



KJTS GROUP BERHAD

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

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED
30 JUNE 2024**

Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2024
Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Second Quarter Ended 30 June 2024⁽¹⁾

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Quarter	Preceding Year Corresponding Quarter ⁽³⁾	Current Year-to-date	Preceding Year Corresponding Year-to-date ⁽³⁾
		30.06.2024	30.06.2023	30.06.2024	30.06.2023
		Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
Revenue		28,975	N/A	65,173	N/A
Cost of sales		(21,135)	N/A	(48,240)	N/A
Gross profit ("GP")		7,840	N/A	16,933	N/A
Other income		1,219	N/A	1,832	N/A
Administrative expenses ⁽²⁾		(4,810)	N/A	(14,571)	N/A
Net loss of impairment on financial assets and contract assets		(16)	N/A	(3)	N/A
Finance costs		(89)	N/A	(165)	N/A
Share of results of associates		184	N/A	150	N/A
Profit before tax ("PBT")	B12	4,328	N/A	4,176	N/A
Tax expenses		(823)	N/A	(1,441)	N/A
Profit after tax ("PAT")		3,505	N/A	2,735	N/A
Other comprehensive income/(loss) for the financial period		64	N/A	(14)	N/A
Total comprehensive income for the financial period		3,569	N/A	2,721	N/A
Profit/(Loss) for the financial period attributable to:					
- Owners of the Company		3,731	N/A	2,893	N/A
- Non-controlling interests		(226)	N/A	(158)	N/A
		3,505	N/A	2,735	N/A
Total comprehensive income for the financial period attributable to:					
- Owners of the Company		3,806	N/A	2,926	N/A
- Non-controlling interests		(237)	N/A	(205)	N/A
		3,569	N/A	2,721	N/A
Earnings per share ("EPS")					
- Basic (sen)	B11	0.55	N/A	0.43	N/A
- Diluted (sen)	B11	0.55	N/A	0.42	N/A



Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2024

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Second Quarter Ended 30 June 2024 (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 audited financial statements of KJTS and its subsidiaries (the “**Group**”) for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) Administrative expenses included non-recurring listing expenses of RM4.26 million for the current financial year-to-date ended 30 June 2024. For illustration purposes only, the Group’s financial performance after adjusting for the non-recurring listing expenses is disclosed in Note B2 in this interim financial report.
- (3) This is the interim financial report for the second quarter ended 30 June 2024 being announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”). As the Company was only listed on the ACE Market of Bursa Securities on 26 January 2024, there are no comparative figures for the preceding quarter and year-to-date available, as no interim financial report was prepared for the comparative financial period concerned.
- (4) N/A denotes not applicable.

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Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2024

Unaudited Condensed Consolidated Statement of Financial Position as at 30 June 2024⁽¹⁾

	As at 30.06.2024	As at 31.12.2023
	Unaudited	Audited
Note	RM'000	RM'000
Non-current assets		
Property, plant, and equipment	1,300	1,337
Right-of-use assets	1,892	913
Investment properties	846	850
Investment in associates	1,011	823
Concession receivables	8,244	10,506
Goodwill on consolidation	1,808	1,808
Other receivables	73	59
Tax recoverable	119	125
Total non-current assets	15,293	16,421
Current assets		
Concession receivables	1,108	2,293
Other investments	2	2
Inventories	116	98
Trade receivables	30,052	22,219
Other receivables	5,456	10,657
Contract assets	11,448	9,783
Amount due from associates	6,188	4,650
Tax recoverable	559	738
Fixed deposit with a licensed bank	2,319	2,288
Cash and bank balances	63,202	11,624
	120,450	64,352
Total assets	135,743	80,773
Equity		
Share capital	99,120	41,828
Other reserve	(3)	76
Foreign currency translation reserve	613	580
Retained earnings	43,993	42,724
Merger reserve	(34,938)	(34,938)
Equity attributable to owners of the Company	108,785	50,270
Non-controlling interests	(555)	(278)
Total equity	108,230	49,992

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Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2024

Unaudited Condensed Consolidated Statement of Financial Position as at 30 June 2024 (cont'd)⁽¹⁾

		As at 30.06.2024	As at 31.12.2023
		Unaudited	Audited
	Note	RM'000	RM'000
Non-current liabilities			
Bank borrowings	B8	2,336	2,892
Lease liabilities		1,183	374
Employee benefit obligations		88	95
Deferred tax liabilities		17	17
		3,624	3,378
Current liabilities			
Trade payables		8,753	10,434
Other payables		12,330	14,515
Contract liabilities		1,146	1,050
Bank borrowings	B8	892	884
Lease liabilities		482	520
Tax payable		286	-
		23,889	27,403
Total liabilities		27,513	30,781
Total equity and liabilities		135,743	80,773
Net assets per ordinary share attributable to owners of the Company (RM) ⁽²⁾		0.16	0.07

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 audited financial statements of the Group for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share is calculated based on the Company's ordinary shares in issue as at 30 June 2024 of 688,000,000 shares (31 December 2023: 688,000,000 shares).

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KJTS GROUP BERHAD

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Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2024

Unaudited Condensed Consolidated Statement of Changes in Equity for the Second Quarter Ended 30 June 2024⁽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	Foreign Currency Translation Reserve RM'000	Other Reserve RM'000	Merger Reserve RM'000				
At 31 December 2023 (Audited)/ 1 January 2024	41,828	580	76	(34,938)	42,724	50,270	(278)	49,992
Profit/(Loss) for the financial period	-	-	-	-	2,893	2,893	(158)	2,735
Other comprehensive income/(loss) for the financial period	-	33	-	-	-	33	(47)	(14)
Total comprehensive income/(loss) for the financial period	-	33	-	-	2,893	2,926	(205)	2,721
Transactions with owners:								
Issuance of shares pursuant to initial public offering	58,867	-	-	-	-	58,867	-	58,867
Share issuance expenses	(1,575)	-	-	-	-	(1,575)	-	(1,575)
Changes in equity interest in a subsidiary	-	-	(79)	-	-	(79)	(72)	(151)
Dividend paid, representing total distribution to owner	-	-	-	-	(1,624)	(1,624)	-	(1,624)
	57,292	-	(79)	-	(1,624)	55,589	(72)	55,517
At 30 June 2024 (Unaudited)	99,120	613	(3)	(34,938)	43,993	108,785	(555)	108,230

NOTES:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the interim financial report for the second quarter ended 30 June 2024 being announced by the Company in compliance with the Listing Requirements. As the Company was only listed on the ACE Market of Bursa Securities on 26 January 2024, there are no comparative figures for the preceding quarter and year-to-date available, as no interim financial report was prepared for the comparative financial period concerned.

Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2024

Unaudited Condensed Consolidated Statements of Cash Flows for the Second Quarter Ended 30 June 2024⁽¹⁾⁽²⁾

	Current Year-to-date 30.06.2024	Preceding Year Corresponding Year-to-date 30.06.2023
	Unaudited	Unaudited
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax	4,176	N/A
Adjustments for: -		
Depreciation of property, plant, and equipment	339	N/A
Depreciation of right-of-use assets	400	N/A
Depreciation of investment properties	4	N/A
Gain on disposal of property, plant and equipment	(216)	N/A
Impairment losses on trade receivables and contract assets	3	N/A
Interest income	(112)	N/A
Provision of employee benefits	(3)	N/A
Finance costs	165	N/A
Share of results of associates	(150)	N/A
Unrealised losses on foreign exchange	12	N/A
Operating profit before changes in working capital	4,618	N/A
Changes in working capital:		
Inventories	(18)	N/A
Concession receivables	3,448	N/A
Receivables	(4,224)	N/A
Payables	(3,880)	N/A
Amount due from associates	(3,008)	N/A
Foreign exchange reserve	(19)	N/A
Contract liabilities	(1,569)	N/A
	(9,270)	N/A
Cash used in operations	(4,652)	N/A
Interest paid	(165)	N/A
Interest received	67	N/A
Income tax paid	(976)	N/A
	(1,074)	N/A
Net cash used in operating activities	(5,726)	N/A

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Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2024

**Unaudited Condensed Consolidated Statements of Cash Flows for the Second Quarter Ended 30 June 2024
(cont'd)⁽¹⁾⁽²⁾**

	Current Year-to-date 30.06.2024	Preceding Year Corresponding Year-to-date 30.06.2023
	Unaudited	Unaudited
	RM'000	RM'000
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(304)	N/A
Purchase of right-of-use assets	(240)	N/A
Proceeds of disposal of property, plant and equipment	216	N/A
Additional investment in financial assets measured at fair value through profit or loss	*	N/A
Additional investment to an associate	(30)	N/A
Net changes in amount due from associates	1,514	N/A
Proceeds from acquisition of equity interest by non-controlling interests	(150)	N/A
Net cash from investing activities	1,006	N/A
FINANCING ACTIVITIES		
Proceeds from issuance of shares	58,867	N/A
Dividend paid	(1,624)	N/A
Increased in fixed deposits pledged to a licensed bank	(31)	N/A
Payment of lease liabilities	(366)	N/A
Repayment of term loans	(548)	N/A
Net cash from financing activities	56,298	N/A
Net increase in cash and cash equivalents	51,578	N/A
Cash and cash equivalents at the beginning of the financial period	11,624	N/A
Cash and cash equivalents at the end of the financial period⁽³⁾	63,202	N/A

NOTES:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the interim financial report for the second quarter ended 30 June 2024 being announced by the Company in compliance with the Listing Requirements. As the Company was only listed on the ACE Market of Bursa Securities on 26 January 2024, there are no comparative figures for the preceding quarter and year-to-date available, as no interim financial report was prepared for the comparative financial period concerned.

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Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2024**Unaudited Condensed Consolidated Statements of Cash Flows for the Second Quarter Ended 30 June 2024
(cont'd)⁽¹⁾⁽²⁾****NOTES: (CONT'D)**

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

	As at 30.06.2024	As at 30.06.2023
	Unaudited	Unaudited
	RM'000	RM'000
Cash and bank balances	63,202	N/A
Fixed deposit with a licensed bank	2,319	N/A
	65,521	N/A
Less: Fixed deposit pledged to a licensed bank	(2,319)	N/A
	63,202	N/A

(4) N/A denotes not applicable.

* Less than RM1,000

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Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2024**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 interim financial report for the second quarter ended 30 June 2024 being announced by the Company in compliance with the Listing Requirements. As the Company was only listed on the ACE Market of Bursa Securities on 26 January 2024, there are no comparative figures for the preceding quarter and year-to-date available, as no interim financial report was prepared for the comparative financial period concerned.

This interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2023 except for the adoption of the following new MFRSs and Amendments to MFRSs that become effective for the financial year beginning on 1 January 2024:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

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

		Effective Date
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
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 Second Quarter Ended 30 June 2024

PART A – EXPLANATORY NOTES ON COMPLIANCE WITH 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 2023 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 FINANCIAL PERIOD

There were no material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.

A8. DEBT AND EQUITY SECURITIES

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter under review.

In conjunction with the Company's listing on the ACE Market of Bursa Securities ("**Listing**"), the Company had undertaken an initial public offering ("**IPO**") comprising public issue of 218,027,200 new ordinary shares in the Company in the following manner:

- (i) 168,627,200 IPO Shares to institutional and selected investors, at the institutional price of RM0.27 per IPO Share; and
- (ii) 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.

Thereafter, the Company's enlarged issued share capital comprising 688,000,000 shares was listed on the ACE Market of Bursa Securities on 26 January 2024.

In conjunction with the Listing, the Company has established a long-term incentive plan ("**LTIP**") of up to 10.00% of the total number of issued shares of the Company, comprising executives' share option scheme ("**ESOS**") and executives' share grant scheme (ESGS), to be granted to the eligible persons of the Group who are eligible executive directors and eligible executives who meet the criteria of eligibility for participation in the LTIP in accordance with the By-Laws ("**Eligible Persons**"). The LTIP has taken effect on 23 January 2024. The LTIP shall be in force for a period of 5 years from 23 January 2024.

On 26 January 2024, a total of 13,756,000 ESOS options have been offered to the Eligible Persons.

Save as disclosed above, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial year-to-date under review.

Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2024

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

A9. DIVIDEND PAID

On 29 April 2024, the Board of Directors of the Company has announced a first and final single-tier dividend of 0.236 sen per ordinary share in respect of the financial year ended 31 December 2023, which has been paid on 28 June 2024 to shareholders whose names appear on the Record of Depositors on 11 June 2024.

There was no dividend paid during the preceding year corresponding quarter.

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.
(d) Investment	Investment holding.

(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 30.06.2024 Unaudited RM’000	Preceding Year Corresponding Quarter ⁽¹⁾ 30.06.2023 Unaudited RM’000	Current Year-to-date 30.06.2024 Unaudited RM’000	Preceding Year Corresponding Year-to-date ⁽¹⁾ 30.06.2023 Unaudited RM’000
Cooling Energy	11,950	N/A	31,018	N/A
Facilities Management	2,795	N/A	6,890	N/A
Cleaning Services	14,230	N/A	27,265	N/A
	28,975	N/A	65,173	N/A

Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2024

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

NOTES:

- (1) This is the interim financial report for the second quarter ended 30 June 2024 being announced by the Company in compliance with the Listing Requirements. As the Company was only listed on the ACE Market of Bursa Securities on 26 January 2024, there are no comparative figures for the preceding quarter and year-to-date available, as no interim financial report was prepared for the comparative financial period concerned.
- (2) N/A denotes not applicable.

The Cooling Energy and Cleaning Services segments within our building support services were the major revenue contributor during the financial quarter under review.

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 30.06.2024	Preceding Year Corresponding Quarter ⁽¹⁾ 30.06.2023	Current Year-to-date 30.06.2024	Preceding Year Corresponding Year-to-date ⁽¹⁾ 30.06.2023
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Malaysia	21,642	N/A	50,805	N/A
Overseas:				
- Singapore	6,600	N/A	12,757	N/A
- Thailand	733	N/A	1,611	N/A
	28,975	N/A	65,173	N/A

NOTES:

- (1) This is the interim financial report for the second quarter ended 30 June 2024 being announced by the Company in compliance with the Listing Requirements. As the Company was only listed on the ACE Market of Bursa Securities on 26 January 2024, there are no comparative figures for the preceding quarter and year-to-date available, as no interim financial report was prepared for the comparative financial period concerned.
- (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.

Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2024

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

A12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no 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 30 June 2024.

A14. CONTINGENT ASSETS OR CONTINGENT LIABILITIES

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

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 30.06.2024	Preceding Year Corresponding Quarter ⁽¹⁾ 30.06.2023	Current Year-to-date 30.06.2024	Preceding Year Corresponding Year-to-date ⁽¹⁾ 30.06.2023
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Transactions with associates:				
Income				
Sales	1,002	N/A	4,665	N/A
Management fee received/ receivable	6	N/A	12	N/A
Interest received/receivable	22	N/A	45	N/A
Expenses				
Purchases	454	N/A	877	N/A
Interest paid/payable	*	N/A	*	N/A
Transactions with related parties:				
Income				
Sales	-	N/A	7	N/A
Expenses				
Purchases	56	N/A	85	N/A
Administrative expenses paid/payable	*	N/A	6	N/A
Interest paid/payable	16	N/A	30	N/A
Rental paid/payable	9	N/A	19	N/A



Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2024

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

NOTES:

- (1) This is the interim financial report for the second quarter ended 30 June 2024 being announced by the Company in compliance with the Listing Requirements. As the Company was only listed on the ACE Market of Bursa Securities on 26 January 2024, there are no comparative figures for the preceding quarter and year-to-date available, as no interim financial report was prepared for the comparative financial period concerned.

* Less than RM1,000

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.

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Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2024

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/%)
	30.06.2024	30.06.2023 ⁽¹⁾		30.06.2024	30.06.2023 ⁽¹⁾	
	Unaudited	Unaudited		Unaudited	Unaudited	
	RM'000	RM'000		RM'000	RM'000	
Revenue	28,975	N/A	N/A	65,173	N/A	N/A
Gross profit	7,840	N/A	N/A	16,933	N/A	N/A
PBT	4,328	N/A	N/A	4,176	N/A	N/A
PAT	3,505	N/A	N/A	2,735	N/A	N/A
Profit attributable to owners of the Company	3,731	N/A	N/A	2,893	N/A	N/A

The Group recorded revenue of RM28.98 million for the current financial quarter ended 30 June 2024. 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 under review. The Cooling Energy segment and Cleaning Services segment recorded revenue of RM11.95 million (41.25% of the Group's revenue) and RM14.23 million (49.12% of the Group's revenue) respectively for the current financial quarter under review.

Malaysia was our largest overall market and recorded revenue of RM21.64 million (74.70% of the Group's revenue) for the current financial quarter under review. Singapore was our largest foreign market and recorded revenue of RM6.60 million (22.78% of the Group's revenue) for the current financial quarter under review.

The Group registered a PBT of RM4.33 million for the current financial quarter after deducting administrative expenses of RM4.81 million for the current financial quarter. The administrative expenses mainly consist of staff costs, rental, IT expenses and depreciation of property, plant and equipment and right-of-use assets.

NOTES:

- (1) This is the interim financial report for the second quarter ended 30 June 2024 being announced by the Company in compliance with the Listing Requirements. As the Company was only listed on the ACE Market of Bursa Securities on 26 January 2024, there are no comparative figures for the preceding quarter and year-to-date available, as no interim financial report was prepared for the comparative financial period concerned.
- (2) N/A denotes not applicable.

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Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2024

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	Preceding			
	Quarter	Quarter			
	30.06.2024	31.03.2024			
	Unaudited	Unaudited	Unaudited		
	RM'000	RM'000	RM'000		
Revenue	28,975	36,198	(7,223)	(19.95)	
PBT/Loss before Tax (“LBT”) ⁽¹⁾	4,328	(152)	4,480	(2,947.37)	

The Group recorded a revenue of RM28.98 million for the current financial quarter ended 30 June 2024 which is 19.95% lower than the revenue recorded in the preceding financial quarter ended 31 March 2024 of RM36.20 million. The decrease in the revenue was primarily driven by lower construction revenue recognized from the Cooling Energy segment this quarter.

The Group recorded a PBT of RM4.33 million for the current financial quarter ended 30 June 2024 as compared to a LBT of RM0.15 million in the preceding quarter ended 31 March 2024, mainly due to the absence of listing expenses in the current financial quarter ended 30 June 2024 (as compared to non-recurring listing expenses of RM4.26 million which were included in administrative expenses in the preceding quarter ended 31 March 2024).

NOTES:

- (1) Administrative expenses included non-recurring listing expenses of RM4.26 million for the preceding financial quarter ended 31 March 2024. For illustration purposes only, the Group’s financial performance after adjusting for the non-recurring listing expenses is as follows:

	INDIVIDUAL QUARTER			Variance	%
	Current	Preceding			
	Quarter	Quarter			
	30.06.2024	31.03.2024			
	Unaudited	Unaudited	Unaudited		
	RM'000	RM'000	RM'000		
PBT/(LBT)	4,328	(152)	4,480	(2,947.37)	
Add: Listing expenses	-	4,257	(4,257)	(100.00)	
Adjusted PBT ⁽²⁾	4,328	4,105	223	5.43	
PAT/Loss after Tax (“LAT”)	3,505	(770)	4,275	(555.19)	
Add: Listing expenses	-	4,257	(4,257)	(100.00)	
Adjusted PAT ⁽²⁾	3,505	3,487	18	0.52	

- (2) If there were no non-recurring listing expenses, the Group’s adjusted PBT and PAT would increase by RM0.22 million or 5.43% from RM4.11 million to RM4.33 million and RM0.02 million or 0.52% from RM3.49 million to RM3.51 million for the current financial quarter ended 30 June 2024 compared to the preceding quarter ended 31 March 2024 respectively.

Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2024**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)****B3. PROSPECTS AND OUTLOOK FOR THE CURRENT FINANCIAL PERIOD**

Malaysia's economy is projected to grow between 4% and 5% in 2024¹, supported by resilient domestic demand, stable inflation, and robust fiscal management. Key drivers include strong consumer spending, a positive turnaround in exports, and sustained investment in key sectors such as manufacturing and services. In the second quarter of 2024, Malaysia's gross domestic product grew strongly by 5.9%, surpassing the growth rate in the first quarter of 2024 and marking the highest growth since the fourth quarter of 2022². This growth is supported by highest household spending, improving exports of goods and services, and stronger expansion in investment activities, which could bode well for KJTS's upcoming expansion plans.

The operating landscape for KJTS Group remains dynamic and promising. Malaysia's construction sector continues to demonstrate growth, bolstered by the government's planned RM90 billion expenditures for the year³. The sector has already seen a significant increase in activity, with the value of work done rising by 20.2% to RM38.9 billion in the second quarter of 2024⁴. This growth, driven by the civil engineering and residential building sub-sectors, positions KJTS Group to strategically capitalize on these expanding opportunities within the market. With our recent listing, we are well-equipped to leverage these favorable conditions, fostering both growth and innovation in 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 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.

Energy efficiency has become an important focus area for Malaysia, especially in light of rising energy costs and the global push towards sustainability. The Malaysian Government's launch of the National Energy Transition Roadmap (NETR) aims to address climate change and establish a resilient, sustainable energy infrastructure. Energy Efficiency (EE) is a key lever within the NETR, recognized as a crucial tool for optimizing resources and providing a cost-effective, sustainable solution to reduce energy consumption.

KJTS Group is committed to supporting these national goals by integrating Environmental, Social, and Governance (ESG) principles into our operations. Our focus on environmental sustainability involves implementing measures to reduce energy consumption and carbon emissions effectively. For instance, our cooling energy system projects that involved the upgrading and/or retrofit of existing cooling energy systems followed by providing cooling energy management services have collectively saved approximately 60,707 megawatt hours (MWh) of electricity and avoided around approximately 46,016 tonnes of carbon dioxide (CO₂) emissions since January 2017 until June 2024.

KJTS Group remains dedicated to fostering growth, driving innovation, and maintaining our position in the building support services sector.

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.

NOTES:

- (1) Source: [Economic and Financial Developments in Malaysia in the First Quarter of 2024, Bank Negara Malaysia](#)

Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2024

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

NOTES: (CONT'D)

- (2) Source: [Bank Negara Malaysia Quarterly Bulletin – Second Quarter 2024](#)
(3) Source: [Budget 2024 Speech, Ministry of Finance](#)
(4) Source: [Department of Statistics Malaysia \(DoSM\)](#)

B4. PROFIT FORECAST OR PROFIT GUARANTEE

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

B5. TAX EXPENSES

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.06.2024 Unaudited RM'000	Preceding Year Corresponding Quarter ⁽²⁾ 30.06.2023 Unaudited RM'000	Current Year-to-date 30.06.2024 Unaudited RM'000	Preceding Year Corresponding Year-to-date ⁽²⁾ 30.06.2023 Unaudited RM'000
Tax expenses recognised in profit or loss				
Current tax expense ⁽¹⁾	823	N/A	1,441	N/A
Under provision in prior years	-	N/A	-	N/A
	823	N/A	1,441	N/A
Deferred tax				
Relating to origination and reversal of temporary differences	-	N/A	-	N/A
Under provision in prior years	-	N/A	-	N/A
	-	N/A	-	N/A
Tax expenses for the financial period	823	N/A	1,441	N/A
Effective tax rate (%)	19.0	N/A	34.5	N/A
Statutory tax rate (%)	24.0	N/A	24.0	N/A

The effective tax rate was lower than the statutory tax rate for the current financial quarter ended 30 June 2024 mainly due to the tax effects of the utilisation of unused tax losses. Nevertheless, for the current financial year-to-date ended 30 June 2024, the effective tax rate was higher than the statutory tax rate. This increase was due to non-recurring listing expenses of RM4.26 million incurred in the preceding financial quarter ended 31 March 2024, which reduced the PBT. The decrease in PBT resulted in the Group's effective tax rate being higher than the statutory tax rate.

Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2024

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

NOTES:

- (1) Income tax is recognised based on management’s best estimate.
- (2) This is the interim financial report for the second quarter ended 30 June 2024 being announced by the Company in compliance with the Listing Requirements. As the Company was only listed on the ACE Market of Bursa Securities on 26 January 2024, there are no comparative figures for the preceding quarter and year-to-date available, as no interim financial report was prepared for the comparative financial period concerned.
- (3) N/A denotes not applicable.

B6. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced but not implemented as at the date of this interim financial report.

B7. UTILISATION OF PROCEEDS FROM IPO

The Company was listed on the ACE Market of Bursa Securities on 26 January 2024 (“**Listing**”). As part of the Listing exercise, the Company has undertaken a Public Issue of 218,027,200 new ordinary shares at an issue price of RM0.27 per share, raising gross proceeds of RM58.87 million (“**IPO Proceeds**”).

The status of the utilisation of the IPO Proceeds as of 30 June 2024 is as follows:

Details of utilisation of proceeds	Proposed Utilisation	Actual Utilisation	Balance	Estimated timeframe for the utilisation upon Listing⁽¹⁾
	RM'000	RM'000	RM'000	
Business expansion:				
- Expansion of cooling energy segment	40,417	-	40,417	Within 36 months
- Expansion of offices in Malaysia, Thailand, and Singapore	4,500	-	4,500	Within 12 months
Working capital	8,118	1,843	6,275	Within 12 months
Defraying the listing expenses	5,832	5,832	-	Within 1 month
	58,867	7,675	51,192	

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.

Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2024

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

B8. BORROWINGS

	As at 30-June-2024 (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⁾	-	285	-	1,118	-	1,403
- Term loans	-	468	-	314	-	782
Denominated in THB ⁽²⁾						
- Term loans	3,300	424	15,760	2,022	19,060	2,446

	As at 31-Dec-2023 (Audited)					
	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⁾	-	96	-	300	-	396
- Term loans	-	452	-	551	-	1,003
Denominated in THB ⁽²⁾						
- Term loans	3,221	432	17,430	2,341	20,651	2,773

These borrowings are secured and denominated in both Ringgit Malaysia and Thai Bath (“**THB**”).

NOTES:

- (1) Excluding lease liabilities arising from the rental of land and buildings.
- (2) Exchange rate (THB: MYR) at THB: MYR 0.128308 as at 28 June 2024 and THB: MYR 0.134309 as at 29 December 2023 (Source of reference: Bank Negara Malaysia website).

B9. MATERIAL LITIGATION

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

Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2024

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

B10. DIVIDEND PROPOSED

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

B11. EARNINGS PER SHARE (“EPS”)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.06.2024 Unaudited	Preceding Year Corresponding Quarter ⁽¹⁾ 30.06.2023 Unaudited	Current Year-to-date 30.06.2024 Unaudited	Preceding Year Corresponding Year-to-date ⁽¹⁾ 30.06.2023 Unaudited
Profit attributable to the owners of the Company (RM'000)	3,731	N/A	2,893	N/A
Weighted average number of ordinary shares for the purpose of basic earnings of shares (unit) ('000)	673,067	N/A	673,067	N/A
Basic EPS (sen)	0.55	N/A	0.43	N/A

Diluted earnings per share

The earnings used in the calculation of diluted earnings per share as follow:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.06.2024 Unaudited	Preceding Year Corresponding Quarter ⁽¹⁾ 30.06.2023 Unaudited	Current Year-to-date 30.06.2024 Unaudited	Preceding Year Corresponding Year-to-date ⁽¹⁾ 30.06.2023 Unaudited
Profit attributable to the owners of the Company (RM'000)	3,731	N/A	2,893	N/A
Weighted average number of ordinary shares for the purpose of basic earnings of shares (unit) ('000)	673,067	N/A	673,067	N/A
Shares deemed to be issued for no consideration in respect of employee share options (unit) ('000)	7,741	N/A	7,741	N/A
Weighted average number of ordinary shares used in the calculation of diluted earnings per share (unit) ('000)	680,808	N/A	680,808	N/A
Diluted EPS (sen)	0.55	N/A	0.42	N/A



Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2024

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

NOTES:

- (1) This is the interim financial report for the second quarter ended 30 June 2024 being announced by the Company in compliance with the Listing Requirements. As the Company was only listed on the ACE Market of Bursa Securities on 26 January 2024, there are no comparative figures for the preceding quarter and year-to-date available, as no interim financial report was prepared for the comparative financial period concerned.
- (2) N/A denotes not applicable.

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Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2024

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 Quarter 30.06.2024 Unaudited RM'000	Preceding Year Corresponding Quarter ⁽¹⁾ 30.06.2023 Unaudited RM'000	Current Year-to- date 30.06.2024 Unaudited RM'000	Preceding Year Corresponding Year-to-date ⁽¹⁾ 30.06.2023 Unaudited RM'000
Auditors' remuneration	62	N/A	137	N/A
Depreciation of:				
- property, plant, and equipment	165	N/A	339	N/A
- right-of-use assets	226	N/A	400	N/A
- investment properties	2	N/A	4	N/A
Gain on disposal of property, plant and equipment	-	N/A	(216)	N/A
Interest income	(48)	N/A	(112)	N/A
Interest expenses	89	N/A	165	N/A
Provision for employee benefits	(9)	N/A	(3)	N/A
Impairment losses on trade receivables	16	N/A	3	N/A
Lease expenses relating to:				
- short-term assets	457	N/A	837	N/A
- low value assets	11	N/A	11	N/A
Realised loss on foreign exchange	*	N/A	*	N/A
Unrealised loss on foreign exchange	3	N/A	12	N/A
Non-Executive Directors' remuneration - Fees	69	N/A	126	N/A

* Less than RM1,000

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Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2024

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

NOTES:

- (1) This is the interim financial report for the second quarter ended 30 June 2024 being announced by the Company in compliance with the Listing Requirements. As the Company was only listed on the ACE Market of Bursa Securities on 26 January 2024, there are no comparative figures for the preceding quarter and year-to-date available, as no interim financial report was prepared for the comparative financial period concerned.
- (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 authorized for issue by the Board of Directors of the Company in accordance with a resolution passed by the Board of Directors on 27 August 2024.

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