



KJTS GROUP BERHAD

Registration No. 202201020004 (1465701-T)
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2023**

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2023

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Fourth Quarter Ended 31 December 2023⁽¹⁾

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Quarter	Preceding Year Corresponding Quarter ⁽³⁾	Current Year-to-date	Preceding Year Corresponding Year-to-date ⁽³⁾
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
		Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
Revenue		31,491	N/A	119,893	N/A
Cost of sales		(24,345)	N/A	(92,275)	N/A
Gross profit ("GP")		7,146	N/A	27,618	N/A
Other income		284	N/A	1,335	N/A
Administrative expenses		(5,185)	N/A	(19,559)	N/A
Net gain/(loss) of impairment on financial assets and contract assets		122	N/A	(41)	N/A
Finance costs		(75)	N/A	(299)	N/A
Share of results of associates		(8)	N/A	(33)	N/A
Profit before tax ("PBT")	B12	2,284	N/A	9,021	N/A
Tax expenses		(412)	N/A	(1,666)	N/A
Profit after tax ("PAT")		1,872	N/A	7,355	N/A
Other comprehensive income for the financial year		347	N/A	795	N/A
Total comprehensive income for the financial year		2,219	N/A	8,150	N/A
Profit for the financial year attributable to:					
- Owners of the Company		2,219	N/A	8,150	N/A
- Non-controlling interests		(347)	N/A	(795)	N/A
		1,872	N/A	7,355	N/A
Total comprehensive income for the financial year attributable to:					
- Owners of the Company		1,826	N/A	9,004	N/A
- Non-controlling interests		393	N/A	(854)	N/A
		2,219	N/A	8,150	N/A
Earnings per share ("EPS")					
- Basic (sen) ⁽²⁾	B11	0.47	N/A	1.73	N/A
- Diluted (sen) ⁽²⁾	B11	0.47	N/A	1.73	N/A

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2023

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Fourth Quarter Ended 31 December 2023 (cont'd)⁽¹⁾

NOTES:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in Section 13 of the prospectus of KJTS Group Berhad ("**KJTS**" or the "**Company**") dated 5 January 2024 ("**Prospectus**") and the accompanying explanatory notes attached to this report.
- (2) Basic/Diluted EPS is calculated based on the Company's pro forma enlarged share capital of 469,972,800 shares after the acquisition of KJ Technical Services Sdn Bhd but before the initial public offering ("**IPO**") of the Company. The diluted EPS is equivalent to the basic EPS as the Company does not have any convertible options as at the end of the current financial quarter and financial year-to-date.
- (3) This is the second interim financial report for the fourth quarter ended 31 December 2023 being announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"), hence there are no comparative figures for the preceding corresponding quarter and year-to-date.
- (4) N/A denotes not applicable.

[The remainder of this page is intentionally left blank]

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2023

Unaudited Condensed Consolidated Statement of Financial Position as at 31 December 2023⁽¹⁾

	As at 31.12.2023	As at 31.12.2022
	Unaudited	Audited
Note	RM'000	RM'000
Non-current assets		
Property, plant, and equipment	1,337	1,100
Right-of-use assets	913	904
Investment properties	850	909
Investment in associates	823	867
Concession receivables	10,506	12,385
Goodwill on consolidation	1,808	1,808
Tax recoverable	184	-
Total non-current assets	16,421	17,973
Current assets		
Concession receivables	2,293	2,138
Other investments	1	2
Inventories	98	-
Trade receivables	22,223	16,437
Other receivables	10,630	7,699
Contract assets	10,728	7,370
Amount due from associates	4,649	3,398
Tax recoverable	745	126
Fixed deposit with a licensed bank	2,288	2,234
Cash and bank balances	11,624	7,813
	65,279	47,217
Total assets	81,700	65,190
Equity		
Share capital	41,828	*
Invested equity	-	750
Other reserve	76	76
Foreign currency translation reserve	568	187
Retained earnings	42,751	34,601
Merger reserve	(34,938)	-
Equity attributable to owners of the Company	50,285	35,614
Non-controlling interests	(278)	454
Total equity	50,007	36,068

[The remainder of this page is intentionally left blank]

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2023

Unaudited Condensed Consolidated Statement of Financial Position as at 31 December 2023 (cont'd)⁽¹⁾

		As at 31.12.2023	As at 31.12.2022
		Unaudited	Audited
	Note	RM'000	RM'000
Non-current liabilities			
Bank borrowings	B8	2,891	3,601
Lease liabilities		374	308
Employee benefit obligations		95	163
Deferred tax liabilities		17	22
		3,377	4,094
Current liabilities			
Trade payables		10,434	10,971
Other payables		14,481	11,855
Contract liabilities		1,997	357
Bank borrowings	B8	884	848
Lease liabilities		520	630
Tax payable		-	367
		28,316	25,028
Total liabilities		31,693	29,122
Total equity and liabilities		81,700	65,190
Net assets per ordinary share attributable to owners of the Company (RM) ⁽²⁾		0.11	0.08

NOTES:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in Section 13 of the Prospectus and the accompanying explanatory notes attached to this report.
- (2) Net assets per ordinary share as at 31 December 2023 and 31 December 2022 are calculated based on the Company's pro forma enlarged share capital of 469,972,800 shares after the acquisition of KJ Technical Services Sdn Bhd but before the IPO of the Company. The Company has adopted the merger accounting principles as the consolidated entities are under common control by the same parties before and after IPO.
- * Less than RM1,000.00

[The remainder of this page is intentionally left blank]

KJTS GROUP BERHAD

Registration No. 202201020004 (1465701-T)
(Incorporated in Malaysia)



Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2023

Unaudited Condensed Consolidated Statement of Changes in Equity for the Fourth Quarter Ended 31 December 2023⁽¹⁾⁽²⁾

	Attributable to Owners of the Company					Retained Earnings RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Non-Distributable			Distributable					
	Share Capital RM'000	Invested Equity RM'000	Foreign Currency Translation Reserve RM'000	Other Reserve RM'000	Merger Reserve RM'000				
At 31 December 2022/ 1 January 2023 (Audited)	*	750	187	76	-	34,601	35,614	454	36,068
Profit/(loss) for the financial year	-	-	-	-	-	8,150	8,150	(795)	7,355
Other comprehensive income for the financial year	-	-	381	-	-	-	381	59	440
Total comprehensive income for the financial year	-	-	381	-	-	8,150	8,531	(736)	7,795
Transactions with owners:									
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	4	4
Issue of ordinary shares	-	6,140	-	-	-	-	6,140	-	6,140
Acquisition of subsidiaries	41,828	(6,890)	-	-	(34,938)	-	-	-	-
	41,828	(750)	-	-	(34,938)	-	6,140	4	6,144
At 31 December 2023 (Unaudited)	41,828	-	568	76	(34,938)	42,751	50,285	(278)	50,007

NOTES:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in Section 13 of the Prospectus and the accompanying explanatory notes attached to this report.
- (2) This is the second interim financial report for the fourth quarter ended 31 December 2023 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding corresponding quarter and year-to-date.

* Less than RM1,000.00

KJTS GROUP BERHAD

Registration No. 202201020004 (1465701-T)
(Incorporated in Malaysia)

**Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2023****Unaudited Condensed Consolidated Statements of Cash Flows for the Fourth Quarter Ended 31 December 2023⁽¹⁾⁽²⁾**

	Current Year-to-date 31.12.2023	Preceding Year Corresponding Year-to-date 31.12.2022
	Unaudited	Unaudited
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax	9,021	N/A
Adjustments for: -		
Depreciation of property, plant, and equipment	620	N/A
Depreciation of right-of-use assets	839	N/A
Depreciation of investment properties	8	N/A
Impairment loss on investment properties	51	N/A
Impairment losses on trade receivables and contract assets	64	N/A
Reversal of impairment losses on trade receivables	(23)	N/A
Deposit forfeited	1	N/A
Interest income	(191)	N/A
Gain on termination of lease contracts	(5)	N/A
Property, plant and equipment written off	21	N/A
Reversal of provision of employee benefits	(75)	N/A
Finance costs	305	N/A
Share of results of associates	33	N/A
Unrealised gain on foreign exchange	(105)	N/A
Operating profit before changes in working capital	10,564	N/A
Changes in working capital:		
Inventories	(98)	N/A
Concession receivables	1,724	N/A
Trade and other receivables	(8,750)	N/A
Trade and other payables	2,099	N/A
Amount due from associates	(657)	N/A
Foreign exchange reserves	402	N/A
Contract liabilities	(1,725)	N/A
	(7,005)	N/A
Cash generated from operations	3,559	N/A
Interest paid	(273)	N/A
Interest received	132	N/A
Income tax paid	(2,836)	N/A
	(2,977)	N/A
Net cash from operating activities	582	N/A

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2023

Unaudited Condensed Consolidated Statements of Cash Flows for the Fourth Quarter Ended 31 December 2023 (cont'd)⁽¹⁾⁽²⁾

	Current Year-to-date 31.12.2023	Preceding Year Corresponding Year-to-date 31.12.2022
	Unaudited	Unaudited
	RM'000	RM'000
INVESTING ACTIVITIES		
Acquisition of property, plant, and equipment	(833)	N/A
Acquisition of right-of-use assets	(37)	N/A
Proceeds of disposal of property, plant and equipment	*	N/A
Additional investment in financial assets measured at fair value through profit or loss	1	N/A
Advances to an associate	(473)	N/A
Proceeds from acquisition of equity interest by non-controlling interests	5	N/A
Net cash used in investing activities	(1,337)	N/A
FINANCING ACTIVITIES		
Proceeds from issuance of shares	6,140	N/A
Increased in fixed deposits pledged to a licensed bank	(54)	N/A
Payment of lease liabilities	(846)	N/A
Repayment of term loans	(674)	N/A
Net cash from financing activities	4,566	N/A
Net increase in cash and cash equivalents	3,811	N/A
Cash and cash equivalents at the beginning of the financial year	7,813	N/A
Cash and cash equivalents at the end of the financial year⁽³⁾	11,624	N/A

NOTES:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in Section 13 of the Prospectus and the accompanying explanatory notes attached to this report.
- (2) This is the second interim financial report for the fourth quarter ended 31 December 2023 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding corresponding quarter and year-to-date.

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2023**Unaudited Condensed Consolidated Statements of Cash Flows for the Fourth Quarter Ended 31 December 2023 (cont'd)⁽¹⁾⁽²⁾****NOTES: (CONT'D)**

(3) Cash and cash equivalents at the end of the financial year consist of:

	As at 31.12.2023	As at 31.12.2022
	Unaudited	Unaudited
	RM'000	RM'000
Cash and bank balances	11,624	N/A
Fixed deposit with a licensed bank	2,288	N/A
	13,912	N/A
Less: Fixed deposit pledged to a licensed bank	(2,288)	N/A
	<u>11,624</u>	<u>N/A</u>

(4) N/A denotes not applicable.

* Less than RM1,000.00

[The remainder of this page is intentionally left blank]

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2023**PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING****A1. BASIS OF PREPARATION**

The interim financial report of KJTS and its subsidiaries (the “**Group**”) are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board, Rule 9.22, and Appendix 9B of the Listing Requirements.

This is the second interim financial report for the fourth quarter ended 31 December 2023 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding corresponding quarter and year-to-date.

The interim financial report should be read in conjunction with the Accountants’ Report as disclosed in Section 13 of the Prospectus and the accompanying explanatory notes attached to this report.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and presentation adopted for this interim financial report are consistent with those adopted as disclosed in the Accountants’ Report in the Prospectus as disclosed below:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Asset and Liabilities arising from a Single Transaction

The new and amended standards that are issued, but not yet effective and have not been adopted by the Group are as follows:

MFRS (Including the Consequential Amendments)		Effective Date
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group intends to adopt these new and amended standards, if applicable, when they become effective.

The initial application of the abovementioned new and amended standards, where applicable, is not expected to have any material impact on the financial statements of the Group.

A3. MATERIAL CHANGES IN ACCOUNTING ESTIMATES

There were no material changes in accounting estimates during the current financial quarter and financial year-to-date under review.

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2023

PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING (CONT’D)

A4. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The audited financial statements of the Group for the preceding financial year ended 31 December 2022 were issued without any qualifications.

A5. SEASONAL OR CYCLICAL FACTORS

The Group’s performance has not been materially affected by any seasonal and cyclical factors during the current financial quarter and financial year-to-date under review.

A6. ITEMS OR INCIDENCES OF AN UNUSUAL NATURE

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

A7. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 29 May 2023, KJTS has entered into a conditional share sale agreement with Lee Kok Choon, Sheldon Wee Tah Poh and Yeow Boon Siang (“**KJ Technical Services Vendors**”) to acquire the entire equity interest in KJ Technical Services Sdn Bhd (“**KJ Technical Services**”) comprising 808,000 ordinary shares for a total purchase consideration of RM41,827,570.30 (“**Acquisition**”). The purchase consideration for the Acquisition will be satisfied by the issuance of 469,972,700 new Shares to the KJ Technical Services Vendors at an issue price of RM0.0890 each. The Acquisition was completed on 13 December 2023 subsequent to the fulfillment of conditions precedent pursuant to the share sale agreement. Consequently, KJ Technical Services became a wholly-owned subsidiary of KJTS.

In conjunction with the Company's listing on the ACE Market of Bursa Securities (“**Listing**”), on 5 January 2024, the Company issued the Prospectus for the IPO of 218,027,200 new ordinary shares in the Company (“**IPO Shares**”) involving:

- (a) Institutional offering of 168,627,200 IPO Shares to institutional and selected investors, at the institutional price to be determined by way of bookbuilding (“**Institutional Price**”); and
- (b) Retail offering of 49,400,000 IPO Shares to the Malaysian public, the eligible directors, eligible key senior management, eligible employees and persons who have contributed to the success of the Group, at the retail price of RM0.27 per IPO Share (“**Retail Price**”), payable in full upon application and subject to refund of the difference between the Retail Price and the final retail price in the event that the final retail price is less than the Retail Price,

subject to the clawback and reallocation provisions. The final retail price will be equal to the lower of the Retail Price of RM0.27 per IPO Share or the Institutional Price.

On 12 January 2024, the Company announced that the Institutional Price and Final Retail Price have been fixed at RM0.27 per IPO Share.

On 26 January 2024, the Company was admitted to the Official List of Bursa Securities and the Company’s entire enlarged issued share capital of 688,000,000 ordinary shares were listed and quoted on the ACE Market of Bursa Securities.

Save as disclosed above, there were no other material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.



Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2023

PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING (CONT’D)

A8. DEBT AND EQUITY SECURITIES

Save as disclosed in Note A7, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter under review.

A9. DIVIDEND PAID

There was no dividend paid during the current financial quarter under review.

[The remainder of this page is intentionally left blank]

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2023

PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)

A10. SEGMENTAL INFORMATION

The Group is principally involved in the following businesses:

Operating segments	Nature
(a) Cooling Energy	(a) Cooling energy management services which mainly involves the supply of chilled water for space cooling as well as providing operations and maintenance services for cooling energy systems (b) Engineering, procurement, construction and commissioning (EPCC) of cooling energy system which mainly involves the construction of new, upgrading and / or retrofitting of cooling energy systems.
(b) Facilities Management	Facilities management services are mainly related to the repair and maintenance of machinery and equipment.
(c) Cleaning Services	Cleaning services to maintain the cleanliness, tidiness and hygiene of buildings and outdoor areas.

(a) Revenue by business activities

The table below sets out the breakdown of the Group's revenue by business activities for the financial quarter under review:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 31.12.2023 Unaudited RM'000	Preceding Year Corresponding Quarter ⁽¹⁾ 31.12.2022 Unaudited RM'000	Current Year-to-date 31.12.2023 Unaudited RM'000	Preceding Year Corresponding Year-to-date ⁽¹⁾ 31.12.2022 Unaudited RM'000
Cooling Energy	14,095	N/A	55,965	N/A
Facilities Management	3,994	N/A	14,013	N/A
Cleaning Services	13,402	N/A	49,915	N/A
	31,491	N/A	119,893	N/A

NOTES:

(1) This is the second interim financial report for the fourth quarter ended 31 December 2023 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding corresponding quarter and year-to-date.

(2) N/A denotes not applicable.

The Cooling Energy segment within our building support services was the major revenue contributor during the financial year under review.

[The remainder of this page is intentionally left blank]

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2023

PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)

A10. SEGMENTAL INFORMATION (CONT'D)

(b) Revenue by geographical market of customers

The table below sets out the breakdown of the Group's revenue by geographical market of customers for the financial quarter under review:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 31.12.2023 Unaudited RM'000	Preceding Year Corresponding Quarter ⁽¹⁾ 31.12.2022 Unaudited RM'000	Current Year-to-date 31.12.2023 Unaudited RM'000	Preceding Year Corresponding Year-to-date ⁽¹⁾ 31.12.2022 Unaudited RM'000
Malaysia	24,417	N/A	92,915	N/A
Overseas:				
- Singapore	6,424	N/A	24,371	N/A
- Thailand	650	N/A	2,607	N/A
	31,491	N/A	119,893	N/A

NOTES:

(1) This is the second interim financial report for the fourth quarter ended 31 December 2023 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding corresponding quarter and year-to-date.

(2) N/A denotes not applicable.

A11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no valuation of property, plant, and equipment in the current financial quarter under review.

[The remainder of this page is intentionally left blank]

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2023

PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)

A12. CHANGES IN THE COMPOSITION OF THE GROUP

Save as disclosed in Note A7, there were no other material changes in the composition of the Group for the current financial quarter under review.

A13. CAPITAL COMMITMENTS

There were no material capital commitments as at 31 December 2023.

A14. CONTINGENT ASSETS OR CONTINGENT LIABILITIES

There were no contingent assets and contingent liabilities as at the date of this report.

[The remainder of this page is intentionally left blank]

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2023

PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

Save as disclosed below, there were no significant related party transactions during the current financial quarter and financial year-to-date:

	Current Quarter 31.12.2023	Preceding Year Corresponding Quarter ⁽¹⁾ 31.12.2022	Current Year-to-date 31.12.2023	Preceding Year Corresponding Year-to-date ⁽¹⁾ 31.12.2022
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Transactions with associates:				
Income				
Sales	678	N/A	2,376	N/A
Management fee received/ receivable	6	N/A	24	N/A
Interest received/receivable	17	N/A	59	N/A
Expenses				
Purchases	313	N/A	1,007	N/A
Interest paid/payable	*	N/A	1	N/A
Transactions with related parties:				
Expenses				
Purchases	33	N/A	398	N/A
Administrative expenses paid/payable	12	N/A	46	N/A
Interest paid/payable	12	N/A	30	N/A
Rental paid/payable	10	N/A	26	N/A

NOTES:

(1) This is the second interim financial report for the fourth quarter ended 31 December 2023 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding corresponding quarter and year-to-date.

* Less than RM1,000.00

A16. FAIR VALUE OF FINANCIAL LIABILITIES

There were no gains or losses arising from fair value changes in the Group's financial liabilities for the current financial quarter under review.

[The remainder of this page is intentionally left blank]

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2023

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE

	QUARTER ENDED		Changes (Amount/%)	YEAR-TO-DATE ENDED		Changes (Amount/%)
	31.12.2023	31.12.2022 ⁽¹⁾		31.12.2023	31.12.2022 ⁽¹⁾	
	Unaudited	Unaudited		Unaudited	Unaudited	
	RM'000	RM'000		RM'000	RM'000	
Revenue	31,491	N/A	N/A	119,893	N/A	N/A
Operating Profit	7,146	N/A	N/A	27,618	N/A	N/A
Profit Before Tax	2,284	N/A	N/A	9,021	N/A	N/A
Profit After Tax	1,872	N/A	N/A	7,355	N/A	N/A
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	2,219	N/A	N/A	8,150	N/A	N/A

NOTES:

(1) This is the second interim financial report for the fourth quarter ended 31 December 2023 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding corresponding quarter and year-to-date.

(2) N/A denotes not applicable.

The Group recorded revenue of RM31.49 million and RM119.89 million for the current financial quarter and financial year-to-date ended 31 December 2023 respectively. The Group's revenue was mainly attributable to the cooling energy segment and cleaning services segment within building support services, for the current financial quarter and the financial year-to-date under review. Cooling energy segment and cleaning services segment recorded revenue of RM14.10 million (44.76% of the Group's revenue) and RM13.40 million (42.56% of the Group's revenue) for the current financial quarter, and RM55.97 million (46.68% of the Group's revenue) and RM49.92 million (41.63% of the Group's revenue) for the financial year-to-date under review.

Malaysia was our largest overall market and recorded revenue of RM24.42 million (77.54% of the Group's revenue) for the current financial quarter and RM92.92 million (77.50% of the Group's revenue) for the financial year-to-date under review. Singapore was our largest foreign market and recorded revenue of RM6.42 million (20.40% of the Group's revenue) for the current financial quarter and RM24.37 million (20.33% of the Group's revenue) for the financial year-to-date under review.

The Group registered a PBT of RM2.28 million for the current financial quarter and RM9.02 million for the financial year-to-date after deducting mainly administrative expenses of RM5.19 million for the current financial quarter and RM19.56 million for the financial year-to-date respectively. The administrative expenses mainly consist of staff costs, rental, IT expenses and depreciation of property, plant, and equipment.

There are no comparative figures for the corresponding preceding quarter or year-to-date results as this is the second interim financial report for the fourth quarter ended 31 December 2023 being announced by the Company in compliance with the Listing Requirements.

[The remainder of this page is intentionally left blank]

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2023**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)****B2. VARIANCE OF RESULTS AGAINST PRECEDING QUARTER**

	INDIVIDUAL QUARTER		Variance	%
	Current Quarter	Preceding Quarter		
	31.12.2023	30.09.2023		
	Unaudited	Unaudited		
	RM'000	RM'000	RM'000	
Revenue	31,491	30,007	1,484	4.95
PBT	2,284	4,989	(2,705)	(54.22)

The Group recorded a revenue of RM31.49 million for the current financial quarter ended 31 December 2023 which is 4.95% higher than the revenue recorded in the preceding financial quarter ended 30 September 2023 of RM30.01 million. The increase in the revenue was mainly contributed by cooling energy and cleaning services segments.

The Group's PBT decreased by RM2.71 million or 54.22% from RM4.99 million to RM2.28 million for the current financial quarter ended 31 December 2023 compared to preceding quarter ended 30 September 2023. The decrease of the Group's PBT despite of higher revenue recorded in the current financial quarter was mainly due to the increase in the operating expenses, including cost related to the cooling energy services and increased capacity relating to the manpower in cleaning services and facilities management segment. This is in line with the Group's strategic plan to position itself for growth in the upcoming financial years.

[The remainder of this page is intentionally left blank]



Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2023

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B3. PROSPECTS AND OUTLOOK FOR THE CURRENT FINANCIAL YEAR

In line with the details outlined in the Prospectus dated 5 January 2024, the operating environment of KJTS Group remains dynamic and continually evolving. Notably, the construction sectors encompassing electrical installation, plumbing, heating, and air-conditioning have demonstrated significant growth trends. Over the period from 2020 to 2022, these segments experienced Compound Annual Growth Rates (CAGRs) of 20.6% and 19.1% respectively (*Source: Department of Statistics, Malaysia (DOSM)*). The momentum persisted through the first 9 months of 2023, with remarkable growth rates of 18.4% and 50.1% compared to the same period in 2022 (*Source: DOSM*). These figures underscore a demand within our industry, and KJTS Group is strategically positioned to capitalize on these opportunities. Following our recent listing, KJTS Group stands primed to leverage this market, not only fostering expansion but also driving innovation within our sector.

Our commitment to growth remains unwavering, anchored in our core competencies and the strengths of our Cooling Energy Segment business. This entails providing cooling energy management services and executing Engineering, Procurement, Construction, and Commissioning (EPCC) of cooling energy systems to enhance our presence in Malaysia. Moreover, strategic expansion plans are underway to strengthen our footprint in key operating regions, including Malaysia, Singapore, and Thailand.

While we acknowledge the challenges inherent in our industry, such as economic fluctuations and slowdowns in the property and construction sectors of Malaysia and Singapore, we are resolute in our pursuit of sustainable growth.

The group's business and growth strategies encompass:

- (i) Expanding our cooling energy management services in Malaysia by allocating additional funds to finance EPCC projects for suitable clientele; and
- (ii) Scaling up our EPCC business for cooling energy systems on an independent basis, enhancing our market presence and competitiveness.

B4. PROFIT FORECAST OR PROFIT GUARANTEE

The Group did not issue any profit forecast or profit guarantee in the current financial quarter under review.

[The remainder of this page is intentionally left blank]

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2023

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B5. TAX EXPENSES

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 31.12.2023 Unaudited RM'000	Preceding Year Corresponding Quarter ⁽²⁾ 31.12.2022 Unaudited RM'000	Current Year-to-date 31.12.2023 Unaudited RM'000	Preceding Year Corresponding Year-to-date ⁽²⁾ 31.12.2022 Unaudited RM'000
Tax expenses recognised in profit or loss				
Current tax expense ⁽¹⁾	414	N/A	1,341	N/A
Under provision in prior years	1	N/A	329	N/A
	415	N/A	1,670	N/A
Deferred tax				
Deferred tax expense	(3)	N/A	(10)	N/A
Under provision in prior years	-	N/A	6	N/A
	(3)	N/A	(4)	N/A
Tax expenses for the financial year	412	N/A	1,666	N/A
Effective tax rate (%)	18.0	N/A	18.5	N/A
Statutory tax rate (%)	24.0	N/A	24.0	N/A

NOTES:

- (1) Income tax is recognised based on management's best estimate.
- (2) This is the second interim financial report for the Fourth quarter ended 31 December 2023 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding corresponding quarter and year-to-date.
- (3) N/A denotes not applicable.

The effective tax rate was lower than the statutory tax rate mainly due to the tax effects of the utilisation of unused tax losses.

B6. STATUS OF CORPORATE PROPOSALS

Save for the IPO and Listing as disclosed in Note A7, there were no other corporate proposals announced but not implemented as at the date of this report.

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2023

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B7. UTILISATION OF PROCEEDS FROM IPO

The gross proceeds of approximately RM58.87 million raised from the IPO are intended to be utilised in the following manner:

Details of utilisation of proceeds	Proposed Utilisation	Actual Utilisation	Estimated timeframe for the utilisation upon Listing ⁽¹⁾
	RM'000	RM'000	
Business expansion:			
- Expansion of cooling energy segment	40,417	-	Within 36 months
- Expansion of offices in Malaysia, Thailand, and Singapore	4,500	-	Within 12 months
Working capital	8,118	-	Within 12 months
Defraying the listing expenses	5,832	-	Within 1 month
	58,867	-	

NOTE:

- (1) From the date of listing of the Company on the ACE Market of Bursa Securities. The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus dated 5 January 2024.

The IPO is pending completion as at the current financial quarter under review. The Company was listed on the ACE Market of Bursa Securities on 26 January 2024.

B8. BORROWINGS

	As at 31-Dec-2023 (Unaudited)					
	Current		Non- Current		Total borrowings	
	Foreign Currency	RM Equivalent	Foreign Currency	RM Equivalent	Foreign Currency	RM Equivalent
	000	RM'000	000	RM'000	000	RM'000
Secured						
Denominated in RM						
- Lease liabilities ⁽¹⁾	-	520	-	374	-	894
- Term loans	-	452	-	550	-	1,002
Denominated in THB						
- Term loans	3,221	432	17,430	2,341	20,651	2,773

[The remainder of this page is intentionally left blank]

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2023

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

	As at 31-Dec-2022 (Unaudited)					
	Current		Non- Current		Total borrowings	
	Foreign Currency	RM Equivalent	Foreign Currency	RM Equivalent	Foreign Currency	RM Equivalent
	000	RM'000	000	RM'000	000	RM'000
Secured						
Denominated in RM						
- Lease liabilities ⁽¹⁾	-	76	-	212	-	288
- Term loans	-	423	-	998	-	1,421
Denominated in THB						
- Term loans	3,342	425	20,468	2,603	23,810	3,028

Exchange rate (THB: MYR) at THB: MYR 0.134309 as at 29 December 2023 and THB: MYR 0.127200 as at 30 December 2022 (Source of reference: Bank Negara Malaysia website)

NOTE:

(1) Excluding lease liabilities arising from rental of land and buildings.

These borrowings are secured and denominated in both Ringgit Malaysia and Thai Baht.

B9. MATERIAL LITIGATION

There was no material litigation involving the Group as at the date of this report.

B10. DIVIDEND PROPOSED

No dividend has been declared or recommended by the Board of Directors for the current financial quarter under review.

[The remainder of this page is intentionally left blank]

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2023

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B11. EARNINGS PER SHARE

The basic and diluted EPS are computed as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 31.12.2023 Unaudited RM'000	Preceding Year Corresponding Quarter ⁽³⁾ 31.12.2022 Unaudited RM'000	Current Year-to-date 31.12.2023 Unaudited RM'000	Preceding Year Corresponding Year-to-date ⁽³⁾ 31.12.2022 Unaudited RM'000
Profit attributable to the owners of the Company	2,219	N/A	8,150	N/A
Number of ordinary shares ('000)	469,973	N/A	469,973	N/A
Basic EPS (sen) ⁽¹⁾	0.47	N/A	1.73	N/A
Diluted EPS (sen) ⁽²⁾	0.47	N/A	1.73	N/A

NOTES:

- (1) Basic EPS is calculated based on the Company's pro forma enlarged share capital of 469,972,800 shares after the acquisition of KJ Technical Services Sdn Bhd but before the IPO.
- (2) The diluted EPS is equivalent to the basic EPS as the Company does not have any convertible options as at the end of the current financial quarter and financial year-to-date.
- (3) This is the second interim financial report for the fourth quarter ended 31 December 2023 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding corresponding quarter and year-to-date.
- (4) N/A denotes not applicable.

[The remainder of this page is intentionally left blank]

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2023
PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)
B12. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

Profit before tax is arrived after charging/(crediting):

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current	Preceding	Current	Preceding
	Quarter	Year	Year-to-	Year
	31.12.2023	Corresponding Quarter ⁽¹⁾ 31.12.2022	date 31.12.2023	Corresponding Year-to-date ⁽¹⁾ 31.12.2022
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration	117	N/A	333	N/A
Depreciation of:				
- property, plant, and equipment	173	N/A	620	N/A
- right-of-use assets	208	N/A	839	N/A
- investment properties	3	N/A	8	N/A
Impairment loss on investment properties	51	N/A	51	N/A
Deposit forfeited	1	N/A	1	N/A
Gain on termination of lease contracts	(5)	N/A	(5)	N/A
Interest income	(64)	N/A	(191)	N/A
Interest expenses	75	N/A	299	N/A
Property, plant and equipment written off	19	N/A	21	N/A
Provision for/ (Reversal of) employee benefits	55	N/A	(75)	N/A
Impairment losses on:				N/A
- trade receivables	(16)	N/A	57	N/A
- contract assets	(58)	N/A	7	N/A
Reversal of impairment losses on trade receivables	(3)	N/A	(23)	N/A
Lease expenses relating to:				N/A
- low value assets	(5)	N/A	1	N/A
- short-term assets	487	N/A	1,186	N/A
Realised loss on foreign exchange	68	N/A	69	N/A
Unrealised gain on foreign exchange	(74)	N/A	(105)	N/A
Non-Executive Directors' remuneration - Fees	24	N/A	96	N/A



Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2023

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS
(CONT'D)**

NOTES:

- (1) This is the second interim financial report for the fourth quarter ended 31 December 2023 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding corresponding quarter and year-to-date.
- (2) N/A denotes not applicable.

Other disclosure items pursuant to Note 16, Appendix 9B of the Listing Requirements are not applicable.

B13. DERIVATIVES

The Group did not enter into any derivatives during the current financial quarter and financial year-to-date.

B14. AUTHORISATION FOR ISSUE

The interim financial report was authorised for issue by the Board of Directors of the Company in accordance with a resolution passed by the Board of Directors on 28 February 2024.

**BY ORDER OF THE BOARD
KJTS GROUP BERHAD**