

**Kimlun Corporation Berhad**  
[Registration No.: 200901023978 (867077-X)]  
**Unaudited Condensed Consolidated Statement of Comprehensive Income**  
**For the 4th Quarter Ended 31 December 2023**

	Individual Quarter		Cumulative Period	
	Current Year Quarter 31/12/2023 RM'000	Preceding Year Quarter 31/12/2022 RM'000	Current Year To Date 31/12/2023 RM'000	Preceding Year To Date 31/12/2022 RM'000
<b>Revenue</b>	263,886	163,974	852,568	756,134
Cost of sales	(244,093)	(145,619)	(790,986)	(669,593)
<b>Gross profit</b>	19,793	18,355	61,582	86,541
Other income	5,359	4,023	8,370	8,221
Selling and administrative expenses	(10,468)	(51,644)	(37,819)	(82,737)
Finance costs	(4,484)	(3,305)	(15,935)	(12,820)
Share of loss of joint ventures	(1,306)	(381)	(3,143)	(2,904)
<b>Profit/(Loss) before tax</b>	8,894	(32,952)	13,055	(3,699)
Income tax expense	(2,280)	6,772	(6,177)	(3,592)
<b>Profit/(Loss) net of tax</b>	6,614	(26,180)	6,878	(7,291)
<b>Other comprehensive loss</b>	(17)	(29)	(74)	(121)
<b>Total comprehensive income/(loss) for the period</b>	6,597	(26,209)	6,804	(7,412)
<b>Profit/(Loss) attributable to :</b>				
Owners of the Company	6,653	(26,224)	7,055	(7,228)
Non-controlling interests	(39)	45	(177)	(63)
	6,614	(26,179)	6,878	(7,291)
<b>Profit/(Loss) Per Share (Sen)</b>				
- Basic (2)	1.88	(7.42)	2.00	(2.05)
- Diluted (2)	1.88	(7.42)	2.00	(2.05)
<b>Total comprehensive income/(loss) attributable to :</b>				
Owners of the Company	6,636	(26,253)	6,981	(7,349)
Non-controlling interests	(39)	45	(177)	(63)
	6,597	(26,208)	6,804	(7,412)

**Notes:**

(1) The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying notes attached to the interim financial statements.

(2) Please refer to Note B11 for details.

Kimlun Corporation Berhad  
[Registration No.: 200901023978 (867077-X)]  
**Unaudited Condensed Consolidated Statements of Financial Position**  
**As at 31 December 2023**

	<b>Unaudited</b> <b>As at</b> <b>31/12/2023</b> <b>RM'000</b>	<b>Audited</b> <b>As at</b> <b>31/12/2022</b> <b>RM'000</b>
<b>Assets</b>		
<b>Non- current assets</b>		
Property, plant and equipment	159,610	131,118
Right-of-use asset	5,168	5,984
Land held for property development	308,770	145,984
Investment properties	133	140
Other investments	75	75
Investment in joint ventures	12,493	15,240
Deferred tax assets	15,600	18,232
	<u>501,849</u>	<u>316,773</u>
<b>Current assets</b>		
Properties held for sale	14,125	14,125
Property Development costs	171,858	172,914
Inventories	59,753	67,450
Trade and other receivables	429,703	418,269
Prepayment	22,807	8,060
Contract assets	282,179	230,949
Current tax assets	710	-
Cash and bank balances	63,400	72,229
	<u>1,044,535</u>	<u>983,996</u>
<b>TOTAL ASSETS</b>	<u><u>1,546,384</u></u>	<u><u>1,300,769</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Loans and borrowings	217,433	151,644
Lease liability	3,212	2,770
Trade and other payables	357,113	230,710
Contract liabilities	20,286	15,733
Current tax liabilities	-	3,772
Provisions	9,980	11,541
	<u>608,024</u>	<u>416,170</u>
<b>Net current assets</b>	<u>436,511</u>	<u>567,826</u>
<b>Non-current liabilities</b>		
Loans and borrowings	195,941	155,994
Lease liabilities	2,053	3,315
	<u>197,994</u>	<u>159,309</u>
<b>TOTAL LIABILITIES</b>	<u>806,018</u>	<u>575,479</u>
<b>Net assets</b>	<u>740,366</u>	<u>725,290</u>
<b>Equity</b>		
Share capital	255,944	255,944
Treasury shares	(24)	(24)
Other reserves	33,476	33,494
Retained earnings	424,447	420,982
<b>Equity attributable to owners of the Company</b>	<u>713,843</u>	<u>710,396</u>
Non-controlling interests	26,523	14,894
<b>Total equity</b>	<u>740,366</u>	<u>725,290</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>1,546,384</u></u>	<u><u>1,300,769</u></u>
Net Assets Per Share Attributable to owners of the Company (RM)	2.02	2.01

**Notes:**

(1) The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying notes attached to the interim financial statements.

Kimlun Corporation Berhad  
[Registration No.: 200901023978 (867077-X)]  
Unaudited Condensed Consolidated Statement of Changes in Equity  
As at 31 December 2023

	Attributable to owners of the Company							Total Equity RM'000
	<----- Non-distributable ----->				Distributable		Non- controlling interest RM'000	
	Share capital RM'000	Treasury shares RM'000	Warrants reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Sub-Total RM'000		
<b>YTD ended 31 December 2023</b>								
<b>Balance At 1/1/2023</b>	255,944	(24)	34,194	(700)	420,982	710,396	14,894	725,290
Total comprehensive income for the period	-	-	-	(74)	7,055	6,981	(177)	6,804
<b>Transactions with owner</b>								
Acquisition of non-controlling interest	-	-	-	-	-	-	11,806	11,806
Dividend (as detailed in Note B10)	-	-	-	-	(3,534)	(3,534)	-	(3,534)
Reduction on reserve upon strike off of subsidiary	-	-	-	56	(56)	-	-	-
<b>At 31/12/2023</b>	<b>255,944</b>	<b>(24)</b>	<b>34,194</b>	<b>(718)</b>	<b>424,447</b>	<b>713,843</b>	<b>26,523</b>	<b>740,366</b>
<b>YTD ended 31 December 2022</b>								
<b>Balance At 1/1/2022</b>	255,944	(24)	34,194	(579)	431,744	721,279	9,770	731,049
Total comprehensive profit for the period	-	-	-	(121)	(7,228)	(7,349)	(63)	(7,412)
<b>Transactions with owner</b>								
Effect of issue on ordinary shares by a subsidiary	-	-	-	-	-	-	5,187	5,187
Dividend (as detailed in Note B10)	-	-	-	-	(3,534)	(3,534)	-	(3,534)
<b>At 31/12/2022</b>	<b>255,944</b>	<b>(24)</b>	<b>34,194</b>	<b>(700)</b>	<b>420,982</b>	<b>710,396</b>	<b>14,894</b>	<b>725,290</b>

(1) The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying notes attached to the interim financial statements

**Kimlun Corporation Berhad**  
**[Registration No.: 200901023978 (867077-X)]**  
**Unaudited Condensed Consolidated Statement of Cash Flow**  
**For The Period Ended 31 December 2023**

	<b>Current Year To Date 31/12/2023 RM'000</b>	<b>Preceding Year To Date 31/12/2022 RM'000</b>
<b>Operating activities</b>		
Profit/(loss) before tax	13,055	(3,699)
Adjustment for :		
Reversal of allowance for impairment on trade receivables	(589)	(3,312)
Reversal of impairment of land held for development	(3,900)	-
Allowance for impairment on trade receivables	-	18,538
Allowance for impairment on contract assets		25,581
Bad debts written off	14	29
Bad debts recovered	-	(107)
Impairment loss on share investment	27	-
Unrealised foreign exchange gain	(8,745)	(6,700)
Depreciation	21,531	33,687
Depreciation of right-of-use assets	3,056	3,055
Depreciation of investment properties	7	7
Amortisation of quarry development expenditure	65	-
Reversal of provision for defect liabilities costs	(1,561)	(5,196)
Gain on disposal of property, plant and equipment	(906)	(643)
Gain on derecognition of right-of-use assets	(3)	(2)
Fixed asset written off	1,493	1,082
Reversal of provision for obsolete inventories	-	(4)
Interest expenses	15,935	12,820
Interest income	(1,872)	(1,744)
Share of loss of joint ventures	3,143	2,904
Operating cash flows before changes in working capital	40,750	76,296
<b>Changes in working capital</b>		
Land held for property development	-	(1,966)
Property development costs	3,294	(11,206)
Inventories	7,697	16,314
Receivables	1,945	88,025
Other current assets	(23,954)	(81,043)
Payables	83,507	256
Other current liabilities	4,411	(8,544)
Cash flows generated from operations	117,650	78,132
Interest paid	(21,000)	(14,426)
Tax paid	(8,028)	(13,496)
Interest received	987	1,805
Net cash flows generated from operating activities	89,609	52,015
<b>Investing activities</b>		
Purchase of property, plant and equipment	(32,966)	(21,411)
Additions to land held for property development	(143,927)	-
Proceeds from disposal of property, plant & equipment	3,856	584
Placement of fixed deposits	-	(1)
Net cash flows used in investing activities	(173,037)	(20,828)
<b>Financing activities</b>		
Dividends paid on ordinary shares	(3,534)	(3,534)
Proceeds from loans and borrowings	94,790	10,327
Advance from/(repayment to) a corporate shareholder of a subsidiary	881	(8,307)
Advances to a joint venture	(7,290)	(4,695)
Repayment to joint ventures	-	(3,605)
Repayment to hire purchase creditors	(10,781)	(16,360)
Repayment of lease liabilities	(3,056)	(3,017)
Uplift of fixed deposit with licensed banks	7,343	12,036
Net cash flows generated from/(used in) financing activities	78,353	(17,155)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(5,075)	14,032
<b>Effects of exchange rate changes on cash and cash equivalents</b>	3,589	696
<b>Cash and cash equivalents at beginning of financial period</b>	60,345	45,617
<b>Cash and cash equivalents at end of financial period</b>	58,859	60,345
<b>Cash and cash equivalents at end of the financial period comprise the following:</b>		
Cash and bank balances	63,400	72,229
Less: Pledge of fixed deposit with licensed banks	(4,541)	(11,884)
	58,859	60,345

**Notes:**

(1) The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying notes attached to the interim financial statements

**KIMLUN CORPORATION BERHAD (867077-X)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023**

**NOTES TO THE REPORT**

**PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING**

**A1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting and Appendix 9B Part A of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). It contains condensed combined financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group. The interim combined financial report and notes thereon do not include all the information required for a full set of financial statements prepared in accordance with MFRSs.

The interim financial report should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2022 (“FY2022 AFS”).

**A2. Changes in accounting policies**

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the Group’s FY2022 AFS except for the adoption of the following amendments to MFRS that are mandatory for annual financial periods beginning on or after 1 January 2023:

Amendments to MFRS 101: Disclosure of Accounting Policies  
Amendments to MFRS 108: Definition of Accounting Estimates  
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The directors are of the opinion that the Standards and Amendments above would not have any material impact on the financial statements in the year of initial adoption.

**A3. Auditor's report on preceding annual financial statements**

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2022.

**A4. Seasonal or Cyclical Factors**

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

**A5. Items of Unusual Nature**

There were no material unusual items affecting the assets, liabilities, equity, net income or cash flow during the financial year-to-date.

**A6. Material Changes in Estimates**

There were no changes in estimates of amounts reported in prior financial years that have had a material effect in the financial year-to-date.

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**A7. Changes in Debt and Equity Securities**

Save as disclosed below, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial year-to-date;

- (a) redemption of 1 tranche of Islamic commercial papers (“ICP”) with nominal value of RM5.9 million; and
- (b) issuance of two tranches of 12 months ICP with aggregate nominal value of RM12.86 million.

**A8. Dividend Paid**

The final single-tier dividend of 1.0 sen per share in respect of the financial year ended 31 December 2022 was paid on 20 July 2023.

**A9. Valuation of property, plant and equipment**

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

**A10. Capital commitments**

Capital commitment for property, plant and equipment not provided for as at 31 December 2023 are as follows:

	RM'000
Approved and contracted for	<u>15,713</u>

The capital commitment is mainly for the purchase of heavy machineries and formworks.

**A11. Property, Plant and Equipment**

The Group acquired property, plant and equipment (“PPE”) amounting to RM55.26 million during the financial year-to-date, mainly incurred for the purchase of heavy machineries including road rollers, excavators and compactors, trucks, formworks and moulds.

**A12. Material events subsequent to the end of period reported**

There were no material events subsequent to the end of the current financial quarter up to 21 February 2024, being the latest practicable date (“LPD”), which is not earlier than 7 days from the date of issuance of this quarterly report, that have not been reflected in this quarterly report.

**A13. Changes in composition of the group**

The Group incorporated a subsidiary, Kii Tebrau Sdn Bhd (“KTSB”), during the current financial year up to the LPD. The principal activities of KTSB are property investment and property development

**A14. Contingent liabilities or contingent assets**

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this report.

**KIMLUN CORPORATION BERHAD (867077-X)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023**

**A15. Significant Related Party Transactions**

There was no significant related party transaction during the current quarter under review.

**KIMLUN CORPORATION BERHAD (867077-X)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023**

**A16. Segmental Information**

The Group is organized into the following operating segments:-

- a) Construction;
- b) Manufacturing and trading of building materials;
- c) Property development; and
- c) investment

The segment revenue and results for the financial period ended 31 December 2023:

	Construction RM'000	Manufacturing & Trading RM'000	Property Development RM'000	Investment RM'000	Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>						
External sales	638,547	190,198	23,809	14	0	852,568
Inter-segment sales	41,157	59,801	0	8,893	(109,851)	0
Total revenue	679,704	249,999	23,809	8,907	(109,851)	852,568
<b>RESULTS</b>						
Gross profit/(loss)	25,056	37,013	3,982	8,907	(13,376)	61,582
Other operating income						8,370
Selling and administrative expenses						(37,819)
Finance costs						(15,935)
Share of loss of joint ventures						(3,143)
Profit before tax						13,055
Income tax expense						(6,177)
<b>Profit net of tax</b>						6,878
<b>Segment Assets</b>	819,584	373,353	542,440	434,761	(622,198)	1,546,384
<b>Segment Liabilities</b>	475,459	146,380	328,899	128,269	(272,989)	806,018



**KIMLUN CORPORATION BERHAD (867077-X)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023**

The segment revenue and results for the financial period ended 31 December 2022:

<b>REVENUE</b>	Construction RM'000	Manufacturing & Trading RM'000	Property Development RM'000	Investment RM'000	Elimination RM'000	Consolidated RM'000
<b>External sales</b>	538,156	186,337	31,623	18	0	756,134
Inter-segment sales	12,052	179,816	0	9,656	(201,524)	0
<b>Total revenue</b>	<b>550,208</b>	<b>366,153</b>	<b>31,623</b>	<b>9,674</b>	<b>(201,524)</b>	<b>756,134</b>
<b>RESULTS</b>						
Gross profit/(loss)	6,703	76,520	3,589	9,674	(9,945)	86,541
Other operating income						8,221
Selling and administrative expenses						(82,737)
Finance costs						(12,820)
Share of loss of a joint venture						(2,904)
(Loss) before tax						(3,699)
Income tax credit						(3,592)
<b>(Loss) net of tax</b>						<b>(7,291)</b>
<b>Segment Assets</b>	<b>661,597</b>	<b>366,272</b>	<b>366,813</b>	<b>400,571</b>	<b>(494,484)</b>	<b>1,300,769</b>
<b>Segment Liabilities</b>	<b>320,998</b>	<b>154,053</b>	<b>180,745</b>	<b>82,315</b>	<b>(162,632)</b>	<b>575,479</b>

**KIMLUN CORPORATION BERHAD (867077-X)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023**

**PART B – ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)**

	Individual Quarter (Quarter 4)		Changes		Cumulative Period		Changes		Preceding Quarter 30/9/2023 RM'000	Current quarter compared to preceding quarter	
	Current Year Quarter 31/12/2023 RM'000	Preceding Year Quarter 31/12/2022 RM'000	Amount RM'000	%	Current Year To Date 31/12/2023 RM'000	Preceding Year To Date 31/12/2022 RM'000	Amount RM'000	%		Amount RM'000	%
<b>Revenue</b>											
Construction	227,854	118,321	109,533	92.6%	679,704	550,208	129,496	23.5%	171,840	56,014	32.6%
Manufacturing & Trading	64,245	82,055	(17,810)	-21.7%	249,999	366,153	(116,154)	-31.7%	58,569	5,676	9.7%
Property Development	6,570	(574)	7,144	-1245%	23,809	31,623	(7,814)	-24.7%	6,843	(273)	-4.0%
Investment	1,500	6,154	(4,654)	-75.6%	8,907	9,674	(767)	-7.9%	5,421	(3,921)	-72.3%
Elimination	(36,283)	(41,982)	5,699	-13.6%	(109,851)	(201,524)	91,673	-45.5%	(29,954)	(6,329)	21.1%
Consolidated revenue	263,886	163,974	99,912	60.9%	852,568	756,134	96,434	12.8%	212,719	51,167	24.1%
<b>Gross profit/(loss) ("GP")</b>											
Construction	10,788	2,287	8,501	371.7%	25,056	6,703	18,353	273.8%	5,367	5,421	101.0%
Manufacturing & Trading	10,547	17,318	(6,771)	-39.1%	37,013	76,520	(39,507)	-51.6%	9,310	1,237	13.3%
Property Development	1,099	(622)	1,721	-276.7%	3,982	3,589	393	11.0%	1,144	(45)	-3.9%
Investment	1,500	6,154	(4,654)	-75.6%	8,907	9,674	(767)	-7.9%	5,421	(3,921)	-72.3%
Elimination	(4,141)	(6,782)	2,641	-38.9%	(13,376)	(9,945)	(3,431)	34.5%	(6,003)	1,862	-31.0%

**KIMLUN CORPORATION BERHAD (867077-X)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023**

	Individual Quarter (Quarter 4)		Changes		Cumulative Period		Changes		Preceding Quarter 30/9/2023 RM'000	Current quarter compared to preceding quarter	
	Current Year Quarter 31/12/2023 RM'000	Preceding Year Quarter 31/12/2022 RM'000	Amount RM'000	%	Current Year To Date 31/12/2023 RM'000	Preceding Year To Date 31/12/2022 RM'000	Amount RM'000	%		Amount RM'000	%
Consolidated GP	19,793	18,355	1,438	7.8%	61,582	86,541	(24,959)	-28.8%	15,239	4,554	29.9%
<b>GP margin</b>											
Construction	4.7%	1.9%			3.7%	1.2%			3.1%		
Manufacturing & Trading	16.4%	21.1%			14.8%	20.9%			15.9%		
Property Development	16.7%	108.4%			16.7%	11.3%			16.7%		
Investment	100.0%	100.0%			100.0%	100.0%			100.0%		
Consolidated GP margin	7.5%	11.2%			7.2%	11.4%			7.2%		
Other income	5,359	4,023	1,336	33.2%	8,370	8,221	149	1.8%	1,090	4,269	391.7%
Selling & administrative expenses	(10,468)	(51,644)	41,176	-79.7%	(37,819)	(82,737)	44,918	-54.3%	(11,305)	837	-7.4%
Finance costs	(4,484)	(3,305)	(1,179)	35.7%	(15,935)	(12,820)	(3,115)	24.3%	(3,865)	(619)	16.0%
Share of (loss) of joint ventures	(1,306)	(381)	(925)	243.1%	(3,143)	(2,904)	(239)	-8.2%	(473)	(833)	176.1%
<b>Profit/(loss) before tax</b>	8,894	(32,952)	41,846	-127.0%	13,055	(3,699)	16,754	-452.9%	686	8,208	1197%
<b>Profit/(loss) net of tax</b>	6,614	(26,179)	32,793	-125.3%	6,878	(7,291)	14,169	-194.3%	(153)	6,767	-4423%

**KIMLUN CORPORATION BERHAD (867077-X)**  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023**

**NOTES TO REPORT**

**PART B – ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)**

**B1. Operating Segments Review**

- (a) Quarter 4 Financial Year Ending 31 December (“FY”) 2023 (“current quarter”) vs Quarter 4 FY2022

Consolidated revenue of RM263.89 million for the current quarter was RM99.91 million (60.9%) higher compared to RM163.97 million recorded in Quarter 4 FY2022. Consolidated gross profit (“GP”) of RM19.79 million for the current quarter was RM1.44 million (7.8%) higher compared to RM18.35 million recorded in Quarter 4 FY2022.

Other income of RM5.36 million for the current quarter was RM1.34 million (33.2%) higher against Quarter 4 FY2022.

Selling and administrative (“S&A”) expenses of RM10.47 million for the current quarter was RM41.18 million (79.7%) lower compared to Quarter 4 FY2022.

Finance costs of RM4.48 million for the current quarter were RM1.18 million (35.7%) higher compared to Quarter 4 FY2022.

Share of loss of joint ventures of RM1.31 million for the current quarter was higher by RM0.92 million (243.1%) compared to Quarter 4 FY2022.

Due to the variances stated above, the Group recorded a higher profit before tax (“PBT”) of RM8.89 million for the current quarter against loss before tax (“LBT”) of RM32.95 million of Quarter 4 FY2022. Profit net of tax (“PAT”) of RM6.61 million was recorded in the current quarter, compared to loss after tax (“LAT”) of RM26.18 million in Quarter 4 FY2022.

- (b) Year to date FY2023 (“YTD 2023”) compared to year to date FY2022 (“YTD 2022”)

Consolidated revenue of RM852.57 million for YTD 2023 was RM96.44 million (12.8%) higher compared to RM756.13 million recorded in YTD 2022. Consolidated GP of RM61.58 million for YTD 2023 was RM24.96 million (28.8%) lower compared to RM86.54 million recorded in YTD 2022.

Other income of RM8.37 million for YTD 2023 was RM0.15 million (1.81%) higher compared to RM8.22 million recorded in YTD 2022.

S&A expenses of RM37.82 million for YTD 2023 were RM44.92 million (54.3%) lower compared to RM82.74 million recorded in YTD 2022.

Finance costs of RM15.94 million for YTD 2023 were RM3.12 million (24.3%) higher compared to YTD 2022.

Share of loss of joint ventures of RM3.14 million for YTD 2023 was higher by RM0.24 million (8.2%) compared to YTD 2022.

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Due to the variances stated above, the Group recorded a higher PBT of RM13.06 million for YTD 2023 against LBT of RM3.70 million of YTD 2022. PAT was likewise higher at RM6.88 million for YTD 2023, against LAT of RM7.29 million recorded in YTD 2022.

(c) Performance review

The improvement in the consolidated revenue in the current quarter and YTD 2023 was mainly attributable to higher external sales revenue (“external revenue”) generated by the construction division.

The construction division’s external revenue increased from RM113.39 million in Quarter 4 FY2022 to RM207.58 million in the current quarter, and from RM538.16 million in FY 2022 to RM638.55 million in FY 2023, mainly attributable to revenue contribution from new projects secured in FY2023, and higher revenue arose from the acceleration of construction progress of the Sarawak-Sabah Link Road Construction Project (Lawas-Long Lopeng Junction) (“SSRL Project”).

Consolidated GP margin of 7.5% for the current quarter and 7.2% for YTD 2023, were lower against 11.2% of Quarter 4 2022 and 11.4% of YTD 2022 respectively.

The decline in the consolidated GP margin was due to lower profitability achieved by the manufacturing and trading (“M&T”) division which offset the marked improvement in the GP of construction division.

M&T division’s GP decreased from RM17.32 million in Quarter 4 FY2022 to RM10.55 million in the current quarter, and from RM76.52 million in YTD 2022 to RM37.01 million in YTD 2023, due to lower total revenue and lower GP margin achieved in the current quarter and YTD 2023.

The total revenue of the M&T division is as follow:

	Current Quarter	Quarter 4 FY2022	YTD 2023	YTD 2022
Revenue from:	RM'000	RM'000	RM'000	RM'000
External sales	49,730	51,153	190,198	186,337
Inter-segment sales	14,515	30,902	59,801	179,816
Total	64,245	82,055	249,999	366,153

The significant decrease in the inter-segment sales was due to a large order which contributed significantly to the inter-segment sales in the preceding year was near completion.

M&T division’s GP margin declined from 21.1% in Quarter 4 FY2022 to 16.4% in the current quarter, and from 20.9% in YTD 2022 to 14.8% in YTD 2023, mainly due to depreciation did not decrease proportionately to the decrease in revenue, while payroll costs were higher during the period.

Construction division recorded a better GP margin for current quarter and YTD 2023 on economic of scale from higher level of operation.

The lower consolidated GP margin has resulted in the followings:

- (i) a decline in consolidated GP for YTD 2023, despite of a growth in the consolidated revenue; and

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- (ii) a lower growth rate of consolidated GP compared to the growth rate of consolidated revenue in the current quarter.

Other income was higher in the current quarter due to the reversal of impairment loss on land held for property development of RM3.90 million, partly offset by the impact of lower reversal of impairment of receivables.

S&A expenses were higher in Quarter 4 FY2022 and YTD 2022, due to the impairment of trade receivable and contract asset totaling RM43.52 million in relation to a hospital project.

Finance costs were higher in the current quarter and YTD 2023 mainly due to higher utilization of bank facilities and hike in interest rate.

Share of loss of joint ventures was higher in the current quarter and YTD 2023 mainly due to higher finance costs incurred by joint ventures.

(d) YTD 2023 Group Cash Flow Review

Net cash generated from operating activities was RM89.61 million. Net cash used in investing activities was RM173.04 million, for the payment for land held for property development and PPE. Net cash from financing activities was RM78.35 million, mainly from loan drawn down to pay for land held for property development.

**B2. Material Changes In The Quarterly Results Compared To The Results Of The Preceding Quarter**

Consolidated revenue recorded in the current quarter was RM51.17 million (24.1%) higher compared to the preceding quarter mainly attributable to higher external revenue generated by the construction division, supported by the acceleration of construction progress of new construction projects secured in FY2023.

On the back of higher revenue and improvement in the consolidated GP margin in the current quarter, consolidated GP was RM4.55 million (29.9%) higher.

With a higher consolidated GP and the reversal of impairment loss on land held for property development RM3.90 million, PBT improved by RM8.21 million in the current quarter.

**B3. Prospects For 2024**

The Group has an estimated construction and manufacturing balance order book of approximately RM1.9 billion and RM0.3 billion respectively as at 31 December 2023, contributed by numerous construction contracts and supply contracts. The balance order book provides a good earnings visibility to the Group and is expected to keep the Group busy for the next 2 to 3 years.

Our on-going projects and sales orders comprises contracts secured from, amongst other, Samling Resources Sdn Bhd, Eco World Development Group Berhad group, UEM Sunrise Bhd Group, S P Setia Bhd Group and China Communications Construction Company Ltd. Our on-going projects and sales orders include the following:

- (a) the SSRL Project for a contract sum of RM0.78 billion. The estimated completion period of the project is year 2025;
- (b) Design and build project of 1 block of service apartment and amenities in Johor for a contract sum of RM98.85 million. The estimated completion period of the project is year 2026; and

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- (c) Few sales orders for the supply of IBS components and tunnel lining segments (“TLS”) to Singapore MRT project. The estimated completion period of these sales orders is year 2026.

The Board is optimistic that the construction sector of Malaysia and Singapore will continue to be vibrant in 2024, thus offer order book replenishment prospects.

***Malaysia Construction Sector***

The Group expects some tender opportunities from the following public sector projects in 2024:

Phase 2 of Pan Borneo Highway Sarawak;

Flood mitigation projects;

Road upgrading works in Johor:

Klang Valley MRT Line 3; and

Affordable housing projects

Further, the Group’s construction arm will undertake construction works for in-house property developments projects as detailed in the ensuing section of this report. Meanwhile, the Group will be selective and remain cautious in the bidding of other private sector projects, to mitigate credit risks.

***Singapore Construction Sector***

The Building and Construction Authority (BCA) projects the total construction demand, i.e. the value of construction contracts to be awarded, to range between S\$32 billion and S\$38 billion in nominal terms in 2024.

The public sector is expected to drive total construction demand in 2024, reaching between S\$18 billion and S\$21 billion, mainly from public housing and infrastructure projects. Some of the major upcoming public sector projects scheduled to be awarded in 2024 include the Housing and Development Board’s (HDB) new Built-To-Order (BTO) developments, additional Cross Island MRT Line contracts (Phase 2), infrastructure works for the future Changi Airport Terminal 5 (T5) and Tuas Port developments and other major road enhancement and drainage improvement works.

Private sector construction demand is projected to be between S\$14 billion and S\$17 billion in 2024. BCA anticipates that private sector construction demand in 2024 will come mainly from residential developments under the Government Land Sales, expansion of the two Integrated Resorts, redevelopment of commercial premises, as well as development of mixed-used properties and industrial facilities.

BCA expects a steady improvement in construction demand over the medium term. It is projected to reach between S\$31 billion and S\$38 billion per year from 2025 to 2028.

Our subsidiary SPC Industries Sdn Bhd (“SPC”) has very strong track record in the supply of precast components including TLS, concrete rail sleepers and jacking pipes to large public sector infrastructure projects in Singapore including Singapore MRT projects, Deep Tunnel Sewerage System Phase 2 and Singapore Power’s underground cable tunnel.

Further, SPC has been a frequent supplier of IBS components to various projects in Singapore.

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With its strong track record in Singapore, SPC is well positioned to compete for further potential sales orders from Singapore.

***Property Development Division***

The Group's on-going development project, namely 100 Trees Private Estate ("100 Trees Project"), which comprises 60 units of semi-detached houses in Bandar Seri Alam, Johor, and Phase 2 of the Bukit Bayu Project, which comprises of 16 units of bungalows, are expected to contribute positively to the Group's revenue and profit, with further construction progress and further sales. The collective gross development value ("GDV") of these 2 developments is approximately RM110 million.

The Group expects to launch one service apartment development comprising 896 apartment units in Johor, with estimated GDV of approximately RM300 million, in the second half of year 2024.

**B4. Profit Forecast And Profit Estimate**

The Group did not issue any profit forecast or profit estimate previously in any public document.

**B5. Profit Before Tax**

The following items have been included in arriving at profit before tax:

	<b>Current Quarter 3 months ended 31.12.2023 RM'000</b>	<b>Cumulative Quarter 12 months ended 31.12.2023 RM'000</b>
(a) interest income	521	1,872
(b) other income including investment Income	4,026	5,592
(c) interest expense	4,484	15,935
(d) depreciation and amortization	5,397	24,659
(e) provision for and write off of receivables	0	14
(f) provision for and write off of inventories	0	0
(g) (gain) or loss on disposal of quoted or unquoted investments or properties	(812)	(906)
(h) impairment of assets	0	0
(i) foreign exchange (gain) or loss	(799)	(4,140)
(j) gain or loss on derivatives	0	0
(k) exceptional items	0	0



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**B6. Taxation**

	<b>Current Quarter 3 months ended 31.12.2023 RM'000</b>	<b>Cumulative Quarter 12 months ended 31.12.2023 RM'000</b>
In respect of the current period		
- Income tax	(447)	5,306
- Deferred tax	2,618	1,035
	<u>2,171</u>	<u>6,341</u>
In respect of prior year		
- Income tax	(1,702)	(1,762)
- Deferred tax	1,811	1,598
	<u>2,280</u>	<u>6,177</u>

The effective tax rate for YTD 2023 was higher than the statutory rate applicable to the Group as certain expenses were disallowed for tax deduction under tax regulations, and potential deferred tax benefits on unutilized tax losses and unabsorbed capital allowances of certain subsidiary companies were not recognised on prudent basis.

**B7. Status of Corporate Proposals**

- (a) On 28 December 2017, the Company's subsidiary, Kii Ashbury Sdn Bhd entered into a sale and purchase agreement with Meridin East Sdn Bhd to purchase 17.90 acres of land forming part of the freehold agriculture land held under HSD 566044 PTD 224535, in the Mukim of Plentong, Daerah Johor Bahru, Johor for a total cash consideration of RM21,829,301.

The acquisition was completed on 4 April 2023.

- (b) At the Annual General Meeting held on 2 June 2023 ("14th AGM"), the shareholders approved the declaration of a final single tier dividend of RM0.01 per ordinary share in respect of the financial year ended 31 December 2022 ("FYE 2022 Final Dividend"). The FYE 2022 Final Dividend was paid on 20 July 2023.

**B8. Group Borrowings and Debts Securities**

The Group's borrowings and debts securities as at 30 September 2023 are as follows:

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	Interest rate per annum YTD 2023	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
<b>Long term borrowings</b>			
<u>Secured:</u>			
Hire purchase creditors	1.88% to 4.06%	16,792	6,682
Term loans	5.32% to 6.70%	124,149	74,312
<u>Unsecured:</u>			
IMTN	4.87% to 5.06%	55,000	75,000
		<u>195,941</u>	<u>155,994</u>
<b>Short term borrowings</b>			
<u>Secured:</u>			
Bank overdraft	5.76% to 7.89%	-	-
Hire purchase creditors	1.88% to 4.06%	8,959	8,285
Bankers' acceptance	3.33% to 5.05%	80,431	58,914
Invoice financing	4.32% to 5.26%	61,080	43,818
Term loans and revolving credits	5.07% to 6.70%	34,103	34,727
<u>Unsecured:</u>			
IMTN and ICP	4.49% to 5.00%	32,860	5,900
		<u>217,433</u>	<u>151,644</u>

The borrowings are denominated in the following currencies:

	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
<b>Long term borrowings</b>		
Ringgit Malaysia	<u>195,941</u>	<u>155,994</u>
<b>Short term borrowings</b>		
Ringgit Malaysia	216,607	151,644
Singapore Dollar	826	-
	<u>217,433</u>	<u>151,644</u>

All borrowings, other than hire purchase financing, IMTN and ICP which are based on fixed interest rate, are based on floating interest rate.

**B9. Material Litigation**

There was no material litigation as at the LPD.

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**B10. Dividends**

- (a) The FYE 2022 Final Dividend was approved by the Shareholders at the 14th AGM, as detailed in Note B7(b).
- (b) The Board of Directors recommend the payment of a final single-tier dividend of 1.0 sen per share in respect of the financial year ended 31 December 2023 which is subject to the approval of the shareholders at the forthcoming Annual General Meeting.
- (c) Dividend declared during the previous year's corresponding period:

A final single-tier dividend of RM0.01 per share in respect of the financial year ended 31 December 2021.

**B11. Earnings/(Loss) Per Share ("ELPS")**

	Current Quarter Ended		Year to-Date Ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Profit/(loss) attributable to owners of the Company (RM'000)	6,653	(26,224)	7,055	(7,228)
Weighted average number of ordinary shares in issue ('000)	353,358	353,358	353,358	353,358
Assumed shares issued from the exercise of warrants ('000)	0	0	0	0
Adjusted weighted average number of ordinary shares in issue ('000)	353,358	353,358	353,358	353,358
Basic earnings/(loss) per share ("BELPS") (Sen)	1.88	(7.42)	2.00	(2.05)
Diluted earnings/(loss) per share ("DELPS") (Sen)	1.88	(7.42)	2.00	(2.05)

BELPS is calculated by dividing the loss or profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period.

DELPS is calculated by dividing the loss or profit attributable to owners of the Company by the adjusted weighted average number of ordinary shares in issue during the financial period.