

## A. EXPLANATORY NOTES PURSUANT TO MFRS 134

### 1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

The Group has prepared its financial statements using the Malaysian Financial Reporting Standards (“MFRS”) for the financial period ended 30 September 2024.

The interim financial report is unaudited and is prepared in accordance with MFRS134 *Interim Financial Reporting* and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2023. These explanatory notes attached to the interim financial statements provide and explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2023.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements for the financial year ended 31 December 2023 except for the adoption of the following Accounting Standards, Amendments and Interpretations:

#### **Effective for financial periods beginning on or after 1 January 2024:**

Amendments to MFRS 16      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      Supplier Finance Agreements  
and MFRS 7

#### **Standards issued but not yet effective**

		<u>Effective dates</u>
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 plans to apply the abovementioned standards, amendments and interpretations in the respective financial years when the above standards, amendments and interpretations become effective.

The initial application of the accounting standards, amendments and interpretations are not expected to have any material financial impacts to the current and prior period financial statements of the Group upon their first adoption.

## **2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the financial statements for the year ended 31 December 2023 was not qualified.

### 3. SEGMENTAL INFORMATION

The segment revenues and segment results for business segments for the current financial period to date are as follows: -

	Property Development RM'000	Property Investment RM'000	Car Park Operator RM'000	Investment Holding RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>							
External sales:							
-Sales of properties	801,322	-	-	-	-	-	801,322
-Rental income	-	90,886	-	-	-	-	90,886
-Car park management income	-	-	4,885	-	-	-	4,885
-Others	2,009	80	-	-	1,393	-	3,482
-Hotel, food and beverage	-	87,179	-	-	-	-	87,179
Inter-segment	-	-	-	-	-	-	-
<b>Total</b>	<b>803,331</b>	<b>178,145</b>	<b>4,885</b>	<b>-</b>	<b>1,393</b>	<b>-</b>	<b>987,754</b>
<b>OTHER INCOME</b>							
Interest income	8,246	2,214	75	6,256	2	(9,394)	7,398
Rental income *	6,420	190	-	-	-	-	6,610
Inter-segment	-	-	-	-	-	-	-
Fair value adjustment	-	-	-	-	-	-	-
Others	3,960	1,231	6	-	42	-	5,239
<b>Total</b>	<b>18,626</b>	<b>3,635</b>	<b>81</b>	<b>6,255</b>	<b>44</b>	<b>(9,394)</b>	<b>19,247</b>
<b>RESULTS</b>							
Segment results	327,452	91,615	4,040	5,892	71	(9,394)	419,676
Finance cost							(4,053)
Profit before tax							415,623
Taxation							(98,975)
<b>Net profit for the period</b>							<b>316,648</b>

Segmental reporting by geographical segments has not been prepared as all activities of the Group's operations are carried out within Malaysia.

Note: \* Rental income arising from letting of vacant undeveloped land and unsold inventory.

#### **4. ITEMS OF UNUSUAL NATURE AND AMOUNTS**

There were no items affecting the assets, liabilities, equity, net income or cash flows of the Group during the financial quarter ended 30 September 2024 that are unusual because of their nature, size or incidence.

#### **5. CHANGES IN ESTIMATES**

There were no changes in estimates that have had a material effect in the current quarter results.

#### **6. SEASONAL OR CYCLICAL FACTORS**

The business operations of the Group were not affected by any significant seasonal or cyclical factors in the current quarter.

#### **7. DIVIDENDS PAID**

There were no dividends paid during the current quarter.

#### **8. CARRYING AMOUNT OF REVALUED ASSETS**

The value of the investment properties have been adjusted to fair value at the end of the financial year ended 31 December 2023.

There has been no revaluation of investment properties during the current quarter and financial year.

#### **9. DEBT AND EQUITY SECURITIES**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter.

#### **10. CHANGES IN COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group during the current quarter ended 30 September 2024.

## 11. COMMITMENT

The amount of capital commitment not provided for in the financial statements as at 30 September 2024 is as follow:

Approved and contracted for: **RM**  
462,600,939

## 12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no changes in contingent liabilities or contingent assets since the last audited Statement of Financial Position as at 31 December 2023.

## 13. RECURRENT RELATED PARTY TRANSACTIONS

The significant recurrent related party transactions for the financial period were summarized as follow:-

<u>Group</u>	<u>RM</u>
<b><u>Rental received from:</u></b>	
Bestari Bestmart Sdn Bhd	4,059,000
Harapan Terang Motor Sdn Bhd	15,300
<b><u>Purchases from :</u></b>	
Tiram Quarry Sdn Bhd	723,917
Segamat Quarry Sdn Bhd	33,758

## 14. EVENTS SUBSEQUENT TO THE DATE OF THE FINANCIAL POSITION

There were no material events subsequent to the end of the interim period which have not been reflected in the financial statements for the interim period under review except for the below:

- (a) On 7 October 2024, Harapan Terang Properties Sdn. Bhd., a wholly-owned subsidiary of the Group, entered into a conditional Sale and Purchase Agreement (SPA) with Sutera Potensi Sdn. Bhd. for the acquisition of a piece of freehold land located in Mukim Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor for a purchase consideration of RM76,070,505.
- (b) On 16 October 2024, Sejota Sdn. Bhd., a wholly-owned subsidiary of the Group, entered into a conditional Sale and Purchase Agreement (SPA) with Stan Plantation Sdn. Bhd. for the acquisition of two pieces of freehold land located in Mukim Buloh Kasap, Daerah Segamat, Negeri Johor for a purchase consideration of RM115,614,823.

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**15. PERFORMANCE REVIEW**

The Group has registered revenue and profit before taxation of RM338.52 million and RM133.0 million respectively for the current quarter ended 30 September 2024. This represents an increase 27% and 20% respectively over the results achieved in the preceding corresponding quarter ended 30 September 2023.

The current quarter's performance was mainly contributed by the Group's flagship projects from the property development segment in Johor Bahru, Kluang and Klang namely Taman Bestari Indah, Taman Kempas Indah, Taman Mutiara Bestari, Taman Pulau Bestari, KSL Residence @Kangkar Tebrau, Taman Puncak Tropicana, Taman Alma, Taman Mengkibol, Bandar Bestari Klang and 18 Madge.

The current quarter's performance is explained in the detailed financial analysis below:

	<b>Third Quarter Ended 30.09.24 RM'000</b>	<b>Third Quarter Ended 30.09.23 RM'000</b>	<b>Variances Increase/ (Decrease) RM'000</b>	<b>%</b>
Revenue	338,515	267,309	71,206	27
Cost of sales	150,819	110,543	40,276	36
Other income	7,454	6,234	1,220	20
Selling and marketing expenses	21,004	16,380	4,624	28
Administrative expenses	39,162	35,118	4,044	12
Finance costs	1,982	1,033	949	92
Profit before taxation	133,002	110,469	22,533	20

## 16. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The Group's profit before taxation for the quarter under review was approximately 11% lower than the results registered in the immediate preceding quarter ended 30 September 2024.

The higher Group's profit before taxation is explained in the detailed financial analysis below:

	<b>Third Quarter Ended 30.09.24 RM'000</b>	<b>Second Quarter Ended 30.06.24 RM'000</b>	<b>Variances Increase/ (Decrease) RM'000</b>	<b>%</b>
Revenue	338,515	320,980	17,535	5
Cost of sales	150,819	133,917	16,902	13
Other income	7,454	6,937	517	7
Selling and marketing expenses	21,004	16,029	4,975	31
Administrative expenses	39,162	26,595	12,567	41
Finance costs	1,982	1,208	774	64
Profit before taxation	133,002	150,168	(17,166)	(11)

## 17. COMMENTARY ON PROSPECTS

Looking ahead, the Malaysia economy is anticipated to experience an upswing in 2024. This growth is expected to be bolstered by robust domestic spending, enhancements in tourism activities, ongoing multi-year infrastructure projects, and the implementation of catalytic initiatives under the national master plans.

In light of this, the Group is optimistic about an upturn in the property sector. However, the ongoing global geopolitical uncertainties and inflationary effects on construction costs continue to pose challenges to the business operations within the property sector. We persist in our close monitoring of operational cost efficiencies and maintain our sensitivity to market sentiments when it comes to the timing and pricing of new project launches.

## 18. PROFIT FORECAST

Not applicable

**19. INCOME TAX EXPENSE**

	<b>Current Quarter Ended 30.09.2024 RM'000</b>	<b>Financial Period Ended 30.09.2024 RM'000</b>
Taxation		
-current taxation	31,945	98,975
Total Income Tax Expense	<u>31,945</u>	<u>98,975</u>

**20. STATUS OF CORPORATE PROPOSAL ANNOUNCED**

There were no corporate proposals announced during the period under review.

**21. BORROWINGS**

	<b>As at 30.09.2024 RM'000</b>	<b>As at 31.12.2023 RM'000</b>
<b><u>Short term borrowings (Secured)</u></b>		
Term loan	<u>19,881</u>	<u>20,325</u>
<b><u>Long term borrowings (Secured)</u></b>		
Term loan	12,888	27,687
Revolving Credit	280,000	-
	<u>292,888</u>	<u>27,687</u>
<b><u>Total Borrowings</u></b>		
Term loan	32,769	48,012
Revolving Credit	280,000	-
	<u>312,769</u>	<u>27,687</u>

All of the above borrowings are denominated in Ringgit Malaysia.

**22. CHANGES IN MATERIAL LITIGATION**

There were no changes in material litigation, including the status of pending material litigation since the date of the last Audited Statement of Financial Position ended 31 December 2023.

**23. DIVIDEND PAYABLE**

No interim ordinary dividend has been declared or approved for the financial period ended 30 September 2024.



**24. EARNINGS PER SHARE**

**(a) BASIC**

Basic earnings per share amounts are calculated by dividing loss for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Group.

	<b>Current Quarter Ended 30.09.24 RM'000</b>	<b>Financial Period Ended 30.09.24 RM'000</b>
Profit attributable to ordinary equity holders of the parent	101,181	316,832
Issued ordinary shares as at beginning of the period	1,017,216	1,017,216
Effect of shares issued during the period- Treasury share	-	-
Weighted average number of ordinary shares in issue	1,017,216	1,017,216
	<b>Sen</b>	<b>Sen</b>
Basic earnings per share	<u>9.95</u>	<u>31.15</u>

**(b) DILUTED**

	<b>Current Quarter Ended 30.09.24 RM'000</b>	<b>Financial Period Ended 30.09.24 RM'000</b>
Profit attributable to ordinary equity holders of the parent	101,181	316,832
Weighted average number of ordinary shares in issue	1,017,216	1,017,216
Adjusted weighted average number of ordinary shares in issue and issuable	1,017,216	1,017,216
	<b>Sen</b>	<b>Sen</b>
Diluted earnings per share	<u>9.95</u>	<u>31.15</u>

## 25. PROFIT BEFORE TAXATION

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

	<b>3 Months Ended 30.09.24 RM'000</b>	<b>Year-to-date Ended 30.09.24 RM'000</b>
(a) Interest income	3,198	7,398
(b) Other income including investment income	4,256	11,849
(c) Interest expense	1,569	2,974
(d) Depreciation and amortisation	2,346	6,854
(e) Provision for and write off of receivables	-	-
(f) Provision for and write off of inventories	-	-
(g) Gain or loss on disposal of quoted or unquoted investment properties	-	-
(h) Impairment of assets	-	-
(i) Goodwill written off	-	-
(j) Gain/(loss) on derivatives	-	-
(k) Exceptional items/ Net gain in FV adjustment	-	-

## 26. AUTHORITY FOR ISSUE

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the Directors dated 28 November 2024.

On Behalf of the Board  
KSL Holdings Berhad

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KU HWA SENG  
Chairman