LPG distribution to enhance safety and efficiency. Notably, Solar Gas implemented an automated pallet system at its facility, significantly improving productivity by reducing labour dependency and promoting ergonomic practices.

We remain dedicated to playing a pivotal role in industrial advancement and nation-building. Through strategic partnerships, innovative projects, and a commitment to sustainable development, the Group aims to create long-lasting value for society and contribute to the nation's progress.

### Quality & Customer Satisfaction

We take pride in offering industry-leading products and services while maintaining operational excellence. The Group is committed to safe and sustainable business operations, strictly complying with all relevant legislation and prioritising continuous process improvement.

The Group's Quality Management System ('QMS') drives continuous improvement across its processes. KUB Telekomunikasi has attained International Organisation for Standardisation ('ISO') 9001:2015 certification, ensuring the delivery of consistent, high-quality operations. Additionally, Solar Gas has adopted the Malaysian Standards ('MS') 830:2021 Code of Practice for storing, handling, and transporting LPG, and ISO 45001:2018 for Occupational Safety and Health Management Systems. These certifications underscore the Group's commitment to quality and safety in its operations.

## SUSTAINABILITY STATEMENT

We actively seek and address customer feedback to continuously improve our products and services, enhancing customer satisfaction and loyalty. All projects are closely monitored by qualified engineers and consultants, ensuring adherence to quality standards and timely delivery. For LPG operations, LPG cylinders are regularly reconditioned or requalified in accordance to established standards so they meet safety and quality requirements. The LPG filling process follows stringent Standard Operating Procedures ('SOPs') to prevent cylinder leakage and ensure product safety.

We believe in maintaining transparency with our stakeholders regarding our quality control measures. For Solar Gas, detailed information about our quality control processes is available through a video presentation on Solar Gas' website. Additionally, we publish safety tips and guidelines to educate our customers on the safe usage of LPG, available at [www.solargas.com.my](http://www.solargas.com.my).

The quality of our products and services is of equal importance to safety. From FY2022 to FY2024, the Group had no recalls due to health and safety reasons across its product and service categories. This track record reflects our stringent quality control measures and adherence to high standards.

### Supply Chain Management

(GRI 204-1)

We are dedicated to fostering a sustainable supply chain by working closely with our suppliers to raise awareness on sustainable practices and engage them in conversations to help improve their operations. By enhancing the value chain, the Group mitigates risks and upholds ethical sourcing standards. Suppliers must commit to the Group's Vendor Code of Business Ethics Policy as a condition of business, and we have integrated ESG considerations into our supply chain management processes.

Our supply chain management includes several processes for suppliers' compliance and adherence of policies:

- Sustainable supply chain policies and practices should be integrated into their buyer training, purchasing policy and suppliers' contracts.
- Major suppliers are encouraged to inform workers of their sustainability obligations in a language they can understand.
- Major suppliers, particularly those identified as 'high risk', are assessed both informally and formally, and through random physical inspection audits, if required.
- Conduct from major suppliers are to be communicated through their purchasing policies, supplier contracts and training.
- New and existing major suppliers must undergo risk assessments as part of due diligence to ensure they comply with our standards.

### Environmental Assessment

KUB's supplier sourcing assessment processes include environmental elements such as energy use and climate change impact measurement, covering GHG emissions, water use, biodiversity impacts, pollution, waste reduction, resource use and other environmental issues.

The Group subjects potential and new suppliers to an environmental risk assessment as part of due diligence to check their compliance with its environmental standards. Similar risk assessments are performed for existing suppliers, especially those who are environmentally high-risk. Suppliers are encouraged to monitor, record and report their environmental performance and impact reduction.

### Social Assessment

We ensure major supply chain partners adhere to social standards stipulated by Malaysian labour law and the International Labour Organisation ('ILO'). The Group has several social and economic expectations of its suppliers, as listed below:

#### 1. Policies

- a. Preventing forced labour: no work shall be performed under the threat of punishment or confiscation of belongings that the worker has not agreed to
- b. Providing equal opportunities and non-discrimination in hiring, remuneration or access to training, promotion, overtime, termination or retirement
- c. Institutionalising a safety policy, code and practices on providing a safe and healthy workplace

#### 2. Human Rights

- a. Upholding freedom of association for employees by allowing them to belong to any organisation of their choice, according to local freedom of association laws
- b. Respecting the right to collective bargaining and forming a union, including the right to representation and discussion with the Company on employment matters

#### 3. Working conditions

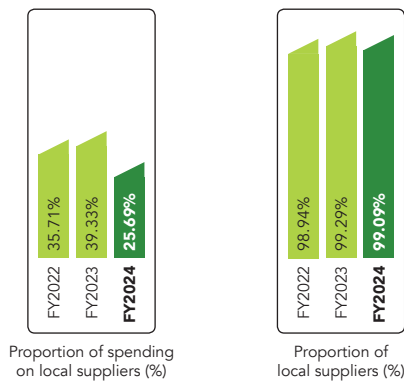
- a. Eliminating excessive working hours by offering fair overtime pay and limiting working hours
- b. Providing overtime pay
- c. Meeting or exceeding Malaysia's minimum wage

## Local Procurement

We are committed to promoting and supporting communities near our operations and building a strong local economy by purchasing local goods and hiring local people. By exploring opportunities to partner with various local suppliers, we strive to boost the national economy.

The Group imports LPG and sources bottles locally to primarily market and distribute powder-coated LPG cylinders. Powder coating is highly resistant to wear and tear, chipping, fading, scratching, and wearing. This durability makes it well-suited for metal parts exposed to sunlight and other environmental factors, ensuring the long-term sustainability of our LPG operations.

### Local Supplies



## ENVIRONMENTAL STEWARDSHIP

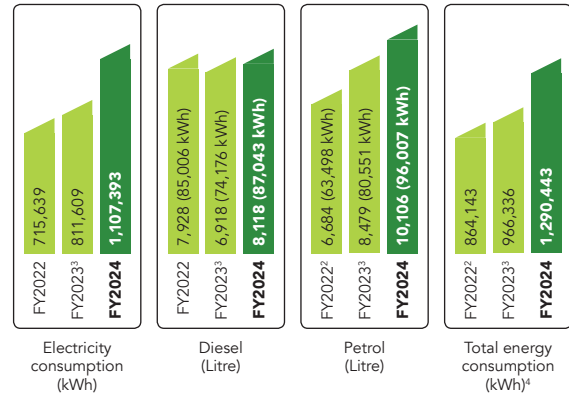
We prioritise environmental stewardship alongside business expansion, defining environmental policies and operating guidelines in line with our vision and social responsibilities, which include raising employee awareness to create a green culture inside and outside the organisation.

### Energy Management

(GRI 302-1)

We are committed to addressing energy use and improving efficiency throughout our operations. The Group has implemented several initiatives to enhance energy efficiency and reduce exhaust gas emissions. Our lighting facility has been upgraded to energy-saving LED lights, and all new air-conditioning units have a rating of at least three stars, with a preference for four stars, indicating their power efficiency. Embracing technological innovation, we aim to continually improve energy efficiency and minimise our carbon footprint.

### Energy Consumption<sup>1</sup>

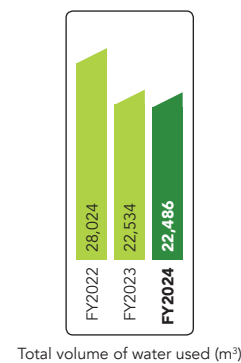


### Water Management

(GRI 303-1, 303-5)

We do not have any operations in water-stressed regions. However, the Group makes every effort to manage this resource efficiently and minimises water use at all sites to address the global issue of the scarcity of this resource. Its water conservation commitment focuses on reducing water use and improving efficiency.

### Water Consumption<sup>5</sup>



<sup>1</sup> The conversion factors for FY2023 are based on the methodology provided in the Energy Statistics Manual from the International Energy Agency.

<sup>2</sup> Restated petrol usage from 1,800 litres to 6,684 litres due to notable additional fuel consumption for company cars.

<sup>3</sup> Restated electricity consumption from 778,256 kwh to 811,609 kwh due to notable additional electricity consumption for other areas in subsidiaries. Restated petrol and diesel usage from 1,200 litres to 8,479 litres and 5,168 litres to 6,918 litres respectively due to notable additional fuel consumption for company cars.

<sup>4</sup> Includes electricity and fuel consumption.

<sup>5</sup> Restated water consumption of FY2022 and FY2023 due to additional water consumption in other areas in subsidiaries.

# SUSTAINABILITY STATEMENT

## Waste Management

(GRI 306-1, 306-2, 306-3, 306-4, 306-5)

We are committed to addressing pollution and waste through comprehensive waste management strategies. The Group focuses on identifying all types of waste, avoiding impacts, improving efficiency, examining water and energy performance, reducing or eliminating pollution at its source, and recycling and reusing materials where applicable.

Our waste minimisation strategy includes recovering waste for reuse and recycling, encompassing both solid and liquid waste. The Group disposes of downstream waste through municipal landfills, with authorised third-party contractors collecting and properly disposing of hazardous waste.

All ICT-related waste is managed by Malaysian Department of Environment-registered recyclers. We ensure that all scheduled waste disposal is updated in the Electronic Scheduled Waste Information System as per the Environmental Quality Act 2024.

### Waste Management



Adopting efficient production procedures can reduce resource use and materials costs. We are committed to addressing our resource use and avoiding its impacts by consuming resources more efficiently and reducing the quantity and toxicity of waste generated.

## GHG Emissions

(GRI 305-1, 305-2, 305-3)

The Group is dedicated to becoming a low-carbon company through improved operational energy efficiency. Central to this objective is the use of highly-efficient LPG, known for its clean-burning qualities, low carbon emissions, absence of black carbon, and spill-free properties, contributing significantly to improved air quality and environmental protection.

We are committed to managing and measuring our carbon emissions as part of our Carbon Management Plan. The Group uses the internationally recognised GHG Protocol established by the World Business Council for Sustainable Development ('WBCSD') and the World Resources Institute ('WRI'). Emissions accounting is based on the GHG Protocol classification of direct and indirect emissions.

Emissions Scope	Category	Indicators Measured
Scope 1	Direct GHG Emissions	<ul style="list-style-type: none"> <li>Company-owned Vehicles</li> <li>Generator Sets</li> </ul>
Scope 2	Indirect GHG Emissions	<ul style="list-style-type: none"> <li>Grid Electricity</li> </ul>
Scope 3	Other Indirect GHG Emissions	<ul style="list-style-type: none"> <li>Business Travel</li> <li>Employee Commuting</li> </ul>

### Scope 1: Direct Emissions

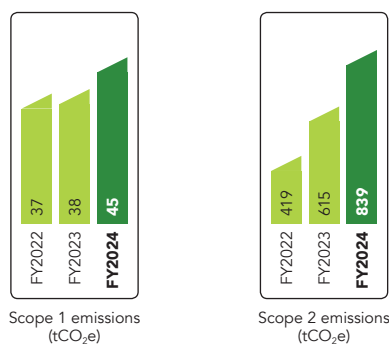
We report GHG emissions from our petrol and diesel fleet of vehicles, as well as back-up generator sets that consume small amounts of diesel. In FY2024, our Scope 1 emissions totalled 45 tonnes of carbon dioxide equivalent ('tCO<sub>2</sub>e').



## Scope 2: Indirect Emissions from Electricity

Emissions from our FY2022 electricity consumption were calculated using the emission factor published by the Malaysian Green Technology Corporation for the Peninsular Grid from the 2017 Clean Development Mechanism ('CDM') Electricity Baseline. For FY2023 and FY2024, emission factors are updated based on the Grid Emission factor (2021) for Peninsular Malaysia by the Energy Commission. In FY2024, Scope 2 emissions amounted to 839 tCO<sub>2</sub>e.

### Scope 1 & 2 Emissions<sup>6, 7</sup>



<sup>6</sup> Scope 1 and Scope 2 emissions data for FY2023 and Scope 1 emissions data for FY2022 are restated based on restated electricity and fuel consumption. Meanwhile, Scope 2 emission factors for FY2023 and FY2024 have been updated to the latest emission factor.

<sup>7</sup> Emission factors have been sourced from WRI GHG Protocol Tool for Stationary Combustion (Version 4.1, 2015) and the Grid Emission Factor for Peninsular Malaysia (2021) by the Energy Commission.

## Scope 3: Other Indirect Emissions

Currently, we are including these two categories, namely Business Travel and Employee Commuting-related emissions, under Scope 3.

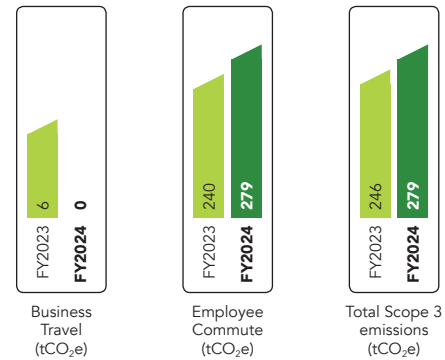
### Business Travel

We calculated GHG emissions from business air travel, including the number of employees on board and the distance travelled, using online tools derived from the WRI GHG Protocol. In FY2024, there were no business travel related CO<sub>2</sub>e emissions.

### Employee Commuting

Significant CO<sub>2</sub> emissions result from employees traveling to and from the workplace. In FY2023, we initiated a project to estimate the total annual emissions produced by our workforce's daily commute. A survey conducted in the last quarter of FY2024 gathered data on travel methods, daily distance travelled, and vehicle details (type, age, engine size, and fuel type). 48% of the workforce responded. The Mobile Combustion GHG Emissions Calculation Tool from the GHG Protocol Initiative was used to estimate emissions. Annual emissions were calculated based on the average number of employee working days per week for 52 weeks in a year.

## Scope 3 Emissions



## Biodiversity & Conservation

We recognise the critical importance of biodiversity and the need to preserve natural ecosystems for future generations. Our commitment to biodiversity and conservation is integral to our sustainability strategy and reflects our dedication to responsible environmental stewardship.

We are actively involved in various initiatives aimed at conserving biodiversity and protecting natural habitats. We collaborate with environmental organisations, government agencies, and local communities to implement programmes that safeguard ecosystems and promote sustainable land use. None of our operations are close to ecologically sensitive locations.

## OUR PEOPLE, OUR PRIDE

We are deeply committed to fostering a safe, inclusive, and supportive environment for all employees and stakeholders. Our dedication to occupational health and safety ensures the well-being of our workforce, while our adherence to fair labour practices and standards attracts and retains top talent. By actively engaging with local communities, we contribute to social and economic development, enhancing community well-being. Additionally, we champion diversity and equal opportunity, promoting an inclusive workplace where every individual is valued and empowered to thrive.

### Labour Practices & Standards

(GRI 401-1, 401-2, 401-3, 404-1)

The Group treats all employees with respect and dignity. Our Code of Conduct stipulates stringent yet fair employment standards and practices. Periodically, the Group participates in workshops or industry/topic-specific collaboration projects that provide industry solutions to improve labour standards in Malaysia. As part of our risk assessment procedure, we review the labour standards of existing and potential supply chain partners as part of due diligence. All parties are familiarised with the Group's Code of Conduct from time to time. There were no instances of non-compliance with labour standards during this reporting period.

# SUSTAINABILITY STATEMENT

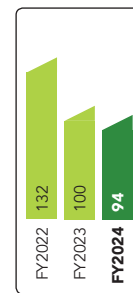
## Our Labour Standards Principles and Codes

<b>Forced Labour</b>	We comply with local laws and have zero tolerance for forced, involuntary or exploitative, indentured, bonded (including debt bondage), trafficked or slave labour.
<b>Working Hours</b>	We comply with local working hours and overtime laws, and reduce excessive overtime that may adversely affect workers' safety and well-being.
<b>Wages and Benefits</b>	Our worker compensation complies with all applicable wage laws, including those related to minimum wage, overtime hours and legally mandated minimum living wages and benefits.
<b>Non-Discrimination and Equal Opportunity</b>	The Group's recruitment and employment practices promote equality and prevent discrimination based on race, colour, age, gender, sexual orientation, gender identity and expression, ethnicity or nationality, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information and marital status.
<b>Health and Safety</b>	The Group has established a health and safety management system aligned with ISO 45001.
<b>Talent Development</b>	We offer workers opportunities to grow, learn new skills and achieve professional development.
<b>Open Door Policy</b>	<ul style="list-style-type: none"> <li>We promote two-way communication throughout the Group and have established mechanisms for employee representatives to engage with the Management.</li> <li>Our whistleblowing channel is a confidential reporting channel which handles all grievances, including bullying and harassment. The Group trains its senior management team to handle reports or instances of bullying and harassment.</li> </ul>

## Recruitment

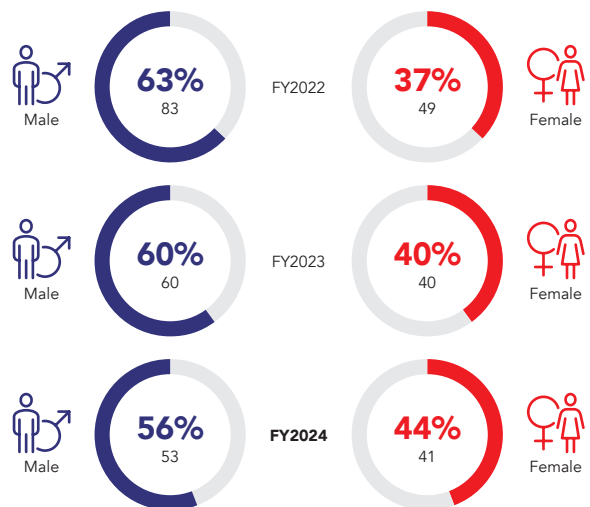
We adhere to local labour laws during recruitment and prefer hiring locally. The Group does not discriminate in its employment practices. Its non-discriminatory hiring policy provides equal employment opportunities to underprivileged groups, including those from deprived and poor social backgrounds. The recruitment strategy also tackles youth unemployment by offering internships and training programmes.

### Employees

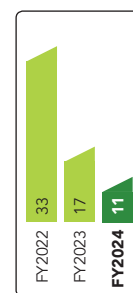


Total number of employees

### Employees by Gender

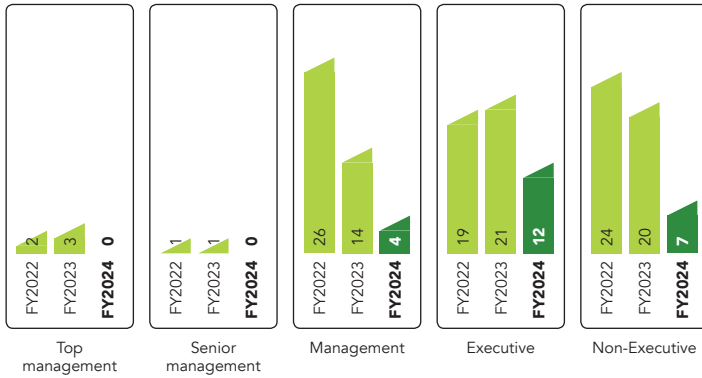


### New Hires

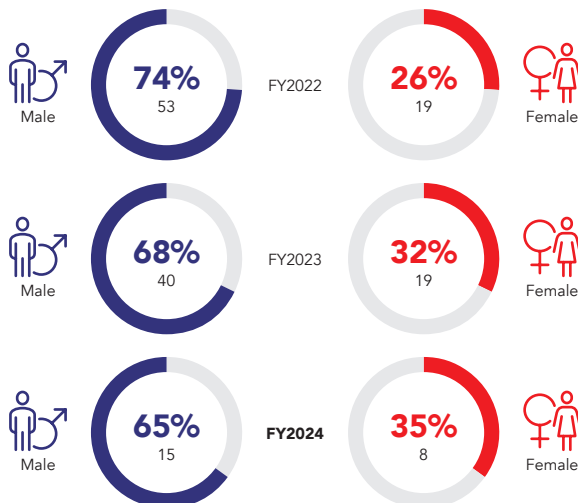


Total

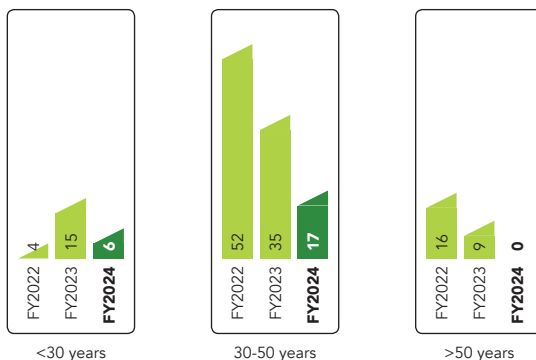
### Employee Turnover



### By Gender



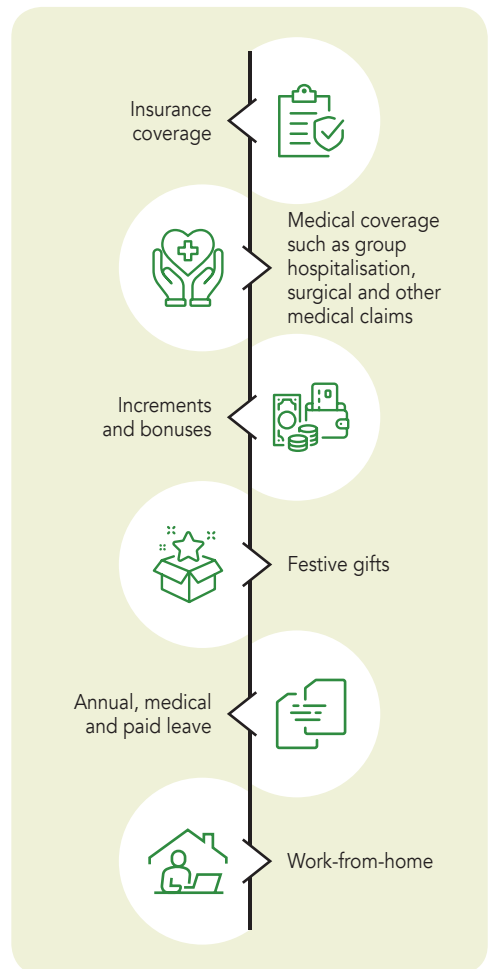
### By Age



### Employee Well-Being

We conduct a regular compensation review for pay equity to ensure employees are paid fairly. The Group upholds the principle of equal pay for equal work and complies with all local laws. The Group makes salary adjustments to ensure wages are market competitive and fair.

Surpassing Malaysian law, we compensate workers for overtime at pay rates regulated under the Employment Act 1955 ('EA 1995'). We also strive to eliminate excessive working hours by limiting them.



Continuous training is essential for maintaining competitiveness and promoting employee development. The Group provides a series of training programmes, both mandatory and complementary, that range from technical to operational, building the skills required for different positions and duties.

# SUSTAINABILITY STATEMENT

Our talent development programmes allow individuals to enhance their personal development skills and gain insights relevant to their lives. Examples of personal development, technical, skills advancement, management and operational training held during the year include the following:

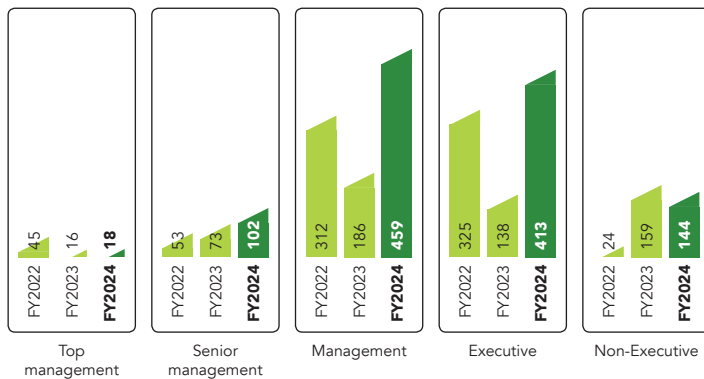
- PSMB Train the Trainer Certification Program
- Best Practices for Managing Staff Performance, Attitudinal Issues, and Major Misconducts
- Loading Master Training for Oil, Gas, Petrochemical, and Palm Oil Products
- Occupational Health and Safety Management Systems ISO 45001:2018 Internal Auditor Training
- Microsoft Project Basic and Intermediate
- Section 17A Malaysian Anti-Corruption Commission ('MACC') Act 2009 & Adequate Procedures
- Board Governance & Oversight: ESG Impact on Group's Business
- MIA Conference 2024 - Navigating New Frontiers Embracing Sustainability

We are dedicated to protecting the human rights of all our employees and respect internationally recognised human rights principles. We derive its commitment from principles such as those defined in the:

- UN Universal Declaration of Human Rights
- Two international covenants that make up the International Bill of Human Rights
- UN Guiding Principles on Business and Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work
- Organisation for Economic Cooperation and Development ('OECD') Guidelines for Multinational Enterprises
- Ten Principles of the UN Global Compact
- Guidance provided by ISO 26000

Between FY2022 to FY2024, the Group recorded no substantiated complaints concerning human rights violations.

## Total Hours of Training by Employee Category

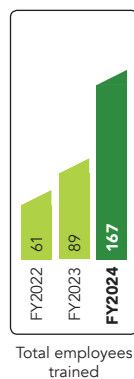


## Employee engagements

Employee engagement is vital for building a culture of ownership and accountability. Our practices to this end include:

- **Communicate**  
The Group keeps its employees informed of its goals and direction, helping them understand their importance in the Group's collective journey.
- **Lead by example**  
Senior Management personnel inspire their teams through their leadership and invites their team to take action.
- **Engagement**  
We unite our workforce through various activities, including festive celebrations, sports tournaments and other get-together events such as team building sessions at Kenyir Houseboat Trip, Tasik Kenyir, Terengganu, and Glamping and Healing at Himalaya Camp, Gopeng, Perak.
- **Association**  
Kelab Sukan KUB was formed in 1991 to foster improving employer-employee relationships and promote employee wellness.
- **Rewards and recognition**  
We celebrate milestones and recognise employee achievements.

## Employees Training



## Diversity & Equal Opportunity

(GRI 2-7)

We are dedicated to fostering an inclusive workplace that values diversity and provides equal opportunities for all employees, regardless of gender, race, religion, or background. We believe that a diverse workforce drives innovation, enhances decision-making, and reflects our commitment to equality and fairness. Our policies and practices are designed to ensure that all employees feel respected, supported, and empowered to achieve their full potential.

We actively promote gender diversity, ensuring equal representation and opportunities for women across all levels of the organisation. Our efforts extend to creating a supportive environment that encourages the professional growth and advancement of female employees. Similarly, we embrace age diversity, recognising the unique perspectives and skills that individuals from different age groups bring to the workplace.

Our commitment to diversity and equal opportunity is reflected in our workforce demographics. As of FY2024, our gender diversity data shows that female diversity increased from 40% (FY2023) to 43.6% (FY2024), while our age diversity data indicates that 70% of employees are in the 30-50 years age group.

### Employees by Gender



### Employees by Age Group



# SUSTAINABILITY STATEMENT

## Employee by Nationality



We see diversity as an essential component of effective decision-making. In any appointment, a number of aspects such as gender, age, education, experience, skills and knowledge are taken into consideration to form a diversified Board and Senior Management. The Board encourages women to take up Board positions and has established the Board Diversity Policy with the objective of achieving at least ten per cent (10%) women representation.

## Occupational Health & Safety

(GRI 403-8, 403-9, 403-10)

### KUB Occupational Safety and Health Policy

At KUB, we are committed to provide a safe and healthy workplace for all employees, suppliers and visitors. Resources corresponding with the priority of KUB and all its subsidiaries pertaining to safety and health issues will be allocated especially to address hazard control, accident prevention, compliance to prevailing laws and rehabilitation issues. We comply with all relevant legislations to ensure that the safety, health and welfare of all our employees is never compromised.

At KUB, the management is fully committed to:

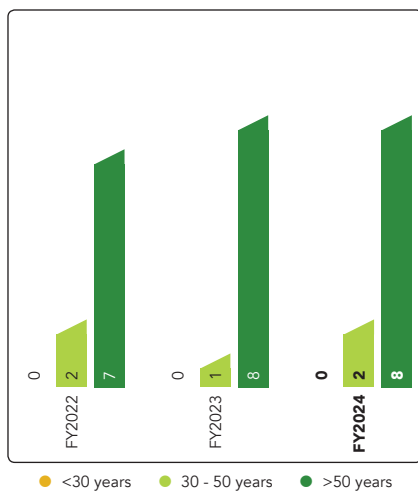
- Integrate safety and health issues in all aspects of the workplace and business
- Take effective and proactive action to provide and maintain a safe and healthy work environment
- Disseminate information and promote positive communication on safety and health
- Plan, develop, implement and monitor the safety and health programme

## Board of Directors by Gender and Age

### By Gender



### By Age

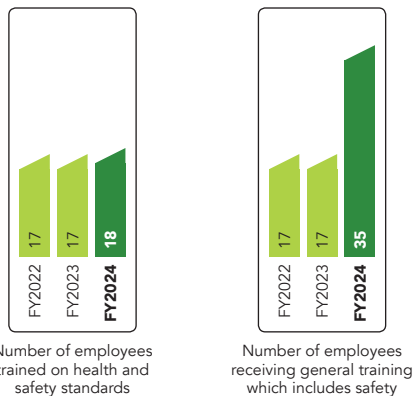


We prioritise the safety and well-being of all our employees, contractors, and business partners through a comprehensive Occupational Health and Safety Policy. This policy, which applies to everyone within the Group's premises, aligns with the Occupational Safety and Health Act 2022 ('OSHA 2022'), the Environmental Quality Act 2024 ('EQA 2024'), and other relevant legislation. The Management is committed to continuous improvement and compliance with these regulations.

Our Occupational Safety and Health Policy emphasises the importance of creating a safe and healthy workplace. This includes integrating safety and health issues into all aspects of the business, taking proactive measures to maintain a safe environment, promoting positive communication on safety and health, and continuously monitoring the effectiveness of the safety programme.

Given the inherent risks associated with the LPG business, we implement various measures to ensure a safe working environment. This includes training occupational health and safety teams, investing in process design and management, and setting performance indicators to evaluate the effectiveness of safety programmes. Safety training topics delivered during the year include Work at Height and Stairs, Kursus Organisasi Keselamatan Kebakaran, and Authorised Entrant and Standby Person for Confined Space. Additionally, banners addressing sexual harassment are displayed in all offices.

### Safety Trainings



Health and safety risk assessments are conducted for potential new operations or projects and existing operations, with results benchmarked against industry standards and previously set safety performance targets. During the year, the Group had undertaken a relocation of product piping from underground to above ground at one of our LPG operation plants to remove hazards that can lead to LPG leakages, fire or explosions.

The LPG sector poses significant risks such as accidents involving vehicles and machinery, chemical exposure, and noise. Fires, suffocation and falling from heights are the most notable risks in activities that involved handling of LPG. To mitigate these risks, the Group provides specialised training, such as firefighting sessions conducted by the Malaysian Fire & Rescue Department ('BOMBA'), and ensures compliance with safety standards at all offices and sites.

Occupational Health and Safety (Employees)	FY2022	FY2023	FY2024
Number of work-related fatalities	0	0	0
Number of lost time incidents	0	0	0
Lost Time Incident Rate ('LTIR')	0	0	0

Occupational Health and Safety (Contractors)	FY2022	FY2023	FY2024
Number of work-related fatalities	0	0	0
Number of lost time incidents	0	0	0
LTIR	0	0	0

### Local Communities

(GRI 413)

We are dedicated to making a positive impact on local communities beyond its business operations. The Group aligns our community investment principles with its business strategy to foster better outcomes for both the business and the communities it serves. Key areas of focus include building thriving communities through charity work, donations, and social support.

## SUSTAINABILITY STATEMENT

During the year, we provided donations to Rumah Amal Limpahan Kasih and Pusat Jagaan Cahaya Kasih Bestari, benefiting underprivileged and orphanage children. We are committed to creating more opportunities to support local communities, recognising employee volunteerism as a key contributor to our success. Employees play a crucial role in envisioning and executing the Group's community contributions, fostering a sense of engagement and belonging within the community.

	FY2022	FY2023	FY2024
Total amount invested in the community where the target beneficiaries are external to the listed issuer (Ringgit Malaysia)	0	16,000	75,678

From FY2022 to FY2024, a total of 282 individuals benefitted from our community investments.

### RESPONSIBLE GOVERNANCE

We are committed to maintaining the highest standards of responsible governance, which is essential for sustainable business success. This involves implementing robust corporate governance systems, safeguarding data privacy and security, and adhering to stringent anti-corruption measures. The Group is dedicated to ethical conduct and compliance across all operations, ensuring integrity and accountability. Additionally, we actively manage sustainability risks, particularly those related to climate change, to secure the long-term resilience and sustainability of our operations and infrastructure. These efforts collectively underpin our commitment to transparency, integrity, and responsible business practices.

#### Data Privacy & Security

(GRI 418-1)

We are dedicated to respecting and protecting the privacy and security of all information we access, whether it belongs to the Group, its customers, employees, or the general public. The Group handles data security and processing transparently, adhering to best market practices and complying with applicable legislation such as Malaysia's Personal Data Protection Act ('PDPA') 2010. From FY2022 to FY2024, we recorded 0 (zero) substantiated complaints regarding breaches of customer privacy or losses of customer data, underscoring our commitment to stringent cybersecurity measures and robust data protection protocols.

#### Anti-Corruption & Compliance

(GRI 205-1, 205-2, 205-3)

We conduct business with integrity, transparency, and fairness, adhering strictly to our Anti-Bribery and Corruption ('ABC') Policy, Vendor Code of Business Ethics, Whistleblowing Policy, and Employee Handbook. These policies, overseen by the Board, prevent all forms of corruption and bribery, including fraud, money laundering, and breaches of trust. They are communicated to all employees and intermediaries, and non-compliance results in disciplinary action, including dismissal. Buntings on anti-corruption and sexual harassment are displayed in main entrance of office. All these policies are also available in the Corporate Governance section of the Company's website at [www.kub.com](http://www.kub.com).

Regular engagement sessions and training programmes remind employees of the Group's zero-tolerance stance on corruption and educate them on the comprehensive steps needed to prevent it. In September 2023, the Group conducted management-level training on combatting procurement fraud and held an ethical conduct refresher session focused on Section 17A of the MACC Act 2009. This session emphasised the corporate liability principle, which holds a commercial organisation accountable if its employees commit corruption for the organisation's benefit.

Over the past three fiscal years, we have progressively implemented anti-corruption training across different employee categories. In FY2022, no training sessions were conducted. However, the initiative picked up pace in FY2023, with training delivered to a diverse group: 2 senior management, 21 management, 18 executives, and 11 non-executives, totalling 52 employees. In FY2024, the training focus narrowed, with sessions provided to 1 member of top management, 1 senior management, 2 management, 1 executive, and 4 non-executives, reaching a total of 9 employees. This reflects a strategic shift toward more concentrated training efforts across all levels of the organisation.

All contractors, subcontractors, third parties, and other intermediaries are subject to thorough corruption and bribery risk assessments. They must declare their compliance with the Group's standards and ensure they are not involved in any misconduct or unethical behaviour. The Group screens new and existing business partners and associates for corruption and bribery risks as part of its due diligence.

All Business Associates of KUB Group are required to comply with our ABC Policy and other relevant policies of KUB Group.

While we have not conducted corruption risk assessments across our operations from FY2022 through FY2024, this presents a key opportunity for the Company to strengthen its governance practices by integrating such assessments in future years to enhance transparency and accountability.

The Group has strict ethical guidelines governing all interactions with officials and governments, including guidance on donations and sponsorships. The Board is responsible for ensuring compliance with the Group's anti-corruption policies and practices. The Integrity Committee has oversight over the implementation of anti-bribery and corruption controls related to this policy. Every employee is responsible for preventing and reporting any corruption, bribery, suspicious activity, or wrongdoing through the Group's whistleblowing channels.

From FY2022 to FY2024, the Group had no corruption incident.

### Sustainability Risk Management

(TCFD)

We recognise the critical importance of identifying and managing sustainability risks, especially those related to climate change. The Group has aligned its sustainability risk management with the four pillars of the TCFD: Governance, Strategy, Risk Management, and Metrics and Targets. Our approach to sustainability risk management extends beyond climate-related risks to encompass a broader range of sustainability concerns.

#### Governance:

Our Board oversees the sustainability risk management framework, ensuring that sustainability risks are integrated into the Company's overall risk management processes. This includes regular consultations with regulators and stakeholders to address climate change challenges and to align with public policy initiatives. Refer to the Sustainability Governance section for more details.

#### Strategy:

Our climate change strategy focuses on enhancing operational efficiency, collaborating with employees and supply chain partners on energy-saving processes, and conducting comprehensive climate change risk assessments. The Group is committed to mitigate GHG emissions across its value chain and has adopted green technologies and efficiency measures to adapt to changing climate conditions.

#### Risk Management:

We understand that climate change can impact operating costs ('OPEX') and capital expenditure ('CAPEX') by affecting the efficiency and performance of facilities and equipment. Compliance with environmental regulations often necessitates additional CAPEX for upgrades to mitigate increased pollution risks. By proactively managing these risks and integrating sustainability into our core business strategy, we aim to enhance its resilience and contribute positively to environmental stewardship.

The Group plans to initiate a formal risk identification process next year, followed by scenario analysis in the subsequent year. This process will help us identify and assess sustainability risks beyond climate change, such as those related to ESG factors. The aim is to improve operational resilience and ensure long-term sustainability.

#### Metrics and Targets:

We use a tracking system for emissions, energy use, water use, and waste to measure and manage our sustainability performance. The Group consolidates its carbon footprint calculations across all operations, ensuring comprehensive coverage of GHG emissions.

### MOVING FORWARD

We acknowledge the challenges of global warming and diverse environmental concerns, along with the international commitment to address climate change. Recognising our Company's responsibility, our Board pledges to integrate climate change strategies into our overall business plans when suitable. We will set specific objectives to diminish our carbon footprint, align our value creation with a low-carbon economy, and adhere to national environmental policy guidelines.

# SUSTAINABILITY STATEMENT

## PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2024
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Top Management	Percentage	33.33
Senior Management	Percentage	33.33
Management	Percentage	8.00
Executives	Percentage	2.70
Non-Executives	Percentage	15.38
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0.00
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	75,678.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	249
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Top Management Under 30	Percentage	0.00
Top Management Between 30-50	Percentage	66.67
Top Management Above 50	Percentage	33.33
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	66.67
Senior Management Above 50	Percentage	33.33
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	88.00
Management Above 50	Percentage	12.00
Executives Under 30	Percentage	21.62
Executives Between 30-50	Percentage	59.46
Executives Above 50	Percentage	18.92
Non-Executives Under 30	Percentage	15.38
Non-Executives Between 30-50	Percentage	69.24
Non-Executives Above 50	Percentage	15.38
Gender Group by Employee Category		
Top Management Male	Percentage	100.00
Top Management Female	Percentage	0.00
Senior Management Male	Percentage	33.33
Senior Management Female	Percentage	66.67
Management Male	Percentage	56.00
Management Female	Percentage	44.00
Executives Male	Percentage	45.95
Executives Female	Percentage	54.05
Non-Executives Male	Percentage	69.23
Non-Executives Female	Percentage	30.77
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	70.00
Female	Percentage	30.00
Under 30	Percentage	0.00
Between 30-50	Percentage	20.00
Above 50	Percentage	80.00
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	1,290.44

Internal assurance

External assurance

No assurance

(\*) Restated

Indicator	Measurement Unit	2024
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0.00
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	18
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Top Management	Hours	18
Senior Management	Hours	102
Management	Hours	459
Executives	Hours	413
Non-Executives	Hours	144
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	1.00
Bursa C6(c) Total number of employee turnover by employee category		
Top Management	Number	0
Senior Management	Number	0
Management	Number	4
Executives	Number	12
Non-Executives	Number	7
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	25.69
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	22.486000
<b>Bursa (Waste management)</b>		
Bursa C10(a) Total waste generated	Metric tonnes	4.68
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	0.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	4.68
<b>Bursa (Emissions management)</b>		
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	44.90
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	839.40
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	279.24

Internal assurance

External assurance

No assurance

(\*)Restated

## ASSURANCE STATEMENT

Non-financial data in the Sustainability Statement has been internally assured. We will consider seeking external validation for future Sustainability Statements.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (**'the Board'**) of KUB Malaysia Berhad (**'KUBM'** or **'the Company'**) remains steadfast in its commitment to ensure good standards of corporate governance are being observed and practised throughout KUBM and its subsidiaries (collectively **'the Group'**). The Board is mindful of its responsibilities to the shareholders and the other stakeholders, and shall continue to uphold good corporate governance which is essential for sustainable long-term performance and value creation.

This Statement provides an overview of the Group's application of the principles set out in the Malaysian Code on Corporate Governance 2021 (**'MCCG'**) and the Main Market Listing Requirements (**'MMLR'**) of Bursa Malaysia Securities Berhad (**'Bursa Malaysia'**) during the financial year ended 30 June 2024 (**'FY2024'**).

The application of each practice set out in the MCCG is disclosed in the Corporate Governance Report for FY2024 which is available on KUBM's corporate website at [www.kub.com](http://www.kub.com).

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### I. ROLES AND RESPONSIBILITIES OF THE BOARD

#### 1. Board of Directors

The Board has collective responsibility and accountability for the overall management, strategy, direction and performance of the Group and provides leadership within a framework of prudent and effective controls which enables risk to be appropriately assessed and managed.

The Board Charter, published in the Company's corporate website, provides guidance to the Board in discharging its duties and responsibilities. The Group's corporate governance structure consists of a set of policies and procedures.

The Board is supported by two (2) Board Committees where the Board has delegated specific responsibilities, namely Board Audit, Risk and Sustainability Committee (**'BARSC'**) and Board Nomination and Remuneration Committee (**'BNRC'**).

The Board communicates its directions to Management through the Group Managing Director (**'GMD'**) who is responsible for the day-to-day management of the business and operations of the Group and implementation of the Group's strategies and policies as approved by the Board. He is supported by the management team. The GMD apprises the Board on a quarterly basis on the industry, business, prospects and issues faced by the Group.

#### 2. Chairman, GMD and Independent Directors

The Board practises a clear demarcation of responsibilities whilst maintaining the balance of power and authority, with the positions of the Chairman and GMD are held by separate persons. There is no family relationship between the Chairman and GMD.

##### (a) Chairman

The Chairman leads the Board and is responsible for instilling good governance practices and leadership in the Board, ensuring its effectiveness in all aspects of its role and setting its agenda. She presides over Board meetings, and encourages positive contributions and open discussion by the Board members. She is primarily responsible for the orderly conduct and effective working of the Board. The Chairman is non-executive and she is not involved in the day-to-day management of the Group.

##### (b) GMD

The GMD leads the management of the Group and oversees the day-to-day running and management of the business and operations of the Group.

##### (c) Independent Non-Executive Directors

The Independent Non-Executive Directors provide independent and objective views, advice and judgement through their active participation within the Board Committees and in the Board's deliberations and decision-making.

#### 3. Company Secretaries

The Board is supported by suitably qualified Company Secretaries in the discharge of its duties and responsibilities and has unhindered access to their advice and services.

The Company Secretaries advise the Board in relation to regulatory compliance and corporate governance and ensuring that the applicable laws and regulations are complied with.

The Company Secretaries are responsible for organising and facilitating Board and Board Committee meetings, ensuring proper records of proceedings and resolutions passed are recorded.

#### 4. Board Charter, Codes and Policies

The Company has the following in place, which are available on its corporate website at [www.kub.com](http://www.kub.com).

##### (a) Board Charter

The Board Charter as adopted by the Board, sets out, amongst others, the duties and responsibilities of Directors including guidelines on matters reserved for the Board's collective decision-making.

##### (b) Directors' Code of Conduct

The Directors' Code of Conduct ('**Code**') outlines standards of business conduct and ethical behaviour to be observed by all Directors in discharging their duties and responsibilities. The Code sets out, amongst others, the Directors' obligations in observing standards of corporate governance, compliance with legal and statutory requirements, adherence to and upholding the principles of integrity, objectivity, accountability, openness, honesty and leadership, and acting in good faith in the best interest of the Group.

##### (c) Board Diversity Policy

The Board Diversity Policy is set out to ensure that the mix and profiles of the Board members in terms of gender and age, provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management.

##### (d) Directors' Fit and Proper Policy

The Company has formulated a Directors' Fit and Proper Policy with effect from 30 August 2022, which serves to guide the BNRC and the Board in their review and assessment of potential candidates that are proposed for appointment as Director of the Company and its subsidiaries, as well as re-election as Directors of the Company, pursuant to the MMLR.

##### (e) Vendor Code of Business Ethic

The Group has in place a Vendor Code of Business Ethic ('**COBE**') as guidance to its joint venture vendors, contractors, subcontractors, consultants, suppliers, agents and other providers of goods and services who are doing business directly and indirectly for the Group ('**Business Associates**'), to follow the COBE and all other relevant policies of the Group as a condition of doing business with the Group.

The COBE provides guidance to all Business Associates on what the Group believes to be sustainable business relationships, based on the key principles of integrity, honesty, accountability and compliance with applicable laws and regulations.

##### (f) Anti-Bribery and Corruption Policy

The Anti-Bribery and Corruption Policy sets out the parameters to prevent the occurrence of bribery and corrupt practices in relation to the Group's operations.

Relevant procedures have been implemented, as guided by the Guideline on Adequate Procedures issued pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009.

##### (g) Whistleblowing Policy

The Board has established a Whistleblowing Policy to provide an avenue for all employees, third parties employed or engaged by the Group, and members of the public to disclose any wrongdoing and provide assurance of protection in accordance with this policy without fear of reprisal. No case reported in FY2024 via the whistleblowing reporting channel.

#### 5. Access to Information

The members of the Board have access to all information pertaining to the business and affairs of the Group. The Board is updated on the Group's financial performance and business activities at quarterly meetings. The financial performance is measured against the approved budget and the corresponding periods.

All Directors have full access to the advice and services of the Company Secretaries and other Senior Management personnel. Directors are also empowered to seek external independent professional advice at the Group's expense should they consider it necessary in the furtherance of their duties.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### II. BOARD COMPOSITION

#### 1. Composition & Diversity

The Board, as at the date of this Statement, comprises ten (10) Directors with six (6) Independent Non-Executive Directors ('INED'), two (2) Non-Independent Non-Executive Directors ('NINED') and two (2) Executive Directors ('ED') as follows:

Directors	Designation
Dato' Seri Norliza binti Abdul Rahim (redesignated from INED to Chairman/INED on 12 December 2023)	Chairman/INED
Dato' Ahmad Ibnihajar	INED
Teh Bee Tein	INED
Datuk Haji Mohd Haniff bin Haji Koslan	INED
Megat Joha bin Megat Abdul Rahman	NINED
Tee Beng Thong	INED
Amir Nashrin bin Johari (appointed w.e.f. 6 March 2024)	NINED
Datuk Rashidah binti Mohd Sies (appointed w.e.f. 1 April 2024)	INED
Zakrysham bin Zainal Bahry (appointed w.e.f. 1 April 2024)	Executive Director
Ahmed Fairuz bin Abdul Aziz	Group Managing Director

The Board has a well-balanced composition with due regard for diversity in expertise, experience, age, cultural background, gender and outlook, benefiting the operation of the Board. It provides an effective blend of entrepreneurship, business and professional expertise.

As at the date of this Statement, there are three (3) females serving as a member of the Board, which exceeds the minimum requirements under the MMLR and the Board Diversity Policy of the Company.

The Board is satisfied that given the present mix of skills, independence, work experiences and industry knowledge, the Board composition meets the needs of the Group in line with the nature and scale of its business operations.

The profile of each Director is presented on pages 06 to 15 of this Annual Report.

#### 2. Independence and Tenure

The Board undertakes to assess the independence of its Independent Directors upon their appointment and annually thereafter, or upon the development of any new interest in the Company's matters.

The Independent Directors make up more than half of the Board, exceeding the minimum requirement as mandated by the MMLR, which stipulates that at least two (2) directors or one-third (1/3) of the Board whichever is higher, must be independent directors.

In line with the MCCG and the Board Charter, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. The Independent Director is to relinquish its Directorship once the nine (9) years limit is reached. During the financial year under review, none of the Independent Non-Executive Directors of Company has served on the Board for more than nine (9) years.

#### 3. Board Committees

The Board has established two (2) Board Committees, namely the BARSC and the BNRC. The Board Committees are entrusted with specific responsibilities to oversee the Group's affairs and operate within the defined Terms of Reference ('TORs').

The Board is kept apprised of the activities and the decisions of the Board Committees through the circulation of briefing notes and presentations made by the Chairman of every respective Board Committees during Board meetings.

##### BARSC

The BARSC assists the Board in providing oversight and guidance to ensure the effective functioning of the Group's financial reporting, internal and external audit process and outcome, conflict of interest, related party transaction, Enterprise Risk Management Framework, sustainability issues, governance and etc.

The BARSC comprises three (3) Non-Executive Directors, a majority of whom are Independent Directors.

## BNRC

The BNRC assists the Board in ensuring that the Board comprises individuals with the necessary skills, knowledge and experience for the effective discharge of its responsibilities, and in matters relating to the remuneration of the Board and Senior Management.

The BNRC comprises entirely of Non-Executive Directors, a majority of whom are Independent Directors. A summary of the matters reviewed by the BNRC for FY2024 is set out in the Corporate Governance Report 2024.

### 4. Appointment and Re-election of Directors

The appointment of Directors is undertaken by the Board as a whole through a formal process as set out in the provisions of the Company's Constitution, and upon the recommendation by the BNRC based on the Directors' Fit and Proper Policy.

Details of the Directors who are retiring and standing for re-election at the Fifty-Ninth Annual General Meeting ('59<sup>th</sup> AGM') are reflected in the Notice of the Annual General Meeting, as stated in the Annual Report 2024.

### 5. Annual Assessment of Board, Board Committees, Individual Directors, Independence of the Independent Directors and Senior Management

The Board, through the BNRC, annually assesses the effectiveness of the Board, Board Committees, the contribution of each individual Director, and the independence of each Independent Directors.

For FY2024, the assessment was conducted by incorporating the evaluation guidelines as per Bursa Malaysia's Corporate Governance Guide (4<sup>th</sup> Edition).

The assessment criteria used in the assessment of Board and individual Directors include Board mix and composition, quality of information and decision making, ESG and sustainability matters, and contribution and performance of each Director. The Board Committees were assessed based on their roles and responsibilities, scope and knowledge, supply of sufficient and timely information to the Board and also overall effectiveness and efficiency in discharging their functions.

### 6. Board Evaluation

The Board's evaluation comprises performance evaluations of the Board, Board Committees, Directors' self and peer evaluations, and assessments of the independence of the Independent Directors.

Based on the evaluation, the BNRC and the Board concluded that the Board's size and composition is appropriate and well-balanced given the scale of the Group's business and operations. None of the Independent Directors have any interests in the Company and there are no other areas of business conflicts.

### 7. Time Commitment

Board meetings for the ensuing financial year are planned and scheduled in advance before the end of the financial year to enable Directors to plan ahead and fit the year's meetings into their schedules.

The Chairman encourages active participation and full deliberation of issues brought up at the Board meetings. Decisions reached at the meetings reflect the consensus of the Board and not the views of any individual or group.

The Board is satisfied with the level of time commitment given by Directors towards fulfilling their roles and responsibilities as Directors as evidenced by their attendance at the Board meetings (including the Annual General Meetings) during the financial year ended 30 June 2024 as follows:

Directors	No. of Meeting
1. Dato' Seri Norliza binti Abdul Rahim	9/9
2. Dato' Ahmad Ibnihajar	9/9
3. Teh Bee Tein	9/9
4. Datuk Haji Mohd Haniff bin Haji Koslan	9/9
5. Megat Joha bin Megat Abdul Rahman	8/9
6. Tee Beng Thong	9/9
7. Amir Nashrin bin Johari (appointed w.e.f. 6 March 2024)	1/1
8. Datuk Rashidah binti Mohd Sies (appointed w.e.f. 1 April 2024)	1/1
9. Zakrysham bin Zainal Bahry (appointed w.e.f. 1 April 2024)	1/1
10. Ahmed Fairuz bin Abdul Aziz	9/9
11. Datuk Seri Johari bin Abdul Ghani (resigned w.e.f. 12 December 2023)	4/4
12. Kasinathan a/l Tulasi (retired w.e.f. 31 October 2023)	2/3

### 8. Directors' Training and Induction

Directors regularly attend various seminars, training programmes, briefings and conferences, including those organised by the relevant regulatory authorities to keep abreast with latest developments and improve their skills, experience and knowledge.

Following the issuance of circular dated 6 June 2023 by Bursa Malaysia on amendments to the Listing Requirements in relation to Sustainability Training for Directors, all Directors have attended or are scheduled to attend MAP Part II on or before 1 August 2025.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

Other seminars, workshops and conferences participated by the current Directors during FY2024 are summarised as follows:

Director's Name	Training/Workshop/Conference/Dialogue
Dato' Seri Norliza binti Abdul Rahim	<ul style="list-style-type: none"> <li>Neuroscience Development Programme for Effective Business Leaders</li> </ul>
Dato' Ahmad Ibnihajar	<ul style="list-style-type: none"> <li>MAP Part II: Leading for Impact</li> </ul>
Teh Bee Tein	<ul style="list-style-type: none"> <li>MAP Part II: Leading for Impact</li> </ul>
Datuk Haji Mohd Haniff bin Haji Koslan	<ul style="list-style-type: none"> <li>Fraud Risk Management: Whose Responsibility Is It?</li> <li>MAP Part II: Leading for Impact</li> </ul>
Megat Joha bin Megat Abdul Rahman	<ul style="list-style-type: none"> <li>MAP Part II: Leading for Impact</li> </ul>
Tee Beng Thong	<ul style="list-style-type: none"> <li>MAP Part II: Leading for Impact</li> </ul>
Amir Nashrin bin Johari	<ul style="list-style-type: none"> <li>MAP Part I</li> <li>MAP Part II: Leading for Impact</li> </ul>
Datuk Rashidah binti Mohd Sies	<ul style="list-style-type: none"> <li>Board's Role in Value Creation</li> <li>Khazanah Megatrend Forum 2023: Our Next Episode</li> <li>MAP Part II: Leading for Impact</li> <li>ENLIT Europe 2023</li> </ul>
Zakrysham bin Zainal Bahry	<ul style="list-style-type: none"> <li>Preparation &amp; Presentation of Consolidated Financial Statements</li> <li>Introduction Of E-Invoice</li> <li>MIA International Accountants Conference 2024</li> <li>MAP Part I</li> </ul>
Ahmed Fairuz bin Abdul Aziz	<ul style="list-style-type: none"> <li>Money Services Business – Directors' Education Program (MSB-DEP)</li> <li>Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers (Repeat Session)</li> <li>MAP Part II: Leading for Impact</li> <li>Affin Bank Market Outlook 2024: Propelling Malaysia Forward</li> </ul>

### III. REMUNERATION OF DIRECTORS AND KEY SENIOR MANAGEMENT

#### 1. Remuneration Policies

The objective of the Group's remuneration policies is to provide fair and competitive remuneration to its Board and Senior Management. The Board ensures that the Group's remuneration remains competitive to attract and retain employees with the necessary skills and experience.

The roles and responsibilities of the BNRC are incorporated in its TOR, which are available on the Company's website.

#### 2. Remuneration of Directors

The remuneration for Executive Directors is structured to align with the Compensation Policy and corporate performance, ensuring that the compensation offered is competitive in order to retain performers.

Meanwhile, the remuneration of NEDs should be adequate to attract, retain and motivate individuals

with the necessary attributes. Various factors are considered to determine remuneration, such as the Group's needs and the expertise and experience of the candidates.

The total remuneration paid to both Executive and Non-Executive Directors for the financial year ended 30 June 2024 are disclosed in the Corporate Governance Report 2024, which is available at our corporate website.

#### 3. Remuneration of Senior Management

The Board, after consideration, decided not to disclose the Key Senior Management's remuneration on a named basis in bands on RM50,000 to allay valid concerns of intrusion on staff confidentiality and maintain the Company's ability to retain talented Senior Management amid a competitive employment environment.

The Board is of the view that this decision will not significantly affect the evaluation of the Group's governance practices.

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. AUDIT, RISK AND SUSTAINABILITY COMMITTEE

#### 1. Composition

The BARSC comprises two (2) Independent Non-Executive Directors and a Non-Independent Non-Executive Director. All BARSC members are financially literate and are able to analyse and interpret financial statements in order to effectively discharge their duties and responsibilities as members of the BARSC. The Chairman of the BARSC is not the Chairman of the Board, ensuring that the impartiality and objectivity of the Board's review on the BARSC findings and recommendations remain intact.

#### 2. External Auditors

The BARSC assesses the suitability, objectivity and independence of the Group's external auditors on an annual basis. The BARSC will take into consideration the adequacy of the experience and resources of the audit firm, and obtains written assurance from the external auditors confirming that they are and have been independent throughout the conduct of audit engagement, in accordance with the terms of all relevant professional and regulatory requirements. The assessment procedures are spelt out in its TOR, which is published on the Company's website.

The Company has also adopted the External Auditors' Assessment Policy, which serves as a guideline for the BARSC in assessing the external auditors. A copy of the policy is available on the Company's website.

The external auditors also have direct access to the BARSC to highlight any issues of concern at any point of time. Pursuant to the BARSC TOR, the BARSC shall meet with the external auditors at least twice a year without the presence of the Group Managing Director and Management to discuss audit findings, audit plans and the Company's financial statements.

#### 3. Financial Reporting

The Board aims to present a clear, balanced and comprehensive assessment of the Group's financial position and future prospects, extending to the annual and quarterly financial statements. The Board ensures that the annual and interim financial statements are prepared so as to give a true and fair view of the current financial status of the Group in accordance with the applicable approved accounting standards.

In assisting the Board to discharge its duties on financial reporting, the BARSC is tasked with reviewing the quarterly results and year-end financial statements of the Group, focusing on:

- a) Changes in, or implementation of changes in accounting policy;

- b) Significant matters highlighted, including financial reporting issues, significant judgements made by Management, significant and unusual events or transactions, and how these matters are being addressed; and
- c) Compliance with accounting standards and other legal requirements.

A full BARSC report is set out on page 65 of this Annual Report.

### II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The BARSC is also responsible to oversee the risk management activities of KUB Group. The BARSC periodically reviews the Enterprise Risk Management Framework ('**Framework**') and processes based on the Statement on Risk Management and Internal Control Guidelines for Directors of Listed Issuers to ensure their continued relevance. The establishment of the Framework is guided by the principles and processes outlined in MS ISO 31000: Risk Management - Principles and Guidelines.

The Statement on Risk Management and Internal Control of the Group in page 60 of this Annual Report provides an overview of the risk management practices and internal controls implemented by the Group.

The BARSC is guided by its TOR, which is available on the Company's website.

### III. INTERNAL AUDIT FUNCTION

Internal audit is independent from the management and the activities under its review. The KUB Group Risk and Audit Division ('**GRAD**') assists the BARSC in discharging its duties and responsibilities. The TOR of the internal audit function is spelt out in the Internal Audit Charter.

The Senior Manager of GRAD is a Professional Member of the Institute of Internal Auditors Malaysia, who also holds membership in CPA Australia, the Institute of Enterprise Risk Practitioners and Malaysian Institute of Accountants.

The principal role of internal audit is to undertake independent, regular and systematic reviews of the internal control systems in order to provide a reasonable assurance on the adequacy, integrity and effectiveness of the system of internal control, risk management and governance processes.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### I. COMMUNICATION WITH STAKEHOLDERS

The Board recognises the importance of an effective communication with the stakeholders. In this regard, the Group has established processes to ensure disclosures made are clear, accurate, relevant and timely for its shareholders and stakeholders

Our Annual Report provides the shareholders and stakeholders with a comprehensive overview of our financial and non-financial information. Components such as the Management Discussion Analysis, Corporate Governance Overview Statement, Sustainability Statement and Statement of Risk Management and Internal Control form an integral part of our non-financial information.

#### II. CONDUCT OF GENERAL MEETINGS

Annual General Meetings ('AGMs') are an important channel as they are the principal forum for dialogue and interaction amongst shareholders, the Board and Management, and for receiving feedback from shareholders. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf.

In line with best corporate governance practices relating to a large number of shareholders, the Company has conducted the 58<sup>th</sup> AGM on a fully virtual basis through live streaming and online remote voting using the '**Remote Participation and Electronic Voting**' ('RPEV') facilities so as to enable remote shareholders participation.

The notice of the AGM was sent to shareholders at least 28 days ahead of the meeting instead of twenty-one (21) days under the Companies Act, 2016 and MMLR.

The Board members, Management and the Company's external auditors were present to respond to the shareholders' questions during the meeting. Suggestions and comments communicated by shareholders were taken into careful consideration and well noted by the Board and Management.

In line with the MCCG, the minutes of the 58<sup>th</sup> AGM was posted on the Company's website within thirty (30) days from the date of the AGM.

### COMPLIANCE STATEMENT

The Board recognises and subscribes to the importance of the principles and best practices set out in the MCCG. In this respect, where practical and appropriate, the Board has applied the principles and recommendations under the MCCG for FY2024.

The application of each practice set out in the MCCG during FY2024 and the explanation for departure is disclosed in the Corporate Governance Report 2024, which is available on the Company's corporate website and Bursa Malaysia's website.

The Board reviewed, deliberated and approved this Corporate Governance Overview Statement on 29 August 2024.

## ADDITIONAL COMPLIANCE INFORMATION

The following information is provided in compliance with Paragraph 9.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as set out in Appendix 9C.

### A. UTILISATION OF PROCEEDS RAISED FROM ANY CORPORATE PROPOSAL

There were no proceeds raised from any corporate proposal in the financial year ended 30 June 2024.

### B. AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the external auditors, Deloitte PLT, for the services rendered to the Group and the Company for the financial year ended 30 June 2024 are as follows:

Particulars	Group RM	Company RM
Statutory Audit Services		
• Current year	544,000	255,000
• Under provision in prior year	15,000	-
Non-Audit Fees	239,650	51,500
<b>Total</b>	<b>798,650</b>	<b>306,500</b>

### C. MATERIAL CONTRACTS

During the financial year, there were no material contracts entered into by the Company and its subsidiaries (not being contracts entered into in the ordinary course of business) involving interests of Directors, the Chief Executive who is not a Director or major shareholders.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board of Directors ('the Board') of KUB Malaysia Berhad and its Group of Companies ('the Group') is pleased to provide the Statement on Risk Management and Internal Control ('Statement') for the financial year ended 30 June 2024. This Statement complies with Paragraph 15.26(b) of Bursa Malaysia's Main Market Listing Requirements ('MMLR') and Practice 10.2 of the Malaysian Code on Corporate Governance 2021 ('MCCG'), with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

The Statement outlines the practices and processes the Board has adopted to assess the adequacy and integrity of the Group's risk management and internal control system ('System').

## RESPONSIBILITY AND ACCOUNTABILITY

### Board

The Board is responsible to provide reasonable assurance on a sound System of the Group. The System is regularly reviewed to ensure it is functioning efficiently and effectively, with the objective of safeguarding shareholders' investments and the Group's assets. The Board acknowledges that despite the inherent limitations, the risks can be mitigated (and even eliminated) by having in place an effective system of internal controls to achieve the policies, goals and objectives of the Group. Therefore, only reasonable rather than absolute assurance is provided against material misstatements of management and financial information, financial losses, fraud, breaches of laws or regulations and any occurrence of contingencies.

The Board discharges its stewardship role through the identification of risks, implementation of appropriate framework and internal controls, and review of the adequacy and integrity of the internal control system by ascertaining, examining, mitigating and monitoring significant risks that could give severe impact to the Group. The Board oversees the adoption of strategic plans, business conduct and financial performance reviews, monitors the compliance of operations with applicable laws and regulations, and ensures sound corporate governance through effective interaction with the Management, as well as external and internal auditors. This is facilitated with the support of the Board Audit, Risk, and Sustainability Committee ('BARSC').

## BARSC

In November 2023, the Board Audit Committee ('BAC') and Board Risk Management Committee ('BRMC') were merged into a single Board Committee whose purview includes sustainability, known as the Board Audit, Risk, and Sustainability Committee ('BARSC'). It has expanded roles and responsibilities to ensure the System remains relevant and effective as well as strengthen the Group's risk and compliance governance.

The BARSC is established and governed by the clearly defined Terms of Reference ('TOR') which is accessible on the Group's corporate website under the Corporate Governance section. The review of the risk management, internal control reports, sustainability practices and processes are delegated to the BARSC with the purpose of assisting the Board in reviewing and overseeing the overall efficiencies and effectiveness of the System.

The BARSC assists the Board by undertaking the responsibilities of supervising and monitoring the Group's principal risks, recommending to the Board appropriate risk management policies, risk tolerance levels and risk management processes, providing quarterly updates to the Board on the status of significant risks, assessing the progress and effectiveness of agreed action plans, and recommending additional risk management strategies and mitigation plans for the Board's approval to mitigate or minimise the impact of the identified risks.

The BARSC reviews the risk management and internal control issues identified in reports prepared by the internal and external auditors, and further evaluates the effectiveness and adequacy of the System. The BARSC has unrestricted access to both internal and external auditors and actively oversees the independence, scope of work, competency and resources of the internal audit function.

The BARSC meets on a periodical basis, engaging the Management. The BARSC has the right to convene meetings with auditors without the presence of other directors and the Management team. Key matters discussed in meetings are subsequently presented to the Board. Risk and internal control-related matters that warrant the attention of the Board are presented by the BARSC to the Board for deliberation and recommendation for approval, with matters or decisions made within the BARSC's purview updated to the Board for notation.

## Management

In addition to execution and/or ensuring the adoption of strategic plans within the Group, the Management acknowledges its responsibility to implement Board-approved risk-related frameworks, policies and guidelines that support the System. The Management continuously monitors and assesses the System to ensure it operates adequately, efficiently, and effectively in achieving the Group's business goals and objectives. This includes identifying and addressing potential risks, ensuring compliance with regulatory requirements, and fostering a risk-aware culture throughout the organisation.

## RISK MANAGEMENT

Risk management through the System establishes effective and sound management practices, enhances informed decision-making process and increases the confidence level of stakeholders in the performance of the Group. It has been in place up to the date of approval of the Annual Report and financial statements. It is periodically reviewed and guided by the Statement on Risk Management and Internal Control-Guidelines for Directors of Listed issuers.

### Risk Management Framework

The System is guided by the established Enterprise Risk Management Framework ('Framework'), which incorporates the principles and processes outlined in the MS ISO 31000: Risk Management – Principles and Guidelines ('Principle') that serves as the basis and procedural roadmap for effectively handling risks. The comprehensive Principle has been appropriately adopted for the Group's risk management and internal control practices.

The Framework was developed to assist the Group in navigating the changing and challenging business environment and shall continually be refined to implement, monitor, review and enhance the overall risk management activities. Other objectives of the Framework are:

- (a) To provide guidance in managing risks to ensure resources are prioritised and deployed most efficiently and effectively to manage both opportunities and threats based on capabilities;
- (b) To promote a good risk culture, that enhances employees' comprehension of the potential impact and implications of each risk, as well as opportunities and threats, and enables effective responses in day-to-day strategic planning and operational activities; and
- (c) To ensure that the Framework and process of risk management are integrated into all businesses and operational processes, including governance, strategic and operational planning, and decision-making.

### Risk Management Process

The Group uses a structured risk management process comprising the following stages: identifying, evaluating, assessing, treating, monitoring and reviewing the risks in financial, operational and compliance areas. The identified risks are deliberated at the Board level and included in the Risk Register upon approval to ensure proper implementation of risk mitigation actions by the Management. Risk assessment and evaluation are integral in both strategic planning and daily operations of the Group.

### Risk Factors and Mitigation Strategies

The Group assesses risks based on the significance of their potential impact, their effects on the Group's overall performance and the level of likelihood of their occurrence. The level of tolerance is expressed through the Risk Impact and Likelihood Matrix, which provides guidance on risk treatment and the actions to be taken for each respective risk. A set of quantitative and qualitative criteria is defined based on the Group's risk tolerance to assess the impact across various dimensions.

Based on the ratings, primary risks are continuously assessed to ensure that the mitigation measures are implemented and monitored to alleviate the magnitude of impact to an acceptable level. Secondary risks are continuously reviewed and monitored to ensure that the internal controls are effective and efficient to mitigate further escalation of the likelihood and the impact.

## KEY INTERNAL CONTROL ACTIVITIES

The Board is committed to ensuring effective internal controls within the Group's business operations, both strategically and operationally. Among the key controls include:

### Board

The Board, as governed by its Board Charter, incorporates risk management throughout all aspects of the Group's affairs with the defined roles and responsibilities and appropriate tools to support the System. The Board establishes pertinent policies to ensure the System adeptly navigates risks that could hinder the Group's objectives. Board meetings are held at least quarterly, with a structured agenda encompassing pertinent discussions. The Board is kept updated on the Group's performance, activities and operations on a timely and regular basis.

### Board Committees

The Board committees, including the BARSC and Board Nomination and Remuneration Committee ('BNRC'), assist the Board in overseeing and scrutinising all matters within their respective purviews and TOR. The Board committees meet periodically where any recommendation and minutes of the meeting are tabled to the Board for approval. The complete Board Committees Listing is set out on page 16 of this Annual Report.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### Board's Term of Reference

As part of its commitment to a healthy corporate culture that engenders integrity, transparency and fairness, the Board has implemented best practices in corporate governance. A comprehensive list of policies has been established to assist the Board in ensuring effective supervision, directing and counselling the Group on governance, and implementing strategies to achieve the Group's overall objectives.

### Organisational Structure

The Board has established an organisational structure with clearly defined lines of responsibility and accountabilities aligned with our business strategies and operational requirements. Each operational unit is headed by an individual who is fully accountable and competent to ensure that the business activities are carried out in compliance with the Group's objectives and policies. This structure and its function are regularly reviewed to ensure their effectiveness and accommodate any changes in business requirements.

### Limit of Authority

The delegation of responsibilities to the Board committees and Management, including the delineation of respective authority limits, are outlined in the KUB Management Guidelines ('KUBMaG') and subsidiary-specific management guidelines. These guidelines act as the framework that outlines the designated approving authority and decision-making thresholds to govern and facilitate the business decision process as well as create awareness among employees concerning the fundamental elements of internal control.

### Business Plan, Budget, Financial and Operational Review

The Group prepares a business plan and budget for each financial year to establish targets against which performances are compared and monitored, and facilitate resource allocation by focusing on areas of concern. The Board and Senior Management review the plan and budget before their finalisation to ensure they reflect the corporate intent of the Group and strategically aligns with our resource allocation.

Subsequently, the BARSC and the Management review the Group's performance by deliberating the Group's financial results quarterly before it is tabled to the Board for approval or decision-making purposes. The Management also meets on a monthly basis to deliberate financial and operational performance, and discuss courses of action to be taken in the future.

### Policies and Procedures

Policies and Standard Operating Procedures ('SOP') are established to provide comprehensive management and operational guidelines to the Group's operating units. These policies and procedures are documented and subject to regular review, update and enhancement to reflect present requirements and maintain relevance. Amongst the policies are:

#### Integrity-Related Policies

The Board has established the Anti-Bribery and Corruption Policy ('ABC Policy'), Vendor Code of Business Ethics ('COBE'), and Whistleblowing Policy, which is aligned with Section 17A of the Malaysian Anti-Corruption Commission Act of 2009. These policies outline the Group's commitment to comply with all pertinent laws and regulatory requirements. All Directors, employees and business associates are responsible to comprehend and adhere to these policies. Any breach of these policies is to be taken seriously and may result in actions taken by the Group, including but not limited to review of employment, appointment or business arrangements that may lead to disciplinary actions, reprimand, suspension, dismissal, termination of business relationship, blacklisting and/or reporting to the authorities, consistent with the applicable laws and regulations. These policies are accessible to the public for reference on the Group's corporate website at [www.kub.com](http://www.kub.com).

#### Procurement and Strategic Sourcing ('Procurement')

The Procurement Policy aims to guide organisation's procurement activities through sustainable practices in purchasing goods, works, and services. It outlines that all procurement decisions within the Group are guided by defined principles, ensuring compliance with all applicable laws and regulations throughout the procurement life cycle. The policy promotes ethical vendor management through the COBE, ABC Policy and Conflict of Interest guidelines in the vendor selection, tender and procurement processes.

#### Information & Communication Technology ('ICT') and Information Security Policy

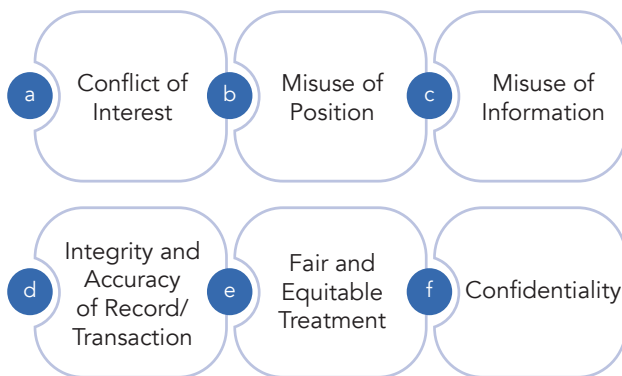
The ICT and Information Security Policy supports monitoring and reporting of cyber threats, information security and Information Technology ('IT') operations. A disaster recovery mechanism is maintained to support identified critical business applications during disruption. To ensure proper protection in responding to cybersecurity threats, adequate security tools and procedures are in place to detect, respond and mitigate the threats.

### Human Resource ('HR') Policies and Procedures

The Group has established a comprehensive framework of HR Policies and Procedures that serves as guidelines in ensuring compliance with pertinent legislation and the adoption of HR industry best practices, including workforce planning, recruitment, compensation and benefits, industrial relations, employee engagement, employee development, performance management, and salary administration.

Furthermore, the Group's Employee Handbook has also been revised to delineate the general employment terms and conditions applicable to the Group's employees. The Employee Handbook shall remain in effect unless superseded by new Terms and Conditions of Service or terminated in accordance with the provisions set forth herein. The primary aims of this initiative encompass fostering a performance-oriented culture that facilitates business growth, providing clear focus and meaningful measurement that can link to rewards, retaining top performers through competitive compensation opportunities, and fostering a performance-driven culture that promotes teamwork and collaboration across the Group.

The Employee Handbook also includes our Code of Ethics and Conduct, which acts as a guide on moral and ethical behaviour expected from all Group's employees where applicable, as outlined below:



### Project Management Policy, Procedures and Guidelines ('PMPP')

The PMPP encompasses a wide range of activities, including project sales (prospecting, tendering, and post-tender), project initiation (project authorisation, initiation, and project dashboard), project planning, project execution (site administration, inspection and testing, control on monitoring and measuring equipment, maintenance and repair of plant machinery and equipment), and project post-execution (final inspection, project handover, and defects liability). The PMPP is designed to manage the acceptance, delivery, and management of revenue-generating initiatives and contracts with external parties.

### Safety, Health and Environmental Policy

The Group remains dedicated to maintaining a workplace that prioritises employee safety and health, minimising associated risks wherever feasible. Operations adhere strictly to safety regulations and health standards, with an ongoing commitment to enhancing performance. This policy serves as the blueprint for advancing safety and health standards, ensuring transparent reporting of progress. The policy ensures operations are conducted in an environmentally responsible manner.

### **Staff Competency, Training and Development Programme**

The Group believes that the attainment of its vision and mission requires a proficient, skilled, knowledgeable, and capable workforce at every organisational level. To facilitate this, training and development initiatives are implemented to furnish employees with the necessary competencies vital for their respective roles and responsibilities.

The implementation of the training and development programmes aims to address the deficiency in competency that bridges the gap between performance and opportunity, thus assisting the Group in developing talented employees who can be potential leaders in the industry.

### **Insurance Coverage for Employees, Assets and Other Obligations within the Group**

The Group believes a competitive compensation programme is essential for attracting and retaining talent. With the provision of Group Hospitalisation and Surgical and Group Term Life Insurance, the Group maintains its compensation positioning in relation to the market. Both policies cover dental care, inpatient and outpatient care, critical illness, rehabilitation, physiotherapy, and mortality from any cause.

Besides insurance for its employees, the Group also purchases insurance for its physical assets and other contractual obligations. The coverage includes damage or loss of assets in the event of fire, theft of assets, liability coverage for legal responsibility to others for accidents, bodily injury, property damage, and coverage for computers and servers.

Given the ever-changing nature of the business environment, insurance coverage is reviewed annually to ensure comprehensive coverage against risks.

### **Internal Audit**

The internal audit function assesses the Group's internal control system, risk management, and governance process. Regular evaluations are conducted, and the results are independently reported to the BARSC. Management will implement the agreed action plan for the findings highlighted in the internal audit reports according to the approved action plan within the specified timeframe.

The details of internal audit activities are outlined in the BARSC Report on page 65 of this Annual Report.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### Sustainability Reporting

The Group believes that emerging risks and opportunities associated with economic, environmental, social, and governance ('EESG') matters could increasingly affect its business values, share prices, and stakeholders' areas of concern. By incorporating sustainability considerations into its business strategies and processes, long-term value is generated, indicating that the Group looks beyond short-term profitability and considers medium-to-long-term business viability. The complete Sustainability Statement can be found on page 29 of this Annual Report.

### CONCLUSION

The Board has reviewed and is satisfied with the adequacy and effectiveness of its risk management and internal control system for the financial year ended 30 June 2024. The Board is of the view that risk management and internal control system provides a level of confidence on which the Board relies for reasonable assurance. Where exceptions were noted, no material control failure or weakness had resulted in a material loss that had not been disclosed in the Group's financial statements. For areas requiring attention, measures are taken to ensure the ongoing adequacy and effectiveness of risk management and internal control. The Board and the Management will continuously improve and seek assurance on the efficiency and effectiveness of the internal control system through independent assessments by its external and internal auditors.

The Group Managing Director has provided reasonable assurance to the Board that the Group's risk management and internal control system which is in place is operating adequately and effectively in all material aspects. This Statement is made based on the recommendation of the BARSC to the Board, which was approved on 29 August 2024.

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR, the external auditor, Deloitte PLT, has reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 30 June 2024. Their limited assurance review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and Audit and Assurance Practice Guide ('AAPG') 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants.

Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention that caused them to believe that the Statement has not been prepared, in all material aspects, following the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal control – Guidelines for Directors of Listed Issuers, nor is it factually inaccurate.

# BOARD AUDIT, RISK AND SUSTAINABILITY COMMITTEE REPORT

On 8 November 2023, the Board Audit Committee ('BAC') and Board Risk Management Committee ('BRMC') were merged into a single Board Committee, whose purview includes sustainability, and is now known as the Board Audit, Risk and Sustainability Committee ('BARSC') with expanded roles and responsibilities.

Pursuant to Paragraph 15.15 of the Main Market Listing Requirements ('MMLR'), the Board is pleased to present the BARSC Report for the financial year ended 30 June 2024.

## COMPOSITION

As at the date of this report, the composition of the BARSC is as follows:

### Teh Bee Tein (Chairman)

Independent Non-Executive Director

### Megat Joha bin Megat Abdul Rahman (Member)

Non-Independent Non-Executive Director

### Datuk Haji Mohd Haniff bin Haji Koslan (Member)

Independent Non-Executive Director  
(Appointed with effect from ('w.e.f.') 8 November 2023)

### Kasinathan a/l Tulasi

Independent Non-Executive Director  
(Resigned w.e.f. 31 October 2023)

The BARSC is governed by its Terms of Reference ('TOR') that clearly specify the authority, purpose and roles of the BARSC. The TOR is accessible online on the Group's official website under the Corporate Governance section at [www.kub.com](http://www.kub.com), conforming to the requirements of the MMLR and best practices of the Malaysian Code on Corporate Governance 2021 ('MCCG 2021'). The majority of the members of the BARSC are Independent Non-Executive Directors and the current BARSC chairman, Teh Bee Tein, is a member of the Malaysian Institute of Accountants ('MIA'), thereby complying with Paragraph 15.09(1)(c)(i) of the MMLR.

## MEETINGS

A total of 5 meetings were held during the financial year ended 30 June 2024, with the following record of attendance:

### Directors Attendance

Directors	Attendance	
	BAC	BARSC
Teh Bee Tein	2/2	3/3
Megat Joha bin Megat Abdul Rahman	2/2	2/3
Datuk Haji Mohd Haniff bin Haji Koslan <sup>^</sup>	-	3/3
Kasinathan a/l Tulasi*	2/2	-

Notes:

<sup>^</sup> Appointed w.e.f. 8 November 2023

\* Resigned w.e.f. 31 October 2023

The Company Secretaries were present during all meetings, except for the private sessions with the external auditors. All matters deliberated during the BARSC meetings were recorded, minuted, and kept by the Company Secretaries as evidence that the BARSC had carried out its functions and responsibilities. Minutes of each meeting were distributed to the BARSC members for their review and comments prior to obtaining confirmation of the same at the next BARSC meeting, and subsequently presented at the Board meeting for notation. The Group Managing Director ('GMD'), Senior Management, and the Group Risk and Audit Division ('GRAD'), as well as representatives from the external auditor, Deloitte PLT, also attended the meetings upon invitation.

The BARSC Chairman updated the Board on matters deliberated after each BARSC Meeting. This was to ensure that the Board is updated on the significant matters raised by the external and internal auditors.

The BARSC, in discharging its functions and duties, had carried out the following works to meet its responsibilities during the financial year ended 30 June 2024:

### 1. Financial Results and Corporate Governance

- a) Reviewed and discussed the Group's unaudited quarterly consolidated financial results and annual audited financial statements of the Company and the Group (including announcements to Bursa Securities) before recommending to the Board for approval, focusing particularly on;
  - Appropriate accounting policies which had been adopted and applied consistently;
  - Significant accounting matters involving management's judgements or estimates, unusual events or transactions during the financial year and how these matters were addressed; and
  - Compliance with financial reporting standards and other regulatory and legal requirements, in particular, the Malaysian Financial Reporting Standards ('MFRS') issued by the Malaysian Accounting Standards Board ('MASB'), the MMLR and the Companies Act, 2016.
- b) Reviewed the issuance of the Letter of Financial Support to subsidiaries of the Company for recommendation to the Board for approval;
- c) Reviewed the Related Party Transactions entered by the Group in compliance with the MMLR;
- d) Reviewed the Company's solvency assessment before recommending to the Board for the payment of dividend;
- e) Reviewed minutes of the BARSC meetings;

## BOARD AUDIT, RISK AND SUSTAINABILITY COMMITTEE REPORT

- f) Reviewed the application of corporate governance principles and the Group's compliance with the best practices set out under the MCCG to prepare the Corporate Governance Overview Statement, Statement on Risk Management and Internal Control and the BARSC Report pursuant to the MMLR for the Board's approval; and
- g) Reviewed the External Auditors' Evaluation.

### 2. External Audit

- a) Reviewed the external auditor's scope of work, audit strategies and audit plans for the financial year ended 30 June 2024, as per the audit planning memorandum;
- b) Reviewed with the external auditors on the significant audit findings and key audit matters in respect of the financial year ended 30 June 2024;
- c) Reviewed the proposed fees for the statutory audit for the financial year ended 30 June 2024 and recommended to the Board for approval;
- d) Approved the non-audit services executed by the external auditors for the financial year ended 30 June 2024; and
- e) Carried out two (2) private meetings with the external auditors during the financial year without the presence of the Management.

### 3. Internal Audit

- a) Reviewed the presented internal audit reports which incorporate the results of the internal audit programme and processes or investigations undertaken based on findings and recommendations concerning on the adequacy and integrity of the internal control systems;
- b) Reviewed the agreed actions taken by Management based on findings and recommendations raised in the internal audit reports to improve the system of internal control;
- c) Assessed the performance of the internal audit function via the status updates of the internal audit plan as compared to the approved annual internal audit plan, and reviewed the reasonableness of the compensation of the members of the function; and
- d) Reviewed and approved the internal audit function, budget, and annual internal audit plan to ensure the adequacy of its available resources, core competencies, scope, functions, and coverage. The level of authority under the internal audit function in carrying out its functions is spelt out in the approved Internal Audit Charter.

### 4. Risk Management and Internal Control

- a) Reviewed the quarterly status reports on risk management activities within the Group presented by the management, which includes overall risk profile, changes and updates on significant risks, and the corresponding mitigating actions;
- b) Monitored and reported to the Board on any material changes to the risk profile; and
- c) Evaluated the overall adequacy and effectiveness of the system of internal controls, including information technology, cybersecurity and the Group's policies and compliance procedures with respect to business practices.

### SUMMARY OF WORKS OF THE INTERNAL AUDIT FUNCTION

The BARSC is assisted by GRAD in discharging its duties and responsibilities throughout the financial year. The TOR of the internal audit function are spelt out in the Internal Audit Charter. The principal role of the internal audit function is to undertake independent, regular and systematic reviews of the internal control systems to provide independent and reasonable assurance of the adequacy, integrity and effectiveness of the Group's system of internal control, risk management and governance process.

GRAD functionally reports to the BARSC and administratively to the Group Managing Director. Activities carried out by GRAD during the financial year, including key issues noted by GRAD during the execution of audit work, are reported to the BARSC quarterly for notation.

The internal audit function has no operational responsibility and authority over the audited activities. It adopts a risk-based approach in preparing its annual internal audit plan. The audit plan and its program, the budgets, the manpower resources and the key performance indicators are submitted to the BARSC for review and approval.

For the year ended 30 June 2024, a total of 15 audits were carried out on a holistic approach following the annual internal audit plan. All findings from the internal audit reviews were reported to BARSC and Management.

Activities of GRAD include review of the adequacy and effectiveness of internal controls and risk management, compliance with applicable laws and regulations, reliability and integrity of information, and adequacy of safeguarding of assets. In ensuring effective communication of audit issues, meetings were held with Management on a regular basis. Management is responsible for ensuring all corrective actions on internal audit findings are taken within the required time frame.

KUB Malaysia Berhad is a corporate member of the Institute of Internal Auditors of Malaysia ('IIAM') that allows the internal auditors to have access to internal audit information, networking and training to ensure that these activities meet the standards required by the Institute of Internal Auditors International Professional Practices Framework ('IPPF').

The internal audit function is supported by three (3) internal auditors. The internal audit function of the Company is headed by the internal audit Senior Manager ('SM') who is a Professional Member of the Institute of Internal Auditors Malaysia, a Member of the CPA Australia, Member of the Institute of Enterprise Risk Practitioners and Member of Malaysian Institute of Accountants. The SM is supported by two (2) internal audit staff. The total costs incurred for the internal audit function of the Group for the year ended 30 June 2024 amounted to RM412,876.55.

## CONFLICT OF INTEREST

The BARSC's roles and responsibilities are clearly defined in its TOR which is accessible on the Group's Corporate Website under Corporate Governance section. This involves examining any situations where conflicts of interest might arise within the Group by looking into any actions or behaviours that might raise doubts about the integrity of Management within the Group throughout the financial year.

All employees of the Group shall adhere to the policies and guidelines as set out in the Code of Conduct of the Group, which sets out the principles to guide employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity when dealing within the Group and with external parties. The Group's Code of Conduct covers areas such as compliance with respect to local laws and regulations, integrity, conduct in the workplace, business conduct, protection of the Group's assets, confidentiality and conflict of interest.

The Conflict of Interest Policy is designed to protect the Directors and the Group as well as to enhance corporate governance, transparency and integrity, and defines the situations in which personal interests and/or dealings may conflict or be perceived to conflict with the discharge of their duties and responsibilities.

The BARSC will address any existing or potential conflicts of interest within the Group by implementing measures to resolve, eliminate, and/or mitigate them.

## STATEMENT OF DIRECTORS' RESPONSIBILITY

### FOR THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 2016 to prepare the financial statements for each financial year in accordance with applicable accounting standards and the requirements of the Companies Act, 2016 in Malaysia.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of KUB Group and the Company at the end of the financial period, and of the results and cash flows of KUB Group and the Company for the financial period.

In preparing the financial statements, the Directors have:

- Adopted appropriate accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent; and
- Prepared the financial statements on an going concern basis.

The Directors are responsible to ensure that KUB Group and the Company keep accounting records which disclose the financial position and performance of KUB Group and the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Companies Act, 2016.

The Directors are responsible for taking such reasonable steps to safeguard the assets of KUB Group and the Company, and detect and prevent fraud and other irregularities.

# FINANCIAL STATEMENTS

<b>70</b>	Directors' Report
<b>76</b>	Independent Auditors' Report
<b>80</b>	Statements of Profit or Loss and Other Comprehensive Income
<b>82</b>	Statements of Financial Position
<b>84</b>	Statements of Changes in Equity
<b>87</b>	Statements of Cash Flows
<b>90</b>	Notes to the Financial Statements
<b>175</b>	Statement by Directors
<b>175</b>	Declaration by the Officer

15.9



# DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to its subsidiaries.

The subsidiaries are principally engaged in businesses as stated in Note 40 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year except for the acquisition of a new subsidiary, Central Cables Berhad and its subsidiaries ('CCB') which is primarily involved in the business of investment holding and manufacturing of cables and wires, and the resumption of control over KUB Sepadu Sdn. Bhd. ('KUBS') which is involved in cultivation of oil palm and management of oil palm estates.

## RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	Group RM'000	Company RM'000
<b>Continuing operations</b>		
Profit before zakat and taxation	45,423	15,485
Zakat	(641)	-
Taxation	(10,281)	(547)
Profit for the year from continuing operations	34,501	14,938
<b>Discontinued operations</b>		
Profit for the year from discontinued operations, net of tax	1,274	-
<b>Profit for the year</b>	<b>35,775</b>	<b>14,938</b>
<b>Profit attributable to:</b>		
Owners of the Company	35,723	14,938
Non-controlling interests	52	-
	35,775	14,938

## DIVIDENDS

Since the end of the previous financial year, the Company had paid the first and final dividend of 2.0 sen on 556,464,690 ordinary shares amounting to RM11,129,294 for the financial year ended 30 June 2023.

On 29 August 2024, the Board of Directors approved and declared a first and final dividend of 3.5 sen on 556,917,586 ordinary shares and 199,377,435 redeemable convertible preference shares amounting to RM26,470,326 in respect of the financial year ended 30 June 2024.

The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2025.

## RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

## ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued:

- (i) 199,035,059 Redeemable Convertible Preference Shares ('RCPS') at an issue price of RM0.60 each to JAG Capital Holdings Sdn. Bhd. in settlement of the purchase consideration of 86.65% equity interest in CCB amounting to RM119,421,035 at completion of its acquisition on 28 February 2024.
- (ii) additional 795,272 RCPS at an issue price of RM0.60 through an unconditional mandatory take-over offer pursuant to Rules on Take-overs, Mergers and Compulsory Acquisitions of the Securities Commission Malaysia amounting to RM477,163.
- (iii) 452,896 new ordinary shares pursuant to the conversion of RCPS under item (ii) on the basis of 1 RCPS for 1 new ordinary share at conversion price of at RM0.60 each amounting to RM271,738.

The terms of the RCPS are disclosed in Note 30 to the financial statements.

The Company has not issued any debentures during the financial year.

## SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

## OTHER STATUTORY INFORMATION

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves there were no known bad debts to be written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would require the writing off of bad debts or render the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year and secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

## DIRECTORS' REPORT

### SIGNIFICANT EVENTS

- (i) On 28 February 2024, the Group acquired 86.65% equity interest in CCB from the majority shareholders, JAG Capital Holdings Sdn. Bhd. through the issuance of 199,035,059 new RCPS at an issue price of RM0.60 per RCPS.

Subsequent to the above, the Company acquired the remaining 13.35% shares in CCB through an unconditional mandatory take-over offer pursuant to Rules on Take-overs, Mergers and Compulsory Acquisitions of the Securities Commission Malaysia. Accordingly, CCB became a wholly-owned subsidiary of the Company on 24 June 2024.

- (ii) As disclosed in Note 34(c)(i) to the financial statements, on 29 February 2024, the Court of Appeal granted and recorded a Consent Order that set aside the winding-up order of KUBS, following the settlement arrangement between KUB Agro Holdings Sdn. Bhd. ('KUBAH') and the minority shareholders namely, Medan Sepadu Sdn. Bhd. and Lembaga Amanah Kebajikan Kaum Melanau Sarawak ('Minority Shareholders').

On 1 March 2024, as part of the aforementioned settlement arrangement, KUBAH entered into a share sale and purchase agreement to acquire 2,600,000 ordinary shares in KUBS, representing the remaining 40% equity interest in KUBS from the Minority Shareholders for a total cash consideration of RM60,000,000.

As a result, the Group regained control of KUBS on 29 February 2024, making it a wholly owned subsidiary of KUBAH effective 1 March 2024.

Save as above, in the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any other item, transaction or event of a material and unusual nature.

### SUBSEQUENT EVENT

On 26 August 2024, KUBAH, a wholly-owned subsidiary of KUB Ekuiti Sdn. Bhd., which in turn is a wholly-owned subsidiary of the Company, had entered into a share purchase agreement with Sinong Enterprise Sdn. Bhd. ('SESB') for the disposal of 70% equity interest comprising 4,550,000 ordinary shares in KUBS to SESB for a cash consideration of RM103,365,526.

Save as above, in the opinion of the Directors, no other item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

### DIRECTORS

The Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Dato' Seri Norliza binti Abdul Rahim (Chairman)	(Redesignated on 12 December 2023)
Ahmed Fairuz bin Abdul Aziz	
Dato' Ahmad Ibnihajar	
Teh Bee Tein	
Datuk Haji Mohd Haniff bin Haji Koslan	
Megat Joha bin Megat Abdul Rahman	
Tee Beng Thong	
Amir Nashrin bin Johari	(Appointed on 6 March 2024)
Datuk Rashidah binti Mohd Sies	(Appointed on 1 April 2024)
Zakrysham bin Zainal Bahry	(Appointed on 1 April 2024)
Datuk Seri Johari bin Abdul Ghani	(Resigned on 12 December 2023)
Kasinathan a/l Tulasi	(Retired on 31 October 2023)

**DIRECTORS** (cont'd)

The Directors of the subsidiary companies in office during the financial year and during the period from the end of the financial year to the date of this report are:

Megat Joha bin Megat Abdul Rahman	
Ahmed Fairuz bin Abdul Aziz	
Zakrysham bin Zainal Bahry	
Amir Nashrin bin Johari	
Mohamed Rozaidi bin Md Sharif	
Mohamed Nizham bin Abdullah Hamidi	
Dato' Sri Zohari bin Akob	
Mohd Aizat bin Mohd Yusoff	
Nadiah binti Musa	
Dr. Chow Kok Cheng	
Shahril Fitri Bin Mustapha	
Adam Vin bin Rawi	
Rohaiza binti Kamsan	
Zaharen bin Zakaria	(Appointed on 16 May 2024)
Kim Soomi	(Appointed on 13 June 2024)
Dato' Ngeng Eng Cheng	(Resigned on 19 April 2024)
Datuk Amar Abdul Hamed bin Haji Sepawi	(Resigned on 19 April 2024)
Polit bin Hamzah	(Alternate Director to Datuk Amar Abdul Hamed bin Haji Sepawi (Resigned on 19 April 2024))
Han Junhee	(Resigned on 13 June 2024)

**DIRECTORS' INTERESTS**

The interest in shares in the Company and in a related corporation of those who were Directors of the Company at the end of the financial year according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 are as follows:

	As at 1.4.2024/ date of appointment	Number of ordinary shares		As at 30.6.2024
		Acquired	Sold	

**Shares in the Company,  
KUB Malaysia Berhad****Indirect Interest**

Zakrysham bin Zainal Bahry	1,000	-	-	1,000*
----------------------------	-------	---	---	--------

\* Deemed interest by virtue of his spouse shareholdings pursuant to Section 59(11)(c) of the Companies Act 2016.

By virtue of the Director's interests in the shares of the Company, the above-mentioned Director is also deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

None of the other Directors in office at the end of the financial year held shares or had beneficial interest in the shares of the Company or its related corporation during or at the beginning and end of the financial year.

## DIRECTORS' REPORT

### DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangement subsisted to which the Company was a party, whereby Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous year, none of the Directors of the Company have received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown below) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The details of the Directors' remuneration for the financial year ended 30 June 2024 are set out below:

	Group RM'000	Company RM'000
Directors' remuneration		
Fees	500	465
Salary and other emoluments	2,913	1,177
Defined contribution plan	325	126
Benefits-in-kind	175	151
	3,913	1,919

Transactions between the Company with a company/firm in which a certain Director of the Company has substantial interest:

	RM'000
Provision for management services	200

### INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains a Directors' and officers' liability insurance throughout the financial year, which provides appropriate insurance cover for the Directors and officers of the Company and its Group of companies.

During the financial year, the total amount of indemnity coverage and the insurance premium paid for the Group are RM10,000,000 and RM12,730 respectively.

There was no indemnity given to or insurance effected for auditors of the Group and of the Company in accordance with Section 289 of the Companies Act 2016.

### HOLDING COMPANY

The ultimate holding company of the Company is JAG Capital Holdings Sdn. Bhd., a private limited liability company incorporated in Malaysia.

### AUDITORS

The auditors, Deloitte PLT, have indicated their willingness to continue in office.

## AUDITORS' REMUNERATION

The amounts paid or payable as remuneration of the auditors of the Group and of the Company for the financial year ended 30 June 2024 are as follows:

	Group RM'000	Company RM'000
Deloitte PLT		
- current year	544	255
- under provision in prior year	15	-
Other auditors	112	-
	671	255

Signed on behalf of the Board in accordance with a resolution of the Directors,

**DATO' SERI NORLIZA BINTI ABDUL RAHIM**

**AHMED FAIRUZ BIN ABDUL AZIZ**

Kuala Lumpur  
26 September 2024

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KUB MALAYSIA BERHAD

(Incorporated In Malaysia)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of **KUB MALAYSIA BERHAD**, which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 80 to 174.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ('By-Laws') and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Our audit performed and responses thereon
<p><b>Purchase price allocation arising from the acquisition of Central Cables Berhad and its subsidiaries ('CCB')</b></p> <p>As disclosed in Note 18 (d)(i) to the financial statements, on 28 February 2024, the Group completed its acquisition of 86.65% equity interest in CCB for a purchase consideration of RM119.42 million to be satisfied wholly via issuance of 199,035,059 new Redeemable Convertible Preference Shares ('RCPS') of the Company at an issue price of RM0.60 per share.</p> <p>The Group assessed the fair value of the identified assets acquired and liabilities assumed on the date of acquisition via a purchase price allocation exercise.</p> <p>Intangible assets of RM42.84 million which consists of customer relationship, trademark and goodwill were recognised in the Group's financial statements on the date of acquisition.</p>	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> <li>• Obtained the management accounts of CCB at the date of acquisition to ascertain the net assets and performed audit procedures on account balances and transactions of CCB to assess the reasonableness on the overall figures used in the fair value computation and intangible assets by the management.</li> <li>• Obtained and reviewed the management's assessment on the allocation of intangible assets derived from the acquisition of CCB, including key assumption used by the management.</li> <li>• Obtained assistance from our internal valuation specialists to review the appropriateness of valuation methodology used by management to derive the purchase price allocation and key assumptions used by the external valuer in determining the fair value, the appropriateness of the rate used in discounting the future cash flows to present value.</li> </ul>

**Key Audit Matter** (cont'd)

Key audit matter	Our audit performed and responses thereon
<p><b>Purchase price allocation arising from the acquisition of Central Cables Berhad and its subsidiaries ('CCB')</b> (cont'd)</p> <p>Management engaged external valuer to value the identifiable assets acquired and liabilities assumed in the acquisition, including the identification and valuation of intangible assets.</p> <p>Purchase price allocation is a significant risk area because of the assumptions made in determining the fair value of the identifiable assets acquired and liabilities assumed are inherently uncertain and require significant judgements as disclosed in Note 4.1(a) to the financial statements.</p>	<p>We performed the following audit procedures, among others: (cont'd)</p> <ul style="list-style-type: none"> <li>Assessed and challenged the appropriateness of the valuation techniques, variables and inputs used by the external valuer in the asset valuation report, relied by management in determining the fair value of the assets.</li> <li>Obtained the discounted cash flows of CCB to assess the recoverable amount of the CGU and assessed the key assumptions used such as discounted rate, terminal value, and growth rate.</li> <li>Assessed the sensitivity of the cash flows to changes in the key assumptions to understand the impact that reasonable alternative assumptions would have on the overall recoverable amount.</li> <li>Evaluated the competency and qualification of the external valuer whose reports were key inputs used by management in the fair value computation.</li> <li>Evaluated whether the account balances and transactions within the fair value computation prepared by management were consistent with evidence obtained in other areas of the audit.</li> <li>Assessed the adequacy of disclosures on key assumptions used, fair value and other relevant disclosures in the Group's financial statements.</li> </ul>

**Company**

There are no key audit matters to be communicated in respect of the audit of the financial statements of the Company.

**Information Other than the Financial Statements and Auditors' Report thereon**

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KUB MALAYSIA BERHAD  
(Incorporated In Malaysia)

### Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

**Auditors' Responsibilities for the Audit of the Financial Statements** (cont'd)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 40 to the financial statements.

**Other Matter**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

**DELOITTE PLT (LLP0010145-LCA)**

Chartered Accountants (AF 0080)

**SITI HAJAR BINTI OSMAN**

Partner - 03061/04/2025 J

Chartered Accountant

26 September 2024

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Continuing operations</b>					
Revenue	5	550,327	488,889	13,446	12,547
Cost of sales	6	(514,139)	(458,911)	-	-
<b>Gross profit</b>		<b>36,188</b>	29,978	<b>13,446</b>	12,547
Other income		24,843	22,774	3,307	3,546
Distribution expenses		(2,256)	(2,025)	-	-
Administrative expenses		(22,135)	(18,658)	(10,528)	(8,536)
Other expenses		(4,485)	(4,401)	(1,126)	(10,051)
<b>Profit/(Loss) from operations</b>		<b>32,155</b>	27,668	<b>5,099</b>	(2,494)
Finance income	7	13,915	8,302	10,515	6,636
Finance costs	8	(647)	(160)	(129)	(453)
Share of results of associate	18(d)(ii)	-	3,069	-	-
<b>Profit before zakat and taxation</b>	9	<b>45,423</b>	38,879	<b>15,485</b>	3,689
Zakat		(641)	(435)	-	-
Taxation	12	(10,281)	(4,569)	(547)	-
<b>Profit for the year from continuing operations</b>		<b>34,501</b>	33,875	<b>14,938</b>	3,689
<b>Discontinued operations</b>					
Profit for the year from discontinued operations, net of tax	13	1,274	-	-	-
<b>Profit for the year</b>		<b>35,775</b>	33,875	<b>14,938</b>	3,689
<b>Profit attributable to:</b>					
Owners of the Company					
- from continuing operations		34,449	33,811	14,938	3,689
- from discontinued operations		1,274	-	-	-
Non-controlling interests	33	35,723 52	33,811 64	14,938 -	3,689 -
		<b>35,775</b>	33,875	<b>14,938</b>	3,689

	Note	Group	
		2024 Sen	2023 Sen
<b>Earnings per share</b>			
Basic earnings per share attributable to the owners of the Company	14		
- continuing operations		6.19	6.08
- discontinued operations		0.23	-
		<b>6.42</b>	6.08
<b>Diluted earnings per share attributable to the owners of the Company</b>			
- continuing operations		4.56	-
- discontinued operations		0.17	-
		<b>4.73</b>	-

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Profit for the year</b>		<b>35,775</b>	33,875	<b>14,938</b>	3,689
<b>Item that will not be reclassified subsequently to profit or loss:</b>					
Fair value gain/(loss) on quoted investment at fair value through other comprehensive income/(loss)		<b>794</b>	(1,731)	<b>794</b>	(1,731)
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>794</b>	(1,731)	<b>794</b>	(1,731)
<b>Total comprehensive income for the year</b>		<b>36,569</b>	32,144	<b>15,732</b>	1,958
<b>Total comprehensive income attributable to:</b>					
Owners of the Company					
- from continuing operations		<b>35,243</b>	32,080	<b>15,732</b>	1,958
- from discontinued operations		<b>1,274</b>	-	-	-
Non-controlling interests	33	<b>36,517</b> <b>52</b>	32,080 64	<b>15,732</b> -	1,958 -
		<b>36,569</b>	32,144	<b>15,732</b>	1,958

The accompanying Notes form an integral part of the Financial Statements.

# STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>ASSETS</b>					
<b>Non-current Assets</b>					
Property, plant and equipment	15	<b>131,305</b>	97,883	<b>883</b>	1,203
Investment properties	16	<b>27,011</b>	11,067	<b>8,812</b>	9,035
Right-of-use assets	17	<b>2,125</b>	1,723	<b>1,194</b>	304
Finance lease receivables	17	<b>651</b>	712	-	-
Investments in subsidiaries	18	-	-	<b>376,709</b>	181,239
Intangible assets	19	<b>42,842</b>	-	-	-
Other investments	20	<b>5,936</b>	67,126	<b>5,786</b>	4,753
Deferred tax assets	27	<b>729</b>	856	-	-
		<b>210,599</b>	179,367	<b>393,384</b>	196,534
<b>Current Assets</b>					
Inventories	21	<b>26,419</b>	3,441	-	-
Amount due from subsidiaries	22	-	-	<b>831</b>	143
Trade and other receivables	23	<b>74,755</b>	52,260	<b>1,104</b>	662
Contract assets	23	-	266	-	-
Finance lease receivables	17	<b>60</b>	245	-	-
Tax recoverable		<b>1,221</b>	1,355	<b>297</b>	-
Derivative financial assets	28	<b>59</b>	33	-	-
Cash and bank balances	24	<b>412,413</b>	405,568	<b>222,688</b>	304,151
		<b>514,927</b>	463,168	<b>224,920</b>	304,956
Assets classified as held for sale	13	<b>129,960</b>	5,857	-	4,665
<b>TOTAL ASSETS</b>		<b>855,486</b>	648,392	<b>618,304</b>	<b>506,155</b>

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	29	<b>229,135</b>	228,863	<b>229,135</b>	228,863
Redeemable Convertible Preference Shares ('RCPS')	30	<b>117,163</b>	-	<b>117,163</b>	-
Reserves	31	<b>35,953</b>	36,723	<b>2,097</b>	1,303
Retained earnings	32	<b>272,020</b>	251,459	<b>265,767</b>	261,958
Equity attributable to owners of the Company		<b>654,271</b>	517,045	<b>614,162</b>	492,124
Non-controlling interests	33	<b>(13,657)</b>	(14,743)	-	-
<b>Total Equity</b>		<b>640,614</b>	502,302	<b>614,162</b>	492,124
<b>Non-current Liabilities</b>					
Lease liabilities	17	<b>954</b>	181	<b>769</b>	-
Other payables	25	<b>31,966</b>	34,379	-	-
Borrowings	26	<b>1,121</b>	-	-	-
Deferred tax liabilities	27	<b>24,928</b>	11,716	-	-
		<b>58,969</b>	46,276	<b>769</b>	-
<b>Current Liabilities</b>					
Lease liabilities	17	<b>671</b>	1,114	<b>434</b>	349
Amount due to subsidiaries	22	-	-	-	11,043
Trade and other payables	25	<b>77,568</b>	57,252	<b>2,939</b>	2,639
Borrowings	26	<b>53,794</b>	41,114	-	-
Provision for tax		<b>2,192</b>	334	-	-
		<b>134,225</b>	99,814	<b>3,373</b>	14,031
Liabilities associated with assets classified as held for sale	13	<b>21,678</b>	-	-	-
<b>Total Liabilities</b>		<b>214,872</b>	146,090	<b>4,142</b>	14,031
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>855,486</b>	648,392	<b>618,304</b>	506,155

The accompanying Notes form an integral part of the Financial Statements.

## STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Attributable to owners of the Company

Non-distributable      Distributable      Non-distributable

Group	Note	Equity attributable to owners of the Company		Attributable to owners of the Company			Non-distributable			Non-controlling interests RM'000		
		Equity, total RM'000	Company, total RM'000	Share capital RM'000	RCPS 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
<b>As at 1 July 2023</b>		502,302	517,045	228,863	-	251,459	36,723	24,531	1,303	(258)	11,147	(14,743)
Profit for the year		35,775	35,723	-	-	35,723	-	-	-	-	-	52
Other comprehensive income for the year		794	794	-	-	-	794	-	794	-	-	-
<b>Total comprehensive income</b>		<b>36,569</b>	<b>36,517</b>	<b>-</b>	<b>-</b>	<b>35,723</b>	<b>794</b>	<b>-</b>	<b>794</b>	<b>-</b>	<b>-</b>	<b>52</b>
<b>Transactions with owners</b>												
Issuance of RCPS	30	117,435	117,435	-	117,435	-	-	-	-	-	-	-
Conversion of RCPS to ordinary shares	29 & 30	-	-	272	(272)	-	-	-	-	-	-	-
Changes in non-controlling interest in a subsidiary	33	(2,999)	(4,033)	-	-	(4,033)	-	-	-	-	-	1,034
Reduction on capital reserves upon strike off of subsidiary	18(d)(iii)	(813)	(813)	-	-	-	(813)	(813)	-	-	-	-
Reduction on capital reserves upon members voluntary winding-up of a subsidiary	18(d)(iv)	(751)	(751)	-	-	-	(751)	(751)	-	-	-	-
Dividend paid	32	(11,129)	(11,129)	-	-	(11,129)	-	-	-	-	-	-
<b>As at 30 June 2024</b>		<b>640,614</b>	<b>654,271</b>	<b>229,135</b>	<b>117,163</b>	<b>272,020</b>	<b>35,953</b>	<b>22,967</b>	<b>2,097</b>	<b>(258)</b>	<b>11,147</b>	<b>(13,657)</b>

## STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Group	Note	Equity attributable to owners of the Company		Attributable to owners of the Company				Non-distributable			Non-controlling interests RM'000
		Equity, total RM'000	Equity, total of the Company, 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	
<b>As at 1 July 2022</b>		478,505	493,312	228,863	225,995	38,454	24,531	3,034	(258)	11,147	(14,807)
Profit for the year		33,875	33,811	-	33,811	-	-	-	-	-	64
Other comprehensive loss for the year		(1,731)	(1,731)	-	-	(1,731)	-	(1,731)	-	-	-
<b>Total comprehensive income/(loss)</b>		32,144	32,080	-	33,811	(1,731)	-	(1,731)	-	-	64
<b>Transactions with owners</b>											
Dividend paid	32	(8,347)	(8,347)	-	(8,347)	-	-	-	-	-	-
As at 30 June 2023		502,302	517,045	228,863	251,459	36,723	24,531	1,303	(258)	11,147	(14,743)

## STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Company	Note	Non-distributable			Distributable	Non-distributable
		Equity, total RM'000	Share capital RM'000	RCPS RM'000	Retained earnings RM'000	Fair value adjustment reserve RM'000
<b>As at 1 July 2023</b>		492,124	228,863	-	261,958	1,303
Profit for the year		14,938	-	-	14,938	-
Other comprehensive income for the year		794	-	-	-	794
<b>Total comprehensive income</b>		15,732	-	-	14,938	794
<b>Transactions with owners</b>						
Issuance of RCPS	30	117,435	-	117,435	-	-
Conversion of RCPS to ordinary shares	29 & 30	-	272	(272)	-	-
Dividend paid	32	(11,129)	-	-	(11,129)	-
<b>As at 30 June 2024</b>		<b>614,162</b>	<b>229,135</b>	<b>117,163</b>	<b>265,767</b>	<b>2,097</b>
<b>As at 1 July 2022</b>		498,513	228,863	-	266,616	3,034
Profit for the year		3,689	-	-	3,689	-
Other comprehensive loss for the year		(1,731)	-	-	-	(1,731)
<b>Total comprehensive income/(loss)</b>		1,958	-	-	3,689	(1,731)
<b>Transaction with owners</b>						
Dividend paid	32	(8,347)	-	-	(8,347)	-
As at 30 June 2023		492,124	228,863	-	261,958	1,303

The accompanying Notes form an integral part of the Financial Statements.

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>CASH FLOWS FROM/(USED IN)</b>				
<b>OPERATING ACTIVITIES</b>				
Profit before zakat and taxation	<b>46,956</b>	38,879	<b>15,485</b>	3,689
- continuing operations	<b>45,423</b>	38,879	<b>15,485</b>	3,689
- discontinued operations	<b>1,533</b>	-	-	-
Adjustments for:				
Depreciation of:				
- property, plant and equipment	<b>13,827</b>	12,228	<b>450</b>	480
- right-of-use assets	<b>1,314</b>	1,195	<b>453</b>	455
- investment properties	<b>582</b>	624	<b>223</b>	344
Investment property written off	-	225	-	-
Allowance for impairment on trade and other receivables	<b>156</b>	223	-	18
Finance costs	<b>661</b>	160	<b>129</b>	453
- continuing operations	<b>647</b>	160	<b>129</b>	453
- discontinued operations	<b>14</b>	-	-	-
Property, plant and equipment written off	<b>153</b>	93	-	-
Unrealised (gain)/loss on foreign exchange	<b>(26)</b>	24	-	-
(Gain)/Loss on fair value changes in investment in unquoted shares	<b>(9,333)</b>	(13,302)	<b>(240)</b>	107
Finance income	<b>(14,206)</b>	(8,302)	<b>(10,515)</b>	(6,636)
- continuing operations	<b>(13,915)</b>	(8,302)	<b>(10,515)</b>	(6,636)
- discontinued operations	<b>(291)</b>	-	-	-
Reversal of allowance for impairment on trade and other receivables	<b>(416)</b>	(3,205)	-	-
Reversal of provision for liquidated ascertained damages	-	(1,293)	-	-
Forfeiture of cylinder deposit payables	<b>(4,804)</b>	-	-	-
Net gain on disposal of:				
- assets classified as held for sale	<b>(3,919)</b>	(910)	<b>(2,764)</b>	-
- property, plant and equipment	<b>(140)</b>	(344)	-	-
Dividend income	<b>(352)</b>	(176)	<b>(10,601)</b>	(9,576)
Gain on fair value changes of derivative instruments	<b>(59)</b>	(33)	-	-
Loss on fair value changes in biological assets				
- discontinued operations	<b>66</b>	-	-	-
Allowance for impairment on investment in subsidiaries:				
- investment	-	-	-	3,683
- advances to subsidiaries	-	-	-	84
- amount due from subsidiaries	-	-	-	2
- financial guarantee	-	-	-	4,880
Reversal of allowance for impairment:				
- amount due from subsidiaries	-	-	<b>(18)</b>	(3)
- advances to subsidiaries	-	-	-	(300)
Share of results of associate	-	(3,069)	-	-
<b>Operating Profit/(Loss) Before Changes in Working Capital</b>	<b>30,460</b>	23,017	<b>(7,398)</b>	(2,320)

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Changes in working capital:					
Contract assets		266	2,509	-	-
Trade and other receivables		11,761	29,816	(440)	(143)
Trade and other payables		27,875	(15,235)	(2,164)	1,384
Inventories		(12,100)	2,302	-	-
<b>Cash Generated From/(Used In) Operations</b>		<b>58,262</b>	42,409	<b>(10,002)</b>	(1,079)
Finance cost from lease liabilities		(76)	(90)	(24)	(24)
- continuing operations		(62)	(90)	(24)	(24)
- discontinued operations		(14)	-	-	-
Zakat paid		(641)	(435)	-	-
Net tax paid		(8,548)	(3,377)	(845)	-
<b>Net Cash From/(Used In) Operating Activities</b>		<b>48,997</b>	38,507	<b>(10,871)</b>	(1,103)
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>					
Interest received		14,206	8,302	10,515	6,636
Proceeds from disposal of assets classified as held for sale		9,776	3,621	7,429	-
Proceeds from disposal of property, plant and equipment		395	362	-	-
Dividends received		352	176	10,601	9,576
Acquisition of property, plant and equipment	15	(8,768)	(14,781)	(130)	(59)
Acquisition of investment property		(22)	-	-	-
Acquisition of subsidiaries, net of cash acquired	18	5,524	-	-	-
Acquisition of non-controlling interest through an unconditional mandatory take-over offer	18	(17,921)	-	(17,921)	-
Repayment of advances from subsidiaries		-	-	-	300
Repayment of amount due from subsidiaries		-	-	1,918	3,223
Repayment of amount due to subsidiaries		-	-	(8,817)	(2,306)
Advances to subsidiaries		-	-	(1,948)	(3,627)
- due from subsidiaries		-	-	(1,948)	(3,627)
- investment		-	-	(60,516)	(2,169)
<b>Net Cash From/(Used In) Investing Activities</b>		<b>3,542</b>	(2,320)	<b>(58,869)</b>	11,574

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>					
Decrease of deposits pledged with licensed banks		15,532	494	-	-
Net placement of deposit with maturity more than 3 months		(4,862)	-	-	-
Net repayment of short-term borrowings		(31,975)	(12,900)	-	-
Dividend paid		(11,129)	(8,347)	(11,129)	(8,347)
Repayment of lease liabilities	17	(1,529)	(1,209)	(489)	(471)
Interest paid		(585)	(70)	(105)	(429)
Repayment of hire purchase		(73)	(23)	-	-
Repayment of term loans		(403)	-	-	-
<b>Net Cash Used In Financing Activities</b>		<b>(35,024)</b>	<b>(22,055)</b>	<b>(11,723)</b>	<b>(9,247)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>17,515</b>	<b>14,132</b>	<b>(81,463)</b>	<b>1,224</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>385,721</b>	<b>371,589</b>	<b>304,151</b>	<b>302,927</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	24	<b>403,236</b>	<b>385,721</b>	<b>222,688</b>	<b>304,151</b>

The accompanying Notes form an integral part of the Financial Statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The consolidated financial statements of the Company as at and for the financial year ended 30 June 2024 comprise financial statements of the Company and its subsidiaries (together referred to as the 'Group' and individually to as 'Group entities') and the Group's interests in associate. The financial statements of the Company as at and for the financial year ended 30 June 2024 do not include other entities.

The principal activities of the Company are that of investment holding and provision of management services to its subsidiaries.

The subsidiaries are principally engaged in businesses as stated in Note 40.

The registered office and principal place of business of the Company is located at Suite A-22-1, Level 22, Hampshire Place Office, 157 Hampshire No. 1, Jalan Mayang Sari, 50450 Kuala Lumpur.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 26 September 2024.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Preparation of the Financial Statements

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Ringgit Malaysia ('RM'), which is also the Group and the Company's functional currency.

### Adoption of Amendments to MFRSs

In the current financial year, the Group and the Company adopted the relevant Amendments to MFRSs issued by the Malaysian Accounting Standards Board ('MASB') that are effective for an annual financial year beginning on or after 1 July 2023 as follows:

Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The adoption of these Amendments to MFRSs did not result in significant changes in the accounting policies of the Group and of the Company and has no significant effect on the financial performance or position of the Group and of the Company except as disclosed below:

### Amendments to MFRS 101: Disclosure of Accounting Policies

The Group and the Company have adopted Amendments to MFRS 101 effective from 1 January 2023. The Amendments require the disclosure of 'material', rather than 'significant', accounting policies. The Amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the Amendments did not result in any significant changes to the Group's and the Company's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in Note 3.

### **Standards and Amendments to MFRSs in Issue but Not Yet Effective**

At the date of authorisation for issue of these financial statements, the Standards and Amendments to MFRSs which were in issue by the MASB but not yet effective and/or not early adopted by the Group and the Company are as listed below:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback <sup>1</sup>
Amendments to MFRS 101	Classification of Liabilities as Current or Non Current <sup>1</sup>
Amendments to MFRS 101	Non-current Liabilities with Covenants <sup>1</sup>
Amendments to MFRS 7 and MFRS 107	Supplier Finance Arrangements <sup>1</sup>
Amendments to MFRS 10 and MFRS 128	Sale of Contribution of Assets between Investor and its Associates or Joint Venture <sup>5</sup>
Amendments to MFRS 121	Lack of Exchangeability <sup>2</sup>
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>3</sup>
MFRS 18	Presentation and Disclosure in Financial Statements <sup>4</sup>
MFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025, with earlier application permitted.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027, with earlier application permitted.

<sup>5</sup> Effective date deferred to a date to be determined and announced by MASB.

The Directors of the Group and of the Company anticipate that the application of the above-mentioned Standards and Amendments to MFRSs will be adopted in the financial statements of the Group and the Company when they become effective. The adoption of these Standards and Amendments to MFRSs may have an impact on the financial statements of the Group and of the Company in the period of initial application. However, it is not practicable to provide reasonable estimate of the effect of the adoption of these Standards and Amendments to MFRSs until the Group and the Company complete a detailed review.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. MATERIAL ACCOUNTING POLICY

#### 3.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2 *Share-based Payment*, leasing transactions that are within the scope of MFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 *Inventories* or value in use in MFRS 136 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

#### 3.2 Basis of consolidation

The consolidated financial statements incorporated in the financial statements of the parent company and entities controlled by the parent company (its subsidiaries) made up to 30 June each year. Control is achieved when the parent company:

- (a) Has the power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (b) Is exposed, or has rights, to variable returns from its investment with the investee; and
- (c) Has the ability to use its power to affect its returns.

The parent company reassesses whether or not its controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the parent company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The parent company considers all relevant facts and circumstances in assessing whether or not the parent company's voting rights in an investee are sufficient to give power including:

- (a) The size of the parent company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (b) Potential voting rights held by the parent company, other vote holders or other parties;
- (c) Rights arising from other contractual arrangements; and
- (d) Any additional facts and circumstances that indicate that the parent company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

### 3. MATERIAL ACCOUNTING POLICY (cont'd)

#### 3.2 Basis of consolidation (cont'd)

Subsidiaries are consolidated when the parent company obtains control over the subsidiary and ceases when the parent company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date parent company gains control until the date when the parent company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated on consolidation.

Non-controlling interest in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets up liquidation may initially be measured at fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interest are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interest at initial; recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent company and to the non-controlling interest. Total comprehensive income of the subsidiaries is attributed to the owners of the parent company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent company.

When the Group loses control of a subsidiary, a gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interest.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable MFRS accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 Financial Instrument when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

#### 3.3 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. MATERIAL ACCOUNTING POLICY (cont'd)

#### 3.3 Business combinations (cont'd)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with MFRS 2 *Share-Based Payments* at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Intangible assets are measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. If, after reassessment, the net of the acquisition-date amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against intangible assets.

Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interest in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as at the acquisition date that, if known, would have affected the amounts recognised as at that date.

### 3. MATERIAL ACCOUNTING POLICY (cont'd)

#### 3.4 Goodwill

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units (or groups of cash-generating units) ('CGU') expected to benefit from the synergies of the combination. CGU to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to the other assets of the unit on a pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a CGU, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

#### 3.5 Revenue

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer and are measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

The Group and the Company recognise revenue from the following sources:

##### (a) Liquefied petroleum gas ('LPG') division

(i) Sale of LPG

The revenue from sales of LPG is recognised as the goods are collected from the filling plant, being at the point in time when the control of the goods has been transferred. The revenue from the sales of LPG is recognised at fair value of the consideration received or receivable together with the subsidy receivable from the Government of Malaysia, which constitutes the contracted selling price which represents the transaction price of the performance obligation, net of incentives and volume rebates. The incentives and volume rebates are variable considerations ('VC') which are determined on a monthly basis. Depending whether the Group grants credit terms to the customers, the payment of the transaction price are generally on a credit basis and is due at the end of credit term granted.

(ii) The finance lease income

The finance lease income represents interest income earned through the supply of LPG via bulk tank system which is stored at the customers' location.

(iii) Throughput income

Throughput income represents fees earned from the use of facilities to facilitate the transfer of LPG by third parties.

##### (b) Power division

Revenue from sale of manufactured cables and wires are recognised at a point in time when the goods have been transferred to the customer and coincides with the delivery of goods and acceptance by customers.

There is no significant financing component in the revenue arising from sale of goods as the sales are made on the normal credit terms not exceeding twelve months.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. MATERIAL ACCOUNTING POLICY (cont'd)

#### 3.5 Revenue (cont'd)

The Group and the Company recognise revenue from the following sources: (cont'd)

##### (c) Agro division

Sale of fresh fruit bunches ('FFB') is recognised net of taxes at the point in time when control of the goods has transferred to the customer, which is generally upon its collection or delivery. The transaction price is based on a formula determined within the contract which is guided by the industry.

There is no element of financing present as the Group's sale of goods is either on cash terms (immediate or advance payments), or on credit terms of up to 30 days.

##### (d) Others division

Others division consist of revenue generated from infrastructure solutions, supply, maintenance and ancillary services in information, communications and technology ('ICT'), property management services, investment holding and provision of management services are recognised at a point in time except for certain maintenance services which is recognised over time.

Rental income is recognised on a straight-line basis over the tenure of the rental year of telecommunication infrastructure.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income represents dividends received from subsidiaries and other investments when there is a right to receive payment is established.

#### 3.6 Employee benefits

##### (a) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees. Short-term accumulating compensated absences such as paid annual leaves are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leaves are recognised when the absences occur.

##### (b) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

#### 3.7 Income taxes

The income tax expense represents the sum of current and deferred income tax expense.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profits as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Group's liability for current tax is calculated using tax rates that have been enacted or substantive enacted by the end of the reporting period.

### 3. MATERIAL ACCOUNTING POLICY (cont'd)

#### 3.7 Income taxes (cont'd)

##### *Deferred tax*

Deferred tax is recognised, on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of intangible assets.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered. Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle their current tax assets and liabilities on a net basis.

##### *Current tax and deferred tax*

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax and deferred tax arises from the initial accounting for business combination. The tax effect is included in the accounting for business combination.

#### 3.8 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Property, plant, and equipment acquired through a business combination are initially recognised at their fair value as of the acquisition date. Subsequent to acquisition, these assets are depreciated over their estimated useful lives using the straight-line method. The fair value at acquisition is considered the asset's cost basis for future depreciation calculations.

Freehold land has an unlimited useful life and therefore is not depreciated. Long-term leasehold land is initially measured at cost and depreciated over their lease terms.

Bearer plants are living plants that are used in the production or supply of agriculture produce for more than one year and have remote likelihood of being sold as agriculture produce. The bearer plants that are available for use are measured at cost less accumulated depreciation and accumulated impairment losses. All costs directly related to bearer plants are capitalised until such time as the bearer plants reach maturity, at which point all further costs and interests are expensed and depreciation commences. Upon maturity, these expenditures are depreciated based on estimated annual yield over 25 years.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. MATERIAL ACCOUNTING POLICY (cont'd)

#### 3.8 Property, plant and equipment (cont'd)

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

##### Factory and buildings

- Factory and buildings	2% - 7%
- Storage tanks	4% - 10%

##### Plant, renovation, cylinders and equipment

- Renovations	5% - 20%
- Plant, infrastructure, machinery, equipment	5% - 33%
- Cylinders	7.5% - 20%
- Furniture and fittings	10% - 33%
- Office equipment and computers	10% - 33%
- Tower infrastructure	10%

##### Motor vehicles

20%

Assets under construction are not depreciated as these assets are not yet available for use.

The residual value, useful life and depreciation method are reviewed at the end of the reporting period, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

#### 3.9 Investment properties

Investment properties are investments in land and buildings which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in Note 3.8.

Investment properties acquired through a business combination are initially recognised at their fair value as of the acquisition date and subsequently considered as the asset's cost basis for future depreciation calculations. Depreciation is charged on a straight-line basis over the estimated useful life of the property.

The freehold land element of an investment property is not depreciated due to the unlimited useful life and the building element is depreciated at annual rate of depreciation of 2%. Buildings which are situated on leasehold land are also depreciated at annual rate of depreciation of 2%.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

Fair value, for purpose of disclosure in the financial statements, is arrived at by reference to market evidence of transaction prices for similar properties.

Transfers are made to or from investment property only when there is a change in use. Transfers between investment property and owner-occupied property do not change the carrying amount of the property transferred. The cost of the property remains unchanged for disclosure purposes.

### 3. MATERIAL ACCOUNTING POLICY (cont'd)

#### 3.10 Impairment of property, plant and equipment and intangible assets excluding goodwill

The carrying amounts of property, plant and equipment and intangible assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss (if any).

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs to.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of the reporting period that the asset may be impaired.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An impairment loss is recognised in profit or loss in the year in which it arises.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

#### 3.11 Financial instruments

Financial assets and financial liabilities are recognised in the Group's statements of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

##### **Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### *Classification of financial assets*

Financial assets that meet the following conditions are measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. MATERIAL ACCOUNTING POLICY (cont'd)

#### 3.11 Financial instruments (cont'd)

Financial assets that meet the following conditions are measured at fair value through other comprehensive income ('FVTOCI'):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured at fair value through profit or loss ('FVTPL').

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

##### (i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired.

##### (ii) Financial assets designated as at FVTOCI

The Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

### 3. MATERIAL ACCOUNTING POLICY (cont'd)

#### 3.11 Financial instruments (cont'd)

(ii) Financial assets designated as at FVTOCI (cont'd)

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value, with gains and losses from changes in fair value recognised in other comprehensive income and accumulated in the fair value adjustment reserve within equity. Upon disposal, the cumulative gains or losses previously recognised in other comprehensive income are transferred to retained earnings. Dividends on these investments in equity instruments are recognised in profit or loss in accordance with MFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

(iii) Financial assets at FVTPL

Unless the Group designates investments in equity instruments as FVTOCI, all other equity investments are designated as FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship.

*Impairment of financial assets*

The Group recognises a loss allowance for expected credit losses ('ECL') on trade receivables, lease receivables and contract assets. The amount of expected credit losses is updated at the end of each reporting period to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, lease receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of the reporting period, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the end of the reporting period.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the end of the reporting period with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. MATERIAL ACCOUNTING POLICY (cont'd)

#### 3.11 Financial instruments (cont'd)

##### *Impairment of financial assets (cont'd)*

##### (ii) Definition of default

If information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors (without taking into account any collateral held by the Group), the Group considers this as constituting an event of default for internal credit risk management purposes.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 365 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

##### (iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the debtors;
- a breach of contract, such as a default or past due event; or
- it is becoming probable that the debtors will enter bankruptcy.

##### (iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

##### *Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

##### **Financial liabilities**

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

##### **Financial liabilities measured at amortised cost**

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are initially recognised at fair value and subsequently are measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

### 3. MATERIAL ACCOUNTING POLICY (cont'd)

#### 3.11 Financial instruments (cont'd)

##### ***Derecognition of financial liabilities***

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### 3.12 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of LPG is based on weighted average method, whilst the cost of other type of inventories is based on first-in, first-out method. The cost of inventories includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

The cost of manufacturing cables and wires is determined using the weighted average method. Cost of raw materials comprises all costs of purchase plus the costs of bringing the inventories to their present location and condition. Cost of work-in-progress and finished goods includes the cost of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

#### 3.13 Leases

##### **(a) As lessee**

The Group and the Company assess whether a contract is or contains a lease, at inception of the contract. The Group and the Company recognise a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as photocopier and small items of office equipment).

For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use their incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise of fixed lease payments (including in-substance fixed payments), less any lease incentives receivable and the amount expected to be payable by the lessee under residual value guarantees.

The lease liability is presented as a separate line in the statements of financial position. The total amount of cash paid is separated into a principal portion (presented within financing activities) and interest (presented within operating activities) in the statements of cash flows.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payment made.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. MATERIAL ACCOUNTING POLICY (cont'd)

#### 3.13 Leases (cont'd)

##### (a) As lessee (cont'd)

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group and the Company did not make any such adjustments during the financial years presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group and the Company incur an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under MFRS 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter year of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group and the Company expect to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statements of financial position. The Group and the Company apply MFRS 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 3.10.

As a practical expedient, MFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group and the Company have not used this practical expedient.

For contracts that contain a lease component and one or more additional lease or non-lease components, the Group and the Company allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (below RM20,000), the Group and the Company have opted to recognise a lease expense on a straight-line basis as permitted by MFRS 16. This expense is recognised in profit or loss.

### 3. MATERIAL ACCOUNTING POLICY (cont'd)

#### 3.13 Leases (cont'd)

##### (b) As lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Group enters into lease agreements with its customers as a lessor with respect to LPG storage tanks located at the customers' premises.

Finance lease income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting years so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies MFRS 15 to allocate the consideration under the contract to each component.

#### 3.14 Non-current assets (or disposal groups) held for sale and discontinued operation

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the group will retain a non-controlling interest in its former subsidiary after the sale.

When the group is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate, that will be disposed of is classified as held for sale when the criteria described above are met. The Group then ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

#### 3.15 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

##### Customer relationship

Customer relationship acquired in a business combination is recognised at fair value at the date of acquisition. The customer relationship is amortised on a straight-line basis over its estimated useful life of 24 years, based on the industry practice and supported by long term relationship that the Group has with its customer which goes from 15 to 30 years and assessed for impairment whenever there is an indication that the customer relationship may be impaired.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. MATERIAL ACCOUNTING POLICY (cont'd)

#### 3.15 Intangible assets acquired in a business combination (cont'd)

##### Trademark

Trademark acquired in a business combination is recognised at fair value at the date of acquisition. The trademark is considered to have indefinite useful life, is not amortised but tested for impairment, annually and when indications of impairment are identified.

##### Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

#### 3.16 Redeemable convertible preference shares ('RCPS')

The RCPS are recognised as an equity instrument in the statements of financial position, net of transaction costs. Dividend payments on RCPS are recognised as distributions within equity which are based on the Company's sole discretion and, provided that the audited consolidated profit after tax of Central Cables Berhad ('CCB') for the financial year preceding the declaration of the preferential dividend is higher than the amount of preferential dividend to be declared.

#### 3.17 Segment reporting

For management purposes, the Group is organised into operating divisions based on their products and services which are independently managed by the respective division's head who is responsible for the performance of their divisions. The division heads report directly to the group managing director, the decision maker who regularly reviews the division results in order to allocate resources to the divisions and to assess the division performance. Additional disclosures on each of these divisions are shown in Note 39, including the factors used to identify the reportable divisions and the measurement basis of segment information.

#### 3.18 Statements of cash flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

Cash and cash equivalents, which comprise unpledged deposits with licensed banks and other financial institutions and cash on hand and at bank, are short-term, highly liquid investments and are readily convertible to cash with insignificant risks of changes in value.

### 4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

## 4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

### 4.1 Critical judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following critical judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

#### (a) Purchase price allocation arising from the acquisition of CCB and its subsidiaries

Purchase prices related to business combinations are allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The determination of fair value required the Group to make assumptions, estimates and judgements regarding future events. The allocation process is inherently subjective and impacts the amount assigned to individually identifiable assets and liabilities as follows:

Intangible assets	Method
Customer relationship	Based on discounted cash flow of 24 years at discount rate of 13% net of tax.
Trademark	Based on fair value of 5 years projected revenue with terminal value of 2% and at discount rate of 13% net of tax.
Goodwill	Based on discounted cash flow of 5 years with terminal value of 2% and at discount rate of 13% net of tax.

As a result, the purchase price allocation impacts the Group's reported assets and liabilities, future net earnings due to the impact on future depreciation and amortisation expense and impairment tests.

The fair value of the assets acquired and liabilities assumed under the business combinations made during the current financial year are disclosed in Note 18(d)(i).

#### (b) Resumption of control of KUB Sepadu Sdn. Bhd. ('KUBS') as a subsidiary

As detailed in Note 34(c)(i), on 29 February 2024, the Court of Appeal granted and recorded a Consent Order that set aside the winding-up order of KUBS, following a settlement agreement between KUB Agro Holdings Sdn. Bhd. ('KUBAH') and the minority shareholders namely, Medan Sepadu Sdn. Bhd. and Lembaga Amanah Kebajikan Kaum Melanau Sarawak ('Minority Shareholders') (the 'Parties'). As a result, the Group regained control of KUBS on 29 February 2024.

On 1 March 2024, as part of this settlement arrangement, KUBAH entered into a share sale and purchase agreement to acquire 2,600,000 ordinary shares in KUBS, representing the remaining 40% equity interest in KUBS from the Minority Shareholders for a total cash consideration of RM60,000,000. The acquisition was completed on 20 March 2024.

In consideration of the mutual covenants and agreements contained in the settlement arrangement, the Parties irrevocably and unconditionally agree that the disputes shall be fully and finally settled and resolved subject to the Consent Order being obtained and recorded.

Although the acquisition was completed on 20 March 2024, due to the interconditional nature of the settlement arrangement and the Consent Order, the Group is recognised having full control of KUBS effective 1 March 2024.

## NOTES TO THE FINANCIAL STATEMENTS

### 4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

#### 4.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### (a) Impairment for ECLs of trade receivables, contract assets (Note 23) and finance lease receivables (Note 17)

The Group uses a provision matrix to calculate ECLs for trade receivables, contract assets and finance lease receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., nature of project undertaking, product type, customer type and rating, and coverage by bank guarantee or other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 23, and finance lease receivables in Note 17.

##### (b) Reclassification of KUBS from FVTPL to investment in subsidiary

In the previous financial year, the Group classified its investment in KUBS as a financial asset through FVTPL in other investments. Following the Group regaining control of KUBS on 29 February 2024, the fair value of the investment was reassessed using a cost approach, specifically the adjusted net asset value of KUBS as detailed in Note 20. The assessment determined the fair value to be RM71,371,000, resulting in a realised gain of RM9,093,000.

These assumptions and other key sources of estimation uncertainty at the end of the reporting period, is an audit focus area which may have a risk of causing a material adjustment to the carrying amounts of the investment in KUBS.

##### (c) Impairment of intangible assets arose from the acquisition of CCB

Determining whether goodwill and intangible assets acquired in business combination are impaired require an estimation of the recoverable amount of the CGUs to which goodwill has been allocated and the identified intangible assets acquired in business combination.

The value-in-use of each CGU requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable pre-tax discount rate in order to calculate the present value of those cash flows in reviewing the impairment of goodwill and intangible assets acquired in business combination of the CGU.

The carrying amount of intangible assets arising from business combination as of the end of the reporting period are disclosed in Note 19 with no impairment loss recognised during the current financial year.

## 5. REVENUE

Revenue comprises the following:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue from contract with customers	<b>544,822</b>	484,470	<b>2,845</b>	2,971
Revenue from other sources:				
- rental income (Note 17)	<b>4,183</b>	3,483	-	-
- throughput income	<b>743</b>	480	-	-
- finance lease income (Note 17)	<b>227</b>	280	-	-
Dividend income from:				
- subsidiaries	-	-	<b>10,250</b>	9,400
- others	<b>352</b>	176	<b>351</b>	176
	<b>550,327</b>	488,889	<b>13,446</b>	12,547

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following divisions. This is consistent with the revenue information that is disclosed for each reportable division under MFRS 8 Operating Segments (see Note 39):

Disaggregation of revenue from contracts with customers

Group 2024	LPG RM'000	Power RM'000	Others RM'000	Total RM'000
Sale of LPG*	<b>487,641</b>	-	-	<b>487,641</b>
Sale of manufactured cables and wires	-	<b>54,432</b>	-	<b>54,432</b>
Sale of equipment	-	-	<b>3</b>	<b>3</b>
Maintenance services	-	-	<b>2,298</b>	<b>2,298</b>
Others	-	<b>448</b>	-	<b>448</b>
	<b>487,641</b>	<b>54,880</b>	<b>2,301</b>	<b>544,822</b>
Timing of revenue recognition:				
- at a point in time	<b>487,641</b>	<b>54,880</b>	<b>1,843</b>	<b>544,364</b>
- over time	-	-	<b>458</b>	<b>458</b>
	<b>487,641</b>	<b>54,880</b>	<b>2,301</b>	<b>544,822</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 5. REVENUE (cont'd)

Group 2023	LPG RM'000	Power RM'000	Others RM'000	Total RM'000
Sale of LPG*	472,001	-	-	472,001
Sale of equipment	-	-	4,936	4,936
Maintenance services	-	-	6,756	6,756
Construction contracts	-	166	-	166
Others	-	168	443	611
	472,001	334	12,135	484,470
Timing of revenue recognition:				
- at a point in time	472,001	168	11,026	483,195
- over time	-	166	1,109	1,275
	472,001	334	12,135	484,470

\* Revenue represents the value of goods sold inclusive of government subsidies, net of applicable incentives and rebates.

The Company's revenue from contract with customers comprises management services to subsidiaries, which are recognised at the point in time as and when the services are rendered.

### 6. COST OF SALES

	Group	
	2024 RM'000	2023 RM'000
Cost of inventories sold	509,246	450,475
Cost of construction services	-	121
Cost of maintenance services	955	6,587
Others	3,938	1,728
	514,139	458,911

### 7. FINANCE INCOME

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Finance income from:				
- subsidiaries	-	-	-	81
- banks and other financial institutions	13,915	8,302	10,515	6,555
	13,915	8,302	10,515	6,636

## 8. FINANCE COSTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Finance costs on:				
- lease liabilities (Note 17)	62	90	24	24
- bank borrowings (Note 26)	535	69	-	-
- obligations under hire purchase (Note 26)	50	1	-	-
- advances from subsidiary	-	-	105	429
	<b>647</b>	160	<b>129</b>	453

## 9. PROFIT BEFORE ZAKAT AND TAXATION

The profit before zakat and taxation for continuing operations has been arrived at after charging the following expenses:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Employee benefits expense (a)	15,327	14,592	5,223	4,850
Depreciation of:				
- property, plant and equipment (Note 15)	13,827	12,228	450	480
- right-of-use assets (Note 17)	1,314	1,195	453	455
- investment properties (Note 16)	582	624	223	344
Forfeiture of cylinder deposits payables	4,804	-	-	-
Non-executive Directors' remuneration (Note 11)	683	670	588	610
Auditor's remuneration (Note 10)				
- current year	864	584	314	237
- under provision in prior year	15	50	-	-
Allowance for impairment:				
- trade and other receivables (Note 23)	156	223	-	18
- financial guarantee (Note 18(f))	-	-	-	4,880
- investments in subsidiaries (Note 18 (b))	-	-	-	3,683
- advance to subsidiaries (Note 18(c))	-	-	-	84
- amount due from subsidiaries (Note 22)	-	-	-	2
Investment property written off (Note 16)	-	225	-	-
Loss on fair value changes in investment in unquoted shares	-	107	-	107
Property, plant and equipment written off	153	93	-	-
Unrealised loss on foreign exchange	-	24	-	-
Loss on disposal of property, plant and equipment	10	-	-	-

(Details of material expenses charged for discontinued operations are disclosed in Note 13).

## NOTES TO THE FINANCIAL STATEMENTS

### 9. PROFIT BEFORE ZAKAT AND TAXATION (cont'd)

The financial statements, profit before zakat and taxation for continuing operations has been arrived at after crediting the following income:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Gain on fair value changes in investment in unquoted shares	<b>9,333</b>	13,409	<b>240</b>	-
Realised gain on short-term investments	<b>187</b>	2,867	-	2,867
Gain on disposal of assets classified as held for sale (Note 13)	<b>3,919</b>	910	<b>2,764</b>	-
Gain on disposal of property, plant and equipment	<b>150</b>	344	-	-
Gain on fair value changes of derivatives instruments	<b>59</b>	33	-	-
Gain on deconsolidation of a subsidiary (Note 18(d)(iv))	<b>1,597</b>	-	-	-
Unrealised gain on foreign exchange	<b>26</b>	-	-	-
Rental income	-	-	<b>278</b>	378
Reversal of impairment of:				
- trade and other receivables (Note 23)	<b>416</b>	3,205	-	-
- amount due from subsidiaries (Note 22)	-	-	<b>18</b>	3
- advances to subsidiaries (Note 18(c))	-	-	-	300

(Details of material income credited for discontinued operations are disclosed in Note 13).

#### (a) Employee Benefits Expenses

The employee benefit expenses for continuing operations are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Salaries, wages and bonuses	<b>12,643</b>	11,343	<b>4,537</b>	4,001
Contributions to defined contribution plans	<b>1,197</b>	1,188	<b>405</b>	442
Social security contributions	<b>127</b>	91	<b>23</b>	22
Other benefits	<b>1,360</b>	1,970	<b>258</b>	385
	<b>15,327</b>	14,592	<b>5,223</b>	4,850

The above also includes the Group's and the Company's Executive Director's remuneration amounting to RM3,055,000 and RM1,180,000 (2023: RM3,059,000 and RM1,051,000) respectively as disclosed in Note 11.

## 10. AUDITOR'S REMUNERATION

Details of auditor's remuneration are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Auditor's remuneration:				
Statutory audits				
- to the Company's auditors				
- current year*	<b>544</b>	380	<b>255</b>	175
- under provision in prior year	<b>15</b>	50	-	-
- to other firms of auditors	<b>112</b>	17	-	-
Other services				
- to the Company's auditors^	<b>240</b>	173	<b>52</b>	55
- to other firms of auditors	<b>33</b>	14	<b>7</b>	7
<b>Total auditor's remuneration</b>	<b>944</b>	634	<b>314</b>	237
- continuing operations	<b>879</b>	634	<b>314</b>	237
- discontinued operations	<b>65</b>	-	-	-
<b>Total auditor's remuneration</b>	<b>944</b>	634	<b>314</b>	237

\* Statutory audits in the current financial year incorporate year end financial audits that review, among other aspects, the purchase price allocation for acquisitions of subsidiaries and the accounting treatment of RCPS.

^ Fees for other services to the Company's auditors, Deloitte PLT and its other member firms in the year were incurred in relation to tax compliance and advisory services, transfer pricing documentations, agreed-upon procedures and review of Statement of Risk Management and Internal Control.

## NOTES TO THE FINANCIAL STATEMENTS

### 11. DIRECTORS' REMUNERATION

The details of remuneration for the Group's and the Company's Directors during the financial year are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Executive Director:				
Salaries and other emoluments	<b>2,730</b>	2,776	<b>1,054</b>	938
Defined contribution plans	<b>325</b>	283	<b>126</b>	113
Total Executive Director's remuneration excluding benefits-in-kind	<b>3,055</b>	3,059	<b>1,180</b>	1,051
Estimated money value of benefits-in-kind	<b>44</b>	43	<b>20</b>	23
	<b>3,099</b>	3,102	<b>1,200</b>	1,074
Non-executive Directors:				
Fees	<b>500</b>	497	<b>465</b>	497
Allowances	<b>183</b>	173	<b>123</b>	113
Total Non-executive Directors' remuneration excluding benefits-in-kind (Note 9)	<b>683</b>	670	<b>588</b>	610
Estimated money value of benefits-in-kind	<b>131</b>	115	<b>131</b>	115
	<b>814</b>	785	<b>719</b>	725
Total Directors' remuneration excluding benefits-in-kind	<b>3,738</b>	3,729	<b>1,768</b>	1,661
Estimated money value of benefits-in-kind	<b>175</b>	158	<b>151</b>	138
Total Directors' remuneration	<b>3,913</b>	3,887	<b>1,919</b>	1,799

## 12. TAXATION

### Major components of income tax expense

The major components of income tax expense for the year ended 30 June 2024 and year ended 30 June 2023 are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Continuing operations:				
Estimated income tax:				
- Current year	<b>10,683</b>	4,185	<b>547</b>	-
- Under provision in prior years	<b>53</b>	35	-	-
	<b>10,736</b>	4,220	<b>547</b>	-
Deferred tax (Note 27)				
- Origination of temporary differences	<b>(56)</b>	409	-	-
- Over provision in prior years	<b>(399)</b>	(60)	-	-
	<b>(455)</b>	349	-	-
<b>Total</b>	<b>10,281</b>	4,569	<b>547</b>	-
Tax expense for the year				
- continuing operations	<b>10,281</b>	4,569	<b>547</b>	-
- discontinued operations (Note 13)	<b>259</b>	-	-	-
	<b>10,540</b>	4,569	<b>547</b>	-

The numerical reconciliations of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Continuing operations:				
Profit before zakat and taxation	<b>45,423</b>	38,879	<b>15,485</b>	3,689
Tax expenses at the statutory tax rate of 24% (2023: 24%)	<b>10,902</b>	9,331	<b>3,716</b>	885
Income not subject to tax	<b>(4,790)</b>	(5,144)	<b>(3,271)</b>	(3,059)
Net effect of expenses not deductible for tax purposes	<b>4,054</b>	4,128	<b>1,468</b>	3,400
Effect on share of results of associate	-	737	-	-
Deferred tax assets not recognised during the financial year	<b>1,851</b>	228	-	-
Effect of utilisation of previously unrecognised tax losses and capital allowances	<b>(1,390)</b>	(4,686)	<b>(1,366)</b>	(1,226)
Under provision of tax expense in prior years	<b>53</b>	35	-	-
Over provision of deferred tax in prior years	<b>(399)</b>	(60)	-	-
<b>Tax expense for the year</b>	<b>10,281</b>	4,569	<b>547</b>	-

## NOTES TO THE FINANCIAL STATEMENTS

### 13. DISCONTINUED OPERATIONS AND ASSETS CLASSIFIED AS HELD FOR SALE

#### Discontinued operations

On 28 May 2024, the Board of Directors resolved to dispose of KUBS, a subsidiary involved in oil palm plantation business in Mukah, Sarawak. The Group has since initiated active discussions with a prospective buyer regarding the sale.

Accordingly, on 26 August 2024, the holding company of KUBS, KUBAH, entered into a share purchase agreement with Sinong Enterprise Sdn. Bhd. ('SESB') for the disposal of 70% equity interest comprising 4,550,000 ordinary shares in KUBS to SESB for a cash consideration of RM103,365,526.

The financial results of KUBS have been classified as a disposal group held for sale and presented separately in the statements of financial position. The proceeds from the sale are anticipated to exceed the carrying amount of KUBS and no impairment losses have been recorded upon its classification as held for sale.

The analysis of the results of the discontinued operations which have been included in the profit for the year, were as follows:

	<b>1.3.2024 to 30.6.2024 (4 months) RM'000</b>
Revenue	<b>6,092</b>
Cost of sales	<b>(4,444)</b>
Gross profit	<b>1,648</b>
Other income	<b>35</b>
Administrative expenses	<b>(330)</b>
Finance income	<b>291</b>
Finance costs	<b>(14)</b>
Other expenses	<b>(97)</b>
Profit before taxation from discontinued operations	<b>1,533</b>
Taxation	<b>(259)</b>
<b>Profit for the period from discontinued operations, net of tax</b>	<b>1,274</b>

The profit before taxation from discontinued operations is stated after charging/(crediting) the following:

	<b>1.3.2024 to 30.6.2024 (4 months) RM'000</b>
Employee benefits expense	<b>264</b>
Finance income	<b>(291)</b>
Finance costs on lease liabilities	<b>14</b>
Auditors' remuneration	<b>65</b>
Loss on fair value changes in biological assets	<b>66</b>

### 13. DISCONTINUED OPERATIONS AND ASSETS CLASSIFIED AS HELD FOR SALE (cont'd)

The major classes of assets and liabilities comprising the operations classified as held for sale are as follows:

	30.6.2024 RM'000
Goodwill	21,513
Property, plant and equipment	102,920
Right-of-use assets	711
Inventories	969
Biological assets	707
Trade and other receivables	1,268
Cash and bank balances	1,872
<b>Total assets classified as held for sale</b>	<b>129,960</b>
Trade and other payables	1,722
Lease liabilities	758
Tax liabilities	130
Deferred tax liabilities	19,068
<b>Total liabilities associated with assets classified as held for sale</b>	<b>21,678</b>
<b>Net assets of disposal group</b>	<b>108,282</b>

The net cash flows generated from/(used in) discontinued operation:

	1.3.2024 to 30.6.2024 (4 months) RM'000
Net cash flows generated from operating activities	531
Net cash used in investing activities	(348)
Net cash used in financing activities	(24,446)
<b>Net decrease in cash flows for the period</b>	<b>(24,263)</b>

#### Assets classified as held for sale in prior year

As at 30 June 2023, the assets classified as held for sale of the Group and of the Company was in respect of:

- (i) five (5) storey office building located in Kota Bharu, Kelantan for a sale consideration of RM2,500,000 and carrying value of RM1,192,000.
- (ii) two (2) office floors located at Oasis Square, Ara Damansara for a sale consideration totalling RM7,711,000 and carrying value of RM4,665,000.

The above sale of properties was completed in the current financial year with net gain on disposal after transaction costs for the Group and the Company amounting RM3,919,000 and RM2,764,000 respectively.

## NOTES TO THE FINANCIAL STATEMENTS

### 14. EARNINGS PER ORDINARY SHARE

Basic and diluted earnings per ordinary share is calculated by dividing earnings for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The following tables reflect the earnings and number of shares used in the computation of basic and diluted earnings per share for the year ended 30 June 2024 and year ended 30 June 2023:

	Group	
	2024 RM'000	2023 RM'000
Profit net of taxation attributable to owners of the Company used in the computation of basic and diluted earnings per share	<b>35,723</b>	33,811

	Group	
	2024 Unit	2023 Unit
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic earnings per share	<b>556,502</b>	556,465
Effect of dilutive potential ordinary shares - RCPS	<b>199,377</b>	-
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<b>755,879</b>	-

	2024 Sen	2023 Sen
<b>Earnings per share</b>		
Basic earnings per share attributable to the owners of the Company		
- continuing operations	<b>6.19</b>	6.08
- discontinued operations	<b>0.23</b>	-
	<b>6.42</b>	6.08
Diluted earnings per share attributable to the owners of the Company		
- continuing operations	<b>4.56</b>	-
- discontinued operations	<b>0.17</b>	-
	<b>4.73</b>	-

## 15. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Leasehold land RM'000	Factory and buildings RM'000	Bearer Plant RM'000	Plant, renovation, cylinders and equipment RM'000	Motor vehicles RM'000	Assets under construction RM'000	Total RM'000
<b>Cost</b>								
At 1 July 2023	332	27,472	22,769	-	171,987	1,018	1,520	225,098
Additions	-	-	765	-	4,977	13	3,013	8,768
Acquisition of subsidiaries	-	77,774	34,851	76,310	79,218	1,415	32	269,600
Disposals	-	-	(16)	-	(1,631)	-	-	(1,647)
Written off	-	-	(82)	-	(8,088)	(3)	-	(8,173)
Transfer to assets classified as held for sale (Note 13)	-	(63,252)	(12,593)	(76,310)	(2,530)	(366)	-	(155,051)
Reclassification	-	-	-	-	2,749	-	(2,749)	-
<b>At 30 June 2024</b>	<b>332</b>	<b>41,994</b>	<b>45,694</b>	<b>-</b>	<b>246,682</b>	<b>2,077</b>	<b>1,816</b>	<b>338,595</b>

## NOTES TO THE FINANCIAL STATEMENTS

## 15. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold land RM'000	Leasehold land RM'000	Factory and buildings RM'000	Bearer Plant RM'000	Plant, renovation, cylinders and equipment RM'000	Motor vehicles RM'000	Assets under construction RM'000	Total RM'000
<b>Accumulated depreciation and impairment</b>								
At 1 July 2023	-	6,980	9,736	-	108,989	988	522	127,215
Accumulated depreciation	-	22	9,736	-	108,873	988	-	119,619
Accumulated impairment losses	-	6,958	-	-	116	-	522	7,596
Acquisition of subsidiaries	-	5,128	8,512	42,971	70,102	1,078	-	127,791
Depreciation charged for the year (Note 9)	-	338	1,019	-	12,369	101	-	13,827
Disposals	-	-	-	-	(1,359)	-	-	(1,367)
- depreciation	-	-	(8)	-	(25)	-	-	(25)
- impairment	-	-	(7)	-	(8,010)	(3)	-	(8,020)
Written off	-	-	-	-	-	-	-	-
Transfer to assets classified as held for sale (Note 13)	-	(4,605)	(2,255)	(42,971)	(1,966)	(334)	-	(52,131)
At 30 June 2024	-	883	16,997	-	180,009	1,830	-	199,719
Accumulated depreciation	-	6,958	-	-	91	-	522	7,571
Accumulated impairment losses	-	7,841	16,997	-	180,100	1,830	522	207,290
<b>Net carrying amount</b>	<b>332</b>	<b>34,153</b>	<b>28,697</b>	<b>-</b>	<b>66,582</b>	<b>247</b>	<b>1,294</b>	<b>131,305</b>
<b>At 30 June 2024</b>								

## 15. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold land RM'000	Leasehold land RM'000	Factory and buildings RM'000	Plant, renovation, cylinders and equipment RM'000	Motor vehicles RM'000	Assets under construction RM'000	Total RM'000
<b>Cost</b>							
At 1 July 2022	332	25,982	26,174	163,870	1,493	1,164	219,015
Additions	-	1,490	460	10,881	-	1,950	14,781
Disposals	-	-	-	(1,503)	(475)	-	(1,978)
Written off	-	-	-	(2,855)	-	-	(2,855)
Reclassification	-	-	-	1,594	-	(1,594)	-
Transfer to investment property (Note 16)	-	-	(3,865)	-	-	-	(3,865)
At 30 June 2023	332	27,472	22,769	171,987	1,018	1,520	225,098

## NOTES TO THE FINANCIAL STATEMENTS

## 15. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold land RM'000	Leasehold land RM'000	Factory and buildings RM'000	Plant, renovation, cylinders and equipment RM'000	Motor vehicles RM'000	Assets under construction RM'000	Total RM'000
<b>Accumulated depreciation and impairment</b>							
At 1 July 2022							
Accumulated depreciation	-	-	9,728	101,786	1,409	-	112,923
Accumulated impairment losses	-	6,958	-	116	-	522	7,596
Depreciation charged for the year (Note 9)	-	6,958	9,728	101,902	1,409	522	120,519
Disposals	-	22	818	11,334	54	-	12,228
Written off	-	-	-	(1,485)	(475)	-	(1,960)
Transfer to investment property (Note 16)	-	-	-	(2,762)	-	-	(2,762)
	-	-	(810)	-	-	-	(810)
At 30 June 2023							
Accumulated depreciation	-	22	9,736	108,873	988	-	119,619
Accumulated impairment losses	-	6,958	-	116	-	522	7,596
	-	6,980	9,736	108,989	988	522	127,215
<b>Net carrying amount</b>							
At 30 June 2023	332	20,492	13,033	62,998	30	998	97,883

**15. PROPERTY, PLANT AND EQUIPMENT** (cont'd)

Company	Office renovation and equipment RM'000	Motor vehicles RM'000	Total RM'000
<b>Cost</b>			
At 1 July 2023	6,718	468	7,186
Additions	130	-	130
Disposal	(519)	-	(519)
<b>At 30 June 2024</b>	<b>6,329</b>	<b>468</b>	<b>6,797</b>
<b>Accumulated depreciation and impairment</b>			
At 1 July 2023			
Accumulated depreciation	5,399	468	5,867
Accumulated impairment losses	116	-	116
	5,515	468	5,983
Depreciation charged for the year (Note 9)	450	-	450
Disposal - depreciation	(494)	-	(494)
Disposal - impairment	(25)	-	(25)
At 30 June 2024			
Accumulated depreciation	5,355	468	5,823
Accumulated impairment losses	91	-	91
	5,446	468	5,914
<b>Net carrying amount</b>			
<b>At 30 June 2024</b>	<b>883</b>	<b>-</b>	<b>883</b>
<b>Cost</b>			
At 1 July 2022	6,659	468	7,127
Additions	59	-	59
At 30 June 2023	6,718	468	7,186
<b>Accumulated depreciation and impairment</b>			
At 1 July 2022			
Accumulated depreciation	4,919	468	5,387
Accumulated impairment losses	116	-	116
	5,035	468	5,503
Depreciation charged for the year (Note 9)	480	-	480
At 30 June 2023			
Accumulated depreciation	5,399	468	5,867
Accumulated impairment losses	116	-	116
	5,515	468	5,983
<b>Net carrying amount</b>			
<b>At 30 June 2023</b>	<b>1,203</b>	<b>-</b>	<b>1,203</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 15. PROPERTY, PLANT AND EQUIPMENT (cont'd)

#### Assets under construction

Assets under construction of the Group for the current financial year includes office renovation and installation of new machine amounting to RM1,229,000 and RM65,000 respectively.

Assets under construction of the Group for the previous financial year include costs in relation to an automated pallet system and corporate performance executive dashboard amounting to RM878,000 and RM120,000 respectively.

#### Assets pledged as security

As at 30 June 2024, the freehold land, factory and buildings of the Group with a total carrying amount of RM103,215,000 (2023: RM75,679,000) are pledged to the banks as security for borrowings as disclosed in Note 26.

### 16. INVESTMENT PROPERTIES

Group	Freehold land and buildings RM'000	Leasehold land and buildings RM'000	Total RM'000
<b>Cost</b>			
At 1 July 2023	23,647	870	24,517
Acquisition of a subsidiary	17,267	-	17,267
Addition	22	-	22
<b>At 30 June 2024</b>	<b>40,936</b>	<b>870</b>	<b>41,806</b>
<b>Accumulated depreciation</b>			
At 1 July 2023	13,219	231	13,450
Acquisition of a subsidiary	763	-	763
Depreciation charged for the year (Note 9)	530	52	582
<b>At 30 June 2024</b>	<b>14,512</b>	<b>283</b>	<b>14,795</b>
<b>Net carrying amount</b>			
<b>At 30 June 2024</b>	<b>26,424</b>	<b>587</b>	<b>27,011</b>
<b>Fair value</b>	<b>39,600</b>	<b>4,300</b>	<b>43,900</b>

**16. INVESTMENT PROPERTIES** (cont'd)

<b>Group</b>	<b>Freehold land and buildings RM'000</b>	<b>Leasehold land and buildings RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>			
At 1 July 2022	25,836	2,595	28,431
Written off	-	(225)	(225)
Transfer from property, plant and equipment (Note 15)	3,865	-	3,865
Transfer to assets classified as held for sale (Note 13)	(6,054)	(1,500)	(7,554)
At 30 June 2023	23,647	870	24,517
<b>Accumulated depreciation</b>			
At 1 July 2022	13,207	506	13,713
Depreciation charged for the year (Note 9)	591	33	624
Transfer from property, plant and equipment (Note 15)	810	-	810
Transfer to assets classified as held for sale (Note 13)	(1,389)	(308)	(1,697)
At 30 June 2023	13,219	231	13,450
<b>Net carrying amount</b>			
At 30 June 2023	10,428	639	11,067
<b>Fair value</b>			
	23,740	4,200	27,940
<b>Company</b>			
<b>Cost</b>			<b>Freehold buildings RM'000</b>
At 1 July 2023/30 June 2024			<b>11,163</b>
<b>Accumulated depreciation</b>			
At 1 July 2023			2,128
Depreciation charged for the year (Note 9)			223
<b>At 30 June 2024</b>			<b>2,351</b>
<b>Net carrying amount</b>			
<b>At 30 June 2024</b>			<b>8,812</b>
<b>Fair value</b>			
			<b>15,040</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 16. INVESTMENT PROPERTIES (cont'd)

Company	Freehold buildings RM'000
<b>Cost</b>	
At 1 July 2022	17,217
Transfer to assets classified as held for sale (Note 13)	(6,054)
30 June 2023	11,163
<b>Accumulated depreciation</b>	
At 1 July 2022	3,173
Depreciation charged for the year (Note 9)	344
Transfer to assets classified as held for sale (Note 13)	(1,389)
At 30 June 2023	2,128
<b>Net carrying amount</b>	
At 30 June 2023	9,035
<b>Fair value</b>	16,150

The following were recognised in profit or loss in respect of investment properties:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Rental income	1,699	1,799	278	378
Direct operating expenses	1,295	1,317	35	72

#### Valuation of investment properties

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Fair value measurement using significant unobservable inputs (Level 3)</b>				
Fair value of investment properties	43,900	27,940	15,040	16,150

The fair values of the investment properties are based on a valuation carried out by accredited independent professional valuers who have appropriate professional qualifications and recent experience in the relevant location and assets being valued. The fair value was determined using comparison method that reflects recent transaction prices involving identical or similar property and location adjusted, if necessary, for any difference in the nature, site facilities, size and shapes, accessibility, infrastructures available, improvements made on the site, rental income, occupancy rate, operating costs and condition of the specific assets.

#### Investment properties pledged as security

Freehold buildings of the Group with net carrying amount of RM7,600,000 (2023: Group RM5,994,000 and Company RM9,035,000) respectively, are pledged as security for borrowings as disclosed in Note 26.

## 17. LEASES

### (i) As lessee

#### Right-of-use assets

Group	Land premises RM'000	Equipment RM'000	Office premise RM'000	Total RM'000
<b>Cost</b>				
At 1 July 2023	4,254	433	1,365	6,052
Additions	-	182	1,343	1,525
Acquisition of subsidiaries	-	1,777	-	1,777
Derecognition	-	-	(1,365)	(1,365)
Transfer to assets classified as held for sale (Note 13)	-	(1,578)	-	(1,578)
<b>At 30 June 2024</b>	<b>4,254</b>	<b>814</b>	<b>1,343</b>	<b>6,411</b>
<b>Accumulated depreciation</b>				
At 1 July 2023	2,962	305	1,062	4,329
Depreciation charged for the year (Note 9)	658	204	452	1,314
Acquisition of subsidiaries	-	875	-	875
Derecognition	-	-	(1,365)	(1,365)
Transfer to assets classified as held for sale (Note 13)	-	(867)	-	(867)
<b>At 30 June 2024</b>	<b>3,620</b>	<b>517</b>	<b>149</b>	<b>4,286</b>
<b>Net carrying amount</b>				
<b>At 30 June 2024</b>	<b>634</b>	<b>297</b>	<b>1,194</b>	<b>2,125</b>
<b>Cost</b>				
At 1 July 2022	4,254	309	1,365	5,928
Additions	-	124	-	124
At 30 June 2023	4,254	433	1,365	6,052
<b>Accumulated depreciation</b>				
At 1 July 2022	2,304	223	607	3,134
Depreciation charged for the year (Note 9)	658	82	455	1,195
At 30 June 2023	2,962	305	1,062	4,329
<b>Net carrying amount</b>				
At 30 June 2023	1,292	128	303	1,723

The Group leases its office premise, forklifts for 3 years (2023: 3 years), factory equipment for 6 years (2023: Nil) and two plots of land to operate two of its bottling plants, where the lease term is 5 years and 15 years (2023: 5 years and 15 years), respectively. One of the bottling plants leases was paid upfront for 15 years since the date of acquisition and with an option to renew the lease after that date. With the exception of short-term leases and leases of low value of underlying assets, each lease is reflected on the statements of financial position as a right-of-use asset and a lease liability.

## NOTES TO THE FINANCIAL STATEMENTS

## 17. LEASES (cont'd)

## (i) As lessee (cont'd)

## Right-of-use assets (cont'd)

Company	Office premise RM'000
<b>Cost</b>	
At 1 July 2023	1,365
Additions	1,343
Derecognition	(1,365)
<b>At 30 June 2024</b>	<b>1,343</b>
<b>Accumulated depreciation</b>	
At 1 July 2023	1,061
Depreciation charged for the year (Note 9)	453
Derecognition	(1,365)
<b>At 30 June 2024</b>	<b>149</b>
<b>Net carrying amount</b>	
<b>At 30 June 2024</b>	<b>1,194</b>
<b>Cost</b>	
At 1 July 2022/At 30 June 2023	1,365
<b>Accumulated depreciation</b>	
At 1 July 2022	606
Depreciation charged for the year (Note 9)	455
At 30 June 2023	1,061
<b>Net carrying amount</b>	
At 30 June 2023	304

The Company entered into a lease agreement for the rental of office premise with lease term of 3 years.

**17. LEASES** (cont'd)**(i) As lessee** (cont'd)**Lease liabilities**

<b>Group</b>	<b>Land premises RM'000</b>	<b>Equipment RM'000</b>	<b>Office premise RM'000</b>	<b>Total RM'000</b>
At 1 July 2023	814	133	348	1,295
Additions	-	182	1,343	1,525
Acquisition of subsidiaries	-	1,092	-	1,092
Finance costs (Note 8)				
- continuing operations	25	13	24	62
- discontinued operations	-	14	-	14
Repayments of lease liabilities	(694)	(347)	(488)	(1,529)
Repayments of finance costs	(25)	(27)	(24)	(76)
Transfer to liabilities associated with assets held for sale (Note 13)	-	(758)	-	(758)
<b>At 30 June 2024</b>	<b>120</b>	<b>302</b>	<b>1,203</b>	<b>1,625</b>
At 1 July 2022	1,474	87	819	2,380
Additions	-	124	-	124
Finance costs (Note 8)	59	7	24	90
Repayments of lease liabilities	(660)	(78)	(471)	(1,209)
Repayments of finance costs	(59)	(7)	(24)	(90)
At 30 June 2023	814	133	348	1,295

There were no lease liabilities in relation to one of the bottling plants amounting to RM535,000 (2023: RM595,000) which were paid upfront for 15 years.

The maturity analysis of the lease liabilities is presented below:

<b>Group 2024</b>	<b>Land premises RM'000</b>	<b>Equipment RM'000</b>	<b>Office premise RM'000</b>	<b>Total RM'000</b>
Year 1	120	136	478	734
Year 2	-	92	478	570
Year 3	-	73	319	392
Year 4	-	19	-	19
Year 5	-	5	-	5
	120	325	1,275	1,720
Less: unearned interest	-	(23)	(72)	(95)
	120	302	1,203	1,625
<b>2023</b>				
Year 1	719	92	353	1,164
Year 2	120	44	-	164
Year 3	-	4	-	4
	839	140	353	1,332
Less: unearned interest	(25)	(7)	(5)	(37)
	814	133	348	1,295

## NOTES TO THE FINANCIAL STATEMENTS

### 17. LEASES (cont'd)

#### (i) As lessee (cont'd)

##### Lease liabilities (cont'd)

The maturity analysis of the lease liabilities is presented below (cont'd):

Group 2024	Land premises RM'000	Equipment RM'000	Office premise RM'000	Total RM'000
Less than one year	120	117	434	671
Between 1 year and 5 years	-	185	769	954
	<b>120</b>	<b>302</b>	<b>1,203</b>	<b>1,625</b>
<b>2023</b>				
Less than one year	677	89	348	1,114
Between 1 year and 5 years	137	44	-	181
	<b>814</b>	<b>133</b>	<b>348</b>	<b>1,295</b>

Amounts recognised in profit or loss are as follows:

	Group	
	2024 RM'000	2023 RM'000
<b>Leases under MFRS 16</b>		
Depreciation expense on right-of-use assets	1,314	1,195
Interest expense on lease liabilities	76	90
Expense relating to leases of low value assets	153	147

Amounts recognised in the statements of cash flows are as follows:

	Group	
	2024 RM'000	2023 RM'000
Total cash outflow for leases	1,605	1,299

##### Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract year. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

**17. LEASES** (cont'd)**(i) As lessee** (cont'd)**Extension options** (cont'd)

The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liabilities of RM1,981,000 (2023: RM2,131,000).

<b>Company</b>	<b>Office premise</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
At beginning of year	<b>349</b>	820
Additions	<b>1,343</b>	-
Finance costs (Note 8)	<b>24</b>	24
Repayments of finance cost	<b>(24)</b>	(24)
Repayments of lease liabilities	<b>(489)</b>	(471)
At end of year	<b>1,203</b>	349

The maturity analysis of the lease liabilities is presented below:

<b>Company</b>	<b>Office premise</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Year 1	<b>478</b>	354
Year 2	<b>478</b>	-
Year 3	<b>318</b>	-
	<b>1,274</b>	354
Less: unearned interest	<b>(71)</b>	(5)
	<b>1,203</b>	349
Less than one year	<b>434</b>	349
Between 1 year and 3 years	<b>769</b>	-
	<b>1,203</b>	349

Amounts recognised in profit or loss are as follows:

	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Leases under MFRS 16</b>		
Depreciation expense on right-of-use assets	<b>453</b>	455
Interest expense on lease liabilities	<b>24</b>	24

Amounts recognised in the statements of cash flows are as follows:

	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Total cash outflow for leases	<b>513</b>	495

## NOTES TO THE FINANCIAL STATEMENTS

### 17. LEASES (cont'd)

#### (ii) As lessor

##### Finance lease receivables

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the end of the reporting period.

	Group	
	2024 RM'000	2023 RM'000
<b>Amounts receivable under finance leases:</b>		
Year 1	90	473
Year 2	4	90
Year 3	-	4
Undiscounted lease receivables	94	567
Unguaranteed residual values	647	647
	741	1,214
Less: Unearned finance lease income	(30)	(257)
Present value of lease payment receivables	711	957
Net investment in the lease	711	957
<b>Undiscounted lease receivables analysed as:</b>		
Recoverable within 12 months	90	473
Recoverable after 12 months	4	94
	94	567
<b>Net investment in the lease analysed as:</b>		
Recoverable within 12 months	60	245
Recoverable after 12 months	651	712
	711	957

The following table presents the movements in the net investment in lease receivables:

	Group	
	2024 RM'000	2023 RM'000
At beginning of year	957	1,150
Finance lease income recognised (Note 5)	227	280
Repayments of finance lease receivables	(473)	(473)
At end of year	711	957

**17. LEASES** (cont'd)**(ii) As lessor** (cont'd)**Finance lease receivables** (cont'd)

The Group entered into a business arrangement for the supply of LPG via bulk tank system with the average term of 5 years.

The LPG is to be delivered and stored in the bulk tank system located at customers' location. The Group has classified this as part of finance lease considering that physical access to the bulk tank system is controlled by the customer. Generally, these lease contracts do not include extension or early termination options.

The Group estimates the loss allowance on finance lease receivables at the end of the reporting period at an amount equal to lifetime ECL. None of the finance lease receivables at the end of the reporting period is past due and taking into account the historical default experience and the future prospects of the industries in which the lessees operate, the Group has determined that none of the finance lease receivables are impaired.

There has been no change in the estimation techniques or significant assumptions made during the current financial year in assessing the loss allowance for finance lease receivables.

**Operating lease**

The Group has entered into commercial property leases on its properties. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. These leases have an average tenure of between one and three years.

Rental income recognised in profit or loss of the Group for the current financial year are as follows:

	Group	
	2024	2023
	RM'000	RM'000
Rental income arising from:		
- Investment properties (Note 16)	1,699	1,799
- Tower infrastructure	2,484	1,684
	<b>4,183</b>	3,483

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the end of the reporting period.

Future minimum lease receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2024	2023
	RM'000	RM'000
Less than one year	1,593	554
Between one and five years	2,075	106
	<b>3,668</b>	660

## NOTES TO THE FINANCIAL STATEMENTS

### 18. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024 RM'000	2023 RM'000
Unquoted shares, at cost (a)	<b>358,687</b>	221,867
Less: Accumulated impairment losses (b)	<b>(69,153)</b>	(70,153)
	<b>289,534</b>	151,714
Advances to subsidiaries (c)	<b>88,037</b>	30,387
Less: Accumulated impairment losses	<b>(2,485)</b>	(2,485)
	<b>85,552</b>	27,902
Financial guarantees (f)	<b>9,616</b>	9,616
Less: Accumulated impairment losses	<b>(7,993)</b>	(7,993)
	<b>1,623</b>	1,623
	<b>376,709</b>	181,239

A list of the subsidiaries is shown in Note 40.

(a) Movement of cost of unquoted shares are as follows:

	Company	
	2024 RM'000	2023 RM'000
At beginning of year	<b>221,867</b>	225,769
Acquisition of a subsidiary (Note 18(d)(i))	<b>137,820</b>	-
Addition for the year (Note 18(e)(i) and (ii))	-	30,998
Capital repayment by a subsidiary (Note 18(e)(ii) and (iii))	-	(34,900)
Write-off of investments in subsidiaries (Note 18(d)(iii))	<b>(1,000)</b>	-
At end of year	<b>358,687</b>	221,867

(b) Movement in impairment account for unquoted shares are as follows:

	Company	
	2024 RM'000	2023 RM'000
At beginning of year	<b>70,153</b>	66,470
Charged for the year (Note 9)	-	3,683
Write-off of investments in subsidiaries (Note 18(d)(iii))	<b>(1,000)</b>	-
At end of year	<b>69,153</b>	70,153

## 18. INVESTMENTS IN SUBSIDIARIES (cont'd)

### (c) Advances to subsidiaries

The advances to subsidiaries have no fixed tenure and the Company does not expect repayment in the foreseeable future. Accordingly, the balances have been classified as part of investments in subsidiaries.

Movement in advances to subsidiaries are as follows:

	Company	
	2024 RM'000	2023 RM'000
At beginning of year	30,387	20,131
Addition for the year	60,516	29,594
Transfer (to)/from amount due from subsidiaries	(2,866)	2,571
Capitalised during the year (Note 18(e)(i))	-	(21,598)
Repayment for the year	-	(300)
Write-off of advances during the year	-	(11)
At end of year	<b>88,037</b>	30,387

Included in the addition to the Company's advances to subsidiaries in current financial year is advances to KUBAH for the purchase of remaining equity in KUBS amounting to RM60,000,000 as disclosed in Note 18(d)(ii).

In the previous financial year, the Company received a debt novation from KUB Gas Terminal Sdn. Bhd. amounting to RM27,425,000.

Movement in impairment account for advances to subsidiaries are as follows:

	Company	
	2024 RM'000	2023 RM'000
At beginning of year	2,485	-
Charged for the year (Note 9)	-	84
Transfer from amount due from subsidiaries (Note 22)	-	2,712
Reversal of impairment on advances to subsidiaries (Note 9)	-	(300)
Write-off of advances during the year	-	(11)
At end of year	<b>2,485</b>	2,485

### (d) Transactions during the financial year

#### Acquisition of subsidiaries

##### (i) Central Cables Berhad and its subsidiaries ('CCB')

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 CCB, 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 ('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 share to the issuance of 199,035,059 new RCPS at an issue price of RM0.60 per RCPS. The said Acquisition was completed on 28 February 2024 and the principal activity of CCB is manufacturing of cables and wires.

## NOTES TO THE FINANCIAL STATEMENTS

### 18. INVESTMENTS IN SUBSIDIARIES (cont'd)

(d) Transactions during the financial year (cont'd)

Acquisition of subsidiaries (cont'd)

(i) **Central Cables Berhad and its subsidiaries ('CCB')** (cont'd)

Table below summarised the assets acquired on 29 February 2024 and liabilities assumed at the date of the Company's obtaining control over CCB:

	Total fair value RM'000
Property, plant and equipment	39,528
Investment properties	16,504
Right-of-use assets	87
Inventories	35,708
Trade and other receivables	26,977
Short-term investments	13,388
Cash and bank balances	39,388
Borrowings	(46,252)
Lease liabilities	(91)
Trade and other payables	(19,464)
Deferred tax liabilities	(8,178)
<b>Fair value of identifiable net assets acquired</b>	<b>97,595</b>
Intangible assets representing:	
Trademark	17,668
Customer relationship	5,725
Deferred tax liability arising from intangible assets	(5,614)
Goodwill arising from acquisition	19,449
Non-controlling interests 13.35%	(15,402)
<b>Total consideration through issuance of RCPS</b>	<b>119,421</b>
Effects of acquisition on cash flows:	
	RM'000
Purchase consideration	119,421
Less : Non-cash consideration	(119,421)
Consideration paid in cash	-
Less : Cash and cash equivalents of a subsidiary acquired	(39,388)
<b>Net cash inflows in acquisition</b>	<b>(39,388)</b>

Subsequent to the above, the Company acquired the remaining 13.35% shares in CCB through an unconditional mandatory take-over offer pursuant to Rules on Take-overs, Mergers and Compulsory Acquisitions of the Securities Commission Malaysia via issuance of 795,272 RCPS and cash equivalent to RM477,163 and RM17,921,472 respectively. Following this, CCB became a wholly owned subsidiary of the Company on 24 June 2024.

## 18. INVESTMENTS IN SUBSIDIARIES (cont'd)

(d) Transactions during the financial year (cont'd)

(ii) **KUB Sepadu Sdn. Bhd. ('KUBS')**

On 15 June 2022, the Court granted a winding-up order filed by the minority shareholders against a subsidiary of the Group namely KUBS and liquidators were subsequently appointed. Following this, the Group had lost control over KUBS and KUBS's financial position had been deconsolidated from the Group on 15 June 2022.

The Group subsequently had determined that it had significant influence over KUBS by virtue of the following:

- 60% investment in KUBS was still retained;
- Power to participate in the financial and operating decision making of KUBS including provision of essential technical information through the key management personnel from the Group; and
- KUBS was dependent on the Group for the continued existence of business through its manpower sharing arrangements.

The Group had therefore classified KUBS as its associate and the financial results subsequent to 15 June 2022 were incorporated in the financial statements using the equity method of accounting. The Group reported RM3,069,000 of share of profit from KUBS during the prior period.

On 16 November 2022, the liquidators officially took over the operational matters of KUBS. As a result, the Group lost significant influence over KUBS and KUBS has accordingly ceased to be an associate of the Group. The Group has therefore classified the investment in KUBS as a financial asset measured at FVTPL as detailed out in Note 20. The fair value of the investment as at 30 June 2023 was RM62,278,000.

However, as further disclosed in Note 34(c)(i), the parties had 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.

On 1 March 2024, as part of a settlement arrangement, KUBAH, 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 minority shareholders ie. Medan Sepadu Sdn. Bhd. and Lembaga Amanah Kebajikan Kaum Melanau Sarawak for a total cash consideration of RM60,000,000.

As a result, the Group has now resumed full control over KUBS, making it a wholly owned subsidiary of KUBAH with effect from 1 March 2024.

## NOTES TO THE FINANCIAL STATEMENTS

### 18. INVESTMENTS IN SUBSIDIARIES (cont'd)

(d) Transactions during the financial year (cont'd)

(ii) **KUB Sepadu Sdn. Bhd. ('KUBS')** (cont'd)

Table below summarised the fair value of the assets acquired and liabilities assumed at the date of the Group's resumed control over KUBS on 1 March 2024:

	<b>Total fair value RM'000</b>
Property, plant and equipment	<b>102,281</b>
Right-of-use assets	<b>815</b>
Inventories	<b>830</b>
Biological assets	<b>773</b>
Trade and other receivables	<b>117</b>
Cash and bank balances	<b>26,136</b>
Trade and other payables	<b>(760)</b>
Tax payables	<b>(305)</b>
Lease liabilities	<b>(1,001)</b>
Deferred tax liabilities	<b>(19,028)</b>
Fair value of identifiable net assets acquired	<b>109,858</b>
Goodwill arising from acquisition	<b>21,513</b>
<b>Total purchase consideration</b>	<b>131,371</b>

Effects of acquisition on cash flows:

	<b>RM'000</b>
Purchase consideration	<b>131,371</b>
Less : Non-cash consideration (Note 20(b))	<b>(71,371)</b>
Consideration paid in cash	<b>60,000</b>
Less : Cash and cash equivalents of a subsidiary acquired	<b>(26,136)</b>
<b>Net cash outflows in acquisition</b>	<b>33,864</b>

(iii) Strike off of a dormant subsidiary

The Company's wholly owned subsidiary, namely Perbiba Sdn. Bhd. ('Perbiba') had been struck off on 10 August 2023 from the register pursuant to Section 550 of the Companies Act 2016 and was accordingly dissolved. Following this, the investment in Perbiba amounting to RM1,000,000 which was fully impaired in previous years had been written off by the Company in 2024. The striking off has no impact to the Group financial result in the current financial year.

(iv) Member's voluntary winding-up

During the financial year, KUB Microelectronics Sdn. Bhd. ('KUB Micro'), a subsidiary of KUB Ekuiti Sdn. Bhd. ('KUBE'), had resolved by way of a member's voluntary winding-up at its respective general meeting held on 10 October 2023 pursuant to Section 439(1)(b) of the Companies Act 2016. This has resulted in a gain of RM1,597,000 upon deconsolidation.

The investment in KUB Micro amounting to RM1,907,000 which was fully impaired in previous years had been written off by the Group during the year.

## 18. INVESTMENTS IN SUBSIDIARIES (cont'd)

### (e) Transactions during the previous financial year

The Group completed an internal restructuring exercise as part of its initiative to streamline the existing Group's corporate structure in the previous financial year. The internal restructuring included the following exercises:

- (i) Increase in investment in KUBE amounting to RM21,598,000 by capitalising the advances made to the said subsidiary;
- (ii) Capital reduction in KUBE by way of capital repayment in specie to the Company, via transfer of shares held by KUBE in KUB Telekomunikasi Sdn. Bhd. and KUB Power Sdn. Bhd. amounting to RM5,400,000 and RM4,000,000 respectively; and
- (iii) Capital reduction in KUBE by way of capital repayment in specie to the Company via settlement of advances amounting to RM25,500,000.

### (f) Financial guarantees

This amount relates to fair value of corporate guarantee provided by the Company to banks for banking facilities granted to subsidiaries in prior years and which have been capitalised as part of the investment in these subsidiary companies.

Movement in impairment account for financial guarantee to subsidiaries are as follows:

	Company	
	2024 RM'000	2023 RM'000
At beginning of year	7,993	3,113
Charged for the year (Note 9)	-	4,880
At end of year	7,993	7,993

## 19. INTANGIBLE ASSETS

Group	Goodwill RM'000	Customer relationships RM'000	Trademark RM'000	Total RM'000
As at 1 July	-	-	-	-
Acquisition of subsidiaries (Note 18(d)(i) and (ii))	40,962	5,725	17,668	64,355
Transfer to assets classified as held for sale	(21,513)	-	-	(21,513)
At end of year	19,449	5,725	17,668	42,842

The intangible assets represents the excess of the purchase consideration over the value of the identifiable assets and liabilities recognised upon the acquisition of CCB as disclosed in Note 18(d)(i).

## NOTES TO THE FINANCIAL STATEMENTS

### 19. INTANGIBLE ASSETS (cont'd)

The recoverable amount of the intangible assets is determined based on 'value-in-use' using the discounted Free Cash Flow to Equity ('FCFE') approach. This method involves discounting future cash flows expected to be generated by the cables and wires manufacturing business at a specified discount rate to derive at the valuation of the CGU. The following key assumptions are used:

- (i) Revenue growth of 5.5% year-on-year for power cables product.
- (ii) A discount rate derived using the Capital Asset Pricing Model ('CAPM') at 13.0% net of tax, incorporating the median net/debt equity ratio of the similar companies and a risk-free rate based on the yield of 10-year Malaysian Government Securities ('MGS').
- (iii) The terminal value is computed based on the projected FCFE for the year ending up to 2029, with a terminal growth rate of 2%, taking into consideration the external factors that may directly or indirectly affect the business of the CGU.

The Group has conducted an analysis on the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for the CGUs to which intangible assets is allocated. The Directors believe that any reasonably change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amounts of the CGUs.

### 20. OTHER INVESTMENTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Investments in financial assets				
- Investments in equity instruments designated as FVTOCI				
- quoted shares in Malaysia (Note (a))	<b>4,113</b>	3,320	<b>4,113</b>	3,320
- Investments in equity instruments designated as FVTPL				
- unquoted shares (Note (b) and (c))	<b>1,673</b>	63,711	<b>1,673</b>	1,433
Corporate golf club membership, unquoted (Note (d))	<b>150</b>	95	-	-
<b>Total other investments</b>	<b>5,936</b>	67,126	<b>5,786</b>	4,753

- (a) The investments in quoted shares are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the Company has elected to designate these investments in equity instruments as at FVTOCI as recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

## 20. OTHER INVESTMENTS (cont'd)

- (b) In previous financial year, the Group has classified its investment in former associate namely KUBS as investments in equity instruments designated as FVTPL following the loss of the Group's significant influence over KUBS on 16 November 2022. The fair value of the investment in KUBS as at 30 June 2023 of RM62,278,000 was determined based on adjusted net assets value with the following assumptions:

Valuation technique and key input	Significant unobservable input
<p><b>Adjusted net assets value (Cost approach)</b></p> <p>This approach involves discounting the net proceeds from liquidating the company's assets and paying off its liabilities to determine the residual value of the company.</p>	<ul style="list-style-type: none"> <li>(i) The market value of the two (2) oil palm plantations was based on a valuation carried out by an accredited independent valuer with experience in the location and categories of properties being valued. The fair value was determined primarily based on comparison methods that reflects transaction prices involving sales of comparable estate lands near proximity of KUBS' oil palm plantations, adjusted to reflect differences in location, site facilities, lot size and structure.</li> <li>(ii) The assets value was further adjusted to factor in the expected recovery from the cash and bank balances as well as the cost of liquidation such as liquidators' fee and other costs associated with disposal of the assets such as real property gains tax ('RPGT') and broker's fees.</li> <li>(iii) Discount rate based on average lending rate by Bank Negara Malaysia ('BNM') of 4.72% (as of 15 November 2022) and 5.44% (as of 30 June 2023) used to the above adjusted net assets value assuming the winding-up order will be completed in an orderly process within two (2) years.</li> <li>(iv) Reconstructed management accounts of KUBS as of 15 November 2022 and 30 June 2023 used in the fair value computations, based on the Liquidators' Accounts of Receipts and Payments and Statements of the Position in the winding-up from 15 June 2022 to 14 December 2022 and 15 December 2022 to 14 June 2023 submitted to Suruhanjaya Syarikat Malaysia ('SSM'), plus estimated income and expenses based on management's knowledge of KUBS' regular monthly transactions for the period from 15 June 2023 to 30 June 2023.</li> <li>(v) All estimated cash inflows and outflows from the operations between 15 June 2023 and 30 June 2023 were reflected in the movement of cash balances without any withdrawal of the company's fixed deposits. As per Liquidators' Accounts of Receipts and Payments and Statements of the Position in the winding-up, the fixed deposits balance as at 14 June 2023 was RM28 million.</li> <li>(vi) Inventory and receivable balances have been assumed to be zero as the management expects the inventories to be consumed instead of sold, and receivables to be irrecoverable.</li> </ul>

As disclosed in Note 18(d)(ii), the Group had resumed control over KUBS and the fair value of investment in KUBS is reassessed prior to reclassification from investments in equity instruments designated as FVTPL - unquoted shares to investment in subsidiary.

## NOTES TO THE FINANCIAL STATEMENTS

### 20. OTHER INVESTMENTS (cont'd)

The movement of the fair value of investment in KUBS is as follows:

	Group	
	2024 RM'000	2023 RM'000
Fair value of investment as at 1 July/at initial recognition	<b>62,278</b>	48,869
Gain on fair value recognised during the year	<b>9,093</b>	13,409
Fair value of investment in KUBS after revaluation assessment	<b>71,371</b>	62,278

The fair value of RM71,371,000 was determined using the adjusted net assets value approach (cost approach), similar to the method described above. The increase in fair value of RM9,093,000 was after taking into consideration the following:

- (i) Higher market value of the two (2) oil palm plantations performed by the independent valuer less associated costs to sell;
  - (ii) Cash and bank balances as per management accounts as at 29 February 2024;
  - (iii) Expected repayment of advances from KUBS to the holding company; and
  - (iv) Discount rates of 5.34% based on average lending rate by BNM as at 29 February 2024
- (c) The fair value of the Company's unquoted shares of RM1,673,000 has been estimated using a discounted dividend model. The valuation requires management to make certain assumptions about the model inputs, including growth rates and required rate of return.
- (d) The fair value of golf club membership is determined by reference to the market price.

### 21. INVENTORIES

	Group	
	2024 RM'000	2023 RM'000
Raw materials	<b>12,933</b>	3,163
Work-in-progress	<b>7,467</b>	-
Finished goods	<b>4,231</b>	14
Consumables	<b>1,788</b>	264
	<b>26,419</b>	3,441

Cost of inventories recognised as an expense during the year was RM474,578,000 (2023: RM418,705,000).

## 22. AMOUNT DUE FROM/(TO) SUBSIDIARIES

	Company	
	2024 RM'000	2023 RM'000
<b>Current</b>		
Amount due from subsidiaries	831	143
Less: Allowance for impairment losses	-	-
	<b>831</b>	143
Amount due to subsidiaries	-	11,043

The amount due from/(to) subsidiaries are unsecured and bears at the applicable market interest rate at 4.41% (2023: 5.90% - 6.40%) per annum and repayable on demand.

Movement in allowance for impairment accounts are as follows:

	Company	
	2024 RM'000	2023 RM'000
At beginning of year	-	14,025
Addition during the year (Note 9)	-	2
Written off	-	(11,312)
Transfer from other receivables (Note 23(b))	18	-
Transfer to advances to subsidiaries (Note 18(c))	-	(2,712)
Reversal for the year (Note 9)	(18)	(3)
At end of year	-	-

During the previous financial year, the Company had written off amount due from indirect subsidiaries of RM11,312,000 which had been struck off from the register pursuant to Section 550 of the Companies Act 2016. The amount was fully impaired in previous years.

## NOTES TO THE FINANCIAL STATEMENTS

### 23. TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Trade</b>				
Trade receivables (a)	30,610	9,588	-	-
Less: Allowance for impairment losses				
Lifetime ECL				
- Non credit-impaired	(223)	(185)	-	-
Lifetime ECL				
- Credit-impaired	(1,954)	(2,521)	-	-
	(2,177)	(2,706)	-	-
	<b>28,433</b>	6,882	-	-
<b>Non-trade</b>				
Government subsidy receivable	42,355	32,087	-	-
Deposits	1,100	964	313	332
Prepayments	625	761	80	29
Other receivables	2,943	12,016	711	319
Less: Allowance for impairment losses (b)	(701)	(450)	-	(18)
	<b>46,322</b>	45,378	<b>1,104</b>	662
Total trade and other receivables (net)	<b>74,755</b>	52,260	<b>1,104</b>	662

#### (a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2023: 30 to 90 days) terms.

The Group uses a provision matrix to calculate ECLs for trade receivables, contract assets and finance lease receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., nature of project undertaking, product type, customer type and rating, and coverage by bank guarantee or other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

The Group has recognised a loss allowance of 100% (2023: 100%) on individually credit-impaired trade receivables over 1 year past due with no realistic prospect of recovery as historical experience has indicated that these receivables are generally not recoverable.

**23. TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS** (cont'd)**(a) Trade receivables** (cont'd)

The ageing analysis of the Group's trade receivables is as follows:

	Group			
	2024		2023	
	Gross carrying amount	Lifetime ECL	Gross carrying amount	Lifetime ECL
	RM'000	RM'000	RM'000	RM'000
Days past due:				
Not past due	<b>23,939</b>	<b>93</b>	4,643	55
< 30 days	<b>3,452</b>	<b>1</b>	109	14
31 - 60 days	<b>340</b>	<b>8</b>	444	21
61 - 90 days	<b>242</b>	<b>24</b>	395	36
91 - 180 days	<b>488</b>	<b>51</b>	1,476	59
181 days - 1 year	<b>195</b>	<b>46</b>	-	-
> 1 year	<b>1,954</b>	<b>1,954</b>	2,521	2,521
<b>Total</b>	<b>30,610</b>	<b>2,177</b>	9,588	2,706

Movement in allowance for impairment that has been recognised for trade receivables are as follows:

	Group	
	2024	2023
	RM'000	RM'000
At beginning of year	<b>2,706</b>	6,757
Charged for the year (Note 9)	<b>139</b>	22
Reversal during the year (Note 9)	<b>(416)</b>	(3,205)
Transfer to other receivables (Note 23(b))	<b>(252)</b>	-
Written off during the year	-	(868)
<b>At end of year</b>	<b>2,177</b>	2,706

**(b) Other receivables**

Movement in allowance for impairment that has been recognised for other receivables are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
At beginning of year	<b>450</b>	477	<b>18</b>	-
Charged for the year (Note 9)	<b>17</b>	201	-	18
Reversal during the year	<b>(18)</b>	-	-	-
Transfer to amount due from subsidiaries (Note 22)	-	-	<b>(18)</b>	-
Transfer from other receivables (Note 23(a))	<b>252</b>	-	-	-
Written off during the year	-	(228)	-	-
<b>At end of year</b>	<b>701</b>	450	-	18

## NOTES TO THE FINANCIAL STATEMENTS

### 23. TRADE AND OTHER RECEIVABLES AND CONTRACT ASSETS (cont'd)

#### (c) Contract assets

	Group	
	2024 RM'000	2023 RM'000
At beginning of year	266	2,775
Revenue recognised during the year (Note 5)	-	166
Progress billing during the year	(266)	(2,675)
At end of year	-	266

### 24. CASH AND BANK BALANCES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	16,097	28,812	1,381	2,544
Deposits with licensed banks	396,316	376,756	221,307	301,607
	412,413	405,568	222,688	304,151

Included in cash at banks of the Group is an amount of RM7,029 (2023: RM6,937) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 which is restricted from use in other operations.

Included in deposits with licensed banks of the Group is an amount of RM3,837,000 (2023: RM19,242,000) which has been pledged as security for borrowings of the Group as disclosed in Note 26.

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	412,413	405,568	222,688	304,151
Less: Deposits with maturity more than 3 months	(4,862)	-	-	-
Deposits pledged	(4,315)	(19,847)	-	-
Cash and cash equivalents	403,236	385,721	222,688	304,151

The Weighted Average Effective Interest Rates ('WAEIR') of the Group's and of the Company's non-pledged deposits with licensed banks as at the end of the reporting period are as follows:

	Group		Company	
	2024	2023	2024	2023
WAEIR (%)	3.4	3.7	3.3	3.7
Maturity year (days)	49	37	18	20

## 25. TRADE AND OTHER PAYABLES, AND REFUNDABLE CYLINDER DEPOSITS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Non-current</b>				
<b>Non-trade:</b>				
Refundable cylinder deposits (b)	31,966	34,379	-	-
<b>Current</b>				
<b>Trade:</b>				
Trade payables (a)	44,225	33,060	-	-
<b>Non-trade:</b>				
Other payables	22,633	12,110	2,869	2,064
Deposits	424	865	70	575
Refundable cylinder deposits (b)	10,286	11,217	-	-
	33,343	24,192	2,939	2,639
	77,568	57,252	2,939	2,639

### (a) Trade payables

These amounts are non-interest bearing and normally settled between 60 to 90 days (2023: 60 to 90 days).

Included in trade payables in the previous financial year was amount due to KUBS in relation to the purchase of FFB amounting to RM10,447,000 following the classification of KUBS as a financial asset measured at FVTPL for the financial year ended 30 June 2023. Upon consolidation of KUBS, the trade payable amount is now eliminated at Group level.

### (b) Refundable cylinder deposits

	Group	
	2024 RM'000	2023 RM'000
Current	10,286	11,217
Non-current	31,966	34,379
	42,252	45,596

The refundable cylinder deposits are deposits received in exchange of gas cylinders which has no scheduled repayment term and refundable upon return of the cylinders in good working condition. The Group has classified RM31,966,000 (2023: RM34,379,000) into non-current liabilities based on the Group's long-term experiences with the customers in prior years which are currently active.

## 26. BORROWINGS

	Group	
	2024 RM'000	2023 RM'000
<b>Long-term borrowings</b>		
<b>Secured</b>		
Term loan	981	-
Hire purchase payables (a)	140	-
	1,121	-

## NOTES TO THE FINANCIAL STATEMENTS

### 26. BORROWINGS (cont'd)

	Group	
	2024 RM'000	2023 RM'000
<b>Short-term borrowings</b>		
<b>Secured</b>		
Term loan	1,242	-
Bankers acceptances	30,402	-
Invoice financing	22,000	41,100
Hire purchase payables (a)	150	14
	<b>53,794</b>	41,114
<b>Total borrowings</b>		
Term loan	2,223	-
Bankers acceptances	30,402	-
Invoice financing	22,000	41,100
Hire purchase payables (a)	290	14
	<b>54,915</b>	41,114

The range of WAEIR (% per annum) of the borrowings at the end of the reporting period are as follows:

	Group	
	2024 WAEIR %	2023 WAEIR %
Term loan	4.61 - 7.01	-
Hire purchase	2.19 - 2.84	4.79
Invoice financing	5.25	7.40
Bankers acceptances	3.98	-

The secured borrowings of the Group are secured by way of fixed and floating charges over certain assets of the Group including deposits with licensed banks of RM3,837,000 (2023: RM19,242,000) which has been pledged as security as disclosed in Note 15, Note 16 and Note 24 respectively.

Excluding hire purchase, the bank borrowings of the Group amounting to RM22,000,000 (2023: RM41,100,000) are also secured by corporate guarantee from the Company. In the event of default in any of the facilities, the maximum exposure of the Company would be amounting to RM22,000,000 (2023: RM21,858,000) as explained in Note 37(b).

#### (a) Hire purchase payables

	Group	
	2024 RM'000	2023 RM'000
<b>Future minimum hire purchase payables</b>		
Less than 1 year	154	14
Between 1 year and 5 years	146	-
Total future minimum lease payments	300	14
Less: Future finance charges	(10)	-
	<b>290</b>	14

**26. BORROWINGS** (cont'd)**(a) Hire purchase payables** (cont'd)

	Group	
	2024	2023
	RM'000	RM'000
<b>Analysis of present value of hire purchase payables</b>		
Less than 1 year	150	14
Between 1 year and 5 years	140	-
	<b>290</b>	14
Less: Due within 12 months	<b>(150)</b>	(14)
Due after 12 months	<b>140</b>	-

The table below details changes in the Group's liabilities arising from financing activities are those for which cash flows were, or future cash flow will be, classified in the Group's statements of cash flows as cash flow from financing activities.

	Group	
	2024	2023
	RM'000	RM'000
At beginning of year:		
Term loans	-	-
Hire purchase payables	14	37
Short-term borrowings	41,100	54,000
	<b>41,114</b>	54,037
Acquisition during the year:		
Term loans	2,626	-
Hire purchase payables	349	-
Short-term borrowings	43,277	-
	<b>46,252</b>	-
Drawdown during the year:		
Short-term borrowings	68,616	51,100
Repayment during the year:		
Term loans	(403)	-
Hire purchase payables	(73)	(23)
Short-term borrowings	(100,591)	(64,000)
Interest paid	(585)	(70)
	<b>(101,652)</b>	(64,093)
Non-cash changes:		
Finance costs (Note 8)	585	70
At end of year:		
Term loans	2,223	-
Hire purchase payables	290	14
Short-term borrowings	52,402	41,100
<b>Total</b>	<b>54,915</b>	41,114

## NOTES TO THE FINANCIAL STATEMENTS

### 27. DEFERRED TAX ASSETS AND LIABILITIES

	Group	
	2024 RM'000	2023 RM'000
At beginning of year	10,860	10,511
Acquisition of subsidiaries (Note 18(d)(i) and (ii))	32,820	-
Recognised in profit or loss (Note 12)		
- continuing operations	(455)	349
- discontinued operations	42	-
Transfer to liabilities associated with assets held for sale (Note 13)	(19,068)	-
At end of year	24,199	10,860

The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Group	
	2024 RM'000	2023 RM'000
Represented by:		
Deferred tax assets	(729)	(856)
Deferred tax liabilities	24,928	11,716
	24,199	10,860

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

#### Deferred tax liabilities of the Group:

	Property, plant and equipment RM'000	Investment properties RM'000	Others RM'000	Total RM'000
At 1 July 2022	11,054	-	-	11,054
Recognised in profit or loss	662	-	-	662
At 30 June 2023/1 July 2023	11,716	-	-	11,716
Acquisition of subsidiaries	26,957	984	5,826	33,767
Recognised in profit or loss				
- continuing operations	(858)	-	-	(858)
- discontinued operations	(384)	-	(25)	(409)
Transfer to liabilities associated with assets held for sale	(19,117)	-	(171)	(19,288)
<b>At 30 June 2024</b>	<b>18,314</b>	<b>984</b>	<b>5,630</b>	<b>24,928</b>

## 27. DEFERRED TAX ASSETS AND LIABILITIES (cont'd)

### Deferred tax assets of the Group:

	Others RM'000
At 1 July 2022	(541)
Recognised in profit or loss	(315)
At 30 June 2023/1 July 2023	(856)
Recognised in profit or loss	
- continuing operations	403
- discontinued operations	451
Acquisition of subsidiaries	(947)
Transfer to assets classified as held for sale	220
<b>At 30 June 2024</b>	<b>(729)</b>

Deferred tax assets have not been recognised in respect of the following items due to the uncertainty of their recoverability:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unutilised tax losses	44,955	48,124	-	5,690
Unabsorbed capital allowances	28,558	28,531	3,204	3,204
Other deductible temporary differences	772	-	-	-
	<b>74,285</b>	76,655	<b>3,204</b>	8,894
Effect of acquisition of a subsidiary				
- Unutilised tax losses	3,500	-	-	-
- Unabsorbed capital allowances	792	-	-	-
Effect of deconsolidation of subsidiaries on unutilised business losses and unabsorbed capital allowances	(2,108)	(346)	-	-
	<b>76,469</b>	76,309	<b>3,204</b>	8,894

The benefits of these tax losses and tax credits will only be obtained if the relevant subsidiaries derive future assessable income of a nature and amount sufficient for the benefits to be utilised.

Under the Finance Act 2021 which was gazetted on 31 December 2021, the unused tax losses accumulated up to year of assessment 2018 can now be carried forward for 10 consecutive years of assessment until year of assessment 2028 and it will be disregarded in year of assessment 2029. The time frame to carry forward current year tax losses for the year of assessment 2019 and subsequent years of assessment was extended from 7 to 10 consecutive years of assessment. Expiry date of the Group's and the Company's unutilised tax losses is summarised below:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Tax losses YA 2018 and before - will expire in YA2028	31,902	30,025	-	-
Tax losses YA2019 - expire in YA2029	5,598	10,877	-	5,690
Tax losses YA2020 - expire in YA2030	1,446	1,446	-	-
Tax losses YA2021 - expire in YA2031	1,527	1,527	-	-
Tax losses YA2022 - expire in YA2032	3,087	3,087	-	-
Tax losses in YA2023 - expire in YA2033	2,098	816	-	-
Tax losses in YA2024 - expire in YA2034	1,700	-	-	-
Total	<b>47,358</b>	47,778	-	5,690

## NOTES TO THE FINANCIAL STATEMENTS

### 28. DERIVATIVE FINANCIAL ASSETS

	Contract notional amount RM'000	Group Fair value of derivative assets RM'000
<b>2024</b>		
Forward currency contracts	29,802	59
<b>2023</b>		
Forward currency contracts	16,680	33

The Group uses forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for years consistent with currency transaction exposure and fair value changes exposure.

Forward currency contracts are used to hedge the Group's purchases denominated in United States Dollar ('USD') for which firm commitments existed at the end of the reporting period, extending to July 2024.

During the financial year, the Group recognised a gain of RM58,886 (2023: RM33,924) arising from fair value changes of derivative as at the end of the reporting period. The fair value changes are attributable to changes in foreign exchange spot and forward rate. Forward currency contracts are valued using valuation obtained from counterparties.

### 29. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2024 '000	2023 '000	2024 RM'000	2023 RM'000
Issued and fully paid:				
At beginning of year	556,465	556,465	228,863	228,863
Issuance of new shares upon conversion of RCPS	453	-	272	-
At end of year	556,918	556,465	229,135	228,863

During the financial year, the Company had issued 452,896 new ordinary shares arising from conversion of RCPS on the basis of 1 RCPS for 1 new ordinary share at a conversion price of RM0.60 each.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

### 30. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ('RCPS')

	Number of RCPS 2024 '000	Amount 2024 RM'000
At beginning of year	-	-
Issued during the year	199,830	117,435
Converted into ordinary shares	(453)	(272)
At end of year	199,377	117,163

### 30. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ('RCPS') (cont'd)

During the financial year, the Company issued 199,830,331 new RCPS (comprising 199,035,059 new RCPS issued pursuant to the acquisition of 86.65% equity interest of CCB and up to 795,272 new RCPS issued in relation to the unconditional mandatory take-over offer pursuant to Rules on Take-overs, Mergers and Compulsory Acquisitions of the Securities Commission Malaysia) at an issue price of RM0.60 each.

The RCPS are recognised as an equity instrument, net of transaction costs of RM2,463,000.

The salient terms of RCPS are as follows:

(i) Tenure

The tenure of RCPS is 5 years commencing from and including the date of issuance and maturity of the RCPS.

(ii) Preferential dividend

The RCPS shall rank equally (and not in priority) with existing KUB shares insofar as the right to receive dividends is concerned.

As and when dividends (including any special dividends) are declared by the Company in respect of the KUB shares, each RCPS shall also carry the right to receive such dividends (non-cumulative) declared in respect of 1 KUB share, subject however to any adjustment to the conversion ratio, provided that the consolidated profit after tax of CCB for the financial year preceding the declaration of the preferential dividend as shown in CCB's audited consolidated financial statements for that financial year is higher than the amount of preferential dividend to be declared.

(iii) Conversion rights

The RCPS shall be convertible at the option of the RCPS holder at any time from the issuance date up to the maturity date (both dates included) into such number of KUB shares as is determined based on the conversion ratio of 1 RCPS for 1 new KUB share, with the effective conversion price of each of the RCPS is RM0.60 for each new ordinary share of the Company. Any RCPS not converted or redeemed prior to the maturity date shall be mandatorily converted into new ordinary shares of the Company on the maturity date.

(iv) Redemption price and redemption period

The RCPS are redeemable at the option of the issuer at RM0.60 each at any time from the issuance date and up to the maturity date (both dates inclusive), at the issue price of RM0.60 per RCPS, with no fixed redemption schedule. The RCPS holders shall not have the right to require the Company to redeem the RCPS. All RCPS which are redeemed will be cancelled and will not be reissued.

(v) Transferability

The RCPS shall not be transferable, save and except for transfers between the holders of the RCPS, subject to the applicable laws, regulations and rules that would apply to the securities of the Company.

(vi) Ranking

The RCPS are unsecured and shall rank equally in all respects among themselves and shall rank behind all secured and unsecured debt obligations of the Company. The new KUB shares to be issued upon conversion of the RCPS shall rank equally in all respects with the existing KUB shares.

The RCPS shall rank in priority to the KUB shares in any repayment of capital in the event of liquidation, dissolution or winding-up of our Company, provided that the RCPS shall not be entitled to participate in any surplus capital, assets or profits of the Company.

(vii) Rights to receive notices, reports and attend meetings and voting rights

The holders of RCPS shall have the right to receive notices, reports and accounts and attend meetings, of which shareholders of the ordinary shares are entitled.

## NOTES TO THE FINANCIAL STATEMENTS

### 31. RESERVES

		Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Capital reserve	(a)	<b>22,967</b>	24,531	-	-
Fair value adjustment reserve	(b)	<b>2,097</b>	1,303	<b>2,097</b>	1,303
Merger reserve	(c)	<b>11,147</b>	11,147	-	-
Premium paid on acquisition of non-controlling interest	(d)	<b>(258)</b>	(258)	-	-
<b>Total</b>		<b>35,953</b>	36,723	<b>2,097</b>	1,303

(a) Capital reserve arose from the capitalisation of bonus shares issued by certain subsidiaries in prior years.

A reduction of capital reserve amounting to RM1,564,000 was in relation to a subsidiary that were dissolved and wound up during the current financial year.

(b) Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of financial asset fair value through other comprehensive income.

	Group/Company	
	2024 RM'000	2023 RM'000
At beginning of year	<b>1,303</b>	3,034
Gain/(Loss) on fair value	<b>794</b>	(1,731)
<b>At end of year</b>	<b>2,097</b>	1,303

(c) Merger reserve amounting to approximately RM11,147,000 arose from the acquisition of KUB Ekuiti Sdn. Bhd. in 1997.

(d) Premium paid on acquisition of non-controlling interest amounting to RM258,000 arose from the acquisition of remaining equity interest of Empirical Systems (M) Sdn. Bhd. in 2014.

### 32. RETAINED EARNINGS AND DIVIDENDS

The Company may distribute dividends out of its entire retained earnings as at 30 June 2024 under the single tier system.

The dividends paid during the financial year were as follows:

	2024 RM'000	Company	
		Dividend per share 2024 Sen	Dividend per share 2023 Sen
First and final dividend paid in respect of financial year ended 30 June 2023	<b>11,129</b>	<b>2.0</b>	-
First and final dividend paid in respect of financial period ended 30 June 2022	-	-	8,347
	<b>11,129</b>	<b>2.0</b>	8,347

### 32. RETAINED EARNINGS AND DIVIDENDS (cont'd)

On 29 August 2024, the Board of Directors approved and declared a first and final dividend of 3.5 sen on 556,917,586 ordinary shares and 199,377,435 RCPS amounting to RM26,470,326 in respect of the financial year ended 30 June 2024.

The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2025.

### 33. NON-CONTROLLING INTERESTS

Details of non-wholly owned subsidiaries that have material non-controlling interests:

	Profit/(Loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Name of subsidiaries</b>				
KUB Maju Mill Sdn. Bhd.	6	(4)	(17,200)	(18,516)
KUB Telekomunikasi Sdn. Bhd.	(230)	68	3,543	3,773
Central Cables Berhad	276	-	-	-
	<b>52</b>	<b>64</b>	<b>(13,657)</b>	<b>(14,743)</b>

Proportion of ownership held by non-controlling interests in KUB Maju Mill Sdn. Bhd. ('KUBMA'): 31.6% (2023: 33.9%) and KUB Telekomunikasi Sdn. Bhd. ('KUBTel'): 40% (2023: 40%).

- (a) As disclosed in Note 18d(i), the Group completed acquisition of 86.65% of CCB on 28 February 2024. Subsequently, the Company acquired the remaining 13.35% shares in CCB through an unconditional mandatory take-over offer pursuant to Rules on Take-overs, Mergers and Compulsory Acquisitions of the Securities Commission Malaysia. Following this, CCB became a wholly owned subsidiary of the Company on 24 June 2024. The profit allocated to the non-controlling interest between this period was RM276,000 and subsequently transferred to the retained earnings upon full acquisition of the equity from the non-controlling parties.
- (b) Following the acquisition of 40% in KUBS in the current financial year, the proportion of ownership held by non-controlling interests in KUBMA was reduced to 31.6%. The impact of this change on the non-controlling interest amounted to RM1,310,000 was recorded as a transfer to retained earnings.

Summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests are set out below. The summarised financial information below represents amounts before intragroup eliminations and consolidation adjustments.

## NOTES TO THE FINANCIAL STATEMENTS

### 33. NON-CONTROLLING INTERESTS (cont'd)

#### (i) Summarised statement of financial position

<b>2024</b>	<b>KUB Maju Mill RM'000</b>	<b>KUBTel RM'000</b>
Non-current assets	-	4,220
Current assets	22	8,237
<b>Total assets</b>	<b>22</b>	<b>12,457</b>
Non-current liabilities	-	-
Current liabilities	54,464	3,599
<b>Total liabilities</b>	<b>(54,464)</b>	<b>3,599</b>
<b>(Capital deficiency)/Total equity</b>	<b>(54,442)</b>	<b>8,858</b>
Non-controlling interests	(17,200)	3,543
Equity attributable to owners of the Company	(37,242)	5,315
<b>2023</b>		
Non-current assets	-	3,832
Current assets	30	8,700
<b>Total assets</b>	<b>30</b>	<b>12,532</b>
Non-current liabilities	-	207
Current liabilities	54,650	2,893
<b>Total liabilities</b>	<b>54,650</b>	<b>3,100</b>
<b>(Capital deficiency)/Total equity</b>	<b>(54,620)</b>	<b>9,432</b>
Non-controlling interests	(18,516)	3,773
Equity attributable to owners of the Company	(36,104)	5,659

#### (ii) Summarised statement of profit or loss and other comprehensive income

<b>2024</b>	<b>KUB Maju Mill RM'000</b>	<b>KUBTel RM'000</b>	<b>CCB RM'000</b>
Revenue	-	5,414	54,431
Profit/(Loss) for the year	175	(572)	3,953
Profit/(Loss) for the year attributable to owners of the Company	169	(342)	3,677
Profit/(Loss) for the year to the non-controlling interest	6	(230)	276

**33. NON-CONTROLLING INTERESTS** (cont'd)**(ii) Summarised statement of profit or loss and other comprehensive income** (cont'd)

<b>2023</b>	<b>KUB Maju Mill RM'000</b>	<b>KUBTel RM'000</b>
Revenue	-	13,669
(Loss)/Profit for the year	175	170
(Loss)/Profit for the year attributable to owners of the Company	169	102
(Loss)/Profit for the year to the non-controlling interest	(4)	68

**(iii) Summarised statement of cash flows**

<b>2024</b>	<b>KUB Maju Mill RM'000</b>	<b>KUBTel RM'000</b>
Net cash (outflows)/inflows from:		
- Operating activities	<b>(8)</b>	<b>2,936</b>
- Investing activities	-	<b>(1,064)</b>
- Financing activities	-	<b>19</b>
Net cash (outflows)/inflows	<b>(8)</b>	<b>1,891</b>
<b>2023</b>		
Net cash (outflows)/inflows from:		
- Operating activities	(9)	1,489
- Investing activities	-	(1,780)
- Financing activities	-	(13)
Net cash outflows	(9)	(304)

**34. COMMITMENTS, CONTINGENT LIABILITIES AND MATERIAL LITIGATION****(a) Capital commitments**

Authorised capital expenditure not provided for in the financial statements are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>	<b>2024 RM'000</b>	<b>2023 RM'000</b>
<b>Property, plant and equipment</b>				
- Contracted	<b>2,310</b>	5,030	-	-
- Not contracted	<b>19,553</b>	6,953	<b>125</b>	28
	<b>21,863</b>	11,983	<b>125</b>	28

**(b) Contingent Liabilities**

There are no contingent liabilities relating to the Group as at the end of the reporting period.

## NOTES TO THE FINANCIAL STATEMENTS

### 34. COMMITMENTS, CONTINGENT LIABILITIES AND MATERIAL LITIGATION (cont'd)

#### (c) Material Litigation

##### (i) KUBS 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 Court against a subsidiary of the Group, KUBS, 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 KUBS. The 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 KUBS on 16 December 2019.

On 18 December 2019, the immediate holding company of KUBS, KUBAH as the Opposing Contributory filed an application to set aside the Order for IL ('Setting Aside Application'). On 20 December 2019, the 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 and liquidators were appointed.

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 of Directors has decided to withdraw the Stay Appeal and instead to focus on the winding-up appeal.

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

On 2 December 2022, KUBAH 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.

On 25 September 2023, the winding-up appeal was partially heard and adjourned where in 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.

##### (ii) Claim by Lembaga Kemajuan Johor Tenggara ('KEJORA') against KUB Malaysia Berhad, KUB Realty Sdn. Bhd. ('KUB Realty') and KUBAH in relation to disposal of two (2) oil palm estates in Kluang, Johor

On 10 June 2020, 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 consideration of RM158.0 million ('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')

### 34. COMMITMENTS, CONTINGENT LIABILITIES AND MATERIAL LITIGATION (cont'd)

#### (c) Material Litigation (cont'd)

##### (ii) Claim by Lembaga Kemajuan Johor Tenggara ('KEJORA') against KUB Malaysia Berhad, KUB Realty Sdn. Bhd. ('KUB Realty') and KUBAH 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 material times, the Company, KUB Realty, KUBAH and BPSB were acting on the advice of qualified and established firms of advocates and 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 a defence to KEJORA's Writ and Statement of Claim on 1 May 2023. The status of the proceedings are as follows:

- Parties have consented to allow KEJORA's Application to amend its Statement of Claim on the condition that KUB Group be allowed to file a fresh Defence and Counterclaim.
- Parties have exhausted all pleadings and are in midst of preparing Pre-Trial papers; a Notice for Directions requesting, inter alia, for trial dates to be fixed and the regularisation of all documents and/or matters was filed on 8 June 2024.
- Notice for Directions pertaining to Pre-Trial Directions have not been confirmed by Court.

The next case management is fixed on 8 October 2024.

The KUB Group has 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.

### 35. RELATED PARTY DISCLOSURES

A related party of the Company refers to:

- (i) a person or a close member of that person's family who:
  - (a) has control or joint control over the Company;
  - (b) has significant influence over the Company; or
  - (c) is a member of the key management personnel of the Company having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity or of a parent of the Company.
- (ii) a subsidiary or associate of the Company and its subsidiaries;
- (iii) an entity of which the Company or its subsidiaries are an associate or joint venture;
- (iv) an entity controlled or jointly controlled by a person identified in (i); and
- (v) an entity of which a person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

## NOTES TO THE FINANCIAL STATEMENTS

### 35. RELATED PARTY DISCLOSURES (cont'd)

- (a) Transactions with holding company or a company/firm in which a certain Director and/or close family members of certain Directors of the Company has substantial interest:

	Company	
	2024 RM'000	2023 RM'000
Provision for management services	920	480
Acquisition of CCB	119,421	-

- (b) Transaction with subsidiary companies

During the financial year, significant transactions undertaken on basis agreed with related parties are as follows:

	Company	
	2024 RM'000	2023 RM'000
Management fees from subsidiaries	2,845	2,971
Rental income from subsidiaries	278	378
Interest income from subsidiaries	-	81
Interest expense charged by a subsidiary	(105)	(429)
Information technology services rendered by a subsidiary	(383)	(144)

Information regarding outstanding balances arising from related party transactions as at 30 June 2024 and 30 June 2023 are disclosed in Note 22.

- (c) Key management personnel comprise persons of the Group entities having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.

Details of the Company's Directors remuneration for the Group and of the Company are disclosed in Note 11. Other key management personnel include persons other than the Directors within the Group.

Remuneration of key management personnel other than the Directors of the Group and of the Company are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Other key management personnel</b>				
Salaries, allowances and bonuses	1,879	1,413	921	799
Defined contribution plan	206	150	110	96
Social security contributions	8	4	2	2
	<b>2,093</b>	1,567	<b>1,033</b>	897

### 36. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of financial assets and liabilities of the Group and of the Company as at 30 June 2024 and 30 June 2023 are not materially different from their carrying values due to the relatively short-term maturity of these financial instruments or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period except for:

	Group			
	2024	Fair value	2023	Fair value
	Carrying amount RM'000	RM'000	Carrying amount RM'000	RM'000
<b>Financial liabilities at amortised cost</b>				
Term loan	2,223	2,104	-	-
Hire purchase payables (Note 26)	290	262	14	14

#### Fair value of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Group</b>				
<b>2024</b>				
<b>Financial assets:</b>				
Fair value through other comprehensive income				
- investment in quoted shares (Note 20)	4,113	-	-	4,113
Fair value through profit or loss				
- investment in unquoted shares (Note 20)	-	-	1,673	1,673
- golf club membership	-	150	-	150
Derivatives - Forward currency contracts (Note 28)	-	59	-	59
<b>Group</b>				
<b>2023</b>				
<b>Financial assets:</b>				
Fair value through other comprehensive income				
- investment in quoted shares (Note 20)	3,320	-	-	3,320
Fair value through profit or loss				
- investment in unquoted shares (Note 20)	-	-	63,711	63,711
- golf club membership	-	95	-	95
Derivatives - Forward currency contracts (Note 28)	-	33	-	33

#### Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers between the fair value hierarchy during the financial year ended 30 June 2024 and financial year ended 30 June 2023.

## NOTES TO THE FINANCIAL STATEMENTS

### 36. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

#### Categories of financial instruments:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Financial assets</b>				
At amortised costs:				
Finance lease receivables (Note 17 (ii))	711	957	-	-
Trade and other receivables	74,130	51,499	1,024	633
Amount due from subsidiaries (Note 22)	-	-	831	143
Cash and bank balances (Note 24)	412,413	405,568	222,688	304,151
At FVTOCI:				
Other investments				
- investment in quoted shares (Note 20)	4,113	3,320	4,113	3,320
At FVTPL:				
Other investments				
- investment in unquoted shares (Note 20)	1,673	63,711	1,673	1,433
- investment in golf club membership (Note 20)	150	95	-	-
Derivative financial assets (Note 28)	59	33	-	-
<b>Financial liabilities</b>				
At amortised costs:				
Trade and other payables	67,282	46,035	2,939	2,639
Lease liabilities (Note 17)	1,625	1,295	1,203	349
Amount due to subsidiaries (Note 22)	-	-	-	11,043
Borrowings (Note 26)	54,915	41,114	-	-
Refundable cylinder deposits (Note 25)	42,252	45,596	-	-

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees on policies and procedures for the management of these risks. The Board Audit, Risk and Sustainability Committee provides independent oversight to the effectiveness of the risk management process. It is and has been throughout the current year and the previous year of the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

## 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### (a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables, contract assets and finance lease receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. Trade receivables and finance lease receivables are monitored on an ongoing basis via Group management reporting procedures.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to minimise exposure to bad debts.

#### Exposure to credit risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group does not have any major concentration of credit risk related to any financial instruments except for the concentration of credit risk arising from exposures to the Government of Malaysia and Government Linked Corporations amounting to RM42,355,000 and RM9,425,000 (2023: RM33,379,000 and RM822,000) representing 57% and 13% (2023: 64% and 2%) of the Group's trade and other receivables, respectively.

The Group uses a provision matrix to calculate ECLs for trade receivables, contract assets and finance lease receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., nature of project undertaking, product type, customer type and rating, and coverage by bank guarantee or other forms of credit insurance). Note 23 includes further details on the loss allowance for these assets respectively.

The Company has no default experiences on amount due from subsidiaries and corporate guarantee provided to the bank for banking facilities granted to subsidiaries. The Company monitors the cash flow position of the subsidiaries regularly.

### (b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of standby credit facilities.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and prudently balances its portfolio with some short-term funding so as to achieve overall cost effectiveness.

## NOTES TO THE FINANCIAL STATEMENTS

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

#### (b) Liquidity risk (cont'd)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Weighted average effective interest rate %	Group			
		Carrying amount RM'000	On demand or within one year RM'000	One to five years RM'000	Total RM'000
<b>2024</b>					
<b>Financial liabilities:</b>					
Refundable cylinder deposits	-	42,252	10,286	31,966	42,252
Trade and other payables	-	67,282	67,282	-	67,282
Lease liabilities	2.47 - 5.85	1,625	734	986	1,720
Borrowings	4.34 - 6.54	54,915	53,962	1,157	55,119
Total undiscounted financial liabilities		166,074	132,264	34,109	166,373
<b>2023</b>					
<b>Financial liabilities:</b>					
Refundable cylinder deposits	-	45,596	11,217	34,379	45,596
Trade and other payables	-	46,035	46,035	-	46,035
Lease liabilities	2.50 - 5.00	1,295	1,164	168	1,332
Borrowings	4.79 - 7.40	41,114	41,114	-	41,114
Total undiscounted financial liabilities		134,040	99,530	34,547	134,077
	Weighted average effective interest rate %	Company			
		Carrying amount RM'000	On demand or within one year RM'000	One to five years RM'000	Total RM'000
<b>2024</b>					
<b>Financial liabilities:</b>					
Trade and other payables	-	2,939	2,939	-	2,939
Lease liabilities	4.60	1,203	478	796	1,274
Total undiscounted financial liabilities		4,142	3,417	796	4,213
<b>2023</b>					
<b>Financial liabilities:</b>					
Trade and other payables	-	2,639	2,639	-	2,639
Lease liabilities	4.00	349	354	-	354
Amount due to subsidiaries	-	11,043	11,043	-	11,043
Total undiscounted financial liabilities		14,031	14,036	-	14,036

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

#### (b) Liquidity risk (cont'd)

For the financial year ended 30 June 2024, the Company has assessed the existing financial guarantee in relation to guarantee provided by the Company to banks for banking facilities granted to subsidiaries amounting to RM22,000,000 (2023 : RM21,858,000) and determined that the guarantees are more likely not to be called upon by the financiers. However, this estimate is subject to change depending on the probability of the financier claiming under the guarantee. The amounts for the financial guarantee are the maximum amount that the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the financiers.

#### (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short-term in nature and have been mostly placed in fixed deposits.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

The information on the WAEIR as at the end of the reporting period and the maturities of the Group's financial instruments that are exposed to interest rate risk is disclosed in Note 26.

##### Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 25 basis points lower/higher, with all other variables held constant, there is no material impact to the Group's profit for the year. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

#### (d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is primarily United States Dollar. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept at an acceptable level.

The Group has entered into forward currency contracts for certain transactions to manage the exposures in foreign currencies as disclosed in Note 28. The Board of Directors is of the opinion that the unhedged foreign currencies exposures are minimal and can be efficiently managed.

The amounts of trade payables denominated in foreign currencies as at the end of the reporting period is as follows:

	Group	
	2024 RM'000	2023 RM'000
Trade payables hedged using forward currency contracts	29,802	16,680

## NOTES TO THE FINANCIAL STATEMENTS

### 38. CAPITAL MANAGEMENT

The primary objectives of the Group's and the Company's capital management is to ensure that they maintain healthy capital ratios in order to support their business and maximise shareholders value.

The Group and the Company manage their capital structure and makes adjustments to it, in light of changes in economic conditions by maintaining or adjusting the capital structure, i.e., the Company may issue new shares, adjust the dividend payment to shareholders or obtain funding through external borrowings. No changes were made in the objectives, policies or processes during the year ended 30 June 2024 and year ended 30 June 2023.

The Group and the Company monitor their capital using a gearing ratio, which is total borrowings divided by shareholders' fund. The Group's and the Company's gearing ratio as at 30 June 2024 and 30 June 2023 are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Borrowings - long-term	1,121	-	-	-
Borrowings - short-term	53,794	41,114	-	-
Total borrowings	54,915	41,114	-	-
Total shareholders' fund	654,271	517,045	614,162	492,124
Gearing ratio	8%	8%	N/A	N/A

### 39. SEGMENT INFORMATION

The Group has four reportable divisions, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately as they required different business strategies. For each of strategic business units, the chief executive officer reviews internal management reports on a regular basis.

The reportable divisions are as follows:

#### (i) LPG

- Importation, bottling and trading of liquefied petroleum gas.

#### (ii) Power

- Manufacturing cables and wires and, engineering and civil works in the power sectors.

#### (iii) Agricultural businesses ('Agro')

- Oil palm plantations and estate management.

#### (iv) Others

- Infrastructure solutions, supply, maintenance and ancillary services in information, communications and technology ('ICT'), property management services, investment holding and provision of management services.

Division performance is evaluated based on operating profit or loss which, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

The Agro division encompasses the plantation estates managed by an indirect subsidiary, KUBS. In the previous financial year, following the winding-up order by the Court and the appointment of the liquidators in 2022, KUBS's financial position had been deconsolidated from the Group. Consequently, the investment in KUBS was classified as a financial asset measured at FVTPL under the holding company, KUBAH in Others division.

In the current financial year, upon resumed control over KUBS as disclosed in Note 18(d)(ii), the Group, classified the financial results of KUBS as discontinued operations and assets/liabilities held for sale respectively following the Group's intention to divest the subsidiary.

## 39. SEGMENT INFORMATION (cont'd)

## (a) Business segments

2024	Continuing operations				Discontinued Operations		
	LPG RM'000	Power RM'000	Others RM'000	Eliminations RM'000	Total RM'000	Agro* RM'000	Total RM'000
<b>Revenue</b>							
External sales	488,612	54,879	6,836	-	550,327	6,092	556,419
Inter division sales	-	-	13,724	(13,724)	-	-	-
Total revenue	488,612	54,879	20,560	(13,724)	550,327	6,092	556,419
<b>Results</b>							
Profit from operations	24,755	7,164	236	-	32,155	1,256	33,411
Finance income	2,550	570	10,795	-	13,915	291	14,206
Finance costs	(90)	(533)	(24)	-	(647)	(14)	(661)
Profit before zakat and taxation	27,215	7,201	11,007	-	45,423	1,533	46,956
Zakat	(641)	-	-	-	(641)	-	(641)
Taxation	(7,117)	(2,546)	(618)	-	(10,281)	(259)	(10,540)
Segment profit	19,457	4,655	10,389	-	34,501	1,274	35,775

## NOTES TO THE FINANCIAL STATEMENTS

## 39. SEGMENT INFORMATION (cont'd)

## (a) Business segments (cont'd)

2024	Continuing operations				Discontinued Operations		
	LPG RM'000	Power RM'000	Others RM'000	Eliminations RM'000	Total RM'000	Agro* RM'000	Total RM'000
<b>Other information</b>							
Depreciation	(12,661)	(1,070)	(1,992)	-	(15,723)	-	(15,723)
Allowance for impairment on trade and other receivables	-	-	(156)	-	(156)	-	(156)
Property, plant and equipment written off	(129)	-	(24)	-	(153)	-	(153)
Forfeiture of cylinder deposit payables	4,804	-	-	-	4,804	-	4,804
Reversal of allowance for impairment on trade and other receivables	416	-	-	-	416	-	416
Gain/(loss) on disposal of property, plant and equipment	150	(10)	-	-	140	-	140
Gain on disposal of non-current assets held for sale	-	-	3,919	-	3,919	-	3,919
Gain on fair value changes in investment unquoted shares	-	-	9,333	-	9,333	-	9,333
Gain on deconsolidation of subsidiary	-	-	1,597	-	1,597	-	1,597

\* Discontinued operations refer to financial results of KUBS following the Group's intention to divest the subsidiary.

**39. SEGMENT INFORMATION** (cont'd)**(a) Business segments** (cont'd)

<b>2024</b>	<b>LPG RM'000</b>	<b>Power RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>Assets</b>				
Segment assets	<b>214,528</b>	<b>205,833</b>	<b>305,165</b>	<b>725,526</b>
Assets classified as held for sale	-	-	<b>129,960</b>	<b>129,960</b>
	<b>214,528</b>	<b>205,833</b>	<b>435,125</b>	<b>855,486</b>
<b>Liabilities</b>				
Segment liabilities	<b>121,744</b>	<b>60,935</b>	<b>10,515</b>	<b>193,194</b>
Liabilities associated with assets classified as held for sale	-	-	<b>21,678</b>	<b>21,678</b>
	<b>121,744</b>	<b>60,935</b>	<b>32,193</b>	<b>214,872</b>
Addition to non-current assets: - Property, plant and equipment	<b>7,275</b>	<b>240</b>	<b>1,253</b>	<b>8,768</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 39. SEGMENT INFORMATION (cont'd)

#### (a) Business segments (cont'd)

2023	LPG RM'000	Power RM'000	Others RM'000	Eliminations RM'000	Note	Total RM'000
<b>Revenue</b>						
External sales	472,761	334	15,794	-		488,889
Inter division sales	-	-	17,864	(17,864)	A	-
Total revenue	472,761	334	33,658	(17,864)		488,889
<b>Results</b>						
Profit from operations	18,342	4,169	5,157	-		27,668
Finance income	1,556	121	6,625	-		8,302
Finance costs	(136)	-	(24)	-		(160)
Share of results of associates	-	-	3,069	-		3,069
Profit before zakat and taxation	19,762	4,290	14,827	-		38,879
Zakat	(435)	-	-	-		(435)
Taxation	(4,558)	4	(15)	-		(4,569)
Segment profit	14,769	4,294	14,812	-		33,875
<b>Other information</b>						
Depreciation	(11,768)	(43)	(2,236)	-	B	(14,047)
Allowance for impairment on trade and other receivables	(19)	-	(204)	-		(223)
Property, plant and equipment written off	(16)	(20)	(57)	-		(93)
Investment property written off	-	-	(225)	-		(225)
Reversal of allowance for impairment on trade and other receivables	-	3,101	104	-		3,205
Gain on disposal of assets classified as held for sale	-	-	910	-		910
Reversal of provision for liquidated ascertained damages	-	1,179	114	-		1,293
Net gain on fair value changes in investment in unquoted shares	-	-	13,302	-		13,302
Gain on disposal of property, plant and equipment	183	-	161	-		344

**39. SEGMENT INFORMATION** (cont'd)**(a) Business segments** (cont'd)

<b>2023</b>	<b>LPG RM'000</b>	<b>Power RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>Assets</b>				
Segment assets	202,950	6,110	433,475	642,535
Assets classified as held for sale	-	-	5,857	5,857
	202,950	6,110	439,332	648,392
<b>Liabilities</b>				
Segment liabilities	126,151	425	19,514	146,090
Additions to non-current assets:				
- Property, plant and equipment	10,918	3	3,860	14,781

**A** Inter-segment revenues which are eliminated on consolidation is as follows:

	<b>Group</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>
Dividend income	<b>10,250</b>	13,910
Management fees	<b>2,845</b>	2,971
Information technology services	<b>629</b>	983
	<b>13,724</b>	17,864

**B** Depreciation relates to property, plant and equipment, investment properties and right-of-use assets.Geographical information

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

Information on major customers

Included in revenues arising from the major customers are contract with Government and Government Linked Companies amounting to RM286,006,000 (2023: RM249,759,000).

## NOTES TO THE FINANCIAL STATEMENTS

### 40. INVESTMENTS IN SUBSIDIARIES

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation/ Principal place of business	% of ownership interest and voting power held by the Group**		% of ownership interest and voting power held by the non-controlling**		Principal activities
		2024	2023	2024	2023	
		%	%	%	%	
<b>Held by the Company:</b>						
KUB Ekuiti Sdn. Bhd.	Malaysia	<b>100</b>	100	-	-	Investment holding
Solar Gas Sdn. Bhd.	Malaysia	<b>100</b>	100	-	-	Importation, bottling and trading of LPG
Central Cables Berhad*	Malaysia	<b>100</b>	-	-	-	Manufacturing wires and cables
Peraharta Sdn. Bhd.	Malaysia	<b>100</b>	100	-	-	Property management
KUB Telekomunikasi Sdn. Bhd.	Malaysia	<b>60</b>	60	<b>40</b>	40	Assembly and commissioning of telecommunication equipment
KUB Power Sdn. Bhd.	Malaysia	<b>100</b>	100	-	-	Supply and erection of electrical substations and transmission lines
KUB Gas Terminal Sdn. Bhd.*	Malaysia	<b>100</b>	100	-	-	Liquefied petroleum gas storage
Empirical Systems (M) Sdn. Bhd.*	Malaysia	<b>100</b>	100	-	-	Dormant
Gerik Timber Industries Sdn. Bhd.*	Malaysia	<b>100</b>	100	-	-	Dormant
Cybertrek (Malaysia) Sdn. Bhd.*	Malaysia	<b>100</b>	100	-	-	Dormant
Perbiba Sdn. Bhd.#	Malaysia	-	100	-	-	Dormant
<b>Held through KUB Ekuiti Sdn. Bhd.:</b>						
KUB Agro Holdings Sdn. Bhd.	Malaysia	<b>100</b>	100	-	-	Investment holding
KUB Realty Sdn. Bhd.*	Malaysia	<b>100</b>	100	-	-	Dormant
KUB Development Berhad*	Malaysia	<b>100</b>	100	-	-	Dormant
KUB Microelectronics Sdn. Bhd.##	Malaysia	-	78	-	22	Dormant

**40. INVESTMENTS IN SUBSIDIARIES** (cont'd)

Details of the subsidiaries are as follows: (cont'd)

Name of subsidiaries	Country of incorporation/ Principal place of business	% of ownership interest and voting power held by the Group**		% of ownership interest and voting power held by the non-controlling**		Principal activities
		2024	2023	2024	2023	
		%	%	%	%	
<b>Held through KUB Telekomunikasi Sdn. Bhd.:</b>						
Connecta Sdn. Bhd.	Malaysia	<b>60</b>	60	<b>40</b>	40	Assembling and commissioning of telecommunication equipment
<b>Held through KUB Agro Holdings Sdn. Bhd.</b>						
KUB Maju Mill Sdn. Bhd.	Malaysia	<b>68</b>	66	<b>32</b>	34	Dormant
KUB Sepadu Sdn. Bhd.	Malaysia	<b>100</b>	-	<b>100</b>	-	Cultivation of oil palm and management of oil palm estates
<b>Held through Central Cables Berhad*:</b>						
CCB Cables & Wires Trading Sdn. Bhd.*	Malaysia	<b>100</b>	-	-	-	Investment holding
Atlas Wire & Cable Sdn. Bhd.*	Malaysia	<b>100</b>	-	-	-	Dormant
Fumori Industries Sdn. Bhd.*	Malaysia	<b>100</b>	-	-	-	Dormant

\* Audited by firms other than Deloitte PLT.

\*\* Equals to the proportion of voting rights held.

# The subsidiaries have been struck off the register pursuant to Section 550 of the Companies Act 2016 in the current year.

## Wound up by way of member's voluntary winding-up in the current financial year.

## NOTES TO THE FINANCIAL STATEMENTS

### 41. INVESTMENTS IN ASSOCIATES

Details of associates are as follows:

Name of associates	Country of incorporation/ Principal place of business	% of ownership interest and voting power held by the Group		Principal activities
		2024 %	2023 %	
<b>Held by the Company:</b>				
Progas Holding Limited	Pakistan	<b>38</b>	38	Investment holding
<b>Held through KUB Telekomunikasi Sdn Bhd:</b>				
Sphairon (Malaysia) Sdn. Bhd.	Malaysia	<b>29.4</b>	29.4	Dormant

### 42. COMPARATIVES

Certain comparatives have been reclassified to conform with MFRS 112 Income Taxes in the current year's presentation.

Statement of financial position for the financial year ended 30 June 2023:

	As previously reported RM'000	Reclassification RM'000	As restated RM'000
<b>Group</b>			
Deferred tax assets	-	856	856
Deferred tax liabilities	(10,860)	(856)	(11,716)

## STATEMENT BY DIRECTORS

The Directors of **KUB MALAYSIA BERHAD**, state that, in their opinion, the accompanying financial statements of the Group and of the Company give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and of their financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board  
in accordance with a resolution of the Directors,

**DATO' SERI NORLIZA BINTI ABDUL RAHIM**

**AHMED FAIRUZ BIN ABDUL AZIZ**

Kuala Lumpur  
26 September 2024

## DECLARATION BY THE OFFICER

PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **ROHAIZA BINTI KAMSAN**, the officer primarily responsible for the financial management of **KUB MALAYSIA BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

**ROHAIZA BINTI KAMSAN**  
(MIA No. 24492)

Subscribed and solemnly declared by the  
abovenamed **ROHAIZA BINTI KAMSAN** at **KUALA LUMPUR**  
on 26th day of September 2024.

Before me,

**COMMISSIONER FOR OATHS**

# LIST OF PROPERTIES

AS AT 30 JUNE 2024

Location/Address	Description	Usage	Area	Tenure	Net Book Value as at 30/06/2024 (RM'000)	Age of Building (Years)	Date of Acquisition/ (Revaluation)
<b>KUB MALAYSIA BERHAD</b>							
Unit No. C-3-01, C-3A-01 C-9-01, Block C Oasis Square, Ara Damansara 47301 Petaling Jaya Selangor	Office Space	Commercial	2,419 sq. meters	Freehold	8,812	14	24 May 2010
<b>PERAHARTA SDN BHD</b>							
Lot 12701 Mukim of Serting Ulu District of Jempol Negeri Sembilan	Vacant Development Land	Industrial	80,430 sq. meters	Leasehold (99 years expiring 2086)	587	-	1999
Lot 4180N, Bangunan Sri Kinta Jalan Sultan Idris Shah Ipoh, Perak	4-Storey Podium Block and 9-Storey Tower Block	Commercial	11,115 sq. meters	Strata Title	4,115	41	1983
<b>SOLAR GAS SDN BHD</b>							
PTD 40053 Mukim of Tebrau District of Johor Bahru Johor	Land, Office and Plant	Industrial	12,866 sq. meters	Freehold	1,212	36	26 September 1988
<b>KUB GAS TERMINAL SDN BHD</b>							
HS(D) 67801, PT 64539 Mukim of Klang Klang, Selangor	Vacant Land	Industrial	31,014.61 sq. meters	Leasehold (99 years expiring 2097)	20,648	-	25 September 2018
<b>CENTRAL CABLES BERHAD</b>							
Lot 1598, PN 2892 Mukim of Peringgitt District of Melaka Tengah Melaka	Land, 5 units Single Storey Detached Factories and a Double Storey Office	Industrial	27,610 sq. meters	Leasehold (85 years expiring on 2105)	29,801	57	1967 (1 April 2024)
<b>FUMORI INDUSTRIES SDN BHD</b>							
GRN 51000, Lot 31802 Pekan Senawang District Seremban Negeri Sembilan	Land and Factory Complex	Industrial	18,526 sq. meters	Freehold	16,465	20	2004 (18 March 2024)
<b>KUB SEPADU SDN BHD</b>							
<b>SUNGAI BULOH ESTATE</b> Lot 221, 252, 261 Block No. 7 Lot 643, Block No 363 Oya Dalat Land District Sarawak	Oil Palm Plantation	Agricultural	2,373.63 hectares	Leasehold (60 years expiring 2050)	46,693	-	10 May 1999 (15 May 2024)
<b>SUNGAI NAPE ESTATE</b> Lot 8, Block No. 109 Lot 135, Block No 48 Oya Dalat Land District Sarawak	Oil Palm Plantation	Agricultural	2,240.90 hectares	Leasehold (60 years expiring 2052)	55,632	-	10 May 1999 (15 May 2024)

## ANALYSIS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2024

Issued Shares : RM229,134,534.28 of 556,917,586 Ordinary Shares

Class of Shares : Ordinary Shares

Voting Rights : One vote per Ordinary Share (On a Poll)

### ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
Less than 100	7,709	16.22	318,475	0.06
100 – 1,000	24,507	51.56	15,385,303	2.76
1,001 – 10,000	14,005	29.47	34,228,731	6.15
10,001 – 100,000	1,129	2.38	33,510,265	6.02
100,001 to less than 5%	175	0.37	123,604,027	22.19
5% and above	1	0.00	349,870,785	62.82
<b>Total</b>	<b>47,526</b>	<b>100.00</b>	<b>556,917,586</b>	<b>100.00</b>

### DIRECT AND INDIRECT INTERESTS OF DIRECTORS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act, 2016 the Directors' Interest in the Company and its subsidiaries are as follows:

No.	Names	Direct Shareholdings	Indirect Shareholdings	% of Shareholdings
1.	Dato' Seri Norliza binti Abdul Rahim	-	-	-
2.	Dato' Ahmad Ibnihajar	-	-	-
3.	Teh Bee Tein	-	-	-
4.	Datuk Haji Mohd Haniff bin Haji Koslan	-	-	-
5.	Megat Joha bin Megat Abdul Rahman	-	-	-
6.	Tee Beng Thong	-	-	-
7.	Amir Nashrin bin Johari	-	-	-
8.	Datuk Rashidah binti Mohd Sies	-	-	-
9.	Zakrysham bin Zainal Bahry	-	1,000*	0.00*
10.	Ahmed Fairuz bin Abdul Aziz	-	-	-

Notes:

\* Deemed interest by virtue of his spouse shareholdings pursuant to Section 59(11)(c) of the Companies Act, 2016.

### SUBSTANTIAL SHAREHOLDERS

No.	Names	Direct Shareholdings		Indirect Shareholdings	
		No. of Shares Held	% of Shareholdings	No. of Shares Held	% of Shareholdings
1.	JAG Capital Holdings Sdn Bhd <u>Shares held in the name of:</u> Cimsec Nominees (Tempatan) Sdn Bhd	349,870,785	62.82	-	-

## ANALYSIS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2024

### TOP THIRTY (30) LARGEST SHAREHOLDERS

No.	Names	No. of Shares Held	% of Shareholdings
1.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB for JAG Capital Holdings Sdn Bhd	349,870,785	62.82
2.	Geo-Mobile Asia Sdn Bhd	12,450,000	2.24
3.	Lim Gaik Bway @ Lim Chiew Ah	10,702,800	1.92
4.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Erwin Selvarajah A/L Peter Selvarajah	9,000,000	1.62
5.	Camasia Limited	5,001,000	0.90
6.	Maybank Securities Nominees (Tempatan) Sdn Bhd CMY Incubator Sdn Bhdh	4,326,900	0.78
7.	Leong Kong Min	4,307,000	0.77
8.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Lian Seng	4,071,200	0.73
9.	Grand Terrace Sdn Bhd	3,546,400	0.64
10.	Rubber Thread Industries (M) Sdn Bhd	3,404,400	0.61
11.	Duclos Sdn Bhd	3,012,000	0.54
12.	Md Anwar bin Mamood	2,500,000	0.45
13.	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Azril Akmar bin Attan Akmar	2,194,500	0.39
14.	Erwin Selvarajah a/l Peter Selvarajah	2,072,200	0.37
15.	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Bank Berhad for Perbadanan Kemajuan Negeri Perak	2,000,000	0.36
16.	Koay Keng Ling	2,000,000	0.36
17.	Koay Keng Teik @ Koay Chia Wah	1,880,000	0.34
18.	Koay Keng Huat	1,826,000	0.33
19.	Micheal Ong Cheng Seang	1,800,000	0.32
20.	Ng Chee Seng	1,600,000	0.29
21.	Goh Thong Beng	1,360,000	0.24
22.	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt AN for UOB Kay Hian Pte Ltd	1,120,000	0.20
23.	Chu Beng Han	1,060,000	0.19
24.	Chee Sok Mee	1,056,800	0.19
25.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Cheong Chen Yue	1,000,000	0.18
26.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Loke See Ooi	930,000	0.17
27.	Chin Kiam Hsung	801,200	0.14
28.	Maybank Nominees (Tempatan) Sdn Bhd Teh Siew Wah	800,000	0.14
29.	Goh Soon An	772,000	0.14
30.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Selva Ganesan a/l Sockalingam	740,000	0.13

# NOTICE OF 59<sup>TH</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Fifty-Nineth ('59<sup>th</sup>') Annual General Meeting ('AGM') of KUB Malaysia Berhad ('KUB' or 'the Company') will be held **VIRTUALLY** through live streaming from the Board Room, KUB Malaysia Berhad, Suite A-22-1, Level 22, Hampshire Place Office, 157 Hampshire, No. 1 Jalan Mayang Sari, 50450 Kuala Lumpur on Thursday, 7 November 2024 at 10.00 a.m. to transact the following businesses:

## AGENDA

### AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2024 together with the Reports of the Directors and Auditors thereon.

2. To re-elect the following Directors who are retiring in accordance with the Company's Constitution, and being eligible have offered themselves for re-election:

- (i) Amir Nashrin bin Johari (Clause 100)
- (ii) Datuk Rashidah binti Mohd Sies (Clause 100)
- (iii) Zakrysham bin Zainal Bahry (Clause 100)

Dato' Ahmad Ibniহার and Datuk Haji Mohd Haniff bin Haji Koslan, who are retiring in accordance with Clause 94 of the Company's Constitution, have expressed their intention not to seek for re-election. Hence, they will retain office until the conclusion of the 59<sup>th</sup> AGM.

3. To approve the payment of the following Directors' Remuneration:

- (i) Directors' Fees of RM600,000 for the Non-Executive Directors for the period from 7 November 2024 until the conclusion of the 60<sup>th</sup> AGM; and
- (ii) Benefits payable up to an amount of RM350,000 to the Non-Executive Directors (excluding the Directors' Fees) for the period from 7 November 2024 until the conclusion of the 60<sup>th</sup> AGM.

4. To re-appoint Deloitte PLT as Auditors of the Company for the ensuing financial year and to authorise the Directors to fix their remuneration.

### AS SPECIAL BUSINESS

To consider, and if thought fit, to pass with or without any modifications, the following Ordinary Resolutions:

5. Authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016 ('CA 2016').

'THAT subject to Sections 75 and 76 of the CA 2016 and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby authorised to issue and allot shares in the Company, at any time upon passing of this resolution until the conclusion of the next AGM and upon such terms and conditions, for such purposes and to persons whomsoever the Directors may, in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being, AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad ('Bursa Malaysia').'

**Please refer to Note 2**

**Resolution 1**  
**Resolution 2**  
**Resolution 3**  
**Please refer to Note 3**

**Resolution 4**

**Resolution 5**  
**Please refer to Note 4**

**Resolution 6**  
**Please refer to Note 5**

**Resolution 7**

## NOTICE OF 59<sup>TH</sup> ANNUAL GENERAL MEETING

6. Proposed Share Buy-Back Authority for KUB Malaysia Berhad to purchase its own ordinary shares of up to ten per centum (10%) of the total number of issued shares.

'THAT subject to the CA 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia and the approval of such relevant governmental and/or regulatory authorities, the Directors be and are hereby unconditionally and generally authorised, to the extent permitted by law, to purchase such number of ordinary shares of the Company on the Main Market of Bursa Malaysia ('Proposed Share Buy-Back') at any time through Bursa Malaysia, upon such terms and conditions as the Directors shall in their discretion deem fit and expedient in the best interest of the Company provided that:

- (i) the aggregate number of ordinary shares which may be purchased and/or held by the Company shall not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time; and
- (ii) the maximum amount of funds to be allocated by the Company for the Proposed Share Buy-Back shall not exceed the retained profits of the Company at the time of purchase by the Company of its own ordinary shares.

THAT upon the purchase by the Company of the ordinary shares, the Directors shall have the absolute discretion to decide whether such shares purchased are to be cancelled and/or retained as treasury shares and distributed as dividends or resold on the Main Market of Bursa Malaysia or transferred for the purpose of or under the Company's Share Scheme and any other employees' share scheme which the Company may establish or any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the Main Market Listing Requirements and any other relevant authority for the time being in force.

THAT such authority conferred by this resolution will commence immediately upon the passing of this resolution and may only continue to be in force until:

- (i) the conclusion of the next AGM of the Company, at which time the authority will lapse unless by ordinary resolution passed at the next AGM, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting

whichever is the earliest but not as to prejudice the completion of purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the Main Market Listing Requirements and/or any other authorities.

AND THAT authority be and is hereby unconditionally and generally given to the Directors to take all such steps that are necessary and expedient (including without limitation, the opening and maintaining of central depository accounts under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all agreements, arrangements and guarantees with any party or parties) to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter on any part of the shares bought-back in accordance with the Act, the provisions of the Constitution of the Company, the Main Market Listing Requirements and all other relevant governmental and/or regulatory authorities.

7. To transact any other business for which due notice shall have been given.

### Resolution 8

**FURTHER NOTICE IS HEREBY GIVEN THAT** for the purpose of determining a member who shall be entitled to attend this 59<sup>th</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 67 of the Constitution of the Company and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 30 October 2024. Only a depositor whose name appears on the Record of Depositors as at 30 October 2024 shall be entitled to attend the said Meeting or appoint proxy(ies) to attend and/or vote on his/her stead.

By Order of the Board

**AZLEEN BINTI ABDULLAH (MAICSA 7057423/SSM PC NO. 201908002775)**  
**NORITA BINTI MISRA (LS 0010426/SSM PC NO. 202008002369)**

Company Secretaries  
 Kuala Lumpur  
 9 October 2024

#### NOTES:

##### 1. Appointment of Proxy

- (i) A member of the Company entitled to attend, speak and vote at the above-mentioned Meeting may appoint a maximum of two (2) proxies, to attend and vote in his/her stead. Where a member appoints two (2) proxies, the member shall specify the proportion of the member's shareholding to be represented by each proxy, failing which the appointment shall be invalid. A proxy may but need not be a member of the Company.
- (ii) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ('omnibus account') as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (iii) The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised or if the appointer is a corporation, either under its common seal or signed under the hand of its attorney or by an officer given the authority on behalf of the corporation. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation.
- (iv) The Proxy Forms must be deposited at the office of the Company's share registrar, **Boardroom Share Registrars Sdn Bhd (Company Reg. No: 199601006647 (378993-D)), 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan** by hand or by fax to **+(603) 7890 4670** or by e-mail to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) or lodge electronically at <https://investor.boardroomlimited.com> not less than **forty-eight (48)** hours before the time for holding the Meeting or any adjournment thereof.
- (v) Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia, all resolutions set out in the Notice of the 59<sup>th</sup> AGM will be put to vote on a Poll.

(vi) **No shareholders/proxies shall be physically present at the broadcast venue.** Please refer to the Administrative Details of the 59<sup>th</sup> AGM on remote participation and voting facilities for the virtual meeting which can be downloaded from <https://www.kub.com/investor-relations/general-meeting/>.

(vii) In disclosing the proxy's personal data, you as shareholder warrant that the proxy (ies) has/have given his/her consent for the disclosure and processing of personal data under the Personal Data Protection Act, 2010.

##### 2. Audited Financial Statements for the Financial Year Ended 30 June 2024

This Agenda is meant for discussion only and will not be put for voting. The approval from shareholders is not required in accordance with Section 340(1)(a) of the CA 2016.

##### 3. Re-election of Directors who retire in accordance of the Constitution of the Company

###### 3.1 Clause 94

Clause 94 of the Constitution of the Company provides that at the AGM, one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office. All Directors shall retire from office once at least in each three (3) years. A retiring director shall be eligible for re-election and shall retain office until the conclusion of the AGM at which he retires. Out of the Board size of ten (10) (to exclude three (3) director who is subject to retire pursuant to Clause 100 of the Company's Constitution), two (2) Directors namely Dato' Ahmad Ibnihajar and Datuk Haji Mohd Haniff bin Haji Koslan are to retire in accordance with Clause 94 of the Company's Constitution.

However, both Dato' Ahmad Ibnihajar and Datuk Haji Mohd Haniff bin Haji Koslan have expressed their intention not to seek for re-election and will therefore retire at the conclusion of the 59<sup>th</sup> AGM.

## NOTICE OF 59<sup>TH</sup> ANNUAL GENERAL MEETING

### 3.2 Clause 100

Clause 100 of the Company's Constitution states that any Director so appointed shall hold office only until the next following annual general meeting when he/she shall retire but shall then be eligible for re-election. The said Director shall not be taken into account in determining the Directors who are to retire by rotation at the meeting. The following Directors, who are to retire in accordance with Clause 100 of the Company's Constitution, being eligible, have offered themselves for re-election at the 59<sup>th</sup> AGM:

- (i) Amir Nashrin bin Johari – appointed on 6 March 2024
- (ii) Datuk Rashidah binti Mohd Sies – appointed on 1 April 2024
- (iii) Zakrysham bin Zainal Bahry – appointed on 1 April 2024

The Board Nomination and Remuneration Committee ('BNRC') has assessed each of the retiring Directors' performance and contributions based on the Board Effectiveness Assessment for 2023/2024, Declaration on Directors' Fit & Proper and the ability to act in the best interest of the Company. Being satisfied with the assessment results, the Board approved the BNRC's recommendation that the Directors who retire are eligible to stand for re-election.

The retiring Directors have abstained from deliberations and decisions on their eligibility to stand for re-election at the relevant Board and Committee meetings.

### 4. Directors' Remuneration

Pursuant to Section 230(1) of the CA 2016, the fees of the directors and any benefits payable to the directors of a public listed company and its subsidiaries shall be approved at a general meeting. Therefore, the Board agreed that the shareholders' approval shall be sought at the 59<sup>th</sup> AGM on the Directors' Remuneration in two (2) separate resolutions as follows:

- (i) **Resolution 4** - Payment of Directors' Fees for the period from 7 November 2024 until the conclusion of the 60<sup>th</sup> AGM; and

On 29 August 2024, the Board agreed to seek the shareholders' approval for the Company to pay the Directors' Fees of up to RM600,000 for the period from 7 November 2024 until the conclusion of the 60<sup>th</sup> AGM. In the event of a new appointment or resignation of the Directors, the Directors' Fees will be prorated accordingly. Resolution 4, if passed, will authorise the payment of the Directors' Fees to the Directors on a quarterly basis effective 7 November 2024.

- (ii) **Resolution 5** - Benefits payable to the Non-Executive Directors ('NEDs') (excluding the Directors' Fees) for the period from 7 November 2024 until the conclusion of the 60<sup>th</sup> AGM ('the Relevant Period').

On 29 August 2024, the Board agreed to seek the shareholders' approval for the Company to pay the Directors' Benefits of RM350,000 for the Relevant Period. Resolution 5, if passed, will authorise the payment of the Directors' Benefits up to RM350,000 ('the Proposed Amount') to the NEDs by the Company for the Relevant Period. The estimated amount payable is based on the assumption that the Company maintain its existing Board composition. The payment of the Directors' Benefits will be made by the Company as and when incurred.

In the event the Proposed Amount is insufficient, approval will be sought at the 60<sup>th</sup> AGM for the additional benefits.

### 5. Re-appointment of Deloitte PLT as Auditors of the Company

On 29 August 2024, the Board approved the recommendation by the Audit, Risk and Sustainability Committee on the re-appointment of Deloitte PLT as Auditors of the Company. The Board and the Audit, Risk and Sustainability Committee have collectively agreed that Deloitte PLT had met the relevant criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia.

### 6. Statement Accompanying Notice of Annual General Meeting of the Company

This statement contains additional information required under Appendix 8A of the Main Market Listing Requirements of Bursa Malaysia.

### EXPLANATORY NOTES TO THE SPECIAL BUSINESS:

#### 1. Resolution 7 - Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016

Resolution 7, which is for the purpose of granting a renewal of General Mandate ('General Mandate'), if passed, will empower the Directors to issue and allot new shares in the Company up to an amount not exceeding in total ten per centum (10%) of the issued shares of the Company for such purposes and to such person or persons whomsoever as the Directors consider would be in the interest of the Company. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting of the Company.

The General Mandate will provide flexibility to the Company for any possible fund-raising activities including but not limited to further placement of shares, for purpose of funding future investment project(s), working capital and/or acquisitions. As at the date of this Notice, no new shares in the Company were issued pursuant to the General Mandate granted to the Directors at the 58<sup>th</sup> AGM held on 31 October 2023 and which will lapse at the conclusion of the 59<sup>th</sup> AGM.

#### 2. Resolution 8 – Proposed Share Buy-Back

The proposed Ordinary Resolution 8, if passed, will empower the Directors to buy-back and/or hold up to a maximum of 10% of the Company's issued share capital at any point of time, by utilising the funds allocated which shall not exceed the total retained profits and/or share premium of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company, or the expiration of period within which the next AGM is required by law to be held, whichever is earlier. Please refer to the Statement to Shareholders dated 9 October 2024, which is published in our website for more information.

# STATEMENT ACCOMPANYING NOTICE OF 59<sup>TH</sup> ANNUAL GENERAL MEETING

## Pursuant to Paragraph 8.27(2) of Bursa Malaysia Main Market Listing Requirements

### 1. DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTORS (EXCLUDING DIRECTORS STANDING FOR RE-ELECTION)

There are no Director standing for election as Director of the Company at the 59<sup>th</sup> AGM.

### 2. GENERAL MANDATE FOR ISSUE OF SECURITIES IN ACCORDANCE WITH PARAGRAPH 6.03(3) OF BURSA MALAYSIA MAIN MARKET LISTING REQUIREMENTS

Details of the general mandate/authority for Directors to allot and issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016 are set out in the Explanatory Notes to the Special Business of the Notice of 59<sup>th</sup> AGM.

# ADMINISTRATIVE DETAILS

FOR THE 59<sup>TH</sup> GENERAL MEETING ('AGM') OF KUB MALAYSIA BERHAD ('KUB' OR 'THE COMPANY')

<b>DATE</b>	: THURSDAY, 7 NOVEMBER 2024
<b>TIME</b>	: 10.00 A.M.
<b>ONLINE MEETING PLATFORM</b>	: <a href="https://meeting.boardroomlimited.my">https://meeting.boardroomlimited.my</a>
<b>BROADCAST VENUE</b>	: BOARD ROOM, KUB MALAYSIA BERHAD SUITE A-22-1, LEVEL 22, HAMPSHIRE PLACE OFFICE 157 HAMPSHIRE, NO. 1 JALAN MAYANG SARI 50450 KUALA LUMPUR

## 1. VIRTUAL AGM

- (i) The AGM will be conducted on a virtual basis through live streaming and online remote voting using the **REMOTE PARTICIPATION AND ELECTRONIC VOTING ('RPEV')** facilities pursuant to Section 327 of the Companies Act, 2016 ('CA 2016') and Clause 63(c) of the Constitution of the Company.
- (ii) **No shareholders/proxies shall be physically present at the broadcast venue.** The Meeting is in compliance with Section 327(2) of the CA 2016 which provides that the main venue of the AGM shall be in Malaysia and the chairperson must be present at the main venue of the AGM. The virtual Meeting will enable the shareholders/proxies to participate in the proceedings without the need to be physically present at the venue.
- (iii) The Company will be using the online meeting platform provided by the Company's share registrar, Boardroom Share Registrars Sdn Bhd at <https://meeting.boardroomlimited.my> ('the Meeting Portal'). With this RPEV facility, you may exercise your right as a shareholder of the Company to participate (including to pose questions to the Board/Management of the Company) and vote at the comfort of your home.

## 2. REMOTE PARTICIPATION AND ELECTRONIC VOTING ('RPEV')




Before you can access the Meeting portal, please follow the steps below to register for the RPEV facilities:

PROCEDURES	STEPS
<b>BEFORE THE DAY OF THE AGM</b>	
<p>(1) Register online with Boardroom Smart Investor Portal ('BSIP') for Individual and Corporate Shareholder</p> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>✓ If you have previously registered with BSIP, you may proceed to Step (2)</li> <li>✓ BSIP now facilitates the registration of Corporate Shareholders</li> </ul>	<p>(Only for first-time BSIP users)</p> <ol style="list-style-type: none"> <li>a. Access the website <a href="https://investor.boardroomlimited.com">https://investor.boardroomlimited.com</a></li> <li>b. Click '<b>Register</b>' to sign up as a user</li> <li>c. Select '<b>Account Type</b>' to '<b>Sign Up As Shareholder</b>' or '<b>Sign Up As Corporate Holder</b>'</li> <li>d. Complete registration and upload compulsory documents such as softcopy of MyKad (front and back) or passport and authorisation letter (template available on the BSIP) for Corporate Shareholder</li> <li>e. Enter a valid mobile number and email address</li> <li>f. You will receive an email from BSIP for email address verification. Click '<b>Verify E-mail Address</b>' in the email received to continue with the registration</li> <li>g. Once your email address is verified, you will be re-directed to BSIP for verification of mobile number. Click '<b>Request OTP Code</b>' and an OTP code will be sent to the registered mobile number. You will need to enter the OTP Code and click '<b>Enter</b>' to complete the process</li> <li>h. Once your mobile number is verified, registration of your new BSIP account will be pending for final verification. Your registration will be verified and approved within one business day and an email notification will be provided</li> </ol>

PROCEDURES	STEPS
<b>BEFORE THE DAY OF THE AGM</b>	
<p>(2) Submit request for remote participation</p> <p><i>Note:</i>            ✓ You must be a registered BSIP user.            If not, return to Step (1)</p>	<p>The registration for RPEV facilities will open on <b>9 October 2024</b> until such time before the voting session ends at the AGM on <b>Thursday, 7 November 2024</b> ('Registration Deadline')</p> <p>The instrument appointing a proxy must be received latest by <b>Tuesday, 5 November 2024 at 10.00 a.m</b> ('Proxy Lodgement Deadline')</p> <p><b>For Individual and Corporate Shareholders</b></p> <ol style="list-style-type: none"> <li>Log in to <a href="https://investor.boardroomlimited.com">https://investor.boardroomlimited.com</a></li> <li>Click '<b>Meeting Event(s)</b>' and select from the list of companies – '<b>KUB MALAYSIA BERHAD (59<sup>TH</sup>) ANNUAL GENERAL MEETING</b>' and click '<b>Enter</b>'</li> <li>To attend the virtual AGM remotely           <ul style="list-style-type: none"> <li>✓ Click '<b>Register for RPEV</b>'</li> <li>✓ Read and accept the General Terms and Conditions and enter your CDS account no. to submit your request</li> </ul> </li> <li>To appoint proxy           <ul style="list-style-type: none"> <li>✓ Click '<b>Submit eProxy Form</b>'</li> <li>✓ For Corporate Shareholder, select the company you would like to represent (if more than one)</li> <li>✓ Read and accept the General Terms and Conditions and enter your CDS account no. Then, insert your proxy details and voting instructions. If you wish your proxy(ies) to act upon his/her discretion, please indicate '<b>Discretionary</b>'</li> </ul> </li> </ol> <p><b>For Authorised Nominees and Exempt Authorised Nominees</b></p> <ol style="list-style-type: none"> <li>Log in to <a href="https://investor.boardroomlimited.com">https://investor.boardroomlimited.com</a></li> <li>Click '<b>Meeting Event(s)</b>' and select from the list of companies – '<b>KUB MALAYSIA BERHAD (59<sup>TH</sup>) ANNUAL GENERAL MEETING</b>' and click '<b>Enter</b>'</li> <li>Click "<b>Submit eProxy Form</b>"</li> <li>Select the company you would like to represent (if more than one)</li> <li>Proceed to download the file format for '<b>Submission of Proxy Form</b>'</li> <li>Prepare the file for the appointment of proxy(ies) by inserting the required data</li> <li>Proceed to upload the duly completed Proxy Appointment file</li> <li>Review and confirm your proxy(ies) appointment(s) and click '<b>Submit</b>'</li> <li>Download or print the eProxy form as acknowledgement</li> </ol> <p>For Corporate Shareholders, Authorised Nominees/Exempt Authorised Nominees and Attorneys, you may also write to <b>bsr.helpdesk@boardroomlimited.com</b> and provide the name of the shareholder, CDS account no. and the Certificate of Appointment of Corporate Representative or Proxy Form (as the case may be). A copy of MyKad or passport and a valid email address are required</p>

## ADMINISTRATIVE DETAILS

FOR THE 59<sup>TH</sup> AGM OF KUB

PROCEDURES		STEPS
<b>BEFORE THE DAY OF THE AGM</b>		
(3)	Verification and email notification	<p><b>For Individual Shareholders, Corporate Shareholders, Authorised Nominees/Exempt Authorised Nominees and Attorneys</b></p> <p>a. An email notification will be sent by Boardroom to notify that your request for remote participation has been received for system verification</p> <p>b. Upon verification against the General Meeting Record of Depositors, you will receive an email from Boardroom on the day prior to the AGM, i.e. Wednesday, 6 November 2024 either approving or rejecting your request for remote participation</p> <p>c. If your registration is approved, the said email will provide the Meeting ID, User Name and Password for the virtual AGM</p>
<b>ON THE DAY OF THE AGM</b>		
(4)	Log in	<p>a. The meeting platform will open for log in on Thursday, 7 November 2024 at 9.00 a.m., i.e. one hour before the commencement of the AGM</p> <p>b. Click the link provided in the email in Step (3)c to join the virtual AGM. Insert the Meeting ID and sign in with the User Name and Password provided to you via the same email</p>
(5)	Participate	<p>a. Please follow the user guides in the email to view the live webcast, submit questions and vote</p> <p>b. To view the live webcast, select the broadcast icon </p> <p>c. To ask a question during the AGM, select the messaging icon . Type your question in the chat box and click the send button to submit</p>
(6)	Vote	<p>a. Once voting has commenced, the polling icon  will appear with the resolutions and voting choices until such time that the Chairman declares an end to the voting session</p> <p>b. To vote, select your voting preference from the options provided. A confirmation message will appear to indicate that your vote has been received</p> <p>c. To change your vote, re-select your voting preference</p> <p>d. If you wish to cancel your vote, please press '<b>Cancel</b>'</p>
(7)	End	Upon declaration by the Chairman of the closure of the AGM, the live webcast will end

### 3. PROXY

- (i) A shareholder who is entitled to remotely participate and vote at the Meeting is entitled to appoint proxy(ies) to remotely participate and vote in his/her stead. If you are not able to participate in the AGM remotely, you are encouraged to appoint the Chairman of the Meeting as your proxy and indicate the voting instructions in the Proxy Form.
- (ii) The Proxy Form must be deposited to the office of the Company's share registrar, **Boardroom Share Registrars Sdn Bhd, 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan** by hand or by e-mail at [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) or by fax to **+(603) 7890 4670** or lodge electronically at <https://investor.boardroomlimited.com> not less than **forty-eight (48) hours** before the time for holding the Meeting or any adjournment thereof.
- (iii) You may also opt to submit your Proxy Form via BSIP, which procedures are mentioned above (Step 2).
- (iv) Please do not submit any Proxy Form if you wish to participate in the Meeting yourself. A shareholder will not be allowed to participate if he/she has appointed a proxy.
- (v) If you have submitted the Proxy Form and subsequently decide to participate in the Meeting, please write to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) to revoke the appointment of your proxy(ies) not less than forty-eight (48) hours before the AGM which is on **Tuesday, 5 November 2024 at 10.00 a.m.**. Your proxy(ies) on revocation would not be allowed to participate in the Meeting. In such event, you should advise your proxy(ies) accordingly.

### 4. VOTING PROCEDURES

- (i) The voting will be conducted by poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Company has appointed Boardroom Share Registrars Sdn Bhd as Poll Administrator to conduct the poll by way of electronic voting ('**E-Voting**'). A Scrutineer will be appointed to verify the poll results.
- (ii) The E-Voting may be carried out using personal smart mobile phones, tablets or laptops. There are two (2) methods to access the facilities, namely:
  - Scan the QR Code provided in the email notification; OR
  - Navigate to the website at <https://meeting.boardroomlimited.my>
- (iii) Please note that the above options are available to **(i) Individual Members (ii) Corporate Shareholder (iii) Authorised Nominee and (iv) Exempt Authorised Nominee**.
- (iv) You will be able to view a live webcast of the Meeting, ask questions and submit your votes in real time whilst the meeting is in progress.
- (v) Shareholders can vote on the resolution at any time from the commencement of the AGM at 10.00 a.m. until the end of the voting session which will be announced by the Chairman of the meeting.
- (vi) Upon completion of the voting session, the Scrutineer will verify and announce the poll results followed by the Chairman's declaration whether the resolution is duly passed or not.

## ADMINISTRATIVE DETAILS

FOR THE 59<sup>TH</sup> AGM OF KUB

### 5. PROCEDURES OF THE AGM

- (i) The Login User Guide for participation, posing questions and voting at the AGM will be emailed together with user ID and password once your registration has been approved.
- (ii) No recording or photography of the Meeting proceedings is permitted.
- (iii) Please ensure that you are connected to the internet at all times in order to participate and vote when the AGM has commenced. It is your responsibility to ensure that connectivity for the duration of the Meeting is not interrupted.
- (iv) You will be able to view the Company's presentation or slides via the live webcast.
- (v) The Board will endeavour to respond to all questions related to resolutions, financial performance and business prospects within the time available. The question may be submitted via the messaging window two (2) weeks before the AGM.

### 6. NO DOOR GIFTS OR FOOD VOUCHER

No distribution of door gifts or food vouchers will be given to the shareholders/proxy(ies).

### 7. ENQUIRY

Kindly contact the following persons during office hour between 8.30 a.m. to 5.30 p.m., Monday to Friday if you have any question on the AGM:

**(i) Group Secretarial Division, KUB Malaysia Berhad**

Telephone: +(603) 2721 9600

Facsimile : +(603) 2721 9610

Azleen binti Abdullah/Norita binti Misra

**(ii) Boardroom Share Registrars Sdn Bhd**

(RPEV registration, proxy lodgement and technical assistance)

Telephone: +(603) 7890 4700

Facsimile : +(603) 7890 4670

E-mail : [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com)

# PROXY FORM



CDS Account No.	
No. of Shares Held	

I/We \_\_\_\_\_ NRIC/Passport No. \_\_\_\_\_  
(Block Letters)

of \_\_\_\_\_  
(Full Address)

Telephone No.: \_\_\_\_\_ E-mail Address: \_\_\_\_\_

being a member/members of KUB Malaysia Berhad ('Company'), hereby appoint Chairman of the Meeting\* or \_\_\_\_\_ NRIC/Passport No. \_\_\_\_\_  
(Block Letters)

of \_\_\_\_\_  
(Full Address)

Telephone No.: \_\_\_\_\_ E-mail Address: \_\_\_\_\_

and/or failing him \_\_\_\_\_ NRIC/Passport No. \_\_\_\_\_  
(Block Letters)

of \_\_\_\_\_  
(Full Address)

Telephone No.: \_\_\_\_\_ E-mail Address: \_\_\_\_\_

as my/our proxy(ies) to vote for me/us on my/our behalf at the 59<sup>th</sup> Annual General Meeting of the Company to be held virtually through live streaming from the **Board Room, KUB Malaysia Berhad, Suite A-22-1, Level 22, Hampshire Place Office, 157 Hampshire, No. 1 Jalan Mayang Sari, 50450 Kuala Lumpur** on **Thursday, 7 November 2024** at **10.00 a.m.** or at any adjournment thereof.

\* If you wish to appoint other person(s) as your proxy/proxies, kindly delete the phrase 'Chairman of the Meeting' and insert name(s) of the desired person(s).

My/our proxy(ies) is/are to vote as indicated by an 'X' in the appropriate spaces below:

RESOLUTIONS		FIRST PROXY		SECOND PROXY	
		FOR	AGAINST	FOR	AGAINST
<b>ORDINARY RESOLUTIONS</b>					
1.	Re-election of Amir Nashrin bin Johari				
2.	Re-election of Datuk Rashidah binti Mohd Sies				
3.	Re-election of Zakrysham bin Zainal Bahry				
4.	Approval of the Directors' Fees of RM600,000 for the Non-Executive Directors for the period from 7 November 2024 until the conclusion of the 60 <sup>th</sup> AGM				
5.	Approval of the Non-Executive Directors' Benefits up to an amount of RM350,000 to the Non-Executive Directors (excluding the Directors' Fees) for the period from 7 November 2024 until the conclusion of the 60 <sup>th</sup> AGM				
6.	Re-Appointment of Deloitte PLT as Auditors				
<b>SPECIAL BUSINESS</b>					
7.	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016				
8.	Proposed Share Buy-Back Authority				

The proportion of my/our holding to be represented by my/our proxy/proxies is as follows:

Dated this \_\_\_\_\_ day of \_\_\_\_\_ of 2024.

First Proxy	%
Second Proxy	%
<b>Total</b>	<b>100%</b>

\_\_\_\_\_  
 Signature of Member/Common Seal/Attorney/Authorised Officer

\*\* Strike out whichever is not desired. (Unless otherwise instructed, the Proxy/(ies) may vote as he/she thinks fit)

**Notes:**

- (i) A member of the Company entitled to attend, speak and vote at the above-mentioned Meeting may appoint a maximum of two (2) proxies, to attend and vote in his/her stead. Where a member appoints two (2) proxies, the member shall specify the proportion of the member's shareholding to be represented by each proxy, failing which the appointment shall be invalid. A proxy may but need not be a member of the Company.
- (ii) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ('omnibus account') as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (iii) The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised or if the appointer is a corporation, either under its common seal or signed under the hand of its attorney or by an officer given the authority on behalf of the corporation. A proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation.
- (iv) The Proxy Forms must be deposited at the office of the Company's share registrar, **Boardroom Share Registrars Sdn Bhd (Company Reg. No.: 199601006647 (378993-D)), 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan** by hand or by fax to **+(603) 7890 4670** or by e-mail to [bsr.helpdesk@boardroomlimited.com](mailto:bsr.helpdesk@boardroomlimited.com) or lodge electronically at <https://investor.boardroomlimited.com> not less than **forty-eight (48) hours** before the time for holding the Meeting or any adjournment thereof.
- (v) **No shareholders/proxies shall be physically present at the broadcast venue.** Please refer to the Administrative Details of the 59<sup>th</sup> AGM on remote participation and voting facilities for the virtual meeting.
- (vi) In disclosing the proxy's personal data, you as shareholder warrant that the proxy (ies) has/have given his/her consent for the disclosure and processing of personal data in accordance to the Notice of the AGM under the Personal Data Protection Act 2010.

1<sup>st</sup> fold here

---

**KUB MALAYSIA BERHAD (196501000205 (6022-D))**  
**c/o THE REGISTRAR**  
**BOARDROOM SHARE REGISTRARS SDN BHD**  
(Company Reg. No.: 199601006647 (378993-D))

11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

AFFIX STAMP

2<sup>nd</sup> fold here

---

# GROUP DIRECTORY

## LPG DIVISION

- Solar Gas Sdn Bhd (196901000777 (9189-U))

### Business Address

#### Corporate Office:

Suite A-10-1, Level 10  
Hampshire Place Office  
157 Hampshire  
No. 1 Jalan Mayang Sari  
50450 Kuala Lumpur  
Tel : +(603) 2772 0900  
Fax: -

#### Operations Office:

(Westport Branch)  
Lot 55710  
Lorong Kenanga 8  
Liquid Bulk Terminal  
Westport, Pulau Indah  
42009 Port Klang  
Selangor Darul Ehsan  
Tel : +(603) 3101 1799  
Fax: +(603) 3101 1791

(Johor Bahru Branch)  
16A-16C, Jalan Sri Purnama 5  
Kawasan Perindustrian Sri Purnama  
81100 Johor Bahru  
Johor Darul Takzim  
Tel : +(607) 333 1351  
Fax: +(607) 332 6527

(Beranang Branch)  
No. 2, Jalan Perusahaan 3  
Kawasan Perusahaan Beranang  
43700 Beranang  
Selangor Darul Ehsan  
Tel : +(603) 8725 6660  
Fax: +(603) 8725 6855

## POWER DIVISION

- Central Cables Berhad (196701000235 (7169-A))
- KUB Power Sdn Bhd (199201004834 (236338-P))

### Business Address

#### Central Cables Berhad

7862, Batu Berendam  
75350 Melaka  
Tel : +(606) 232 5821  
Fax: +(606) 232 5823

#### KUB Power Sdn Bhd

Suite A-22-1, Level 22  
Hampshire Place Office  
157 Hampshire  
No. 1 Jalan Mayang Sari  
50450 Kuala Lumpur  
Tel : +(603) 2721 9600  
Fax: +(603) 2721 9610

## AGRO DIVISION

- KUB Agro Holdings Sdn Bhd (197901002890 (47135-V))
- KUB Sepadu Sdn Bhd (199601019820 (392172-H))

### Business Address

Suite A-22-1, Level 22  
Hampshire Place Office  
157 Hampshire  
No. 1 Jalan Mayang Sari  
50450 Kuala Lumpur  
Tel : +(603) 2721 9600  
Fax: +(603) 2721 9610

## OTHER DIVISION

- Peraharta Sdn Bhd (197401002041 (19250-X))
- KUB Telekomunikasi Sdn Bhd (199101019684 (230021-D))
- Connecta Sdn Bhd (202001002285 (1358604-W))

### Business Address

#### Peraharta Sdn Bhd

Suite A-22-1, Level 22  
Hampshire Place Office  
157 Hampshire  
No. 1 Jalan Mayang Sari  
50450 Kuala Lumpur  
Tel : +(603) 2721 9600  
Fax: +(603) 2721 9610

#### KUB Telekomunikasi Sdn Bhd

**Connecta Sdn Bhd**  
Suite A-10-2, Level 10  
Hampshire Place Office  
157 Hampshire  
No. 1 Jalan Mayang Sari  
50450 Kuala Lumpur  
Tel : +(603) 8966 1983  
Fax: -

Note: Registered Office of all Companies (except Central Cables Berhad) located at:

#### KUB Malaysia Berhad (196501000205 (6022-D))

Suite A-22-1, Level 22  
Hampshire Place Office  
157 Hampshire  
No. 1 Jalan Mayang Sari  
50450 Kuala Lumpur  
Tel : +(603) 2721 9600  
Fax: +(603) 2721 9610

#### Central Cables Berhad (196701000235 (7169-A))

Suite C-5-4, Wisma Goshen  
Jalan Pantai Baharu  
Plaza Pantai  
59200 Kuala Lumpur  
Tel : +(603) 2287 7006  
Fax: +(603) 2283 4007

**KUB MALAYSIA BERHAD**

(196501000205 (6022-D))

Suite A-22-1, Level 22, Hampshire Place Office, 157 Hampshire  
No. 1 Jalan Mayang Sari, 50450 Kuala Lumpur

Tel: +603-2721 9600

Fax: +603-2721 9610

**[www.kub.com](http://www.kub.com)**