

**KPS CONSORTIUM BERHAD (“KPSCB” or “the Company”) AND GROUP OF COMPANIES  
 (“The Group”)**

**NOTES TO THE INTERIM FINANCIAL REPORT**

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1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the reporting requirements outlined in the Financial Reporting Standards 134 - 'Interim Financial Reporting' issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial 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 financial statements for the financial year ended 31 December 2023.

2. Annual Report of the Group's Preceding Annual Financial Statements

The Auditors' report of the Group's most recent annual audited financial statements for the year ended 31 December 2023 was unqualified.

3. Changes in estimates

There were no changes in the estimate of amounts reported in prior quarter in the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the current interim period.

4. Dividends paid

There were no dividends paid during the financial year.

KPS CONSORTIUM BERHAD (“KPSCB” or “the Company”) AND GROUP OF COMPANIES (“The Group”)

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

5. Segmental Reporting

**9-months ended 30 September 2024**

	- Revenue-			Profit/(Loss) Before tax RM'000
	Internal RM'000	External RM'000	Total RM'000	
Paper milling	-	18,338	18,338	3,197
Paper converting	-	174,434	174,434	638
Trading building materials	-	615,912	615,912	15,929
Investments/ Management/Contracts	-	-	-	(162)
Trading, contracts - Others	-	20,065	20,065	1,437
Unallocated Corp. expenses	-	-	-	-
<b>Total</b>	-	<b>828,749</b>	<b>828,749</b>	<b>21,039</b>
Elimination (inter-company item)	-	-	-	-
Consolidated	-	<b>828,749</b>	<b>828,749</b>	<b>21,039</b>
Financing cost				(6,901)
Interest Income				864
Profit before tax				<b>15,002</b>
Income tax				(2,443)
Profit after tax				<b><u>12,559</u></b>

The activities of the Group are carried out in Malaysia and as such segmental reporting by geographical location is not presented.

6. Property, plant and equipment

The valuation of land and buildings has been brought forward, without amendment from the recent audited financial statements for the year ended 31 December 2023.

7. Material events subsequent to the balance sheet date

There are no other material events subsequent to the balance sheet date that has not been reflected in the financial statements.

8. Changes in composition of the Group

There was no change in the composition of the Group during the financial period.

9. Changes in contingent liabilities

Corporate guarantees issued to financial institutions and suppliers for banking and credit facilities respectively granted to subsidiary Companies amounted to RM145.7 million (2023: RM145.7 million).

## Additional information required by the Main Market Listing Requirement (“MMLR”)

### 1. Review of performance

The Group recorded revenue of RM828.7 million for the 9-months period to 30 September 2024 as compared with RM757.3 million recorded in the preceding year corresponding half-year period.

Paper milling division turnover was RM18.3 million lower than previous corresponding 9-months period of RM29.8 million, paper converting division turnover was higher by RM174.4 million compared with the previous 9-months period of RM146.6 million.

Building materials division recorded a higher turnover of RM615.9 million compared with the preceding 9-months period of RM562.2 million and other operations divisions reported higher turnover of RM20.1 million compared with the preceding 9-months period of RM18.6 million. The property development current quarter is Nil turnover.

For year 2024, the 9-months revenue had registered growth in most segments except for paper milling division due to Malaysian economy having continued to registered growth.

### 2. Variation of results against immediate preceding quarter

The Group recorded a profit before taxation and interest of RM6.9 million for the 3rd quarter to 30 September 2024 as compared to a profit of RM6.3 million recorded in the preceding 2<sup>nd</sup> quarter 2024.

Comparison of current and immediate preceding quarter is as follows:-

Revenue	Paper Milling RM'000	Paper Converting RM'000	Building Materials Trading RM'000	Investment & Management Contract RM'000	Other Trading, RM'000
Current quarter	5,168	55,426	182,344	0	1,790
Previous quarter	6,604	55,554	212,884	0	3,567
Changes - Amount	(1,436)	(128)	(30,540)	0	(1,777)
Percentage (%)	(21.7)	(0.2)	(14.3)	N/A	(49.8)

#### **Profit/(loss) before interest/tax**

Current quarter	952	329	5,104	(32)	523
Previous quarter	1,134	176	5,165	(88)	942
Changes - Amount	(182)	153	(61)	56	(419)
Percentage (%)	(16)	87	(1)	N/A	N/A

The revenue for the current quarter results were generally lower than the preceding last quarter mainly due to lower profit margins and revenue obtained.

**Additional information required by the Main Market Listing Requirement (“MMLR”) (Cont’d)**

3. Trade Receivables

<b>Trade receivables ageing analysis as at 30 September 2024</b>	<b>Gross RM'000</b>	<b>Individually Impaired RM'000</b>	<b>Net RM'000</b>
Within credit terms	65,482	-	65,482
Past due 30-60 days	36,201	-	36,201
Past due 60-90 days	29,577	-	29,577
Past due 90-120 days	34,543	-	35,543
Past due above 120 days	80,761	(16,934)	63,827
	<b>246,564</b>	<b>(16,934)</b>	<b>229,630</b>

4. Profit Forecast

There were no profit forecasts for the current period.

5. Taxation

**9-months to 30 September 2024**  
**RM '000**

Income tax expense	
- current	2,892
- prior year	-
Deferred tax-benefits from previous unrecognised tax loss	(670)
(Over)/Under provision previous year	221
Income tax recognised in Profit and Loss	<b>2,443</b>

6. Unquoted investments and/or properties

There were no disposals of unquoted investments for the quarter under review.

7. Quoted investments

There were no investments in quoted securities as at the end of the reporting period.

8. Status of corporate proposals announced

- a) There were no major corporate proposals announced during the reporting period to date.
- b) The status of utilization of proceeds from any corporate proposal.  
This is not applicable.

**Additional information required by the Main Market Listing Requirement (“MMLR”) (Cont’d)**

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9. Borrowings and debt securities

Group borrowings and debt securities as at the end of the reporting period:-

**Short Term Borrowings**

	<b>RM'000</b>
<u>Secured</u>	
Bank overdrafts/ Bankers' Acceptances	144,420
Term loan	2,929
HP Creditors	7
	<b>147,356</b>

**Long Term Borrowings**

	<b>RM'000</b>
<u>Secured</u>	
Term loan	19,633
HP Creditor	-
	<b>19,633</b>
<b>Total Borrowings</b>	<b>166,989</b>

10. Gains/losses arising from Fair Value Changes of Financial Liabilities

There were no gains/losses arising from fair value changes arising from any financial liabilities.

11. Derivative Financial Instruments

There were no derivative financial instruments at the date of issuance of this report.

12. Material litigation

There was no material litigation, which would have a material adverse effect on the financial results.

13. Dividends

The Board of Directors is not recommending any payment of an interim dividend for the current financial period under review.

**Additional information required by the Main Market Listing Requirement (“MMLR”) (Cont’d)**

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14. Earnings per share (“EPS”)

(a) Basic EPS

The calculation of basic EPS for continuing operations the current year is based on the profit of RM12.5 million for 9-months to 30 September 2024 and the weighted average number of ordinary shares in issue during the current quarter of 162,609,858 ordinary shares.

(b) Diluted EPS

No disclosure is required as the Company does not have any potential ordinary shares.

**By Order of the Board**

28 November 2024