

Condensed consolidated statement of financial position
As At 30 June 2024

	At 30 June 2024 RM'000 (Unaudited)	At 31 March 2024 RM'000 (Audited)
Assets		
Property, plant and equipment	10,626	11,121
Investment properties	115,105	115,299
Inventories	960	960
Investment in associates	1,707	1,902
Investment in joint ventures	260	260
Deferred tax assets	17	17
Trade and other receivables	22,446	22,446
Total non-current assets	151,121	152,005
Inventories	3,141	3,141
Trade and other receivables	220,674	229,367
Contract assets	44,642	44,491
Tax recoverable	320	210
Cash and cash equivalents	5,572	1,700
	274,349	278,909
Assets classified as held for sales	14,628	14,628
Total current assets	288,977	293,537
Total assets	440,098	445,542
Equity		
Share capital	122,338	122,338
Translation reserve	7	7
Retained earnings	105,360	106,185
Total equity attributable to owners of the Company	227,705	228,530
Liabilities		
Borrowings	775	844
Deferred tax liabilities	435	435
Total non-current liabilities	1,210	1,279
Trade and other payables	150,479	152,774
Contract liabilities	722	-
Borrowings	56,398	59,459
Current tax payable	3,584	3,500
Total current liabilities	211,183	215,733
Total liabilities	212,393	217,012
Total equity and liabilities	440,098	445,542
Net assets per share (RM)	2.2852	2.2934

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.)

Condensed consolidated statement of profit or loss and other comprehensive income
For the financial period ended 30 June 2024

	Current 3 months ended 30 June		Cumulative 3 months ended 30 June	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	12,294	26,094	12,294	26,094
Cost of sales	(11,381)	(24,822)	(11,381)	(24,822)
Gross profit	913	1,272	913	1,272
Other income	1,838	116	1,838	116
Administrative and other operating expenses	(2,476)	(3,060)	(2,476)	(3,060)
Net gain/(loss) on impairment of financial instruments and contract assets	194	(887)	194	(887)
Results from operating activities	469	(2,559)	469	(2,559)
Interest income	49	98	49	98
Interest expense	(863)	(959)	(863)	(959)
Net interest expense	(814)	(861)	(814)	(861)
Share of loss of equity-accounted investment, net of tax	(195)	-	(195)	-
Net loss before tax	(540)	(3,420)	(540)	(3,420)
Taxation	(285)	(109)	(285)	(109)
Net loss after tax	(825)	(3,529)	(825)	(3,529)
Loss per share attributable to ordinary shareholders				
EPS - Basic (sen)	(0.83)	(3.54)	(0.83)	(3.54)
EPS - Diluted (sen)	N/A	N/A	N/A	N/A

(The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.)



Condensed consolidated statement of changes in equity

For the financial period ended 30 June 2024

	Attributable to owners of the Company			Total RM'000
	Non-distributable Share capital RM'000	Translation Reserve RM'000	Distributable Retained profits RM'000	
At 1 April 2024 (Audited)	122,338	7	106,185	228,530
Total comprehensive loss for the period	-	-	(825)	(825)
At 30 June 2024 (Unaudited)	<u>122,338</u>	<u>7</u>	<u>105,360</u>	<u>227,705</u>
At 1 April 2023 (Audited)	122,338	7	97,001	219,346
Total comprehensive profit for the year	-	-	9,184	9,184
At 31 March 2024 (Audited)	<u>122,338</u>	<u>7</u>	<u>106,185</u>	<u>228,530</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.

Condensed consolidated statement of cash flows
For the financial period ended 30 June 2024

	Current year to date	
	30 June 2024 RM'000 (unaudited)	30 June 2023 RM'000 (unaudited)
Cash flows from operating activities		
Loss before tax	(540)	(3,420)
Adjustments for:		
Depreciation of property, plant and equipment	517	611
Depreciation of investment property	194	228
Net (gain)/loss on impairment of financial instrument and contract assets	(194)	887
Gain on disposal of property, plant and equipment	(1,714)	-
Share of loss of equity-accounted investments, net of tax	195	-
Interest expense	863	959
Interest income	(49)	(98)
Operating loss before changes in working capital	<u>(728)</u>	<u>(833)</u>
Changes in working capital:		
Inventories	-	(3)
Receivables, deposits and prepayments	8,736	4,154
Payables and accruals	<u>(1,573)</u>	<u>(16,873)</u>
Cash from/(used in) operations	6,435	(13,555)
Income taxes paid	(312)	(493)
Interest paid	(845)	(926)
Interest received	49	98
Net cash from/(used in) operating activities	<u>5,327</u>	<u>(14,876)</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(274)	(10)
Sales proceeds from disposal of plant and equipment	1,982	-
Net cash from/(used in) investing activities	<u>1,708</u>	<u>(10)</u>
Cash flows from financing activities		
Interest paid	(18)	(33)
Net proceeds from borrowings	(2,770)	10,252
Repayment of finance lease liabilities	<u>(375)</u>	<u>(550)</u>
Net cash (used in)/from financing activities	<u>(3,163)</u>	<u>9,669</u>
Net increase/(decrease) in cash and cash equivalents	3,872	(5,217)
Cash and cash equivalents at beginning of financial period	1,700	16,619
Cash and cash equivalents at end of financial period	<u>5,572</u>	<u>11,402</u>
Cash & bank balance	5,572	5,312
Deposits with licensed banks (excluding deposits pledged)	-	6,090
	<u>5,572</u>	<u>11,402</u>

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2024 and the accompanying explanatory notes attached to the interim financial statements.)

Notes to the interim financial report – 30 June 2024

A1 Basis of preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting in Malaysia, IAS 34: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The condensed consolidated interim financial statements are unaudited and should be read in conjunction with the audited financial statements for the financial year ended 31 March 2024.

A2 Significant accounting policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those adopted in the preparation of the Group’s audited financial statements for the financial year ended 31 March 2024 except for the following:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

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

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The initial application of the abovementioned accounting standards, amendments and interpretations are not expected to have any material financial impact to the current period and prior period financial statements of the Group.

A3 Auditors’ report

There was no qualification on the audited financial statements for the financial year ended 31 March 2024.

A4 Seasonal or cyclical factors

The business operations of the Group were not significantly affected by any seasonal or cyclical factors.

A5 Unusual items due to their nature, size or incidence

There were no unusual items for the period ended 30 June 2024.

A6 Changes in estimates

Not applicable.

A7 Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter and period ended 30 June 2024.

A8 Dividends paid

No dividend was paid for the current quarter and period ended 30 June 2024.

A9 Segmental information

Segmental information is presented in respect of the Group's business segment. Inter-segment pricing is determined based on negotiated terms.

Current quarter ("1Q 2025") against preceding year corresponding quarter ("1Q 2024")

	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	
	30 June 2024 Revenue	30 June 2023 Revenue	Amount	%
	RM'000	RM'000	RM'000	
Trading	7,669	21,883	(14,214)	(65.0)
Property development	-	-	-	-
Construction	4,634	5,446	(812)	(14.9)
Investment property	706	683	23	3.4
Other services	218	268	(50)	(18.7)
	13,227	28,280	(15,053)	(53.2)
Inter-segment elimination	(933)	(2,186)	1,253	57.3
	12,294	26,094	(13,800)	(52.9)

A9 Segmental information (continued)
Current quarter (“1Q 2025”) against preceding year corresponding quarter (“1Q 2024”) (continued)

	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	
	30 June 2024 Profit/(Loss) before tax	30 June 2023 Profit/(Loss) before tax	Amount	%
	RM'000	RM'000	RM'000	
Trading	(546)	(872)	326	37.4
Property development	(104)	(108)	4	3.7
Construction	119	(1,197)	1,316	109.9
Investment property	283	145	138	95.2
Other services	971	(279)	1,250	448.0
	723	(2,311)	3,034	131.3
Interest income	49	98	(49)	(50.0)
Interest expense	(863)	(959)	96	(10.0)
Share of loss of equity-accounted investments	(195)	-	(195)	(100.0)
Unallocated other expenses	(254)	(248)	(6)	(2.4)
	(540)	(3,420)	2,880	84.2

Current year to date (“YTD 2025”) against preceding year to date (“YTD 2024”)

As the comparatives are for the 1st quarter results, the segmental information presented will be the same for 1Q 2025.

A10 Valuation of property, plant and equipment

There was no amendment to the valuation of property & plant and equipment brought forward to the current quarter as compared with the previous year annual financial statements.

A11 Event subsequent to the balance sheet date

There was no material event subsequent to the balance sheet date except for the corporate proposals as disclosed in Note B6.

A12 Changes in composition of the Group

There was no change in the composition of the Group for the current quarter and period ended 30 June 2024.

A13 Changes in contingent liabilities

The Group has no contingent liabilities except for the following: -

As at 30 June 2024
RM'000

Guarantees and contingencies relating to the borrowings of subsidiaries (unsecured)

18,610
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A14 Significant Related Party Transactions

The Group has significant related party transactions with companies in which certain directors of the Company have interest, as follows: -

3 months ended
30 June 2024
RM'000

With companies in which certain Directors of the Company, have interests:

Ekovest Berhad and its subsidiaries,

jointly controlled and associate companies

1,991

PLS Plantations Berhad and its subsidiaries,

jointly controlled and associate companies

1,651
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B1 Detailed analysis of the performance of all operating segments of the Group in 1Q 2025

Current quarter ("1Q 2025") against preceding year corresponding quarter ("1Q 2024")

	Individual Period (1 st Quarter)		Changes	
	Current Year Quarter	Preceding Year Corresponding Quarter	Amount	%
	30 June 2024 RM'000	30 June 2023 RM'000	RM'000	
Revenue	12,294	26,094	(13,800)	(52.9)
Gross profit	913	1,272	(359)	(28.2)
Result from operating activities	469	(2,559)	3,028	118.3
Share of loss of equity-accounted investments, net of tax	(195)	-	(195)	(100.0)
Net loss before tax	(540)	(3,420)	2,880	84.2
Net loss after tax	(825)	(3,529)	2,704	76.6
Loss attributable to Owners of the Company	(825)	(3,529)	2,704	76.6

B1 Detailed analysis of the performance of all operating segments of the Group in 1Q 2025 (continued)

Current quarter (“1Q 2025”) against preceding year corresponding quarter (“1Q 2024”) (continued)

For 1Q 2025, the Group recorded lower revenue of RM12.294 million, a decrease of 52.9% compared to revenue of RM26.094 million in 1Q 2024, mainly due to lower contributions from the trading sector. Despite the decrease in revenue, the Group recorded a lower loss before tax of RM0.540 million in 1Q 2025, compared to a loss before tax RM3.420 million in 1Q 2024, mainly due to a one-off gain of RM1.714 million from the disposal of plant and equipment and lesser overheads incurred in 1Q 2025. Additionally, the 1Q 2024 results included a net impairment loss of RM0.887 million, whereas the 1Q 2025 recorded a net impairment gain of RM0.194 million on its receivables.

The performance of the respective operating business sector for the 1Q 2025 under review as compared to the 1Q 2024 are analysed as follows:

Trading

Revenue decreased by RM14.214 million, or 65.0%, to RM7.669 million in 1Q 2025, compared to RM21.883 million in 1Q 2024, mainly due to lesser demand for building materials as certain on-going projects of our customers have reached the tail end stage of their construction work. Despite the significant decrease in revenue, the sector reported a lower loss before tax of RM0.546 million in 1Q 2025, compared to a loss before tax of RM0.872 million in 1Q 2024. This improvement was mainly due to the recognition of a net impairment gain of RM0.194 million on its receivables in 1Q 2025, compared to a net impairment loss of RM0.887 million in 1Q 2024.

Property development

No revenue was recorded in 1Q 2025 and 1Q 2024. Accordingly, the sector reported a comparable loss before tax of RM0.104 million in 1Q 2025, compared to RM0.108 million in 1Q 2024.

Construction

The construction sector reported revenue of RM4.634 million in 1Q 2025, compared to RM5.446 million in 1Q 2024, mainly due to a lower percentage of work done for its on-going construction projects. Despite the decrease in revenue, the sector recorded a profit before tax of RM0.119 million in 1Q 2025, compared to a loss before tax of RM1.197 million in 1Q 2024, mainly due to a one-off gain of RM0.511 million from the disposal of plant and equipment, as well as lower overheads incurred in 1Q 2025.

Investment property

The sector recorded slightly higher revenue of RM0.706 million in 1Q 2025 compared to RM0.683 million in 1Q 2024. The sector reported a profit before tax of RM0.283 million in 1Q 2025, compared to a profit before tax of RM0.145 million in 1Q 2024, mainly due to increase in revenue and lesser overheads incurred in 1Q 2024.

Other services

The revenue decreased from RM0.268 million in 1Q 2024 to RM0.218 million in 1Q 2025, mainly due to lower income contributions from landscape maintenance work. Despite the decrease in revenue, the sector reported a profit before tax of RM0.971 million in 1Q 2025, compared to a loss before tax of RM0.279 million in 1Q 2024, mainly due to a one-off gain of RM1.201 million from the disposal of plant and equipment in 1Q 2025.

Current year to date (“YTD 2025”) against preceding year corresponding year (“YTD 2024”)

As the comparatives are for the 1st quarter results, the analysis of the respective operative business sectors will be the same for 1Q 2025.

B2 Comparison with preceding quarter results

Current quarter (“1Q 2025”) against immediate preceding quarter (“4Q 2024”)

	Current Quarter	Immediate Preceding Quarter	Changes	
	30 June 2024	31 March 2024	Amount	%
	RM'000	RM'000	RM'000	
Revenue	12,294	48,397	(36,103)	(74.6)
Gross profit	913	11,423	(10,510)	(92.0)
Result from operating activities	469	5,248	(4,779)	(91.1)
Share of loss of equity-accounted investments, net of tax	(195)	(38)	(157)	(413.2)
Net loss before tax	(540)	4,162	(4,702)	(113.0)
Net loss after tax	(825)	1,465	(2,290)	(156.3)
Loss attributable to Owners of the Company	(825)	1,465	(2,290)	(156.3)

The Group reported a revenue of RM12.294 million in 1Q 2025, compared to RM48.397 million in 4Q 2024, primarily due to a lower contribution from the construction sector. The Group reported a loss before tax of RM0.540 million in 1Q 2025, compared to a profit before tax of RM4.162 million in 4Q 2024 which was in line with the significant decrease in revenue by 74.60%.

B3 Prospects

The Board expects the economic outlook to remain challenging in the near term amid ongoing inflation, rising interest rates, as well as a weakening Ringgit, which is affecting the construction and property industries. The Construction Division anticipates a less favorable outlook and a more competitive tender environment due to high building material costs and limited construction projects in the market. The Group adopts a highly selective approach to tendering, prioritizing projects with sufficient margins to accommodate inflationary pressures, strategically replenishing its order book.

Given the challenging business environment and depleting order books, the Board is of the opinion that the near-term prospects are expected to remain challenging, and we anticipate that the financial performance of the Group for the financial year ending on 31 March 2025, may be adversely impacted.

As at 30 June 2024, the Group's order book for the construction sector stood at RM153 million.

The Board is mindful of the competition and operational risks that could impact its financial results and will continue to take all proactive measures to ensure the existing business remains sustainable, resilient, and focused on delivering and completing all its projects within the budget and on schedule.

B4 Variance of actual profit from forecast profit / profit guarantee

Not applicable.

B5 Taxation

	Current quarter ended 30 June 2024 RM '000	3 months ended 30 June 2024 RM '000
Income tax		
Current provision	285	285
	285	285
Deferred tax	-	-
	285	285

The Group's effective tax rate for the financial period ended 30 June 2024 was higher than the statutory income tax rate mainly due to the losses incurred by certain subsidiaries and disallowable expenses.

B6 Status of corporate proposals

- On 27 September 2023 whereby the Company had on even date received a letter dated 27 September 2023 ("Proposal Letter") from Tan Sri Dato' Lim Kang Hoo ("TSDLKH"), a major shareholder of the Company and the Group Executive Chairman and a major shareholder of Ekovest Berhad ("Ekovest"), requesting the Company to consider participating in a reorganisation, rationalisation and merger proposal comprising, amongst others, the proposed merger of the construction and construction-related businesses of Ekovest and Knusford through the acquisition of the entire issued share capital of Ekovest Construction Sdn Bhd ("ECSB") (i.e. a wholly-owned subsidiary of Ekovest, being the existing construction arm of Ekovest) by Knusford ("Proposed Knusford-ECSB Merger").

Following thereto, the Board of Directors of Knusford ("Board") wishes to announce that the Company had on 27 October 2023 entered into a binding heads of merger agreement ("HOA") with Ekovest to exclusively explore and negotiate further on the Proposed Knusford-ECSB Merger via the proposed acquisition by Knusford of the entire equity interest in ECSB from Ekovest for an indicative purchase consideration of RM450 million ("Purchase Consideration"), which was arrived at on a willing-buyer, willing-seller basis, after taking into account the audited net assets of ECSB as at 30 June 2023.

The Parties shall use their best endeavours and efforts to negotiate in good faith and execute the Definitive Agreement within four (4) months following the date of the HOA, with an automatic extension of three (3) months upon the expiry of such four (4) months period, or such further extended date as the Parties may mutually agree upon ("Expiry Date").

On 27 May 2024, the Parties have mutually agreed to extend the HOA to 27 July 2024.

On 26 July 2024, the Parties have mutually agreed for a further extension of 6 months from 28 July 2024 to 27 January 2025, to grant more time for the Parties to assess, evaluate and deliberate the Proposed Knusford-ECSB Merger.

For details, please refer to the announcement dated 29 September 2023, 27 October 2023 and 26 July 2024 respectively.

- The Company had on 27 March 2024, entered into a conditional sale and purchase agreement ("SPA") with Emerald Plan Sdn. Bhd. to dispose a freehold land together with the buildings erected thereon held under HSD 51799, PT 43447, Mukim and District of Klang, Selangor with a provisional land area of 25,625.48 square metres (approximately 275,832 square feet) bearing postal address of No. 8, Jalan Kecapi 33/2, Taman Perindustrian Elite, Seksyen 33, 40350 Shah Alam, Selangor Darul Ehsan for a cash consideration of RM28.0 million.

B6 Status of corporate proposals (continued)

- 2) At the Extraordinary General Meeting ("EGM") held on 28 June 2024, the shareholders of the Company had approved the proposed disposal.

The completion of the above disposal is pending the fulfilment of the conditions precedent of the SPA.

For details, please refer to the announcement dated 27 March 2024.

B7 Group borrowings

	As at 30 June 2024		
	Non-current RM'000	Current RM'000	Total borrowings RM'000
Secured			
Hire purchase liabilities	752	638	1,390
Lease liabilities	23	18	41
Revolving credits	-	23,707	23,707
Banker acceptance	-	7,035	7,035
Unsecured			
Revolving credits	-	25,000	25,000
	775	56,398	57,173

	As at 31 March 2024		
	Non-current RM'000	Current RM'000	Total borrowings RM'000
Secured			
Hire purchase liabilities	829	936	1,765
Lease liabilities	15	11	26
Revolving credits	-	23,707	23,707
Banker acceptance	-	9,805	9,805
Unsecured			
Revolving credits	-	25,000	25,000
	844	59,459	60,303

The borrowing is mainly for the purpose of working capital requirement.

B8 Changes in material litigation

There is no material litigation pending from 31 March 2024 (being the date of the last annual statement of financial position) to 22 August 2024 (being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) in which the Group is engaged either as plaintiff or defendant, and the Board has no knowledge of any proceedings pending or threatened against the company or of any facts likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group.

B9 Dividends declared

No interim dividend has been declared for the current quarter and period ended 30 June 2024.

B10 Loss per share

	Current quarter ended 30 June 2024	Preceding year corresponding quarter ended 30 June 2023	Cumulative 3 months ended 30 June 2024	Cumulative 3 months ended 30 June 2023
Loss for the period attributable to owners of the Parent (RM'000)	(825)	(3,529)	(825)	(3,529)
Weighted average number of ordinary shares in issue ('000)	99,645	99,645	99,645	99,645
Basic loss per share (sen)	(0.83)	(3.54)	(0.83)	(3.54)
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

B11 Notes to the statement of profit or loss and other comprehensive income

	Current quarter ended 30 June 2024 RM'000	Cumulative 3 months ended 30 June 2024 RM'000
Loss before tax is arrived at after (crediting)/charging:		
Interest income	(49)	(49)
Other income including investment income	(124)	(124)
Interest expense	863	863
Depreciation and amortisation	711	711
Net impairment gain on receivables	(194)	(194)
Gain on disposal of property, plant and equipment	(1,714)	(1,714)

B12 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments. Accordingly, the fair values and fair value hierarchy levels have not been presented for these instruments.

Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical financial assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the financial asset or liabilities, either directly or indirectly.

Level 3 – Inputs for the financial asset or liabilities that are not based on observable market data.

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with their carrying amounts shown in the statements of financial position.

	Level 1	Level 2	Level 3	Total fair value	Carrying amount
	RM'000	RM'000	RM'000	RM'000	RM'000
30 June 2024					
Financial liabilities					
Hire-purchase liabilities	-	-	1,450	1,450	1,390
31 March 2024					
Financial liabilities					
Hire-purchase liabilities	-	-	1,874	1,874	1,765