KJTS GROUP BERHAD

(Registration No. 202201020004 (1465701-T))

ANNUAL REPORT

2024

EMPOWERING FUTURE-FOCUSED VALUE

ABOUT THIS REPORT

This annual report provides a comprehensive overview of KJTS Group Berhad ("KJTS" or "the Company") performance, activities, and strategic direction for the financial year ended 31 December 2024. It offers stakeholders, including shareholders, investors, and the broader business community, a clear and transparent account of the Company's operations, financial results, and corporate governance practices; in alignment with Malaysian Financial Reporting Standards and Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements.

3rd Annual General Meeting

Venue:
Sime Darby Convention Centre
1A, Jalan Bukit Kiara 1,
60000 Kuala Lumpur,
Malaysia.

Tuesday, 27 May 2025
10.00 a.m.

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PROXY FORM

EMPOWERING FUTURE-FOCUSED VALUE

This holistic and vibrant cover visual involves aspects of KJTS's daily operational activities as segments within a futuristic spherical scope. With the inner tips of the segments clad in KJTS's four corporate colours, this represents the alignment of all its diverse range of services towards the expansion of overall stakeholder value.

Visit
https://www.kjts.com.my/site/financial-reports
or scan the QR code to access **KJTS Group Berhad Annual Report 2024**

ACHIEVING GREATER HEIGHTS

WE ASCEND BEYOND OUR BOUNDARIES TO
MEET ALL OUR STAKEHOLDERS' ASPIRATIONS

CORPORATE OVERVIEW

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ABOUT US

KJTS Group Berhad and its subsidiaries ("KJTS Group") provide integrated building support services in Malaysia, Singapore and Thailand. KJTS Group offers a combination of cooling energy services, cleaning services and facilities management services. Our commitment to sustainability drives us to integrate methods into our services that can successfully decrease energy usage and carbon emissions while addressing environmental issues.

Cooling Energy Services

KJTS Group's cooling energy services focus on delivering sustainable and efficient cooling solutions. We specialise in the supply of chilled water for space cooling, while also ensuring optimised energy usage through our operations and maintenance services. Our expertise extends to the Engineering, Procurement, Construction, and Commissioning (EPCC) of cooling energy systems, focusing on District Cooling Systems (DCS), chiller plants, as well as airside equipment.

Cleaning Services

Our team takes a holistic approach to delivering cleaning services for our clients' commercial properties. We are committed to providing reliable, long-term cleaning solutions that ensure their properties remain consistently well cared for.

Facilities Management Services

Our team delivers a comprehensive and highly customisable range of facilities management services, which harnesses the use of our technical experience and technological platforms to provide our clients with transparent and cost-effective solutions.

With our roots steadily planted in **Malaysia**, KJTS Group has expanded its working operations in **Thailand** and **Singapore** to continuously engage reforms from new perspectives, challenging the industry and its status quo.

Mission Statement

To deliver energy-focused, technical management services with long-term, reliable, and guaranteed performance-based solutions that bridge divides across borders and cultures.

Operational Excellence

KJTS Group is committed to offering the highest quality of service in value-added total energy solutions to our clients.

Our Values

Client Focused

Fulfilling our clients' needs is our top priority. It's what drives us to form strong and lasting relationships. With the combination and utilisation of our technical expertise and technological innovations, we look forward to fostering partnerships to deliver the high-quality service that you, as our client, deserve.

Social Responsibility

We are only as good as our environment. As a result, KJTS Group is dedicated to protect and uphold our social responsibility to both the communities we serve and the environment our developments are in. We will ensure that we do our part to place reforms that benefits every entity involved.

Cohesiveness

A working machine can best be gauged by its functioning parts. Therefore, we at KJTS Group are committed to the personal and overall development of our employees and subsidiaries. We take into account the necessary measures to nurture their performance and personal growth, cultivating unity and motivation that produces desirable results.

Creativity

We are always looking for ways to push our boundaries and becoming better at what we do. By encouraging innovation and creativity, we believe each success is only a stepping stone to greater solutions and achievements. KJTS Group does not see absolutes, only platforms.

Cultural Diversity

As our world has become a global village, KJTS Group makes it a priority to uphold and respect cultural diversity and boundaries in both the workplace and our projects. We welcome ideas that are unique and celebrate differences, allowing us the ability to serve, function, and integrate seamlessly into the spaces we operate in.

We take into account the necessary measures to nurture their performance and personal growth, cultivating unity and motivation that produces desirable results.

Ethics

We are nothing without our integrity, and we take this to heart. KJTS Group works constantly to ensure that we operate with strict compliance to laws, regulations, and standards, both regionally and internationally. We also take privacy, confidentialities, and policies seriously, so your rights, as our client, would always be protected and safe.

Performance

In whatever we do, KJTS Group believes in giving it our all and our best. We ensure that each project we handle will have our full attention to detail, providing us with the platform to keep outdoing standards that have already been and yet to be set. We are constantly working to improve ourselves in whatever capacity, so our clients would always stand to benefit from our services.

CORPORATE STRUCTURE

KJTS GROUP BERHAD

- 100% KJ Technical Services Sdn. Bhd.
  - 100% KJ Engineering Sdn. Bhd.
  - 100% KJ Energy Management Sdn. Bhd.
  - 100% DCS Power Sdn. Bhd.
  - 100% KJ Energy Services Sdn. Bhd.
  - 100% KJ FEM Pte. Ltd. [1]
  - 60% KJ Facilities Management Sdn. Bhd.
  - 90% ETC Cleaning Services Sdn. Bhd.
  - 51% Astute MFM Sdn. Bhd.
  - 51% AUNOA Solutions Sdn. Bhd.
  - 51% KJGA Sdn. Bhd.
  - 49% KJTN Engineering Co., Ltd. [2]
  - 45% DCS Energy Sdn. Bhd.
  - 30% Acres Growth Sdn. Bhd.
  - 30% KJ Technical Services Co., Ltd. [2]

- Subsidiary
- Associated company
- Dormant

Notes:

[1] Incorporated in Singapore

[2] Incorporated in Thailand

CORPORATE INFORMATION

BOARD OF DIRECTORS

1. **AZURA BINTI AZMAN**
   Independent Non-Executive Chairman
2. **LEE KOK CHOON**
   Group Managing Director
3. **SHELDON WEE TAH POH**
   Group Executive Director
4. **NG KOK KEN**
   Independent Non-Executive Director
5. **ELAINE LAW SOH YING**
   Independent Non-Executive Director
6. **DR. TEOH PEK LOO**
   Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Ng Kok Ken
Chairman

Elaine Law Soh Ying
Dr. Teoh Pek Loo
Members

NOMINATING COMMITTEE

Dr. Teoh Pek Loo
Chairman

Ng Kok Ken
Elaine Law Soh Ying
Members

REMUNERATION COMMITTEE

Elaine Law Soh Ying
Chairman

Ng Kok Ken
Dr. Teoh Pek Loo
Members

LONG-TERM INCENTIVE PLAN COMMITTEE

Lee Kok Choon
Chairman

Ng Kok Ken
Dr. Teoh Pek Loo
Members

COMPANY SECRETARY

Nur Shahfaiza Binti Md Yusoff
(SSM PC No. 202008000953)
(MAICSA 7052006)

Choo Sook Fun
(SSM PC No. 202008000567)
(LS 0009607)

REGISTERED OFFICE

Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel. No. : (03) 2783 9191
Fax No. : (03) 2783 9111
Email : info@my.tricorglobal.com

HEAD OFFICE

Suite 3.03, Level 3, Wisma E&C
No. 2, Lorong Dungun Kiri
Damansara Heights
50490 Kuala Lumpur
Tel. No. : (03) 2716 6866

SPONSOR

Hong Leong Investment Bank Berhad
Level 28, Menara Hong Leong
No. 6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Tel. No. : (03) 2083 1800

AUDITORS

UHY Malaysia PLT
202406000040 (LLP0041391-LCA) & AF 1411
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel. No. : (03) 2279 3088

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel. No. : (03) 2783 9299
Fax No. : (03) 2783 9222
Email : is.enquiry@my.tricorglobal.com

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Code : 0293
Stock Name : KJTS
Sector : Industrial Products and Services

EMAIL ADDRESS AND WEBSITE

Email : ir@kjts.com.my
Website : www.kjts.com.my


62%
Revenue
CORE #004 >>
CORE #005
2X

LEADERSHIP

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MAXIMISING OUR CAPABILITIES

WE PIONEER A CULTURE OF INNOVATION AND CREATIVITY IN OUR PURSUIT OF OPTIMISED EXCELLENCE

BOARD OF DIRECTORS

1. **AZURA BINTI AZMAN**
   Independent Non-Executive Chairman
2. **LEE KOK CHOON**
   Group Managing Director
3. **SHELDON WEE TAH POH**
   Group Executive Director
4. **NG KOK KEN**
   Independent Non-Executive Director
5. **ELAINE LAW SOH YING**
   Independent Non-Executive Director
6. **DR. TEOH PEK LOO**
   Independent Non-Executive Director


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4
5
6

DIRECTORS' PROFILE

AZURA BINTI AZMAN

Independent Non-Executive Chairman

62	Malaysian	Female

Board Meeting Attendance in 2024:

7/7

Azura Binti Azman ("Puan Azura"), is the Independent Non-Executive Chairman of the Group. She was appointed as our Director and Chairman on 21 November 2022.

As the Independent Non-Executive Chairman, Puan Azura is entrusted with fostering the effectiveness of the Board, championing standards of integrity, probity, and corporate governance across the Group. Her extensive experience and commitment to excellence make her an invaluable asset to the Group. Puan Azura has over 30 years of broad-based experience in the capital markets and banking industry and her expertise includes corporate banking, institutional sales, equity broking, private equity and business development. Over the course of her career, Puan Azura has helmed senior positions in various financial institutions, including Southern Bank Bhd., Ke-Zan Securities Sdn. Bhd., Crosby Securities (U.K.) Limited, CAV Private Equity Management Sdn. Bhd. and HLG Securities Sdn. Bhd., culminating in her tenure as Head of Group Wholesale Equities at RHB Investment Bank Berhad.

Puan Azura remains an active figure in the capital markets, contributing her expertise to industry development through her involvement in Bursa Securities' Market Participant Committee. Currently, she also sits on the Board of Titijaya Land Berhad, RCE Capital Berhad, and AmanahRaya Investment Management Sdn. Bhd.

Puan Azura holds a Bachelor of Arts (Hons) majoring in Economics and Linguistics from Victoria University of Wellington, New Zealand. She previously held a Capital Markets Services Representative's Licence issued by the Securities Commission Malaysia for dealing in securities and derivatives.

She has no family relationship with any other Director and/or major shareholder of the Group. She has no conflict of interest or potential conflict of interest with the Group. She has no convictions for any offences within the past 5 years (other than traffic offence, if any) or any public sanction or penalty imposed by the regulatory bodies during the financial year ended 31 December 2024. She attended all seven (7) Board Meetings which were held in the financial year ended 31 December 2024.

LEE KOK CHOON

Group Managing Director

50	Malaysian	Male

Board Meeting Attendance in 2024:

7/7

Lee Kok Choon ("Mr Lee"), is our Group Managing Director. He is also a major shareholder of our Company and is part of our Key Senior Management. He was appointed to our Board as Managing Director on 3 June 2022 and redesignated to Group Managing Director on 1 April 2024. He is also the Chairman of the Long-Term Incentive Plan Committee. He has approximately 22 years of experience in the building support services industry.

Mr Lee holds a Bachelor of Engineering in Mechanical Engineering with 1st Class Honours from Monash University, Australia, in 1999. From his graduation till March 2002, he served in short stints with several companies to gain exposure in the engineering industry.

Mr Lee started his career in the cooling energy industry when he joined KJ Engineering Sdn. Bhd. ("KJ Engineering") as a Contract Project Engineer in March 2002. He was responsible for overseeing all project tenders, in terms of design, proposal, project procurement, and also monitoring the cost of secured projects. In July 2003, he was promoted to Operation and Maintenance Manager for a major shopping mall in the Klang Valley, to oversee the whole project's operations and maintenance. This project was marked as KJ Engineering's first energy performance contract. He was later promoted to General Manager of Facilities Management in July 2008 where he was responsible for overseeing the overall business unit for the facilities management division. In May 2009, he was promoted to Chief Operating Officer where he managed the daily business operations of the company, working closely with department heads and supervisors to support the day-to-day activities of employees.

Thereafter, Mr Lee together with Sheldon Wee Tah Poh, our Group Executive Director, subscribed for equity interest of 30.00% in KJ Technical Services Sdn. Bhd. ("KJ Technical Services") in October 2012 and subsequently acquired the remaining 70.00% equity interest from KJ Engineering and Dalkia Technical Services Sdn. Bhd. in April 2013. Mr Lee was then appointed as the Managing Director of KJ Technical Services in May 2013, where he was responsible to oversee the company's business operations, liaise with stakeholders, drive company growth, and responsible for the overall performance of the business. Subsequently, he and Sheldon Wee Tah Poh, through KJ Technical Services, acquired the entire equity interest in KJ Engineering from Dalkia Asia Pte. Ltd., in December 2014, through a management buyout.

In July 2017, Mr Lee was appointed as an Executive Director of Sin Heng Chan (Malaya) Berhad when the company subscribed for equity interest of 25.00% in KJ Technical Services from him and Sheldon Wee Tah Poh. Subsequently in June 2019, he and Sheldon Wee Tah Poh re-acquired their initial 25.00% equity interest in KJ Technical Services from Sin Heng Chan (Malaya) Berhad, and Mr Lee subsequently resigned as Executive Director of Sin Heng Chan (Malaya) Berhad in August 2019.

Building on his extensive experience and leadership roles within the Group, Mr Lee has been instrumental in charting the strategic business growth and development of the Group, particularly following his appointment as Group Managing Director. Leveraging his deep industry knowledge and operational expertise, he has led the expansion of our business operations into Singapore and Thailand. In his current role, he is responsible for the overall performance of our Group's business, which includes driving growth initiatives, overseeing daily operations, supervising the heads of departments, as well as planning, formulating, and implementing the Group's strategic direction. He is also a director of other private limited companies.

He has no family relationship with any other Director and/or major shareholder of the Group. He has no conflict of interest or potential conflict of interest with the Group. He has no convictions for any offences within the past 5 years (other than traffic offence, if any) or any public sanction or penalty imposed by the regulatory bodies during the financial year ended 31 December 2024. He does not hold any directorship in other public companies and listed corporations. He attended all seven (7) Board Meetings which were held in the financial year ended 31 December 2024.

DIRECTORS' PROFILE

SHELDON WEE TAH POH

Group Executive Director

49	Malaysian	Male

Board Meeting Attendance in 2024:

7/7

Sheldon Wee Tah Poh ("Mr Wee"), is our Group Executive Director. He is a major shareholder of our Company and is part of our Key Senior Management. He was appointed to our Board as Executive Director on 3 June 2022 and redesignated to Group Executive Director on 1 April 2024. He has approximately 25 years of experience in the building support services industry.

Mr Wee holds a Bachelor of Business majoring in Marketing and Information Technology from the University of Technology, Sydney, in 1999. He began his career as a Marketing Executive in 1999, with PWB (M) Sdn. Bhd., a cleaning company founded by his father. He was promoted to Marketing Manager in 2003 and to General Manager in 2004, where he was responsible for overseeing the entire business operation of the company. Over the years, he contributed significantly to the expansion and diversification of PWB (M) Sdn. Bhd. from a cleaning services company specialising in transportation infrastructure to other sectors across Malaysia.

In September 2006, he acquired 20.00% equity interest in KJM Utilities Sdn. Bhd. (a former subsidiary of KJ Engineering which was wound up in April 2015) and was appointed as Director. In July 2013, he resigned as Director of KJM Utilities Sdn. Bhd. He was appointed as Managing Director of PWB (M) Sdn. Bhd. in 2012, when OCS Group International Limited, a global facilities management company acquired 80.00% equity interest in PWB (M) Sdn. Bhd. Concurrently, he was also appointed as Non-Executive Director of OCS Group Singapore Pte. Ltd., an integrated facility services company providing cleaning and facilities management services. Thereafter, Mr Wee together with Mr Lee, our Group Managing Director, subscribed for 30.00% equity interest in KJ Technical Services in October 2012 and he was appointed as a Director of the company. He and Mr Lee then acquired the remaining 70.00% equity interest in KJ Technical Services from KJ Engineering and Dalkia Technical Services Sdn. Bhd. in April 2013. Subsequently, through KJ Technical Services, they acquired the entire equity interest in KJ Engineering from Dalkia Asia Pte. Ltd. in December 2014 through a management buyout.

In 2015, he was appointed as the Managing Director of OCS Group Singapore Pte. Ltd. In 2017, he resigned as the Managing Director and became the Non-Executive Chairman of both PWB (M) Sdn. Bhd. and OCS Group Singapore Pte. Ltd. till 2018 when he disposed of all his remaining 5.00% equity interest in PWB (M) Sdn. Bhd. and left the said companies. Thereafter, he was appointed as the Executive Director of KJ Technical Services and its group of companies in April 2019.

Mr Wee was appointed as Executive Director of Sin Heng Chan (Malaya) Berhad in June 2018 after Sin Heng Chan (Malaya) Berhad acquired 25.00% equity interest in KJ Technical Services from him and Mr Lee. Both of them, re-acquired their initial 25.00% equity interest in KJ Technical Services from Sin Heng Chan (Malaya) Berhad in June 2019, and Mr Wee subsequently resigned as Executive Director of Sin Heng Chan (Malaya) Berhad in August 2019.

His 25 years of experience in the building support services industry, has provided him with the necessary skills set to bring businesses together, which contributed significantly to our Group's expansion to Singapore and Thailand.

As the Group Executive Director, Mr Wee is responsible for formulating business plans, directing organisational strategy, business development, expansion and overseeing our Group's marketing and communications direction, developing organisational culture, as well as overseeing day-to-day activities, reporting on revenue, improving performance and assisting in managing the corporate finances of our Group.

He has no family relationship with any other Director and/or major shareholder of the Group. He has no conflict of interest or potential conflict of interest with the Group. He has no convictions for any offences within the past 5 years (other than traffic offence, if any) or any public sanction or penalty imposed by the regulatory bodies during the financial year ended 31 December 2024. He does not hold any directorship in other public companies and listed corporations. He attended all seven (7) Board Meetings which were held in the financial year ended 31 December 2024.

NG KOK KEN

Independent Non-Executive Director

51	Malaysian	Male

Board Meeting Attendance in 2024:

7/7

Ng Kok Ken ("Mr Ng"), is our Independent Non-Executive Director. He was appointed to our Board on 21 November 2022. He is also the Chairman of the Audit and Risk Management Committee and a member of the Remuneration Committee, Nominating Committee and Long-Term Incentive Plan Committee.

Mr Ng holds a Bachelor of Commerce in Accounting and Finance from Monash University, Australia, in 1996. He has been a member of the Malaysian Institute of Accountants since July 2014, a member of the Chartered Accountants Australia and New Zealand since June 2000, and he advanced to the status of Fellow since March 2021. He is also a former holder of a Capital Markets Services Representative's Licence issued by the Securities Commission Malaysia for providing investment advice and dealing in securities.

Mr Ng's extensive career spans various roles in finance and business development. He began in auditing at KPMG Malaysia, then transitioned to accounting at Pilecon Engineering Bhd., followed by a move into corporate finance at CIMB Investment Bank Berhad, where he progressed to a management position, primarily involved in initial public offering exercises and merger and acquisition exercises.

He further honed his corporate finance expertise at ZJ Advisory Sdn. Bhd. and AmInvestment Bank Berhad, reaching the level of Director of Equity Capital Market. Subsequently, in September 2011, through his firm Salient Realty Sdn. Bhd., he provided consulting services to Iskandar Waterfront Sdn. Bhd. ("IWSB"), holding dual roles as General Manager of Corporate Strategic Planning for IWSB and as Finance Director of Riverside Terra Sdn. Bhd., a wholly-owned subsidiary of IWSB. His main responsibilities included coordinating on the initial public offering of IWSB's group of companies, securing financing for various projects, and applying for government grants through the Public Private Partnership Unit (UKAS).

After the business contract with IWSB ended in September 2014, Mr Ng was engaged as an Advisor/Consultant to various clients where the projects ranged from reverse takeover, fund raising and establishing a new line of business. In 2018, he joined Tarim Capital Sdn. Bhd. as the Chief Financial Officer where his roles included evaluating the feasibility of various projects, structuring joint venture deals, and to execute those projects. Concurrently in June 2021, he served Farmedic Biotech Sdn. Bhd. as Project Director, overlooking the daily operation and corporate related sales.

He has no family relationship with any other Director and/or major shareholder of the Group. He has no conflict of interest or potential conflict of interest with the Group. He has no convictions for any offences within the past 5 years (other than traffic offence, if any) or any public sanction or penalty imposed by the regulatory bodies during the financial year ended 31 December 2024. He does not hold any directorship in other public companies and listed corporations. He attended all seven (7) Board Meetings which were held in the financial year ended 31 December 2024.

DIRECTORS' PROFILE

ELAINE LAW SOH YING

Independent Non-Executive Director

47	Malaysian	Female

Board Meeting Attendance in 2024:

7/7

Elaine Law Soh Ying ("Ms Law"), is our Independent Non-Executive Director. She was appointed to our Board on 21 November 2022. She is also the Chairman of the Remuneration Committee, and a member of the Audit and Risk Management Committee and Nominating Committee.

Ms Law holds a Bachelor of Law from the University of Leicester, United Kingdom, in 2000. She then undertook the professional law course in Malaysia from September 2000 till June 2001 and later obtained the Certificate in Legal Practice from the Legal Profession Qualifying Board Malaysia in March 2002. In September 2001, she returned to the University of Leicester, United Kingdom to pursue her Master of Laws (in International Commercial Law) ("LLM") and completed the same in September 2002. She was awarded the degree in LLM in January 2003.

On completion of the LLM, Ms Law commenced her pupillage with Messrs Raja, Darryl & Loh in October 2002 and thereafter was admitted as an Advocate and Solicitor of the High Court of Malaya in September 2003. She is also a Certified Professional Coach and is a member of the International Coaching Federation since 2021.

On completion of her pupillage, she joined Messrs Zain & Co as a Legal Associate in September 2003 where she was involved in civil litigation and arbitration matters. She then left Messrs Zain & Co in June 2006 to join Foong & Partners as a Legal Associate in the same month, where she was primarily involved in corporate advisory work.

In December 2006, Ms Law left Messrs Foong & Partners and joined Messrs Azman Davidson & Co as a Legal Associate in January 2007 in the corporate and commercial department. She was promoted to Senior Associate in January 2011, and was subsequently admitted as Partner in January 2012 where she was one of the partners responsible for the corporate and commercial department and intellectual property department of the firm. While in Messrs Azman Davidson & Co., her practice areas encompassed initial public offering exercises, advising on mergers and acquisitions (M&A), joint ventures, shareholders' agreements and foreign investments into Malaysia, as well as various commercial contracts drafting. She has provided advisory work relating to intellectual property laws and assisted clients in trademark registration.

In June 2021, Ms Law left Messrs Azman Davidson & Co and joined Messrs Law Kuan Yew & Co as a Partner in July 2021 where she currently specialises in the practice areas of corporate and commercial law and intellectual property law, particularly on trademark advisory and registration.

Ms Law also sits on the Board of Kucingko Berhad and V Aesthetics Holdings Limited, as an Independent Non-Executive Director.

She has no family relationship with any other Director and/or major shareholder of the Group. She has no conflict of interest or potential conflict of interest with the Group. She has no convictions for any offences within the past 5 years (other than traffic offence, if any) or any public sanction or penalty imposed by the regulatory bodies during the financial year ended 31 December 2024. She attended all seven (7) Board Meetings which were held in the financial year ended 31 December 2024.

DR. TEOH PEK LOO

Independent Non-Executive Director

49	Malaysian	Male

Board Meeting Attendance in 2024:

7/7

Dr. Teoh Pek Loo ("Dr. Teoh"), is our Independent Non-Executive Director. He was appointed to our Board on 21 November 2022. He is also the Chairman of the Nominating Committee, and a member of the Audit and Risk Management Committee, Remuneration Committee and Long-Term Incentive Plan Committee.

Dr. Teoh holds a Bachelor of Engineering in Mechanical Engineering from Monash University, Australia, in 1999. He furthered his studies at Monash University where he pursued the Master of Engineering Science till the end of 2000, when he transferred the master programme to the Doctor of Philosophy programme and obtained his Doctor of Philosophy in Engineering Science, in 2004.

Dr. Teoh began his career as a Sales Engineer with Longlife Weld (Kuala Lumpur) Sdn. Bhd. in October 2003 where he was involved in the design and preparation of robotics welding and other automated welding system solutions and proposals. He left Longlife Weld (Kuala Lumpur) Sdn. Bhd. in February 2004, and joined Lintraco (M) Sdn. Bhd. as a Senior Project Development Executive in April 2004, where he was primarily involved in the study of the company's business model and competitive advantage, and the company's business growth with a new product range. He then left in October 2004 and joined Syarikat Ban Lee Machinery Trading as a Sales Engineer in December 2004, where he was responsible for sales, installation and commissioning of semi-automated woodworking machineries and production lines.

In 2008, Dr. Teoh joined Swisslog Malaysia Sdn. Bhd, and served for over 17 years working his way up to Head of System Design and Consulting where he was in charge of managing and coordinating the overall resources planning to support the sales of fully automated logistics warehouse solutions for clients in Southeast Asia.

In February 2025, Dr. Teoh joined MR. D.I.Y. Trading Sdn. Bhd., a wholly-owned subsidiary of MR D.I.Y. Group (M) Berhad, as Head of Warehouse Automation Specialist where he leads the company's transition to automated operations by designing, testing, and deploying efficient warehouse automation solutions. This involves conducting process and commercial analyses to create proposals for stakeholders, managing tenders for project implementation, trial runs, and go-live phases, overseeing the sourcing and procurement of necessary hardware and software, and collaborating with cross-functional teams to ensure seamless project execution.

He has no family relationship with any other Director and/or major shareholder of the Group. He has no conflict of interest or potential conflict of interest with the Group. He has no convictions for any offences within the past 5 years (other than traffic offence, if any) or any public sanction or penalty imposed by the regulatory bodies during the financial year ended 31 December 2024. He does not hold any directorship in other public companies and listed corporations. He attended all seven (7) Board Meetings which were held in the financial year ended 31 December 2024.

KEY SENIOR MANAGEMENT TEAM PROFILE

WONG NAI CHIEN

Group Chief Operating Officer

48	Malaysian	Male

Wong Nai Chien ("Mr Wong"), is the Group Chief Operating Officer and he reports to Mr Lee Kok Choon, our Group Managing Director.

Mr Wong holds a Bachelor of Mechanical Engineering from the University of Malaya, in 2000. He has been a Graduate member of the Institute of Engineers of Malaysia since 2001.

He began his career with Cidar Engineering Sdn. Bhd. as a Project Engineer in April 2000, where he was responsible for assisting in design work of palm oil mills. He left in August 2000 and joined KJ Engineering as a Design and Project Engineer in September 2000. In January 2004, he was promoted to Senior Engineer in the Design and Project Department as the lead engineer in tender and audit exercises, design work, and management of construction and commissioning of cooling systems. Within two years, he was promoted to Contract Manager to head the new Contracts and Procurement Department. Subsequently, Mr Wong was further promoted and assumed the role of Senior Contracts Manager in March 2011, where he was responsible for leading all tender, proposal, costing and procurement of KJ Engineering, till May 2013.

He was later transferred to KJ Technical Services as Senior Contracts Manager in the Contracts and Procurement Department, from May 2013 to December 2017 due to the internal restructuring of our Group.

Mr Wong was next assigned to Sin Heng Chan (Malaya) Bhd. as Senior Contracts Manager in January 2018 where he led the Contracts and Procurement Department after Sin Heng Chan (Malaya) Bhd. acquired 25.00% equity interest in KJ Technical Services. Subsequently in April 2019, he was retransferred to KJ Technical Services as a Senior Contracts Manager when Sin Heng Chan (Malaya) Bhd. disposed of its 25.00% equity interest in KJ Technical Services.

In January 2020, Mr Wong was promoted to Chief Operating Officer of the Group. On 1 April 2024, Mr Wong was redesignated to Group Chief Operating Officer. He is primarily responsible for overseeing the compliance management, procurement, implementation and operation of contract tender, proposals and projects for our Group, as well as monitoring the cost of projects secured.

He does not hold any directorship in other public companies and listed corporations.

He has no family relationship with any other Director and/or major shareholder of the Group. He has no conflict of interest or potential conflict of interest with the Group. He has no convictions for any offences within the past 5 years (other than traffic offence, if any) or any public sanction or penalty imposed by the regulatory bodies during the financial year ended 31 December 2024.

SARMILA A/P MUNIANDY

Group Chief Financial Officer

41	Malaysian	Female

Sarmila A/P Muniandy ("Ms Sarmila"), is the Group Chief Financial Officer and she reports to Mr Sheldon Wee Tah Poh, our Group Executive Director.

Ms Sarmila holds a Bachelor Degree in Accounting from Universiti Utara Malaysia, in 2008. She pursued her studies and obtained her Master of Business Administration specialisation in Finance from the University of Southern Queensland, Australia, in 2017. She has been a Chartered Accountant with the Malaysian Institute of Accountants since 2016.

She began her career at M. Guna & Co as an Audit Executive in June 2007, where she was responsible for the audit, accounting, tax and secretarial matters. She left M. Guna & Co in December 2008 and participated in a talent enrichment programme, relating to the conventional banking, investment banking, Islamic banking and insurance/takaful organised by the Asian Banking School in collaboration with the Central Bank of Malaysia, for a one-year period from January 2009 to January 2010. As part of the programme, she served an internship with Tokio Marine Life Insurance Malaysia Berhad for 3 months from November 2009. On completion of her internship, she joined Tokio Marine Life Insurance Malaysia Berhad as an Executive in January 2010 where she was responsible for accounts receivables.

Ms Sarmila left Tokio Marine Life Insurance Malaysia Berhad in May 2011 and thereafter joined KJ Engineering as an Accounts Executive in the Finance Department in the same month. She was initially promoted to Accountant and later to Accounts Manager in December 2011 and in November 2012, respectively. She held this position till April 2013, before she was transferred to KJ Technical Services as Accounts Manager from May 2013 till December 2017, due to an internal restructuring of our Group.

Ms Sarmila was transferred to Sin Heng Chan (Malaya) Berhad as an Accounts Manager in January 2018, after Sin Heng Chan (Malaya) Berhad acquired 25.00% equity interest in KJ Technical Services. Subsequently in April 2019, she was retransferred to KJ Technical Services as Accounts Manager when Sin Heng Chan (Malaya) Bhd. disposed its 25.00% equity interest in KJ Technical Services.

In October 2022, Ms Sarmila was promoted to Chief Financial Officer of the Group. On 1 April 2024, Ms Sarmila was redesignated to Group Chief Financial Officer. She leads the Finance Department and carries out the corporate reporting and finance functions of the Group.

She does not hold any directorship in other public companies and listed corporations.

She has no family relationship with any other Director and/or major shareholder of the Group. She has no conflict of interest or potential conflict of interest with the Group. She has no convictions for any offences within the past 5 years (other than traffic offence, if any) or any public sanction or penalty imposed by the regulatory bodies during the financial year ended 31 December 2024.

ADRIAN LIM HOCK HENG

Chief Operations Officer (Projects)

44	Malaysian	Male

Adrian Lim Hock Heng ("Mr Lim"), is the Chief Operations Officer (Projects) of the Group and he reports to Mr Lee Kok Choon, our Group Managing Director.

He holds a Bachelor of Engineering in Electronic Engineering (Communications) from University of Sheffield, United Kingdom, in 2003. He has been a member of the Institute of Electrical Engineers (now known as Institution of Engineering and Technology) since 2003, and a member of the Institution of Engineers of Malaysia since 2020. He is also a Professional Technologist registered with the Malaysian Board of Technologists since April 2022.

Mr Lim began his career at JAT Engineering Sdn. Bhd. as a Sales and Technical Engineer, in September 2003, where he was responsible for sales, technical and project implementation. In April 2004, he left the company and joined CNC Design Sdn. Bhd. in the same month, as Project Engineer, where he was responsible for the management of company projects. He left CNC Design Sdn. Bhd. in October 2006, and thereafter, he joined KJ Engineering as Project Engineer in November 2006 where he was responsible for technical and engineering aspects of projects assigned to him, as well as, assisting in the implementation of projects secured by KJ Engineering. He was promoted to Senior Project Engineer in January 2010 where he was responsible for the implementation of projects secured by KJ Engineering. In August 2011, he was promoted to Project Manager and subsequently to Senior Project Manager in June 2016, where he was responsible for supervising and overseeing all projects secured by KJ Engineering including cost control. In January 2020, he was promoted to General Manager of KJ Engineering.

In October 2022, Mr Lim was appointed as Head of Project Department of the Group. He is primarily responsible for overseeing the implementation of projects secured by our Group as well as design works.

On 1 April 2024, Mr Lim was promoted to Chief Operations Officer (Projects). Mr Lim is primarily responsible for overseeing the day to day administrative and operational functions of the Group's project and construction initiatives.

He does not hold any directorship in other public companies and listed corporations.

He has no family relationship with any other Director and/or major shareholder of the Group. He has no conflict of interest or potential conflict of interest with the Group. He has no convictions for any offences within the past 5 years (other than traffic offence, if any) or any public sanction or penalty imposed by the regulatory bodies during the financial year ended 31 December 2024.

YAP YEW CHEONG

Regional Head of Engineering and Design

49	Malaysian	Male

Yap Yew Cheong ("Mr Yap"), is the Regional Head of Engineering and Design of the Group and he reports to Mr Lee Kok Choon, our Group Managing Director.

Mr Yap holds a Bachelor of Engineering in Mechanical Engineering from Monash University, Australia, in 1999. He has been a member of the Board of Engineers Malaysia since 1999.

He began his career with SMHB Sdn. Bhd. as a Mechanical Engineer in July 1999 where he was responsible for assisting in design work for the water pumping system. He left SMHB Sdn. Bhd. in July 2000 and joined Western Digital (Malaysia) Sdn. Bhd. as a Process Engineer in August 2000 where he was responsible for assembly process optimisation and waste reduction. He left Western Digital (Malaysia) Sdn. Bhd. in March 2002 and joined Johnson & Johnson Sdn. Bhd. as a Project Engineer in March 2002 where he was responsible for floor process optimisation. He left Johnson & Johnson Sdn. Bhd. in August 2002 and subsequently joined S.E.H Malaysia Sdn. Bhd. as an Engineer the following month, where he was responsible for the process involving wafer demounting and edge grinding, and he left the company as a Senior Engineer in November 2008. He moved to Australia at the end of the same year and joined Kraft Foods Inc. as a Process Engineer from February to June 2009 where he was responsible for food and beverage process optimisation.

In July 2009, Mr Yap returned to Malaysia and joined MEMC Electronic Materials Sdn. Bhd. as a Process Engineer in September 2009 till January 2010, where he was responsible for the process involving wafer edge grinding. He took a career break for the remaining year. In January 2011, he joined KJ Engineering as a Senior Engineer, where he was responsible for carrying out energy audit exercises and assisting the operation and maintenance team in technical matters. In January 2012, he was promoted to Engineering Manager of KJ Engineering, a position he holds till today. As Engineering Manager, he is responsible for the setup and implementation of specific procedure and project specification while also assisting in project design coordination.

In October 2022, he was promoted to Head of Engineering Department of the Group. On 1 April 2024, Mr Yap was redesignated to Regional Head of Engineering and Design. Mr Yap is primarily responsible for managing all energy audit exercises, overseeing design works and providing technical support as well as the testing and commissioning of projects secured by the Group.

He does not hold any directorship in other public companies and listed corporations.

He has no family relationship with any other Director and/or major shareholder of the Group. He has no conflict of interest or potential conflict of interest with the Group. He has no convictions for any offences within the past 5 years (other than traffic offence, if any) or any public sanction or penalty imposed by the regulatory bodies during the financial year ended 31 December 2024.

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WORKING AS ONE

WE UNITE OUR DIVERSE TALENTS AND PERSPECTIVES TO ACHIEVE EXTRAORDINARY OUTCOMES TOGETHER

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of KJTS Group Berhad ("KJTS" or the "Group"), I am pleased to present to you the Annual Report and Financial Statements for the financial year ended 31 December 2024 ("FYE 2024").

Azura Binti Azman
Independent Non-Executive Chairman

> It has been a pivotal year marked by both external challenges and new opportunities, underscored by our continued efforts to deliver sustainable growth and long-term value to our stakeholders.

ECONOMIC LANDSCAPE & INDUSTRY OVERVIEW

The global economy sustained measured growth, with a 3.2% increase projected in 2024. Inflation rates are moderating, however, geopolitical uncertainties, including potential trade policy shifts following the 2024 presidential election, could impact global supply chains. In emerging market and developing economies, the International Monetary Foundation projects that growth performance in 2025 and 2026 is expected to broadly match that in 2024.

Malaysia's economy continues to demonstrate resilience, with growth revised upwards to 5.1% for 2024. Government-driven fiscal policies, infrastructure investments, and subsidy rationalisation measures are strengthening the economic landscape. The construction sector remains a key growth driver, with work valued at RM38.9 billion in the second quarter of 2024 - a 20.2% increase year on year (YoY) - supported by civil engineering and residential developments. With RM86 billion allocated to development expenditure under Budget 2025, the sector is poised for sustained expansion, benefiting KJTS's core businesses in building support services, energy efficient solutions, and facilities management. Malaysia's commitment to renewable energy transition is accelerating, with over RM300 million allocated to the National Energy Transition Fund under Budget 2025.

Another key area of growth is Malaysia's data centre industry, particularly in Johor. Over the past two years, the sector has attracted more than 50 new data centre investments, contributing to a total supply capacity exceeding 1.6 gigawatt.

Given that a 100 megawatt data centre consumes approximately 1.1 million gallons of water daily for cooling, demand for energy-efficient cooling solutions is rising. KJTS is well-positioned to address these challenges and to support the industry's rapid expansion while ensuring optimal performance and resource efficiency.

The manufacturing sector and manufacturing-related services industry are also poised for transformation under the New Industrial Master Plan 2030, targeting RM587.5 billion in value-added contributions. As industries prioritise energy efficiency and cost-effective facilities management, KJTS continues to play a vital role in supporting this transition.

As we look ahead, KJTS remains committed to leveraging these opportunities, ensuring that we continue to deliver innovative, sustainable, and value-driven solutions. By aligning our strategic direction with national development plans, infrastructure investments, and the growing need for energy-efficient technologies, we are confident in our ability to drive long term growth while contributing to Malaysia's economic progress and sustainability goals.

CHAIRMAN'S STATEMENT

14.89%

REVENUE

RM137.75 million

(2023: RM119.90 million)

14.11%

PROFIT BEFORE TAX

RM10.27 million

(2023: RM9.00 million)

460.71%

CASH AND CASH EQUIVALENTS

RM65.21 million

(2023: RM11.63 million)

FINANCIAL OVERVIEW

Revenue

Our main revenue streams stem from building support services, comprising Cooling Energy, Cleaning Services, and Facilities Management. For FYE 2024, our total revenue increased by RM17.85 million or 14.89% to RM137.75 million (FYE 2023: RM119.90 million). This growth was primarily driven by higher contributions from the Cooling Energy and Cleaning Services segments, supported by new project acquisitions and sustained demand from existing clients.

Within building support services, the Cooling Energy segment remained the largest revenue contributor, accounting for 47.69% of total revenue at RM65.69 million, up 17.37% YoY (FYE 2023: RM55.97 million). The increase was driven by higher Engineering, Procurement, Construction, and Commissioning ("EPCC") activities and stronger demand for energy efficient cooling solutions.

The Cleaning Services segment also demonstrated strong growth, contributing RM58.24 million or 42.28% of total revenue, representing a 16.69% increase from RM49.91 million in FYE 2023. The increase was attributed to the expansion of contracts with existing clients and new contract wins, particularly in Malaysia and Singapore.

Meanwhile, the Facilities Management segment contributed RM13.82 million or 10.03% of total revenue, remained relatively stable compared to RM14.02 million in FYE 2023. The segment continued to benefit from maintenance contracts in commercial and industrial properties, providing a steady revenue base.

Geographically, Malaysia remained our largest revenue contributor, accounting for 74.09% of total revenue at RM102.06 million, reflecting a 9.82% YoY increase (FYE 2023: RM92.93 million). This was driven by the sustained expansion of our Cooling Energy and Cleaning Services businesses.

Singapore contributed RM26.57 million (19.29% of total revenue), growing 9.03% YoY from RM24.37 million in FYE 2023. This was attributed to higher demand for cleaning services and increased service coverage in commercial and industrial facilities.

Thailand contributed RM9.12 million (6.62% of total revenue), a significant growth of 250.77% from RM2.60 million in FYE 2023. This was due to the successful expansion of our Cooling Energy business in Thailand, particularly in energy-efficient cooling solutions for commercial properties.

Profitability

Our total gross profit increased by RM10.13 million or 36.68% to RM37.75 million in FYE 2024 (FYE 2023: RM27.62 million), reflecting higher-margin project execution and operational efficiencies. As a result, our gross profit margin improved to 27.40%, compared to 23.04% in FYE 2023.

Profit before tax ("PBT") increased by RM1.27 million or 14.11% to RM10.27 million in FYE 2024 (FYE 2023: RM9.00 million) due to higher administrative expenses. Administrative expenses for FYE 2024 rose to RM30.08 million (FYE 2023: RM19.57 million), mainly due to one-off IPO listing expenses of RM4.26 million and Employee Share Option Scheme ("ESOS") expenses of RM2.43 million. Excluding the above mentioned costs, our adjusted PBT would have been stronger, reflecting the robust underlying profitability of the Group. Profit after tax ("PAT") increased by 12.55% to RM8.25 million in FYE 2024 (FYE 2023: RM7.33 million). The increase in PAT was driven by higher revenue, improved gross margins, and prudent cost management, offset by higher administrative costs incurred due to listing-related expenses and ESOS.

Capital Management and Balance Sheet

As at 31 December 2024, the Group's cash and cash equivalents stood at RM65.21 million, reflecting a 460.71% increase compared to RM11.63 million in FYE 2023. The significant increase was primarily due to proceeds from the IPO listing exercise and strong operational cash flows from ongoing projects. Meanwhile, the Group's total bank borrowings recorded a slight increase by RM4.39 million, further strengthening our balance sheet. Consequently, the gearing ratio improved, reflecting a more robust capital structure and lower financial leverage.

Our net assets per share increased to RM0.17, compared to RM0.07 in FYE 2023, reflecting enhanced shareholder value following the IPO exercise.

DIVIDEND

The Board of Directors has approved a dividend payout policy of at least 20% of our annual audited consolidated PAT attributable to shareholders.

For FYE 2024, the Board has paid a first and final single-tier dividend of 0.236 sen per ordinary share in respect of the financial year ended 31 December 2023, amounting to approximately RM1.62 million and a single-tier interim dividend of 0.291 sen per ordinary share in respect of the financial year ended 31 December 2024, amounting to approximately RM2.00 million. The Group continues to maintain a disciplined capital management approach, ensuring an optimal balance between rewarding shareholders and reinvesting in growth opportunities.

PROSPECTS AHEAD

Global economic growth is expected to remain steady at 3.2% in 2025, with inflation continuing to ease. Though uncertainties from geopolitical developments and global trade shifts may introduce volatility, KJTS remains cautiously optimistic on the global growth environment. On the other hand, Malaysia's economy is forecasted to grow between 4.5% and 5.5% in 2025, underpinned by public investment (+4.9%), robust construction sector growth (+9.4%), and manufacturing expansion (+4.5%), particularly in the Electrical & Electronics ("E&E") sector. KJTS will remain agile in managing risks while capitalising on opportunities in key growth sectors.

National priorities remain a boon for our key industries. Initiatives such as the National Energy Transition Roadmap and the Supply Chain Resilience Initiative under Budget 2025 are expected to support growth in infrastructure development, energy transition, and the manufacturing sector. As part of this initiative, the government has announced a RM100 million matching investment fund, to be channelled via an equity crowdfunding platform, aimed at accelerating the growth of local vendors in strategic sectors such as semiconductors, E&E, specialty chemicals, and medical devices. These developments align well with KJTS's strategic positioning, particularly across our three core segments – facilities management, cooling energy services, and cleaning services – all of which stand to benefit from increased industrial activity and infrastructure demand.

In line with our expansion strategy, we established a strategic joint venture with iHandal Holdings Sdn Bhd, combining our expertise in cooling energy management with iHandal's Heatfuse™ heat recovery technology to deliver integrated energy-efficient solutions. We also partnered with Singapore-based Cyclect Group to form KJCyclect Pte Ltd, a joint venture aimed at delivering innovative cooling energy services and facilities management services to commercial and industrial clients in Singapore. In addition, we formed a joint venture with Stonepeak to invest up to RM1.5 billion in cooling assets across Malaysia, accelerating our growth in sustainable energy infrastructure. Furthermore, our 20-year service agreement with KIP Real Estate Investment Trust reinforces our ability to secure long-term contracts, with guaranteed 15% energy cost savings through our retrofit and cooling energy management services across seven KIPMall locations nationwide. These achievements reflect our commitment to innovation, sustainability, and value creation, positioning KJTS as a key player in the evolving energy management landscape.

As we look ahead to 2025, KJTS is optimistic about the opportunities that lie ahead. Our focus will remain on delivering quality services across our core segments, enhancing operational efficiency, and pursuing sustainable growth.

APPRECIATION

On behalf of the Board of Directors, I would like to extend my sincere gratitude to our shareholders, customers, business partners, and stakeholders for their continued trust and support. I would also like to acknowledge the hard work, dedication, and commitment of our management team and employees, whose efforts have been instrumental in navigating the challenges and driving our progress throughout the year.

We remain committed to creating sustainable value and look forward to achieving greater milestones together.

Thank you.

AZURA BINTI AZMAN
Independent Non-Executive Chairman

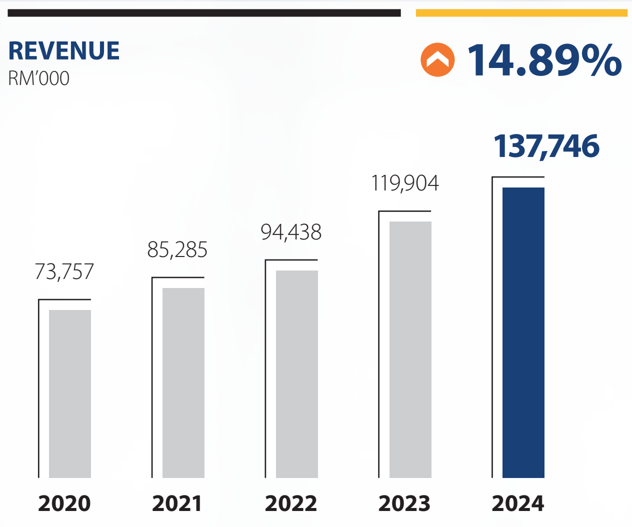
MANAGEMENT DISCUSSION & ANALYSIS

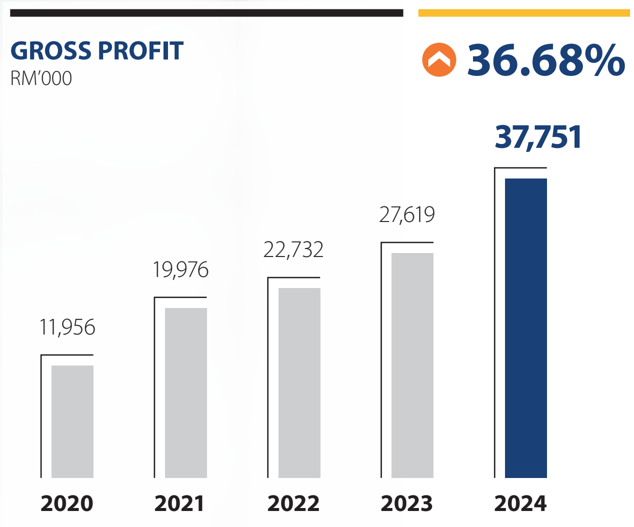
Our Company was incorporated in Malaysia under the Companies Act 2016 on 3 June 2022 as a private limited entity, and was initially named KJTS Group Sdn. Bhd. On 3 November 2022, we transitioned to a public limited company, adopting our current name, KJTS Group Berhad, which was listed on the ACE Market of Bursa Securities on 26 January 2024.

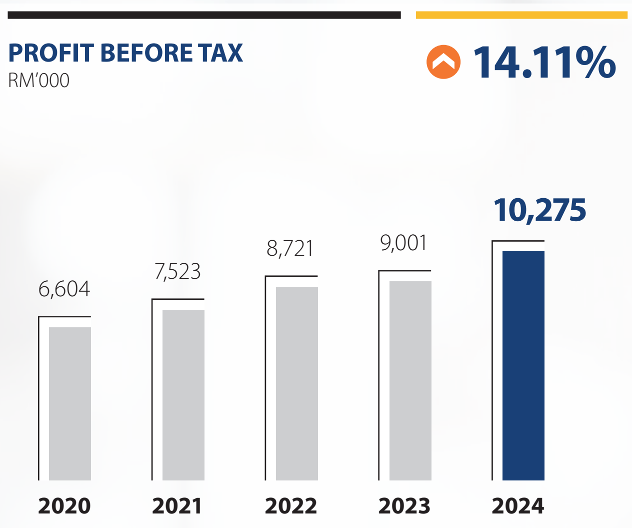
Lee Kok Choon
Group Managing Director

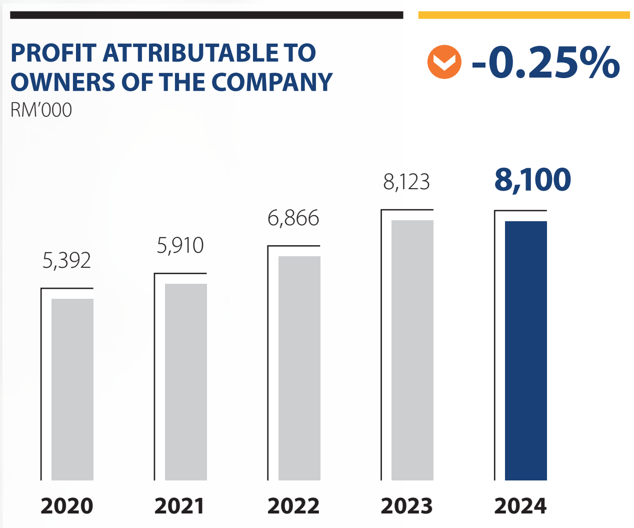
Listed on the ACE Market of Bursa Securities on 26 January 2024, KJTS Group Berhad ("KJTS" or the "Group") operates primarily as an investment holding company. Through our subsidiaries, we specialise in providing comprehensive building support services, encompassing cooling energy solutions, cleaning, and facilities management ("FM") services.

The table below outlines our Group's financial performance from the financial years ended 31 December 2020 to 2024:









Our Cooling Energy Segment includes cooling energy management services as well as EPCC, covering new installations, retrofitting, and upgrades of cooling systems. Our cleaning services ensure that buildings and facilities are maintained with high standards of cleanliness, orderliness, and hygiene. Meanwhile, our FM services focus on the maintenance and repair of mechanical and electrical systems, process utilities such as plumbing, drainage, and sewerage, as well as equipment for food and beverage and retail outlets.

Our clientele includes: (i) primary decision-makers and users of our services, such as property owners, developers, and business operators who either own or lease the properties or facilities they use; and (ii) intermediaries, including main contractors, concession holders, and equipment suppliers.

MANAGEMENT DISCUSSION & ANALYSIS

460.71%

CASH AND CASH EQUIVALENTS

RM65.21 million

(2023: RM11.63 million)

NET ASSETS PER SHARE

RM0.17

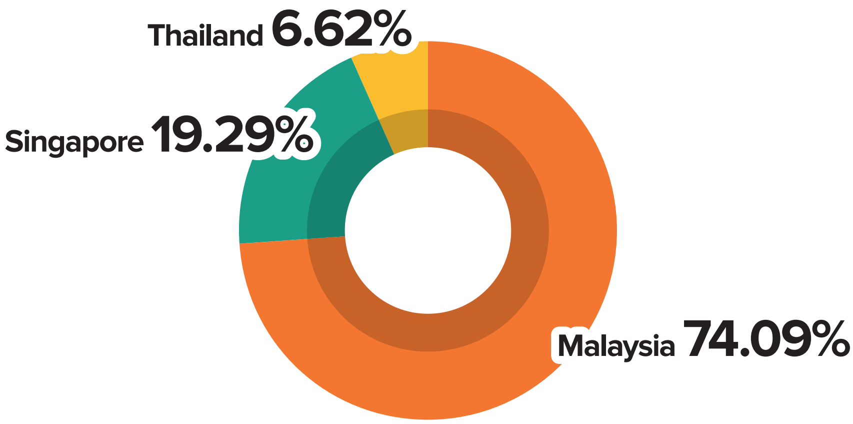
PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

RM8.10 million

REVIEW OF FINANCIAL RESULTS

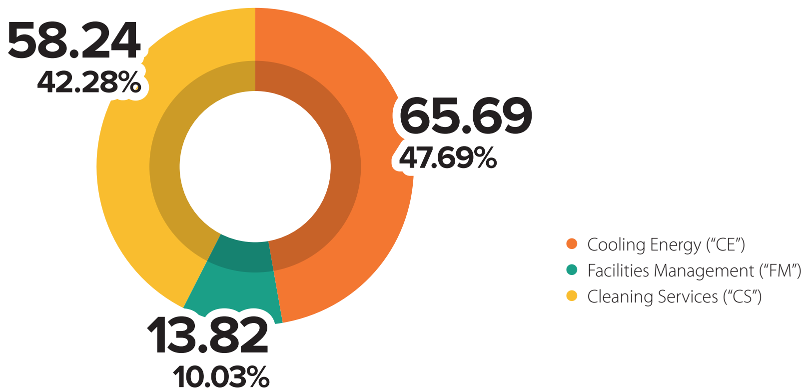
Malaysia continues to be our largest market, contributing 74.09% of our total revenue for FYE 2024. Singapore remains the key foreign market, accounting for 19.29% of our total revenue, while our Thailand operations, strengthened this year through our maiden project with Central World Hotel Co Ltd ("CENTARA"), represented 6.62% of our revenue for the year.

Revenue Contribution by Country

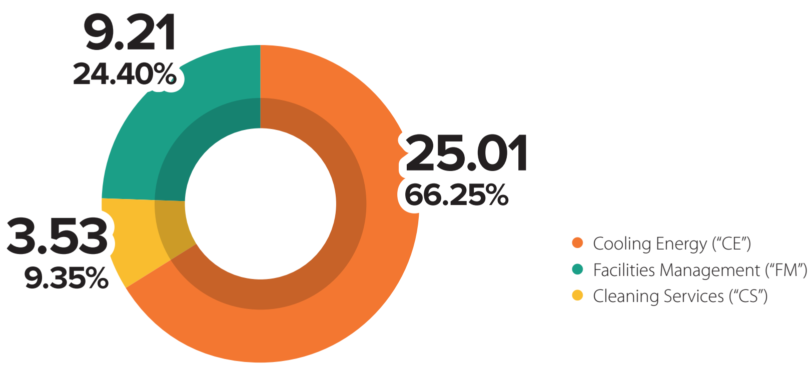


Our core revenue streams are derived from building support services, which include cooling energy, cleaning, and FM services. For FYE 2024, total revenue increased by RM17.85 million or 14.89%, reaching RM137.75 million (FYE 2023: RM119.90 million). This growth was primarily due to an increase in demand for both cooling energy and cleaning services.

Revenue Contribution by Sector (RM'mil)



Gross Profit by Sector (RM'mil)



Within the building support services segment, the Cooling Energy Segment remained the largest revenue contributor, accounting for 47.69% of total revenue for FYE 2024, compared to 46.68% for FYE 2023. This increase was largely due to higher EPCC activities in ongoing projects. The Cleaning Segment followed, contributing 42.28% of total revenue in FYE 2024, up from 41.63% in FYE 2023, supported by expanded cleaning activities with both new and existing clients. The FM Segment accounted for 10.03% of total revenue in FYE 2024, reflecting a decrease of 1.66% compared to FYE 2023. The changes were influenced by adjustments in service scope and contract renewals.

The Group recorded a notable improvement in profitability for the financial year, with gross profit rising by RM10.13 million to RM37.75 million, representing a 36.68% increase compared to RM27.62 million in the previous year. Consequently, the gross profit margin saw a healthy improvement, reaching 27.40% in FYE 2024 as compared to 23.04% in FYE 2023.

CAPITAL MANAGEMENT AND BALANCE SHEET

As at FYE 2024, the Group's cash and cash equivalents stood at RM65.21 million, reflecting an RM53.58 million or 460.71% year-over-year increase as compared to RM11.63 million as at FYE 2023. The decrease in net cash from operating activities was mainly due to the one-off listing expenses incurred during the year.

The Group's net cash from financing activities saw a notable increase, primarily due to proceeds from the issuance of shares following the successful initial public offering ("IPO") exercise. Meanwhile, the Group's total bank borrowings increased by RM0.61 million or 16.14%, bringing the balance to RM4.39 million in FYE 2024 (FYE 2023: RM3.78 million). As a result, the gearing ratio declined to 0.04 times in FYE 2024 (FYE 2023: 0.08 times), mainly attributed to an increase in equity from the IPO proceeds and higher retained earnings.

In FYE 2024, the Group's current assets expanded by 96.52% due to increases in cash and cash equivalents, trade receivables, other receivables, and contract assets, while current liabilities increased by 12.04% in line with the growth in revenue. Consequently, the Group's current ratio was 4.12 times for FYE 2024, with net assets per share recorded at RM0.17.

DIVIDEND

The Board of Directors has endorsed a dividend payout policy committing at least 20% of the annual audited consolidated PAT attributable to shareholders. For FYE 2024, the Board has paid a first and final single-tier dividend of 0.236 sen per ordinary share in respect of the financial year ended 31 December 2023, amounting to approximately RM1.62 million and a single-tier interim dividend of 0.291 sen per ordinary share in respect of the financial year ended 31 December 2024, amounting to approximately RM2.00 million, which have been paid on 28 June 2024 and 30 December 2024 respectively.

ANTICIPATED OR KNOWN RISKS

To ensure value for stakeholders is maintained, the Group consistently monitors prevailing business risks and implements proactive strategies to minimise potential disruptions and threats to our business operations. In our industry, certain primary risks could impact the Group's financial performance, prompting us to implement appropriate mitigation measures.

i. Securing new contracts is critical to business growth

Our EPCC business for cooling energy systems is project-driven, making it challenging to ensure continuous success in obtaining new projects, especially under commercially favourable terms. Failure to secure new contracts in a timely manner could negatively impact our financial performance and growth trajectory. Additionally, our business relies on recurring revenue from contracts related to cooling energy management, cleaning services, and FM services. The inability to consistently acquire new recurring revenue contracts could further affect our financial health and growth potential. To support sustained growth, we have expanded our operations into Singapore and Thailand, while continuing to deepen our presence and secure larger-scale projects across key regions in Malaysia and Southeast Asia. Our strategy remains focused on securing significant projects to drive business development.

MANAGEMENT DISCUSSION & ANALYSIS

ii. Risk of early termination of contracts

The ongoing contracts for cooling energy management, cleaning services, and FM services, along with EPCC contracts for cooling energy systems, are subject to potential early termination. Contracts could be ended before their planned expiration due to reasons such as formal notice, performance issues, financial instability of the customer, legal directives, or mutual agreement. Early termination could result in lost potential revenue and profits, affecting financial results if not completed to the original end date. Additionally, cooling energy management contracts that involve full or partial funding for construction, upgrades, or retrofitting may also face early termination risks, which could hinder our ability to recover initial capital outlays. To mitigate this, we incorporate clauses that require customers to compensate us if contracts are terminated prematurely.

iii. Variations in electricity tariffs affecting financial performance

As of the end of FYE 2024, we have 10 subsisting cooling energy management service contracts, 7 of which are operational while 3 await the start of chilled water supply. These contracts, which involve the operation and maintenance of DCS or chiller plants, include price adjustments tied to prevailing electricity tariffs. A reduction in electricity tariffs could lead to a proportional decline in the chilled water tariff or fixed monthly charges, impacting both revenue and gross profit. To mitigate such risks, we adopt a strategic mix of tariff structures across our contracts, incorporating both fixed and variable components where feasible, and regularly review contract terms to ensure a balanced approach that safeguards our margins. Moreover, we prioritise long-term contracts that allow for periodic adjustments to better align with energy market conditions.

Conversely, an increase in electricity tariffs would trigger a corresponding rise in tariffs, allowing costs to be passed on to customers, thereby maintaining financial stability.

iv. Operating costs exceeding chilled water tariffs or fixed charges

Our current cooling energy management service contracts involve covering the operational costs for generating chilled water, such as electricity, water, manpower, and system maintenance. There is a risk that these costs could exceed initial estimates, potentially compressing profit margins or resulting in losses. Cost variations may arise due to calculation errors, system inefficiencies, or unexpected increases in maintenance or equipment expenses. To manage this risk, we have invested in advanced technologies and optimised system operations through 24/7 monitoring. Staff undergo regular training on the latest efficiency practices, which helps minimise operating costs.

v. Rising costs in new construction, retrofitting, or upgrading projects

We engage in new construction, retrofitting, and upgrading of cooling energy systems through our EPCC projects. Any increase in costs associated with these activities could adversely affect our profitability. Factors contributing to cost increases include labour, materials, equipment, subcontractor fees, and overheads. To manage this risk, we base cost estimates on historical data, anticipated trends, currency fluctuations, and contingency planning.

vi. Delays in EPCC project completion impacting financial performance

Timely completion of EPCC projects is crucial to maintaining revenue flow and cost management. Failure to meet project deadlines can result in delayed revenue recognition, increased costs, reputational damage, financial penalties, or even reduced project scopes. Causes of delay may include unforeseen site conditions, contractor issues, supply chain disruptions, labour shortages, adverse weather, and regulatory changes. Strong project management practices, effective scheduling, and regular budget monitoring are implemented to mitigate these risks and enhance operational efficiency.

vii. Liquidity risks in capital allocation for cooling energy systems

The Group is exposed to liquidity risk when allocating capital expenditure for new construction, upgrades, or retrofitting of cooling energy systems. Our financial model relies on fixed monthly customer payments to recover invested capital. Delayed or missed payments by customers could lead to impairments of receivables, negatively affecting financial results. We address this risk by conducting thorough credit assessments and implementing robust monitoring systems to oversee receivables and maintain liquidity.

KNOWN TRENDS AND EVENTS AFFECTING GROUP OUTLOOK

Looking ahead, several emerging trends and developments may materially impact the Group's operations, performance, financial condition, and liquidity. Firstly, the ongoing global focus on sustainability and decarbonisation continues to reshape energy and facilities management requirements, presenting both opportunities and increased compliance expectations. KJTS's strategic investments in energy-efficient cooling solutions and partnerships in heat recovery technologies position us well to respond to these shifts. Secondly, rising operating costs, including manpower and utilities, particularly in Singapore and Malaysia, may affect margins if not offset by efficiency gains or pricing strategies. Furthermore, while Malaysia's construction and infrastructure pipeline remains strong, delays in project execution or public sector spending reallocations could pose risks to project timelines and revenue recognition. Lastly, foreign exchange volatility, especially in relation to operations in Thailand and Singapore, may influence the Group's reported earnings and financial position. We remain proactive in monitoring these trends and are committed to agile financial and operational management to mitigate potential impacts.

FUTURE PROSPECTS

Since our inception, KJTS Group Berhad has remained steadfast in our commitment to meeting the evolving needs of our loyal clientele while actively seeking opportunities to welcome new partners into our fold. This dedication has enabled us to expand our market presence and cater to a diverse array of customers.

The National Energy Transition Roadmap ("NETR") outlines a strategic path for Malaysia to navigate the complex energy transition, unlocking opportunities within the green economy. A key component of this roadmap is energy efficiency, viewed as a pivotal tool for resource optimisation and providing cost-effective, sustainable solutions to reduce energy consumption.

In alignment with the NETR's objectives, we anticipate an increased demand for our cooling energy management services, which are critical for optimising resources and enhancing energy efficiency. To meet this anticipated demand, we plan to enhance our service offerings by allocating additional funds for the EPCC of cooling energy systems for eligible customers. Our skilled in-house team will manage the EPCC work, followed by the deployment of personnel for ongoing operation and maintenance. Notably, we have earmarked RM40.42 million, approximately 68.66% of our IPO proceeds, to expand our Cooling Energy Segment in Malaysia, and to-date, we had utilised 24.55% out of the RM58.87 million raised from the IPO exercise.

Moreover, Budget 2025 introduces further government initiatives that align with KJTS's strategic direction. The extension of the Green Technology Financing Scheme until 2026, with total financing of RM1 billion, presents new opportunities for the development and adoption of green technologies. This aligns with our ongoing efforts to enhance cooling energy systems and foster sustainable energy solutions. Additionally, the National Energy Transition Facilitation Fund, with over RM300 million allocated under Budget 2025, will drive further investment in renewable energy projects and energy efficiency, benefiting KJTS's ongoing projects.

Furthermore, we are expanding our service portfolio through strategic partnerships. Our subsidiary KJ Technical Services Sdn Bhd entered into a joint venture with iHandal Holdings Sdn Bhd, forming KJTS iHandal Sdn Bhd, which will serve as a business development and profit centre. This partnership leverages our expertise in cooling energy management and iHandal's proficiency in heat recovery solutions, enabling us to offer integrated, energy-efficient solutions to a broader clientele. In a similar move, we established KJCyclect Pte Ltd, a joint venture with Singapore-based Cyclect Group, to deliver innovative and sustainable cooling energy services and facilities management services to commercial and industrial clients in Singapore, marking our strategic entry into a high-potential regional market. To further scale our cooling energy assets portfolio, we also entered into a joint venture with Stonepeak, targeting investments of up to RM1.5 billion to develop and expand sustainable district cooling infrastructure across Malaysia.

Recognising the importance of expertise in driving growth, we leverage our proficiency in building support services, particularly in the cooling energy management segment. This expertise provides us with a competitive advantage, offering valuable references and experience for future development endeavours. Strengthening this strategy, on 5 March 2025, KJTS entered into a 20-year service agreement with Pacific Trustees Berhad on behalf of KIP Real Estate Investment Trust. This contract involves retrofit works, ongoing operation and maintenance, and the supply of chilled water to seven KIPMall sites across Malaysia. The project, valued at RM25.27 million, further enhances our long-term revenue visibility and strengthens our position in the energy efficiency space. Last but not least, moving forward, our establishment of enduring partnerships with customers sets a promising trajectory for the future.

"We have earmarked RM40.42 million, approximately 68.66% of our IPO proceeds, to expand our Cooling Energy Segment in Malaysia, and to-date, we had utilised 24.55% out of the RM58.87 million raised from the IPO exercise."

SUSTAINABILITY

34 Sustainability Statement

FOCUSING ON ESG

WE EMBED HOLISTIC PRINCIPLES INTO THE HEART OF OUR OPERATIONS, DRIVING SUSTAINABLE GROWTH AND CREATING LASTING POSITIVE IMPACT FOR ALL STAKEHOLDERS

SUSTAINABILITY STATEMENT

ABOUT THIS SUSTAINABILITY STATEMENT

Driven by a conviction that sustainable practices are integral to enduring success, KJTS Group Berhad ("KJTS" or "the Company"), alongside its subsidiaries ("KJTS Group", or "the Group"), champions responsible management across its Malaysian, Singaporean, and Thai operations. We place a resolute emphasis on Economic, Environmental, Social, and Governance ("EESG") considerations. As a provider of integrated building support services, we prioritise not only quality and safety, but also a profound commitment to environmental stewardship. By cultivating a culture of sustainability throughout our organisation, we strive to make a tangible, positive impact on both the environment and society, whilst securing our competitive position within the market.

We are dedicated to forging close partnerships with our clients, delivering bespoke solutions that yield energy savings, cost reductions, and enhanced operational performance. Furthermore, we harness cutting-edge technology to deliver market-leading services to diverse sectors, both domestically and internationally.

Our Sustainability Framework, firmly rooted in EESG principles, embodies our mission: "to deliver energy-focused, technical management services with long-term, reliable, and guaranteed performance-based solutions that bridge divides across borders and cultures". Through this approach, we aspire to contribute to a more sustainable future for all.

Focus
- Economic
- Environmental
- Social
- Governance

Aim
- Save Energy
- Reduce Costs
- Use Advanced Technology
- Improve Performance

REPORTING STANDARDS

This Sustainability Statement ("Statement") was prepared in accordance with the following regulatory and guidance:

01 Guidance Note 11 of the ACE Market Listing Requirements

02 Sustainability Reporting Guide, 3rd Edition ("SRG")

03 Malaysia Code of Corporate Governance, Updated April 2021 ("MCCG")

REPORTING SCOPE

This Statement covers the sustainability activities and performance for the financial year ended 31 December 2024 ("FYE 2024") and includes the performance of our operations in Malaysia, Thailand and Singapore except for the subsidiaries which are dormant or have minimum activities during the financial year as listed in the table below:

Subsidiaries		
KJ Facilities Management Sdn. Bhd.	KJGA Sdn. Bhd.	DCS Power Sdn. Bhd.

FEEDBACK

We value your feedback on this Statement and any matters described herein. Inquiries, comments, and suggestions regarding the content of this Statement may be emailed to us at ir@kjts.com.my.

SUSTAINABILITY GOVERNANCE

Building a sustainable future is at the heart of our strategy, with EESG considerations guiding every move. Our established governance structure, operational since 7 March 2024, unites our Board of Directors ("BOD"), the Management Committee ("MC"), and Head of Departments ("HODs") in a shared commitment to sustainability. This collaborative platform encourages transparent communication and partnership with all stakeholders, enabling us to navigate complexities and unlock innovative solutions. Committed to improvements, we invest in our leaders through regular EESG training, ensuring they have the expertise to make impactful, sustainability-driven decisions.

The diagram below delineates the roles and responsibilities for each structure level, underscoring our commitment to principled and effective sustainability practices:

01

BOD

- The BOD is responsible to oversees the development and implementation of sustainability strategies;
- Approve on the Sustainability Policies and Framework; and
- Review and approve the Statement for disclosure in the Annual Report.

02

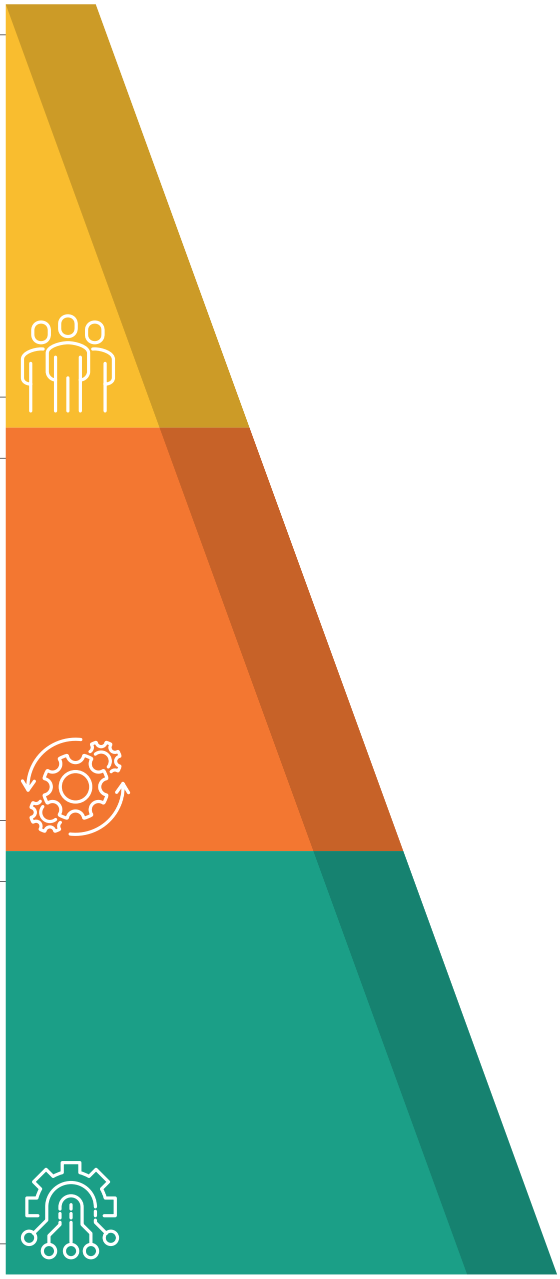
MC

- MC is led by the Directors, Group Chief Financial Officer ("GCFO") and Group Chief Operating Officer ("GCOO");
- To determine the sustainability strategies and action plans that will be presented to the Board for approval;
- To have an oversight over the implementation of sustainability initiatives; and
- To review and develop the draft Statement submitted by HODs.

03

HODs

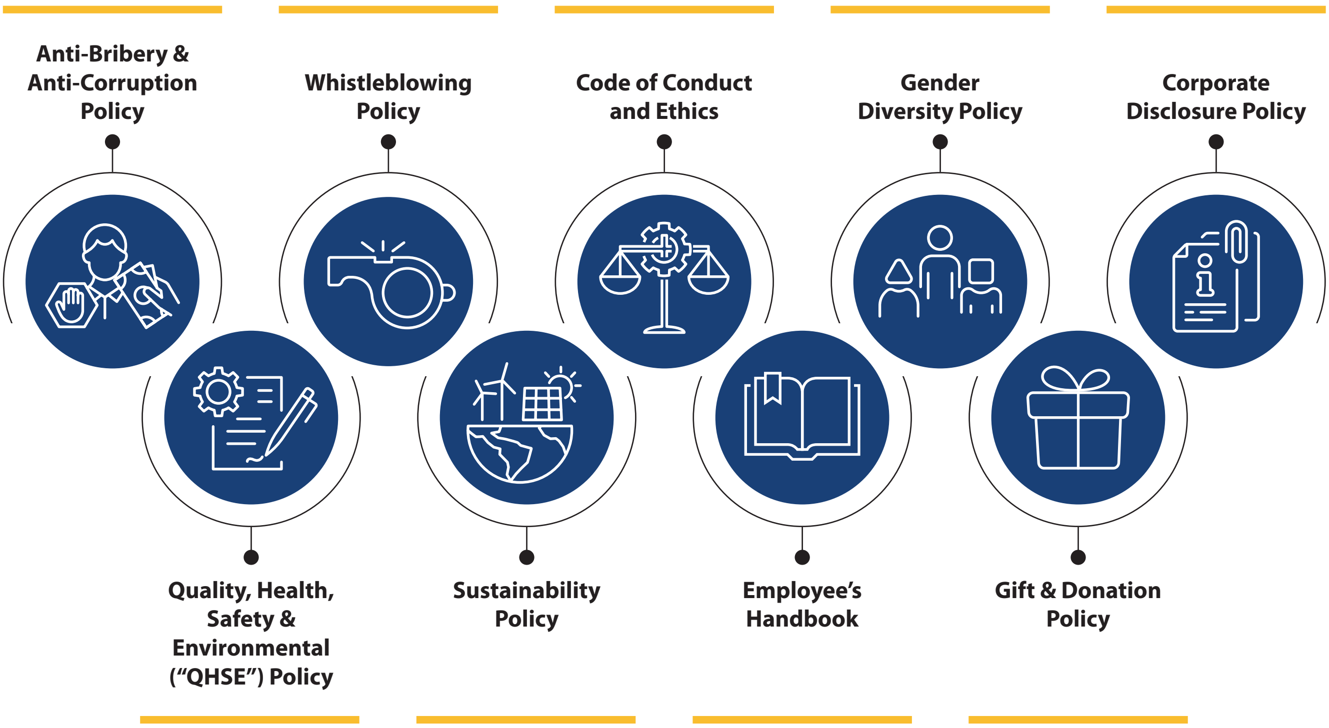
- Representatives from HODs;
- Consolidate, develop, coordinate, and implement sustainability initiatives across the Group;
- Assess the key sustainability matters and stakeholders involves;
- To obtain and analyse input for disclosure purposes in the Annual Report; and
- To prepare the Statement, whereby such statement shall be reviewed by MC.



SUSTAINABILITY STATEMENT

POLICIES AND PROCEDURES FOR EXCELLENT GOVERNANCE

KJTS actively drives sustainable practices through a suite of robust policies, built on a foundation of ethical principles and operational integrity. These policies set the bar for increased transparency, accountability, and streamlined operations throughout the organisation. They are also anchored on supporting the United Nations' Sustainable Development Goals ("UNSDGs"), mirroring the best practices of well-governed companies that integrate these goals into their core sustainability reporting. Key policy initiatives include:



SUSTAINABILITY POLICY

With effect from 1 December 2023, KJTS established a foundational Sustainability Policy, designed to embed environmental stewardship, social responsibility, and governance ("ESG") integration at the heart of our operations. This policy, vital to our corporate strategy, serves as a compass for aligning our practices with core ESG values, promoting a workplace where accountability thrives. The policy aims to achieve:

01 Building awareness of ESG principles

02 Driving continuous improvements in sustainability performance

03 Fostering stakeholder engagement on ESG matters

04 Complying rigorously with applicable regulations and standards

Through these principles, KJTS aims to positively impact society, protect the environment, and support sustainable growth for future generations.

STAKEHOLDER ENGAGEMENT

The Group's sustainability journey is intrinsically linked to our stakeholders, whose perspectives we deeply value. To this end, we foster ongoing dialogue and transparent communication, seeking to understand their concerns, address shared challenges, and jointly pursue outcomes that deliver economic, social, and environmental benefits.

Stakeholders are engaged through a variety of channels which includes:

Stakeholder Group	Areas of Interest or Concern	Engagement Platform	Engagement Method	Engagement Frequency
Shareholders & Investors	• Financial performance • Corporate Governance • Regulatory Compliance • Ethical Business Conduct • Internal Control and Risk Management	• Financial and corporate announcement and reporting • Annual general meeting ("AGM") • Corporate website • Bursa announcement	• Hold AGM to present our Company's financial performance • Analyst briefing • Annual report • Quarterly report	• Annually • Quarterly • As and when required
Customers	• Product and service quality and pricing • Customer Service • Product Development and Innovation • Health and Safety	• Customer Satisfaction Survey • Corporate website	• Conduct annual customer satisfaction surveys • Actively engaging and building relationships	• Annually • Quarterly • As and when required
Vendors & Suppliers	• Business Continuity • Product Quality • Customer Service • Ethical Labour Practices • Responsible Environmental Initiatives	• Direct Engagement • Meetings and Discussions	• Communicate with supplier through emails, meeting and site visit • Evaluation and performance reviews of vendors and suppliers	• As and when required
Employees	• Employee Health and Safety • Career Development and Advancement • Communication and Engagement • Fair Remuneration Practices	• Performance appraisals • Social events with employees • Meetings and Discussions • Trainings	• Performance appraisal • Organise training awareness session	• Annually • Weekly • As and when required
Government & Regulatory Bodies	• Regulatory compliance • Approvals and permits • Standards and certification	• Meetings and Consultations • Dialogues • Audit and Verification	• Ensure compliance with existing regulations and reporting requirement • Meeting or dialogues with government bodies	• Annually • Quarterly
Local Communities	• Community wellbeing • Community investment	• Internship programme • Corporate Social Responsibilities ("CSR") Engagement	• Engage with CSR initiatives and activities	• Annually
Media/Analyst	• Corporate development	• Corporate website	• Issue media release to announce significant events	• As and when required • Quarterly

SUSTAINABILITY STATEMENT

IDENTIFYING AND ADDRESSING MATERIALITY MATTERS

For the financial year ended 2024 (FYE2024), our material sustainability matters remain consistent with those identified in FYE2023. This is in accordance with our ESG Procedure, which stipulates that a formal materiality assessment is to be conducted once every three years.

To ensure that our sustainability initiatives remain relevant, effective, and impactful, we engaged an independent third party to perform an internal audit evaluating the adequacy and effectiveness of our current sustainability practices.

Our next formal materiality assessment is scheduled for 2025, during which we will review and identify key sustainability matters to guide our strategic focus and reporting.

01 IDENTIFICATION

Identify our key stakeholders and understand their needs and expectation regarding sustainability matters

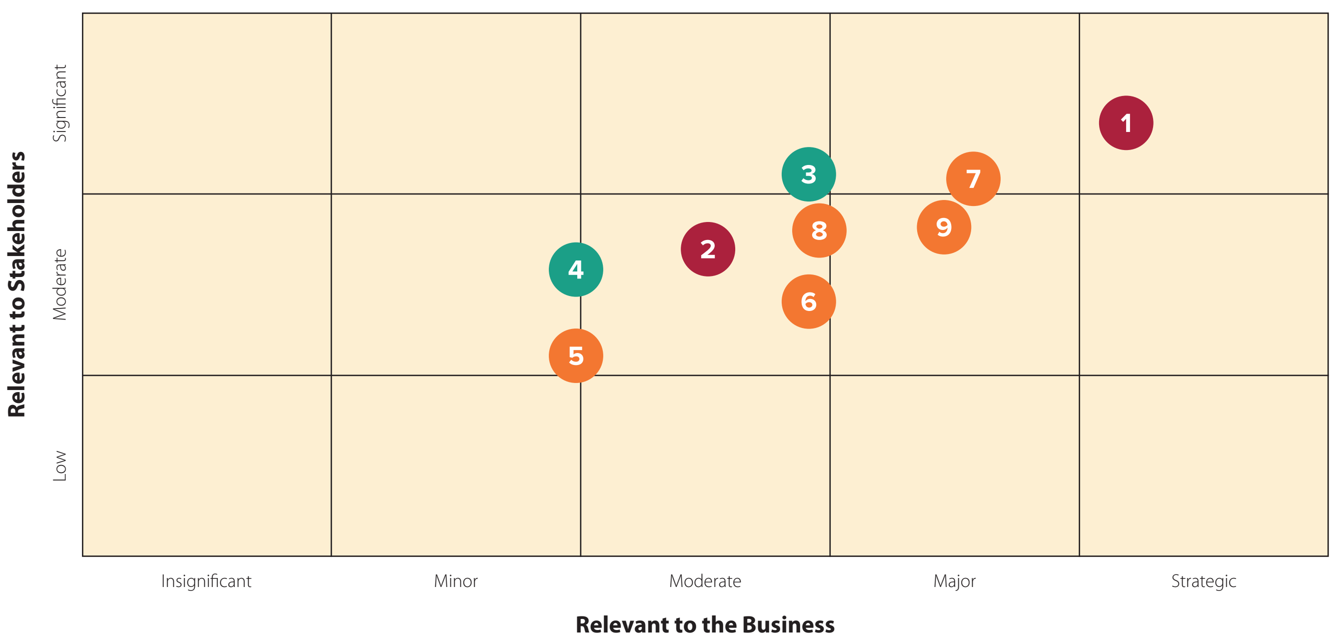
02 PRIORITISATION

Determine the materiality of sustainability matters and prioritised the sustainability matters in a materiality matrix

03 REVIEW AND VALIDATION

Review and validation of materiality assessment

Materiality Matrix



Economic/Governance | Environment | Social

1 Anti-Corruption
2 Supply Chain Management
3 Energy Management
4 Emissions Management
5 Community/Society
6 Diversity
7 Health & Safety
8 Labour Practices and Standards
9 Data Privacy and Security

SUSTAINABILITY KEY PERFORMANCE INDICATORS ("KPIs")

To strategically navigate our sustainability journey, we employ Key Performance Indicators ("KPIs") as both a compass and a catalyst. Regular evaluations against these targets not only track our advancement but also enable us to swiftly implement necessary adjustments. This forward-thinking methodology is paramount for mitigating potential risks and safeguarding the long-term sustainability of our business.

Material Topics	2024 Achievements	2025 Targets
Anti-Corruption	• Achieved zero corruption cases reported	• To maintain zero corruption cases
Supply Chain Management	• 99.58% spending on local supplier	• To prioritise spending on local supplier
Energy Management	• 26,843,752.19 Kilowatt-Hour ("kWh") of electricity consumption	• To reduce electricity consumption
Emission Management	• Total carbon emission from Scope 1 and Scope 2 emission was 19,825.93 tonnes of carbon dioxide equivalent ("tCO_2e")	• To reduce total carbon emission
Community/Society	• Contributed RM23,100 to local communities • Contributed to 4 beneficiaries	• To increase investment in community engagement
Diversity	• Achieved 33% female at Board level	• Maintain at least 30% of female at Board level
Health and Safety	• Lost time incident rate of 0.33 • Zero fatality cases reported	• To reduce Lost Time Incident Rate • Maintain zero fatality case
Labour Practices and Standards	• 445 number of employee turnover • 3,423 training hours provided with an average of 2.31 training hours per employee	• To decrease number of employee turnover • To increase number of training hours per employee
Data Privacy and Security	• Achieved zero cases reported of breaching customer privacy	• Maintain zero cases of breaching customer privacy

RISK AND OPPORTUNITIES

Through our material assessment, we gained strategic foresight into critical sustainability issues, allowing us to prioritise decisive actions, proactively manage risks, and capitalise on emerging opportunities. This approach not only generates enduring value for our stakeholders but also enables us to achieve our long-term goals.

Material Topics	Risks	Opportunities
Anti-Corruption	• Integrity risk	• Demonstrating ethical business practices
Supply Chain Management	• Disruption in supply chain causing delays • Quality issues • Increased costs	• Identifying alternatives supplier
Energy & Emission Management	• Regulatory changes impacting emissions	• Implement mitigation plans
Community/Society	• Negative impact on brand reputation • Community dissatisfaction	• Enhance brand image
Diversity	• Loss of key employee	• Brand and reputation enhancement
Health and Safety	• Safety non-compliance	• Strengthen health and safety policies and provide comprehensive employee training
Labour Practices and Standards	• Violation of labour rights affecting workforce • Insufficient training	• Fair and ethical labour practices • Develop comprehensive training plan • Enhance employee's knowledge
Data Privacy and Security	• Legal risk • Integrity risk • Loss of business and customers	• Implement proactive compliance measures and regular update privacy policy

SUSTAINABILITY STATEMENT

ECONOMIC/GOVERNANCE

10 REDUCED INEQUALITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS

ZERO
incidents of corruption reported within the Group.

ZERO
whistleblowing cases were reported through the whistleblowing channels.

99.58%
of KJTS Group's suppliers were local, supporting the Group's ethical and sustainability goals.

ANTI-CORRUPTION

At KJTS Group, we are unwavering in our commitment to integrity and strict compliance with all applicable laws and regulations, guided by our Anti-Bribery and Anti-Corruption ("ABAC") Policy and Code of Conduct and Ethics.

We enforce a zero-tolerance stance on all forms of corruption and bribery, reflecting our dedication to the highest ethical standards across all operations. Our ABAC Policy applies to every employee in the Group and extends to all external parties performing work or services on our behalf, ensuring consistent integrity throughout our value chain.

We provide accessible channels for stakeholders to report any instances of misconduct, underscoring our commitment to fostering a safe environment where ethical concerns can be raised and addressed without fear of reprisal. KJTS Group further reinforces this commitment by taking firm disciplinary action, including termination of business relationships, against those found violating the ABAC Policy. Embedding these principles not only safeguards our reputation but also promotes ethical business practices across all engagements.

To strengthen transparency, KJTS Group conducts ABAC awareness briefings, equipping employees and partners with the knowledge to recognise and prevent unethical practices.

In 2024, we conducted ABAC awareness sessions as part of our commitment to fostering a culture of integrity and ethical business conduct. This initiative will continue in the coming years to ensure ongoing awareness and compliance across all levels of the organisation. Similarly, the Group intends to conduct assessments of its operations to identify and address corruption-related risks.

Maintaining the highest standards of integrity, we require all suppliers to sign an Integrity Pledge, committing to our ABAC policy before joining our supplier network. In addition, we conduct technical comparisons to ensure that we select the most suitable suppliers for KJTS Group.

The Group maintains a zero-tolerance stance on corruption, and a culture of integrity and open communication. This is reinforced by a robust Whistleblowing Policy that provides clear, accessible channels for all stakeholders to raise concerns of wrongdoing, unethical behaviour, or workplace grievances that could negatively impact our Group.

Our ABAC and Whistleblowing Policy are available on our Group's website: https://www.kjts.com.my/site/corporate-governance.

SUPPLY CHAIN MANAGEMENT

KJTS Group recognises that efficient procurement practices are essential to achieving its business objectives. By optimising supply chain management, we aim to reduce costs, improve operational efficiency, and strengthen our competitive edge. Strategic procurement not only helps minimise costs but also mitigates risks by ensuring a stable and reliable supply of essential resources. Our commitment to ethical procurement - marked by fair and transparent sourcing practices - enhances our reputation and attracts clients who value responsible business conduct.

Demonstrating our dedication to quality and cost-effectiveness in cooling energy solutions and facility management services, we apply rigorous procurement practices. This includes building strong relationships with trusted providers and conducting thorough pre-qualification and due diligence processes. In FYE 2024, 99.58% of KJTS Group's suppliers were local, supporting our ethical and sustainability goals. The focus on local suppliers not only strengthens community relations but also contributes to local economic development.

Maintaining the highest standards of integrity, we require all suppliers to sign an Integrity Pledge, committing to our ABAC policy before joining our supplier network. In addition, we conduct technical comparisons to ensure that we select the most suitable suppliers for KJTS Group.

Building upon our ESG procurement foundation, in FYE2025 we aim to enhance supplier engagement, transparency, and accountability through initiatives such as ESG performance monitoring, supplier training programs, and the introduction of of ESG clauses into our contractual agreements. These efforts will further align our procurement practices with global sustainability standards and support a more responsible supply chain ecosystem.

Supply Chain Management Performance

Material Topics	FYE 2023	FYE 2024
Percentage of spending on Local Suppliers (%)	99.00	**99.58**
Percentage of spending on Foreign Suppliers (%)	1.00	**0.42**

SUSTAINABILITY STATEMENT

ENVIRONMENT

ENERGY MANAGEMENT

Energy Efficiency Management is a top priority for KJTS Group, helping us reduce costs while advancing environmental sustainability. By implementing efficient technologies and strategies, we enhance operational performance and ensure full compliance with regulatory standards. KJTS Group proudly maintains the ISO 14001:2015 Environmental Management System certification, a testament to our commitment to "sustainable practices. This certification affirms our adherence to globally "recognised standards for environmental responsibility and robust management practices.

In partnership with our clients, we conduct energy audits based on widely recognised standards, providing valuable insights into energy consumption and enabling the creation of customised solutions that optimise energy efficiency. These audits not only drive cost savings but also play a key role in our clients' sustainability goals by aligning energy use with best practices for emissions reduction.

Beyond audits, KJTS Group proactively tracks energy efficiency metrics, setting annual targets for energy reduction and measuring progress regularly. This allows us to continuously refine our approach and report transparently on achievements, underscoring our commitment to both client success and environmental stewardship.

List of the recognised standards include the below:

List of Recognised Standards	Purpose
American Society of Heating, Refrigerating and Air-Conditioning Engineers ("ASHRAE")	Provide uniform methods of testing for rating purposes, describe recommended practices in designing and installing equipment and provide other information to guide the industry.
MyHijau Mark	Bring together certified products and services that meet local and international environmental standards under one single mark.
Air-Conditioning, Heating, and Refrigeration Institute (AHRI)	Develops performance-based standards for equipment designed and manufactured by Heating, Ventilation, Air Conditioning, and Refrigeration (HVACR) industry participants.
Malaysian Standards MS 1525:2019	Provides technical guidelines and best practices to improve energy efficiency and encourage the use of renewable energy in non residential buildings.

KJTS Group's Electricity Consumption

Material Topics	FYE 2023	FYE 2024
Electrical consumption (kWh)	22,987,175.01	**26,843,752.19**
Fuel consumption (litre)	45,857.65	**75,158.68**

The increase in electricity and fuel consumption recorded for FYE 2024 was primarily due to the addition of several new operational sites under our management. These new sites have expanded the Group's service coverage, which naturally led to higher overall energy usage and in turn greater energy savings delivered to our clients.

To address this, the Group is actively consulting with relevant site engineers to identify and implement tailored energy-saving measures. These may include upgrading equipment to higher efficiency models, enhancing building insulation, optimising operational schedules, and integrating smart control systems to reduce unnecessary energy usage. The findings and resulting action plans will form part of our continuous improvement strategy to mitigate the impact of energy growth.

At KJTS Group, we are dedicated to promoting a greener future by integrating energy-efficient solutions. We support our clients in achieving their sustainability goals, contributing actively to the global effort to limit global warming to 1.5 degrees Celsius.

Currently, our services encompass establishing electricity frameworks, benchmarking energy usage, and collecting data for effective energy management. Through comprehensive audits, we help clients identify and address energy efficiency issues, optimising usage and minimising environmental impact. Additionally, our DCS harness economies of scale, enabling efficient electricity use across buildings with varying load demands.

EMISSIONS MANAGEMENT

We are not just building infrastructure; we are building a more sustainable future. As such, we view emissions management as fundamental to mitigating legal risks, adhering to tightening environmental regulations, and, crucially, meeting the growing expectations of our stakeholders. By proactively managing our emissions, we not only enhance our corporate reputation and operational efficiency but also achieve tangible cost savings through reduced energy consumption.

Internally, we have embedded a culture of energy consciousness into our day-to-day operations. Our Quality, Health, Safety and Environment ("QHSE") team leverages our Integrated Carbon & Energy Management Platform ("ICEP") to quantify carbon emissions across all relevant sources - fuel, electricity, and employee travel. This rigorous data collection and analysis provides us with the insights needed to make informed, strategic decisions to drive down our environmental footprint.

Looking beyond our own operations, we are actively empowering our clients to achieve their sustainability goals. Our EPCC and upgrade projects in both Malaysia and Thailand are designed with cutting-edge energy management systems. This focus on optimisation has delivered significant electricity savings and substantial Carbon Dioxide ("CO_2") reductions for our clients throughout FYE 2024.

The power of technology is also being harnessed to revolutionise emissions management. Our implementation of Supervisory Control and Data Acquisition (SCADA) systems, powered by Internet of Things (IoT) technology, provides us with real-time insights into critical client data, including temperature, flow rate, plant efficiency, and emissions. This granular level of control allows us to proactively identify areas for improvement and drive further efficiencies. Our DCS design is a prime example of this innovation. By minimising equipment and refrigerant usage, we are significantly reducing the greenhouse impact and setting new standards for sustainable cooling solutions.

KJTS Group's Greenhouse Gas Emissions by Scope

	Elements Involved	FYE 2023	FYE 2024
Scope 1 Emissions (tCO_2e)	Emissions from vehicles and generator sets	125.29	**201.85**
Scope 2 Emissions (tCO_2e)	Emissions from purchased of electricity	16,586.61	**19,624.08**

Client Savings and CO_2 Avoidance

	FYE 2023 Electricity Savings (kWh)	FYE 2023 Avoidance (tCO_2e)	FYE 2024 Electricity Savings (kWh)	FYE 2024 Avoidance (tCO_2e)
Malaysia	6,143,612	4,656,858	**8,890,738**	**6,739,179**
Thailand	1,930,187	1,463,082	**2,030,969**	**1,539,475**
Total	8,073,799	6,119,640	**10,921,707**	**8,278,654**

Note: Operation in Singapore only provides cleaning services.

The increase in total emissions during FYE 2024 was primarily driven by the expansion of operational sites under our management, which led to higher energy consumption and associated emissions. This growth is aligned with our business expansion strategy and has, at the same time, helped our clients reduce their CO_2 emissions through improved system efficiencies.

We recognise the importance of strengthening our emissions management to ensure continued progress towards our environmental targets. As part of our ongoing improvement strategy, the Group is working closely with engineering team to identify and implement emission reduction initiatives. These include transitioning to more energy-efficient equipment, increasing the use of renewable or lower-emission energy sources, and expanding the deployment of our ICEP system to monitor and optimise emissions in real time. In addition, we remain committed to collaborating with Clients to incorporate low-carbon technologies and sustainable design principles into future development and retrofitting projects.

SOCIAL

COMMUNITY/SOCIETY

Committed to local community welfare, KJTS Group strategically invested over RM20,000 in FYE 2024, supporting organisations such as Pertubuhan Kebajikan Mental Selangor, AFC U23 Asian Cup Sponsorship, Taylor's University Sdn Bhd, and Persatuan Rumah Kebajikan Rita, to drive meaningful community development.

Our initiatives are not only focused on financial support but also involve active participation in community development projects. By collaborating with local organisations, we strive to identify the specific needs of the community and create programmes that promote education, health, and well-being.

Name of Programme	Objective/Purpose	Amount (RM)
Pertubuhan Kebajikan Mental Selangor	To support the health and well-being of mental patients under the care of Pertubuhan Kebajikan Mental Selangor by providing 2 units of essential oxygen tanks, thereby ensuring the availability of critical medical resources to vulnerable communities.	3,600.00
AFC U23 Asian Cup Sponsorship	To strengthen community presence and enhance brand recognition by sponsoring a local football event with RM10,000, thereby promoting youth sports development and supporting healthy, active lifestyles.	10,000.00
Taylor's University Sdn Bhd	To contribute to the development of future engineers and researchers via 21st EURECA 2024 International Engineering Research Conference at Taylor's University. The event showcased innovative research and discussions to actively advance future solutions and sustainable practices within the engineering field.	6,000.00
Persatuan Rumah Kebajikan Rita	To support the needs of the underprivileged and vulnerable in our community.	3,500.00

Local Community Engagement Performance Table

	FYE 2023	FYE 2024
Total amount of contribution	RM22,080.50	**RM23,100.00**

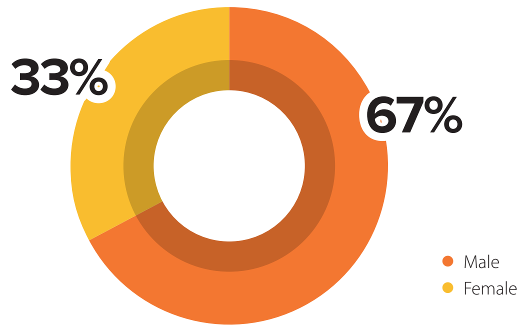
DIVERSITY

At the heart of our values is a strong commitment to fostering diversity and inclusivity throughout our workplace. We recognise that a diverse workforce is essential to sustaining our competitive advantage, as it brings together a broad range of knowledge, perspectives, and experiences. Our goal is to cultivate an environment that welcomes individuals from various backgrounds and promotes the exchange of ideas. We are dedicated to upholding equal employment opportunities and actively working to eliminate discrimination based on gender, race, religion, age, and nationality. Embracing this diversity not only enriches the culture at KJTS Group but also broadens our organisational perspective.

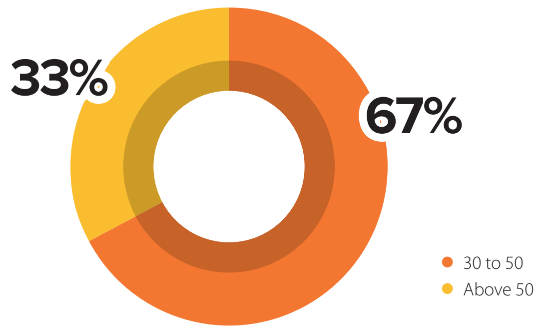
We are especially committed to advancing the role of women in the workplace and we have achieved 30% female representation at Board level which aligned with MGCC guidelines. Currently, the Board comprises six members, of whom two are women, achieving a 33% representation. The Group remains dedicated to creating an inclusive organisation that champions diversity and equal opportunities for all employees.

> **“We are dedicated to upholding equal employment opportunities and actively working to eliminate discrimination based on gender, race, religion, age, and nationality.”**

Board of Directors - Gender



Board of Directors - Age Group

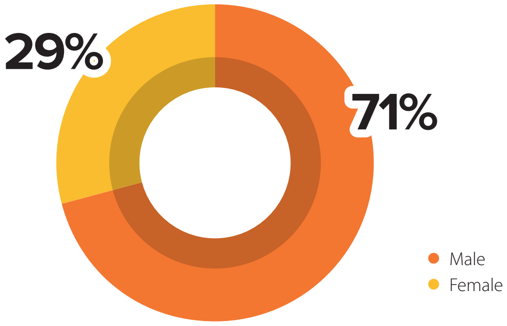


Our recruitment is founded on equal opportunities, with stringent measures against discrimination. We actively pursue a diverse workforce, ensuring age and gender balance, to cultivate an inclusive culture of mutual respect. Through continuous review of our processes, we maintain a vibrant, supportive environment for all.

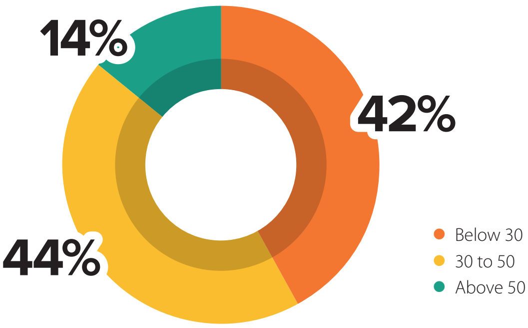
SUSTAINABILITY STATEMENT

In FYE 2024, our total number of employees is 1,480. The employee breakdown for FYE 2024 is shown in the chart below.

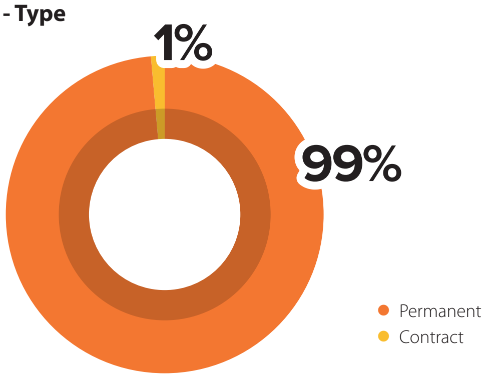
Employee - Gender



Employee - Age Group



Employee - Type



HEALTH AND SAFETY

Workplace safety is paramount. The Group's ISO 45001:2018 certification demonstrates our commitment to international safety benchmarks, reinforced by strict compliance with the Occupational Health and Safety Act 1994, overseen by the QHSE department. We enforce safety policies across all sites, adhering to regulations and best practices. Compliance, routine checks, and Hazard Identification, Risk Assessment, and Determining Control tools are continuously employed to mitigate risks.

Lost time incident rate

0.33

We cultivate a strong safety culture through tailored training, addressing job-specific hazards with practical experience, empowering employees to take ownership of safety. Our Occupational Health and Safety Policy and Safety Operating Procedures are clearly communicated, ensuring a safe and sustainable environment. Regular audits and employee feedback drive continuous improvement. We strive for vigilance and prevention, making safety integral to our operations.

No.	Activities	Frequency
1	HSE Committee Meeting	Quarterly
2	HSE Site Inspection	Monthly
3	Integrated Management System Internal and External Audit	Annually

Occupational Health and Safety Performance Table

	FYE 2023	FYE 2024
Number of work-related fatalities	NIL	**NIL**
Lost time incident rate	1.25	**0.33**

LABOUR PRACTICES AND STANDARDS

At KJTS Group, our people are the driving force behind our business growth. Therefore, it is crucial for us to establish practices that foster a sustainable and productive workforce. In FYE 2024, we are proud to report zero complaints related to human rights violations, demonstrating our commitment to ethical workplace practices.

To support our employees, we offer a competitive benefits package that includes medical benefits, insurance coverage, annual leave, training sponsorships, and various allowances. These offerings are integral to our employee retention strategy. We closely monitor our employee turnover rate as a key indicator, ensuring that we have adequate manpower to effectively carry out our business operations and allowing us to adjust our strategies as necessary.

Employee Turnover Performance Table

	FYE 2023	FYE 2024
Number of employee turnover	460	**445**

Although number of employee turnover has declined compared to FYE 2023, the overall number remains relatively high, largely driven by our subsidiaries with labour intensive operations such as cleaning services. These roles tend to have higher attrition rates due to the nature of the work and industry norms. The Group continues to monitor this trend closely and will identify opportunities to enhance employee engagement and retention wherever feasible.

We recognise that investing in our people through continuous training and development is fundamental to achieving sustainable business success. We adopt a strategic approach, with our Human Resources department partnering closely with department heads to conduct thorough training needs analyses. This collaborative process ensures we develop a targeted training calendar, aligned with evolving industry demands and individual career aspirations, and allocate resources effectively. By fostering a culture of lifelong learning, we empower our employees to enhance their skills, drive innovation, and contribute to our collective growth, ensuring we remain competitive in a dynamic market.

We understand the significance of ongoing employee development and make substantial investments in a variety of internal and external training programmes. In FYE 2024, we provided a total of 3,423 hours of training, averaging 2.31 hours per employee. This investment not only reflects our commitment to employee development but also helps improve morale and foster a positive working environment.

Additionally, we conduct regular assessments to evaluate the effectiveness of our training programmes, ensuring they align with our employees' needs and the strategic goals of the organisation. These assessments are carried out through structured evaluations by the respective HODs or supervisors, in accordance with our ISO 9001 Quality Management System. This approach ensures that training effectiveness is reviewed consistently and methodically, with outcomes used to refine future programmes.

By nurturing a culture of learning, KJTS Group empowers our workforce to excel and adapt to the ever-evolving industry landscape.

Training and Development Performance Table

	FYE 2023	FYE 2024
Total training hours (Hrs)	3,062.0	**3,423**
Total amount invested on training (RM)	129,835.30	**146,537.90**

DATA PRIVACY AND SECURITY

Safeguarding customer data is the bedrock of trust and sustainable growth. At KJTS Group, we strictly adhere to data protection laws, and embed robust governance and security measures to ensure confidentiality. This commitment reflects our understanding that data privacy is a fundamental stakeholder expectation.

We reinforce this through stringent employee onboarding, requiring all new staff to sign a comprehensive Non-Disclosure Agreement. This underscores our unwavering dedication to protecting customer privacy and sensitive business information. Explicit authorisation is mandatory for any customer information disclosure, ensuring accountability and reinforcing our high data protection standards.

To date, there has been no substantiated complaints of data breaches or losses. This achievement demonstrates our responsible data stewardship.

ZERO

substantiated complaints regarding customer privacy breaches or data losses.

To further strengthen our data protection efforts, we plan to perform annual audits of our data protection policies and practices to ensure compliance with evolving regulations and industry best practices. By prioritising customer information security, KJTS Group not only protects our clients but also reinforces our reputation as a trusted partner in the industry.

MOVING FORWARD STATEMENT

As we progress, our primary focus will be on enhancing our data collection processes to ensure precision and thoroughness. This effort aligns with our unwavering commitment to providing clear and accessible information to all stakeholders, promoting a culture of transparency and accountability. We aim to strengthen our communication channels and reporting frameworks, enabling stakeholders to gain deeper insights into our sustainability efforts and achievements. Recognizing the importance of transparency, we are dedicated to building trust and fostering strong, enduring relationships with our stakeholders.

SUSTAINABILITY STATEMENT

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	FYE 2024
Anti-Corruption		
Bursa C1 (a) Percentage of employees who have received anti-corruption training by employee category	Percentage	Senior Management: 35% Middle Management: 23.08% Executive: 26.77% Non-Executive: 0.31%
Bursa C1 (b) Percentage of operations assessed for corruption-related risks	Percentage	N/A
Bursa C1 (c) Confirmed incidents of corruption and action taken	Number	NIL
Supply Chain Management		
Bursa C7 (a) Proportion of spending on local suppliers	Percentage	99.58%
Energy Management		
Bursa C4 (a) Total energy consumption		
Electricity Consumption	kWh	26,843,752.19
Fuel Consumption	Litre	75,158.68
Emissions		
Bursa C11 (a) Scope 1 emissions in tonnes of CO_2e	tCO_2e	201.85
Bursa C11 (b) Scope 2 emissions in tonnes of CO_2e	tCO_2e	19,624.08
Labour Practices and Standards		
Bursa C6 (a) Total hours of training by employee category	Hours	Senior Management: 342 hours Middle Management: 525 hours Executive: 1,407 hours Non-Executive: 1,149 hours **Total training hours: 3,423 hours**
Bursa C6 (b) Percentage of employees that are contractors or temporary staff	Percentage	Contract: 1.35%
Bursa C6 (c) Total number of employee turnover by employee category	Number	Senior Management: 1 employee Middle Management: 3 employees Executive: 30 employees Non-Executive: 411 employees **Total turnover: 445 employees**
Bursa C6 (d) Number of substantiated complaints concerning human rights violations	Number	NIL
Health and Safety		
Bursa C5 (a) Number of work-related fatalities	Number	NIL
Bursa C5 (b) Lost Time Incident Rate	Number	0.33
Bursa C5 (c) Number of employees trained on health and safety standards	Hours	198 employees

Indicator	Measurement Unit	FYE 2024
Diversity		
Bursa C3 (a) Percentage of employees by gender and age group, for each employee category		
Senior Management Male	Percentage	75
Senior Management Female	Percentage	25
Middle Management Male	Percentage	73
Middle Management Female	Percentage	27
Executive Male	Percentage	68
Executive Female	Percentage	32
Non-Executive Male	Percentage	71
Non-Executive Female	Percentage	29
Senior Management Below 30	Percentage	0
Senior Management 30 to 50	Percentage	75
Senior Management Above 50	Percentage	25
Middle Management Below 30	Percentage	4
Middle Management 30 to 50	Percentage	81
Middle Management Above 50	Percentage	15
Executive Below 30	Percentage	28
Executive 30 to 50	Percentage	61
Executive Above 50	Percentage	11
Non-Executive Below 30	Percentage	45
Non-Executive 30 to 50	Percentage	41
Non-Executive Above 50	Percentage	14
Bursa C3 (b) Percentage of directors by gender and age group		
Male	Percentage	67
Female	Percentage	33
< 30 years old	Percentage	0
30 – 50 years old	Percentage	67
> 50 years old	Percentage	33
Data Privacy and Security		
Bursa C8 (a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	NIL
Local Communities		
Bursa C2 (a) Total amount invested in the community where target beneficiaries are external to the listed issuer	MYR	RM23,100
Bursa C2 (b) Total number of beneficiaries of the investment in communities	Number	4

ENHANCING GOVERNANCE

WE STRIVE FOR THE HIGHEST STANDARDS OF TRANSPARENCY, ACCOUNTABILITY, AND ETHICAL CONDUCT, ENSURING ROBUST GOVERNANCE THAT UNDERPINS OUR INTEGRITY AND FOSTERS LONG-TERM TRUST

CORPORATE GOVERNANCE

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CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of KJTS Group Berhad ("Company") is pleased to present the Corporate Governance Overview Statement ("Statement") for the financial year ended 31 December 2024 ("FYE 2024"), which has been prepared in compliance with the ACE Market Listing Requirements ("ACE LR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Board recognises the importance of corporate governance in promoting business prosperity and corporate accountability to protect and enhance shareholders' value as well as the interests of the Company and its subsidiaries ("Group").

The Board is committed to instilling and upholding good corporate governance ("CG") practices throughout the Group in accordance with the principles and practices of the Malaysian Code on Corporate Governance ("MCCG") updated and issued by the Securities Commission Malaysia on 28 April 2021 towards achieving corporate excellence.

The Statement provides an overview of the CG approach and a summary of CG practices adopted by the Company for the FYE 2024 by making reference to the following three (3) key principles as set out in the MCCG:

Principle A Board Leadership and Effectiveness;

Principle B Effective Audit and Risk Management; and

Principle C Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This Statement, which was approved by the Board, shall be read together with the Corporate Governance Report 2024 ("CG Report") of the Company which provides the details on how the Company has applied, or departed from, each CG practice.

The CG Report is available on the Company's website at www.kjts.com.my as well as via an announcement on the website of Bursa Securities.

PRINCIPLE A
BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

Role of the Board

The Board takes full responsibility for the performance of the Group and leads the Group towards a 3-fold target of achieving its short and long-term objectives, setting corporate strategies for growth and new business development. The Board has delegated the day-to-day operations of the Group to the Group Managing Director ("GMD"), Group Executive Director ("GED") and Key Senior Management ("KSM"), who manage the Group in accordance with the strategies and policies approved by the Board.

In order for the Board to discharge its functions and responsibilities effectively, the Board has delegated specific authorities and responsibilities to Audit and Risk Management Committee ("ARMC"), Nominating Committee ("NC"), Remuneration Committee ("RC") and Long-Term Incentive Plan Committee ("LTIPC"), collectively known as "Board Committees".

The roles and responsibilities of the Board are summarised as follows:

(i) Together with management, promoting a good CG culture within the Group, reinforcing ethical, prudent and professional behaviour;

(ii) Reviewing and setting up a strategic plan for the Group that supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;

(iii) Reviewing, challenging and deciding on management's proposals for the Group, and monitoring its implementation by management;

(iv) Overseeing the conduct of the Group's business to ensure it is properly managed, including supervising and assessing corporate behaviour, management performance and conduct of the business of the Group;

(v) Identifying the principal risks and ensuring implementation of appropriate internal controls and mitigation measures to achieve a proper balance between risks incurred and potential returns to the shareholders;

(vi) Reviewing the information and risk management and internal control system and the effectiveness of the management;

(vii) Ensuring there is an orderly succession of senior management positions who are of high calibre and have the necessary skills and experience. The Board delegates to the NC and RC to review succession plans and remuneration packages for the Directors respectively as well as the Group's policies and procedures on remuneration for the consultants who are employees of the Group. The Board also ensures that there are appropriate policies for training, appointment and performance monitoring of management positions;

(viii) Developing and implementing an investor relations programme or shareholders' communications policy for the Group to enable effective communication with stakeholders;

(ix) Reviewing and approving financial statements;

(x) Reviewing and approving the Company's annual report;

(xi) Ensuring the integrity of the Company's financial and non-financial reporting; and

(xii) Undertaking a formal and objective annual evaluation to determine the effectiveness of the Board, the Board Committees and each individual Director.

Separation of the Chairman and Group Managing Director Roles

The Board is led by Azura Binti Azman, the Independent Non-Executive Chairman, who is responsible for marshalling the effective functioning of the Board, including the collective oversight of management, with a keen focus on governance and compliance. In turn, the Board monitors the functions of the Board Committees in accordance with their respective Terms of Reference ("TOR"), to ensure its own effectiveness.

The Chairman is not a member of the ARMC, NC, RC and LTIP of the Company since the date of her appointment.

Mr Lee Kok Choon, our GMD, is responsible for the overall performance of our Group's business by driving business growth, overseeing our Group's business operations, supervising head of departments, planning, formulating and implementing our Group's strategies as well as liaising with stakeholders and providing technical and financial advice to the business operations of our Group.

Mr Sheldon Wee Tah Poh, our GED, is responsible for formulating business plans, directing organisational strategy, business development, expansion and overseeing our Group's marketing and communications direction, developing organisational culture, as well as overseeing day-to-day activities, reporting on revenue, improving performance and assisting in managing the corporate finances of our Group.

The Board appreciates the distinct roles and responsibilities of the Chairman and GMD and the segregation of their roles and responsibilities is clearly stated in the Company's Board Charter to ensure that a balance of power and authority is maintained.

Board Committees

The Board has established the following Board Committees to assist it in discharging its oversight function of the management of the Group:

Audit and Risk Management Committee

- Oversee the Group's financial reporting, including but not limited to reviewing quarterly results and audited financial statements of the Group, with the External Auditors.
- Establish a sound risk management and internal control framework for the Group and ensure effective implementation of risk mitigation plans.
- Review and monitor Related Party Transactions ("RPT"), Recurrent RPT and Conflict of Interest ("COI") situations that may arise within the Group.

Nominating Committee

To support and advise the Board in fulfilling their responsibilities in overseeing the selection and also assessment of the performance of the Directors, Board Committees, and senior management on an on-going basis.

Remuneration Committee

To support and advise the Board with reviewing the remuneration framework, policy and procedures for Directors and senior management and to recommend the remuneration package to the Board as a whole for approval.

Long-Term Incentive Plan Committee

To provide assistance to the Board in implementing and administering the Long-Term Incentive Plan ("LTIP") of the Company in accordance with the by-laws of the LTIP.

The composition, authority, duties and responsibilities of each Board Committee are set out in the TOR of the respective Board Committees which were adopted by each Board Committee and endorsed by the Board to ensure effective and efficient decision-making within the Group. The TOR of each Board Committee is available on the Company's website at www.kjts.com.my.

All Board Committees are actively engaged in overseeing the governance matters within their TOR. Each Board Committee is provided with the authority and adequate resources, which include amongst others, to obtain external professional advice at the expenses of the Company in performing its duties. They evaluate and recommend matters under their purview for the Board's consideration and decision-making. The Board receives updates from the respective Chairman of the Board Committees on matters that have been discussed and deliberated at the respective meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Company Secretaries

The Board is supported by two (2) external qualified and competent Company Secretaries, who are either members of the Malaysian Institute of Chartered Secretaries and Administrators or licensed secretaries by the Companies Commission of Malaysia. Both the Company Secretaries are qualified under Section 235(2) of the Companies Act 2016 ("CA 2016") and are experienced in discharging their duties and responsibilities to the Board. The Company Secretaries advise the Board on CG matters and ensure the Board adheres to the relevant statutory and regulatory requirements as well as Board's policies and procedures.

All Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Company Secretaries attended the Board and Board Committees' meetings held during the FYE 2024 and ensure that the meetings are properly convened. Further, all deliberations and decisions are properly minuted and filed. The roles and responsibilities of the Company Secretaries are also stated in the Board Charter of the Company.

In order to contribute and operate effectively, the Company Secretaries keep themselves abreast of relevant CG and regulatory requirements by undertaking continuous professional development.

Board Charter

The Board had on 1 December 2022 adopted a Board Charter, which outlines the roles and responsibilities of the Board, Board Committees, individual Directors and management.

The Board Charter also serves to provide guidance and clarity for the Board in overseeing the progression of strategic plans and overall performance of the Group while fulfilling its fiduciary duties and leadership functions. In order to retain control of key decisions and ensure a clear division of responsibilities, the Board Charter sets out the matters reserved for Board's decision, to ensure that the direction and control of the Group are firmly in the hands of the Board.

The Board Charter is subject to periodical review by the Board to reflect the current needs and nuances of the Company and is accessible on the Company's website at www.kjts.com.my.

Code of Conduct and Ethics

The Code of Conduct and Ethics which was adopted by the Board on 1 December 2022 enhance the standards of CG of the Group and promote ethical conduct in the managing of business. The Code of Conduct and Ethics shall be observed by all Directors, management and all employees of the Group in discharging their duties and responsibilities.

The Code of Conduct and Ethics is available on the Company's website at www.kjts.com.my.

Anti-Bribery and Anti-Corruption Policy

In response to the introduction of corporate liability to the Malaysian commercial organisations for corruption under the Malaysian Anti-Corruption Commission Act 2009, the Board had established an Anti-Bribery and Anti-Corruption ("ABAC") Policy that sets out the Group's principles and stance and adequate procedures against corruption and/or bribery activities in the conduct of its businesses.

The ABAC Policy, which was adopted by the Board on 1 December 2022 comprises key policies and procedures that address the Group's corruption risks, and together with general internal controls of the Group which are aimed to mitigate corruption risks of the Group. The ABAC Policy will be reviewed by the Board as often as necessary.

The ABAC Policy is available on the Company's website at www.kjts.com.my.

Whistleblowing Policy

The Board had put in place a Whistleblowing Policy which provides a mechanism for any employee of the Group as well as external parties to report genuine concerns relating to any malpractice or improper conduct of the Group's businesses.

The Whistleblowing Policy is available on the Company's website at www.kjts.com.my

Sustainability Strategies

The Board takes into consideration sustainability issues when it oversees the planning, performance and long-term strategy of the Group and views the commitment to do so as part of its broader responsibility to all its various stakeholders and the communities in which it operates.

The Board is committed to staying abreast with sustainability issues associated with the ever-evolving operating environment which is relevant to its business. In the FYE 2024 the Board received updates on the progress of the Group's Environmental, Social and Governance ("ESG") journey from the GMD and was briefed on the changes of the ACE LR of Bursa Securities pertaining to sustainability reporting requirements from the Company Secretary.

The Group's efforts to promote sustainable initiatives for the communities in which it operates, the environment and the employees are set out in the Sustainability Statement in this Annual Report.

Access to Information and Independent Professional Advice

All Directors, whether as a full Board or in their individual capacity shall have unrestricted access to management on any information pertaining to the Group, including access to the advice and services of the Company's auditors and consultants, Company Secretaries and are also entitled to obtain independent professional advice, which is relevant to the furtherance of their duties and responsibilities as Directors of the Company at the expense of the Company.

2. BOARD COMPOSITION

The composition of the Board comprises a strong mix of six (6) experienced individuals with four (4) of the Board members being Independent Non-Executive Directors ("INEDs"), including the Chairman and the rest being GMD and GED. None of the Board members is a person linked directly with the executive branch of government such as heads of state, heads of government and ministers and none of the Board members is an active politician.

The Board comprises members from diversified backgrounds in terms of age and expertise. Their professional acumen range from corporate, legal and accounting to industry experience in building support services. Our Board is currently confident of the diversity in skills, experience, age, cultural background and gender in its composition.

With the present composition of the Board, the Company is in compliance with Rule 15.02 of the ACE LR of Bursa Securities which requires at least two (2) directors or one-third (1/3) of the Board, whichever is higher, to be Independent Directors as well as Practice 5.2 of the MCCG which stipulates that at least half of the Board comprises Independent Directors.

The Directors are of the opinion that the current Board size and composition is appropriate for the scope and nature of the Group's business and operations and for facilitating effective discussions and decision making. Further, the Board is able to discharge their duties professionally and effectively, uphold good governance standards in the conduct of their duties and responsibilities.

No individual or group dominates the Board's decision making. The Board maintains an appropriate balance of expertise, skills and attributes among the Directors, which is reflected in the diverse backgrounds and competencies of the Directors.

The Board is satisfied with the level of time committed by its members in discharging their duties and roles as Directors of the Company. All the Directors of the Company do not hold more than five (5) directorships in listed issuers in Malaysia as stipulated in Rule 15.06 of the ACE LR of Bursa Securities. A brief profile of each Director is presented in the Directors' Profile section of this Annual Report.

The composition and size of the Board are reviewed periodically to ensure their appropriateness.

Re-election of Directors

Pursuant to Clause 78 of the Company's Constitution, Directors appointed during the year by the Board shall hold office until the next AGM and shall then be eligible for re-election. In accordance with Clause 76(3) of the Company's Constitution, at least one-third (1/3) of the Directors shall retire from office at every AGM. All Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

The Directors who are seeking re-election are subject to Directors' assessment by the NC.

The NC had conducted the assessment on Sheldon Wee Tah Poh and Ng Kok Ken (collectively, "Retiring Directors"), the Directors standing for re-election at the Company's forthcoming AGM and agreed that they met the criteria of character, experience, integrity, competence and time to effectively discharge their respective roles as the Directors as prescribed by the ACE LR of Bursa Securities. The NC had also conducted fit and proper assessment on the Retiring Directors and was satisfied with the outcome of the assessments. The Retiring Directors had provided the fit and proper declarations in accordance with the Directors' Fit and Proper Policy to the Company. The said policy was adopted by the Company on 1 December 2022, which can be referred from the Company's website at www.kjts.com.my.

The Board concurred with the findings of the NC, recommends and supports the re-election of the Retiring Directors, who are seeking for re-election pursuant to Clause 76(3) of the Company's Constitution at the forthcoming AGM.

Independence of the Board

The INEDs of the Company are not involved in the day-to-day management of the Group but contribute their own particular expertise and experience, and provide unbiased and impartial opinion, advice and judgement in the development of the Group's overall business strategy, which are essential to ensure the interests of the Group, shareholders, employees, customers and other stakeholders in which the Group conducts its businesses are well represented and taken into account. Their participation as members of the Board Committees has contributed towards the enhancement of the CG and controls of the Group.

The Board assesses the independence of the INEDs on an annual basis via Independent Directors' Self-Assessment Form by taking into account the individual Director's ability to exercise independent judgement at all times. All the INEDs of the Company met the relevant criteria for independence as defined under Rule 1.01 and Guidance Note 9 of the ACE LR of Bursa Securities.

The Board is satisfied with the level of independence demonstrated by all the INEDs and their ability to act in the best interests of the Company. None of the INEDs has engaged in the management of the Group, and are free from any business or other relationships which may interfere with the exercise of their independent judgement.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is aware of the recommended tenure of an Independent Director which should not exceed a cumulative term of nine (9) years. None of the existing Independent Directors have served the Board for a cumulative period of nine (9) years. Nevertheless, in the event if the Board wishes to retain an Independent Director upon completion of nine (9) years terms, the Board would seek the shareholders' approval.

Boardroom Diversity

The Board recognises that having a range of different skills, backgrounds, experience and diversity are essential to ensure a broad range of viewpoints to facilitate optimal decision making and effective governance. Currently, there are two (2) female Directors out of six (6) Directors on the Board, which constitutes 33.33% female representation on the Board. Following this, the Board is applying to Practice 5.9 of the MCCG that states a Board should have at least 30% of women directors on the Board.

The selection criteria of a Director includes competencies, skills, extensive experience and knowledge to strengthen the Board, while the Company work towards achieving the appropriate boardroom diversity.

The Group takes diversity not only in the boardroom but also in the workplace as it is an essential measure of good governance, critically attributing to a well-functioning organisation and sustainable development of the Group. The Group is committed to maintaining an environment of respect for people regardless of their gender in all business dealings and achieving a workplace environment free of harassment and discrimination based on gender, ethnicity, nationality, religion, age or family status. The Board has on 1 December 2022 adopted a Gender Diversity Policy, which can be referred from the Company's website at www.kjts.com.my.

Board Meeting

The Board meets regularly, at least once in every quarter, to review and approve the Group's quarterly financial results and reports and annual financial statements. Additional or special Board meetings may be convened as and when necessary to consider and deliberate on any urgent proposals or matters which require the Board's expeditious review or consideration.

All Board approvals sought are supported with all the relevant information and explanations required for informed decisions to be made.

A total of seven (7) Board Meetings were held during the FYE 2024 as follows:

Directors	Meeting Attended
Azura Binti Azman (Chairman)	7/7
Lee Kok Choon	7/7
Sheldon Wee Tah Poh	7/7
Ng Kok Ken	7/7
Elaine Law Soh Ying	7/7
Dr. Teoh Pek Loo	7/7

The Board is satisfied with the level of commitment given by the Directors in carrying out their duties and responsibilities which is evidenced by the attendance record of the Directors at the Board Meetings held during the FYE 2024. In order to ensure the attendance of the Directors at the Board and Board Committee meetings, the annual meeting schedule for the Board and Board Committee meetings is circulated in advance before the commencement of the financial year to facilitate the Directors' planning.

The Company Secretaries strive to circulate the notice and meeting documents at least five (5) business days prior to the scheduled meetings to allow Directors to have sufficient time to review and obtain further clarification, if necessary. The proceedings of the Board meetings are conducted in accordance with a structured agenda to enable focused and constructive deliberation at meetings. During the Board meetings, KSM are invited to present and explain reports for the Board's deliberation and approval.

Directors are required to inform the Board of COI or potential COI they may have in relation to particular items of business transacted by the Group or the Company as soon as practicable after the relevant facts have come to his/her knowledge. The interested Directors should abstain themselves from discussion or decisions on matters in which they have conflicting interests.

The Chairman ensures that the Board Committee meetings are not combined with the main Board meeting to enable objective and independent discussion during the meetings.

All proceedings of the Board meetings are minuted by the Company Secretary. The minutes will be circulated to the Board for review and comments within a reasonable timeframe prior to the confirmation at the following Board meeting.

The Board members ensure that the minutes of meetings accurately reflect the deliberations and decisions of the Board, including whether any Director abstains from voting or deliberating on a particular manner.

In the intervals between Board meetings, any matters requiring urgent Board decisions and/or approvals will be sought via written resolutions which are supported with all the relevant information and explanations required for an informed decision to be made.

Directors' Continuous Professional Development

All members of the Board have attended the Mandatory Accreditation Programme I and Mandatory Accreditation Programme II as prescribed by the ACE LR of Bursa Securities prior to the Company's listing on the ACE Market of Bursa Securities during the FYE 2024.

The Board is mindful that all of the Directors shall receive appropriate trainings from time to time to equip and keep themselves abreast of the latest developments in order to discharge their duties and responsibilities more effectively.

The Directors are encouraged to evaluate their own training needs on a continuous basis and to determine the relevant programmes, seminars, briefings or dialogues available that would best enable them to enhance their knowledge and contributions to the Board.

The details of training attended by the Directors during the FYE 2024 are as follows:

Name of Directors	Training Date	Training/Courses Attended
Azura Binti Azman	22 to 26 April 2024	• HRDC Train The Trainer
	13 to 15 May 2024	• Certificate in Accrelerated Learning Practise (CALP)
	3 to 4 July 2024	• Mandatory Accredition Programme Part II: Leading for Impact (LIP)
	17 July 2024	• Trustee Act 1949 for Board of Directors
	4 November 2024	• Corporate Disclosure Policy (Post Listing Obligations) • Common Breaches of the Listing Requirements (Case Studies)
	15 November 2024	• Recent Amendments to Listing Requirements: Enhanced COI Framework
	19 November 2024	• AOB conversation with Audit Committee
	3 December 2024	• CCMP SRI 1, Certified Capital Market Professional-Sustainable and Responsible Investment
	10 to 11 December 2024	• Strengthening Board Responsibilities in Managing Non Public Information, Conflict of Interest, Money Laundering, Corruption, Cybersecurity and Sustainability Ageda
	12 December 2024	• Securities Industry Corporation (SIDC) Malaysia Workshop on IFRS Sustainability http://sseinitiative.org/see-event/Malaysia-SIDC-ISSB
Elaine Law Soh Ying	9 to 10 September 2024	• Mandatory Accreditation Programme Part II (MAP II)
	4 November 2024	• Corporate Disclosure Policy with Case Studies (Post Listing Obligations) • Common Breaches of the Listing Requirements with Case Studies
	20 November 2024	• Kursus Pembaharuan Ejen Cap Dagangan Bil. 4/2024
Ng Kok Ken	9 to 10 September 2024	• Mandatory Accreditation Programme Part II (MAP II)
	4 November 2024	• Corporate Disclosure Policy with Case Studies (Post Listing Obligations) • Common Breaches of the Listing Requirements with Case Studies
Dr. Teoh Pek Loo	9 to 10 September 2024	• Mandatory Accreditation Programme Part II (MAP II)
	4 November 2024	• Corporate Disclosure Policy with Case Studies (Post Listing Obligations) • Common Breaches of the Listing Requirements with Case Studies
Lee Kok Choon	9 to 10 September 2024	• Mandatory Accreditation Programme Part II (MAP II)
	4 November 2024	• Corporate Disclosure Policy with Case Studies (Post Listing Obligations) • Common Breaches of the Listing Requirements with Case Studies
Sheldon Wee Tah Poh	9 to 10 September 2024	• Mandatory Accreditation Programme Part II (MAP II)
	4 November 2024	• Corporate Disclosure Policy with Case Studies (Post Listing Obligations) • Common Breaches of the Listing Requirements with Case Studies

Apart from attending training programmes and workshops, the Board receives updates of the ACE LR of Bursa Securities from the Company Secretary from time to time. The External Auditors also briefed the Directors on any changes to the Malaysian Financial Reporting Standards that would affect the Group's financial statements during the FYE 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

3. NOMINATING COMMITTEE AND REMUNERATION COMMITTEE

The Board has on 1 December 2022 established the NC and RC to assist the Board in ensuring the continuity of an effective Board. The NC and RC comprises solely INEDs as follows:

Nominating Commitee

Chairman	Dr. Teoh Pek Loo
Members	Elaine Law Soh Ying Ng Kok Ken

Details of the function of the NC, its TOR and summary of activities for the FYE 2024 are stipulated in the NC Report on page 66 of this Annual Report.

Remuneration Committee

Chairman	Elaine Law Soh Ying
Members	Ng Kok Ken Dr. Teoh Pek Loo

Details of the function of the RC, its TOR and summary of activities for the FYE 2024 are stipulated in the RC Report on page 68 of this Annual Report.

Board Assessment and Evaluation

The NC has on 26 February 2025 conducted an annual review and assessment on the effectiveness and performance of the Board, Board Committees and individual Directors for the FYE 2024. Facilitated by the Company Secretaries, the assessment was conducted in both self-evaluation and peers' evaluation approaches.

Based on the results of the Board assessment for the FYE 2024, both the Board and NC are satisfied with the current mix of skills and experience of the Board and the respective Board Committees as a whole had met the requirements of the Company and the overall performance of the Board, the Board Committees and the members of the Board was effective and satisfactory. The results form the basis of recommending the Retiring Directors for re-election at the forthcoming AGM.

In considering independence, the NC also conducted an annual review on the level of independence of each INED to ensure alignment with the Company's objectives, strategic goals and compliance with ACE LR of Bursa Securities.

Directors' Remuneration

The RC is tasked to review and assess the remuneration packages, reward structure and benefits applicable to the Executive Directors ("EDs") and KSM and on an annual basis and makes recommendations to the Board for approval. The Company has on 1 December 2022 established a Remuneration Policy, which is accessible on the Company's website at www.kjts.com.my.

The RC may obtain independent advice in establishing the level of remuneration for the EDs and KSM. The remuneration packages of EDs and KSM comprise a base salary and benefits as well as bonuses. The level of remuneration of the EDs and KSM takes into consideration the following:

(i) technical competency, skills, expertise and experience;

(ii) qualification and professionalism;

(iii) integrity;

(iv) roles and responsibilities;

(v) Company's performance in managing material sustainability risks and opportunities; and

(vi) aligned with the business and risks strategies, and long-term objectives of the Group.

A fair, reasonable and competitive remuneration package was provided to the EDs and KSM to ensure that the Company attracts and retains high calibre EDs and KSM who have the skills, experience and knowledge to increase entity value for the benefit of all shareholders.

The remuneration of the INEDs comprises annual directors' fees and reimbursement of expenses for their services in connection with Board and Board Committee meetings, which is subject to annual shareholders' approval at the AGM of the Company. The level of remuneration should reflect the experience and level of responsibilities undertaken by the particular INED.

EDs are not involved in discussions to decide on their remuneration. Further, Directors who are shareholders and controlling shareholders are required to abstain from voting on the resolution to approve Directors' fees at the AGM.

The details of the aggregate remuneration of Directors on the named basis for the FYE 2024 (Company and Group basis) are disclosed as below:

Company

Directors	Fee (RM'000)	Allowances (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefits-in-kind (RM'000)	Other emoluments[1] (RM'000)	Total (RM'000)
Azura Binti Azman	91	-	-	-	-	-	**91**
Lee Kok Choon	-	10	650	-	28	380	**1,068**
Sheldon Wee Tah Poh	-	10	650	-	28	380	**1,068**
Ng Kok Ken	58	-	-	-	-	-	**58**
Elaine Law Soh Ying	58	-	-	-	-	-	**58**
Dr. Teoh Pek Loo	58	-	-	-	-	-	**58**

Group

Directors	Fee (RM'000)	Allowances (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefits-in-kind (RM'000)	Other emoluments[1] (RM'000)	Total (RM'000)
Azura Binti Azman	91	-	-	-	-	-	**91**
Lee Kok Choon	-	12	780	-	30	396	**1,218**
Sheldon Wee Tah Poh	-	12	780	-	30	396	**1,218**
Ng Kok Ken	58	-	-	-	-	-	**58**
Elaine Law Soh Ying	58	-	-	-	-	-	**58**
Dr. Teoh Pek Loo	58	-	-	-	-	-	**58**

(1) These comprise contributions to Employees Provident Fund, Social Security Organisation, Employment Insurance System, Executive Share Option Scheme, insurance premiums and medical benefits.

Key Senior Management's Remuneration

The Board acknowledged the need for transparency in the disclosure of its KSM's remuneration. Nonetheless, the Board is of the opinion that such disclosure might be detrimental to the Group's business interests given the highly competitive human resource environment in which the Group operates where intense headhunting for candidates with the requisite expertise, knowledge and relevant professional experience is the norm.

As such, the Board has opted for an alternative approach to disclose the KSM's remuneration in the band of RM50,000.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The total remuneration for KSM including salary, bonus, incentives, defined contributions, benefits-in-kind and other emoluments within the RM50,000 bands for the FYE 2024 is presented as follows:

Key Senior Management	Salary (RM'000)	Allowances (RM'000)	Bonus (RM'000)	Benefits-in-kind (RM'000)	Other emoluments[1] (RM'000)	Total (RM'000)
Wong Nai Chien	200-250	0-50	-	0-50	100-150	**350-400**
Sarmila A/P Muniandy	200-250	0-50	-	0-50	100-150	**350-400**
Adrian Lim Hock Heng	200-250	0-50	-	0-50	100-150	**350-400**
Yap Yew Cheong	150-200	0-50	-	0-50	100-150	**250-300**

(1) These comprise contributions to Employees Provident Fund, Social Security Organisation, Employment Insurance System, Executive Share Option Scheme, insurance premiums and medical benefits.

PRINCIPLE B
EFFECTIVE AUDIT AND RISK MANAGEMENT

1. AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman	Ng Kok Ken
Members	Elaine Law Soh Ying Dr. Teoh Pek Loo

The ARMC assists the Board in reviewing the Group's financial reporting process and accuracy of its financial results and scrutinising information for disclosure to ensure reliability and compliance with the applicable financial reporting standards. The ARMC reviewed the unaudited quarterly financial reports and annual financial statements of the Group prior to recommendation of the same to the Board for approval and submission to Bursa Securities.

The Chairman of ARMC, who is a member of the Malaysian Institute of Accountants ("MIA"), is distinct from the Chairman of the Board. All members of the ARMC have a solid understanding of the Group's operations, are financially literate and are able to analyse and interpret financial statements in order to effectively discharge their duties and responsibilities within the ARMC's purview, including the financial reporting process, internal control and risk management systems and the systems of compliance with the applicable regulations, rules, directives, and guidelines.

Detailed information regarding the duties and responsibilities, meeting and attendance, summary of work of ARMC and the internal audit function are set out in pages 73 to 75 of this Annual Report.

Assessment of Suitability and Independence of External Auditors

The Board on its own and through the ARMC established a transparent and appropriate relationship with its External Auditors, UHY Malaysia PLT ("UHY"). Regular and unrestricted communication exists between the ARMC and UHY.

UHY had provided written assurance to the ARMC that they are and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the terms of relevant professional and regulatory requirements.

In addition, the audit partner of UHY is regulated by the MIA guidelines in which the audit partner is subject to a seven-year rotation to ensure independence of External Auditors.

The ARMC had on 26 February 2025 undertook an annual assessment on the suitability, objectivity and independence of UHY for the FYE 2024 in accordance with the Company's External Auditors Assessment Policy. Having assessed their performance, the ARMC was satisfied with the quality, performance, suitability, objectivity and independence of UHY and recommended their re-appointment to the Board, upon which shareholders' approval will be sought at the forthcoming AGM.

Risk Management and Internal Control framework

The Board regard risk management and internal control as an integral part of the overall management processes in the Group to safeguard shareholders' interests.

The Board has formalised a risk management and internal control framework to enable management to identify, evaluate, control, monitor and report to the Board the principal business risks faced by the Group on an ongoing basis, including remedial measures to be taken to address the risks.

The Board is assisted by ARMC in discharging its roles and responsibilities to oversee the effectiveness and adequacy of the risk management and internal control system of the Group. To maintain total independence in the management of the Group's internal control environment and ensure compliance with the ACE LR of Bursa Securities, the internal audit function of the Company is outsourced to Baker Tilly Monteiro Heng Governance Sdn. Bhd. ("Baker Tilly"), an independent professional services provider which is free from any relationships or COI that could impair their objectivity and independence.

Baker Tilly reports directly to the ARMC and assists the ARMC in managing the risks and establishment of the internal control system and processes of the Group by providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's risk management and internal control system and processes.

Further details pertaining to the review on the Group's internal control system and its effectiveness are set out in the Statement on Risk Management and Internal Control on pages 71 to 72 this Annual Report.

PRINCIPLE C
INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. ENGAGEMENT WITH STAKEHOLDERS

The Board values the importance of the dissemination of information on major developments of the Group to the shareholders, potential investors and the general public in a timely and equitable manner and hence has adopted a Corporate Disclosure Policies and Procedures ("CDPP"). The policy is aimed at developing an effective Investor Relations programme and strategy to communicate fairly and accurately, the corporate vision, strategies, developments, financial results and prospects to investors, the financial community, media and other stakeholders.

The CDPP serves as a guide to promote and demonstrate a high standard of integrity and transparency through timely, accurate, quality and full disclosure. The Board has identified spokespersons in the handling and disclosure of material information.

As governed by the CDPP, the relevant Directors, KSM and employees who may be regarded as insiders are not to trade on the basis of material information which is not known to the investing public and to tip-off or inform another person of such information. No insider trading was reported during the FYE 2024.

The Board is committed to achieve timely and high-quality disclosure in accordance with the spirit, intention and purpose of the applicable regulatory requirements. The Board has adopted the following communication channels:

(i) Corporate Website

- The Company's corporate website, www.kjts.com.my is accessible to the public and serves as another platform to communicate with the shareholders, investors and the general public.
- The Board has established dedicated sections on the Company's corporate website which channel the updates on the Company's announcements, Annual Reports, CG matters as well as other corporate information for the stakeholders to make informed decisions on the business of the Group.

(ii) Annual Report and Quarterly Financial Results

- The Annual Report provides comprehensive and updated information of the Group's activities, performance, and strategic direction over the past year. It presents detailed insights into financial results, operational achievements, and key initiatives, ensuring stakeholders have a clear understanding of the Group's current standing and future prospects.
- In addition, the Company announces its quarterly financial results immediately after the financial results are approved at the Board Meeting. This is important in ensuring that equal and fair access to information is provided to the investing public, so that the investors are able to make informed decisions.

(iii) Engagement Sessions with Stakeholders

- The Company conducts regular dialogues with financial analysts as a means of effective communication.
- The Company ensures that the time interval between the analysts briefing session and the release of quarterly financial report is timely to maintain interest amongst analysts.
- The Company's Investor Relations Department plays an important role in providing ongoing updates on the Group by conducting regular dialogues and discussions with fund managers, financial analysts and shareholders.
- Any enquiries on investor-related matters may be directed to ir@kjts.com.my and all relevant and appropriate issues raised will be addressed accordingly.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(iv) AGM

- The Board recognises the importance of the AGM which serves as the principal forum for dialogue and interaction between the Board and shareholders. The Company will conduct its forthcoming AGM by way of physical meeting to foster effective communication between the Board, Management and shareholders.
- The Company encourages full participation of shareholders at the AGM to ensure a high level of accountability and discussion of the Company's strategy and goals.
- The Company will invite the External Auditors to attend the AGM and be available to answer to shareholders' questions about the conduct of the audit and the preparation of the auditors' report.

2. CONDUCT OF ANNUAL GENERAL MEETINGS

The AGM is the principal forum for dialogue and communication with shareholders.

Shareholders are encouraged to attend the AGM as it remains an interactive platform for shareholders to engage directly with the Board and gain insights on the Group's business activities as well as financial position.

In line with Practice 13.1 of MCCG, the notice and agenda of the Third AGM will be sent to the shareholders at least twenty-eight (28) days before of the date of AGM to enable shareholders to have sufficient time consider the resolutions that will be discussed and decided at the Third AGM.

At the AGM, shareholders will be given the opportunity to pose questions regarding resolutions being proposed before voting as well as matters relating to the Group's operations.

All resolutions set out in the Notice of the Third AGM will be voted by electronic polling and an independent scrutineer will be appointed by the Company to validate the poll results. The outcome of all resolutions proposed at the Third AGM will be announced to Bursa Securities thereafter.

The minutes and the key matters discussed at the general meetings will be published on the Company's website as soon as practicable upon being reviewed by the Board members and approved by the Chairman.

After the AGM, a press release will be disseminated to members of the media, to provide opportunities to the media to engage with the Board, to interview and raise any questions of their concern regarding the business of the Group.

FUTURE PRIORITIES IN KEY AREAS OF CORPORATE GOVERNANCE PRACTICES

The Board has established and adopted various Board policies, as part of its efforts to align the Company's CG with the latest regulatory requirements.

The Board will adhere to comply with the ACE LR on the requirement of a listed corporation to disclose the nature and extent of any COI or potential COI including interest in competing business involving directors, KSM and legal representative of a listed corporation, as well as directors and chief executive of the management company or trustee-manager of a collective investment scheme1 (collectively, the "said person") in the following documents:

(a) statement accompanying notices of AGM pertaining to election of directors;

(b) relevant immediate announcements of the said person's appointment; and

(c) annual report in the various sections including those on the profile of directors, chief executive and KSM.

to promote greater governance practices and accountability in relation to managing COI within the Group.

This CG Overview Statement was approved by the Board on 14 April 2025.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

The Company was listed on the ACE Market of Bursa Securities on 26 January 2024 ("Listing"). As part of the Listing exercise, the Company has undertaken a Public Issue of 218,027,200 new ordinary shares at an issue price of RM0.27 per share, raising gross proceeds of RM58.87 million ("IPO Proceeds").

The status of the utilisation of the IPO Proceeds as of 31 March 2025 is as follows:

Purpose of Utilisation	Proposed Utilisation (RM'000)	Amount Utilised (RM'000)	Balance to be Utilised (RM'000)	Estimated Timeframe for Utilisation upon Listing
Business expansion				
• Expansion of Cooling Energy Segment	40,417	-	40,417	Within 36 months
• Expansion of offices in Malaysia, Thailand and Singapore	4,500	500	4,000	Within 12 months
Working capital	8,118	8,118	-	Within 12 months
Defraying the listing expenses	5,832	5,832	-	Within 1 month
Total	**58,867**	**14,450**	**44,417**	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 5 January 2024. The Company is currently seeking for shareholders' approval on the proposed variation of proceeds raised from the initial public offering pursuant to Rule 8.24 of the Listing Requirements.

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to the external auditor's firm by the Group and the Company for the FYE 2024 are set out as below:

	Group (RM)	Company (RM)
Statutory audit - UHY Malaysia PLT	234,500	110,000
Statutory audit - Member firm of UHY International	51,811	-
Statutory audit - Other auditor	120,514	-
Non statutory audit - UHY Malaysia PLT[1]	45,000	45,000
Total	**451,825**	**155,000**

(1) The non-audit fees were incurred in connection with the review of the Statement on Risk Management and Internal Control and allocation of ESOS for Reporting Accountants.

ADDITIONAL COMPLIANCE INFORMATION

3. LONG-TERM INCENTIVE PLAN (LTIP)

On 23 January 2024, the Company established a Long-Term Incentive Plan ("LTIP") comprising the Executive Share Option Scheme ("ESOS") and the Executive Share Grant Scheme ("ESGS"). The LTIP is designed to align the interests of eligible Executive Directors and Executives of the Group ("Eligible Persons") with the long-term growth and profitability of the Company, and to retain and motivate key talent. There is no ESOS offered to the Non-Executive Directors in respect of the financial year. The total number of shares allocated under the LTIP shall not in aggregate exceed 10% of the total number of issued shares of the Company at any point of time during the duration of the scheme.

Eligibility Criteria:

Eligible Persons are individuals who fulfill the following criteria:

(i) such person is at least eighteen (18) years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
(ii) he/she is employed on a full-time basis and who has been confirmed in service/employment as a full-time employee of the Group.

Basis of Allotment:

The allotment of ESOS options to Eligible Persons will be determined based on the following factors:

(i) the Eligible Person's performance, seniority (denoted by employee job grade), length of service, contribution to the performance of the Group;
(ii) in the case of an Eligible Person who is a Director, the Eligible Person's contribution towards the growth of the Group and positions held in various board committees of the Company.

Duration:

The LTIP will be in force for a period of 5 years from 23 January 2024.

Executive Share Option Scheme (ESOS):

The ESOS involves the granting of options to Eligible Persons, entitling them to subscribe for ordinary shares in the Company.

On 26 January 2024, the Company granted 13,756,000 options at an exercise price of RM0.27 per share, which was based on the IPO price.

On 12 November 2024, the Company granted 13,760,000 options at an exercise price of RM0.7224 per share, which was based on the volume weighted average market price of the Company's shares 5 market days prior to the grant date.

The total number of ESOS options granted, exercised, forfeited and outstanding since its commencement up to 31 March 2025 are as follows:

Description	Number of Options as at 31 March 2025	
	Allocated to the Group	Executive Director of the Company
Granted	23,764,000	3,752,000
Exercised	747,485	-
Forfeited	108,500	-
Options Outstanding	22,908,015	3,752,000

The percentage of options granted to Directors and Key Senior Management under ESOS are as follows:

Executive and Senior Management	Since commencement up to 31 March 2025
Aggregate maximum allocation	70%
Actual granted	14.24%

The Company did not grant any options to the Non-Executive Directors under the ESOS.

Executive Share Grant Scheme (ESGS):

The ESGS involves granting of ordinary shares of the Company at no consideration to Eligible Persons.

There is no ESGS options granted for FYE 2024.

4. MATERIAL CONTRACTS

There were no materials contracts entered into by the Company which involved Director's or major shareholders' interest during the financial year under review.

5. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING IN NATURE ("RRPT")

The Company did not seek any shareholders' mandate in respect of RRPT.

NOMINATING COMMITTEE REPORT

Our Board of Directors ("Board") is pleased to present the Nominating Committee ("NC") Report for the financial year ended 31 December 2024 ("FYE 2024").

TERMS OF REFERENCE

The duties and responsibilities of the NC are set out in the Terms of Reference ("TOR") of the NC which are consistent with the requirements of the ACE LR of Bursa Securities and MCCG.

The TOR of the NC is available on the Company's website at www.kjts.com.my.

COMPOSITION

The NC comprises exclusively INEDs. The composition of the NC is in line with the requirement of Rule 15.08A(1) of the ACE LR of Bursa Securities, which states that the NC must comprise exclusively non-executive directors, majority of whom are independent directors. The NC is chaired by an Independent Director which is in line with Practice 5.8 of the MCCG.

As at the date of this report, the composition of the NC is as follows:

Name	Designation	Directorship
Dr. Teoh Pek Loo	Chairman	Independent Non-Executive Director
Elaine Law Soh Ying	Member	Independent Non-Executive Director
Ng Kok Ken	Member	Independent Non-Executive Director

MEETING AND ATTENDANCE

The NC scheduled its meetings in advance to help members seamlessly incorporate them into their calendars. This proactive approach ensures ample notice for all members. Throughout the reviewed year, the NC fulfilled its obligations by convening five (5) meetings and all NC members attended all the five (5) meetings held in 2024. In addition to these meetings, urgent decisions requiring NC's endorsement were obtained through NC written resolutions.

The meeting attendance of the NC members for 2024 is as follows:

Name	Meeting Attended
Dr. Teoh Pek Loo	5/5
Elaine Law Soh Ying	5/5
Ng Kok Ken	5/5

The Company Secretary strives to circulate the notice of meeting together with the relevant meeting papers at least five (5) business days prior to the scheduled meeting.

The GMD and GED along with any other individuals deemed pertinent by the NC, were invited to attend the NC meetings. Their presence serves the purpose of providing the NC with essential information and clarification on agenda items. The NC Chairman reports on the matters discussed at every NC meeting and the NC's recommendations to the Board for consideration after each NC meeting.

The role of the Secretary to the NC is fulfilled by the Company Secretary. Thorough records of all NC meetings, including discussions and comments made by Directors, were documented in the minutes of each meeting. The signed minutes of each NC meeting were appropriately retained by the Secretary. All minutes of both NC meetings and written resolutions were presented for confirmation at the subsequent NC meeting. The minutes of the NC meeting was also presented to the Board in its meeting for notation.

SUMMARY OF ACTIVITIES OF THE NC

Key Senior Management Performance Appraisal

During the year under review and up to the date of this report, the NC deliberated, reviewed and evaluated the KSM performance for the financial year 2023 and 2024 against the set targets.

Annual Reporting

During the year under review and up to the date of this report, the NC reviewed and endorsed the disclosures in the NC Report for the financial year 2024 to ensure the report was prepared in compliance with the relevant regulatory requirements and guidelines in particular ACE LR of Bursa Securities and MCCG.

Board Evaluation

The NC assists the Board in reviewing its effectiveness, mix of skills and composition via the Board Evaluation ("BE") exercise, which is conducted on annual basis. Findings from the BE are used to establish the Board's skills matrix, which is referred to by the Board and the NC to support the Board's succession planning activities, including strengthening of its talent pool with the right mix of skills and diversity in terms of gender and ethnicity. In addition, BE is undertaken to assess the effectiveness of the Board as a whole and the Board Committees and contribution of each individual Director as well as reviewing the on the level of independence of each INED to ensure alignment with the Company's objectives, strategic goals and compliance with ACE LR of Bursa Securities.

The NC also reviewed the terms of office and assessed the ARMC and each of its members to ensure ARMC and its members have carried out their duties in accordance with the ARMC TOR.

Training for the Board

During the year under review, the NC reviewed and addressed the training needs of the Board members. NC believes that continuous education is essential to keep abreast of industry development and new regulations.

Re-election of Directors at the Second AGM

The NC endorsed the rotation list of Directors who stand for re-election at the AGM before recommending it to the Board for approval. In determining Directors' eligibility for re-election and reappointment, the NC assesses their competencies, commitment, contributions and performance based on the BE. The assessment also considers their ability to act in the best interest of the Company, ensuring a thorough and comprehensive review of their suitability for re-election.

The Directors who stand for re-election at the Second AGM had consented for their re-election and signed the Fit and Proper Declaration prior to NC's assessment, endorsement and recommendation to the Board for subsequent presentation to the shareholders for approval.

Elaine Law Soh Ping and Dr Teoh Pek Loo are the Directors representing one-third and have been the longest in office since their last election and they shall retire at the forthcoming AGM and shall be eligible for re-election, pursuant to Clause 76(3) of the Constitution. The NC and the Board had at their respective meetings held on 28 February 2024, endorsed and approved the aforesaid re-election of Directors.

BOARD APPOINTMENT PROCESS

NC plays a pivotal role in the process of the Board's appointment, developing and deliberating on selection criteria based on the competencies and attributes required for effective Board membership. The NC will conduct screening, initial selection and presents their findings on candidates to the Board for consideration.

The NC will ensure that all candidates for Board positions undergo a thorough evaluation, considering a mix of skills, competencies, experience, integrity, personal attributes and the time commitment required for effective directorship. The selection process also takes into account diversity in terms of age and gender.

Subsequent to the listing on 26 January 2024, there was no change to the composition of the Board.

FIT AND PROPER POLICY

Pursuant to Rule 15.01A of the ACE LR, listed issuers are required to establish a comprehensive fit and proper policy to govern the appointment and re-election processes of Directors for both the listed issuer and its subsidiaries. The Directors' Fit and Proper Policy of the Company outlines the criteria for assessing Directors' re-election and the process for selecting candidates for new appointments.

During the financial year under review and up to the date of this report, the NC assessed the fitness and propriety of Directors in line with this Policy, prior to recommending any re-election of Directors.

NC'S EFFECTIVENESS REVIEW AND PERFORMANCE

Based on the BE 2024 findings, the Board believes that the NC has played an effective role and fulfilled the functions under its TOR, providing valuable contribution to the Board. The Board strongly agrees with the performance and effectiveness of the NC in providing sound advice and recommendations to the Board in managing competencies and succession planning for the Directors and KSM.

REMUNERATION COMMITTEE REPORT

Our Board of Directors ("Board") is pleased to present the Remuneration Committee ("RC") Report for the financial year ended 31 December 2024 ("FYE 2024").

TERMS OF REFERENCE

The duties and responsibilities of the RC are set out in the TOR of the RC.

The TOR of the RC is available on the Company's website at www.kjts.com.my.

COMPOSITION

The RC comprises three (3) members, whom are exclusively Independent Non-Executive Directors.

As at the date of this report, the composition of the RC is as follows:

Name	Designation	Directorship
Elaine Law Soh Ying	Chairman	Independent Non-Executive Director
Dr. Teoh Pek Loo	Member	Independent Non-Executive Director
Ng Kok Ken	Member	Independent Non-Executive Director

MEETING AND ATTENDANCE

The RC scheduled its meetings in advance to help members seamlessly incorporate them into their calendars. This proactive approach ensures ample notice for all members. Throughout the reviewed year, the RC fulfilled its obligations by convening two (2) meetings and all RC members attended all the two (2) meetings held in 2024. There was no urgent decision requiring RC's endorsement to be obtained through RC written resolution.

The meeting attendance of the RC members for 2024 is as follows:

Name	Meeting Attended
Elaine Law Soh Ying	2/2
Dr. Teoh Pek Loo	2/2
Ng Kok Ken	2/2

The Company Secretary strives to circulate the notice of meeting together with the relevant meeting papers at least five (5) business days prior to the scheduled meeting.

The GMD and GED along with any other individuals deemed pertinent by the RC, were invited to attend the RC meetings. Their presence serves the purpose of providing the RC with essential information and clarification on agenda items. The RC Chairman reports on the matters discussed at every RC meeting and the RC's recommendations to the Board for consideration after each RC meeting.

The role of the Secretary to the RC is fulfilled by the Company Secretary. Thorough records of all RC meetings, including discussions and comments made by Directors, were documented in the minutes of each meeting. The signed minutes of each RC meeting were appropriately retained by the Secretary. All minutes of RC meetings were presented for confirmation at the subsequent RC meeting. The minutes of the RC meeting was also presented to the Board in its meeting for notation.

RC'S EFFECTIVENESS REVIEW AND PERFORMANCE

Based on the BE 2024 findings, the Board believes that the RC has played an effective role and fulfilled the functions under its TOR, providing valuable contribution to the Board. The Board strongly agrees with the performance and effectiveness of the RC in providing sound advice and recommendations to the Board on the remuneration structure for the Directors and KSM.

SUMMARY OF ACTIVITIES OF THE RC

During the FYE 2024, the activities carried out by the RC were amongst others as follows:

(i) Reviewed and endorsed the draft RC Report for inclusion in the Company's Annual Report 2024;

(ii) Reviewed and endorsed the payment of Directors' Fees and Benefits from the day following the last AGM through to the 2025 AGM;

(iii) Reviewed and endorsed Directors' Remuneration for the GMD and GED for the FYE 2025; and

(iv) Reviewed and endorsed the remuneration package of the KSM for the FYE 2025.

LONG-TERM INCENTIVE PLAN COMMITTEE REPORT

Our Board of Directors ("Board") is pleased to present the Long-Term Incentive Plan Committee ("LTIPC") Report for the financial year ended 31 December 2024 ("FYE 2024").

TERMS OF REFERENCE

The duties and responsibilities of the LTIPC are set out in the TOR of the LTIPC.

The TOR of the LTIPC is available on the Company's website at www.kjts.com.my.

COMPOSITION

The LTIPC comprises three (3) members, whom are 2 Independent Non-Executive Directors and the GMD.

As at the date of this report, the composition of the LTIPC is as follows:

Name	Designation	Directorship
Lee Kok Choon	Chairman	Group Managing Director
Dr. Teoh Pek Loo	Member	Independent Non-Executive Director
Ng Kok Ken	Member	Independent Non-Executive Director

MEETING AND ATTENDANCE

The LTIPC scheduled its meetings in advance to help members seamlessly incorporate them into their calendars. This proactive approach ensures ample notice for all members. Throughout the reviewed year, the LTIPC fulfilled its obligations by convening one (1) meeting and all LTIPC members attended the meeting held in 2024. In addition to this meeting, urgent decisions requiring LTIPC's endorsement were obtained through LTIPC written resolutions.

The meeting attendance of the LTIPC members for 2024 is as follows:

Name	Meeting Attended
Lee Kok Choon	1/1
Dr. Teoh Pek Loo	1/1
Ng Kok Ken	1/1

The Company Secretary strives to circulate the notice of meeting together with the relevant meeting papers at least five (5) business days prior to the scheduled meeting.

The Group Executive Director along with the Group Chief Financial Officer, were invited to attend the LTIPC meeting. Their presence serves the purpose of providing the LTIPC with essential information and clarification on agenda items. The LTIPC Chairman reports on the matter discussed at LTIPC meeting and the LTIPC's recommendations to our Board for consideration after the LTIPC meeting.

The role of the Secretary to the LTIPC is fulfilled by the Company Secretary. Thorough records of the LTIPC meeting, including discussions and comments made by members, were documented in the minutes of each meeting. The signed minutes of the LTIPC meeting were appropriately retained by the Secretary. The minutes of the LTIPC meeting were presented for confirmation at the subsequent LTIPC meeting. The minutes of the LTIPC meeting was also presented to the Board in its meeting for notation.

LTIP'S EFFECTIVENESS REVIEW AND PERFORMANCE

Based on the BE 2024 findings, the Board believes that LTIPC has played an effective role and fulfilled the functions under its TOR, providing valuable contribution to the Board. The Board strongly agrees with the performance and effectiveness of the LTIPC in implementing and administering the LTIP of the Company, comprising ESOS and ESGS in accordance with the by-laws of the LTIP ("By-Laws").

SUMMARY OF ACTIVITIES OF THE LTIPC

During the FYE 2024, the following activity was carried out by the LTIPC:

(i) Reviewed and endorsed the offer of ESOS to eligible executives.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors of KJTS Group Berhad ("Board") is pleased to present this Statement on Risk Management and Internal Control ("Statement") of KJTS Group Berhad and its subsidiaries ("KJTS Group", or "the Group") prepared in accordance with Rule 15.26(b) of the ACE Market Listing Requirements ("ACE LR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, and the Malaysian Code on Corporate Governance.

BOARD RESPONSIBILITIES

The Board acknowledges its responsibility and re-affirms its commitment to maintaining sound systems of risk management and internal control to promote good corporate governance, safeguard stakeholders' interest and the Group's assets as well as to review the adequacy and effectiveness of these systems.

The Board has delegated the review of the adequacy, effectiveness and integrity of the risk management and internal control systems to the Audit and Risk Management Committee ("ARMC"), which keeps the Board informed of any significant issues arising from the risk management and internal control systems of the Group that has been brought to the attention of the ARMC by the management, the Internal Auditors and the External Auditors.

Due to the inherent limitations in any system of risk management and internal control, the Board recognises that such systems are designed to manage rather than to eliminate all the risks that may hinder the Group from achieving its business objectives. As such, the systems could only provide reasonable but not absolute assurance against the risks of material misstatement of financial information, financial losses and fraud or breaches of laws or regulations. The Board remains responsible for the governance of risk and all the actions of the ARMC with regard to the execution of delegated oversight in responsibilities.

RISK MANAGEMENT

Risk management is an integral part of business operations and this process goes through a review process by the Board. This is to ensure that all high risks are adequately addressed at various levels within the Group.

The Group has in place a risk management framework as an ongoing process for identifying, analysing, managing and monitoring risks faced by the Group. The risk management process includes identifying significant risks and assessing the likelihood of occurrence, impact and severity of each risk identified. Appropriate mitigating, reporting and monitoring measures are proposed to manage the risks. The Group Managing Director, Group Executive Director and and Heads of Departments are delegated with the responsibility to manage identified risks within defined parameters and standards.

The duties and responsibilities of the ARMC in relation to risk management amongst others are as follows:

(i) To ensure that an appropriate risk reporting structure is established to facilitate reporting of risk to management and the Board and oversee the Group's overall risk management framework and policies.

(ii) To review and assess the adequacy and effectiveness of risk management framework, policies and processes in identifying, managing, monitoring, treating and mitigating significant risks and the extent to which these are operating effectively.

(iii) To ensure infrastructure, resources and systems are in place for risk management, i.e. ensure that the staff responsible for implementing risk management systems perform those duties independently of the risk-originating activities of the Group (where applicable).

(iv) To review periodic risk management and business exposures reports from the respective business units of the Group (where applicable) on risk exposures, risk portfolio compositions and risk management activities.

Management meetings and/or discussions will be held regularly to ensure that the risks faced by the Group are monitored and the existing mitigating actions are adequate. During these meetings, the key risks and corresponding controls implemented will be deliberated, reviewed, communicated and agreed upon.

INTERNAL CONTROL SYSTEM

In carrying out their responsibilities, all key management staff are required to assume responsibility for risk management within their areas of responsibility and ensure that risk management is embedded in day-to day business and decision-making process.

To ensure adherence to established policies, guidelines, and procedures, Management has implemented a robust system of internal control, encompassing key elements such as:

- **Delegation of Authority Limits**

  A documented delegation of authority that sets out decisions that need to be taken and the appropriate levels of management involved including matters that require the Board's approval. The authority limits are subject to periodic review to ensure their suitability for continued implementation.

- **Policies and Procedures**

  Documented internal policies and procedures are in place to ensure compliance with internal controls and the relevant rules and regulations. These are reviewed regularly to ensure that the gaps in controls are addressed and where required, revised to meet the business condition.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- **Code of Conduct and Ethics**

  A Code of Conduct and Ethics practices strict commitment to high standards of legal compliance as well as business ethics and expects Directors, management and all employees of the Group to adhere to these standards.

- **Whistleblowing Policy**

  A Whistleblowing Policy is established to provide an avenue for employees and other stakeholders to report any breach or suspected breach of any law or regulation in a safe and confidential manner.

- **Anti-Bribery and Anti-Corruption Policy**

  An Anti-Bribery and Anti-Corruption Policy is established to call for commitment from all stakeholders to uphold the highest standards of ethical conduct, integrity and accountability in our business activities and operations.

INTERNAL AUDIT FUNCTION

Subsequent to the listing on 26 January 2024, the Group outsourced the internal audit function to Baker Tilly. During the financial year ended 31 December 2024 ("FYE 2024"), Baker Tilly conducted internal audit work covering two key areas, which were identified based on the Group's risk profile. The findings and recommendations from these audits were presented to the ARMC and the Board.

Moving forward, the internal audit function will continue to adopt a risk-based approach and has prepared an internal audit plan for the financial year ending 31 December 2025, which has been reviewed and approved by the ARMC and the Board on 26 February 2025.

ASSURANCE

The Board has received assurances from the Group Managing Director, Group Executive Director and Group Chief Financial Officer, to the best of their knowledge and belief, that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects, to meet the Group's objectives during the financial year under review until the date of this Statement. There are no significant areas of concern that may affect the financial, operational and compliance controls.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required by Rule 15.23 of the ACE LR of Bursa Securities, the External Auditors, UHY Malaysia PLT has reviewed this Statement for inclusion in this Annual Report 2024. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3: *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report* issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the External Auditors to consider whether the Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems including the assessment and opinion by the Board of Directors and management thereon. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material aspects, in accordance with the disclosures required by Paragraphs 41 and 42 of the of the Guideline, nor is factually inaccurate.

CONCLUSION

The Board is of the view that the Group's risk management and internal control systems in place for FYE 2024, and up to the date of approval of this Statement, is adequate and effective to safeguard the stakeholders' interest and the Group's assets. This Statement was approved by the Board on 14 April 2025.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

Our Board of Directors ("Board") is pleased to present the Audit and Risk Management Committee ("ARMC") Report for the financial year ended 31 December 2024 ("FYE 2024") in compliance with Rule 15.15 of the ACE Market Listing Requirements ("ACE LR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The ARMC assists our Board in its oversight of the Group's financial reporting, internal audit, risk management and internal control, sustainability, related party transactions and recurrent related party transactions as well as in the area of corporate governance.

Our Board acknowledges and takes cognisance of the MCCG which contains best practices and guidelines for listed companies to improve upon or to enhance their corporate governance as it forms an integral part of their business operations and culture.

TERMS OF REFERENCE

The duties and responsibilities of the ARMC are set out in the TOR of the ARMC.

The TOR of the ARMC is available on the Company's website at www.kjts.com.my.

COMPOSITION

The ARMC comprises three (3) members, whom are exclusively Independent Non-Executive Directors and each satisfied the "independence" requirements contained under the ACE LR of Bursa Securities. The ARMC meets the requirements of Rule 15.09(1)(a) and (b) of the ACE LR.

As at the date of this report, the composition of the ARMC are as follows:

Name	Designation	Directorship
Ng Kok Ken	Chairman	Independent Non-Executive Director
Elaine Law Soh Ying	Member	Independent Non-Executive Director
Dr. Teoh Pek Loo	Member	Independent Non-Executive Director

All the ARMC members are financially literate and have contributed to meaningful discussions in overseeing the integrity of the Group's accounting and financial reporting matters. The Chairman of the ARMC, Ng Kok Ken, is a member of the Malaysian Institute of Accountants since July 2014. Hence, the composition of the ARMC complies with the requirements of Rule 15.09(1) (c)(i) of the ACE LR.

The Nominating Committee has assessed the term of office and performance of the ARMC and each of its members for FYE 2024 and was satisfied that each of them has discharged their duties effectively in accordance with the ARMC's TOR. The result of the ARMC performance assessment for FYE 2024 was reported to the Board.

MEETING AND ATTENDANCE

The ARMC scheduled its meetings in advance to help members seamlessly incorporate them into their calendars. This proactive approach ensures ample notice for all members. Throughout the reviewed year, the ARMC fulfilled its obligations by convening seven (7) meetings and all ARMC members attended all the meetings held in 2024. In addition to this meeting, urgent decisions requiring ARMC's endorsement were obtained through ARMC written resolutions.

The meeting attendance of the ARMC members for 2024 is as follows:

Name	Meeting Attended
Ng Kok Ken	7/7
Elaine Law Soh Ying	7/7
Dr. Teoh Pek Loo	7/7

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

The Company Secretary strives to circulate the notice of meeting together with the relevant meeting papers at least five (5) business days prior to the scheduled meeting.

KSM, Internal Auditor, External Auditors and other necessary individuals were invited to attend the ARMC meeting to provide update, essential information and clarification on the agenda items as well as matters within the ARMC's TOR. The ARMC Chairman reports on the matters discussed at every ARMC meeting and the ARMC's recommendations to the Board for consideration after each ARMC meeting.

The ARMC also had one private session on 28 February 2024 with the External Auditors without the presence of Executive Management team.

The role of the Secretary to the ARMC is fulfilled by the Company Secretary. Thorough records of the ARMC meeting, including discussions and comments made by members, were documented in the minutes of each meeting. The signed minutes of the ARMC meetings were appropriately retained by the Secretary. The minutes of the ARMC meeting were presented for confirmation at the subsequent ARMC meeting. The minutes of the ARMC meeting was also presented to the Board in its meeting for notation.

SUMMARY OF ACTIVITIES OF THE ARMC

During the financial year ended 31 December 2024, the ARMC diligently executed its responsibilities, focusing on the following key areas:

(i) Financial Reporting

Review and Endorsement of Financial Statements: The ARMC meticulously reviewed and endorsed the Audited Financial Statements for the financial year ended 31 December 2023, ensuring compliance with Malaysian Financial Reporting Standards (MFRS) and relevant regulatory requirements. Key areas of focus included the appropriateness of accounting policies, the accuracy of financial disclosures, and the overall integrity of the financial reporting process.

Quarterly Financial Reviews: The ARMC reviewed and endorsed the Unaudited Quarterly Results of the Company, providing oversight and ensuring timely and accurate financial reporting.

Corporate Governance Report: The ARMC reviewed and endorsed the Corporate Governance Report for 2023, verifying the Company's adherence to best practices and regulatory guidelines.

Statement on Risk Management and Internal Control: The ARMC reviewed and endorsed the Statement on Risk Management and Internal Control for inclusion in the Annual Report 2023, confirming the adequacy and effectiveness of the Company's internal controls.

(ii) Risk Management

Risk Management Framework Review: The ARMC conducted a comprehensive review of the Group's Risk Management Framework, assessing its effectiveness in identifying, evaluating, and mitigating key risks.

Sustainability Reporting Process: The ARMC reviewed the Internal Audit Reports concerning the sustainability reporting process, ensuring the reliability and accuracy of sustainability related disclosures.

(iii) External Auditors

Audit Planning Memorandum: The ARMC reviewed and approved the Audit Planning Memorandum for the FYE 2024 with the External Auditors, ensuring a comprehensive and effective audit scope.

Auditor Independence and Re-appointment: The ARMC assessed the suitability, independence, and performance of the External Auditors. Discussions were held regarding their re-appointment and the proposed audit fees, ensuring value for the company.

Audit findings discussions: The ARMC held discussions with the External Auditors regarding the audit findings, and any areas of concern.

(iv) Internal Audit

Internal Audit Planning: The ARMC reviewed and approved the Internal Audit Planning for the Financial Year Ending 31 December 2024, ensuring alignment with the Group's risk management priorities.

Internal Audit Scope: The ARMC reviewed and approved the scope of the internal audit function, ensuring it was adequate to cover all key risk areas.

Internal Audit Reports: The ARMC reviewed Internal Audit Reports, specifically focusing on the Risk Management Framework and Sustainability Reporting Process, and monitored management's responses to the audit findings.

(v) Related Party Transactions (RPT), Recurrent Related Party Transactions (RRPT) and Conflict of Interest ("COI")/ Potential Conflict of Interest

The ARMC monitors, reviews and reports to the Board any RPT, RRPT and COI situation that arose, persist or may arise within the Company or Group, including any transaction, procedures or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts.

In reviewing any RPT or RRPT, the ARMC shall review the terms thereof to determine whether such RPT or RRPT will be conducted at arm's length basis and on normal commercial terms in the ordinary course of business and on terms not more favourable to the related party than those generally available to the public and will not prejudice the shareholders or disadvantage to the Group.

(vi) Others

The ARMC ensured that all activities were carried out in accordance with its terms of reference.

The ARMC monitored compliance with all relevant laws and regulations.

The ARMC held regular meetings throughout the year, with minutes recorded and circulated to the Board.

The ARMC is satisfied that it has discharged its responsibilities effectively and will continue to uphold high standards of corporate governance, financial integrity, and risk management.

INTERNAL AUDIT FUNCTION

Subsequent to the listing on 26 January 2024, the Group outsourced the internal audit function to Baker Tilly. During the financial year ended 31 December 2024 ("FYE 2024"), Baker Tilly conducted internal audit work covering two key areas, which were identified based on the Group's risk profile. The findings and recommendations from these audits were presented to the ARMC and the Board.

Moving forward, the internal audit function will continue to adopt a risk-based approach and has prepared an internal audit plan for the financial year ending 31 December 2025, which has been reviewed and approved by the ARMC and the Board on 26 February 2025. Internal audit cost incurred during the FYE 2024 is RM50,000.

ARMC EFFECTIVENESS REVIEW AND PERFORMANCE

During the year under review, the Board assessed the performance of the ARMC through an annual BE. The Board strongly agrees that the ARMC had fulfilled its duties, responsibilities and functions in accordance with its TOR. Moreover, the Board acknowledged that the ARMC had continued to provide valuable assistance to the Board in reviewing financial and audit matters, which contributed to the overall effectiveness of the decision-making process.

REPORTING TO THE EXCHANGE

In 2024, the ARMC was of the view that KJTS had complied fully with the ACE LR of Bursa Securities and as such, the reporting to Bursa Securities under Rule 15.16 of the ACE LR is not required.

The ARMC Report was approved by the Board on 14 April 2025.

STATEMENT OF DIRECTORS' RESPONSIBILITY

As Directors of KJTS Group Berhad, we acknowledge our responsibility for the integrity and accuracy of the financial and other information included in our Company's Annual Report, interim reports and other financial disclosures. We confirm that the financial statements have been prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 so as to give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and the results and cash flows of the Group and of the Company for the financial year then ended. We have implemented and maintained internal controls to ensure the reliability of financial reporting and the safeguarding of Company assets. We have disclosed all relevant information regarding significant risks and other matters that may affect the Group's and the Company's performance or financial position. We have complied with all applicable laws, regulations, and corporate governance requirements in the preparation and presentation of the financial statements and other disclosures.

This statement is made in accordance with our duties as Directors and is based on our understanding of the Group's and the Company's operations and financial position. We acknowledge our responsibility to shareholders, regulators and other stakeholders to maintain the highest standards of corporate governance and transparency.

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

Principal Activities

The principal activity of the Company is investment holding. The information on the name, principal place of business, principal activities and proportion of ownership interest held by the Company is as disclosed in Note 7 to the financial statements.

Financial Results

	Group RM	Company RM
Profit for the financial year	8,250,847	1,667,473
Attributable to:		
Owners of the parent	8,099,527	1,667,473
Non-controlling interests	151,320	-
	8,250,847	1,667,473

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

Dividend

Since the end of the last financial year, the Company paid:

	RM
A first and final single-tier dividend of 0.236 sen per ordinary share in respect of the financial year ended 31 December 2023 paid on 28 June 2024	1,623,679
A single-tier interim dividend of 0.291 sen per ordinary share in respect of the financial year ended 31 December 2024 paid on 30 December 2024	2,002,078
	3,625,757

The Directors do not recommend the payment of any final dividend in respect of current financial year.

Issue of Shares and Debentures

During the financial year, the Company has increased its issued and paid-up share capital from 469,972,800 to 688,000,000 by way of issuance of 218,027,200 new ordinary shares at an issue price of RM0.27 each per share amounting to RM58,867,344 pursuant to the initial public offering of the Company on the ACE Market of Bursa Malaysia Securities Berhad.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

DIRECTORS' REPORT (CONT'D)

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the Employees' Share Option Scheme ("ESOS").

Long-term Incentive Plan ("LTIP")

On 23 January 2024, the Company has established a LTIP of up to 10% of the total number of issued shares of the Company, comprising executives' share option scheme ("ESOS") and executives' share grant scheme ("ESGS"), to be granted to the Eligible Persons of the Group who is eligible executive directors and eligible executives who meet the criteria of eligibility for participation in the LTIP in accordance with the By-Laws. The LTIP shall be in force for a period of 5 years from 23 January 2024.

The share options granted and forfeited during the financial year are as follows:

		Number of options over ordinary shares ("ESOS")			
	Exercise price	**At 1.1.2024**	**Granted**	**Forfeited**	**At 31.12.2024**
Date of offer					
26 January 2024	RM0.27	-	13,756,000	(80,000)	13,676,000
12 November 2024	RM0.72	-	13,760,000	-	13,760,000

Directors

The Directors of the Company in office since the beginning of the current financial year until the date of this report are:

Lee Kok Choon*
Sheldon Wee Tah Poh*
Azura Binti Azman
Elaine Law Soh Ying
Ng Kok Ken
Dr. Teoh Pek Loo

* *Director of the Company and its subsidiaries*

The Directors who held office in the subsidiaries (excluding Directors who are also Directors of the Company) since the beginning of the current financial year until the date of this report are:

Angelina Corrina Fernandez
Chin Kong Weng
Kitti Chungsawanant
Kijja Chingsawanant
Ratchanida Teeyawanich
Pradip Kumar Padmasan Menon
Sarmila A/P Muniandy
Tan Hui Sean
Chua Guat Kwee
Kevin Gerard Quinn
Goh Eng Hooi

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiaries and made a part thereof.

DIRECTORS' REPORT (CONT'D)

Directors' Interests

The interests in the shares and options over the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2024	Bought	Sold	At 31.12.2024
Interests in the Company				
Direct Interests				
Lee Kok Choon	218,118,567	-	-	218,118,567
Sheldon Wee Tah Poh	218,118,567	-	-	218,118,567
Azura Binti Azman	-	500,000	-	500,000
Elaine Law Soh Ying	-	80,000	-	80,000
Ng Kok Ken	-	400,000	-	400,000
Dr. Teoh Pek Loo	-	360,000	-	360,000

	Number of options over ordinary shares ("ESOS")			
	At 1.1.2024	Bought	Sold	At 31.12.2024
Interests in the Company				
Direct Interests				
Lee Kok Choon	-	1,876,000	-	1,876,000
Sheldon Wee Tah Poh	-	1,876,000	-	1,876,000

By virtue of their interests in the shares of the Company, Lee Kok Choon and Sheldon Wee Tah Poh are also deemed interested in the shares of all the subsidiaries during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 36(b) to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate other than the establishment of Employees' Share Option Scheme.

DIRECTORS' REPORT (CONT'D)

Directors' Remuneration

The details of the Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2024 are as follows:

	Group RM	Company RM
Executive Directors		
Salaries and other emoluments	3,109,755	1,320,000
Defined contribution plans	377,584	158,400
Social security contributions	5,775	1,838
Employment insurance scheme	463	210
Share options granted under ESOS	596,836	596,836
Other employee benefits	2,904	3,943
	4,093,317	2,081,227
Non-Executive Directors		
Fees	263,903	263,903
	4,357,220	2,345,130

The Group's and the Company's Directors' remuneration does not include the estimated monetary value of benefits-in-kind amounting to RM60,440 and RM56,000 respectively.

Indemnity and Insurance Costs

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Group and of the Company were RM5,000,000 and RM11,000 respectively. No indemnity given to or insurance effected for auditors of the Company in accordance with Section 289 of the Companies Act 2016.

Other Statutory Information

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

  (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and

  (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

  (i) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

  (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

  (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or

  (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

DIRECTORS' REPORT (CONT'D)

Other Statutory Information (Cont'd)

(c) At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(d) In the opinion of the Directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

(ii) the result of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Subsequent Event

The subsequent event is disclosed in Note 41 to the financial statements.

Auditors' Remuneration

The details of auditors' remuneration for the financial year ended 31 December 2024 are as follows:

	Group RM	Company RM
Auditors' remuneration		
- Statutory audit - UHY Malaysia PLT	234,500	110,000
- Statutory audit - Member firm of UHY International	51,811	-
- Statutory audit - Other auditor	120,514	-
- Non-statutory audit - UHY Malaysia PLT	45,000	45,000
	451,825	155,000

Auditors

The Auditors, UHY Malaysia PLT, have expressed their willingness to continue in office.

UHY Malaysia PLT (LLP0041391-LCA & AF 1411) was registered on 19 December 2024 and with effect from that date, UHY Malaysia (formerly known as UHY) (AF 1411), a conventional partnership was converted to a limited liability partnership.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 14 April 2025.

LEE KOK CHOON **SHELDON WEE TAH POH**

KUALA LUMPUR

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the Directors of KJTS Group Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 14 April 2025.

LEE KOK CHOON

SHELDON WEE TAH POH

KUALA LUMPUR

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Lee Kok Choon, being the Director primarily responsible for the financial management of KJTS Group Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the)
Federal Territory on 14 April 2025)

LEE KOK CHOON

Before me,

ZAINUL ABIDIN BIN AHMAD
No. W790

COMMISSIONER OF OATHS

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF KJTS GROUP BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of KJTS Group Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 88 to 160.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By- Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How we addressed the key audit matters
Revenue and cost recognition for construction contracts	
Refer to Note 2(c) (Significant accounting judgements, estimates and assumptions), Note 3 (Material accounting policies), Note 15 (Contract assets/liabilities) and Note 27 (Revenue). The Group is involved in construction contracts which span more than one accounting period. The revenue from construction contracts is recognised over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation by reference to the costs incurred to date as a percentage of the estimated total costs of the project. We identified revenue and construction costs as key audit matter as significant management judgement and estimates are involved in estimating the total construction costs.	We obtained an understanding of the relevant controls put in place by the Group in respect of revenue recognition for construction contracts and performed procedures to evaluate design and implementation of such controls. We evaluated whether the accounting policy adopted by the management is consistent with the requirements of MFRS 15 *Revenue from Contracts with Customers*. We performed a range of audit procedures which included reviewing contract documentation, variation orders and enquiring of key personnel regarding status of on-going contracts, adjustments for job costing and potential impairment losses.

INDEPENDENT AUDITORS' REPORT (CONT'D)
TO THE MEMBERS OF KJTS GROUP BERHAD

Key Audit Matters (Cont'd)

Key audit matters	How we addressed the key audit matters
Revenue and cost recognition for construction contracts (Cont'd) Key management judgements include: (a) Estimating the budgeted costs to complete the project; (b) The future profitability of the project; and (c) The percentage of completion at the end of the reporting period. Changes in these judgements could lead to a material change in the value of revenue recognised.	In relation to construction costs, we, amongst others and where applicable: • We agreed this to original signed contracts, letter of awards and approved variation orders. • We evaluated the project progress and recovery of cost to supporting evidences including but not limited to verification of third-party surveyors' certificates, progress report and interviews with project team. • We reviewed management's workings on the computation of percentage of completion. In assessing management's assumptions in estimating the costs to completion for contracts, we verified the budgeted cost to sub-contractors' contracts. We verified the construction costs incurred to date to sub-contractors' progress claims and recalculating the percentage of completion at the reporting date. We have considered the adequacy of the Group's disclosures regarding this revenue stream and whether they are in accordance with MFRS 15 *Revenue from Contracts with Customers*.
Impairment on concession receivables, trade receivables, other receivables and contract assets Refer to Note 2(c) (Significant accounting judgements, estimates and assumptions), Note 3 (Material accounting policies), Note 10 (Concession receivables), Note 11 (Other receivables), Note 14 (Trade receivables) and Note 15 (Contract assets/Contract liabilities). The Group's concession receivables, trade receivables, other receivables and contract assets amounting to RM16 million, RM27 million, RM11 million and RM16 million, representing approximately 11%, 18%, 8% and 10% of the Group's total assets respectively as at 31 December 2024. We focused on this area due to the Group has significant concession, trade and other receivables and contract assets as at 31 December 2024 and it is subject to credit risk exposure. The impairment assessment involves significant judgements and there is inherent uncertainty in the assumptions applied by the management to determine the level of allowance. This is considered a key audit matter due to the inherent subjectivity that is involved in making judgement in relation to the recoverability of receivables and contract assets.	We have reviewed the Group's receivables to determine whether are there any indication of impairment. Our impairment review is focused towards receivables which are overdue but not impaired as at 31 December 2024. We assessed the reasonableness of the methods and assumptions used by the management in estimating the recoverable amount and impairment loss both specific impairment and expected credit loss. We also tested the accuracy and completeness of the data used by the management. We developed our understanding on receivables which poses a high risk of default through reviewing the receivables ageing analysis, discussion with the Group's management. We reviewed the adequacy of the impairment loss and enquired the management regarding the recoverability of samples of trade receivables that are individually significant and group of receivables with similar credit risk characteristics. We examined the repayment patterns and obtained evidence of cash receipts where these have been received.

We have determined that there is no key audit matters in the audit of the financial statements of the Company to be communicated in our Auditors' report.

INDEPENDENT AUDITORS' REPORT (CONT'D)
TO THE MEMBERS OF KJTS GROUP BERHAD

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT (CONT'D)
TO THE MEMBERS OF KJTS GROUP BERHAD

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY Malaysia PLT
202406000040 (LLP0041391-LCA) & AF 1411
Chartered Accountants

YEOH AIK CHUAN
Approved Number: 02239/07/2026 J
Chartered Accountant

KUALA LUMPUR
14 April 2025

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	1,590,794	1,336,976	229,222	-
Right-of-use assets	5	3,499,169	912,973	-	-
Investment properties	6	670,000	850,000	-	-
Investment in a subsidiary	7	-	-	41,827,570	41,827,570
Investment in associates	8	838,732	823,396	-	-
Goodwill on consolidation	9	1,808,278	1,808,278	-	-
Concession receivables	10	14,140,741	10,505,502	-	-
Other receivables	11	597,615	58,401	-	-
Tax recoverable		121,660	125,056	-	-
		23,266,989	16,420,582	42,056,792	41,827,570
Current Assets					
Inventories	12	105,708	98,357	-	-
Short-term investments	13	58,254,921	3,487,165	49,932,512	-
Concession receivables	10	1,996,208	2,293,336	-	-
Trade receivables	14	26,833,965	22,219,358	-	-
Other receivables	11	10,642,342	10,657,461	9,100,726	5,429,382
Contract assets	15	15,697,623	9,782,853	-	-
Amount due from subsidiaries	16	-	-	440,417	-
Amount due from associates	17	2,487,010	4,649,479	-	-
Tax recoverable		1,138,295	737,750	100,000	-
Deposits, bank and cash balances	18	9,301,625	10,426,387	117,101	100
		126,457,697	64,352,146	59,690,756	5,429,482
Total Assets		149,724,686	80,772,728	101,747,548	47,257,052
EQUITY					
Share capital	19(i)	99,119,640	41,827,670	99,119,640	41,827,670
Invested equity	19(ii)	-	-	-	-
Reserves	20	(32,398,288)	(34,282,324)	2,412,704	-
Retained earnings		47,210,654	42,724,158	(247,182)	1,698,376
Equity attributable to owners of the parent		113,932,006	50,269,504	101,285,162	43,526,046
Non-controlling interests		(220,856)	(277,918)	-	-
Total Equity		113,711,150	49,991,586	101,285,162	43,526,046

STATEMENTS OF FINANCIAL POSITION (CONT'D)
AS AT 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
LIABILITIES					
Non-Current Liabilities					
Bank borrowings	21	3,052,392	2,891,472	-	-
Lease liabilities	22	2,156,488	373,865	-	-
Employee benefit obligations	23	101,005	95,170	-	-
Deferred tax liabilities	24	3,767	17,224	-	-
		5,313,652	3,377,731	-	-
Current Liabilities					
Trade payables	25	13,620,474	10,433,572	-	-
Other payables	26	13,205,555	14,515,666	407,386	1,018,189
Contract liabilities	15	1,086,708	1,049,589	-	-
Amount due to a subsidiary	16	-	-	55,000	2,712,817
Bank borrowings	21	1,341,439	884,206	-	-
Lease liabilities	22	1,169,847	520,378	-	-
Tax payable		275,861	-	-	-
		30,699,884	27,403,411	462,386	3,731,006
Total Liabilities		36,013,536	30,781,142	462,386	3,731,006
Total Equity and Liabilities		149,724,686	80,772,728	101,747,548	47,257,052

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Revenue	27	137,745,545	119,904,155	11,400,000	2,181,600
Cost of sales		(99,994,671)	(92,285,255)	-	-
Gross profit		37,750,874	27,618,900	11,400,000	2,181,600
Other income		3,093,567	1,323,023	1,595,745	-
Administrative expenses		(30,078,759)	(19,565,041)	(11,328,272)	(347,016)
Changes on impairment of financial instruments and contract assets		(116,830)	(42,677)	-	-
Profit from operations		10,648,852	9,334,205	1,667,473	1,834,584
Finance costs	28	(391,255)	(299,430)	-	-
Share of results of associates, net of tax		17,183	(33,438)	-	-
Profit before tax	29	10,274,780	9,001,337	1,667,473	1,834,584
Taxation	30	(2,023,933)	(1,673,547)	-	-
Profit for the financial year		8,250,847	7,327,790	1,667,473	1,834,584
Other comprehensive (loss)/income					
Items that are or may be reclassified subsequently to profit or loss					
Exchange translation differences for foreign operations		(479,835)	461,659	-	-
Share of other comprehensive income/(loss) of an associate		6,860	(10,265)	-	-
Other comprehensive (loss)/income for the financial year		(472,975)	451,394	-	-
Total comprehensive income for the for the financial year		7,777,872	7,779,184	1,667,473	1,834,584
Profit for the financial year attributable to:					
Owners of the parent		8,099,527	8,123,025	1,667,473	1,834,584
Non-controlling interests		151,320	(795,235)	-	-
		8,250,847	7,327,790	1,667,473	1,834,584
Total comprehensive income for the financial year attributable to:					
Owners of the parent		7,649,124	8,515,632	1,667,473	1,834,584
Non-controlling interests		128,748	(736,448)	-	-
		7,777,872	7,779,184	1,667,473	1,834,584
Earnings per share (sen)	31				
Basic		1.20	1.73		
Diluted		1.20	1.73		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Attributable to owners of the parent								
		Non-distributable					Distributable			
	Note	Share capital RM	Merger reserve RM	Foreign currency translation reserve RM	ESOS reserve RM	Other reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Group										
At 1 January 2024		41,827,670	(34,937,690)	579,830	-	75,536	42,724,158	50,269,504	(277,918)	49,991,586
Profit for the financial year		-	-	-	-	-	8,099,527	8,099,527	151,320	8,250,847
Other comprehensive loss for the financial year		-	-	(450,403)	-	-	-	(450,403)	(22,572)	(472,975)
Total comprehensive (loss)/income for the financial year		-	-	(450,403)	-	-	8,099,527	7,649,124	128,748	7,777,872
Transactions with owners:										
Changes in equity interest in a subsidiary	7(c)	-	-	-	-	(78,265)	-	(78,265)	(71,735)	(150,000)
Capital contribution from non-controlling interests	7(d)	-	-	-	-	-	-	-	49	49
Issuance of shares	19(i)	58,867,344	-	-	-	-	-	58,867,344	-	58,867,344
Share issuance expenses	19(i)	(1,575,374)	-	-	-	-	-	(1,575,374)	-	(1,575,374)
ESOS granted	20(d)	-	-	-	2,425,430	-	-	2,425,430	-	2,425,430
ESOS forfeited	20(d)	-	-	-	(12,726)	-	12,726	-	-	-
Dividends to owners of the Company	32	-	-	-	-	-	(3,625,757)	(3,625,757)	-	(3,625,757)
		57,291,970	-	-	2,412,704	(78,265)	(3,613,031)	56,013,378	(71,686)	55,941,692
At 31 December 2024		99,119,640	(34,937,690)	129,427	2,412,704	(2,729)	47,210,654	113,932,006	(220,856)	113,711,150

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Attributable to owners of the parent								
		Non-distributable					Distributable			
	Note	Share capital RM	Invested equity RM	Merger reserve RM	Foreign currency translation reserve RM	Other reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Group										
At 1 January 2023		100	750,000	-	187,223	75,536	34,601,133	35,613,992	453,679	36,067,671
Profit/(Loss) for the financial year		-	-	-	-	-	8,123,025	8,123,025	(795,235)	7,327,790
Other comprehensive income for the financial year		-	-	-	392,607	-	-	392,607	58,787	451,394
Total comprehensive income/(loss) for the financial year		-	-	-	392,607	-	8,123,025	8,515,632	(736,448)	7,779,184
Transactions with owners:										
Capital contribution from non-controlling interests	7(e)	-	-	-	-	-	-	-	4,851	4,851
Issuance of shares	19(ii)	-	6,139,880	-	-	-	-	6,139,880	-	6,139,880
Acquisition of a subsidiary	19(i), 19(ii), 20	41,827,570	(6,889,880)	(34,937,690)	-	-	-	-	-	-
		41,827,570	(750,000)	(34,937,690)	-	-	-	6,139,880	4,851	6,144,731
At 31 December 2023		41,827,670	-	(34,937,690)	579,830	75,536	42,724,158	50,269,504	(277,918)	49,991,586

STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Non-distributable Share capital RM	Non-distributable ESOS reserve RM	Distributable Retained earnings RM	Total equity RM
Company					
At 1 January 2023		100	-	(136,208)	(136,108)
Profit for the financial year, representing total comprehensive income for the financial year		-	-	1,834,584	1,834,584
Transaction with owners:					
Issuance of shares	19(i)	41,827,570	-	-	41,827,570
At 31 December 2023		41,827,670	-	1,698,376	43,526,046
At 1 January 2024		41,827,670	-	1,698,376	43,526,046
Profit for the financial year, representing total comprehensive income for the financial year		-	-	1,667,473	1,667,473
Transactions with owners:					
Issuance of shares	19(i)	58,867,344	-	-	58,867,344
Share issuance expenses	19(i)	(1,575,374)	-		(1,575,374)
ESOS granted	20(d)	-	2,425,430	-	2,425,430
ESOS forfeited	20(d)	-	(12,726)	12,726	-
Dividends to owners of the Company	32	-	-	(3,625,757)	(3,625,757)
At 31 December 2024		99,119,640	2,412,704	(247,182)	101,285,162

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Operating Activities				
Profit before tax	10,274,780	9,001,337	1,667,473	1,834,584
Adjustments for:				
Deposit forfeited	27,000	900	-	-
Depreciation of:				
- investment properties	8,673	7,539	-	-
- property, plant and equipment	686,290	620,294	19,525	-
- right-of-use assets	914,607	838,834	-	-
Finance costs	394,530	304,784	-	-
Impairment losses on:				
- amount due from associates	105,078	-	-	-
- contract assets	7,923	7,398	-	-
- investment in associate	38,677	-	-	-
- investment properties	171,327	51,225	-	-
- trade receivables	4,160	58,594	-	-
Inventories written off	-	1,585	-	-
Property, plant and equipment written off	308	20,852	-	-
Provision/(Reversal) for employee benefits	22,604	(74,950)	-	-
Dividend income from financial assets measured at fair value through profit or loss	(1,828,358)	(56)	(1,591,511)	-
Dividend income from a subsidiary	-	-	(9,000,000)	(2,181,600)
Gain on disposal of property, plant and equipment	(216,000)	-	-	-
Gain on early termination of lease contracts	(1,937)	(4,573)	-	-
Interest income	(132,186)	(191,276)	(2,193)	-
Reversal of impairment losses on:				
- contract assets	(331)	-	-	-
- trade receivables	-	(23,315)	-	-
Share based payment	2,425,430	-	2,425,430	-
Share of results of associates	(17,183)	33,438	-	-
Unrealised loss/(gain) on foreign exchange	10,169	(93,068)	(806)	806
Operating profit/(loss) before working capital changes	12,895,561	10,559,542	(6,482,082)	(346,210)
Changes in working capital:				
Inventories	(7,351)	(99,942)	-	-
Concession receivables	(3,338,111)	1,723,869	-	-
Receivables	(5,169,862)	(8,834,927)	5,328,656	(2,127,448)
Payables	1,779,584	2,092,169	(612,579)	(239,159)
Contract assets	(5,922,362)	(2,419,840)	-	-
Contract liabilities	37,119	692,158	-	-
Amount due from associates	(137,052)	(626,304)	-	-
Foreign exchange reserve	(463,754)	455,883	-	-
	(13,221,789)	(7,016,934)	4,716,077	(2,366,607)
Cash (used in)/generated from operations	(326,228)	3,542,608	(1,766,005)	(2,712,817)
Dividends received	1,828,358	56	1,591,511	-
Interest received	88,887	132,007	2,193	-
Interest paid	(308,258)	(273,314)	-	-
Tax paid	(2,164,349)	(2,794,271)	(100,000)	-
Employee defined benefits paid	(14,254)	-	-	-
	(569,616)	(2,935,522)	1,493,704	-
Net cash (used in)/from operating activities	(895,844)	607,086	(272,301)	(2,712,817)

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Investing Activities					
Investment in an associate	8(a)	(29,970)	-	-	-
Capital contribution by non-controlling interests	7(d), 7(e)	49	4,851	-	-
Net changes in amount due from subsidiaries		-	-	(440,417)	-
Net changes in amount due from associates		2,236,771	(473,400)	-	-
Payment for acquisition of equity interest from non-controlling interests	7(c)	(150,000)	-	-	-
Proceeds from disposal of property, plant and equipment		216,000	289	-	-
Purchase of:					
- property, plant and equipment		(917,989)	(839,833)	(248,747)	
- right-of-use assets	5(b)	(287,521)	(36,416)	-	-
Net cash from/(used in) investing activities		1,067,340	(1,344,509)	(689,164)	-
Financing Activities					
Net changes in amount due to a subsidiary		-	-	(2,657,817)	2,712,817
Dividends paid		(3,623,175)	-	(3,623,175)	-
Payment of lease liabilities		(814,605)	(862,175)	-	-
Drawdown of bank borrowings		1,555,471	-	-	-
Repayment of bank borrowings		(937,455)	(673,598)	-	-
Payment of share issuance expenses		(1,575,374)	-	(1,575,374)	-
Proceeds from issuance of shares		58,867,344	6,139,880	58,867,344	-
Increase in fixed deposit pledged to a licensed bank		(60,565)	(54,271)	-	-
Net cash from financing activities		53,411,641	4,549,836	51,010,978	2,712,817
Net increase in cash and cash equivalents		53,583,137	3,812,413	50,049,513	-
Cash and cash equivalents at the beginning of the financial year		11,625,129	7,812,716	100	100
Effect of exchange translation differences on cash and cash equivalents		(845)	-	-	-
Cash and cash equivalents at at the end of the financial year		65,207,421	11,625,129	50,049,613	100
Cash and cash equivalents at the end of the financial year comprises:					
Short-term investments	13	58,254,921	3,487,165	49,932,512	-
Fixed deposit with a licensed bank	18	2,348,988	2,288,423	-	-
Cash and bank balances	18	6,952,637	8,137,964	117,101	100
Bank overdraft		(137)	-	-	-
		67,556,409	13,913,552	50,049,613	100
Less: Fixed deposit pledged to a licensed bank		(2,348,988)	(2,288,423)	-	-
		65,207,421	11,625,129	50,049,613	100

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Cash flows for leases as a lessee

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Included in operating activities:					
Interest paid in relation to lease liabilities	28	105,330	55,742	-	-
Lease expenses relating to:					
- low value assets	29	-	900	-	-
- short-term leases	29	1,787,586	1,179,863	-	-
Included in financing activities:					
Payment of lease liabilities		814,605	862,175	-	-
Total cash outflows for leases		2,707,521	2,098,680	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia. On 26 January 2024, the Company's entire enlarged issued share capital was listed on the ACE Market of Bursa Malaysia Securities Berhad.

The principal place of business is located at Suite 3.03, Level 3, Wisma E & C, No. 2, Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The principal activity of the Company is investment holding. The information on the name, principal place of business, principal activities and proportion of ownership interest held by the Company is as disclosed in Note 7 to the financial statements.

2. Basis of Preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policies below.

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following amendments to standards issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

The adoption of the amendments to standards did not have any significant impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective

The Group and the Company have not applied the following new standards and amendments to standards that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to Classification and Measurements of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature- dependent Electricity	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11: • Amendments to MFRS 1 • Amendments to MFRS 7 • Amendments to MFRS 9 • Amendments to MFRS 10 • Amendments to MFRS 107		1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
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 and the Company intend to adopt the above new standards and amendments to standards, if applicable, when they become effective.

The initial application of the above-mentioned new standards and amendments to standards are not expected to have any significant impacts on the financial statements of the Group and of the Company except as disclosed below:

<u>MFRS 18 *Presentation and Disclosure in Financial Statements*</u>

MFRS 18 will replace MFRS 101 Presentation of Financial Statements. It preserves the majority requirements of MFRS 101 while introducing additional requirements. In addition, narrow-scope amendments have been made to MFRS 107 *Statement of Cash Flows* and some requirements of MFRS 101 have been moved to MFRS 108 *Basis of Preparation of Financial Statements*.

MFRS 18 additional requirements are as follows:

(i) Statement of Profit or Loss and Other Comprehensive Income

MFRS 18 introduces newly defined "operating profit or loss" and "profit or loss before financing and income tax" subtotal which are to be presented in the statement of profit or loss, while the net profit or loss remains unchanged. Statement of profit or loss to be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

(ii) Statement of Cash Flows

The standard modifies the starting point for calculating cash flows from operations using the indirect method, shifting from "profit or loss" to "operating profit or loss". It also provides guidance on classification of interest and dividend in statement of cash flows.

(iii) New disclosures of expenses by nature

Entities are required to present expenses in the operating category by nature, function or a mix of both. MFRS 18 includes guidance for entities to assess and determine which approach is most appropriate based on the facts and circumstances.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

MFRS 18 *Presentation and Disclosure in Financial Statements* (Cont'd)

MFRS 18 additional requirements are as follows: (Cont'd)

(iv) Management-defined Performance Measures (MPMs)

The standard requires disclosure of explanations of the entity's company- specific measures that are related to the statement of profit or loss, referred to MPMs. MPMs are required to be reconciled to the most similar specified subtotal in MFRS Accounting Standards.

(v) Enhanced Guidance on Aggregation and Disaggregation

MFRS 18 provides enhanced guidance on grouping items based on shared characteristics and requires disaggregation when items have dissimilar characteristics or when such disaggregation is material.

The potential impact of the new standard on the financial statements of the Group and of the Company have yet to be assessed.

(b) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following are judgements made by management in the process of applying the Group's accounting policies that have most significant effect on the amounts recognised in the financial statements:

Control over KJTN Engineering Co., Ltd.

KJTN Engineering Co., Ltd. ("KJTN Engineering") is a subsidiary of KJ Technical Services even though KJ Technical Services owns less than half of the ownership interest in this entity and less than half of their voting power. KJ Technical Services controls KJTN Engineering by virtue of an agreement with its other shareholders. In applying judgement, KJ Technical Services assesses and concludes that it has the power to direct the relevant business activities of KJTN Engineering. KJ Technical Services is able to appoint, remove and set compensation of the key management personnel of KJTN Engineering and actively dominates the decision-making process of KJTN Engineering through its board representatives.

Satisfaction of performance obligations in relation to contracts with customers

The Group and the Company are required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group and the Company recognise revenue over time in the following circumstances:

(i) the customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the Group and the Company perform;

(ii) the Group and the Company do not create an asset with an alternative use to the Group and the Company and has an enforceable right to payment for performance completed to date; and

(iii) the Group's and the Company's performance create or enhance an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the Group and the Company assess each contract with customers to determine when the performance obligation of the Group and the Company under the contract is satisfied.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Judgements (Cont'd)

Concession service agreements

The Group and the Company have entered into a concessions service agreement for the installation, operation and maintenance of a cooling energy system. The Group and the Company have evaluated based on the terms and conditions of the arrangement, whether the concession service agreement is accounted for using intangible asset model or financial assets model.

The management judged that based on terms and conditions of the arrangement, the Group and the Company have an unconditional contractual right to receive cash from the grantor for the services provided, thus accounting for the concession service arrangements under the financial assets model.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

(i) Depreciation and useful lives of property, plant and equipment, right-of-use ("ROU") assets and investment properties

The Group reviews the residual values, useful lives and depreciation methods at the end of each reporting period. Judgements are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment, ROU assets and investment properties may differ from the estimates applied and therefore, future depreciation charges could be revised. The carrying amounts of the Group's and of the Company's property, plant and equipment, ROU assets and investment properties are disclosed in Notes 4, 5 and 6 respectively.

(ii) Impairment assessment of concession financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the Grantor, or default or significant delay in payments.

The carrying amount of the Group's concession financial assets at the reporting date are disclosed in Note 10.

(iii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unutilised capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unutilised capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The details of carrying amount of recognised and unrecognised of deferred tax assets are disclosed in Note 24.

(iv) Provision for expected credit loss of financial assets at amortised cost

The Group uses a provision matrix to calculate expected credit loss for trade receivables. The provision rates are based on number of days past due.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The Group's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future. Information about the expected credit loss on the Group's trade receivables is disclosed in Note 14.

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

(v) Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

(vi) Revenue from construction contracts

Construction revenue and costs are recognised over the period of the contract in the profit or loss by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of performance obligation is measured based on the physical proportion of contract work-to-date certified by professional consultants. Significant judgement is required in determining the progress based on the certified work-to-date corroborated by the level of completion of the construction based on actual costs incurred to-date over the estimated total construction costs. The total estimated construction costs are based on approved budgets, which require assessments and judgments to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, the Group evaluates based on past experience and a continuous monitoring mechanism.

The contract assets and contract liabilities of the Group arising from construction contracts are disclosed in Note 15.

(vii) Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made.

3. Material Accounting Policies

The Group and the Company apply the material accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

In the Company's separate financial statements, investment in subsidiaries are stated at cost less any accumulated impairment losses. On disposal of such investment, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss.

3. Material Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiaries (Cont'd)

Business combination - Merger method

A business combination in which all the combining entity or business are ultimately controlled by same party or parties both before or after the business combination, and that control is not transitory. The acquisition of KJ Technical Services resulted in a business involving common control entity since the management of all the entity which took part in the acquisition were controlled by common Directors and under common shareholders before and immediately after the acquisition, and accordingly the accounting treatment is outside the scope of MFRS 3. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entity in the consolidated financial statements. The merger method of accounting on a retrospective basis and restated its comparative as if the consolidated had taken place before the state of the earliest year presented in the combined financial statements.

Under the merger method of accounting, the results of subsidiary are presented as if the merger had been affected throughout the current period. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholders at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any reserves which are attributable to share capital of the merged entity, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other reserves.

Business combination - Acquisition method

The Group applies the acquisition method to account for business combinations from the acquisition date, which is the date on which the control is transferred to the Group. Under the acquisition method, the identifiable assets acquired and liabilities assumed are measured at their fair values at the acquisition date. The cost of an acquisition is measured as the aggregate of the fair value of the consideration transferred. Non-controlling interests are stated either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group measures goodwill as the excess of the cost of an acquisition, as defined above, and the fair values of any previously held interest in the acquiree, over the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, all intra-group balances, income and expenses and unrealised gains or losses resulting from intra-group transactions are eliminated in full. Uniform accounting policies are applied to like transactions and events in similar circumstances.

(ii) Changes in ownership interests in subsidiaries without change of control

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's proportionate share of net assets before and after the change, and any fair value of consideration received or paid, is recognised directly in equity as transactions with shareholders.

(iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or at fair value through other comprehensive income depending on the level of influence retained.

3. Material Accounting Policies (Cont'd)

(b) Investment in associates

Associates are entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investment in associates are accounted for in the consolidated and the Company's financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

(c) Foreign currency transactions

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM are translated to RM at the rate of exchange prevailing at the reporting date and income and expenses, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in associates that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

3. Material Accounting Policies (Cont'd)

(d) Property, plant and equipment

(i) Recognition and measurement

All items of property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

(ii) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Office equipment	3 - 5 years
Furniture and fittings	3 - 5 years
Plant and machinery	6 years
Computers and software	3 years
Motor vehicles	5 years
Renovation	3 years

(e) Leases

<u>As lessee</u>

(i) Right-of-use ("ROU") assets

ROU assets are initially measured at cost. Subsequent to the initial recognition, the ROU assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The ROU assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the ROU assets or the end of the lease term.

(ii) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group entities use its incremental borrowing rate as the discount rate.

Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

(iii) Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases and leases of low-value assets. The Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3. Material Accounting Policies (Cont'd)

(f) Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

Investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The principal annual depreciation rates are:

Leasehold buildings	Over the remaining period of the lease

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the reporting period of retirement or disposal.

(g) Financial assets

Recognition and initial measurement

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments. Transaction costs of financial assets carried at fair value through profit or loss ("FVTPL") are expensed in profit or loss.

Financial asset categories and subsequent measurement

For the purpose of subsequent measurement, the Group and the Company classify their financial assets in the following categories:

- Financial assets at amortised cost; and
- Financial assets at fair value through profit or loss

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets are not reclassified subsequent to their initial recognition unless the Group and the Company change its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at fair value through profit or loss

Subsequent to the initial recognition, the financial assets at FVTPL are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income. Other net gains or losses, including any interest or dividend income, are also recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

3. Material Accounting Policies (Cont'd)

(h) Financial liabilities

Recognition and initial measurement

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

At initial recognition, the Group and the Company measure a financial liability at its fair value less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments.

Financial liability categories and subsequent measurement

For the purpose of subsequent measurement, the Group and the Company classify their financial liabilities as financial liabilities at amortised cost.

Financial liabilities at amortised cost

Financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains or losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a first-in-first-out basis.

(j) Construction contracts

Construction contracts are contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

Cost incurred to fulfil the contracts, comprising cost of direct materials, direct labour, other direct costs, attributable overheads and payments to sub-contractors are recognised as an asset and amortised to profit or loss systematically to reflect the transfer of the contracted service to the customer.

The Group uses the efforts or inputs to the satisfaction of the performance obligations to determine the appropriate amount to recognise in a given period. This is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the financial year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature. When the carrying amount of the asset exceeds the remaining amount of consideration that the Group expects to receive in exchange of the contracted asset, an impairment loss is recognised in profit or loss.

The Group presents as an asset the gross amount due from customers for contract work in progress for which costs incurred plus recognised profits (less recognised losses) exceed contract liabilities. Contract liabilities not yet paid by customers and retention monies are included within receivables and contract assets. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which contract liabilities exceed costs incurred plus recognised profits (less recognised losses).

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short-term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

3. Material Accounting Policies (Cont'd)

(l) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and contract assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash- generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash- generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash- generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash- generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months ("a 12 months ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables and other receivables, contract assets and inter- company balances, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

3. Material Accounting Policies (Cont'd)

(m) Share capital

Ordinary shares are equity instruments. Ordinary shares are recorded at proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors.

(n) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(o) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(iii) Defined benefit plans

The employee benefits obligations in relation to the severance payment under the labour law and other defined benefits are recognised as a charge to results of operations over the employee's service period. It is calculated by the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the Group through the service period up to the retirement age. The calculation is based on the best estimation at the reporting date.

(iv) Equity-settled share-based payment transaction

The Group and the Company operate an equity-settled, share-based compensation plan for the Directors and employees of the Group and of the Company. Employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. At the end of each reporting date, the Group and the Company revise its estimates of the number of share options that are expected to be vested. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

3. Material Accounting Policies (Cont'd)

(p) Concession Service Arrangement

The Group recognises the estimated consideration received or receivable as a financial asset since the Group has an unconditional right to receive or receivable as a financial asset for the construction services. Financial assets are accounted for in accordance with the accounting policy as set out in Note 3(g).

(q) Revenue and other income

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised goods or services to the customer, which is when the customer obtains control of the goods or services. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognises revenue from the following major sources:

(1) Revenue from cooling energy management

Revenue is recognised over time as the customers simultaneously received and consumed the benefits provided by the Group's performance, and the Group has a present right to payment for the services. This is based on the actual customer usage relative to the agreed-upon charging rates.

(2) Revenue from engineering, procurement, construction and commissioning ("EPCC") of cooling energy systems

Revenue is recognised over time as the customers simultaneously received and consumed the benefits provided by the Group's performance, and the Group has a present right to payment for the services.

Revenue is recognised over the period of the contract by measuring the progress towards complete satisfaction of that performance obligation. Revenue is measured on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation. The stage of completion is determined by the proportion of contract costs incurred to-date relative to the estimated total contract costs.

(3) Revenue from cleaning services

Revenue is recognised in the reporting period in which the services are rendered, which simultaneously received and consumed the benefits provided by the Group's performance, and the Group has a present right to payment for the services.

(4) Revenue from facilities management

Revenue is recognised in the reporting period in which the services are rendered, which simultaneously received and consumed the benefits provided by the Group's performance, and the Group has a present right to payment for the services.

(5) Revenue from building construction

The Group recognises revenue from construction contracts over time when control over the asset has been transferred to the customers. The assets have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to date. Revenue from construction contracts is measured at the transaction price agreed under the construction contracts.

Revenue from construction contracts is recognised by reference to the stage of completion. Stage of completion is measured using the input method, which is based on the total actual construction costs incurred-to-date over to the total budgeted costs for each contract.

The Group becomes entitled to invoice customers for construction of promised asset based on achieving a series of performance-related milestones (i.e. progress billing). The Group previously has recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the progress billing exceeds the revenue recognised todate, the Group recognises a contract liability for the difference.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

3. Material Accounting Policies (Cont'd)

(q) Revenue and other income (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

The Group recognises revenue from the following major sources: (Cont'd)

(6) Management fees

Management fees are recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

(ii) Revenue from other source and other income

(1) Finance income from concession contracts

Finance income from concession contracts are recognised as it accrues using the effective interest method in profit or loss. The notional interest income resulting from the accretion of its financial asset using effective interest method is recognised in the profit or loss.

(2) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(3) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

(r) Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings to-date and deposits or advances received from customers.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

(s) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting year. Deferred tax assets and liabilities are not discounted.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

3. Material Accounting Policies (Cont'd)

(s) Income taxes (Cont'd)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting year and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

(u) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

When the grant relates to an expense item, it is recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and transferred to profit or loss on a systematic basis over the useful lives of the related asset.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs to be recognised in profit or loss in the period in which they become receivable.

Where the Group receives non-monetary government grants, the asset and the grant are recorded at nominal amount and transferred to profit or loss on a systematic basis over the life of the depreciable asset by way of a reduced depreciation charge.

(v) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowance; and
- the amount initially recognised, when appropriate, the cumulative amount of the income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.

(w) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision- makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

3. Material Accounting Policies (Cont'd)

(x) Fair value measurement

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer of the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. 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 assets or liabilities that the Group and the Company can access at the measurement date.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. Property, Plant and Equipment

	Office equipment RM	Furniture and fittings RM	Plant and machinery RM	Computers and software RM	Motor vehicles RM	Renovation RM	Total RM
Group							
2024							
Cost							
At 1 January 2024	1,880,377	459,784	948,992	310,114	1,117,160	423,688	5,140,115
Additions	348,871	216,365	225,645	78,381	-	48,727	917,989
Transfer from right-of-use assets	-	-	-	-	106,498	-	106,498
Disposal	-	-	-	-	(991,186)	-	(991,186)
Written off	(138,585)	(1,959)	-	-	-	-	(140,544)
Exchange differences	(30,815)	(2,530)	(1,204)	(4,297)	-	156	(38,690)
At 31 December 2024	2,059,848	671,660	1,173,433	384,198	232,472	472,571	4,994,182
Accumulated depreciation							
At 1 January 2024	1,262,203	372,987	573,971	180,468	1,088,455	325,055	3,803,139
Charge for the financial year	353,138	58,005	156,509	71,553	5,910	41,175	686,290
Transfer from right-of-use assets	-	-	-	-	69,225	-	69,225
Disposal	-	-	-	-	(991,186)	-	(991,186)
Written off	(138,277)	(1,959)	-	-	-	-	(140,236)
Exchange differences	(19,049)	(2,428)	(133)	(2,234)	-	-	(23,844)
At 31 December 2024	1,458,015	426,605	730,347	249,787	172,404	366,230	3,403,388
Carrying amount							
At 31 December 2024	601,833	245,055	443,086	134,411	60,068	106,341	1,590,794

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

4. Property, Plant and Equipment (Cont'd)

	Office equipment RM	Furniture and fittings RM	Plant and machinery RM	Computers and software RM	Motor vehicles RM	Renovation RM	Total RM
Group							
2023							
Cost							
At 1 January 2023	2,005,329	400,484	768,817	509,789	996,343	443,861	5,124,623
Additions	402,766	57,087	187,609	79,556	29,100	83,715	839,833
Transfer from right-of-use assets	-	-	-	-	91,717	-	91,717
Disposal	(4,594)	-	-	-	-	-	(4,594)
Written off	(585,826)	(500)	(7,912)	(300,557)	-	(110,383)	(1,005,178)
Exchange differences	62,702	2,713	478	21,326	-	6,495	93,714
At 31 December 2023	1,880,377	459,784	948,992	310,114	1,117,160	423,688	5,140,115
Accumulated depreciation							
At 1 January 2023	1,528,863	324,978	408,914	388,433	996,033	377,073	4,024,294
Charge for the financial year	276,584	46,219	171,159	73,757	705	51,870	620,294
Transfer from right-of-use assets	-	-	-	-	91,717	-	91,717
Disposal	(4,305)	-	-	-	-	-	(4,305)
Written off	(573,382)	(500)	(6,299)	(293,762)	-	(110,383)	(984,326)
Exchange differences	34,443	2,290	197	12,040	-	6,495	55,465
At 31 December 2023	1,262,203	372,987	573,971	180,468	1,088,455	325,055	3,803,139
Carrying amount							
At 31 December 2023	618,174	86,797	375,021	129,646	28,705	98,633	1,336,976

	Office equipment RM	Furniture and fittings RM	Computers and software RM	Total RM
Company				
2024				
Cost				
At 1 January 2024	-	-	-	-
Additions	14,759	187,000	46,988	248,747
At 31 December 2024	14,759	187,000	46,988	248,747
Accumulated depreciation				
At 1 January 2024	-	-	-	-
Charge for the financial year	2,133	10,389	7,003	19,525
At 31 December 2024	2,133	10,389	7,003	19,525
Carrying amount				
At 31 December 2024	12,626	176,611	39,985	229,222

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

5. Right-of-use Assets

	Buildings RM	Motor vehicles RM	Total RM
Group			
2024			
Cost			
At 1 January 2024	942,432	2,263,530	3,205,962
Additions	1,195,360	1,704,864	2,900,224
Written off	-	(586,445)	(586,445)
Expiration of lease contracts	(81,318)	-	(81,318)
Early termination of lease contracts	(130,095)	-	(130,095)
Modification of lease contracts	330,003	397,639	727,642
Transfer to property, plant and equipment	-	(106,498)	(106,498)
Exchange differences	(51,372)	(96,588)	(147,960)
At 31 December 2024	2,205,010	3,576,502	5,781,512
Accumulated depreciation			
At 1 January 2024	707,308	1,585,681	2,292,989
Charge for the financial year	324,246	590,361	914,607
Written off	-	(586,445)	(586,445)
Expiration of lease contracts	(81,318)	-	(81,318)
Early termination of lease contracts	(85,129)	-	(85,129)
Transfer to property, plant and equipment	-	(69,225)	(69,225)
Exchange differences	(37,890)	(65,246)	(103,136)
At 31 December 2024	827,217	1,455,126	2,282,343
Carrying amount			
At 31 December 2024	1,377,793	2,121,376	3,499,169
2023			
Cost			
At 1 January 2023	1,499,003	1,667,970	3,166,973
Additions	116,025	402,844	518,869
Expiration of lease contracts	(630,679)	-	(630,679)
Early termination of lease contracts	(277,656)	-	(277,656)
Modification of lease contracts	205,271	209,679	414,950
Transfer to property, plant and equipment	-	(91,717)	(91,717)
Exchange differences	30,468	74,754	105,222
At 31 December 2023	942,432	2,263,530	3,205,962
Accumulated depreciation			
At 1 January 2023	1,031,006	1,231,709	2,262,715
Charge for the financial year	464,856	373,978	838,834
Expiration of lease contracts	(630,679)	-	(630,679)
Early termination of lease contracts	(185,927)	-	(185,927)
Transfer to property, plant and equipment	-	(91,717)	(91,717)
Exchange differences	28,052	71,711	99,763
At 31 December 2023	707,308	1,585,681	2,292,989
Carrying amount			
At 31 December 2023	235,124	677,849	912,973

5. Right-of-use Assets (Cont'd)

(a) The carrying amount of right-of-use assets of the Group and of the Company held under lease arrangement are as follows:

	Group	
	2024 **RM**	**2023** **RM**
Motor vehicles	2,121,376	677,849

Leased assets of the Group are pledged as securities for the related lease liabilities as disclosed in Note 22.

(b) The aggregate additional costs for the right-of-use assets of the Group and of the Company during the financial year acquired under lease financing and cash payments are as follows:

	Group	
	2024 **RM**	**2023** **RM**
Aggregate costs	2,900,224	518,869
Less: Lease financing	(2,612,703)	(482,453)
Cash payments	287,521	36,416

6. Investment Properties

	Group	
	2024 **RM**	**2023** **RM**
Cost		
At 1 January/31 December	1,101,144	1,101,144
Accumulated depreciation		
At 1 January	28,139	20,600
Charge for the financial year	8,673	7,539
At 31 December	36,812	28,139
Accumulated impairment losses		
At 1 January	223,005	171,780
Charge for the financial year	171,327	51,225
At 31 December	394,332	223,005
Carrying amount		
At 31 December	670,000	850,000
Included in the above is:		
At cost		
Leasehold buildings	1,101,144	1,101,144
Fair value		
Leasehold buildings	670,000	850,000

Investment properties are leasehold buildings with remaining lease period of 95 (2023: 96) years.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

7. Investment in a Subsidiary

(a) Investment in a subsidiary

	Company 2024 RM	Company 2023 RM
At cost		
Unquoted shares in Malaysia	41,827,570	41,827,570

Details of the subsidiaries are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest 2024 %	Effective interest 2023 %	Principal activities
Direct interest:				
KJ Technical Services Sdn. Bhd. ("KJ Technical Services")	Malaysia	100	100	Provision of cooling energy management services, engineering, procurement, construction and commissioning ("EPCC") of cooling energy systems, facilities management service and investment holding company.
Indirect interest:				
Held through KJ Technical Services				
- DCS Power Sdn. Bhd.	Malaysia	100	100	Provision of cooling energy management services. @
- KJ Engineering Sdn. Bhd.	Malaysia	100	100	EPCC of cooling energy systems.
- KJ FEM Pte. Ltd. *	Singapore	100	100	Provision of cleaning services.
- KJ Energy Management Sdn. Bhd. ("KJ Energy Management")	Malaysia	100	100	Provision of cooling energy management services.
- Astute MFM Sdn. Bhd. ("Astute MFM")	Malaysia	51	51	Provision of mobile facilities management services.
- AUNOA Solutions Sdn. Bhd. ("AUNOA Solutions")	Malaysia	51	51	Software systems integrator.
- ETC Cleaning Services Sdn. Bhd. ("ETC Cleaning Services")	Malaysia	100	90	Provision of cleaning services.
- KJ Facilities Management Sdn. Bhd. ("KJ Facilities Management")	Malaysia	60	60	Provision of mobile facilities management services. @
- KJTN Engineering Co., Ltd. # ("KJTN Engineering")	Thailand	49	49	Provision of cooling energy management services and EPCC of cooling energy systems.
- KJ Energy Services Sdn. Bhd.	Malaysia	100	100	Provision of cooling energy management services.
- KJGA Sdn. Bhd. ("KJGA")	Malaysia	51	-	Provision of waste management services. @

* *Audited by member firm of UHY International Limited*

\# *Subsidiary not audited by UHY Malaysia PLT*

@ *Being the intended principal activities, the subsidiary is dormant as at the date of this report.*

7. Investment in a Subsidiary (Cont'd)

(b) Acquisition of a subsidiary

31 December 2023

On 29 May 2023, the Company has entered into a conditional share sale agreement with the KJ Technical Services's Vendors to acquire the entire equity interest in KJ Technical Services comprising 808,000 ordinary shares for a purchase consideration of RM41,827,570 ("Acquisition"). The purchase consideration for the Acquisition will be satisfied by the issuance of 469,972,700 new ordinary shares in the Company ("KJTS Shares") at an issue price of RM0.089 for each KJTS Shares.

On 13 December 2023, the Company has completed the acquisition of the entire equity interest in KJ Technical Services. Consequently, KJ Technical Services became a wholly-owned subsidiary of the Company.

(c) Changes in equity interest

31 December 2024

On 4 April 2024, KJ Technical Services, a wholly-owned subsidiary of the Company, acquired 10,000 ordinary shares, representing 10% equity interest in ETC Cleaning Services for a total cash consideration of RM150,000 only. Consequently, KJ Technical Services's equity interest in ETC Cleaning Services increase from 90% to 100% and ETC Cleaning Services became a wholly-owned subsidiary of KJ Technical Services.

The effect of changes in the equity interest in ETC Cleaning Services that is attributable to owners of the Company is as follows:

	Group 2024 RM
Carrying amount of non-controlling interests acquired	71,735
Consideration paid to non-controlling interests	(150,000)
Decrease in parent's equity	(78,265)

(d) Incorporation of a new subsidiary

31 December 2024

On 26 June 2024, KJ Technical Services had subscribed for 51 ordinary shares in KJGA Sdn. Bhd. ("KJGA") for an amount RM51, representing 51% of the total issued share capital of KJGA. Consequently, KJGA became a 51%-owned subsidiary of KJ Technical Services.

(e) Additional investment

31 December 2024

On 11 September 2024, KJ Energy Management, a wholly-owned subsidiary of KJ Technical Services, increased its issued and paid-up share capital from 100,000 to 150,000 ordinary shares. KJ Technical Services has subscribed for an additional 50,000 ordinary shares in KJ Energy Management for a total cash consideration of RM50,000.

31 December 2023

On 20 June 2023, Astute MFM, a 51% owned subsidiary of KJ Technical Services, increased its issued and paid-up share capital from 100 to 10,000 ordinary shares. KJ Technical Services has subscribed for an additional 5,049 ordinary shares in Astute MFM by way of capitalisation of amount due from Astute MFM. Consequently, Astute MFM remains as 51%-owned subsidiary of KJ Technical Services.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

7. Investment in a Subsidiary (Cont'd)

(f) Material partly-owned subsidiaries

The Group's subsidiaries that have material non-controlling interests are as follows:

Name of company	Proportion of ownership interests and voting rights held by non-controlling interests		(Loss)/Profit allocated to non-controlling interests		Carrying amount of non-controlling interests	
	2024 %	2023 %	2024 RM	2023 RM	2024 RM	2023 RM
AUNOA Solutions	49	49	(34,152)	(75,182)	(737,017)	(702,865)
ETC Cleaning Services	-	10	8,941	12,549	-	62,794
KJ Facilities Management	40	40	(14,202)	(22,448)	(239,237)	(225,035)
Astute MFM	49	49	(518,803)	(601,508)	(981,974)	(463,171)
KJTN Engineering	51	51	715,410	(108,646)	1,743,197	1,050,359
KJGA	49	-	(5,874)	-	(5,825)	-
Total non-controlling interests			151,320	(795,235)	(220,856)	(277,918)

The summarised financial information for each subsidiary that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company elimination.

(i) Summarised Statements of Financial Position

	AUNOA Solutions RM	ETC Cleaning Services RM	KJ Facilities Management RM	Astute MFM RM	KJTN Engineering RM	KJGA RM
2024						
Non-current assets	-	-	-	361,437	12,771,884	-
Current assets	101,251	-	2,190	2,165,932	2,284,513	49
Non-current liabilities	-	-	-	(210,401)	(3,085,091)	-
Current liabilities	(1,605,367)	-	(600,285)	(4,320,995)	(8,553,272)	(11,938)
Net (liabilities)/assets	(1,504,116)	-	(598,095)	(2,004,027)	3,418,034	(11,889)
2023						
Non-current assets	-	990,081	-	124,332	7,538,263	-
Current assets	147,724	9,751,660	3,494	2,208,431	2,826,871	-
Non-current liabilities	-	(307,912)	-	-	(2,436,168)	-
Current liabilities	(1,582,142)	(9,805,894)	(566,083)	(3,278,009)	(5,869,438)	-
Net (liabilities)/assets	(1,434,418)	627,935	(562,589)	(945,246)	2,059,528	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

7. Investment in a Subsidiary (Cont'd)

(f) Material partly-owned subsidiaries (Cont'd)

(ii) Summarised Statements of Profit or Loss and Other Comprehensive Income

	AUNOA Solutions RM	ETC Cleaning Services RM	KJ Facilities Management RM	Astute MFM RM	KJTN Engineering RM	KJGA RM
2024						
Revenue	126,235	32,303,549	-	7,609,992	9,121,474	-
(Loss)/Profit for the financial year	(69,698)	391,292	(35,506)	(1,058,781)	1,402,765	(11,989)
Other comprehensive loss for the financial year	-	-	-	-	(44,259)	-
Total comprehensive (loss)/income for the financial year	(69,698)	391,292	(35,506)	(1,058,781)	1,358,506	(11,989)
2023						
Revenue	158,338	25,752,452	-	8,104,111	2,606,930	-
(Loss)/Profit for the financial year	(153,432)	125,490	(56,121)	(1,227,567)	(213,032)	-
Other comprehensive income for the financial year	-	-	-	-	115,271	-
Total comprehensive (loss)/income for the financial year	(153,432)	125,490	(56,121)	(1,227,567)	(97,761)	-

(iii) Summarised Statements of Cash Flows

	AUNOA Solutions RM	ETC Cleaning Services RM	KJ Facilities Management RM	Astute MFM RM	KJTN Engineering RM	KJGA RM
2024						
Net cash from/(used in) operating activities	60,745	(1,588,195)	(18,592)	(252,815)	(3,176,798)	(9,289)
Net cash (used in)/from investing activities	(55,000)	(446,634)	-	(4,649)	(40,620)	-
Net cash (used in)/from financing activities	(18,500)	2,269,505	17,105	356,359	1,956,659	9,289
Net (decrease)/increase in cash and cash equivalents	(12,755)	234,676	(1,487)	98,895	(1,260,759)	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

7. Investment in a Subsidiary (Cont'd)

(f) Material partly-owned subsidiaries (Cont'd)

(iii) Summarised Statements of Cash Flows (Cont'd)

	AUNOA Solutions RM	ETC Cleaning Services RM	KJ Facilities Management RM	Astute MFM RM	KJTN Engineering RM	KJGA RM
2023						
Net cash (used in)/from operating activities	(70,081)	(968,304)	(21,570)	(741,722)	1,343,041	-
Net cash used in investing activities	-	(488,734)	-	(84,614)	(44,221)	-
Net cash from/(used in) financing activities	75,000	770,100	19,000	671,991	(255,080)	-
Net increase/(decrease) in cash and cash equivalents	4,919	(686,938)	(2,570)	(154,345)	1,043,740	-

There are no significant restrictions on the ability of the subsidiaries to transfer funds to the Group in the form of cash dividends or repayment of loans and advances. Generally, for all subsidiaries which are not wholly-owned by the Company, non-controlling shareholders hold protective rights restricting the Company's ability to use the assets of the subsidiaries and settle the liabilities of the Group, unless approval is obtained from non-controlling shareholders.

8. Investment in Associates

	Group 2024 RM	Group 2023 RM
At cost		
Unquoted shares in Malaysia	435,000	405,030
Unquoted shares outside Malaysia	38,677	38,677
Less: Accumulated impairment losses	(38,677)	-
	-	38,677
	435,000	443,707
Share of post-acquisition results	403,732	379,689
	838,732	823,396

Movements in the allowance for impairment losses are as follows:

	Group 2024 RM	Group 2023 RM
At 1 January	-	-
Impairment losses recognised	38,677	-
At 31 December	38,677	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

8. Investment in Associates (Cont'd)

Details of the associates are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest 2024 %	Effective interest 2023 %	Principal activities
Direct holding:				
Associates of KJ Technical Services				
Acres Growth Sdn. Bhd. ("Acres Growth")	Malaysia	30	30	Designing air-conditioning, cooling, heating and ventilation systems, repair and maintenance of air-conditioning systems, project contracting, assembly and trading in engineering products and an investment holding company.
KJ Technical Services Co., Ltd. # ("KJ Technical Services (Thailand)")	Thailand	30	30	Engineering activities and related technical consultancy. @
DCS Energy Sdn. Bhd. # ("DCS Energy")	Malaysia	45	45	Designing, testing and managing cooling system, mechanical electrical system and related activities.

 # Associate not audited by UHY Malaysia PLT

@ Being the intended principal activities, the associate is dormant as at the date of this report.

(a) Additional investment

31 December 2024

On 26 March 2024, Acres Growth, a 30%-owned associate of KJ Technical Services, increased its issued and paid-up share capital from 30 to 30,000 ordinary shares. KJ Technical Services has subscribed for an additional 29,970 ordinary shares in Acres Growth for total consideration of RM29,970 by way of capitalisation of amount due from Acres Growth. Consequently, Acres Growth remained as 30%-owned associate of KJ Technical Services.

(b) The summarised financial information of the Company's material associates not adjusted for the percentage held by the Group are as follows:

	Acres Growth 2024 RM	Acres Growth 2023 RM	KJ Technical Services (Thailand) 2024 RM	KJ Technical Services (Thailand) 2023 RM	DCS Energy 2024 RM	DCS Energy 2023 RM
Assets and Liabilities						
Non-current assets	6,973,305	2,657,214	3	702	1	1
Current assets	3,792,609	3,946,184	161,489	1,832,543	1,159,102	1,528,141
Non-current liabilities	(2,747,102)	-	-	-	-	-
Current liabilities	(6,759,231)	(5,616,613)	(270,450)	(2,508,857)	(5,139)	(297,098)
Net assets/(liabilities)	1,259,581	986,785	(108,958)	(675,612)	1,153,964	1,231,044
Interests in associates	30%	30%	30%	30%	45%	45%
Group's share of net assets	377,874	296,036	(32,687)	(202,684)	519,284	553,970
Financial Results						
Revenue	7,180,595	5,040,273	-	-	-	-
Profit/(Loss) for the financial year	172,896	28,608	543,785	(52,480)	(77,080)	(58,391)
Other comprehensive income/(loss) for the financial year	-	-	22,868	(34,218)	-	-
Total comprehensive income/ (loss) for the financial year	172,896	28,608	566,653	(86,698)	(77,080)	(58,391)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

8. Investment in Associates (Cont'd)

(b) The summarised financial information of the Company's material associates not adjusted for the percentage held by the Group are as follows: (Cont'd)

	Acres Growth		KJ Technical Services (Thailand)		DCS Energy	
	2024 RM	2023 RM	2024 RM	2023 RM	2024 RM	2023 RM
Group's share of results for the financial year ended 31 December						
Group's share of profit/(loss)	51,869	8,582	-	(15,744)	(34,686)	(26,276)
Group's share of other comprehensive income/(loss)	-	-	6,860	(10,265)	-	-
Group's share of total comprehensive income/(loss)	51,869	8,582	6,860	(26,009)	(34,686)	(26,276)

The Group has not recognised the following losses related to certain associates since the Group has no obligation in respect of these losses:

	Group	
	2024 RM	2023 RM
At 1 January	(350,543)	(350,543)
Share of profit	163,136	-
At 31 December	(187,407)	(350,543)

9. Goodwill on Consolidation

	Group	
	2024 RM	2023 RM
At 1 January/31 December	1,808,278	1,808,278

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount. The Directors are of the opinion that since all the cash- generating units ("CGUs") are to be held on a long-term basis, value in use would best reflect its recoverable amount. The value in use is determined by discounting future cash flows over a five-year period. The future cash flows are based on management's business plan, which is the best estimate of future performance. The ability to achieve the business plan targets is a key assumption in determining the recoverable amount for each cash- generating unit.

There remains a risk that, due to unforeseen changes in the respective economies in which the CGUs operate and/or global economic conditions, the ability to achieve management's business plan will be adversely affected. In calculating the value in use for each cash-generating unit, management has applied a pre-tax discount rate of 10.80% (2023: 7.25%) and revenue growth rate at the range of 5% to 30% (2023: 5% to 30%). The following describes each key assumptions on which management has based its cash flow projections for the purposes of impairment testing of goodwill:

(a) the discount rate used reflected the management's best estimate of return on capital employed.

(b) growth rate used is based on historical trend of each segment taking into account industry outlook.

(c) the profit margin used in the projections are based on the historical profit margin trend for the individual cash-generating unit or budgeted profit margin for predetermined projects obtained.

The management believes that any reasonably possible change in any of the above key assumptions would not caused the carrying amounts of the CGUs to materially exceed their recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

10. Concession Receivables

	Group 2024 RM	Group 2023 RM
Concession receivables		
- Non-current	14,140,741	10,505,502
- Current	1,996,208	2,293,336
	16,136,949	12,798,838
At 1 January	12,798,838	14,522,707
Concession fixed revenue (Note 27)	7,726,162	6,983,382
Finance income (Note 27)	1,001,301	675,696
Reclassified from construction contract	7,520,052	-
Receipts	(12,744,304)	(9,578,262)
Exchange difference	(165,100)	195,315
At 31 December	16,136,949	12,798,838

(a) On 5 January 2016, the Group has entered into an agreement to retrofit and provide cooling energy management services for a shopping mall and office building at Petaling Jaya, Selangor for the period of 15 years. Proceeds derived from this agreement is assigned to a licensed bank pursuant to a deed of assignment as disclosed in Note 21(b).

(b) On 16 December 2019, the Group has entered into an agreement to retrofit and provide cooling energy management services for chiller plants at a government hospital in Johor Bahru, and a government hospital at Muar, Johor for the period of 5 years.

(c) On 26 April 2021, the Group has entered into an agreement to retrofit and provide cooling energy management services for a commercial development in Bangkok, Thailand for the period of 15 years. Proceeds derived from this agreement is assigned to a licensed bank pursuant to a deed of assignment as disclosed in Note 21(c).

(d) On 15 August 2022, the Group has entered into an agreement to retrofit and provide cooling energy management services for a factory in Beranang, Selangor for the period of 5 years. The concession contract was completed during the financial year and all remaining concession receivable was fully settled within the financial year.

(e) On 18 August 2022, the Group has entered into an agreement to retrofit and provide cooling energy management services for another factory in Beranang, Selangor for the period of 5 years. The concession contract was completed during the financial year and all remaining concession receivable was fully settled within the financial year.

(f) On 10 July 2023, the Group has entered into an agreement to retrofit and provide cooling energy management services for chiller plant at a office building in Alor Setar, Kedah for the period of 10 years.

(g) On 31 January 2024, the Group has entered into an agreement to retrofit and provide cooling energy management services at a hotel in Bangkok, Thailand for the period of 15 years. Proceeds derived from this agreement is assigned to a licensed bank pursuant to a deed of assignment as disclosed in Note 21(d).

(h) On 24 September 2024, the Group has entered into an agreement to retrofit and provide cooling energy management services at a resort in Pattaya, Thailand for the period of 20 years.

The above arrangement is within the scope of IC Interpretation 12: *Service Concession Agreement* under the financial assets model. The fair value of construction services is recognised as concession receivables.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

11. Other Receivables

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-Current				
Other receivables	540,800	-	-	-
Witholding tax	56,815	58,401	-	-
	597,615	58,401	-	-
Current				
Other receivables	3,284,306	1,287,977	-	-
Government grant receivable	177,541	146,105	-	-
Deposits	2,401,012	1,781,843	9,442	500
Dividend receivable	-	-	9,000,000	2,181,600
Prepayments	4,779,483	7,441,536	91,284	3,247,282
	10,642,342	10,657,461	9,100,726	5,429,382
	11,239,957	10,715,862	9,100,726	5,429,382

12. Inventories

	Group	
	2024 RM	2023 RM
At cost		
Uniforms	53,746	62,133
Consumables	51,962	36,224
	105,708	98,357
Recognised in profit or loss:		
Inventories recognised as cost of sales	917,448	616,767
Inventories written off	-	1,585

13. Short-term Investments

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current				
Financial assets measured at fair value through profit or loss				
Investment in money market funds	58,254,921	3,487,165	49,932,512	-

Investment in money market funds represents investments in highly liquid money market instruments, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value and hence, meet the definition to be classified as cash and cash equivalents.

The fair value of the money market funds was determined by reference to the quoted prices provided by financial intermediaries.

14. Trade Receivables

	Group	
	2024 RM	2023 RM
Trade receivables	27,245,018	22,626,251
Less: Accumulated impairment losses	(411,053)	(406,893)
	26,833,965	22,219,358

Trade receivables are non-interest bearing and are generally on 15 to 120 days (2023: 15 to 120 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movements in the allowance for impairment losses are as follows:

	Group		
	Lifetime allowance RM	Credit impaired RM	Loss allowance RM
At 1 January 2024	58,938	347,955	406,893
Impairment losses recognised	4,160	-	4,160
At 31 December 2024	63,098	347,955	411,053
At 1 January 2023	3,829	367,785	371,614
Impairment losses recognised	58,594	-	58,594
Reversal of impairment losses	(3,485)	(19,830)	(23,315)
At 31 December 2023	58,938	347,955	406,893

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

The ageing analysis of trade receivables at the end of the reporting period are as follows:

	2024			2023		
	Gross mount RM	Loss allowance RM	Net amount RM	Gross mount RM	Loss allowance RM	Net amount RM
Group						
Not past due	13,994,486	(6,047)	13,988,439	12,219,974	(5,891)	12,214,083
Past due:						
Less than 30 days	5,484,132	(3,478)	5,480,654	4,058,795	(4,238)	4,054,557
31 to 60 days	2,214,634	(3,159)	2,211,475	1,291,228	(3,650)	1,287,578
61 to 90 days	703,280	(1,764)	701,516	1,265,678	(9,262)	1,256,416
More than 90 days	4,500,531	(48,650)	4,451,881	3,442,621	(35,897)	3,406,724
	12,902,577	(57,051)	12,845,526	10,058,322	(53,047)	10,005,275
	26,897,063	(63,098)	26,833,965	22,278,296	(58,938)	22,219,358
Credit impaired						
Individually impaired	347,955	(347,955)	-	347,955	(347,955)	-
	27,245,018	(411,053)	26,833,965	22,626,251	(406,893)	22,219,358

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

14. Trade Receivables (Cont'd)

Trade receivables that are not past due and not individually impaired are creditworthy receivables with good payment records with the Group.

As at 31 December 2024, gross trade receivables of the Group of RM12,902,577 (2023: RM10,058,322) were past due but not individually impaired. These relate to a number of independent customers from whom there is no recent history of default.

The Group assesses credit quality of the trade receivables on a collective basis by using ageing of past due days. As at 31 December 2024, the Group provided lifetime impairment losses of RM63,098 (2023: RM58,938) based on the customers' historical data as an assumption for possibility of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM347,955 (2023: RM347,955), related to customers that are in financial difficulties and have defaulted on payments. These balances are expected to be recovered through the debts recovery process.

15. Contract Assets/(Liabilities)

		Group	
	Note	2024 RM	2023 RM
Contract assets			
Construction contracts	(a)	10,985,419	7,094,401
Cleaning and maintenance services	(b)	42,906	8,616
Rendering of services	(c)	4,684,288	2,687,234
		15,712,613	9,790,251
Less: Accumulated impairment losses	(a),(c)	(14,990)	(7,398)
		15,697,623	9,782,853
Contract liabilities			
Construction contracts	(a)	1,079,317	1,043,356
Deferred revenue	(d)	7,391	6,233
		1,086,708	1,049,589

15. Contract Assets/(Liabilities) (Cont'd)

Movements in the allowance for impairment losses are as follows:

	Group Lifetime allowance 2024 RM	2023 RM
At 1 January	7,398	-
Impairment losses recognised	7,923	7,398
Reversal of impairment losses	(331)	-
At 31 December	14,990	7,398

(a) Construction contracts

	Group 2024 RM	2023 RM
Contract costs incurred todate	112,305,939	88,489,650
Attributable profits	21,310,415	15,399,798
	133,616,354	103,889,448
Less: Progress billings	(123,710,252)	(97,838,403)
	9,906,102	6,051,045
Less: Accumulated impairment losses	(14,540)	(6,617)
	9,891,562	6,044,428
Presented as:		
Contract assets	10,970,879	7,087,784
Contract liabilities	(1,079,317)	(1,043,356)
	9,891,562	6,044,428

The contract assets primarily relate to the Group's rights to consideration for work performed but not yet billed at the reporting date for its construction activities. The contract assets will be transferred to trade receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customer for construction contract, which revenue is recognised over time during the construction activities.

(b) Cleaning and maintenance services

Contract assets relate to revenue earned from cleaning and maintenance services which is conditional on successful rendering of service, upon completion of acceptance by the customers. Contract assets are reclassified to trade receivables when customers' acceptance is received and invoice is issued.

(c) Rendering of services

	Group 2024 RM	2023 RM
Rendering of services	4,684,288	2,687,234
Less: Accumulated impairment losses	(450)	(781)
At 31 December	4,683,838	2,686,453

The contract assets relate to the Company's rights to consideration for work performed but not yet billed at the reporting date for its services rendered. The contract assets will be transferred to trade receivables when the rights become unconditional.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

15. Contract Assets/(Liabilities) (Cont'd)

(d) Deferred revenue

Deferred revenue represents advance consideration received (or an amount of consideration is due) from the customer in respect of services which are yet to be provided. The deferred revenue will be recognised as revenue when the related services is rendered.

Included in the contract costs for the financial year are as follows:

	Group	
	2024 RM	**2023 RM**
Staff costs (Note 34)	1,229,768	1,231,211

Contract value yet to be recognised as revenue

The followings table shows the revenue expected to be recognised in the future relating to performance obligations that were unsatisfied (or partially satisfied) at the reporting date. The Group expects to recognise this revenue over the next 12 to 24 months.

	Group	
	2024 RM	**2023 RM**
Construction contracts	88,552,094	33,666,454

16. Amount Due from/(to) Subsidiaries

(a) Amount due from subsidiaries

This represents unsecured, non-interest bearing advances and repayable on demand.

(b) Amount due to a subsidiary

This represents unsecured, non-interest bearing advances and repayable on demand.

17. Amount Due from Associates

		Group	
	Note	**2024 RM**	**2023 RM**
Amount due from associates	(i)	3,185,521	4,995,109
Less: Accumulated impairment losses		(105,078)	-
		3,080,443	4,995,109
Amount due to associates	(ii)	(593,433)	(345,630)
		2,487,010	4,649,479

Movements in the allowance for impairment losses are as follows:

	Group	
	2024 RM	**2023 RM**
At 1 January 2024	-	-
Impairment losses recognised	105,078	-
At 31 December 2024	105,078	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

17. Amount Due from Associates (Cont'd)

(i) This represents unsecured, non-interest bearing advances and repayable on demand except for:

(1) An amount of RM1,221,326 (2023: RM1,251,296) represents advances to associates of the Group which bear interest at a rate of 3.25% (2023: 7.25%) per annum at the reporting date.

(2) An amount of RM1,575,407 (2023: RM1,148,224) represents trade transactions with the Group which generally on 30 days (2023: 30 days) term.

(ii) This represents unsecured, non-interest bearing advances and repayable on demand except for:

(1) An amount of RM128,922 (2023: RM128,922) represents advances from associates of the Group and of the Company which bear interest at a rate of 0.75% (2023: 0.75%) per annum at the reporting date.

(2) An amount of RM464,511 (2023: RM216,708) represents trade transactions with the Group which generally on 30 days (2023: 30 days) term.

18. Deposits, Bank and Cash Balances

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	6,952,637	8,137,964	117,101	100
Fixed deposit with a licensed bank	2,348,988	2,288,423	-	-
Total deposits, bank and cash balances	9,301,625	10,426,387	117,101	100

The interest rates and maturities of deposits of the Group at the reporting date is 2.60% (2023: 2.75%) per annum and 365 days (2023: 365 days) respectively.

The fixed deposit of the Group is pledged as security to a licensed bank for banking facilities granted to the Company as disclosed in Note 21(a).

19. Share Capital and Invested Equity

(i) Share capital

	Group/Company			
	Number of shares		Amount	
	2024 Units	2023 Units	2024 RM	2023 RM
Issued and fully paid ordinary shares with no par value:				
At 1 January	469,972,800	100	41,827,670	100
Issuance of ordinary shares	218,027,200	469,972,700	58,867,344	41,827,570
Share issuance expenses	-	-	(1,575,374)	-
At 31 December	688,000,000	469,972,800	99,119,640	41,827,670

During the financial year, the Company increased its issued and paid-up share capital from 469,972,800 to 688,000,000 by way of issuance of 218,027,200 new ordinary shares at an issue price of RM0.27 each per share amounting to RM58,867,344 pursuant to the initial public offering of the Company on the ACE Market of Bursa Malaysia Securities Berhad.

In the previous financial year, the Company increased its issued and paid-up share capital from 100 to 469,972,800 ordinary shares by way of issuance of 469,972,700 new ordinary shares at an issue price of RM0.089 each per share amounting to RM41,827,570 to satisfy the purchase consideration for the acquisition of the entire issued and paid-up share capital of KJ Technical Services.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

19. Share Capital and Invested Equity (Cont'd)

(ii) Invested equity

	Group			
	Number of shares		Amount	
	2024 Units	2023 Units	2024 RM	2023 RM
Issued and fully paid ordinary shares with no par value:				
At 1 January	-	750,000	-	750,000
Issuance of ordinary shares	-	58,000	-	6,139,880
Adjustment on acquisition of a subsidiary	-	(808,000)	-	(6,889,880)
At 31 December	-	-	-	-

In the previous financial year, KJ Technical Services increased its issued and paid- up share capital from 750,000 to 808,000 ordinary shares by way of issuance of 58,000 new ordinary shares at an issue price of RM105.86 each per share for a total cash consideration of RM6,139,880.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

20. Reserves

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Non-distributable					
Foreign currency translation reserve	(a)	129,427	579,830	-	-
Other reserve	(b)	(2,729)	75,536	-	-
Merger reserve	(c)	(34,937,690)	(34,937,690)	-	-
ESOS reserve	(d)	2,412,704	-	2,412,704	-
		(32,398,288)	(34,282,324)	2,412,704	-

(a) Foreign currency translation reserve

Foreign currency translation reserve represents the exchange differences arising from the translation of the financial statements of foreign operations whose functional currency is different from that of the Group's presentation currency.

(b) Other reserve

Other reserve represents the difference between the Group's share of net assets before and after the acquisition of equity interest from its non-controlling interests, and any consideration paid.

(c) Merger reserve

Merger reserves arose from the difference between the carrying amount of the investment and the nominal value of the shares of the subsidiary upon consolidation under the merger method of accounting.

(d) ESOS reserve

	Group/Company	
	2024 RM	2023 RM
At 1 January	-	-
ESOS granted	2,425,430	-
ESOS forfeited	(12,726)	-
At 31 December	2,412,704	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

20. Reserves (Cont'd)

(d) ESOS reserve (Cont'd)

ESOS reserve represents the equity-settled share options granted to Directors and employees of the Group. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options and is reduced by the expiry or exercise of the share options.

Details of long-term incentive plan is disclosed in Note 33.

21. Bank Borrowings

	Group	
	2024	**2023**
	RM	**RM**
Secured		
Fixed rates:		
Term loan II	15,928	26,113
Floating rates:		
Bank overdraft	137	-
Term loan I	537,752	976,016
Term loan III	2,277,728	2,773,549
Term loan IV	1,562,286	-
	4,377,903	3,749,565
	4,393,831	3,775,678
Presented as:		
Non-current	3,052,392	2,891,472
Current	1,341,439	884,206
	4,393,831	3,775,678

Maturities of bank borrowings are as follows:

	Group	
	2024	**2023**
	RM	**RM**
Within one year	1,341,439	884,206
More than one year and less than two years	1,267,264	939,663
More than two years and less than five years	1,785,128	1,564,434
More than five years	-	387,375
	4,393,831	3,775,678

Term loan I is repayable by one hundred and one (101) equal instalments of RM41,288 upon the full drawdown of principal amounting to RM2,990,000.

Term loan II is repayable by sixty (60) equal instalments of RM910 upon the full drawdown of principal amounting to RM50,000.

Term loan III is repayable by one hundred and one (101) equal instalments of RM43,015 upon the full drawdown of principal amounting to RM3,241,056.

Term loan IV is repayable by ninety two (92) equal instalments of RM63,756 upon the full drawdown of principal amounting to RM1,555,471.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

21. Bank Borrowings (Cont'd)

The bank borrowings are secured by the followings:

(a) Fixed deposits pledged with a licensed bank as disclosed in Note 18.

(b) Deed of assignment of proceeds between the Group and a customer in respect of the monthly capital expenditure repayment and the comprehensive operation and maintenance payment derived from a project as disclosed in Note 10(a);

(c) Deed of assignment of proceeds between the Group and a customer for the finance, design, retrofit, testing, commissioning, operation and maintenance of the chiller plant derived from a project as disclosed in Note 10(c);

(d) Deed of assignment of proceeds between the Group and a customer for the finance, design, retrofit, testing, commissioning, operation and maintenance of the chiller plant derived from a project as disclosed in Note 10(g);

(e) Joint and several guarantee by certain Directors of the Company in the previous financial year;

(f) Corporate guarantee by a company which a substantial shareholder of a subsidiary has financial interest; and

(g) Corporate guarantee by the Company.

The weighted average interest rates per annum at the end of the reporting date are as follows:

	Group	
	2024	**2023**
	%	**%**
Bank overdraft	7.89	-
Term loans	4.98	5.32

22. Lease Liabilities

	Group	
	2024	**2023**
	RM	**RM**
At 1 January	894,243	939,003
Additions	2,612,703	482,453
Payments	(919,935)	(917,917)
Accretion of interest	105,330	55,742
Early termination of lease contracts	(46,903)	(96,302)
Modification of lease contracts	727,642	414,950
Exchange difference	(46,745)	16,314
At 31 December	3,326,335	894,243
Presented as:		
Non-current	2,156,488	373,865
Current	1,169,847	520,378
	3,326,335	894,243

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

22. Lease Liabilities (Cont'd)

The maturity analysis of lease liabilities of the Group at the end of the reporting period are as follows:

	Group	
	2024 RM	2023 RM
Within one year	1,329,747	564,716
More than one year and less than two years	1,119,873	192,125
More than two years and less than five years	1,120,092	211,184
After five years	113,017	-
	3,682,729	968,025
Less: Future finance charges	(356,394)	(73,782)
Present value of lease liabilities	3,326,335	894,243

The Group leases various buildings and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The weighted average interest rates applied to lease liabilities of the Group at the reporting date is 5.22% (2023: 4.73%) per annum.

23. Employee Benefit Obligations

The retirement of employee and other long-term employee benefits are recognised based on the best estimation at the reporting date.

Movements of defined benefit obligations of the Group are as follows:

	Group	
	2024 RM	2023 RM
At 1 January	95,170	162,880
Recognised in profit or loss	22,604	(74,950)
Payment	(14,254)	-
Exchange differences	(2,515)	7,240
At 31 December	101,005	95,170

The subsidiary in Thailand operates an unfunded defined benefit retirement benefit scheme for its employees based on the provisions of Section 118, Chapter 11 of the Thai Labor Protection Act 1998 (Revised 2019) and Retirement Pension Plan. The independent actuarial report is dated 29 January 2024.

The principal actuarial assumptions at the end of the reporting period are as follows:

	Group	
	2024 RM	2023 RM
Discount rate at 31 December	2.48%	2.48%
Expected rate of salary increases	5.00%	5.00%
Normal retirement age	55 years	55 years

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

23. Employee Benefit Obligations (Cont'd)

Sensitivity analysis

The effect of changes in the principal actuarial assumptions on the present value of unfunded obligations of the Group are as follows:

	+1% RM	-1% RM
2024		
(Decrease)/Increase of present value of unfunded obligation		
- Discount rate	(3,447)	4,035
- Salary growth rate	4,779	(4,243)
- Turnover rate	(3,821)	577
- Life expectancy	166	(165)
2023		
(Decrease)/Increase of present value of unfunded obligation		
- Discount rate	(947)	1,120
- Salary growth rate	1,034	(895)
- Turnover rate	(1,101)	285
- Life expectancy	46	(45)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

24. Deferred Tax Liabilities

	Group	
	2024 RM	**2023 RM**
At 1 January	17,224	21,677
Recognised in profit or loss (Note 30)	(13,457)	(4,453)
At 31 December	3,767	17,224

The components and movements of deferred tax liabilities and assets during the financial year are as follows:

Deferred tax liabilities

	Accelerated capital allowances RM	Right-of-use assets RM	Total RM
Group			
2024			
At 1 January 2024	33,776	21,496	55,272
Recognised in profit or loss	15,122	251,056	266,178
Over provision in prior year	(11,262)	-	(11,262)
At 31 December 2024 (before offsetting)	37,636	272,552	310,188
Offsetting			(306,421)
At 31 December 2024 (after offsetting)			3,767

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

24. Deferred Tax Liabilities (Cont'd)

Deferred tax liabilities (Cont'd)

	Accelerated capital allowances RM	Right-of-use assets RM	Total RM
Group			
2023			
At 1 January 2023	41,127	88,600	129,727
Recognised in profit or loss	(11,580)	(67,104)	(78,684)
Under provision in prior year	4,229	-	4,229
At 31 December 2023 (before offsetting)	33,776	21,496	55,272
Offsetting			(38,048)
At 31 December 2023 (after offsetting)			17,224
Company			
2024			
At 1 January 2024	-	-	-
Recognised in profit or loss	17,871	-	17,871
At 31 December 2024 (before offsetting)	17,871	-	17,871
Offsetting			(17,871)
At 31 December 2024 (after offsetting)			-

Deferred tax assets

	Unutilised capital allowances RM	Unused tax losses RM	Lease liabilities RM	Total RM
Group				
2024				
At 1 January 2024	(14,732)	(1,128)	(22,188)	(38,048)
Recognised in profit or loss	4,493	(16,194)	(257,570)	(269,271)
Over/(Under) provision in prior year	4,350	(4,110)	658	898
At 31 December 2024 (before offsetting)	(5,889)	(21,432)	(279,100)	(306,421)
Offsetting				306,421
At 31 December 2024 (after offsetting)				-
2023				
At 1 January 2023	(13,842)	(196)	(94,012)	(108,050)
Recognised in profit or loss	(8,861)	4,741	72,627	68,507
Over/(Under) provision in prior year	7,971	(5,673)	(803)	1,495
At 31 December 2023 (before offsetting)	(14,732)	(1,128)	(22,188)	(38,048)
Offsetting				38,048
At 31 December 2023 (after offsetting)				-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

24. Deferred Tax Liabilities (Cont'd)

Deferred tax assets (Cont'd)

	Unutilised capital allowances RM	Unused tax losses RM	Lease liabilities RM	Total RM
Company				
2024				
At 1 January 2024	-	-	-	-
Recognised in profit or loss	(4,169)	(13,702)	-	(17,871)
At 31 December 2024 (before offsetting)	(4,169)	(13,702)	-	(17,871)
Offsetting				17,871
At 31 December 2024 (after offsetting)				-

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Accelerated capital allowances	80,860	24,892	-	-
Unutilised capital allowances	185,049	109,622	-	-
Unused tax losses	10,235,755	19,266,715	865,567	-
Right-of-use assets and lease liabilities	8,620	2,742	-	-
	10,510,284	19,403,971	865,567	-

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiaries that have a recent history of losses.

For the Malaysian entities, pursuant to Section 8 of the Finance Act 2021 (Act 833) and the amendment to Section 44(5F) of the Income Tax Act 1967, effective from year of assessment 2019 onwards, the time limit on the carried forward unused tax losses has been extended to maximum of ten (10) consecutive years of assessment. Any unused tax losses accumulated up to the year of assessment 2018 can be carried forward for another ten (10) consecutive years of assessment (i.e.: from year of assessment 2019 to 2028) under the current tax legislation.

The unused tax losses shall be disregarded after the end of the year of assessment as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
2028	340,023	9,511,146	-	-
2029	987,220	987,220	-	-
2030	2,877,675	2,877,675	-	-
2031	596,027	596,027	-	-
2032	402,345	388,253	-	-
2033	1,350,466	1,395,545	-	-
2034	1,619,801	-	865,567	-
Indefinite*	2,062,198	3,510,849	-	-
	10,235,755	19,266,715	865,567	-

** The unused tax losses of foreign subsidiary can be carried forward indefinitely. The use of tax losses of the subsidiary in other countries is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the subsidiary operate.*

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

25. Trade Payables

	Group	
	2024 RM	2023 RM
Trade payables		
- Third parties	13,611,314	10,041,264
- Related parties	9,160	392,308
	13,620,474	10,433,572

Related parties represent companies in which certain substantial shareholder of certain subsidiaries have financial interest. The amount due to related parties are unsecured, non- interest bearing and subject to trade credit term of 7 days (2023: 30 days).

The normal trade credit terms granted to the Group range from 7 to 90 days (2023: 7 to 90 days) depending on the terms of contracts.

26. Other Payables

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other payables				
- Third parties	2,009,600	2,128,465	253,145	691,655
- Related parties	2,668,355	3,458,794	-	-
	4,677,955	5,587,259	253,145	691,655
Amount due to Directors	1,107,952	1,870,542	-	-
Accruals	6,814,382	6,554,250	151,659	326,534
Deposit received	25,500	28,243	-	-
Goods and Services Tax payable	577,184	475,372	-	-
Dividend payable	2,582	-	2,582	-
	13,205,555	14,515,666	407,386	1,018,189

Related parties represent companies which substantial shareholders of subsidiaries have financial interest. The amount due from related parties are unsecured, non-interest bearing and repayable on demand except for an amount of RM2,429,399 (2023: RM1,477,399) represents the advances from substantial shareholders of subsidiaries which bear interest rate range from 4.57 to 5.10% (2023: 2.50 to 5.14%) per annum.

The amount due to Directors are unsecured, non-interest bearing and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

27. Revenue

	Group 2024 RM	Group 2023 RM
Revenue from contracts with customers		
Services		
- Chilled water supply	13,170,513	10,536,840
- Operations and maintenance	23,721,330	20,669,540
Construction contract income	33,882,558	31,123,947
Concession revenue	7,726,162	6,983,382
Cleaning contract services	58,243,681	49,914,750
	136,744,244	119,228,459
Revenue from other source		
Finance income on concession of financial assets	1,001,301	675,696
	137,745,545	119,904,155
Timing of revenue recognition		
At a point in time	13,574,637	5,009,257
Over time	123,169,607	114,219,202
Total revenue from contracts with customers	136,744,244	119,228,459

	Company 2024 RM	Company 2023 RM
Revenue from contracts with customers		
Management fees from a subsidiary	2,400,000	-
Revenue from other source		
Dividend from a subsidiary	9,000,000	2,181,600
	11,400,000	2,181,600
Timing of revenue recognition		
Over time	2,400,000	-
Total revenue from contracts with customers	2,400,000	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

27. Revenue (Cont'd)

The following table is disaggregation of the Group's revenue from contracts with customers:

	Cooling energy RM	Cleaning services RM	Facilities management RM	Total RM
Group				
2024				
Revenue				
Services				
- Chilled water supply	13,170,513	-	-	13,170,513
- Operations and maintenance	9,903,593	-	13,817,737	23,721,330
Construction contract income	33,882,558	-	-	33,882,558
Concession revenue	7,726,162	-	-	7,726,162
Cleaning contract services	-	58,243,681	-	58,243,681
	64,682,826	58,243,681	13,817,737	136,744,244
Geographical market				
Malaysia	55,692,806	31,678,300	13,817,737	101,188,843
Singapore	-	26,565,381	-	26,565,381
Thailand	8,990,020	-	-	8,990,020
	64,682,826	58,243,681	13,817,737	136,744,244
2023				
Revenue				
Services				
- Chilled water supply	10,536,840	-	-	10,536,840
- Operations and maintenance	6,646,875	-	14,022,665	20,669,540
Construction contract income	31,123,947	-	-	31,123,947
Concession revenue	6,983,382	-	-	6,983,382
Cleaning contract services	-	49,914,750	-	49,914,750
	55,291,044	49,914,750	14,022,665	119,228,459
Geographical market				
Malaysia	52,826,279	25,543,885	14,022,665	92,392,829
Singapore	-	24,370,865	-	24,370,865
Thailand	2,464,765	-	-	2,464,765
	55,291,044	49,914,750	14,022,665	119,228,459

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

28. Finance Costs

	Group	
	2024 RM	2023 RM
Interest expenses on:		
Term loans	190,085	217,111
Lease liabilities	105,330	55,742
Bank overdraft	6,073	461
Advances from an associate	971	981
Advances from a shareholder	85,301	30,489
Trust receipt	6,770	-
	394,530	304,784
Less: Amount presented under cost of sales	(3,275)	(5,354)
	391,255	299,430

29. Profit before Tax

Profit before tax is arrived after charging/(crediting):

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration				
- Statutory audit				
- UHY Malaysia PLT	234,500	176,000	110,000	60,000
- Member firm of UHY International	51,811	45,992	-	-
- Other auditor	120,514	62,904	-	-
- Non-statutory audit				
- UHY Malaysia PLT	45,000	5,000	45,000	5,000
- Other auditor	-	32,763	-	-
Deposit forfeited	27,000	900	-	-
Depreciation of:				
- investment properties	8,673	7,539	-	-
- property, plant and equipment	686,290	620,294	19,525	-
- right-of-use assets	914,607	838,834	-	-
Impairment losses on:				
- amount due from an associate	105,078	-	-	-
- contract assets	7,923	7,398	-	-
- investment in associates	38,677	-	-	-
- investment properties	171,327	51,225	-	-
- trade receivables	4,160	58,594	-	-
Inventories written off	-	1,585	-	-
Lease expenses relating to:				
- low value assets	-	900	-	-
- short-term leases	1,787,586	1,179,863	-	-
Listing expenses	4,256,712	-	4,256,712	-
Loss/(Gain) on foreign exchange:				
- Realised	56,152	69,638	(1,235)	3,064
- Unrealised	10,169	(93,068)	(806)	806
Non-executive Directors' remuneration				
- Fees	263,903	96,000	263,903	96,000
Property, plant and equipment written off	308	20,852	-	-

29. Profit/(Loss) before Tax (Cont'd)

Profit/(Loss) before tax is arrived after charging/(crediting): (Cont'd)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Provision/(Reversal) for employee benefits	22,604	(74,950)	-	-
Dividend income from financial assets measured at fair value through profit or loss	(1,828,358)	(56)	(1,591,511)	-
Gain on disposal of property, plant and equipment	(216,000)	-	-	-
Gain on early termination of lease contracts	(1,937)	(4,573)	-	-
Interest income:				
- Advances to associate	(43,299)	(59,269)	-	-
- Licensed banks	(66,500)	(132,007)	(2,193)	-
- Others	(22,387)	-	-	-
Reversal of impairment losses on:				
- contract assets	(331)	-	-	-
- trade receivables	-	(23,315)	-	-

30. Taxation

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Tax expenses recognised in profit or loss				
Current tax provision	2,080,359	1,348,600	-	-
(Over)/Under provision in prior years	(42,969)	329,400	-	-
	2,037,390	1,678,000	-	-
Deferred tax (Note 24)				
Relating to origination and reversal of temporary differences	(3,093)	(10,177)	-	-
(Over)/Under provision in prior years	(10,364)	5,724	-	-
	(13,457)	(4,453)	-	-
Tax expenses for the financial year	2,023,933	1,673,547	-	-

Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

30. Taxation (Cont'd)

A reconciliation of income tax expenses applicable to profit before tax at the statutory income tax rate at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax	10,274,780	9,001,337	1,667,473	1,834,584
At Malaysian statutory tax rate of 24% (2023: 24%)	2,465,947	2,160,321	400,194	440,300
Effects of different tax rates in other jurisdictions	(150,238)	3,353	-	-
Income not subject to tax	(1,008,732)	(27,636)	(2,542,156)	(523,584)
Expenses not deductible for tax purposes	2,904,774	325,841	1,934,226	83,284
Deferred tax assets not recognised	425,080	318,717	207,736	-
Utilisation of previously unrecognised deferred tax assets	(2,559,565)	(1,442,173)	-	-
(Over)/Under provision of income tax in prior years	(42,969)	329,400	-	-
(Over)/Under provision of deferred tax in prior years	(10,364)	5,724	-	-
Tax expenses for the financial year	2,023,933	1,673,547	-	-

The Group has estimated unutilised capital allowances and unused tax losses carry forward, available for offset against future taxable profits as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unutilised capital allowances	209,588	152,879	17,372	-
Unused tax losses	10,325,055	19,288,539	922,657	-
	10,534,643	19,441,418	940,029	-

31. Earnings per share

(a) Basic earnings per share

The basic earnings per share are calculated based on the profit for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2024 RM	2023 RM
Profit for the financial year attributable to owners of the parent (RM)	8,099,527	8,123,025
Weighted average number of ordinary shares in issue (units):		
Issued ordinary shares at 1 January 2024	469,972,800	100
Effect of ordinary shares issued during the the financial year	203,134,632	469,972,700*
Weighted average number of ordinary shares at 31 December	673,107,432	469,972,800
Basic earnings per ordinary shares (in sen)	1.20	1.73

* It is assumed that 469,972,700 ordinary shares were in issue at the beginning of the financial year as the acquisition of KJ Technical Services as disclosed in Note 7(b) was accounted for under the merger method of accounting.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

31. Earnings per share (Cont'd)

(b) Diluted earnings per share

Diluted earnings per ordinary share equal to basic earnings per ordinary share because there are no potentially dilutive instruments in existence at the end of the reporting period. Share options granted under the ESOS are unvested as at 31 December 2024, and accordingly, the potential ordinary shares arising from these options are not included in the calculation of diluted earnings per share for the financial year ended 31 December 2024.

32. Dividends

	Group/Company	
	2024	**2023**
	RM	**RM**
Dividends recognised as distribution to ordinary shareholders of the Company:		
A first and final single-tier dividend of 0.236 sen per ordinary share in respect of the financial year ended 31 December 2023	1,623,679	-
A single-tier interim dividend of 0.291 sen per ordinary share in respect of the financial year ended 31 December 2024	2,002,078	-
	3,625,757	-

The Directors do not recommend the payment of any final dividend in respect of current financial year.

33. Long-term Incentive Plan ("LTIP")

On 23 January 2024, the Company has established a LTIP of up to 10% of the total number of issued shares of the Company, comprising executives' share option scheme ("ESOS") and executives' share grant scheme ("ESGS"), to be granted to the Eligible Persons of the Group who is eligible executive directors and eligible executives who meet the criteria of eligibility for participation in the LTIP in accordance with the By- Laws. The LTIP shall be in force for a period of 5 years from 23 January 2024.

The salient features of the LTIP are as follows:

(a) The maximum number of new ordinary shares available under the LTIP shall not exceed ten percent (10%) of the total number of issued and paid-up share capital of the Company (excluding treasury shares, if any) at any point of time during the duration of the LTIP.

(b) The LTIP shall be in force for a period of five (5) years commencing from the effective date upon full compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and may be extended by the Board of Directors at its absolute discretion, without having to obtain approval from the Company's shareholders, for up to another five (5) years immediately from the expiry of the first five (5) years, and shall not in aggregate exceed ten (10) years from the effective implementation of the LTIP.

(c) The ESOS Options shall not carry any rights to vote at any general meeting of the Company. The grantees shall not in any event be entitled to any dividends, rights or other entitlements on unexercised ESOS Options.

(d) The new Company's shares ("new Shares") to be allotted and issued under the LTIP, upon allotment and issuance, rank pari passu in all respects with the existing Company's ordinary shares, including voting rights, save and except that the said new Shares allotted will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid prior to the date of allotment of the said new Shares.

(e) The number of Shares allocated to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20% or more in the total number of issued Shares (excluding treasury shares) of our Company, shall not exceed 10% of the total number of Company's Shares to be issued under the ESOS and ESGS to the Eligible Person to be implemented from time to time.

(f) Not more than 70% of the new Shares available under the ESOS and ESGS shall be allocated in aggregate to the Executive Directors and key senior management.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
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33. Long-term Incentive Plan ("LTIP") (Cont'd)

The share options granted and forfeited during the financial year are as follows:

		Number of options over ordinary shares			
Grant date	Exercise price	At 1.1.2024	Granted	Forfeited	At 31.12.2024
26 January 2024	RM0.27	-	13,756,000	(80,000)	13,676,000
12 November 2024	RM0.72	-	13,760,000	-	13,760,000
		-	27,516,000	(80,000)	27,436,000

The fair value of share options granted were estimated by the management using Black- Scholes-Merton model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions used are as follows:

	Group/Company 2024
Fair value of share options at the following grant dates: (RM)	
26 January 2024	0.4461
12 November 2024	0.3351
Weighted average share price (RM)	0.66 - 0.76
Weighted average exercise price (RM)	0.27 - 0.72
Expected volatility (%)	51.66 - 53.43
Expected life (years)	5
Risk-free interest rate, p.a. (%)	3.55 - 3.69
Expected dividend yield (%)	0.31 - 0.37

The expected life of the share options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

Executive Directors of the Group and of the Company and other members of key management have been granted the following number of options under the ESOS:

	Group		Company	
	2024	2023	2024	2023
	Number of share options		Number of share options	
ESOS				
At 1 January	-	-	-	-
Additions	12,080,000	-	9,808,000	-
At 31 December	12,080,000	-	9,808,000	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

34. Staff Costs

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fees	-	80,000	-	-
Salaries, wages and other emoluments	58,834,858	47,031,440	2,923,722	-
Defined contribution plans	3,909,643	3,499,953	321,021	-
Social security contributions	564,646	365,064	8,999	-
Employment insurance scheme	30,990	24,210	1,028	-
Provision/(Reversal) for employee benefits	22,604	(74,950)	-	-
Share options granted under ESOS	2,425,430	-	2,425,430	-
Other staff related expenses	987,665	513,951	21,101	-
Total staff costs	66,775,836	51,439,668	5,701,301	-
Less: Amount capitalised under construction contracts (Note 15)	(1,229,768)	(1,231,211)	-	-
	65,546,068	50,208,457	5,701,301	-

Included in staff costs presented under cost of sales of the Group amounting to RM45,806,183 (2023: RM35,189,784).

Included in the staff costs is aggregate amount of remuneration received by the Directors of the Company and its subsidiaries during the financial year as below:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Executive Directors				
Company's Directors				
- fees	-	80,000	-	-
- salaries and other emoluments	1,584,000	1,504,000	1,320,000	-
- defined contribution plans	190,080	180,480	158,400	-
- social security contributions	2,185	2,080	1,838	-
- employment insurance scheme	250	238	210	-
- share options granted under ESOS	596,836	-	596,836	-
- other employee benefits	2,904	7,742	3,943	-
	2,376,255	1,774,540	2,081,227	-
Executive Directors				
Subsidiaries' Directors				
- salaries and other emoluments	1,525,755	1,889,185	-	-
- defined contribution plans	187,504	216,684	-	-
- social security contributions	3,590	3,269	-	-
- employment insurance scheme	213	218	-	-
- other employee benefits	-	580	-	-
	1,717,062	2,109,936	-	-
	4,093,317	3,884,476	2,081,227	-

The Group's and the Company's Directors' remuneration does not include the estimated monetary value of benefits-in-kind amounting to RM60,440 and RM56,000 (2023: RM26,650 and RMNil) respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

35. Reconciliation of Liabilities Arising from Financing Activities

The table below show the details changes in the liabilities of the Group arising from financing activities, including both cash and non-cash changes:

	Note	At 1 January RM	Financing cash flows (i) RM	New leases [Note 5(b)] RM	Other changes (ii) RM	At 31 December RM
Group						
2024						
Bank borrowings	21	3,775,678	618,016	-	-	4,393,694
Lease liabilities	22	894,243	(814,605)	2,612,703	633,994	3,326,335
		4,669,921	(196,589)	2,612,703	633,994	7,720,029
2023						
Bank borrowings	21	4,449,276	(673,598)	-	-	3,775,678
Lease liabilities	22	939,003	(862,175)	482,453	334,962	894,243
		5,388,279	(1,535,773)	482,453	334,962	4,669,921
Company						
2024						
Amount due to a subsidiary	16	2,712,817	(2,657.817)	-	-	55,000
2023						
Amount due to a subsidiary	16	-	2,712,817	-	-	2,712,817

(i) The financing cash flows include drawdown/repayments of term loans and payment of lease liabilities.

(ii) Other changes represent the early termination of lease contracts, modification of lease contracts and exchange differences.

36. Related Party Disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group and/or if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

36. Related Party Disclosures (Cont'd)

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group	
	2024	**2023**
	RM	**RM**
Transactions with associates:		
Income		
Sales	6,771,820	4,910,115
Management fee received/receivable	24,000	24,000
Interest received/receivable	43,299	59,269
Expenses		
Purchases	1,841,928	1,007,306
Interest paid/payable	971	981

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows: (Cont'd)

	Group	
	2024	**2023**
	RM	**RM**
Transactions with related parties:		
Income		
Sales	18,903	-
Expenses		
Purchases	112,394	398,124
Administrative expenses paid/payable	12,658	41,181
Interest paid/payable	85,301	30,489
Rental paid/payable	38,400	25,600

	Company	
	2024	**2023**
	RM	**RM**
Transaction with a subsidiary:		
Income		
Dividend receivable	9,000,000	2,181,600
Management fee received/receivable	2,400,000	-
Expenses		
Administrative expenses paid/payable	250,000	-

The nature and relationship between the Group with the related parties are as follows:

(i) a person who has financial interest in the Company;

(ii) a company in which a Director of the Company has financial interest; and

(iii) companies in which a substantial shareholder of certain subsidiaries has financial interest.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

36. Related Party Disclosures (Cont'd)

(c) Compensation of key management personnel

Remuneration of the Directors and other members of key management are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fees	263,903	176,000	263,903	96,000
Salaries and other emoluments	4,246,335	4,319,725	2,302,781	-
Defined contribution plans	495,058	503,652	258,108	-
Social security contributions	10,144	9,509	5,514	-
Employment insurance scheme	962	932	630	-
Share options granted under ESOS	1,280,512	-	1,032,566	-
Other employee benefits	2,904	8,322	3,943	-
	6,299,818	5,018,140	3,867,445	96,000

The Group's and the Company's Directors' remuneration does not include the estimated monetary value of benefits-in-kind amounting to RM60,440 and RM56,000 (2023: RM26,650 and RMNil) respectively.

37. Segment Information

The Group has four major reporting segments, as described below, which are the Group's strategic business units. Segment information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure. The following summary describes the operations in each of the Group's reportable segments:

The main business segments of the Group comprise the followings:

Cooling energy — Cooling energy segment comprises the following services:

(a) Cooling energy management services which mainly involves the supply of chilled water for space cooling as well as providing operations and maintenance services for cooling energy systems.

(b) EPCC of cooling energy system which mainly involves the construction of new, upgrading and/or retrofitting of cooling energy systems.

Cleaning services — Cleaning services to maintain the cleanliness, tidiness and hygiene of buildings and outdoor areas.

Facilities management — Facilities management services are mainly related to the repair and maintenance of machinery and equipment.

Investment — Investment holding.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

The total of segment assets is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Group's Directors. Segment total assets are used to measure the return of assets of each segment.

Additions to non-current assets represent addition of property, plant and equipment, right-of-use assets and investment properties.

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Group Managing Director. Hence no disclosure is made on segment liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

37. Segment Information (Cont'd)

Geographical segments

In determining the Group segment, revenue and non-current assets are based on the geographical location of customers as follows:

	Revenue 2024 RM	Revenue 2023 RM
Malaysia	102,058,690	92,926,360
Singapore	26,565,381	24,370,865
Thailand	9,121,474	2,606,930
	137,745,545	119,904,155

	Non-current assets 2024 RM	Non-current assets 2023 RM
Malaysia	9,283,975	8,191,140
Singapore	1,211,130	691,179
Thailand	12,771,884	7,538,263
	23,266,989	16,420,582

Segment results

	Cooling energy RM	Cleaning services RM	Facilities management RM	Investment RM	Total RM
2024					
Revenue					
Total revenue	90,684,851	58,581,537	14,275,553	11,400,000	174,941,941
Less: Inter-segment revenue	(25,000,724)	(337,856)	(457,816)	(11,400,000)	(37,196,396)
Revenue from external customers	65,684,127	58,243,681	13,817,737	-	137,745,545
Financial results					
Segment results					12,129,511
Interest income					132,186
Finance costs					(394,530)
Depreciation					(1,609,570)
Share of results of associates, net of tax					17,183
Profit before tax					10,274,780
Taxation					(2,023,933)
Profit for the financial year					8,250,847
Assets					
Additions to non-current assets					3,818,213
Segment assets					149,724,686

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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37. Segment Information (Cont'd)

Segment results

	Cooling energy RM	Cleaning services RM	Facilities management RM	Investment RM	Total RM
2023					
Revenue					
Total revenue	78,090,740	50,142,869	14,571,623	2,181,600	144,986,832
Less: Inter-segment revenue	(22,124,000)	(228,119)	(548,958)	(2,181,600)	(25,082,677)
Revenue from external customers	55,966,740	49,914,750	14,022,665	-	119,904,155
Financial results					
Segment results					10,614,950
Interest income					191,276
Finance costs					(304,784)
Depreciation					(1,466,667)
Share of results of associates, net of tax					(33,438)
Profit before tax					9,001,337
Taxation					(1,673,547)
Profit for the financial year					7,327,790
Assets					
Additions to non-current assets					1,358,702
Segment assets					80,772,728

Other non-cash expenses/(income) consist of the following items as presented in the respective notes to financial statements:

	2024 RM	2023 RM
Other non-cash expenses		
Deposit forfeited	27,000	900
Impairment losses on:		
- amount due from associates	105,078	-
- contract assets	7,923	7,398
- investment in associates	38,677	-
- investment properties	171,327	51,225
- trade receivables	4,160	58,594
Inventories written off	-	1,585
Property, plant and equipment written off	308	20,852
Provision for employee benefits	22,604	-
Share based payment	2,425,430	-
Unrealised loss on foreign exchange	10,169	-
Other non-cash income		
Gain on disposal of property, plant and equipment	(216,000)	-
Gain on early termination of lease contracts	(1,937)	(4,573)
Reversal of employee benefits	-	(74,950)
Reversal of impairment losses on:		
- contract assets	(331)	-
- trade receivables	-	(23,315)
Unrealised gain on foreign exchange	-	(93,068)

37. Segment Information (Cont'd)

Segment results (Cont'd)

Information about major customer

Revenue from major customers with revenue equal or more than 10% of the Group's revenue is as follows:

Customer	Segment	Revenue 2024 RM	Revenue 2023 RM
Company A	Cleaning services and cooling energy	-	12,379,708
Company B	Cooling energy	-	11,931,868
		-	24,311,576

38. Financial Instruments

(a) Classification of financial instruments

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned and therefore by the measurement basis:

	Carrying amount RM	Financial asset at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM
Group				
2024				
Financial assets				
Short-term investments	58,254,921	58,254,921	-	-
Concession receivables	16,136,949	-	16,136,949	-
Trade receivables	26,833,965	-	26,833,965	-
Other receivables#	6,226,118	-	6,226,118	-
Amount due from associates	2,487,010	-	2,487,010	-
Deposits, bank and cash balances	9,301,625	-	9,301,625	-
	119,240,588	58,254,921	60,985,667	-
Financial liabilities				
Trade payables	13,620,474	-	-	13,620,474
Other payables*	12,628,371	-	-	12,628,371
Bank borrowings	4,393,831	-	-	4,393,831
Lease liabilities	3,326,335	-	-	3,326,335
	33,969,011	-	-	33,969,011

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

38. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned and therefore by the measurement basis: (Cont'd)

	Carrying amount RM	Financial asset at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM
2023				
Financial assets				
Short-term investments	3,487,165	3,487,165	-	-
Concession receivables	12,798,838	-	12,798,838	-
Trade receivables	22,219,358	-	22,219,358	-
Other receivables#	3,069,820	-	3,069,820	-
Amount due from associates	4,649,479	-	4,649,479	-
Deposits, bank and cash balances	10,426,387	-	10,426,387	-
	56,651,047	3,487,165	53,163,882	-
Financial liabilities				
Trade payables	10,433,572	-	-	10,433,572
Other payables*	14,040,294	-	-	14,040,294
Bank borrowings	3,775,678	-	-	3,775,678
Lease liabilities	894,243	-	-	894,243
	29,143,787	-	-	29,143,787
Company				
2024				
Financial assets				
Short-term investments	49,932,512	49,932,512	-	-
Other receivables#	9,009,442	-	9,009,442	-
Amount due from subsidiaries	440,417	-	440,417	-
Deposits, bank and cash balances	117,101	-	117,101	-
	59,499,472	49,932,512	9,566,960	-
Financial liabilities				
Other payables	407,386	-	-	407,386
Amount due to a subsidiary	55,000	-	-	55,000
	462,386	-	-	462,386
2023				
Financial assets				
Other receivables#	2,182,100	-	2,182,100	-
Deposits, bank and cash balances	100	-	100	-
	2,182,200	-	2,182,200	-
Financial liabilities				
Other payables	1,018,189	-	-	1,018,189
Amount due to subsidiaries	2,712,817	-	-	2,712,817
	3,731,006	-	-	3,731,006

 # Exclude withholding tax, government grant receivable and prepayments.

** Exclude Goods and Services Tax payable.*

38. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The Group and the Company have exposure to the following risks from its use of financial instruments:

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its trade and other receivables, amount due from associates and deposits with banks. The Company's exposure to credit risk arises principally from other receivables, amount due from subsidiaries and deposits with banks. There are no significant changes as compares to prior year.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Group and the Company provide unsecured advances to its associates and subsidiaries respectively. The Group and the Company monitor on an ongoing basis the results of the associates and subsidiaries and repayments made by the associates and subsidiaries.

At each reporting date, the Group assesses whether any of the receivables and contracts assets are credit impaired.

The gross carrying amounts of credit impaired receivables and contract assets are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the reporting period represent the Group's and the Company's maximum exposure to credit risk.

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers and amount due from associates where the risk of default is assessed to be low. The Company has no significant concentration of credit risk except for amount due from subsidiaries where the risk of default is assessed to be low.

At the end of the reporting period, the Group has 1 debtor (2023: 1 debtor) that accounted for 14% (2023: 14%) of total outstanding trade receivables.

<u>Financial guarantees</u>

The Company provides unsecured financial guarantees to licensed banks for credit facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

The Company's maximum exposure to credit risk is RM537,889 (2023: RMNil), representing the outstanding credit facilities of the subsidiaries at the end of the reporting period. There was no indication that any subsidiary would default on repayment at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 DECEMBER 2024

38. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from mismatches of maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risks is managed with the objective of meeting business obligations on a timely basis. The Group and the Company monitor its cash flows and ensure that sufficient funding is in place to meet the obligations as and when they fall due.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group						
2024						
Non-derivative financial liabilities						
Trade payables	13,620,474	-	-	-	13,620,474	13,620,474
Other payables	12,628,371	-	-	-	12,628,371	12,628,371
Bank borrowings	1,527,739	1,380,727	1,881,494	-	4,789,960	4,393,831
Lease liabilities	1,329,747	1,119,873	1,120,092	113,017	3,682,729	3,326,335
Financial guarantees*	5,068,589	-	-	-	5,068,589	-
	34,174,920	2,500,600	3,001,586	113,017	39,790,123	33,969,011
2023						
Non-derivative financial liabilities						
Trade payables	10,433,572	-	-	-	10,433,572	10,433,572
Other payables	14,040,294	-	-	-	14,040,294	14,040,294
Bank borrowings	1,062,415	1,062,415	1,733,062	394,633	4,252,525	3,775,678
Lease liabilities	564,716	192,125	211,184	-	968,025	894,243
Financial guarantees*	4,727,705	-	-	-	4,727,705	-
	30,828,702	1,254,540	1,944,246	394,633	34,422,121	29,143,787

	On demand or within 1 year RM	Total contractual cash flows RM	Total carrying amount RM
Company			
2024			
Non-derivative financial liabilities			
Other payables	407,386	407,386	407,386
Amount due to a subsidiary	55,000	55,000	55,000
Financial guarantees*	537,889	537,889	-
	1,000,275	1,000,275	462,386

38. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM	Total contractual cash flows RM	Total carrying amount RM
Company			
2023			
Non-derivative financial liabilities			
Other payables	1,018,189	1,018,189	1,018,189
Amount due to a subsidiary	2,712,817	2,712,817	2,712,817
	3,731,006	3,731,006	3,731,006

* *Based on the maximum amount that can be called under the financial guarantee contracts.*

(iii) Market risks

(1) Foreign currency risk

The Group and the Company are exposed to foreign currency risk on transactions that are denominated in currencies other than the functional currency of Company. The currencies giving rise to this risk are primarily Thai Baht (THB) and United States Dollar (USD).

The Group and the Company have not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group and the Company will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

The carrying amounts of the Group's and of the Company's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

	Denominated in		
	THB RM	USD RM	Total RM
Group			
2024			
Monetary asset			
Cash and bank balances	-	33,029	33,029
Monetary liability			
Trade payables	-	(9,160)	(9,160)
	-	23,869	23,869
2023			
Monetary assets			
Amount due from associates	2,439,178	-	2,439,178
Cash and bank balances	-	33,874	33,874
	2,439,178	33,874	2,473,052
Monetary liabilities			
Trade payables	-	(20,297)	(20,297)
Other payables	(54,351)	-	(54,351)
	(54,351)	(20,297)	(74,648)
	2,384,827	13,577	2,398,404

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31 DECEMBER 2024

38. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(1) Foreign currency risk (Cont'd)

	Denominated in THB RM
Company	
2023	
Monetary liability	
Other payables	(54,351)

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's and of the Company's profit before tax/equity to a reasonably possible change in the THB and USD exchange rates against RM, with all other variables held constant.

	2024		2023	
	Change in currency rate	**Effect on profit before tax/equity RM**	**Change in currency rate**	**Effect on profit before tax/equity RM**
Group				
THB	Strengthen 10%	-	Strengthen 10%	238,483
	Weakened 10%	-	Weakened 10%	(238,483)
USD	Strengthen 10%	2,387	Strengthen 10%	1,358
	Weakened 10%	(2,387)	Weakened 10%	(1,358)
Company				
THB	Strengthen 10%	-	Strengthen 10%	(5,435)
	Weakened 10%	-	Weakened 10%	5,435

(2) Interest rate risk

The Group's fixed rate deposits placed with a licensed bank and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with a licensed bank by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market.

The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

38. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(2) Interest rate risk (Cont'd)

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts at the end of the reporting period was:

	Group	
	2024 **RM**	**2023** **RM**
Fixed rate instruments		
Financial asset		
Fixed deposit with a licensed bank	2,348,988	2,288,423
Financial liabilities		
Bank borrowings	15,928	26,113
Lease liabilities	3,326,335	894,243
	3,342,263	920,356
Floating rate instruments		
Financial asset		
Amount due from an associate	1,221,326	1,251,296
Financial liabilities		
Amount due to an associate	128,922	128,922
Bank borrowings	4,377,903	3,749,565
	4,506,825	3,878,487

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have (decreased)/increased the Group's profit before tax/equity by RM32,855 (2023: RM26,272) respectively, arising mainly as a result of higher/lower interest expense on floating rate financial liabilities. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

38. Financial Instruments (Cont'd)

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term loans and borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The carrying amount of long-term floating rate loans and borrowings approximately their fair value as the loans will be re-priced to market interest rate on or near reporting date.

It was not practical to estimate the fair value of investment in unquoted equity due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

The table below analyses financial instruments carried at fair value, together with their fair values and carrying amounts shown in the statements of financial position:

	Fair value of financial instruments carried at fair value			Carrying amount
	Level 1 RM	Level 2 RM	Level 3 RM	RM
Group				
2024				
Financial asset				
Short-term investments	-	58,254,921	-	58,254,921
2023				
Financial asset				
Short-term investments	-	3,487,165	-	3,487,165
Company				
2024				
Financial asset				
Short-term investments	-	49,932,512	-	49,932,512

The fair value of the trust funds was determined by reference to the quoted prices provided by the financial intermediaries.

Transfer between levels of fair value hierarchy

There is no transfer between levels of fair value hierarchy during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

39. Capital Management

The Group and the Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group and the Company monitor capital using gearing ratio, which is the net debts divided by total equity. The Group's and the Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at the end of the reporting period are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Bank borrowings (exclude bank overdraft)	4,393,694	3,775,678	-	-
Lease liabilities	3,326,335	894,243	-	-
Total debts	7,720,029	4,669,921	-	-
Less: Cash and cash equivalents	(65,207,421)	(11,625,129)	(50,049,613)	(100)
Total excess funds	(57,487,392)	(6,955,208)	(50,049,613)	(100)
Total equity	113,711,150	49,991,586	101,285,162	43,526,046
Gross gearing ratio (%)	7%	9%	#	#
Net gearing ratio (%)	*	*	#	#

** Gearing ratio is not presented as the Group is in net cash position as at 31 December 2024 and 31 December 2023.*

 # Gearing ratio not applicable as the Company has no borrowing as at 31 December 2024 and 31 December 2023.

There was no change in the Group's and the Company's approach to capital management during the financial year.

40. Financial Guarantees

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unsecured:				
Corporate guarantees given to licensed banks to secure banking facilities granted to subsidiaries				
- Limit of guarantees	-	-	60,143,650	-
- Amount utilised	-	-	537,889	-
Secured:				
Bank guarantees for:				
- projects tender bond	15,000	-	-	-
- projects performance bond	2,384,145	2,567,895	-	-
- suppliers	2,669,444	2,159,810	-	-
	5,068,589	4,727,705	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
31 DECEMBER 2024

41. Subsequent Events

On 3 February 2025, KJ Technical Services, a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement with Malakoff Corporation Berhad ("Malakoff") for the acquisition of 10,000,000 ordinary shares in Malakoff Utilities Sdn. Bhd. ("MUSB"), a wholly-owned subsidiary of Malakoff for a purchase consideration of RM65,500,000 to be satisfied entirely via cash ("Proposed Acquisition"). Upon completion of the Proposed Acquisition, MUSB will become a wholly-owned subsidiary of KJ Technical Services, which in turn becomes an indirect wholly-owned subsidiary of the Company.

The Proposed Acquisition is pending completion as at the date of this report.

42. Comparative Information

The following reclassification were made to the financial statements of prior year to be consistent with current year presentation.

	As previously reported RM	Reclassification RM	As restated RM
Statements of Financial Position			
Group			
Current Assets			
Short-term investments	1,626	3,485,539	3,487,165
Deposits, bank and cash balances	13,911,926	(3,485,539)	10,426,387
Statements of Cash Flows			
Company			
Operating Activities			
Changes in working capital:			
Amount due to a subsidiary	2,712,817	(2,712,817)	-
Financing Activities			
Net changes in amount due to a subsidiary	-	2,712,817	2,712,817
Cash and cash equivalents at the end of the financial year comprises:			
Short-term investments	-	3,485,539	3,485,539
Cash and bank balances	13,911,926	(3,485,539)	10,426,387

43. Date of Authorisation for Issue of Financial Statements

The financial statements of the Group and of the Company for the financial year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Directors on 14 April 2025.

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LIST OF PROPERTIES

No.	Details of Properties	Location	Description/ Existing Use	Built-up Area (Square Feet)	Tenure	Date of Acquisition	Approximate Age of Building (Years)	Carrying Amount as at 31/12/2024 (RM)
1	**Registered Owner:** MDSA Capital Sdn. Bhd. **Beneficial owner:** KJ Technical Services Sdn. Bhd.	Unit No. A-28-29, Level 28, Imperio Residence @ Hatten City, 75000, Melaka	**Description:** One unit of apartment on 28th Floor **Existing Use:** Investment property	869	99 years lease expiring on 5 August 2119 with a remaining lease period of about 95 year	1 March 2021	5 years	435,000
2	**Registered Owner:** MDSA Capital Sdn. Bhd. **Beneficial owner:** KJ Technical Services Sdn. Bhd.	Unit No. A-29-31, Level 29, Imperio Residence @ Hatten City, 75000, Melaka	**Description:** One unit of apartment on 29th Floor **Existing Use:** Investment property	463	99 years lease expiring on 5 August 2119 with a remaining lease period of about 95 year	1 March 2021	5 years	235,000

SHAREHOLDING STATISTICS

2 APRIL 2025

Class of Shares : Ordinary Shares
Total Number of Issued Shares : 688,747,485
Voting Rights : 1 vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Share Held	% of Share Held
1 - 99	4	0.324	100	0.000
100 - 1,000	290	23.519	140,900	0.020
1,001 - 10,000	514	41.686	2,568,334	0.372
10,001 - 100,000	249	20.194	9,338,936	1.355
100,001 - 34,437,373(*)	173	14.030	352,962,081	51.246
34,437,374 and above(**)	3	0.243	323,737,134	47.003
Total	**1,233**	**100.000**	**688,747,485**	**100.000**

Remark: * - Less than 5% of issued shares
** - 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS

(As per the Register of Substantial Shareholders)

No.	Name of Shareholders	Direct		Indirect	
		No. of Shares Held	% of Shares Held	No. of Shares Held	% of Shares Held
1	LEE KOK CHOON	185,118,567	26.88	-	-
2	SHELDON WEE TAH POH	185,118,567	26.88	-	-

DIRECTORS' SHAREHOLDINGS

(As per the Register of Directors' Shareholding)

No.	Name of Shareholders	No. of Shares Held	% of Shares Held
1	AZURA BINTI AZMAN	500,000	0.073
2	ELAINE LAW SOH YING	80,000	0.012
3	LEE KOK CHOON	185,118,567	26.88
4	NG KOK KEN	400,000	0.058
5	SHELDON WEE TAH POH	185,118,567	26.88
6	TEOH PEK LOO	360,000	0.052

SHAREHOLDING STATISTICS

2 APRIL 2025

30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	SHELDON WEE TAH POH	141,618,567	20.561
2	LEE KOK CHOON	137,118,567	19.908
3	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR DEUTSCHE BANK AG SINGAPORE (MAYBANK SG PWM)	45,000,000	6.533
4	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (2)	17,000,000	2.468
5	CARTABAN NOMINEES (TEMPATAN) SDN BHD TMF TRUSTEES MALAYSIA BERHAD FOR AFFIN HWANG WHOLESALE EQUITY FUND 2	15,100,000	2.192
6	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT SHARIAH PROGRESS FUND	14,046,100	2.039
7	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE KOK CHOON (7004936)	13,500,000	1.960
8	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SHELDON WEE TAH POH (7005125)	13,500,000	1.960
9	CARTABAN NOMINEES (TEMPATAN) SDN BHD PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR PRULINK STRATEGIC FUND	11,156,500	1.619
10	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEONG WYE KEONG (CEB)	11,102,664	1.612
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR SHELDON WEE TAH POH (12026006) (459247)	10,000,000	1.451
12	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	9,546,800	1.386
13	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR PRINCIPAL ISLAMIC SMALL CAP OPPORTUNITIES FUND	9,400,100	1.364
14	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND	8,000,000	1.161
15	CITIGROUP NOMINEES (ASING) SDN BHD MERRILL LYNCH INTERNATIONAL	7,855,300	1.140
16	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	7,432,700	1.079
17	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR LEE KOK CHOON (12026018) (459339)	6,500,000	0.943
18	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR PRINCIPAL ISLAMIC ENHANCED OPPORTUNITIES FUND	6,000,000	0.871
19	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD TABUNG WARISAN NEGERI SELANGOR (AL-WARA')	5,931,300	0.861
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	5,858,900	0.850
21	CARTABAN NOMINEES (TEMPATAN) SDN BHD PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR PRULINK STRATEGIC FUND 2	5,749,600	0.834
22	CITIGROUP NOMINEES (TEMPATAN) SDN BHD LEMBAGA TABUNG HAJI (EASTSPRING)	5,301,200	0.769
23	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD - KENANGA SYARIAH GROWTH FUND	5,085,300	0.738
24	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR AHAM ASSET MANAGEMENT BERHAD (TSTAC/CLNTT)	5,033,500	0.730
25	AMANAHRAYA TRUSTEES BERHAD PB ISLAMIC SMALLCAP FUND	5,004,600	0.726
26	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE SENG YONG (7006274)	5,000,000	0.725
27	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR PRINCIPAL SMALL CAP OPPORTUNITIES FUND	4,363,100	0.633
28	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (MAYBANK 2)	4,221,800	0.612
29	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (AHAM AM 2)	3,638,400	0.528
30	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT PROGRESS FUND (4082)	3,492,200	0.507

NOTICE OF THIRD ANNUAL GENERAL MEETING ("3rd AGM")

NOTICE IS HEREBY GIVEN that the Third Annual General Meeting ("3rd AGM") of KJTS GROUP BERHAD ("KJTS" or the "Company") will be conducted physically at Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Tuesday, 27 May 2025 at 10.00 a.m. to transact the following businesses:

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon. **[Please refer to Explanatory Note 1]**
2. To re-elect Sheldon Wee Tah Poh who retires pursuant to Clause 76(3) of the Company's Constitution. **Resolution 1**
3. To re-elect Ng Kok Ken who retires pursuant to Clause 76(3) of the Company's Constitution. **Resolution 2**
4. To approve the payment of Directors' fees for an amount not exceeding RM276,000.00 for the period from 28 May 2025 until the next Annual General Meeting of the Company. **Resolution 3**
5. To re-appoint UHY Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 4**

Special Business

To consider and, if thought fit, to pass, with or without modifications, the following Ordinary Resolution:

6. **ORDINARY RESOLUTION**
   Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act, 2016 **Resolution 5**

   "THAT pursuant to Sections 75 and 76 of the Act, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed General Mandate").

   THAT such approval on the Proposed General Mandate shall continue to be in force until:

   a. the conclusion of the next Annual General Meeting ("AGM") of the Company held after the approval was given;

   b. the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or

   c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

   whichever is the earlier.

   THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the ACE Market of Bursa Securities.

   THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

NOTICE OF THIRD ANNUAL GENERAL MEETING (“3rd AGM”)

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.”

7. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016.

By Order of the Board

NUR SHAHFAIZA BINTI MD YUSOFF SSM PC NO. 202008000953 (MAICSA7052006)
CHOO SOOK FUN SSM PC NO. 202008000567 (LS0009607)
Company Secretaries

Kuala Lumpur
28 April 2025

NOTES:

1. For the purpose of determining who shall be entitled to participate in this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 20 May 2025. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
2. A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
4. Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 (“Central Depositories Act”) which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
7. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:

   (i) In hard copy form

   In the case of an appointment made in hard copy form, the Proxy Form must be deposited with the Company’s Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its drop-in box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   (ii) By electronic form

   The Proxy Form can be electronically lodged with the Company’s Share Registrar via TIIH Online at https://tiih.online. Please follow the procedures set out in the Administrative Guide.
8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company’s Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its drop-in box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
9. For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with the Company’s Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:

   (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

   (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:-

      (a) at least two (2) authorised officers, of whom one shall be a director; or

      (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
10. Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.
11. Last date and time for lodging the Proxy Form is Sunday, 25 May 2025 at 10.00 a.m.
12. Shareholders are advised to check the Company’s website and announcements from time to time for any changes to the administration of the 3rd AGM.

Explanatory Notes on Ordinary Business

1. **Agenda Item No. 1 - Audited Financial Statements for the Financial Year Ended 31 December 2024**

   The Audited Financial Statements is meant for discussion only as an approval from the shareholders is not required pursuant to the provision of Section 340(1)(a) of the Companies Act 2016 ("the Act"). Hence, this item on the Agenda is not put forward for voting.

2. **Resolutions 1 and 2 - Re-election of Directors**

   Please refer to the Statement Accompanying the Notice of AGM for information.

3. **Resolution 3 - Payment of Directors' Fees**

   Pursuant to Section 230(1) of the Act, the fees of the directors and any benefits payable to the directors shall be approved at a general meeting.

   The Proposed Resolution 3 is to facilitate the payment of Directors' fees calculated based on the current board size for the period from 28 May 2025 until the next AGM of the Company. In the event the Directors' fees proposed are insufficient (due to enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

4. **Resolution 4 - Re-appointment of Auditors**

   The Board has through the Audit and Risk Management Committee ("ARMC"), considered the re-appointment of UHY Malaysia PLT as Auditors of the Company. The factors considered by the ARMC in making the recommendation to the Board to table the resolution on re-appointment of UHY Malaysia PLT at the 3rd AGM are disclosed in the Corporate Governance Overview Statement of this Annual Report.

Explanatory Notes on Special Business

5. **Resolution 5 - Authority to Issue and Allot Shares**

   The Resolution proposed under Resolution 5, if passed, would empower the Directors to issue and allot up to a maximum of 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is the earlier.

   This Proposed General Mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time.

   The purpose of the Proposed General Mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for any possible fund raising activities including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/ or issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

   This is the second general mandate to be sought by the Company since its listing on the ACE Market of Bursa Malaysia Securities Berhad on 26 January 2024. As at the date of this notice, there is no decision to issue new shares. Should there be a decision to issue new shares after the general mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(PURSUANT TO RULE 8.29(2) OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

ELECTION/APPOINTMENT AS DIRECTORS

There are no individuals standing for election/appointment as Directors at the Third Annual General Meeting ("3rd AGM").

Sheldon Wee Tah Poh and Ng Kok Ken are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 3rd AGM. Their profiles can be found on pages 14 and 15 of the Annual Report 2024.

The Board of Directors had via the Nominating Committee ("NC") assessed the retiring Directors, Sheldon Wee Tah Poh and Ng Kok Ken, and was satisfied that they have met the performance criteria set out in the assessments in the discharge of their duties and responsibilities. The abovementioned Directors have also met the relevant requirements under the fit and proper assessment and the NC is satisfied with the outcome of the fit and proper assessments. The NC and Board have also conducted an assessment on their independence and are satisfied that they have complied with the criteria prescribed by the ACE Market Listing Requirements. None of the retiring Directors has any conflict of interest, potential conflict of interest or perceived conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries.

In addition to the above, the Board supports and recommended the re-election of Sheldon Wee Tah Poh and Ng Kok Ken as Directors of the Company based on the following:

1. Sheldon Wee Tah Poh

   Mr Sheldon Wee Tah Poh was redesignated as Group Executive Director of the Company on 1 April 2024. The Board, via the NC had assessed Mr Sheldon Wee Tah Poh, who is due to retire at the forthcoming 3rd AGM, and was satisfied that he is able to provide valuable input and views to the Group based on his background, skills and experience in the building support services industry. He has also exercised due care and fulfill his responsibilities during his tenure as Group Executive Director.

2. Ng Kok Ken

   Mr Ng Kok Ken was appointed as the Independent Non-Executive Director of the Company on 21 November 2022. The Board, via the NC had assessed Mr Ng Kok Ken, who is due to retire at the forthcoming 3rd AGM, and was satisfied that he is able to provide valuable input and views to the Group based on his extensive career spans various roles in finance and business development. He has also exercised due care and fulfill his responsibilities during his tenure as Independent Non-Executive Director as well as the Chairman of Audit and Risk Management Committee and a member of NC, Remuneration Committee and Long-Term Incentive Plan Committee.

ADMINISTRATIVE GUIDE

FOR THE THIRD ANNUAL GENERAL MEETING ("3RD AGM")

Day and Date: Tuesday, 27 May 2025	Time: 10.00 a.m.	Meeting Venue: Sime Darby Convention Centre 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia.

REGISTRATION

The registration counter starts at 9.00 a.m. on Tuesday, 27 May 2025 and will open until the conclusion of the 3rd AGM or such time may be determined by the Chairman of the Meeting.

Shareholders or proxies are requested to produce/show their original MyKAD or Passport (for non-Malaysians) to the registration staff for verification purposes. Please ensure the original MyKAD or Passport is returned to you thereafter. Please take note that no person will be allowed to register on behalf of another person, even with the original MyKAD or Passport of that person.

Upon verification, shareholders or proxies will also be given the identification wristbands for voting purposes. No person will be allowed to enter the meeting hall without the identification wristband. There will be no replacement for the identification wristband if it is lost or misplaced.

CORPORATE MEMBERS

Corporate members who wish to appoint corporate representatives instead of a proxy, must deposit their original or duly certified certificate of appointment of corporate representative to Tricor Investor & Issuing House Services Sdn. Bhd. ("TIIH") on or before the Annual General Meeting.

Attorneys appointed by power of attorney are required to deposit their power of attorney with TIIH not later than Sunday, 25 May 2025 at 10.00 a.m. to attend and vote at the 3rd AGM.

PROXY

The appointment of proxy may be made in hard copy form or by electronic form in the following manner and must be received by the Company at least forty-eight (48) hours before the time appointed for holding the 3rd AGM or any adjournment thereof, otherwise the Proxy Form shall not be treated as valid:

i) In hardcopy form

In case of an appointment made in hardcopy form, the proxy form must be deposited at the Share Registrar of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its drop-in box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

ii) In electronic form

You may also submit your proxy appointment electronically via TIIH Online website at https://tiih.online. Please do read and follow the procedures below to submit proxy form electronically.

ADMINISTRATIVE GUIDE

FOR THE THIRD ANNUAL GENERAL MEETING ("3RD AGM")

ELECTRONIC LODGMENT OF PROXY FORM

The procedures to lodge your proxy form electronically via Tricor's TIIH Online website are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with TIIH Online	• Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance. • If you are already a user with TIIH Online, you are not required to register again.
Proceed with submission of form of proxy	• After the release of the Notice of Meeting by the Company, login with your username (i.e. email address) and password. • Select the corporate event: **KJTS GROUP BERHAD 3RD AGM - SUBMISSION OF PROXY FORM**". • Read and agree to the Terms and Conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. • Appoint your proxy/proxies and insert the required details of your proxy/proxies or appoint the Chairman as your proxy. • Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. • Review and confirm your proxy(s) appointment. • Print the form of proxy for your record.
ii. Steps for corporate or institutional shareholders	
Register as a User with TIIH Online	• Access TIIH Online at https://tiih.online • Under e-Services, the authorised or nominated representative of the corporate or institutional shareholder selects "**Create Account by Representative of Corporate Holder**". • Complete the registration form and upload the required documents. • Registration will be verified, and you will be notified by email within one (1) to two (2) working days. • Proceed to activate your account with the temporary password given in the email and re-set your own password. Note: The representative of a corporate or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.
Proceed with submission of form of proxy	• Login to TIIH Online at https://tiih.online • Select the corporate event: "**KJTS GROUP BERHAD 3RD AGM – SUBMISSION OF PROXY FORM**" • Agree to the Terms & Conditions and Declaration. • Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. • Prepare the file for the appointment of proxies by inserting the required data. • Login to TIIH Online, select corporate event: "**KJTS GROUP BERHAD 3RD AGM - SUBMSSION OF PROXY FORM**". • Proceed to upload the duly completed proxy appointment file. • Select "Submit" to complete your submission. • Print the confirmation report of your submission for your record.

GENERAL MEETING RECORD OF DEPOSITORS

For the purpose determining who shall be entitled to attend the 3rd AGM, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 20 May 2025 and only a depositor whose name appears on such Record of Depositors shall be entitled to attend the said meeting.

Kindly check the Company's website or announcements from time to time for the latest updates on the status or changes to the 3rd AGM arrangement.

POLL VOTING

Voting at the 3rd AGM will be conducted by poll in accordance with Paragraph 8.31A of Ace Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as Poll Administrator to conduct the poll by way of electronic voting (e-voting).

During the 3rd AGM, the Chairman will invite the Poll Administrator to brief on the Voting procedures. The voting session will commence as soon as the Chairman calls for the poll to be opened.

Upon completion of the voting session for the 3rd AGM, the Scrutineers will verify the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

DOOR GIFT/VOUCHER

There will be **no distribution** of door gifts or vouchers for the 3rd AGM.

RECORDING OR PHOTOGRAPHY

Strictly **NO** unauthorised recording or photography of the proceedings of the 3rd AGM are allowed.

ENQUIRY

If you have any enquiry prior to the meeting, you may contact the Share Registrar during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except public holidays) at:

Tricor Investor & Issuing House Services Sdn. Bhd.		
Telephone Number	General Line	603-2783 9299
Contact Person	Nor Faeayzah	603-2783 9274 Nor.faeayzah@vistra.com
	Damia Insyirah	603-2783 7962 Damia.insyirah@vistra.com
Fax Number	603-2783 9222	
Email	Is.enquiry@vistra.com	

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PROXY FORM

CDS Account No.	No. of shares held

KJTS GROUP BERHAD
(Registration No. 202201020004 (1465701-T))
(Incorporated in Malaysia)

*I/We ____ Tel: ____________________
[Full name in block, NRIC/Passport/Company No.]

of ____
[Full Address]

being member(s) of **KJTS GROUP BERHAD**, hereby appoint:

Full Name (in Capital Letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and (if more than one (1) proxy)

Full Name (in Capital Letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the 3rd Annual General Meeting of the Company to be conducted physically at Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Tuesday, 27 May 2025 at 10.00 a.m. and at any adjournment thereof, and to vote as indicated below:

Item	Agenda	Resolution	For	Against
1.	Re-election of Sheldon Wee Tah Poh	Resolution 1		
2.	Re-election of Ng Kok Ken	Resolution 2		
3.	Payment of Directors' fees for the period from 28 May 2025 until the next Annual General Meeting	Resolution 3		
4.	Re-appointment of UHY Malaysia PLT as Auditors of the Company and authorise the Directors to fix their remuneration	Resolution 4		
5.	Authority to the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016	Resolution 5		

* Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.

Dated this ____________________ day of ____________________ 2025.

____

*Signature of Shareholder/ Common Seal

Contact Details:

* Manner of execution:
(a) If you are an individual member, please sign where indicated.
(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
(i) at least two (2) authorised officers, of whom one shall be a director; or
(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

1. For the purpose of determining who shall be entitled to participate in this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 20 May 2025. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
2. A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
4. Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
7. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned general meeting at which the person named in the appointment proposes to vote:

   (i) In hard copy form

   In the case of an appointment made in hard copy form, the Proxy Form must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its drop-in box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   (ii) By electronic form

   The Proxy Form can be electronically lodged with the Company's Share Registrar via TIIH Online at https://tiih.online. Please follow the procedures set out in the Administrative Guide.
8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its drop-in box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
9. For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:

   (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

   (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:

   (a) at least two (2) authorised officers, of whom one shall be a director; or

   (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
10. Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.
11. Last date and time for lodging the Proxy Form is Sunday, 25 May 2025 at 10.00 a.m.
12. Shareholders are advised to check the Company's website and announcements from time to time for any changes to the administration of the 3rd AGM.

Fold here to seal

STAMP

KJTS GROUP BERHAD
(Registration No. 202201020004 (1465701-T))
c/o **Tricor Investor & Issuing House Services Sdn. Bhd.**

Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia

Fold here to seal

KJTS GROUP BERHAD
(Registration No. 202201020004 (1465701-T))

Suite 3.03, Level 3, Wisma E&C
No. 2, Lorong Dungun Kiri, Damansara Heights
50490 Kuala Lumpur, Malaysia

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