



SOUTHERN SCORE BUILDERS BERHAD
(Registration No. 200301019817 (622237-D))
(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 30 JUNE 2024**

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME⁽¹⁾

	Individual Quarter		Cumulative Quarter	
	3-month ended		12-month ended	6-month ended ⁽²⁾
	Current Year	Preceding Year	Current Year To-	Preceding Year
	Quarter	Corresponding	Date	Corresponding
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	63,584	30,636	170,717	97,933
Cost of sales	(43,822)	(12,581)	(121,704)	(64,178)
Gross Profit	19,762	18,055	49,013	33,755
Other income	399	789	1,927	3,474
Administrative expenses	(2,744)	(2,291)	(8,641)	(4,478)
Operating Profit	17,417	16,553	42,299	32,751
Share of loss of an associate	(2)	(2)	(5)	(2)
Finance costs	(336)	(98)	(818)	(163)
Profit before tax	17,079	16,453	41,476	32,586
Tax expense	(4,182)	(3,939)	(10,024)	(7,275)
Profit after tax / Total comprehensive income	12,897	12,514	31,452	25,311
Profit after tax / Total comprehensive income attributable to:				
Owners of the Company	12,897	12,514	31,452	25,311
Earnings per share (sen)				
Basic/ diluted ⁽³⁾	0.57	0.55	1.38	1.11

Notes:

- (1) The basis of preparation of the unaudited condensed consolidated Statement of Profit or Loss and Other Comprehensive Income are detailed in Note A1 and should be read in conjunction with the audited financial statements of Southern Score Builders Berhad ("**Company**") for the 6-month financial period ended ("**FPE**") 30 June 2023, as well as the accompanying explanatory notes attached to this interim financial report.
- (2) Following the completion of the Company's regularisation plan on 9 November 2022 which includes, among others, the acquisition of Southern Score Sdn Bhd, on 8 February 2023 ("**Regularisation Plan**"), Southern Score Sdn Bhd had changed its financial year end from 31 December to 30 June so as to coincide with the financial year end of the Company, which is 30 June. The aforementioned business combination between the Company and Southern Score Sdn Bhd is treated as a reverse acquisition in accordance with MFRS 3: Business Combinations. Under the reverse acquisition method of accounting, consolidated financial statements represent a continuation of the historical financial statements of the legal subsidiary, that is, Southern Score Sdn Bhd. As such, the Group's first set of audited financial statements following the change in financial year end of Southern Score Sdn Bhd covers a 6-month period from 1 January 2023 to 30 June 2023.
- (3) Basic earnings per share ("**EPS**") and diluted EPS are the same as the Company did not have any potential dilutive securities during the period.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	Unaudited	Audited
	As at 30.06.2024	As at 30.06.2023
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	1,692	1,895
Investment in an associate	248	253
Fixed deposits with licensed banks	7,938	7,718
Total Non-Current Assets	<u>9,878</u>	<u>9,866</u>
CURRENT ASSETS		
Contract assets	20,527	25,572
Trade receivables	143,258	88,447
Other receivables	4,773	1,787
Short term deposit placement	37,515	71,121
Cash and bank balances	22,299	700
Total Current Assets	<u>228,372</u>	<u>187,627</u>
TOTAL ASSETS	<u>238,250</u>	<u>197,493</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	117,042	117,042
Retained earnings	40,668	31,942
TOTAL EQUITY	<u>157,710</u>	<u>148,984</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Finance lease liabilities	108	266
Deferred tax liabilities	159	159
Total Non-Current Liabilities	<u>267</u>	<u>425</u>
CURRENT LIABILITIES		
Contract liabilities	5,113	-
Trade payables	55,083	35,217
Other payables	1,414	1,504
Finance lease liabilities	158	151
Borrowings	14,347	4,995
Tax payable	4,158	6,217
Total Current Liabilities	<u>80,273</u>	<u>48,084</u>
TOTAL LIABILITIES	<u>80,540</u>	<u>48,509</u>
TOTAL EQUITY AND LIABILITIES	<u>238,250</u>	<u>197,493</u>
Net assets per share (RM) ⁽²⁾	0.07	0.07

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)⁽¹⁾

Notes:

- (1) The basis of preparation of the unaudited condensed consolidated Statement of Financial Position are detailed in Note A1 and should be read in conjunction with the audited financial statements of Company for the 6-month FPE 30 June 2023, as well as the accompanying explanatory notes attached to this interim financial report.
- (2) The net assets per share as at 30 June 2024 and 30 June 2023 were calculated based on the enlarged share capital of the Group of 2,272,589,562 ordinary shares upon completion of the Regularisation Plan.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾

	SHARE CAPITAL	DISTRIBUTABLE RETAINED EARNINGS	TOTAL EQUITY
	RM'000	RM'000	RM'000
As at 1 Jan 2023	117,042	29,356	146,398
Dividend paid	-	(22,725)	(22,725)
Total profit or loss and other comprehensive income for the period	-	25,311	25,311
As at 30 June 2023 ⁽²⁾	117,042	31,942	148,984
As at 1 July 2023	117,042	31,942	148,984
Dividend paid	-	(22,726)	(22,726)
Total profit or loss and other comprehensive income for the year	-	31,452	31,452
As at 30 June 2024	117,042	40,668	157,710

Notes:

- (1) The basis of preparation of the unaudited condensed consolidated Statement of Changes in Equity are detailed in Note A1 and should be read in conjunction with the audited financial statements of Company for the 6-month FPE 30 June 2023, as well as the accompanying explanatory notes attached to this interim financial report.
- (2) Following the completion of the Regularisation Plan, Southern Score Sdn Bhd had changed its financial year end from 31 December to 30 June so as to coincide with the financial year end of the Company, which is 30 June. The aforementioned business combination between the Company and Southern Score Sdn Bhd is treated as a reverse acquisition in accordance with MFRS 3: Business Combinations. Under the reverse acquisition method of accounting, consolidated financial statements represent a continuation of the historical financial statements of the legal subsidiary, that is, Southern Score Sdn Bhd. As such, the Group's first set of audited financial statements following the change in financial year end of Southern Score Sdn Bhd covers a 6-month period from 1 January 2023 to 30 June 2023.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾

	Current year to-date 30.06.2024 RM'000	Preceding period to-date ⁽²⁾ 30.06.2023 RM'000
OPERATING ACTIVITIES		
Profit before tax	41,476	32,586
Adjustments:		
Depreciation of property, plant and equipment	464	174
Share of loss of an associate	5	2
Gain on disposal of property, plant and equipment	(3)	-
Waiver of director fee	-	(1,794)
Interest expense	818	163
Interest income	(642)	(399)
Operating profit before working capital changes	42,118	30,732
Changes in working capital:		
Contract assets/ liabilities	10,158	(3,158)
Receivables	(57,798)	(2,065)
Payables	19,714	(32,009)
Cash generated from/ (used in) operations	14,192	(6,500)
Interest paid	-	(155)
Interest received	66	190
Income tax paid	(12,083)	(3,880)
Net cash generated from/ (used in) operating activities	2,175	(10,345)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(284)	(905)
Proceed from sale of property, plant and equipment	26	-
Interest received	357	92
Net cash generated from/(used in) investing activities	99	(813)
FINANCING ACTIVITIES		
Repayment of finance lease liabilities	(151)	(64)
Drawdown of loan	4,347	-
Interest received	220	26
Interest paid	(756)	(9)
Placement of fixed deposits	(220)	(7,718)
Dividend paid	(22,726)	(22,725)
Advance from a director	-	251
Net cash used in financing activities	(19,286)	(30,239)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(17,012)	(41,397)
CASH AND CASH EQUIVALENTS BALANCE AT THE BEGINNING OF THE FINANCIAL YEAR	66,826	108,223
CASH AND CASH EQUIVALENTS BALANCE AT THE END OF THE FINANCIAL YEAR	49,814	66,826

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)⁽¹⁾

	Current year to-date	Preceding period to-date ⁽²⁾
	30.06.2024	30.06.2023
	RM'000	RM'000
CASH AND CASH EQUIVALENTS		
Fixed deposits with licensed banks	7,938	7,718
Short term deposit placement	37,515	71,121
Cash and bank balances	22,299	700
Bank overdraft	(10,000)	(4,995)
	<u>57,752</u>	<u>74,544</u>
Less: Fixed deposits pledged	(7,938)	(7,718)
	<u>49,814</u>	<u>66,826</u>

Notes:

- (1) The basis of preparation of the unaudited condensed consolidated Statement of Cash Flows are detailed in Note A1 and should be read in conjunction with the audited financial statements of Company for the 6-month FPE 30 June 2023, as well as the accompanying explanatory notes attached to this interim financial report.
- (2) Following the completion of the Regularisation Plan, Southern Score Sdn Bhd had changed its financial year end from 31 December to 30 June so as to coincide with the financial year end of the Company, which is 30 June. The aforementioned business combination between the Company and Southern Score Sdn Bhd is treated as a reverse acquisition in accordance with MFRS 3: Business Combinations. Under the reverse acquisition method of accounting, consolidated financial statements represent a continuation of the historical financial statements of the legal subsidiary, that is, Southern Score Sdn Bhd. As such, the Group's first set of audited financial statements following the change in financial year end of Southern Score Sdn Bhd covers a 6-month period from 1 January 2023 to 30 June 2023.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2024

A. EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

This interim financial report is unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The accounting policies, estimates and judgements adopted in these interim financial statements are consistent with those adopted in the audited financial statements of the Group for the 6-month FPE 30 June 2023. This interim financial report should be read in conjunction with the audited financial statements of the Company for the 6-month FPE 30 June 2023.

The accompanying explanatory notes attached to this interim financial report provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group for the year ended 30 June 2024.

A2. Significant Accounting Policies

A2.1 Adoption of Amendments/Improvements to MFRSs

At the beginning of the financial period, the Group adopted new standards/amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2023.

Initial application of the new standards/amendments/improvements to the standards did not have material impact to the financial statements.

A2.2 Standards Issued But Not Yet Effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group’s financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective in the respective financial period.

Amendments to MFRSs effective from annual periods beginning on or after 1 January 2024:-

Amendments to MFRS 16*	Leases: Leases Liability in a Sales and Leaseback
Amendments to MFRS 101*	Presentation of Financial Statements: Non-current Liabilities with Covenants
Amendments to MFRS 101	Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
Amendments to MFRS 107* and MFRS 7*	Statement of Cash Flows: Supplier Finance Arrangements

Amendments to MFRSs effective from annual periods beginning on or after 1 January 2025:-

Amendments to MFRS 121*	The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability
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Amendments to MFRSs effective for a date yet to be confirmed:-

Amendments to MFRS 10 and MFRS 128	Consolidated Financial Statements and Investments in Associate and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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* Not applicable to the Group’s operations.

The initial application of the above standards, amendments and interpretations are not expected to have any financial impact to the financial statements of the Group upon its first adoption.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2024

A3 Auditor's Report on Preceding Annual Financial Statements

The auditors' report on the financial statements of the Group for the 6-month FPE 30 June 2023 was not subject to any qualification.

A4 Seasonal or Cyclical Factors

The operations of the Group were not subject to any seasonal or cyclical changes during the current financial quarter and current financial year-to-date.

A5 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and current financial year-to-date.

A6 Material Changes in Estimates

There were no material changes in the estimates that may have material effect on the results for the current financial quarter and current financial year-to-date.

A7 Debts and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter and current financial year-to-date.

A8 Dividends Paid

An interim dividend of 1.0 sen per ordinary share in respect of the financial year ended 30 June 2024 amounting to RM22.73 million was paid on 30 April 2024.

A9 Segmental Reporting

Information on operating segment has not been reported as the Group's revenue, profit or loss, assets and liabilities are mainly contained to a single operating segment, namely construction. Information about geographical area has also not been reported as the Group's primary market is only Malaysia.

A10 Carrying Amount of Revalued Asset

The Group does not have a revaluation of property, plant and equipment policy.

A11 Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the current FPE 30 June 2024.

A12 Changes in the Group Composition

There were no changes to the composition of the Group in the current quarter under review and financial year-to-date including business combinations, acquisition or disposal of subsidiaries and long-term investment, restructuring and discontinued operation.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2024

A13 Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at the date of this interim financial report.

A14 Capital Commitment

There were no capital commitments as at the end of the current financial quarter.

A15 Significant Related Party Transactions

	Individual Quarter		Cumulative Quarter	
	3-month ended		12-month ended	6-month ended ⁽¹⁾
	Current Year Quarter 30.06.2024 RM'000	Preceding Year Corresponding Quarter 30.06.2023 RM'000	Current Year To- Date 30.06.2024 RM'000	Preceding Year Corresponding Period 30.06.2023 RM'000
Progress billing and retention sum issued to companies in which certain directors have interests	37,460	(1,964) ⁽²⁾	50,956	45,838 ⁽²⁾
Progress billing and retention sum issued to companies in which persons connected to a Director have interests	127	6,178	8,619	17,658
Event space renting and refreshment expenses paid to a company in which persons connected to a Director have interests	8	-	13	4

Notes:

- (1) Following the completion of the Company's Regularisation Plan, on 8 February 2023, Southern Score Sdn Bhd had changed its financial year end from 31 December to 30 June so as to coincide with the financial year end of the Company, which is 30 June. The aforementioned business combination between the Company and Southern Score Sdn Bhd is treated as a reverse acquisition in accordance with MFRS 3: Business Combinations. Under the reverse acquisition method of accounting, consolidated financial statements represent a continuation of the historical financial statements of the legal subsidiary, that is, Southern Score Sdn Bhd. As such, the Group's first set of audited financial statements following the change in financial year end of Southern Score Sdn Bhd covers a 6-month period from 1 January 2023 to 30 June 2023.
- (2) The Group recorded an adjustment of approximately RM2.62 million to its progress billing during the preceding year corresponding quarter and preceding year corresponding period. The adjustment was made to reflect the actual development order related billing for one of the Group's projects of RM35.31 million instead of an amount of RM37.93 million which had previously been issued as progress billing by the Group.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2024

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

B1 Review of Financial Performance

	Individual Quarter				Cumulative Quarter			
	3-month ended				12-month ended		6-month ended	
	Current Year		Preceding Year		Current Year To-		Preceding Year	
	Quarter		Corresponding		Date		Corresponding	Period
	30.06.2024		30.06.2023		30.06.2024		30.06.2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Turnkey construction services	63,584	100.00%	26,393	86.15%	160,733	94.15%	84,369	86.15%
Main construction services	-	0.00%	4,243	13.85%	9,984	5.85%	13,564	13.85%
Total revenue	63,584	100.00%	30,636	100.00%	170,717	100.00%	97,933	100.00%

The Group recorded a total revenue of RM63.58 million for the current financial quarter which was RM32.94 million or 107.51% higher than the revenue of RM30.64 million recorded for the preceding year's corresponding quarter. The increase in revenue for the current financial quarter compared to the preceding year's corresponding quarter was mainly due to higher revenue generated from its turnkey construction services segment which was attributable to commencement of a new project, i.e. main building works of PV 22 Residences project which started in March 2024 as well as more constructions works completed for all of the Group's on-going projects.

For the 12-month financial year ended 30 June 2024, the Group recorded a total revenue of RM170.72 million as compared to a total revenue of RM97.93 million for the preceding year's 6-month financial period ended 30 June 2023.

Despite a 107.51% increase in revenue, the Group recorded a profit before tax of RM17.08 million for the current financial quarter which was RM0.63 million or 3.83% higher than profit before tax of RM16.45 million recorded in the preceding year's corresponding quarter. This is due to lower cost of sales recorded in the preceding year's corresponding quarter arising from a reduction in the estimated gross development cost for one of the Group's projects.

For the 12-month financial year ended 30 June 2024, the Group recorded a profit before tax of RM41.48 million as compared to a profit before tax of RM32.59 million for the preceding year's 6-month financial period ended 30 June 2023.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2024

B2 Comparison with Immediate Preceding Quarter's Results

	Individual Quarter		Changes	
	Current Quarter	Preceding Quarter		
	30.06.2024	31.03.2024		
	RM'000	RM'000	RM'000	%
Revenue	63,584	39,352	24,232	61.58
Profit before tax	17,079	9,696	7,383	76.14

The Group's revenue increased significantly by RM24.23 million or 61.58% from RM39.35 million in the immediate preceding quarter to RM63.58 million in the current financial quarter mainly due to commencement of a new project, i.e. main building works of PV 22 Residences project which started in March 2024.

In line with the increase in revenue, the Group's profit before tax increased by RM7.38 million or 76.14% from RM9.70 million in the immediate preceding quarter to RM17.08 million in the current financial quarter.

B3 Prospects

The Group remains optimistic about its future prospects, as the Company continues to actively participate in project tendering across both the public and private sectors. In the latest Quarterly Construction Statistics for Malaysia's Second Quarter of 2024, a report unveiled by the Department of Statistics Malaysia on 12 August 2024, the construction sector soared by 20.2% (in comparison to 14.2% in the first quarter of 2024) with the work done value amounting to RM38.9 billion in the second quarter of 2024 (in comparison to RM36.8 billion in the first quarter of 2024).

On 7 May 2024, the Group had obtained shareholders' approval in an Extraordinary General Meeting ("EGM") to reallocate the proceeds earmarked for the injection of funds to TCS SS Precast Construction Sdn Bhd ("TSPC") amounting to RM21.80 million to venture into prospective businesses and/or assets to be acquired, particularly in the mechanical and electrical construction business and/or assets, which is in line with the Group's growth strategy to expand its construction services.

On 13 May 2024, the Group entered into a conditional shares sale and purchase agreement with Ngo Hea Bing for the proposed acquisition by the Company of 1,275,000 ordinary shares in SJEE Engineering Sdn Bhd ("SJEE"), representing 51% equity interest in SJEE for a total cash consideration of RM22,950,000 ("**Proposed Acquisition**"). Further details on the Proposed Acquisition are set out under Note B6 below.

The Proposed Acquisition, if materialised, is expected to provide additional revenue stream as well as create new business synergies to the existing business of the Group.

On 1 July 2024, the Board announced that Southern Score Sdn Bhd, a wholly-owned subsidiary of the Company had accepted a letter of award from Smart Advance Resources Sdn Bhd to act as turnkey contractor for the proposed development of 3 residential apartment blocks for a contract sum of RM315.0 million. The said project is expected to contribute positively to the Group's earnings until the completion of the project which is expected in year 2029.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2024

B4 Profit Forecast

On 9 July 2021, as part of its Regularisation Plan, the Company announced that it had entered into a profit guarantee agreement with Super Advantage Property Sdn Bhd (“Vendor”) whereby the Vendor had provided a profit guarantee to the Company as follows:

- (i) the Southern Score Sdn Bhd group shall achieve a minimum profit after tax of RM10 million for the financial year ending 31 December 2022 (“**FYE 2022**”);
- (ii) the Southern Score Sdn Bhd group shall achieve a minimum profit after tax of RM20 million for the financial year ending 31 December 2023 (“**FYE 2023**”); and
- (iii) the Southern Score Sdn Bhd group shall achieve a minimum profit after tax of any shortfall of the profit guarantee for the financial year ending 31 December 2024 (“**FYE 2024**”), which shall be equivalent to RM80 million on a cumulative basis for the period of FYE 2022 to FYE 2024 (“**Profit Guarantee Period**”)

Based on the audited results of the Southern Score Sdn Bhd group for financial year ended 31 December 2022 and FPE 30 June 2023, Southern Score Sdn Bhd group recorded a profit after tax of RM 32.02 million and RM 22.42 million respectively, therefore achieving the minimum profit after tax of RM10 million for the FYE 2022 and RM20 million for the FYE 2023 under the profit guarantee agreement.

Taking into consideration the Group’s prospects as set out in Note B3, the Directors of the Company are optimistic that the Southern Score Sdn Bhd group is likely to achieve the targeted profit over the Profit Guarantee Period.

B5 Taxation

Tax expense comprises the following:

	Individual Quarter		Cumulative Quarter	
	3-month ended		12-month ended	6-month ended
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-Date	Preceding Year Corresponding Period
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Income Tax	4,182	3,863	10,024	7,199
Deferred tax	-	76	-	76
	<u>4,182</u>	<u>3,939</u>	<u>10,024</u>	<u>7,275</u>
Effective tax rate	24.5%	23.9%	24.2%	22.3%

Malaysian income tax is calculated at the statutory rate of 24% of the estimated assessable profits for the financial period. The effective tax rate was higher than the statutory tax rate mainly due the impact of non-deductible corporate exercise expenses related to the Proposed Acquisition and the impact of under provision of previous year income tax expenses.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2024

B6 Status of Corporate Proposals Announced but Not Completed

On 13 May 2024, on behalf of the Board of Directors, Kenanga Investment Bank Berhad announced that the Company had entered into the following agreements:

- (i) a conditional shares sale and purchase agreement with Ngo Hea Bing (“**NHB**”) for the proposed acquisition by the Company of 1,275,000 ordinary shares in SJEE Engineering Sdn Bhd (“**SJEE**”) (“**SSA**”), representing 51% equity interest in SJEE for a total cash consideration of RM22,950,000 (“**Proposed Acquisition**”); and
- (ii) a conditional shareholders’ agreement with NHB to regulate the relationship as well as the respective rights and obligations of shareholders of SJEE and to govern the conduct of the business and affairs of SJEE upon completion of the Proposed Acquisition.

The Proposed Acquisition is not conditional upon any other corporate exercises undertaken or to be undertaken by the Company.

The completion of the Proposed Acquisition is conditional upon the fulfilment or waiver (as case may be) of the conditions precedent as set out in the SSA.

On 12 August 2024, on behalf of the Board of Directors, Kenanga Investment Bank Berhad announced that the Company had entered into a supplementary agreement with NHB to amend and add certain terms and condition in the SSA.

The extraordinary general meeting (“**EGM**”) to obtain shareholders’ approval for the Proposed Acquisition will be held on 30th August 2024.

Save for the above, there are no other corporate proposals announced by the Company but not completed as at the date of this interim financial report.

B7 Group Borrowings

The details of the Group’s borrowings are as follow:

	Unaudited As at 30.06.2024 RM'000	Audited As at 30.06.2023 RM'000
Short Term Borrowings		
- Finance lease liabilities	158	151
- Local bill purchased	4,347	-
- Bank overdraft	10,000	4,995
	<u>14,505</u>	<u>5,146</u>
Long Term Borrowings		
- Finance lease liabilities	108	266
	<u>108</u>	<u>266</u>
Total Borrowings	<u>14,613</u>	<u>5,412</u>

The Group’s borrowings above are all secured and denominated in Ringgit Malaysia.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2024

B8 Material Litigations

There are no material litigations pending as at the date of this interim financial report.

B9 Dividends

On 3 April 2024, the Board of Directors declared an interim dividend of 1.0 sen per ordinary share in respect of the financial year ending 30 June 2024 amounting to RM22.73 million to all holders of ordinary shares whose names appear in the Record of Depositors of the Company as at the close of business on 22 April 2024. The said dividends were subsequently paid on 30 April 2024.

B10 Earnings Per Share

The basic and diluted EPS is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of shares in issue during the period as follows:

	Individual Quarter		Cumulative Quarter	
	3-month ended		12-month ended	6-month ended
	Current Year	Preceding Year	Current Year To-	Preceding Year
	Quarter	Corresponding	Date	Corresponding
	30.06.2024	Quarter	30.06.2024	Period
		30.06.2023		30.06.2023
Profit attributable to owners of the Company (RM'000)	12,897	12,514	31,452	25,311
Weighted average number of ordinary shares in issue ('000)	2,272,590	2,272,590	2,272,590	2,272,590
Basic/Diluted earnings per share (sen)⁽¹⁾	0.57	0.55	1.38	1.11

Note:

- (1) The basic EPS and diluted EPS are the same as the Company did not have any potential dilutive securities during the period.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2024

B11 Notes to the Statement of Profit or Loss and Other Comprehensive Income

Profit before taxation is arrived at after crediting / (charging) the following:

	Individual Quarter		Cumulative Quarter	
	3-month ended	12-month ended	6-month ended	
	Current Year	Preceding Year	Current Year To-	Preceding Year
	Quarter	Corresponding	Date	Corresponding
	30.06.2024	Quarter	30.06.2024	Period
		30.06.2023		30.06.2023
Interest income	135	210	642	399
Fair value gain on short-term deposits	264	579	1,281	1,281
Depreciation	(260)	(67)	(464)	(133)
Waiver of debt	-	-	-	1,794
Finance costs	(336)	(98)	(818)	(163)
Share of loss of an associate	(2)	(2)	(5)	(2)
Gain on disposal of property, plant and equipment	-	-	3	-

Save as disclosed above, the other disclosure items as required under paragraph 16 of Appendix 9B of the ACE Market Listing Requirements of Bursa Securities are not applicable.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2024

B12 Status of utilisation of proceeds raised from corporate proposal

On 9 November 2022, the Company completed its Regularisation Plan which includes a private placement exercise following the listing and quotation of 543,047,900 placement shares at an issue price of RM0.20 per share on even date. As at 30 June 2024, the total proceeds generated from the private placement exercise of RM108.61 million ("**Private Placement Proceeds**") have been utilised as follows:

Details of utilisation	Original proposed utilisation	Proposed Variation ⁽¹⁾	Revised utilisation	Actual Utilisation	Balance Unutilised	Original timeframe for the utilisation (from the Completion Date on 9 Nov 2022)	Revised timeframe for the utilisation (from the date of EGM on 7 May 2024 for the Proposed Variation)
	RM'000	RM'000	RM'000	RM'000	RM'000		
Injection of funds to TSPC	21,800	(21,800)	-	-	-	Within 18 months	-
Purchase of building materials	25,000	5,000	30,000	(25,000)	5,000	Within 18 months	Within 18 months
Repayment of contractors	25,000	15,000	40,000	(25,000)	15,000	Within 18 months	Within 18 months
Acquiring/ rent of construction assets	18,000	(15,000)	3,000	(2,700)	300	Within 18 months	Within 12 months
Acquiring of office	5,000	(5,000)	-	-	-	Within 18 months	-
Working capital	9,410	-	9,410	(5,510)	3,900	Within 24 months	Within 12 months
Estimated expenses in relation to the regularisation plan	4,400	-	4,400	(4,400)	-	Within 1 month	-
Business and/or assets to be acquired	-	21,800	21,800	(2,295)	19,505	-	Within 24 months
Total	108,610	-	108,610	(64,905)	43,705		

Note:

(1) On 7 May 2024, the Company had obtained its shareholders' approval in an EGM to vary and extend the timeframe for the utilisation of the Private Placement Proceeds ("**Proceeds Variation**"), details of which are set out in Section 2 of the circular to shareholders of the Company in relation to the Proceeds Variation dated 22 April 2024.