

KKB ENGINEERING BERHAD

(Company No : 26495 - D)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024**Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income**

	3 MONTHS ENDED		CUMULATIVE 3 MONTHS ENDED	
	CURRENT QUARTER ENDED 31/03/2024 RM	COMPARATIVE QUARTER ENDED 31/03/2023 RM	CURRENT PERIOD ENDED 31/03/2024 RM	COMPARATIVE PERIOD ENDED 31/03/2023 RM
Revenue from contracts with customers	150,329,412	60,486,446	150,329,412	60,486,446
Cost of sales	(126,642,479)	(48,017,539)	(126,642,479)	(48,017,539)
Gross profit	<u>23,686,933</u>	<u>12,468,907</u>	<u>23,686,933</u>	<u>12,468,907</u>
Selling and distribution expenses	(625,340)	(535,131)	(625,340)	(535,131)
Administrative expenses	(12,044,583)	(9,200,105)	(12,044,583)	(9,200,105)
Operating profit	<u>11,017,010</u>	<u>2,733,671</u>	<u>11,017,010</u>	<u>2,733,671</u>
Finance costs	(1,069,952)	(269,006)	(1,069,952)	(269,006)
Finance income	543,295	151,345	543,295	151,345
Other expenses	(681,382)	(497,856)	(681,382)	(497,856)
Other income	2,462,164	3,109,513	2,462,164	3,109,513
Share of results of associates	983,603	344,129	983,603	344,129
Profit before tax	<u>13,254,738</u>	<u>5,571,796</u>	<u>13,254,738</u>	<u>5,571,796</u>
Income tax expense	(3,612,530)	(955,015)	(3,612,530)	(955,015)
Profit for the period	<u>9,642,208</u>	<u>4,616,781</u>	<u>9,642,208</u>	<u>4,616,781</u>
Other Comprehensive Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Comprehensive Income for the period	<u>9,642,208</u>	<u>4,616,781</u>	<u>9,642,208</u>	<u>4,616,781</u>
Profit for the period attributable to:				
Equity holders of the parent	3,757,822	3,401,506	3,757,822	3,401,506
Non-controlling interests	5,884,386	1,215,275	5,884,386	1,215,275
	<u>9,642,208</u>	<u>4,616,781</u>	<u>9,642,208</u>	<u>4,616,781</u>
Total Comprehensive Income for the period attributable to:				
Equity holders of the parent	3,757,822	3,401,506	3,757,822	3,401,506
Non-controlling interests	5,884,386	1,215,275	5,884,386	1,215,275
	<u>9,642,208</u>	<u>4,616,781</u>	<u>9,642,208</u>	<u>4,616,781</u>
Earnings per share attributable to equity holders of the parent:				
Basic, for profit for the period (sen)	<u>1.30</u>	<u>1.18</u>	<u>1.30</u>	<u>1.18</u>
Diluted, for profit for the period (sen) - Not Applicable				

(These Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

KKB ENGINEERING BERHAD

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INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024**Unaudited Condensed Consolidated Statements of Financial Position**

	AS AT 31/03/2024 RM	AS AT 31/12/2023 RM
ASSETS		
Non-current assets		
Property, plant & equipment	133,489,155	135,348,156
Investment in associates	10,947,369	9,963,766
Goodwill	1,632,667	1,632,667
Deferred tax assets	3,964,181	3,964,181
	<u>150,033,372</u>	<u>150,908,770</u>
Current assets		
Inventories	47,130,009	51,504,980
Trade and other receivables	52,401,540	80,952,531
Contract assets	123,778,388	124,433,775
Other current assets	3,522,460	2,402,352
Short term funds	190,137,045	196,488,120
Cash and short-term deposits	106,436,996	35,687,693
	<u>523,406,438</u>	<u>491,469,451</u>
TOTAL ASSETS	<u>673,439,810</u>	<u>642,378,221</u>
EQUITY AND LIABILITIES		
Equity		
Issued capital	175,254,461	175,254,461
Retained earnings	236,109,205	232,351,383
Equity attributable to equity holders of the parent	<u>411,363,666</u>	<u>407,605,844</u>
Non-controlling interests	<u>57,128,602</u>	<u>51,244,216</u>
Total equity	<u>468,492,268</u>	<u>458,850,060</u>
Non-current liabilities		
Lease liabilities	-	7,374
Trade and other payables	8,201,488	7,915,262
Deferred tax liabilities	5,021,776	6,161,723
	<u>13,223,264</u>	<u>14,084,359</u>
Current liabilities		
Contract liabilities	12,977,877	9,841,123
Trade and other payables	174,485,250	157,856,128
Lease liabilities	79,381	96,098
Income tax payable	4,181,770	1,650,453
	<u>191,724,278</u>	<u>169,443,802</u>
Total liabilities	<u>204,947,542</u>	<u>183,528,161</u>
TOTAL EQUITY AND LIABILITIES	<u>673,439,810</u>	<u>642,378,221</u>

(These Condensed Consolidated Statements of Financial Position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

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INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024**Unaudited Condensed Consolidated Statements of Changes in Equity**

	<- Attributable to equity holders of the parent ->			Non-controlling	Total
	Issued Capital RM	Retained Earnings RM	Total RM	Interests RM	Equity RM
At 1 January 2024	175,254,461	232,351,383	407,605,844	51,244,216	458,850,060
Profit for the period	-	3,757,822	3,757,822	5,884,386	9,642,208
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	3,757,822	3,757,822	5,884,386	9,642,208
At 31 March 2024	<u>175,254,461</u>	<u>236,109,205</u>	<u>411,363,666</u>	<u>57,128,602</u>	<u>468,492,268</u>
At 1 January 2023	175,254,461	223,046,167	398,300,628	44,527,363	442,827,991
Profit for the period	-	3,401,506	3,401,506	1,215,275	4,616,781
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	3,401,506	3,401,506	1,215,275	4,616,781
At 31 March 2023	<u>175,254,461</u>	<u>226,447,673</u>	<u>401,702,134</u>	<u>45,742,638</u>	<u>447,444,772</u>

(These Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

KKB ENGINEERING BERHAD

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INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2024**Unaudited Condensed Consolidated Statements of Cash Flows**

	CUMULATIVE 3 MONTHS ENDED 31/03/2024 RM	CUMULATIVE 3 MONTHS ENDED 31/03/2023 RM
Profit before taxation	13,254,738	5,571,796
Adjustments for:		
Depreciation of property, plant and equipment	2,514,803	2,062,781
Finance costs	1,069,952	269,006
Reversal of impairment on trade receivables	-	(53,071)
Dividend income	(610,937)	(398,075)
Fair value changes in short term funds	(1,037,988)	(1,463,678)
Net unrealised foreign exchange gain	(179,691)	(331,901)
Interest income from financial assets	(543,295)	(151,345)
Share of results of associates	<u>(983,603)</u>	<u>(344,129)</u>
Total adjustments	229,241	(410,412)
Operating cash flows before changes in working capital	13,483,979	5,161,384
Changes in working capital		
Decrease/(increase) in inventories	4,374,971	(7,991,735)
Decrease in receivables	28,189,879	21,547,198
Decrease/(Increase) in contract assets	655,387	(10,628,632)
Increase in contract liabilities	3,136,754	-
Increase/(decrease) in payables	17,312,286	(17,257,733)
Increase in other current assets	<u>(18,016)</u>	<u>-</u>
Cash flows generated from/(used in) operations	67,135,240	(9,169,518)
Interest paid	(1,069,952)	(269,006)
Net taxes (paid)/refunded	<u>(3,323,253)</u>	<u>795,028</u>
Net cash flows generated from/(used in) operating activities	<u>62,742,035</u>	<u>(8,643,496)</u>
Investing activities		
Purchase of property, plant and equipment	(655,802)	(526,640)
Investment in short term funds	-	(2,500,000)
Redemption of short term funds	8,000,000	20,001,600
Interest received	<u>687,160</u>	<u>151,345</u>
Net cash flows generated from investing activities	<u>8,031,358</u>	<u>17,126,305</u>
Financing activities		
Repayment of principal portion of lease liabilities	(24,090)	(39,393)
Increase in short-term deposits with maturity more than 3 months	(247,531)	(5,022,438)
Increase in deposits pledged for bank guarantee	<u>(3,485)</u>	<u>(208,548)</u>
Net cash flows used in financing activities	<u>(275,106)</u>	<u>(5,270,379)</u>
Net increase in cash and cash equivalents	70,498,287	3,212,430
Cash and cash equivalents at the beginning of the period	24,910,213	15,832,280
Cash and cash equivalents at the end of the period	<u>95,408,500</u>	<u>19,044,710</u>

(These Condensed Consolidated Statements of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

Selected explanatory notes pursuant to Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting

1. Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB"), IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 31 December 2023. The explanatory notes attached to the condensed consolidated interim financial statements provide an 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.

2. Significant Accounting Policies

The significant accounting policies and methods of computation applied in the interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2023 except for the adoption of the following, where applicable, when they become effective:

- ❖ Amendments to MFRS 101: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- ❖ Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
- ❖ Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements
- ❖ Amendments to MFRS 121: Lack of Exchangeability
- ❖ Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Adoption of the above is not expected to have any material financial impact on the Group's results.

3. Seasonal or cyclical factors

The business operations of the Group are not significantly affected by any seasonal or cyclical factors in the current quarter and financial year to date.

4. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting the assets, liabilities, equities, net income or cash flows of the Group in the current quarter and financial year to date.

5. Changes in Estimates

There were no significant changes in estimates of amounts reported in prior financial years which have a material effect in the current quarter and financial year to date.

6. Debt and equity securities

There were no issuances and repayments of debt and equity securities, share buy backs, shares cancellation, shares held as treasury shares and resale of treasury shares in the current quarter and financial year to date.

7. Dividend paid

No dividend was paid in the current quarter and financial year to date.

8. Segmental Reporting

The information for business segments predominantly conducted in Malaysia for the current financial year to date was as follows:

RESULTS FOR PERIOD-TO-DATE ENDED 31 MARCH 2024

	Manufacturing RM	Engineering RM	Eliminations RM	Consolidated RM
External revenue	8,454,256	141,875,156	-	150,329,412
Inter-segment revenue	252,041	21,064,109	(21,316,150)	-
Total revenue	8,706,297	162,939,265	(21,316,150)	150,329,412
Results	159,363	13,181,724	-	13,341,087
Finance costs	(188)	(1,069,764)	-	(1,069,952)
Share of results of associates	118,208	865,395	-	983,603
Profit before tax	277,383	12,977,355	-	13,254,738
Income tax expense	-	(3,612,530)	-	(3,612,530)
Profit after tax	277,383	9,364,825	-	9,642,208
	=====	=====	=====	=====

OTHER DISCLOSURES

Finance income	69,623	473,672	-	543,295
Depreciation of property, plant and equipment	227,685	2,287,118	-	2,514,803
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RESULTS FOR PERIOD-TO-DATE ENDED 31 MARCH 2023

	Manufacturing RM	Engineering RM	Eliminations RM	Consolidated RM
External revenue	1,822,368	58,664,078	-	60,486,446
Inter-segment revenue	494,620	(1,592,354)	1,097,734	-
Total revenue	2,316,988	57,071,724	1,097,734	60,486,446
Results	(940,137)	6,436,810	-	5,496,673
Finance costs	-	(269,006)	-	(269,006)
Share of results of associates	172,945	171,184	-	344,129
(Loss)/profit before tax	(767,192)	6,338,988	-	5,571,796
Income tax expense	-	(955,015)	-	(955,015)
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(Loss)/profit after tax	(767,192)	5,383,973	-	4,616,781
	=====	=====	=====	=====

OTHER DISCLOSURES

Finance income	21,148	130,197	-	151,345
Depreciation of property, plant and equipment	255,546	1,807,235	-	2,062,781
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9. Material subsequent events

There were no material subsequent events as at the date of this announcement.

10. Changes in composition of the Group

There were no changes in composition of the Group for the current quarter and financial year to date.

11. Fair Value of Financial Instruments

(a) Determination of fair value

The carrying amounts of trade and other receivables, trade and other payables, cash and short-term deposits, lease liabilities are reasonable approximation of fair values, due to their short-term and interest-bearing nature. In addition to that, trade receivables and trade payables are subject to normal trade credit terms.

(b) Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Quantitative disclosures of the fair value measurement hierarchy were as follows:

	Date of valuation	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Assets measured at fair value:					
Short term funds	31/03/2024	190,137,045	-	-	190,137,045
	31/12/2023	196,488,120	-	-	196,488,120
		=====	=====	=====	=====

There has been no transfers between the fair value hierarchy during the period.

12. Contingent liabilities/Contingent assets as at 31 March 2024

There were no material contingent liabilities or contingent assets as at the date of this announcement.

13. Capital Commitments

	As At 31/03/2024 RM	As At 31/03/2023 RM
Commitments in respect of capital expenditure:		
Property, plant and equipment		
- Approved and contracted for	1,686,489	4,755,419
- Approved but not contracted for	-	9,129,329
	----- 1,686,489	----- 13,884,748
	=====	=====

14. Related Party Transactions

	3 Months Ended		Cumulative 3 Months Ended	
	Current Quarter Ended 31/03/2024 RM	Comparative Quarter Ended 31/03/2023 RM	Current Period Ended 31/03/2024 RM	Comparative Period Ended 31/03/2023 RM
Transactions with an associate, Edisi Optima Sdn. Bhd.				
- Provision of miscellaneous services such as machineries, equipments and labour etc	220,764	435,182	220,764	435,182
- Rental income	28,500	6,000	28,500	6,000
- Purchase of miscellaneous services such as machineries, equipments and labour etc	11,540	11,824	11,540	11,824
Transactions with related companies of investors, Cahya Mata Sarawak Bhd. and/or Sarawak Economic Development Corporation				
- Purchase of aggregates, etc from SEDC Quarries Sdn. Bhd.	-	7,839	-	7,839
- Purchase of quarry sand, etc from Borneo Granite Sdn. Bhd.	-	422,518	-	422,518
Short term lease expense paid to companies in which certain directors of the Company have substantial financial interest and/or are also directors				
- KKB Development Sdn. Bhd.	21,850	17,850	21,850	17,850
- KKB Realty Sdn. Bhd.	19,800	15,300	19,800	15,300
- Sepang Kaya Sdn. Bhd.	32,708	32,708	32,708	32,708
Short term lease expense paid to a director, Dato Sri Kho Kak Beng	19,200	19,200	19,200	19,200
Short term lease expense paid to person connected with certain directors of the Company				
- Kho Siew Lan	4,800	4,800	4,800	4,800
- House Of Favourites	-	6,000	-	6,000
	----- 359,162	----- 979,221	----- 359,162	----- 979,221
	=====	=====	=====	=====

These transactions have been entered into with related parties on terms and conditions that are not more favourable to the related party than those generally available to the public.

Explanatory notes pursuant to Appendix 9B of Main Market Listing Requirements of Bursa Malaysia Securities Berhad

15. Review Of Performance

Financial review for current quarter and financial year to date

	Quarter		Changes (%)	Cumulative 3 months		Changes (%)
	Current Quarter	Preceding Year Corresponding Quarter		Current Period	Preceding Year Corresponding Period	
	31/03/24	31/03/23		31/03/24	31/03/23	
	RM'000	RM'000		RM'000	RM'000	
Revenue	150,329	60,486	148.5%	150,329	60,486	148.5%
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	16,839	7,904	113.0%	16,839	7,904	113.0%
Profit before interest and tax	14,325	5,841	145.2%	14,325	5,841	145.2%
Profit before tax	13,255	5,572	137.9%	13,255	5,572	137.9%
Profit after tax	9,642	4,617	108.8%	9,642	4,617	108.8%
Profit attributable to equity holders of the parent	3,758	3,402	10.5%	3,758	3,402	10.5%

Current quarter's consolidated revenue of RM150.3 million rebounded strongly by 148.5% as compared to the preceding year corresponding quarter of RM60.5 million, mainly attributed to the strong performance of the Group's Steel Fabrication division within the Engineering sector.

Similarly, the Group's pre-tax profit for the quarter soared 137.9% to register RM13.3 million compared to RM5.6 million recorded in the preceding year corresponding quarter, on the back of improved revenue and gross profit for both the Engineering and Manufacturing sectors.

Engineering Sector

The sector's revenue of RM141.9 million (1Q23: RM58.7 million) increased significantly compared to the preceding year corresponding quarter, as a result of higher progress billings from on-going projects for the Steel Fabrication division. The sector's revenue contributed about 94% to the Group's total revenue for the current quarter. Similarly, Gross Profit increased by 73.0% to reach RM21.8 million compared to RM12.6 million recorded in the preceding year corresponding quarter.

Under the Civil Construction's division, revenue for the quarter of RM36.5 million (1Q23: RM33.7 million) was mostly from the Pan Borneo Highway project in the State of Sarawak (Phase 1 Works Package Contract – WPC-09) undertaken by the subsidiary Company i.e KKBWCT Joint Venture Sdn Bhd. Revenue contribution from the water related construction projects is minimal as they are mostly reaching its tail end.

For Steel Fabrication division, revenue for the quarter recovered strongly to register a surge increase from RM24.4 million in the preceding year first quarter to RM105.0 million in the current quarter, representing an increase of 330.3% over the preceding year corresponding quarter. 1Q24 revenue was mainly from the Engineering, Procurement and Construction ("EPC") of Standard Wellhead Platforms for MLNG FaS (F27, F22, Selasih and F23 Brownfield); EPC of Flare Platform for Kasawari Gas

Development Project; Module Fabrication and supply of Steel Structures for the Malaysia Rosmari & Marjoram Onshore Gas Plant project in Bintulu, Sarawak; Piles fabrication for SK408W Jerun A CPP Jacket and other miscellaneous fabrication works.

Hot Dip Galvanising division's revenue for the quarter remained low due to lower business volume. Revenue was mostly from ad-hoc walk-in customers.

Manufacturing Sector

The Sector's revenue of RM8.5 million (1Q23: RM1.8 million) was higher by 372.2% compared to the preceding year corresponding quarter.

The Group's Steel Pipes manufacturing division recorded revenue of RM5.4 million in the current quarter as compared to RM29K in the preceding year corresponding first quarter. Revenue for the current quarter was mostly from the export of Mild Steel Pipes to Brunei by KKB Industries (Sabah) Sdn Bhd and from other ad-hoc customers.

The LP Gas ("LPG") Cylinders manufacturing division registered an increase in revenue of 72.2% compared to the preceding year corresponding quarter, resulting from higher offtake of new LPG cylinders. About 71% out of the current quarter's revenue of RM3.1 million (1Q23: RM1.8 million) was from the supply of new LPG cylinders and the remaining contribution from the Reconditioning/Requalification of LPG Cylinders and sales of LPG Compact Valves to Petroleum Companies.

16. Material changes in the quarterly results compared to the results of the preceding quarter

Financial review for current quarter compared with immediate preceding quarter

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	31/03/24	31/12/23	
	RM'000	RM'000	
Revenue	150,329	166,063	-9.5%
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	16,839	18,523	-9.1%
Profit before interest and tax	14,325	15,691	-8.7%
Profit before tax	13,255	14,801	-10.4%
Profit after tax	9,642	5,314	81.4%
Profit attributable to equity holders of the parent	3,758	3,613	4.0%

Group's revenue for the current quarter of RM150.3 million was 9.5% lower as compared to the immediate preceding quarter of RM166.1 million. Similarly, the Group's current quarter pre-tax profit reduced to RM13.3 million compared to RM14.8 million recorded in the immediate preceding quarter, on the back of lower revenue registered by the Civil Construction division although offset by higher revenue from the Steel Fabrication division within the Engineering sector in the current quarter. The Civil Construction and Steel Fabrication divisions recorded a combined revenue of RM141.5 million in 1Q24 compared to RM157.7 million in 4Q23.

17. Prospects

The Engineering sector contributes positively to the Group's performance and anticipates that this sector will continue its path in generating revenue and profit to the Group.

The recent orders secured in May 2024 for the supply of Mild Steel Concrete Line ("MSCL") Pipes and Fittings to Perbena Emas Sdn Bhd and award for LPG Cylinder Fabrication and Maintenance from PETRONAS Dagangan Berhad is also expected to contribute positively to the group's performance, particularly the Manufacturing sector, moving forward.

The Group's diversified operations coupled with its healthy financial position will continue to bolster the Group's development in bracing the adverse impact under the challenging business environment. Management actively continues to participate in new tenders or biddings, to secure more infrastructure projects, including water supply and construction projects to replenish our orderbook for both the Engineering and Manufacturing sectors.

Supported by the existing contracts in hand and the on-going major Onshore fabrication jobs for the Oil & Gas facilities, the Board and Management anticipates that the Group's performance for the financial year ending 2024 will remain satisfactory, barring any unforeseen circumstances.

The Group remains vigilant of the challenges and the uncertainties in the global economic environment, escalation of costs due to inflationary pressure, volatility of global raw material steel prices and weakening of the Malaysian Ringgit against major foreign currencies are amongst factors that may impact the Group's performance.

18. Variances from financial estimate, forecast or projection, or profit guarantee

Not applicable to the Group as no financial estimate, forecast or projection, or profit guarantee were published.

19. Commentary on the company's progress to achieve the financial estimate, forecast, projection or internal targets in the remaining period to the end of the financial year and the forecast period which was previously announced or disclosed in a public document and steps taken or proposed to be taken to achieve the financial estimate, forecast, projection or internal targets

Not applicable to the Group as no announcements or disclosures were published in a public document as to the financial estimate, forecast, projection or internal targets as at the date of this announcement.

20. Statement of the Board of Directors' opinion as to whether the financial estimate, forecast, projection or internal targets in the remaining period to the end of the financial year and the forecast period which was previously announced or disclosed in a public document are likely to be achieved

Not applicable to the Group as no announcements or disclosures were published in a public document as to the financial estimate, forecast, projection or internal targets as at the date of this announcement.

21. Income Tax Expense

	3 Months Ended		Cumulative 3 Months Ended	
	Current	Comparative	Current	Comparative
	Quarter Ended	Quarter Ended	Period Ended	Period Ended
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	RM	RM	RM	RM
Malaysian taxation				
- Current year	4,752,477	1,040,724	4,752,477	1,040,724
Deferred tax	(1,139,947)	(85,709)	(1,139,947)	(85,709)
	-----	-----	-----	-----
	3,612,530	955,015	3,612,530	955,015
	=====	=====	=====	=====

The higher effective tax expense for the current quarter and financial year to date were primarily due to losses at subsidiaries level for which no deferred tax was provided.

22. Status of Corporate Proposals

There were no new or outstanding corporate proposals announced which have not been completed as at the date of this announcement.

23. Group's Borrowings and Debt Securities

Total Group's loans and borrowings as at 31 March 2024 were as follows: -

Interest-bearing Loans and Borrowings (denominated in Ringgit Malaysia)	Secured RM	Unsecured RM
<u>Current</u>		
Lease liabilities	-	79,381
	-----	-----
<u>Non-Current</u>		
Lease liabilities	-	-
	-----	-----
Total borrowings	-	79,381
	=====	=====

Total Group's loans and borrowings as at 31 March 2023 were as follows: -

Interest-bearing Loans and Borrowings (denominated in Ringgit Malaysia)	Secured RM	Unsecured RM
<u>Current</u>		
Lease liabilities	35,272	86,977
	-----	-----
<u>Non-Current</u>		
Lease liabilities	-	72,579
	-----	-----
Total borrowings	35,272	159,556
	=====	=====

24. Off Balance Sheet Financial Instruments

There are no financial instruments with off balance sheet risks entered into by the Group as at the date of this announcement.

25. Derivative Financial Instruments

There were no derivative financial instruments entered into by the Group as at 31 March 2024.

26. Gains/Losses Arising from Fair Value Changes of Financial Liabilities

There were no gains/losses arising from fair value changes of financial liabilities for the current quarter and financial year to date.

27. Material Litigations

Save that an announcement was made to Bursa Malaysia Securities Berhad on 15 September 2023 pursuant to the Arbitration Notice issued by OceanMight Sdn Bhd (a subsidiary of KKB Engineering Berhad) against Shapadu Energy Services Sdn Bhd, there were no pending material litigations against the Group which might materially and adversely affect the Group's financial position.

28. Dividend

A first and final single tier dividend of seven (7.0) sen per ordinary share, in respect of the financial year ended 31 December 2023 has been recommended by the Board of Directors on 22 February 2024,

payable to shareholders of the Company whose names appear in the Record of Depositors on 6 June 2024.

The payment of this first and final dividend is subject to the shareholders' approval at the forthcoming Forty-Eighth (48th) Annual General Meeting to be held on 21 May 2024, and if approved will be paid on 25 June 2024.

29. Earnings per share

	3 Months Ended		Cumulative 3 Months Ended	
	Current Quarter Ended	Comparative Quarter Ended	Current Period Ended	Comparative Period Ended
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
Net profit attributable to equity holders of the parent (RM)	<u>3,757,822</u>	<u>3,401,506</u>	<u>3,757,822</u>	<u>3,401,506</u>
Weighted average number of ordinary shares in issue	<u>288,727,040</u>	<u>288,727,040</u>	<u>288,727,040</u>	<u>288,727,040</u>
Basic earnings per share for the period attributable to equity holders of the parent (sen)	<u>1.30</u>	<u>1.18</u>	<u>1.30</u>	<u>1.18</u>

There is no dilution in its earnings per ordinary share in the current quarter and financial year to date as there are no dilutive potential ordinary shares outstanding at the end of the reporting period.

30. Auditors' Report on Preceding Annual Financial Statements

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

31. Additional Disclosures on Profit for the period

	3 Months Ended		Cumulative 3 Months Ended	
	Current Quarter Ended	Comparative Quarter Ended	Current Period Ended	Comparative Period Ended
	31/03/2024	31/03/2023	31/03/2024	31/03/2023
	RM	RM	RM	RM
Profit for the period is arrived at after charging/(crediting):				
Interest income from financial assets	(543,295)	(151,345)	(543,295)	(151,345)
Realised foreign exchange (gain)/loss	(108,404)	20,445	(108,404)	20,445
Unrealised foreign exchange gain	(179,691)	(331,901)	(179,691)	(331,901)
Rental income	(103,250)	(44,500)	(103,250)	(44,500)
Reversal of impairment on trade receivables	-	(53,071)	-	(53,071)
Depreciation of property, plant and equipment	2,514,803	2,062,781	2,514,803	2,062,781
Finance costs	1,069,952	269,006	1,069,952	269,006

Other than the above items which have been included in the statement of profit or loss and other comprehensive income, there were no provision for and write off of receivables and inventories, gain or loss on disposal of quoted or unquoted investments, gain or loss on derivatives and exceptional items for the current quarter and period ended 31 March 2024.