THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

The admission of KJTS Group Berhad to the ACE Market of Bursa Malaysia Securities Berhad was advised and sponsored by Hong Leong Investment Bank Berhad. This Circular has been reviewed by Hong Leong Investment Bank Berhad, being the Principal Adviser to KJTS Group Berhad for the Proposals (as defined herein).

KJTS GROUP BERHAD

(Registration No. 202201020004 (1465701-T))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:

(I) PROPOSED ACQUISITION BY KJ TECHNICAL SERVICES SDN BHD ("KJ TECHNICAL SERVICES"), A WHOLLY-OWNED SUBSIDIARY OF KJTS GROUP BERHAD ("KJTS" OR "COMPANY"), OF 10,000,000 ORDINARY SHARES IN MALAKOFF UTILITIES SDN BHD ("MUSB"), A WHOLLY-OWNED SUBSIDIARY OF MALAKOFF CORPORATION BERHAD, REPRESENTING 100% EQUITY INTEREST IN MUSB, FOR A TOTAL CASH CONSIDERATION OF RM65.50 MILLION ("PROPOSED ACQUISITION"); AND

(II) PROPOSED VARIATION OF PROCEEDS RAISED FROM THE INITIAL PUBLIC OFFERING ("IPO") OF THE COMPANY PURSUANT TO RULE 8.24 OF THE ACE MARKET LISTING REQUIREMENTS ("LISTING REQUIREMENTS") OF BURSA MALAYSIA SECURITIES BERHAD ("PROPOSED VARIATION")

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

HongLeong Investment Bank

Hong Leong Investment Bank Berhad
(Registration No. 197001000928 (10209-W))

(A Participating Organisation of Bursa Malaysia Securities Berhad)
(A Trading Participant of Bursa Malaysia Derivatives Berhad)

The Extraordinary General Meeting ("**EGM**") in respect of the Proposals will be held at Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Tuesday, 27 May 2025 at 11.00 a.m. or immediately after the conclusion of the 3rd Annual General Meeting of the Company and at any adjournment thereof. The Notice of EGM and the Proxy Form are enclosed together with this Circular.

You are entitled to attend and vote at the EGM. If you decide to appoint a proxy or proxies for the EGM, you must complete, sign and return the Proxy Form enclosed with this Circular in accordance with the instructions printed therein as soon as possible and deposit it at the office of 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 48 hours before the time appointed for holding the EGM or any adjournment thereof, otherwise the Proxy Form shall be treated as invalid. You can also have the option to lodge the proxy appointment electronically via TIIH Online at https://tiih.online before the Proxy Form lodgement cut-off time as mentioned below. For further information on the electronic lodgement of the Proxy Form, kindly refer to the Administrative Guide for the EGM. The lodging of the Proxy Form will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Proxy Form	:	Sunday, 25 May 2025 at 11.00 a.m.
Date and time of the EGM	:	Tuesday, 27 May 2025 at 11.00 a.m. or immediately after the conclusion of the 3rd Annual General Meeting of the Company and at any adjournment thereof

This Circular is dated 9 May 2025

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	:	Companies Act 2016 as amended from time to time and any re-enactment thereof
AIAC	:	Asian International Arbitration Centre
AOA	:	Anglo-Oriental (Annuities) Sdn Bhd (Registration No. 197101000318 (0010663-W))
Board	:	Board of Directors of KJTS
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Circular	:	This circular to our shareholders dated 9 May 2025 in relation to the Proposals
Cooling Energy Segment	:	Group's activities and revenue streams, namely cooling energy management and engineering, procurement, construction, and commissioning of cooling energy systems
DCF	:	Discounted cash flow
DCS	:	District cooling system
EBITDA	:	Earnings before interest, tax, depreciation and amortisation
EDS	:	Electricity distribution system
EGM	:	Extraordinary general meeting
EV	:	Enterprise value
FYE	:	Financial year ended/ending, as the case may be
GDP	:	Gross domestic product
Group or **KJTS Group**	:	KJTS and its subsidiaries, collectively
ICSB	:	Indra Cita Sdn Bhd (Registration No. 199301020459 (0275197-V))
IPO	:	Initial public offering of KJTS
IPO Proceeds	:	Total gross proceeds of approximately RM58.87 million raised from KJTS's IPO
KJTS or **Company**	:	KJTS Group Berhad (Registration No. 202201020004 (1465701-T))
KJ Technical Services or **Purchaser**	:	KJ Technical Services Sdn Bhd (Registration No. 200501009892 (686939-D))
KL Sentral	:	Kuala Lumpur Sentral
KLSSB	:	Kuala Lumpur Sentral Sdn Bhd (Registration No. 199401037006 (0322688-X))

KLSSB Approval	:	Consent of KLSSB to be obtained for the change in shareholding of MUSB pursuant to the Energy Services Agreement dated 30 July 1998, as amended by the supplementary energy services agreement dated 14 April 2005, between MUSB and KLSSB
Listing Date	:	The listing date of KJTS on 26 January 2024
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities
LPD	:	28 April 2025, being the latest practicable date prior to the printing of this Circular
LTD	:	31 January 2025, being the last full trading day prior to the date of the announcement of the Proposals
Malakoff or **Vendor**	:	Malakoff Corporation Berhad (Registration No. 200601011818 (731568-V))
Minister	:	Minister of Energy Transition and Water Transformation, the minister responsible for matters relating to the supply of electricity
Minister Approval	:	Approval of the Minister relating to the supply of electricity for the change in shareholders and shareholding structure of MUSB pursuant to the Public Installation Licence
MMC	:	MMC Corporation Berhad (Registration No.197601004261 (30245-H))
Mtoe	:	Million of tonnes of oil equivalent
MUSB	:	Malakoff Utilities Sdn Bhd (Registration No. 199601002393 (374739-T)), a wholly-owned subsidiary of Malakoff
MW	:	Megawatt
NA	:	Net assets
PAT	:	Profit after tax
Principal Adviser or **HLIB**	:	Hong Leong Investment Bank Berhad (Registration No. 197001000928 (10209-W))
Proposals	:	Proposed Acquisition and Proposed Variation, collectively
Proposed Acquisition	:	The proposed acquisition by KJ Technical Services, a wholly-owned subsidiary of our Company, of 10,000,000 ordinary shares in MUSB, a wholly-owned subsidiary of Malakoff, representing 100% equity interest in MUSB for a total consideration of RM65.50 million
Proposed Variation	:	Proposed variation of proceeds raised from the IPO pursuant to Rule 8.24 of the Listing Requirements
Public Installation Licence	:	The licence for public installation issued to MUSB pursuant to Section 9 of the Electricity Supply Act 1990
Purchase Consideration	:	The total cash consideration of RM65.50 million for the Proposed Acquisition

Sale Shares	:	The sale of 10,000,000 ordinary shares in MUSB from Malakoff to KJ Technical Services
Seaport	:	Seaport Terminal (Johore) Sdn Bhd (Registration No. 199101010995 (0221307M))
Share(s)	:	Ordinary shares in KJTS
SPA	:	The conditional sale and purchase agreement dated 3 February 2025 entered into between Malakoff and KJ Technical Services for the Proposed Acquisition

CURRENCIES

RM and **sen**	:	Ringgit Malaysia and sen, respectively

All references to "**our Company**" or "**KJTS**" in this Circular are to KJTS Group Berhad and references to "**our Group**" or "**KJTS Group**" are to our Company and our subsidiaries collectively. All references to "**we**", "**us**", "**our**" and "**ourselves**" are to our Company, and save where the context requires, shall include our subsidiaries.

All references to "**you**" or "**your**" in this Circular are referred to our shareholders.

Words importing the singular only will include the plural and vice versa and words importing the masculine gender will, where applicable, include the feminine and neuter genders and vice versa. References to persons will include corporations, limited liability partnerships and other entities having legal personality.

Any reference to any act, written law, ordinance, enactment or guideline (whatever the jurisdiction) in this Circular is a reference to that act, written law, ordinance, enactment or guideline (whatever the jurisdiction) as amended or re-enacted from time to time.

Certain amounts and percentage figures included in this Circular have been subject to rounding adjustments. Any discrepancy between the figures shown and figures published by our Company such as half-yearly results and annual reports, are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Company's plans and objectives will be achieved.

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THIS EXECUTIVE SUMMARY HIGHLIGHTS THE KEY INFORMATION OF THE PROPOSALS. YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE ENTIRE CONTENTS OF THIS CIRCULAR WITHOUT RELYING SOLELY ON THIS EXECUTIVE SUMMARY BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM.

Key information	Description	Reference to this Circular
Summary of the Proposals	**<u>Proposed Acquisition</u>** KJ Technical Services had on 3 February 2025, entered into a SPA with Malakoff for the Proposed Acquisition. The Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares, free from all encumbrances, together with all rights and advantages attaching to the Sale Shares, for the total cash consideration of RM65.50 million based on the terms and conditions as set out in the SPA. 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 KJTS. **<u>Proposed Variation</u>** Our Company was listed on Bursa Securities on 26 January 2024 and had raised the IPO Proceeds of approximately RM58.87 million. As at the LPD, we have utilised approximately RM14.45 million of the IPO Proceeds while the remaining balance proceeds of approximately RM44.42 million is yet to be utilised. The Proposed Variation entails the variation of IPO Proceeds raised from the IPO pursuant to Rule 8.24 of the Listing Requirements. Our Board proposes to vary the utilisation of IPO Proceeds amounting to approximately RM44.42 million to partially fund the Proposed Acquisition for the utilisation of the IPO Proceeds.	**Section 2** **Section 3**
Basis and justification of the Purchase Consideration	The Purchase Consideration of RM65.50 million was arrived at on a willing buyer willing seller basis based on the EV of MUSB of approximately RM64.10 million (after taking into consideration the adjustment for the capital expenditure of RM1.40 million) and the following factors: (i) the internal assessment by our management based on common valuation methodologies such as the DCF valuation method and comparable trading multiple analysis as detailed in **Section 2.4** of this Circular; (ii) the premium of approximately RM10.75 million or 19.63% to the audited NA of MUSB as at 31 December 2023 of approximately RM54.75 million;	**Section 2.4**

Key information	Description	Reference to this Circular
	(iii) the rationale of the Proposed Acquisition as set out in **Section 4.1** of this Circular; and (iv) the future earnings potential and prospects of MUSB as set out in **Section 5** of this Circular.	
Rationale of the Proposals	**<u>Proposed Acquisition</u>** Upon completion of the Proposed Acquisition, it is expected to benefit our Group in the following manner: (i) create synergistic benefits to complement our Group's building support services business comprising cooling energy, cleaning, and facilities management which aligns with our Group's expansion plans; (ii) accelerates the services offered by our enlarged Group to include building and operating an EDS and centralised chilled water plant system, as compared to internal organic growth which will take time and resources; (iii) able to share clientele and cross-sell each other's service offerings, allow our Group to bid and tender for larger projects with more competitive services mix and pricing, enjoy greater economies of scale as well as enhanced financial, operational and productivity efficiencies; (iv) grant our Group the access to MUSB's experienced technical management team, bolstering our management capabilities and enabling our Group to oversee and develop our growing portfolio, ensuring sustainable earnings growth; and (v) allow our Company to streamline and fully consolidate the financial performance of MUSB. **<u>Proposed Variation</u>** As the Proposed Acquisition is still in line with our Group's future plans, the reallocation of the unutilised IPO proceeds to finance the Proposed Acquisition will accelerate our Group's business growth trajectory and help expand our building support system services and Cooling Energy Segment. It also enables our Group to preserve part of our cash flow which can be used in a more efficient manner, as and when needed.	**Section 4**

Key information	Description	Reference to this Circular
Risk factors	The Proposed Acquisition is not expected to materially change the risk profile of our Group as our Group operates in the same industry segment as MUSB. As such, our enlarged Group will be exposed to similar risks inherent in the industry upon completion of the Proposed Acquisition. The risks associated with the Proposed Acquisition, which are not exhaustive, includes: (i) transaction risk; (ii) investment risk; (iii) financing risk; (iv) risk relating to the assets or interests to be acquired; (v) industry-specific risks; and (vi) risk relating to the material contracts of the assets to be acquired. The Proposed Variation does not pose any material risks to our Group.	**Section 6**
Approvals required and conditionality	The Proposals are subject to the following approvals being obtained: (i) our shareholders at our forthcoming EGM for the Proposals; (ii) approval of KLSSB and the Minister, respectively, for the change in shareholders and shareholding structure of MUSB pursuant to the SPA; and (iii) any other relevant authorities and/or parties, as may be required under the Proposed Acquisition. The Proposed Acquisition is not conditional upon the Proposed Variation however the Proposed Variation is conditional upon the Proposed Acquisition. The Proposals are not conditional upon any other corporate proposals undertaken or to be undertaken by our Company.	**Section 9**
Interest of directors, major shareholders and/ or persons connected	None of our directors, major shareholders and/or persons connected with them have any interest, direct and/or indirect, in the Proposals.	**Section 10**
Directors' statement and recommendation	Our Board, after having considered all aspects of the Proposals, including but not limited to the basis and justifications for the Purchase Consideration, salient terms of the SPA, rationale of the Proposals, prospects of MUSB and the effects of the Proposals, is of the opinion that the Proposals are in the best interest of our Company. Accordingly, our Board recommends you to vote in favour of the resolutions in relation to the Proposals to be tabled at our forthcoming EGM.	**Section 11**

KJTS GROUP BERHAD

(Registration No. 202201020004 (1465701-T))
(Incorporated in Malaysia)

Registered Office

Unit 30-01, Level 30
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

9 May 2025

Board of Directors

Azura Binti Azman	*(Independent Non-Executive Chairman)*
Lee Kok Choon	*(Group Managing Director)*
Sheldon Wee Tah Poh	*(Group Executive Director)*
Ng Kok Ken	*(Independent Non-Executive Director)*
Elaine Law Soh Ying	*(Independent Non-Executive Director)*
Dr. Teoh Pek Loo	*(Independent Non-Executive Director)*

To: Our shareholders

Dear Sir/Madam,

(I) PROPOSED ACQUISITION; AND

(II) PROPOSED VARIATION

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1. INTRODUCTION

On 3 February 2025, HLIB, on behalf of our Board, announced that our Company has on the same day entered into the SPA in relation to the Proposed Acquisition and concurrently, our Company is proposing to undertake the Proposed Variation.

Further details of the Proposals are set out in the ensuing sections in this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH RELEVANT INFORMATION ON THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR, TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Details of the Proposed Acquisition

KJ Technical Services had on 3 February 2025, entered into the SPA with Malakoff for the Proposed Acquisition.

The Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares, free from all encumbrances and together with all rights and advantages attaching to the Sale Shares as at completion, for the Purchase Consideration of RM65.50 million based on the terms and conditions as set out in the SPA.

The salient terms of the SPA are set out in **Appendix I** of this Circular.

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 KJTS.

2.2 Information on MUSB

MUSB was incorporated in Malaysia on 20 January 1996 under the Companies Act 1965 as a private limited company and is deemed registered under the Act.

MUSB was established to undertake the development of the EDS and DCS for the KL Sentral which encompasses a total area of 291,374 square meter. Commencing in 2000, MUSB has been the exclusive provider of electricity with capacity of up to 153 MW within KL Sentral and its surrounding developments. MUSB owns and operates a district cooling plant that supplies chilled water for the air conditioning needs of 10 buildings within this commercial and residential transit hub at KL Sentral. These buildings include Plaza Sentral Blocks 1, 2, 3, 4, NU Sentral Mall, Menara Shell, Ascott Sentral, Aloft Hotel, and NU Tower 1 & 2.

As at the LPD, the issued share capital of MUSB is RM10,000,000 comprising 10,000,000 ordinary shares.

Further information on MUSB is set out in **Appendix II** of this Circular.

2.3 Information on Vendor

Malakoff was incorporated in Malaysia on 26 April 2006 under the Companies Act 1965 as a private limited company and is deemed registered under the Act. Malakoff was listed on Bursa Securities on 15 May 2015. MUSB is a wholly-owned subsidiary of Malakoff.

Malakoff primarily engages in investment holding activities, while its subsidiaries operate across various sectors, including thermal power generation, renewable energy, environmental solutions, and water desalination. As independent power producer in Malaysia, Malakoff boasts an international presence, delivering innovative solutions through its power generation and water desalination ventures in Saudi Arabia, Bahrain, and Oman.

As at the LPD, the issued share capital of Malakoff is RM5,693,055,098 comprising 5,000,000,000 ordinary shares (inclusive of treasury shares of 113,038,700).

As at the LPD, the directors of Malakoff and their respective shareholdings in Malakoff are as follows:

		Direct		Indirect	
Name	**Nationality**	**No. of shares**	**%**	**No. of shares**	**%**
Tan Sri Che Khalib Mohamad Noh	Malaysian	420,000	0.01	-	-
Anwar Syahrin Abdul Ajib	Malaysian	-	-	-	-

Name	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Datuk Rozimi Remeli	Malaysian	-	-	-	-
Dato' Mohd Naim Daruwish	Malaysian	-	-	-	-
Dr. Norida Abdul Rahman	Malaysian	-	-	-	-
Datuk Prakash Chandran Madhu Sudanan	Indian	-	-	-	-
Datuk Wira Roslan Ab Rahman	Malaysian	-	-	-	-
Lim Tau Kien	Malaysian	-	-	-	-
Dato' Mohamad Razif Haji Abd Mubin	Malaysian	-	-	-	-

As at the LPD, the substantial shareholders of Malakoff and their respective shareholdings in Malakoff are as follows:

Name	Place of incorporation / Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
AOA[(1)]	Malaysia	981,341,460	20.08	-	-
MMC	Malaysia	897,695,630	18.37	981,341,460[(2)]	20.08
Employees Provident Fund Board[(3)]	Malaysia	630,236,033	12.90	-	-
Kumpulan Wang Persaraan (Diperbadankan)[(4)]	Malaysia	503,700,134	10.31	-	-
Urusharta Jamaah Sdn Bhd[(5)]	Malaysia	450,812,900	9.22	-	-
Amanah Saham Bumiputera[(6)]	Malaysia	313,511,900	6.42	-	-
Seaport[(7)]	Malaysia	-	-	1,879,037,090	38.45
ICSB[(8)]	Malaysia	-	-	1,879,037,090	38.45
Tan Sri Dato' Seri Syed Mokhtar Shah Syed Nor[(9)]	Malaysian	-	-	1,879,037,090	38.45

Notes:

(1) Of which 981,341,460 shares held through Bank Muamalat Malaysia Berhad.

(2) Deemed interested in 981,341,460 shares held by AOA in Malakoff by virtue of its 100% direct shareholding in AOA.

(3) Of which 630,236,033 shares held through various accounts under Citigroup Nominees (Tempatan) Sdn Bhd.

(4) Of which 440,223,034 shares held through its own account and 63,477,100 shares held through various accounts under Citigroup Nominees (Tempatan) Sdn Bhd.

(5) Of which 450,812,900 shares held through Citigroup Nominees (Tempatan) Sdn Bhd.

(6) Of which 313,511,900 shares held through Amanahraya Trustees Berhad.

(7) Deemed interested by virtue of its direct major shareholdings in MMC.

(8) Deemed interested through Seaport.

(9) Deemed interested through ICSB.

2.4 Basis and justification for the Purchase Consideration

The Purchase Consideration of RM65.50 million was arrived at on a willing buyer willing seller basis based on the EV of MUSB. In arriving at the EV of approximately RM64.10 million (after taking into consideration the adjustments for the capital expenditure of RM1.40 million), our Company took into consideration the following:

(i) internal assessment by our management based on common valuation methodologies such as the DCF valuation method and comparable trading multiple analysis.

<u>DCF valuation method</u>

In arriving the EV, our Company took into consideration MUSB's projected revenue, margin contribution and cash flows in the medium-term to long-term business plan. In the long-term, MUSB is expected to increase profitability by reducing costs through system upgrades and optimisation, improving efficiency and minimising maintenance and repair expenses in its EDS and DCS businesses.

In addition to the above, the DCF valuation method was also applied to estimate the equity value of MUSB, as it effectively accounts for both the time value of money and the future cash flows expected to be generated by MUSB over a specified period of time.

Under the DCF valuation method, the projected free cash flow to equity ("**FCFE**") generated from MUSB is discounted at the cost of equity to derive the present value of all future cash flows from MUSB.

The management of KJTS has reviewed the financial projections for MUSB's business covering a period of 10 years from FYE 31 December 2024 ("**Financial Projections**") on best-effort basis, with the following key bases and assumptions used:

(a) the business of MUSB will remain operational on a going concern basis and is anticipated to sustain its business operations in perpetuity;

(b) there will be no significant changes to the principal activities, key management personnel and business policies presently adopted by MUSB;

(c) there will be no significant changes in costs that may have adverse material impact on the financial results, cash flows or business prospects of MUSB;

(d) there will be no major disruptions to the business operations, such as pandemic, geopolitical and economy recession risks, which may have adverse material impact on the financial results, cash flows or business prospects of MUSB;

(e) adequate internally generated funds and/or bank borrowings will be available to meet the working capital requirements and capital expenditure of MUSB's business without any adverse material impact on the financial results, cash flows or business prospects;

(f) there will be no significant changes to the agreements, licenses and regulations governing the business of MUSB;

(g) the current accounting policies adopted by MUSB will remain relevant and no significant changes in the accounting policies of MUSB which have an adverse material impact on the financial performance and financial position of MUSB; and

(h) there will be no significant changes in political, social and economic conditions, taxation, monetary and fiscal policies, inflation and regulatory requirements of the industry in which MUSB operates in.

In order to derive the value of MUSB, the management of KJTS has discounted the projected FCFE generated from MUSB at an appropriate cost of equity to reflect the rate of return required by the shareholders of MUSB. The valuation together with the key bases and assumptions used are as follows:

No.	Key bases and assumptions		Remarks
(i)	FCFE	Based on a period of 10 years from FYE 31 December 2024	FCFE is the free cash flows from operations available to the equity holders of a company after taking into consideration all operating expenses, movements in working capital, net investing cash flows and net financing cash flows. The management of KJTS has reviewed the key bases and assumptions adopted in the Financial Projections in deriving the FCFE and are satisfied that they are reasonable given the prevailing circumstances and significant factors that are known as at the LTD.
(ii)	Cost of equity (**K_e**)	11.71%	Cost of equity represents the rate of return required by an investor on the cash flow streams generated by the business given the risks associated with the cash flows. In deriving the cost of equity for MUSB, the management of KJTS has adopted the Capital Asset Pricing Model and derived an estimated cost of equity of approximately 9.82% with the following inputs: $K_e = R_f + \beta (R_m - R_f)$ Nevertheless, after careful consideration of the transaction's nature and the associated risks, the management of KJTS adopted a higher cost of equity of 11.71% as a conservative measure to account for potential downside risks not fully captured in the forecast, increased uncertainty in the macroeconomic conditions as well as due to the absence of reliable comparable companies. By applying a conservative cost of equity, the management of KJTS is safeguarding our Group's financial interests, ensuring prudent capital allocation.
(iii)	Risk-free rate of return (**R_f**)	3.83%	Risk-free rate of return represents the expected rate of return from a risk-free investment. The closest available approximation of the risk-free rate of return in Malaysia is the yield of 10-year Malaysian Government Securities.

No.	Key bases and assumptions		Remarks
(iv)	Equity market risk premium (**R_m - R_f**)	5.28%	The equity market risk premium refers to an excess return that investing in an equity asset provides over a risk-free rate. This excess return compensates investors for taking on the relatively higher risk of equity investing. Based on the information sourced from Bloomberg, KJTS has derived an average equity market risk premium in Malaysia of 5.28% per annum as at 31 December 2024.
(v)	Beta (**β**)	1.135	Beta is the sensitivity of an asset's returns to the changes in market returns. It measures the correlation of systematic risk between the said asset and the market. A beta of more than 1 signifies that the asset is riskier than the market and vice versa. There is no company listed on Bursa Securities which is identical to MUSB's business. The management of KJTS is of the view that KJTS's historical beta would be the most reflective of MUSB as both KJTS Group and MUSB are involved in the same industry, as such it is the best gauge of MUSB's market riskiness. In deriving the estimated beta of MUSB's business, KJTS has relied on the historical beta of KJTS Group based on the latest unaudited financial information as at 31 December 2024. As the historical beta extracted from Bloomberg is based on the capital structure of KJTS Group, the management of KJTS has un-levered the beta and re-levered the beta based on the expected capital structure of MUSB's business. Based on the above, the re-levered beta of MUSB's business is 1.135.
(vi)	Statutory corporate income tax rate	24%	The latest statutory corporate income tax rate applicable to MUSB is 24%.
(vii)	Long-term growth rate (**LTGR**)	1%	The LTGR, which also known as the terminal growth rate, representing the expected rate of growth for the company's free cash flow beyond a specific forecast period. It is primarily used to calculate the terminal value beyond the explicit forecast period. The management of KJTS had adopted LTGR of 1% to compute the terminal value. The assumption takes into consideration Malaysia's long-term real GDP growth expectations, inflation, market maturity and potential structural challenges in the local economy.

After considering the valuation, KJTS and MUSB have reached a commercial agreement at a Purchase Consideration of RM65.50 million.

(Source: Management of KJTS)

Comparable trading multiple analysis

The EV represents an implied EV/EBITDA multiple of 6.99 times[(1)] (based on MUSB's audited financial results for the FYE 31 December 2023), which falls within the range of EV/EBITDA of companies comparable to MUSB ("**Comparable Companies**") of between 5.12 times and 19.29 times, and is also below the average EV/EBITDA multiple of 9.37 times as shown below:

Comparable Companies[(2)]	**Principal activity**	**[(3)]Market capitalisation (million)**	**[(4)]EV (million)**	**[(5)]EBITDA (million)**	**[(6)]EV/EBITDA (times)**
AWC Berhad	Provides engineering services. The company offers electrical distribution, lighting, air-conditioning and security, building controls, engineering components, and systems, as well as waste collection services.	339.17	261.24	43.94	5.95
GFM Services Berhad	Provides facility management and advisory services. The company offers facility planning and development, operation, maintenance, asset life cycle replacement, and strategic management services.	174.69	343.82	67.17	5.12
HE Group Berhad	Operates as an investment holding company. The Company, through its subsidiaries, provides electrical engineering services, such as design, supply, installation, testing and commissioning of power distribution systems.	187.00	139.01	19.51	7.13

Comparable Companies[(2)]	Principal activity	[(3)]Market capitalisation (million)	[(4)]EV (million)	[(5)]EBITDA (million)	[(6)]EV/EBITDA (times)
Kinergy Advancement Berhad	Provides electrical and mechanical engineering services. The company offers electrical installation, generator sets, street lighting, lifts and escalators, fire protection, and lightning protection services.	686.00	757.59	39.27	19.29
High					**19.29**
Low					**5.12**
Average					**9.37**

(Source: Bloomberg)

Notes:

(1) The EV/EBITDA multiple of approximately 6.99 times based on MUSB's audited financial information for the FYE 31 December 2023 is computed as follows:

	RM
Net income	*994,807*
Add: Interest expense	*9,634*
Add: Depreciation	*8,172,146*
EBITDA	***9,176,587***
EV	*64,100,000*
EV/EBITDA (times)	*6.99*

(2) There is no one comparable company that may be identical to MUSB in terms of composition of business, scale of operations track record, asset base risk profile, future prospects and other criteria. The Comparable Companies were selected based on broadly similar principal activities to MUSB and have been identified on a best effort basis based on publicly available information and are selected for illustrative purposes only. It should be noted that the Comparable Companies are not exhaustive and may not be directly comparable to MUSB due to various factors which include among others, scale and composition of products, services and business activities, operating history, financial strength, risk profile, prospects, marketability and liquidity of the Comparable Companies' securities.

(3) Computed by multiplying the total number of shares in issue with the closing market price of the respective securities of the Comparable Companies as at the LTD.

(4) EV is the sum of market capitalisation (based on the closing market price of the securities of the Comparable Companies as at the LTD), total borrowings and other debt-like adjustments less cash and cash equivalents (based on the trailing twelve (12) months financial results up to 30 September 2024, being the latest available financial results prior to the date of the SPA) and adjusted for any material mergers and acquisitions.

(5) *EBITDA is based on the trailing twelve (12) months financial results up to 30 September 2024, being the latest available financial results prior to the date of the SPA and adjusted for any material mergers and acquisitions.*

(ii) the premium of approximately RM10.75 million or 19.63% to the audited NA of MUSB as at 31 December 2023 of approximately RM54.75 million;

(iii) the rationale of the Proposed Acquisition as set out in **Section 4.1** of this Circular; and

(iv) the future earnings potential and prospects of MUSB as set out in **Section 5** of this Circular.

Our Board after having considered MUSB's licence to distribute electricity supply, and manage the chilled water supply in the KL Sentral as set out in **Section 2.2** of this Circular, is of the view that the Purchase Consideration is reasonable and realistic.

2.5 Mode of settlement

Pursuant to the terms of the SPA, the Purchase Consideration of RM65.50 million shall be satisfied entirely via cash in the following manner:

		Purchase consideration	
Payment term	**Timing of settlement**	**%**	**RM'000**
Deposit	Immediately upon signing the SPA	10.00	6,550
Completion Amount[1] (as defined below)	On completion date of the SPA	90.00	58,950
Total		**100.00**	**65,500**

Note:

(1) *the remaining 90% of the Purchase Consideration ("**Completion Amount**") is based on computation set out in the draft completion statement to be delivered by the Vendor to KJ Technical Services five (5) business days prior to completion, which shall be an amount equivalent to the resulting net amount from the following:*

(i) *Purchase Consideration;*

(ii) *less the deposit of 10% of the Purchase Consideration to be paid immediately upon execution of the SPA;*

(iii) *plus the net payable by KJ Technical Services as set out in the draft completion statement (if any); and*

(iv) *less the net owing to KJ Technical Services as set out in the draft completion statement (if any).*

2.6 Source of funding

Subject to the approvals being obtained for the Proposed Variation as set out in **Section 9** of this Circular, the Purchase Consideration shall be financed partly by the reallocation of the IPO Proceeds of RM44.42 million while the remaining RM21.08 million will be financed through internally generated funds and/or bank borrowings. In the event the Proposed Variation is not approved, the entire Purchase Consideration of RM65.50 million will be funded through internally generated funds and/or bank borrowings. The exact proportion of funding to be funded by internally generated funds and/or bank borrowings will be decided at a later date after taking into consideration our Group's gearing level and working capital requirements. For information, based on our Group's latest audited financial statements for the FYE 31 December 2024, our Group has deposits, bank and cash balances of approximately RM67.56 million.

2.7 Liabilities to be assumed

Save for the liabilities to be assumed from MUSB and the obligations in connection with the SPA, there are no other liabilities, including contingent liabilities and guarantees, to be assumed by our Group arising from the Proposed Acquisition.

2.8 Additional financial commitment

Save for the Purchase Consideration and the future capital expenditure to be incurred pursuant to the SPA, there are no additional financial commitments to be incurred by our Group to put the business of MUSB on-stream upon completion of the Proposed Acquisition in view that MUSB is already an on-going business entity with a historical profit track record as set out in **Section 11** of **Appendix II** of this Circular.

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3. DETAILS OF THE PROPOSED VARIATION

Pursuant to our listing on Listing Date, we had raised the IPO Proceeds of approximately RM58.87 million. As at the LPD, we have utilised approximately RM14.45 million of the IPO Proceeds while the remaining balance of approximately RM44.42 million is yet to be utilised.

After due consideration of the rationale as stated in **Section 4.2** of this Circular, our Board proposes to vary the utilisation of IPO Proceeds amounting to approximately RM44.42 million to partially fund the Proposed Acquisition for the utilisation of the IPO Proceeds, details of which are set out below:

Details of utilisation	(A) Proposed utilisation	(B) Actual utilisation as at the LPD	(C) = (A) - (B) Balance of proceeds as at the LPD	Proposed Variation	Revised utilisation after the Proposed Variation	Original timeframe for utilisation of proceeds	Revised timeframe for utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000	RM'000		
Business Expansion							
- Expansion of Cooling Energy Segment[(1)]	40,417	-	40,417	(40,417)	-	Within 36 months from the Listing Date	-
- Expansion of offices in Malaysia, Thailand and Singapore[(2)]	4,500	500	4,000	(4,000)	-	Within 12 months from the Listing Date	-
Working Capital	8,118	8,118	-	-	-	Within 12 months from the Listing Date	-
Defraying the listing expenses	5,832	5,832	-	-	-	Within 1 month from the Listing Date	-
Proposed Acquisition[(1)]	-	-	-	44,417	44,417	-	Within 9 months from SPA
Total	**58,867**	**14,450**	**44,417**	**-**	**44,417**		

Notes:

(1) Reference to our Company's IPO prospectus dated 5 January 2024, the unutilised IPO Proceeds of approximately RM44.42 million were initially intended to be utilised for the expansion of the Cooling Energy Segment business activities in Malaysia, comprising both cooling energy management services and engineering, procurement, construction and commissioning of cooling energy systems, as well as expansion of offices in Malaysia, Thailand and Singapore.

While our Company still intends to expand our existing Cooling Energy Segment, it will be carried out via the Proposed Acquisition as opposed to our earlier plans as disclosed in the prospectus.

As such, the Proposed Variation of approximately RM44.42 million of the IPO Proceeds is intended to be utilised to part finance the Proposed Acquisition. In addition, our Company intends to utilise the RM44.42 million within 9 months from the signing of the SPA based on the payment schedule stipulated in the SPA.

The variation of the IPO Proceeds for the amount of approximately RM44.42 million represents 75.45% of our total IPO Proceeds. As such, in accordance with Rule 8.24(2)(a) of the Listing Requirements, the Proposed Variation is deemed a material change to the utilisation of IPO Proceeds. Accordingly, the shareholders' approval for the Proposed Variation is required to be obtained by our Company.

(2) The remaining RM4.0 million originally allocated for the expansion of offices in Malaysia, Thailand and Singapore has been reallocated to fund the Proposed Acquisition as our Company has no plans to carry out such expansion of offices for the next 12 months. In the event our Company intends to carry out further expansion of offices at a later date, such expansion will be funded through internally generated funds and/or bank borrowings.

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4. RATIONALE OF THE PROPOSALS

4.1. Proposed Acquisition

The Proposed Acquisition is expected to create synergistic benefits to complement our Group's building support services business comprising cooling energy, cleaning and facilities management. As part of our Group's plan to expand our cooling energy management services business activities in Malaysia, amongst others, our Group has intended to invest in the construction of new district cooling systems or chiller plants, or upgrading and/or retrofitting of existing cooling energy systems for their potential customers, including amongst others, those with large commercial or industrial buildings.

MUSB holds an exclusive licence from the Energy Commission of Malaysia to distribute up to 153 MW of electricity within KL Sentral, serving a customer base of over 3,500 accounts, including office buildings, hotels, residences, commercial establishments, and public utility lighting within KL Sentral. In addition, MUSB also supplies chilled water for the air-conditioning from its district cooling plant via exposed and underground pipes to 10 buildings within KL Sentral. As such, the Proposed Acquisition accelerates the services offered by our enlarged Group to include building and operating an EDS and centralised chilled water plant system, as compared to internal organic growth which will take time and resources.

As both our Group and MUSB are involved in similar industry, our Group and MUSB are able to share clientele and will be able to cross-sell each other's service offerings to their existing and new customers which will allow our Group to bid and tender for larger projects with more competitive services mix and pricing. Our Group is also expected to enjoy greater economies of scale and enhanced financial, operational and productivity efficiencies derived from cost savings on capital and operational expenditure. This will put our Group in a better position to compete with our competitors.

In addition, the Proposed Acquisition will grant our Group access to MUSB's experienced technical management team, therefore bolstering our Group's management capabilities to scale up the expansion of our core business in the industry. Additionally, the expanded team after the acquisition of MUSB will enable our Group to efficiently oversee and develop our growing portfolio, thereby ensuring sustainable earnings growth for our Group.

In view of the above, the Proposed Acquisition is in line with our Group's overall strategy and future plan to obtain 100% controlling stake in MUSB. 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 our Company, allowing our Company to streamline and fully consolidate the financial performance of MUSB.

Premised on the above, our Board is of the view that instead of relying on organic growth internally, the Proposed Acquisition will enhance our shareholders' value as it allows KJTS to grow our businesses, increase our market share and operational capabilities and ultimately enhance our revenue and profitability.

4.2. Proposed Variation

The Proposed Variation is intended to part finance the costs and expenses related to the Proposed Acquisition for an amount of approximately RM44.42 million and it is undertaken for business expansion purpose. Our Board is of the opinion that the Proposed Acquisition is in line with our Group's future plans, particularly it will accelerate our Group business growth trajectory and help expand our building support system services and Cooling Energy Segment.

After considering various available options, the reallocation of the unutilised IPO Proceeds to the Proposed Acquisition enables our Group to utilise the IPO Proceeds more effectively while helping to preserve part of our cash flow which can be used in a more efficient manner, as and when needed, such as to meet our immediate obligations and/or to free up sufficient capital for operational needs.

Premised on the above, our Board is of the view that it is in the best interest of our Group to undertake the Proposed Variation.

5. OVERVIEW, INDUSTRY OUTLOOK AND PROSPECTS

5.1 Overview and prospects of the Malaysian Economy

The Malaysian economy expanded by 5% in the fourth quarter of 2024 (3Q 2024: 5.4%), driven mainly by domestic demand. The strong investment activity was underpinned by the continued realisation of new and existing projects. Household spending was sustained amid positive labour market conditions and continued policy support. In the external sector, exports of goods and services continued to expand while capital and intermediate imports growth moderated. On the supply side, growth was mainly accounted for by expansion in the services sector, with increased support from both consumer-related and business-related subsectors. The manufacturing sector was supported by the E&E and primary-related clusters. The construction sector continued to record double-digit growth with robust activities in the residential, non-residential and special trade subsectors. However, growth was weighed down by contraction in the commodities sector following lower oil palm output as well as the continued decline in oil production. On a quarter-on-quarter, seasonally-adjusted basis, growth declined by 1.1% (3Q 2024: +1.9%). Overall, the actual growth rate of the real GDP in 2024 is 5.1%.

(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2024, Bank Negara Malaysia)

The global economy is projected to remain steady in 2024 and 2025 as growth in most major economies stabilises. Inflation continues to track downwards as energy prices moderate and the labour market softens. International trade is expected to strengthen despite an increase in trade tensions and policy uncertainties.

Malaysia's economy continued its growth momentum, supported by favourable economic performance, amid persistent challenges in the external environment. This signifies the country's strong fundamentals and diversified economic activities as well as investor confidence in the domestic market, anchored by sound Government policies. Furthermore, the Ekonomi MADANI framework, which focuses on restructuring and reforming Malaysia's economic agenda, coupled with the implementation of key policy plans such as the national energy Transition Roadmap ("**NETR**") and new Industrial Master Plan 2030 (NIMP 2030), have started to yield positive results. During the first half of 2024, the economy posted a commendable growth of 5.1% driven by robust domestic demand, combined with further expansion in exports as well as positive growth in all economic sectors. Growth is forecast to continue its momentum in the second half of the year, albeit at a moderate pace.

For 2025, the economy is projected to grow between 4.5% and 5.5%. On the supply side, the services sector continues to uphold its position as the main driver of growth contributed by tourism activities, sustained exports and acceleration of ICT-related activities. Tourism-related industries, particularly food & beverages, accommodation and retail trade segments, are expected to increase further, while the wholesale trade as well as air and water transportations segments will benefit from sustained trade-related activities. Industries such as the utilities and professional services are anticipated to rise in tandem with the acceleration of ICT development, particularly in data centres. The manufacturing sector is projected to expand further attributed to better performance in export-oriented industries, primarily the E&E segment, as external demand for semiconductors continues to increase. Additionally, the domestic-oriented industries is anticipated to remain favourable in line with higher domestic consumption and investment. The construction sector is expected to rise attributed to growth in all subsectors. Prospects for the agriculture sector remain positive supported by higher production of crude palm oil (CPO) and demand from food-related industries. On the contrary, the mining sector is forecast to decline marginally due to scheduled plants shut down for maintenance purposes.

(Source: Economic Outlook 2025, Ministry of Finance, Malaysia)

5.2 Overview and prospects of the energy sector in Malaysia

The energy sector, which acts as the main driver of growth for the Malaysian economy, and energy-intensive industries contribute 28 per cent of GDP and account for 25 per cent of the total workforce. In addition, the energy sector is also a key source of national income with petroleum-related income contributing 31 per cent of fiscal income and energy exports constituting 13 per cent of total export value. The energy sector has strongly contributed to the national socioeconomic impacts, benefiting over 10 million customers with daily access to electricity supply and is a foundational enabler for people mobility through the reliable supply of various transport fuels. Jobs and business opportunities created in the energy sector as well as economic multipliers in energy-related supply chains have also contributed significantly to the quality of life and positive socioeconomic effects for the *rakyat*.

Malaysia's final energy demand has been growing at an average of 6 per cent per annum between 2010 and 2018 and at 4 per cent per annum over a longer time period between 2000 and 2018. The transport, power and industry sectors represent the largest components of energy demand and collectively constitute approximately 75 per cent of total final energy demand. Energy demand from these sectors has been growing at a rate of 4 per cent per annum. Non-energy use, which comprises primarily of feedstock for the petrochemical industry, has been the largest driver of energy. Final energy demand is expected to grow albeit at a slower pace. Lower correlations are typically observed between energy demand growth and GDP growth as economies mature and evolve from manufacturing-focused to service-based economies. Enhanced demand-side management and energy efficiency will also reduce the intensity of final energy demand across various sectors.

(Source: National Energy Policy 2022-2040, Economic Planning Unit Prime Minister's Department, Malaysia)

The Total Primary Energy Source (TPES) modelling indicated that our energy demand will increase marginally at 0.2% annually from 95 Mtoe in 2023 to 102 Mtoe in 2050. The NETR's Responsible Transition (RT) Pathway 2050 has also shown promising decarbonisation results as evidenced by the phasing out of coal and the reduction of fossil-fuel reliance from 96% in 2023 to 77% in 2050. Natural gas is set to be not only a transitional fuel, but also the primary contributor of TPES at 57 Mtoe (56%) followed by renewables that include solar, hydro and bioenergy, which collectively contribute 23% of TPES in 2050 from a mere 4% in 2023.

(Source: National Energy Transition Roadmap, Ministry of Economy Malaysia)

5.3 Overview and outlook of the construction industry in Malaysia

The construction sector posted a significant growth of 14.6% in the first half of 2024, driven by expansion in all subsectors. The civil engineering subsector continues its stellar performance, benefitting from the acceleration of ongoing infrastructure projects including the east Coast Rail Link (eCRL), Rapid Transit system Link (RTs Link) between Johor Bahru and Singapore as well as Pan Borneo Highway Sabah. Moreover, residential buildings and non-residential buildings subsectors also contributed to the performance on the back of increasing demand for affordable houses as well as vibrant economic activities, respectively. Meanwhile, the Penang south Reclamation project and the installation of electrical and piping systems supported the specialised construction activities subsector.

The sector is expected to continue its positive momentum in the second half of 2024, with projected double-digit growth of 13.7%. The acceleration of public infrastructure projects towards the final year of the Twelfth Malaysia Plan, 2021 – 2025 (Twelfth Plan) will further support the civil engineering subsector. In addition, the construction of data centres mainly in Johor and Selangor as well as industrial buildings is anticipated to further strengthen the non-residential buildings subsector. The residential buildings subsector is projected to grow, supported by increasing demand for affordable houses in line with the government's initiatives under Budget 2024. Overall, the construction sector is forecast to register a growth of 9.4% in 2025, largely driven by the acceleration of strategic infrastructure projects.

(Source: Economic Outlook 2025, Ministry of Finance)

The construction work done value in 2024 reached RM158.8 billion, while in the fourth quarter of 2024 amounted to RM42.0 billion. The value of work done in the construction sector continued its growth in the fourth quarter of 2024 by recording a notable surge of 23.1 per cent (Q3 2024: 22.9%). The vibrant performance was primarily driven by the buoyant performance of the special trade activities and residential buildings sub-sectors, which recorded substantial double-digit increases of 44.9 per cent and 38.9 per cent, respectively. The non-residential building sub-sector also contributed to the growth by recording 24.6 per cent. In the meantime, the civil engineering sub-sector remained expanded, albeit at a slower rate, contributing positively with a 9.3 per cent growth rate. Summarising the performance of the construction work done in 2024, the sector reached RM158.8 billion, marking a double-digit growth of 20.2 per cent compared to 8.4 per cent in the previous year.

(Source: Quarterly Construction Statistics, Fourth Quarter 2024, Department of Statistics Malaysia)

5.4 Prospects of MUSB and the enlarged Group

MUSB has an established track record of more than 20 years in the supply and distribution of chilled water and electricity to the KL Sentral area, having established in 1996 with the commencement of its operations in 2000. With the Proposed Acquisition, our Group is expected to realise the benefits as set out in **Section 4** of this Circular, which include, among others, providing an opportunity for our Group to expand our service offerings quicker, particularly in EDS and DCS, enhancing our competitive edge in the market.

MUSB's existing contracts and reputation in critical locations such as KL Sentral will enhance our Group's footprint in high-demand urban regions, strengthen our Group's position to further tap into the market and potentially drive long-term value creation in the industries. The Public Installation Licence held by MUSB will provide exclusive operational rights for energy distribution systems in the KL Sentral area, making it a significant asset for our Group. With the opportunity to renew the Public Installation Licence every 10 years with the next renewal due in 2027, subject to the relevant authorities' approval, our Group may secure longer term operational continuity and revenue streams as it is expected to provide our Group with a steady income flow over the duration of the licence.

KL Sentral, as a central transportation hub and commercial district, has a high demand for DCS, which are recognised as an energy-efficient solution for urban cooling needs. Our Group is expected to benefit from the existing and potential contracts which are held by MUSB for the operation of DCS for 10 commercial buildings within KL Sentral area, ensuring consistent revenue growth.

To strengthen the infrastructure of MUSB, our Group intends to invest approximately RM25.0 million to upgrade the performance of the EDS and DCS within the next 12 months. Such capital expenditure will be funded through internally generated funds and/or bank borrowings. The breakdown of such funding cannot be determined at this juncture as it will depend on, amongst others, the level of the Group's internal funds, availability and suitability of funding alternatives at the relevant time. In order to enhance the efficiency and reliability of the system, the planned upgrade includes improvement to the design configuration, replacement of key equipment with reliable and higher-efficiency alternatives, and the upgrading of the control and optimisation systems to support smarter and efficient operations. Such investment is expected to result in lower operational, maintenance, and utility costs over the long term. These strategic enhancements will reinforce our Group's position as a key player in energy and cooling distribution, supporting the long-term sustainability and growth of our operations.

Upon the completion of the Proposed Acquisition, the yield from the Proposed Acquisition can be further enhanced through synergies that can be derived from the operational and productivity efficiencies between our Group and MUSB where both our Group and MUSB can share technical expertise and resources for their current and future projects, enabling it to scale operations and improve on efficiency.

Our Board, after having considered the abovementioned prospects, is optimistic that the Proposed Acquisition is expected to contribute positively to the future earnings of our Group and facilitate the long-term growth strategies as well as enhancing value for our shareholders moving forward.

(Source: Management of KJTS)

6. RISK FACTORS

The Proposed Variation does not pose any material risks to our Group.

The Proposed Acquisition is not expected to materially change the risk profile of our Group as our Group operates in the same industry segment as MUSB. As such, our enlarged Group would be exposed to similar risks inherent in the industry upon the completion of the Proposed Acquisition. The risks associated with the Proposed Acquisition, which are not exhaustive, are as follows:

6.1 Transaction risk

The completion of the Proposed Acquisition is conditional upon, amongst others, the fulfilment of the conditions to the SPA as set out in **Appendix I** of this Circular, within the time frame prescribed therein. In the event that the fulfilment of conditions precedent is delayed, not satisfied or waived, the completion of the Proposed Acquisition may be delayed or the SPA can be terminated resulting in our Company not being able to complete the Proposed Acquisition.

Nevertheless, our Company endeavours to take reasonable steps to ensure that the conditions precedent are met within the stipulated timeframe and that every effort is made to obtain all necessary approvals in order to complete the Proposed Acquisition in a timely manner.

6.2 Investment risk

The Proposed Acquisition is expected to be beneficial to the future financial performance of our Group. MUSB also has an exclusive licence from the Energy Commission of Malaysia to distribute electricity within KL Sentral which is renewable every 10 years with the next renewal due in 2027. However, there is no assurance that the renewal of the licence or any anticipated benefits of the Proposed Acquisition will materialise or that our Company would be able to generate sufficient returns from the operations of MUSB to offset the associated cost of investment.

Nevertheless, our Board has exercised due care in considering the potential risks and benefits associated with the Proposed Acquisition and our Board believes that the Proposed Acquisition will be value accretive and synergistic to our Company after taking into consideration, amongst others, the prospects of our Company.

6.3 Financing risk

The Purchase Consideration will be funded via a combination of re-allocated IPO Proceeds, internally generated funds and/or bank borrowings.

The interest rate of bank borrowings is dependent on various factors, which include general economic and capital market conditions, credit availability from banks and political and social conditions in Malaysia. There can be no assurance that the bank borrowings will be available in the amount or on terms favourable to our Company.

Further, our Group may be exposed to movements in interest rates in respect of the new bank borrowings to be obtained, leading to higher borrowing costs which may adversely affect our Group’s cash flows and financial performance as well as the future loan repayment obligations. Any utilisation of internally generated funds may result in the reduction of funds available for working capital purposes, which may impact on our Company’s cash flow position.

Notwithstanding the above, our Board is mindful of the financing risk and shall mitigate them by adopting prudent cash flow management and continuously review our Group's debt portfolio, which includes taking into consideration our Group's gearing level, interest costs as well as cash flows to achieve and maintain an optimal capital structure.

6.4 Risks relating to the assets or interests to be acquired

As part of the Proposed Acquisition, our Group will acquire MUSB, including its assets and ongoing business operations. MUSB's operations rely on the reliability and efficiency of its energy distribution and cooling systems. Any unexpected breakdowns, maintenance issues, or inefficiencies in equipment could impact revenue and service quality. The ongoing supply of energy and chilled water to its customers is dependent on infrastructure integrity, and any disruption could lead to contractual penalties or reputational risks.

MUSB's efficiency and profitability depend on maintaining and upgrading its energy distribution and cooling infrastructure. Unexpected failures, disruptions, or supply chain issues may impact service and financial performance. Continuous investment in technology and infrastructure is essential for competitiveness.

MUSB serves over 3,500 accounts, including office buildings, hotels, residences, and commercial establishments within KL Sentral. Any loss of key customers or major contracts could impact MUSB's financial performance.

The energy sector is evolving, with advancements in renewable energy, smart grid technologies, and energy efficiency solutions. If MUSB does not invest in these advancements, it risks becoming uncompetitive. The shift towards sustainable energy solutions and regulatory incentives for green energy could impact MUSB's traditional business model.

Notwithstanding the above, our Board is mindful of the above risks and shall mitigate them by implementing proactive risk management strategies, investing in technological advancements, maintaining strong customer relationships, and ensuring regulatory compliance to safeguard our long-term sustainability and profitability.

6.5 Industry-specific risks

The business operations of MUSB, and by extension, our enlarged Group following the Proposed Acquisition, are subject to risks inherent in the energy, utilities, and cooling energy management industry. The industry is highly regulated, and compliance with existing and evolving environmental, safety, and licensing regulations is essential. Any failure to comply could result in penalties, fines, or operational restrictions, while changes in government energy policies, tariffs, or tax structures may impact revenue and cost structures. Additionally, changes in regulatory frameworks or government policies affecting the energy and utilities sector could impact MUSB's operations, including licensing conditions, tariff structures, and compliance requirements. Any unfavourable policy shifts or regulatory constraints could affect the anticipated benefits of the acquisition.

Notwithstanding the above, our Board is mindful of the industry-specific risks and shall mitigate them by implementing effective risk management strategies, continuously monitoring regulatory developments, investing in new technologies and infrastructure to maintain competitiveness, and ensuring prudent financial planning to sustain the long-term growth and stability of our enlarged Group.

6.6 Risk relating to the material contracts of the assets to be acquired

The chilled water supply agreement for the supply of chilled water to Plaza Sentral Block 3 & 4 is expiring on 26 November 2025 ("**Expiring CWSA**") and there is no guarantee that MUSB will be able to procure its renewal. Upon expiry of the Expiring CWSA, MUSB has an obligation to sell the centralised chilled water plant system ("**CCWPS**") and CCWPS plant room to the counterparty at a price to be determined by the independent consulting engineer for the CCWPS and the independent property valuer for the CCWPS plant room, and other related costs as set out in the Expiring CWSA.

The sale of the CCWPS and CCWPS plant room under the Expiring CWSA will trigger the right to purchase MUSB's CCWPS pursuant to the other chilled water supply agreements entered into with in respect other developers of mix development project in KL Sentral, respectively. If any one or more of the other counterparties exercises such right to purchase, the various parties to the respective chilled water supply agreements, would need to come to a mutually agreed arrangement to resolve their overlapping rights relating to the CCWPS.

In addition, if the Expiring CWSA is not renewed and the obligation of MUSB to sell and transfer the CCWPS and CCWPS plant room is not waived, MUSB will no longer be capable of producing chilled water to supply to the other counterparties under the other chilled water supply agreements. In the event MUSB ceases to be able to perform its obligations under the relevant chilled water supply agreements, termination right against MUSB will arise under the chilled water supply agreements with the other counterparties, and to avoid such situation, KJTS will cooperate with the relevant counterparties and MUSB to ensure the chilled water supply agreements are novated to the acquirer of the CCWPS and CCWPS plant room or its nominated entity, to ensure continuous supply of chilled water to the mix development project in KL Sentral

Notwithstanding the foregoing, the management of KJTS has performed a financial review of MUSB and is of the view that MUSB will likely remain profitable despite the discontinuation or substantially reduced in revenue and profitability of the chilled water business taking into account the corresponding decrease in capital expenditure and working capital required to conduct MUSB's business. There will be no change to the Purchase Consideration in view of this potential right to acquire the CCWPS and CCWPS plant room.

7. EFFECTS OF THE PROPOSALS

The Proposed Variation is not expected to have any effects on the issued share capital, substantial shareholders' shareholdings, NA per ordinary Share, gearing, earnings and EPS of our Group.

The effects of the Proposed Acquisition on the issued share capital, substantial shareholders' shareholdings, NA per Share, gearing, earnings and EPS of KJTS are illustrated below:

7.1 Issued share capital and substantial shareholders' shareholding

The Proposed Acquisition is not expected to have any effects on the issued share capital and substantial shareholders' shareholding of our Company as the Purchase Consideration will be satisfied entirely via cash and there is no issuance of new Shares pursuant to the Proposed Acquisition.

7.2 NA per Share and gearing

For illustration purposes, based on the latest audited consolidated statements of financial position of our Company as at 31 December 2024, the proforma effects of the Proposed Acquisition on the NA per Share and gearing are as follows:

	Audited as at 31 December 2024	**[1]After subsequent events**	**After subsequent events and the Proposed Acquisition**
	RM'000	**RM'000**	**RM'000**
Share capital	99,120	99,702	99,702
Reserves	(32,399)	(31,584)	(31,584)
Retained earnings	47,211	46,034	[2]45,354
Equity attributable to owners of our Company / NA	**113,932**	**114,152**	**113,472**
No. of Shares in issue (**'000**)	688,000	688,814	688,814
NA per Share (**RM**)[4]	0.17	0.17	0.16
Total borrowings (**RM'000**)	5,927	6,920	[3]28,002
Gearing ratio (**times**)[5]	0.05	0.06	0.25

Notes:

(1) After accounting for significant subsequent events after 31 December 2024 by our Group up to LPD as disclosed below:

(a) total expenses of approximately RM1.18 million related to the fair value of the ESOS granted, calculated over the vesting period that commenced from the grant date of 26 January 2024 and 12 November 2024 until the LPD;

(b) a total cash consideration of RM86,576, RM62,293, RM6,750, RM14,396, RM18,063, RM13,743 and RM17,928 was received on 12 February 2025, 17 February 2025, 24 February 2025, 3 March 2025, 10 March 2025, 17 March 2025 and 22 April 2025 respectively pursuant to the exercise of the ESOS, with 813,885 new Shares issued at an exercise price of RM0.27 per Share.

(2) After taking into consideration the estimated expenses of approximately RM0.68 million in relation to the Proposals, which consists of among others, professional fees, fees payable to the relevant authorities and miscellaneous expenses relating to the Proposals.

(3) Assuming the Proposed Acquisition is partially funded through bank borrowings of approximately RM21.08 million while the remaining balance of RM44.42 million is funded by the re-allocated IPO Proceeds.

(4) Calculated based on NA divided by total number of Shares in issue.

(5) Calculated based on total borrowings (excluding lease liabilities arising from lease of offices and hostels) divided by NA.

7.3 Earnings and EPS

For illustrative purposes only, assuming that the Proposed Acquisition had been completed at the beginning of the FYE 31 December 2024, the pro forma effects of the Proposed Acquisition on the earnings and EPS of our Group are as follows:

	Audited as at 31 December 2024	After subsequent events	After subsequent events and the Proposed Acquisition
	RM'000	**RM'000**	**RM'000**
PAT attributable to the owners of KJTS	8,100	(1)6,923	(2)7,819
No. of Shares in issue (**'000**)	688,000	688,814	688,814
EPS (**sen**)(3)	1.18	1.01	1.14

Notes:

(1) After accounting for significant subsequent events after 31 December 2024 by our Group up to LPD as disclosed below:

(a) total expenses of approximately RM1.18 million related to the fair value of the ESOS granted, calculated over the vesting period that commenced from the grant date of 26 January 2024 and 12 November 2024 until the LPD.

(2) After deducting the one-off estimated expenses of approximately RM0.68 million in relation to the Proposals, which consists of among others, professional fees, fees payable to the relevant authorities and miscellaneous expenses relating to the Proposals and after taking into consideration the latest audited PAT of MUSB for the FYE 31 December 2024 of approximately RM1.58 million.

(3) Calculated based on PAT attributable to owners of our Company divided by the number of Shares in issue.

8. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Rule 10.02(g) of the Listing Requirements is 75.2%, calculated based on the audited total assets of MUSB as at 31 December 2023 of approximately RM97.96 million divided by the adjusted total assets of KJTS as at 31 December 2023 after taking into consideration the subsequent events of approximately RM130.18 million as disclosed in the announcement dated 3 February 2025.

9. APPROVALS REQUIRED AND CONDITIONALITY

The Proposals are subject to the following approvals being obtained:

(i) our shareholders at our forthcoming EGM for the Proposals;

(ii) approval of KLSSB and the Minister, respectively, for the change in shareholders and shareholding structure of MUSB pursuant to the SPA; and

(iii) any other relevant authorities and/or parties, as may be required under the Proposed Acquisition.

The Proposed Acquisition is not conditional upon the Proposed Variation however the Proposed Variation is conditional upon the Proposed Acquisition.

The Proposals are not conditional upon any other corporate exercises undertaken or to be undertaken by our Company.

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED

None of our directors, major shareholders and/or persons connected with them have any interest, whether direct or indirect, in the Proposals.

11. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board, after having considered all aspects of the Proposals, including but not limited to the basis and justifications for the Purchase Consideration, salient terms of the SPA, rationale of the Proposals, prospects of MUSB and the effects of the Proposals, is of the opinion that the Proposals are in the best interest of our Company.

Accordingly, our Board recommends you to vote in favour of the resolutions in relation to the Proposals to be tabled at our forthcoming EGM.

12. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposals are expected to be completed by the second quarter of 2025.

The tentative timeline for implementation of the Proposals is set out below:

Tentative timeline	Events
27 May 2025	▪ EGM for the Proposals ▪ Completion of the Proposed Variation
June 2025	▪ Fulfilment of conditions precedent in respect of the SPA ▪ Completion of the Proposed Acquisition

13. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals (being the subject matter of this Circular), there are no other outstanding corporate proposals that have been announced by our Company which are pending completion as at the LPD.

14. EGM

The Notice of EGM and the Proxy Form are enclosed in this Circular. The EGM will be held at Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Tuesday, 27 May 2025 at 11.00 a.m., or immediately after the conclusion of the 3rd Annual General Meeting and at any adjournment thereof for the purpose of considering the Proposals contained herein and if thought fit, passing, with or without modification, the resolutions by way of poll to give effect to the Proposals.

If you are unable to attend and vote in person at the EGM, you may appoint a proxy(ies) by completing, sign and return the Proxy Form in accordance with the instructions printed therein as soon as possible and in any event, so as to arrive at the office of our 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 or by electronically submitted with via TIIH Online at https://tiih.online, not less than 48 hours before the date and time stipulated for the EGM, or any adjournment thereof.

For further information on the electronic lodgement of the Proxy Form, kindly refer to the Administrative Guide for the EGM. The lodging of the Proxy Form will not, however, preclude you from attending and voting at the EGM in person should you subsequently wish to do so.

15. FURTHER INFORMATION

You are advised to refer to the enclosed appendices for further information.

Yours faithfully,
For and on behalf of our Board of
KJTS GROUP BERHAD

LEE KOK CHOON
Group Managing Director

SALIENT TERMS OF THE SPA

The salient terms of the SPA are set out as below:

1. AGREEMENT TO SELL AND PURCHASE

The parties to the SPA (collectively, the "**Parties**" and individually, the "**Party**") agree that Malakoff shall, as legal and beneficial owner of the Sale Shares, sell the Sale Shares to KJ Technical Services, who shall purchase from Malakoff the Sale Shares free from all encumbrances, together with all rights and advantages attached to the Sale Shares as at completion.

2. CONSIDERATION

The Purchase Consideration for the sale and purchase of the Sale Shares is amounting to RM65.50 million, which is subject to adjustment post completion based on the adjustment mechanisms set out in the SPA.

The Purchase Consideration of RM65.50 million is to be satisfied in the following manner:

(i) an amount equivalent to 10% of the Purchase Consideration, payable by the Purchaser to the Vendor upon signing of the SPA ("**Deposit**");

(ii) the Completion Amount to be paid on the Completion Date (as defined below) based on the computation set out in the draft completion statement to be delivered by the Vendor to KJ Technical Services five (5) business days prior to completion, which shall be an amount equivalent to the resulting net amount from the following:

  (a) Purchase Consideration;

  (b) less the Deposit;

  (c) plus the net payable by KJ Technical Services as set out in the draft completion statement (if any); and

  (d) less the net owing to KJ Technical Services as set out in the draft completion statement (if any).

The Completion Amount is subject to further adjustment post completion of the Proposed Acquisition, based on draft completion statement and final completion statement prepared and determined between the Parties in accordance with the adjustment mechanisms in the SPA.

3. OBLIGATIONS ON EXECUTION OF THE SPA

Simultaneous with the execution of the SPA:

(i) KJ Technical Services must:

  (a) deliver to Malakoff, a scanned copy of the board resolution of KJ Technical Services authorising the execution of the SPA and any related documents, and approving the Proposed Acquisition, such approval subject to approval from the shareholders of KJTS Group Berhad having been obtained; and

  (b) pay the Deposit to Malakoff

(ii) Malakoff must deliver to KJ Technical Services a scanned copy of the board resolution of Malakoff, authorising the execution of the SPA and any related documents, and approving the Proposed Acquisition.

4. CONDITIONS

The SPA is conditional upon the satisfaction or waiver of the following conditions (collectively, the "**Conditions Precedent**") by the long-stop date of 120 days from the date of the SPA ("**Long Stop Date**"):

(i) written consent of Kuala Lumpur Sentral Sdn Bhd is obtained for the change in shareholding of MUSB pursuant to the Energy Services Agreement dated 30 July 1998, as amended by the supplementary energy services agreement dated 14 April 2005, between MUSB and Kuala Lumpur Sentral Sdn Bhd ("**KLSSB Approval**").

(ii) written approval of the Minister charged with the responsibility for matters relating to the supply of electricity for the change in shareholders and shareholding structure of MUSB pursuant to the Public Installation Licence ("**Minister Approval**").

(iii) the passing at a shareholders' general meeting of KJTS of a resolution to approve the Proposed Acquisition and Proposed Variation under the Listing Requirements.

Failure to satisfy or waive the Conditions Precedent in accordance with the terms in the SPA on the Long Stop Date permits either Party to terminate the SPA by notice to the other Party, provided that a Party may not give such termination notice if it is in default of its obligations under the SPA to satisfy a Condition Precedent. Such termination shall occur without further claims between the Parties, save for claims relating to antecedent breaches or provisions explicitly stated to survive termination.

When all the Conditions Precedent are fulfilled, the SPA will become unconditional ("**Unconditional Date**").

5. TECHNICAL DUE DILIGENCE BEFORE COMPLETION DATE

KJ Technical Services is permitted to conduct technical due diligence on the EDS and centralised chilled water plant system owned and operated by MUSB ("**Technical Due Diligence**"), and the Technical Due Diligence shall be completed within 14 consecutive days from 17 February 2025.

If KJ Technical Services reasonably determines that the result of the Technical Due Diligence reveal defects within the scope of the Technical Due Diligence where the rectification cost is estimated to be equivalent to or more than RM300,000 ("**TDD Findings**"), rectification costs of such TDD Findings shall be borne as follows:

(i) if the rectification cost for all TDD Findings in aggregate is below RM300,000, the cost shall be fully borne by KJ Technical Services;

(ii) if the rectification cost exceeds RM300,000, Malakoff shall reimburse KJ Technical Services for such rectification costs to the extent exceeding RM300,000, up to a cap of RM4.6 million ("**Seller's Cap**"), provided that the completion of the sale of the Sale Shares in accordance with the terms and conditions of the SPA has taken place and KJ Technical Services submits proof of actual costs incurred in rectifying the TDD Findings within 12 months from completion; and

(iii) any rectification costs exceeding the Seller's Cap shall be borne by KJ Technical Services.

If a dispute arises between the Parties in relation to the validity of the TDD Findings, the reasonableness of proposed remedial plans and costs, or whether the remedial costs to remedy the TDD Finding will exceed RM300,000 in aggregate, such dispute may be referred to an independent third-party technical advisor for final determination.

Malakoff and MUSB are not required to take any remedial actions to rectify the TDD Findings, and shall only be responsible for reimbursement of rectification costs in accordance with the SPA provisions, subject to the Seller's Cap.

KJ Technical Services shall have no right to terminate the SPA based on the Technical Due Diligence or by reason of any TDD Findings.

6. COMPLETION

Completion shall take place on Completion Date, which shall be:

(i) in the case where the Unconditional Date occurs between the 1st day and the 20th day (both dates inclusive) of a calendar month, the last business day of such calendar month;

(ii) in the case where the Unconditional Date occurs after the 20th day up to the last day (inclusive) of a calendar month, the last business day of the immediately following calendar month; or

(iii) such other date as the Vendor and KJ Technical Services may agree in writing;

On Completion Date, KJ Technical Services shall:

(i) pay Malakoff the Completion Amount by electronic transfer of funds; and

(ii) if not already delivered by KJ Technical Services prior to Completion Date, deliver replacement guarantees in favour of Tenaga Nasional Berhad amounting to RM20,500,000, which shall take effect on Completion Date

On Completion Date, Malakoff shall deliver to KJ Technical Services the following:

(i) duly executed form of transfer of securities in respect of the transfer of the Sale Shares in favour of KJ Technical Services together with the original share certificates;

(ii) scanned copies of the resolution of the board of directors of MUSB approving the Proposed Acquisition and matters contemplated pursuant to the Proposed Acquisition (including transfer of the Sale Shares, the appointment of such persons nominated by KJ Technical Services as directors of MUSB and change of existing bank mandate);

(iii) written resignations of all current directors of MUSB, such resignations to take effect on the Completion Date; and

(iv) original copies of each of the material contracts, each duly stamped.

7. TERMINATION

7.1 Termination by KJ Technical Services

KJ Technical Services may terminate the SPA before completion under the following circumstances:

(i) insolvency-related events, including winding-up petitions in respect of MUSB or Malakoff, appointment of administrators or receivers, or inability of Malakoff or MUSB to pay debts;

(ii) non-fulfilment of Conditions Precedent;

(iii) breach of completion obligations of Malakoff;

(iv) due to a material adverse event which has not been remedied within 45 days; or

(v) legal prohibitions or issuance of court order prohibiting or adversely affecting the Proposed Acquisition.

7.2 Termination by Malakoff

Malakoff may terminate the SPA before completion under the following circumstances:

(i) insolvency-related events, including winding-up petitions in respect of KJ Technical Services, appointment of administrators or receivers, or inability of KJ Technical Services to pay debts.

(ii) non-fulfilment of Conditions Precedent;

(iii) failure by KJ Technical Services to make payment of Deposit;

(iv) breach of completion obligations of KJ Technical Services; or

(v) legal prohibitions or issuance of court order prohibiting or adversely affecting the Proposed Acquisition.

8. EFFECT OF TERMINATION

In the event the SPA is terminated due to the following events, Malakoff shall refund the full Deposit within five (5) business days of termination:

(i) insolvency-related events, including winding-up petitions in respect of MUSB or Malakoff, appointment of administrators or receivers, or inability of Malakoff or MUSB to pay debts;

(ii) failure to obtain KLSSB Approval (provided that KJ Technical Services have used reasonable endeavour in accordance with the terms of the SPA);

(iii) failure to obtain Minister Approval

(iv) breach of completion obligations by Malakoff; and

(v) legal prohibitions or issuance of court order prohibiting or adversely affecting the Proposed Acquisition.

For termination of SPA due to any other reasons, the full amount of Deposit will be forfeited by Malakoff, and the forfeited Deposit shall represent the total aggregate liquidated damages for the loss suffered by Malakoff as a result of such termination and each Party shall have no further liability towards the other Party in respect of the termination of the SPA.

Upon termination, the rights and obligations of the Parties under the SPA cease, except for clauses expressly stated to survive the termination of SPA, save that termination of the SPA shall be without prejudice to the rights of the Parties accrued prior to such termination.

9. ARBITRATION

Any dispute arising out of or in connection with the SPA shall be resolved by arbitration in Kuala Lumpur, Malaysia, at the Asian International Arbitration Centre ("**AIAC**"), conducted in English by a single arbitrator jointly appointed by the claimant and the respondent, in accordance with the Arbitration Rules of the AIAC. The seat of arbitration shall be Malaysia.

SALIENT TERMS OF THE SPA (CONT'D)

10. GOVERNING LAW

The SPA shall be governed by and construed in accordance with the laws of Malaysia.

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INFORMATION ON MUSB

1. HISTORY AND BUSINESS

MUSB was incorporated in Malaysia on 20 January 1996 under the Companies Act 1965 as a private limited company and is deemed registered under the Act. MUSB is a wholly-owned subsidiary of Malakoff.

MUSB was established to undertake the development of the EDS and DCS for the KL Sentral which encompasses a total area of 291,374 square meter. Commencing in 2000, MUSB has been the exclusive provider of electricity with a capacity of up to 153 MW within KL Sentral and its surrounding developments. MUSB owns and operates a district cooling plant with a total operating capacity of 9,900 refrigeration ton that supplies chilled water for the air conditioning needs of 10 buildings within this commercial and residential transit hub. These buildings include Plaza Sentral Blocks 1, 2, 3, 4, NU Sentral Mall, Menara Shell, Ascott Sentral, Aloft Hotel, and NU Tower 1 & 2.

2. SHARE CAPITAL

As at the LPD, the issued share capital of MUSB is RM10,000,000 comprising 10,000,000 ordinary shares.

3. DIRECTORS

As at the LPD, the directors of MUSB and their respective shareholdings in MUSB are as follows:

			Direct		Indirect	
Name	**Designation**	**Nationality**	**No. of shares**	**%**	**No. of shares**	**%**
Anwar Syahrin bin Abdul Ajib	Chairman	Malaysian	-	-	-	-
Mohd Nazersham bin Mansor	Director	Malaysian	-	-	-	-

4. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

As at the LPD, the substantial shareholder of MUSB and its respective shareholding in MUSB are as follows:

		Direct		Indirect	
Name	**Place of incorporation / Nationality**	**No. of shares**	**%**	**No. of shares**	**%**
Malakoff Corporation Berhad	Malaysia	10,000,000	100.00	-	-
AOA	Malaysia	-	-	10,000,000	(1)100.00
MMC	Malaysia	-	-	10,000,000	(1)100.00
Seaport	Malaysia	-	-	10,000,000	(1)100.00
ICSB	Malaysia	-	-	10,000,000	(1)100.00
Tan Sri Dato' Seri Syed Mokhtar Shah Syed Nor	Malaysian	-	-	10,000,000	(1)100.00

Note:

(1) Deemed interested by virtue of their shareholdings in Malakoff pursuant to Section 8 of the Act.

5. SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the LPD, MUSB does not have any subsidiary and/or associated company.

6. MATERIAL COMMITMENTS

As at the LPD, there are no material commitments incurred or known to be incurred by MUSB, which upon becoming enforceable may have a material effect on the business or financial position of MUSB.

7. CONTINGENT LIABILITIES

As at the LPD, there are no contingent liabilities incurred or known to be incurred by MUSB, which upon becoming enforceable may have a material effect on the business or financial position of MUSB.

8. TYPE OF ASSETS OWNED

Based on the latest audited financial statements of MUSB as at 31 December 2024, the material type of assets owned by MUSB are as follows:

Material type of assets	Audited as at 31 December 2024
	RM'000
Property, plant and equipment	36,660
Right-of-use assets	577
Inventories	181
Trade and other receivables	23,756
Current tax assets	742
Cash and cash equivalents	28,167
	90,083

9. MATERIAL CONTRACTS

Save for the SPA, MUSB has not entered into any material contracts, not being contracts entered into in the ordinary course of business, within the two (2) years immediately preceding the date of this Circular.

10. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at LPD, save as disclosed below, MUSB is not engaged in any other material litigation, claims or arbitration either as plaintiff or defendant, and the directors of MUSB are not aware of any proceedings, pending or threatened against MUSB or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position and/or businesses of MUSB.

348 Sentral Sdn. Bhd. v. MUSB *in the Arbitration No. AIAC/D/ADM-582-2018*

(i) Background Information

In 2018, 348 Sentral Sdn. Bhd. ("**348 Sentral**") initiated arbitration proceedings against MUSB in relation to an alleged breach of the Chilled Water Supply Agreement dated 12 June 2012 between 348 Sentral and MUSB ("**348 Sentral CWSA**"), ("**2018 Arbitration**"). 348 Sentral claimed that MUSB had supplied chilled water exceeding the contracted temperature range of 6.5-7.5 degrees Celsius during the period between 2015 and 2017, causing operational inefficiencies and financial losses for 348 Sentral.

(ii) Details of the Claims

348 Sentral sought damages amounting to RM13.34 million for the alleged breach of the 348 Sentral CWSA by MUSB. However, the arbitration tribunal determined that the maximum liability was subject to a contractual cap of RM250,000 under Clause 24.3 of the 348 Sentral CWSA.

On 15 March 2024, MUSB received the arbitration award, which ruled that:

(a) MUSB was in breach of its obligations under the 348 Sentral CWSA.
(b) 348 Sentral was entitled to RM250,000 in damages.
(c) MUSB was required to pay 348 Sentral's arbitration expenses and legal costs totalling RM523,498.
(d) The total amount payable by the Defendant to 348 Sentral was RM773,498.

(iii) Other related non-material litigation

In a separate Arbitration No. AIAC/D/ADM-351-2015, 348 Sentral and Excellent Bonanza Sdn. Bhd. initiated claims against MUSB under the chilled water supply agreement executed between the parties, ("**2015 Arbitration**"). On 19 February 2024, the claims against MUSB were dismissed with costs of RM293,182 awarded to MUSB.

MUSB intended to offset the amount awarded in the 2015 Arbitration against the RM773,498 payable under the final arbitration award for the 2018 Arbitration.

The arbitration award for the 2015 Arbitration became subject to a setting aside application filed by 348 Sentral and Excellent Bonanza Sdn. Bhd. in the Kuala Lumpur High Court Case No.: WA-24C(ARB)-35-05/2024, ("**Setting Aside Application**").

MUSB filed an enforcement with the Kuala Lumpur High Court Case No.: WA-24C(ARB)-43-07/2024, ("**Enforcement Application**") seeking to recognise and enforce the arbitration award for the 2015 Arbitration, which was opposed by 348 Sentral and Excellent Bonanza Sdn. Bhd..

On 7 November 2024, the High Court of Kuala Lumpur dismissed the Setting Aside Application, and allowed the Enforcement Application, enabling MUSB to enforce the 2015 Arbitration award and apply the RM293,182 awarded to MUSB in the 2015 Arbitration as a set-off against the RM773,498 payable by MUSB under the 2018 Arbitration award.

On 6 December 2024, 348 Sentral and Excellent Bonanza Sdn. Bhd. filed Notices of Appeal against the High Court of Kuala Lumpur's decisions in both the Setting Aside Application and the Enforcement Application.

(iv) Estimate of the Maximum Exposure to Liabilities

Following the High Court of Kuala Lumpur's decision on 7 November 2024, MUSB offset the awarded RM293,182 in the 2015 Arbitration against the RM773,498 payable under the 2018 Arbitration, reducing its maximum financial exposure to RM480,316.

However, with 348 Sentral and Excellent Bonanza Sdn. Bhd. appealing both the Setting Aside Application and the Enforcement Application, MUSB's final financial exposure remains subject to the Court of Appeal's ruling. If the appeal is allowed and the 2015 Arbitration award is set aside, MUSB loses the right to offset RM293,182, raising its maximum financial exposure to RM773,498.

Until the Court of Appeal renders its decision, MUSB has no further financial obligations beyond the amount already remitted.

(v) The Directors / solicitors' opinion of the outcome

Pursuant to the solicitors of MUSB, they are of the opinion that at this preliminary stage, it is premature to form a definitive view on the outcome of this appeal which will heavily depend on parties' arguments at the hearing of the appeal.

(vi) Status of arbitration

MUSB has remitted the net payable amount of RM438,716.22 to 348 Sentral.

The matter is now pending appeal at the Court of Appeal, with hearing scheduled for 11 November 2025.

11. SUMMARY OF FINANCIAL INFORMATION

The summary of the financial information of MUSB based on the audited financial statements of MUSB for the past 3 years up to FYE 31 December 2024 are set out below:

	Audited		
	FYE 31 December		
	2022	**2023**	**2024**
	RM'000	**RM'000**	**RM'000**
Revenue	124,561	172,438	174,935
Gross Profit	12,620	15,071	14,859
Profit before tax	499	995	2,936
PAT	1,272	1,031	1,576
Total borrowings	-	-	-
Current assets	50,233	57,583	52,846
Current liabilities	31,041	33,098	32,539
Share capital	10,000	10,000	10,000
Total equity / NA	53,883	54,749	48,295
No. of shares in issue (**'000**)	10,000	10,000	10,000
EPS(1) (**RM**)	0.13	0.10	0.16
NA per share(2) (**RM**)	5.39	5.47	4.83
Current ratio(3) (**times**)	1.62	1.74	1.62
Gearing ratio(4) (**times**)	-	-	-

Notes:

(1) Calculated based on PAT divided by the number of shares in issue.

(2) Calculated based on NA divided by the number of shares in issue.

(3) Calculated based on current assets divided by current liabilities.

(4) Calculated based on total borrowings divided by total equity.

11.1 Commentaries

Commentaries on the financial performance and financial position of MUSB are as follows:

FYE 31 December 2022

For the FYE 31 December 2022, MUSB recorded revenue of approximately RM124.56 million which represented an increase of approximately RM18.88 million or 17.86% as compared to the preceding financial year of approximately RM105.68 million. The increase in revenue was mainly attributed to the higher demand for its services as a result of the upliftment of lockdown measures imposed post COVID-19 pandemic.

MUSB recorded a PAT of approximately RM1.27 million which represented a decrease of approximately RM0.26 million or 17.08% as compared to the preceding financial year of approximately RM1.53 million. The decrease of PAT was mainly attributed to the absence of the Maximum Demand Provision(1).

Note:

(1) The provision for maximum demand is an accrual of Tenaga Nasional Berhad (TNB) charges based on the maximum demand during a certain period.

FYE 31 December 2023

For the FYE 31 December 2023, MUSB recorded revenue of approximately RM172.44 million which represented an increase of approximately RM47.88 million or 38.44% as compared to the preceding financial year of approximately RM124.56 million. The increase in revenue was mainly attributed to the continuous demand for its services post COVID-19 pandemic.

MUSB recorded a PAT of approximately RM1.03 million which represented a decrease of approximately RM0.24 million or 18.95% as compared to the preceding financial year of approximately RM1.27 million. The decrease in PAT was mainly attributed to higher tax expenses as a result of the absence of the tax incentives. The tax benefit recorded in FYE 31 December 2022 amounted to approximately RM772,635, whereas in FYE 31 December 2023, the tax benefit recorded was RM36,577.

FYE 31 December 2024

For the FYE 31 December 2024, MUSB recorded revenue of approximately RM174.94 million which represented an increase of approximately RM2.50 million or 1.45% as compared to the preceding financial year of approximately RM172.44 million. The increase in revenue was mainly attributed to the continuous demand for its services.

MUSB recorded a PAT of approximately RM1.58 million which represented an increase of approximately RM0.55 million or 52.86% as compared to the preceding financial year of approximately RM1.03 million. The increase in PAT was mainly attributed to lower depreciation given some of the property, plant, and equipment had been fully depreciated. The depreciation expense recorded in FYE 31 December 2023 amounted to approximately RM7.94 million, whereas in FYE 31 December 2024, the depreciation expense recorded was RM6.78 million.

11.2 Accounting policies and audit qualifications

For the past 3 audited FYEs under review:

(i) there were no exceptional and/or extraordinary items reported in the financial statements of MUSB;

(ii) there were no accounting policies adopted by MUSB that are peculiar to MUSB due to the nature of its business of the industry it operates in; and

(iii) there was no audit qualification on the financial statements of MUSB.

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malakoff Utilities

Enhancing Life,
Enriching Communities.

Ref : MUSB-GEN-KJTS-2025-9731

Date : 05 May 2025

To: The shareholders of KJTS Group Berhad

Dear Sir/Madam,

PROPOSED ACQUISITION BY KJ TECHNICAL SERVICES SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF KJTS GROUP BERHAD, OF 10,000,000 ORDINARY SHARES IN MALAKOFF UTILITIES SDN BHD ("MUSB"), A WHOLLY-OWNED SUBSIDIARY OF MALAKOFF CORPORATION BERHAD, REPRESENTING 100% EQUITY INTEREST IN MUSB, FOR A TOTAL CASH CONSIDERATION OF RM65.50 MILLION ("PROPOSED ACQUISITION")

On behalf of the Board of Directors of MUSB ("**Board of MUSB**"), I wish to report that after making due inquiries in relation to MUSB during the period between 31 December 2024, being the date on which the latest audited financial statements of MUSB have been made up, and the date hereof, being a date not earlier than 14 days before the date of this Circular, to the best of the Board of MUSB's knowledge and belief:

(a) the business of MUSB has been satisfactorily maintained;

(b) no circumstances have arisen since the last audited financial statements of MUSB which have adversely affected the trading or the value of the assets of MUSB;

(c) the current assets of MUSB appear in the books at values which are believed to be realisable in the ordinary course of business;

(d) there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by MUSB;

(e) since the last audited financial statements of MUSB, there has been no default or any known event that could give rise to a default situation in respect of payment of either interest and/or principal sums in relation to any borrowings in which the Board of MUSB is aware of; and

Malakoff Utilities Sdn Bhd 199601002393 (374739-T)
Suite 4-G-A, Ground Floor, Block 4, Block 4, Plaza Sentral,
Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Malaysia

T +603 2263 3388
E cs-mu@malakoff.com.my
W malakoffutilities.com.my

malakoff Utilities

(f) since the last audited financial statements of MUSB, there have been no material changes in the published reserves or any unusual factors affecting the profits of MUSB.

Yours faithfully,

For and on behalf of the Board of
MALAKOFF UTILITIES SDN BHD

Lukman Hakim Mohd Ali
Covering Head

Malakoff Utilities Sdn. Bhd.

(Registration No. 199601002393 (374739-T))
(Incorporated in Malaysia)

Financial statements for the year ended 31 December 2024

Directors' report for the year ended 31 December 2024

The Directors are pleased to submit their report and the audited financial statements of the Company for the financial year ended 31 December 2024.

Principal activities

The Company is principally engaged to build, own and operate an electricity distribution system and a centralised chilled water plant system. There has been no significant change in the nature of these activities during the financial year.

Holding company

The Company is a subsidiary of Malakoff Corporation Berhad, which is incorporated in Malaysia, listed on the Main Market of Bursa Malaysia Securities Berhad and regarded by the Directors as the Company's holding company, during the financial year and until the date of this report.

Results

	RM
Profit for the year	1,576,125

Reserves and provisions

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

Dividend

Since the end of the previous financial year, the Company has declared a final dividend of RM0.80 per ordinary share on 10,000,000 ordinary shares in issue totalling RM8,000,000 on 25 October 2024 in respect of the financial year ended 31 December 2024 and paid on 28 October 2024.

Directors of the Company

Directors who served during the financial year until the date of this report are:

Anwar Syahrin bin Abdul Ajib (Chairman)
Mohd Nazersham bin Mansor
Mohammed Azmil bin Ismail (resigned on 10 May 2024)
Saravanan A/L Desigamanie (resigned on 24 October 2024)

Directors' interests in shares

The interests in the shares of the Company and of its related corporations of those who were Directors at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2024	Bought	Sold	At 31.12.2024
Direct interests in the holding company:				
Mohd Nazersham bin Mansor	16,000	-	-	16,000

The other Director holding office at 31 December 2024 did not have any interest in the shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit 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.

There was no arrangement during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

Issue of shares

There was no change in the issued and paid-up capital of the Company during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Indemnity and insurance costs

The Directors' and Officers' liability insurance coverage was purchased by Malakoff Corporation Berhad, the holding company on a group basis.

There was no indemnity given to or insurance effected for the auditors of the Company.

Other statutory information

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or in the financial statements that would render any amount stated in the financial statements of the Company misleading.

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

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

ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, except for the net gain on impairment of financial instruments amounting to RM407,693 and settlement expenses of litigation claims amounting to RM438,716 as disclosed in Note 17 to the financial statements, the financial performance of the Company for the financial year ended 31 December 2024 has not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Company during the year is RM44,000.

Signed in accordance with a resolution of the Directors:

....

Anwar Syahrin bin Abdul Ajib
Chairman

....

Mohd Nazersham bin Mansor
Director

Kuala Lumpur

28 February 2025

Statement of financial position as at 31 December 2024

	Note	2024 RM	2023 RM
Assets			
Property, plant and equipment	3	36,660,228	40,262,114
Right-of-use assets	4	576,788	116,849
Total non-current assets		37,237,016	40,378,963
Inventories	5	181,010	150,120
Trade and other receivables	6	23,756,117	25,621,789
Current tax assets		742,350	1,052,772
Other investments	7	-	10,164,352
Cash and cash equivalents	8	28,166,703	20,594,136
Total current assets		52,846,180	57,583,169
Total assets		90,083,196	97,962,132
Equity			
Share capital	9	10,000,000	10,000,000
Retained earnings		38,295,219	44,749,012
Total equity		48,295,219	54,749,012
Liabilities			
Employee benefits	10	2,815,124	3,119,486
Deferred tax liabilities	11	6,204,403	6,995,896
Lease liabilities		229,241	-
Total non-current liabilities		9,248,768	10,115,382
Trade and other payables	12	31,852,108	32,857,001
Lease liabilities		353,052	122,500
Employee benefits	10	334,049	118,237
Total current liabilities		32,539,209	33,097,738
Total liabilities		41,787,977	43,213,120
Total equity and liabilities		90,083,196	97,962,132

The notes on pages 10 to 27 are an integral part of these financial statements.

Statement of profit or loss and other comprehensive income for the year ended 31 December 2024

	Note	2024 RM	2023 RM
Revenue	13	174,935,308	172,437,826
Cost of sales		(160,076,294)	(157,366,746)
Gross profit		14,859,014	15,071,080
Other income		640,371	658,762
Net gain on impairment of financial instruments	17	407,693	-
Administrative expenses		(7,064,051)	(7,610,967)
Other operating expenses		(7,009,937)	(8,172,145)
Results from operating activities		1,833,090	(53,270)
Finance income	14	1,116,573	1,057,711
Finance costs	15	(13,870)	(9,634)
Net finance income		1,102,703	1,048,077
Profit before tax		2,935,793	994,807
Tax (expense)/benefit	16	(1,359,668)	36,577
Profit for the year	17	1,576,125	1,031,384
Other comprehensive expense, net of tax			
Item that will not be reclassified subsequently through profit or loss			
Remeasurement of defined benefit liabilities	18	(29,918)	(165,125)
Other comprehensive expense for the year		(29,918)	(165,125)
Total comprehensive income for the year		1,546,207	866,259

The notes on pages 10 to 27 are an integral part of these financial statements.

Statement of changes in equity for the year ended 31 December 2024

	Note	Share capital RM	Retained earnings RM	Total equity RM
At 1 January 2023		10,000,000	43,882,753	53,882,753
Remeasurement of defined benefit liabilities		-	(165,125)	(165,125)
Other comprehensive expense for the year	18	-	(165,125)	(165,125)
Profit for the year		-	1,031,384	1,031,384
Total comprehensive income for the year		-	866,259	866,259
At 31 December 2023/1 January 2024		10,000,000	44,749,012	54,749,012
Remeasurement of defined benefit liabilities		-	(29,918)	(29,918)
Other comprehensive expense for the year	18	-	(29,918)	(29,918)
Profit for the year		-	1,576,125	1,576,125
Total comprehensive income for the year		-	1,546,207	1,546,207
Dividends to owner of the Company	19	-	(8,000,000)	(8,000,000)
At 31 December 2024		10,000,000	38,295,219	48,295,219

The notes on pages 10 to 27 are an integral part of these financial statements.

Statement of cash flows for the year ended 31 December 2024

	Note	2024 RM	2023 RM
Cash flows from operating activities			
Profit before tax		2,935,793	994,807
Adjustments for:			
Depreciation of property, plant and equipment	3	6,779,967	7,942,178
Depreciation of right-of-use assets	4	229,968	229,968
Expenses related to retirement benefit plan	10	294,683	277,726
Finance income	14	(1,116,573)	(1,057,711)
Finance costs on lease liabilities	15	13,870	9,634
Property, plant and equipment written off	17	571	13,748
Operating profit before changes in working capital		9,138,279	8,410,350
Net change in employee benefits		(422,599)	-
Net change in inventories		(30,890)	8,864
Net change in trade and other receivables		1,805,324	(10,361,298)
Net change in trade and other payables		(1,004,894)	2,161,678
Cash generated from operations		9,485,220	219,594
Tax paid		(1,831,291)	(1,263,142)
Tax refunded		-	6,495
Net cash from/(used) in operating activities		7,653,929	(1,037,053)
Cash flows from investing activities			
Acquisition of property, plant and equipment	3	(3,178,652)	(2,699,318)
Interest received		1,176,922	1,185,304
Change in other investments		10,164,352	6,125,672
Net cash from investing activities		8,162,622	4,611,658
Cash flows from financing activities			
Interest paid in relation to lease liabilities		(13,870)	(9,634)
Payment of lease liabilities		(230,114)	(234,350)
Dividends paid to owner of the Company		(8,000,000)	-
Net cash used in financing activities		(8,243,984)	(243,984)
Net increase in cash and cash equivalents		7,572,567	3,330,621
Cash and cash equivalents at 1 January		20,594,136	17,263,515
Cash and cash equivalents at 31 December	8	28,166,703	20,594,136

Statement of cash flows for the year ended 31 December 2024 (continued)

Cash outflows for leases as a lessee

	Note	2024 RM	2023 RM
Included in net cash from financing activities			
Interest paid in relation to lease liabilities	15	(13,870)	(9,634)
Payment of lease liabilities		(230,114)	(234,350)
Total cash outflows for leases		(243,984)	(243,984)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1 January 2023 RM	Net changes from financing cash flows RM	At 31 December 2023/ 1 January 2024 RM	Net changes from financing cash flows RM	Acquisition of new lease RM	At 31 December 2024 RM
Lease liabilities	356,850	(234,350)	122,500	(230,114)	689,907	582,293

The notes on pages 10 to 27 are an integral part of these financial statements.

Notes to the financial statements

Malakoff Utilities Sdn. Bhd. is a private limited liability company, incorporated and domiciled in Malaysia. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business
Suite 4-G-A, Ground Floor
Block 4, Plaza Sentral
Jalan Stesen Sentral 5
50470 Kuala Lumpur

Registered office
Level 12, Block 4
Plaza Sentral
Jalan Stesen Sentral 5
50470 Kuala Lumpur

The Company is principally engaged to build, own and operate an electricity distribution system and a centralised chilled water plant system. There has been no significant change in the nature of these activities during the financial year.

The holding company is Malakoff Corporation Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. On 3 February 2025, the holding company entered into a conditional Sale and Purchase agreement ("SPA") with a third party for the proposed disposal of the entire equity interest in the Company for a total cash consideration of RM65,500,000.

These financial statements were approved and authorised for issue by the Board of Directors on 28 February 2025.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), the reduced disclosure requirements of MFRS 19, *Subsidiaries without Public Accountability: Disclosures*, IFRS 19, *Subsidiaries without Public Accountability: Disclosures* and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Company:

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
  - ➢ Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
  - ➢ Amendments to MFRS 7, *Financial Instruments: Disclosures*
  - ➢ Amendments to MFRS 9, *Financial Instruments*
  - ➢ Amendments to MFRS 10, *Consolidated Financial Statements*
  - ➢ Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosures in Financial Statements*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Company plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2025 for those amendments that are effective for annual periods beginning on or after 1 January 2025.

- from the annual period beginning on 1 January 2026 for those amendments that are effective for annual periods beginning on or after 1 January 2026.

- from the annual period beginning on 1 January 2027 for the accounting standard that is effective for annual periods beginning on or after 1 January 2027.

The initial application of the abovementioned accounting standards, interpretations or amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Company.

1. Basis of preparation (continued)

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for net defined benefit (asset)/liability, which is measured based on the fair value of plan assets less the present value of the defined benefit obligation.

(c) Functional and presentation currencies

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

2. Changes in material accounting policies

Disclosures for subsidiaries without public accountability

The Company has early adopted MFRS 19, *Subsidiaries without Public Accountability: Disclosures* which specifies the reduced disclosure requirements an entity is permitted to apply instead of the disclosure requirements in other MFRS Accounting Standards. As a result of applying MFRS 19, the financial statements disclosures (including comparatives) of the Company have been reduced in accordance with MFRS 19.

3. Property, plant and equipment

	Building RM	Plant and machinery RM	Renovation RM	Tools and office equipment RM	Computers RM	Furniture and fittings RM	Motor vehicles RM	Total RM
Cost								
At 1 January 2024	5,573,910	128,968,670	732,012	12,321,339	2,416,115	260,770	97,179	150,369,995
Additions	-	1,070,000	19,368	2,040,790	48,494	-	-	3,178,652
Write-off	-	(41,630)	-	(901,386)	(33,600)	-	-	(976,616)
At 31 December 2024	5,573,910	129,997,040	751,380	13,460,743	2,431,009	260,770	97,179	152,572,031
Depreciation and impairment loss								
At 1 January 2024	5,557,584	91,242,510	688,538	9,909,486	2,384,061	228,527	97,175	110,107,881
Depreciation for the year	14,779	6,143,767	19,795	555,367	37,195	9,064	-	6,779,967
Write-off	-	(41,623)	-	(900,827)	(33,595)	-	-	(976,045)
At 31 December 2024	5,572,363	97,344,654	708,333	9,564,026	2,387,661	237,591	97,175	115,911,803
Carrying amounts								
At 1 January 2024	16,326	37,726,160	43,474	2,411,853	32,054	32,243	4	40,262,114
At 31 December 2024	1,547	32,652,386	43,047	3,896,717	43,348	23,179	4	36,660,228

3. Property, plant and equipment (continued)

3.1 Material accounting policy information

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

• Building	20 years
• Plant and machinery	10 – 25 years
• Renovation	5 years
• Tools and office equipment	5 – 10 years
• Computers	3 years
• Furniture and fittings	5 years
• Motor vehicles	5 years

4. Right-of-use assets

	Building RM
At 1 January 2023	346,817
Depreciation	(229,968)
At 31 December 2023/1 January 2024	116,849
Addition	689,907
Depreciation	(229,968)
At 31 December 2024	576,788

The Company leases an office building that runs for three years, with no option to extend the lease after that date.

4.1 Judgements and assumptions in relation to leases

The Company applied judgements and assumptions in determining the incremental borrowing rate of the lease. The Company first determines the closest available borrowing rates before using judgement to determine the adjustments required to reflect the term, security, value or economic environment of the lease.

4. Right-of-use assets (continued)

4.2 Material accounting policy information

(a) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of its relative stand-alone prices. However, for leases of properties in which the Company is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(b) Recognition exemption

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

5. Inventories

	2024 RM	2023 RM
Consumables	181,010	150,120
Recognised in profit or loss: Inventories recognised as cost of sales	52,663	30,125

5.1 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method.

6. Trade and other receivables

	Note	2024 RM	2023 RM
Trade			
Trade receivables		14,413,858	15,430,162
Unbilled receivables		4,121,154	7,537,948
		18,535,012	22,968,110
Non-trade			
Other receivables		755,764	816,115
Deposits and prepayments		4,465,341	487,955
Amounts due from related companies	6.1	-	1,349,609
		5,221,105	2,653,679
		23,756,117	25,621,789

6.1 Amounts due from related companies

Amounts due from related companies were unsecured, interest free and repayable on demand.

6.2 Offsetting of financial assets and financial liabilities

The following table provided information on financial assets and liabilities that were set off for presentation purpose:

2023	Note	Gross amount RM	Balances that are set off RM	Net carrying amount in the statement of financial position RM
Non-trade				
Amount due from holding company		52,890	(52,890)	-
Amount due to holding company	12	(96,611)	52,890	(43,721)

The amounts due from and due to holding company were set off for presentation purposes because they have enforceable right to set off and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

7. Other investments

	2024 RM	2023 RM
Deposits with a licensed bank with maturity more than 3 months - amortised cost	-	10,164,352

7.1 Material accounting policy information

Deposits with licensed banks and other licensed corporations

The Company classifies deposits with licensed banks and licensed corporations not held for working capital purposes that has a maturity of more than three (3) months as other investments.

8. Cash and cash equivalents

	2024 RM	2023 RM
Deposits with licensed banks and other licensed corporations with maturity less than 3 months	21,623,288	9,758,598
Cash and bank balances	6,543,415	10,835,538
	28,166,703	20,594,136

9. Share capital

	Number of shares 2024	Amount 2024 RM	Number of shares 2023	Amount 2023 RM
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At 1 January/31 December	10,000,000	10,000,000	10,000,000	10,000,000

Ordinary shares

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company.

10. Employee benefits

	2024 RM	2023 RM
Defined benefit obligations	3,217,235	3,315,108
Fair value of plan assets	(68,062)	(77,385)
Net defined benefit liabilities	3,149,173	3,237,723
Non-current	2,815,124	3,119,486
Current	334,049	118,237
	3,149,173	3,237,723

The Company provides pension benefits for eligible employees upon retirement, as part of the holding company, Malakoff Corporation Berhad's staff retirement benefits scheme ("Scheme").

Movements in net defined benefit liabilities

The following table shows a reconciliation from the opening balance to the closing balance for net defined benefit liabilities and its components:

	Defined benefit obligations RM	Fair value of plan assets RM	Net defined benefit liabilities RM
At 1 January 2024	3,315,108	(77,385)	3,237,723
Included in profit or loss			
Current service cost	171,141	-	171,141
Interest cost/(income)	126,792	(3,250)	123,542
	297,933	(3,250)	294,683
Included in other comprehensive expense			
Actuarial loss arising from:			
- Financial assumptions	26,793	-	26,793
Loss on asset valuation	-	12,573	12,573
	26,793	12,573	39,366
Others			
Intercompany staff transfer	(422,599)	-	(422,599)
	(422,599)	-	(422,599)
At 31 December 2024	3,217,235	(68,062)	3,149,173

The Company expects to pay RM115,245 in contributions to plan assets in 2025 (2023: RM220,000 in contributions to plan assets in 2024).

10. Employee benefits (continued)

Plan assets

The major categories of plan assets are as follows:

	2024 RM	2023 RM
Equity instruments	-	23,835
Cash and cash equivalents	68,062	53,550
	68,062	77,385

Defined benefit obligation

Actuarial assumptions

Principal actuarial assumptions at the end of the reporting period (expressed as weighted averages):

	2024	2023
Discount rate	4.10%	4.20%
Salary inflation	5.33%	5.33%

As at 31 December 2024, the weighted average duration of the Scheme is approximately 6 years (2023: 7 years).

11. Deferred tax liabilities

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2024 RM	2023 RM	2024 RM	2023 RM	2024 RM	2023 RM
Property, plant and equipment	-	-	(7,103,614)	(8,007,363)	(7,103,614)	(8,007,363)
Employee benefit plan	728,095	718,647	-	-	728,095	718,647
Provisions	169,795	291,464	-	-	169,795	291,464
Right-of-use assets	-	-	(136,117)	(25,732)	(136,117)	(25,732)
Lease liabilities	137,438	27,088	-	-	137,438	27,088
Tax assets/(liabilities)	1,035,328	1,037,199	(7,239,731)	(8,033,095)	(6,204,403)	(6,995,896)
Set-off of tax	(1,035,328)	(1,037,199)	1,035,328	1,037,199	-	-
Net tax liabilities	-	-	(6,204,403)	(6,995,896)	(6,204,403)	(6,995,896)

Movement in temporary differences during the year

	At 1.1.2023 RM	Recognised in profit or loss (Note 16) RM	Recognised in other comprehensive income (Note 18) RM	At 31.12.2023/ 1.1.2024 RM	Recognised in profit or loss (Note 16) RM	Recognised in other comprehensive income (Note 18) RM	At 31.12.2024 RM
Property, plant and equipment	(9,588,734)	1,581,371	-	(8,007,363)	903,749	-	(7,103,614)
Employee benefit plan	655,650	-	62,997	718,647	-	9,448	728,095
Provisions	470,595	(179,131)	-	291,464	(121,669)	-	169,795
Unutilised investment tax allowances	28,666	(28,666)	-	-	-	-	-
Right-of-use assets	(83,236)	57,504	-	(25,732)	(110,385)	-	(136,117)
Lease liabilities	85,644	(58,556)	-	27,088	110,350	-	137,438
Net tax liabilities	(8,431,415)	1,372,522	62,997	(6,995,896)	782,045	9,448	(6,204,403)

12. Trade and other payables

	Note	2024 RM	2023 RM
Trade			
Trade payables		10,774,216	12,419,494
Non-trade			
Other payables and accruals		20,483,938	20,393,786
Amount due to holding company	12.1	170,757	43,721
Amount due to a related company	12.1	423,197	-
		21,077,892	20,437,507
		31,852,108	32,857,001

12.1 Amounts due to holding company and a related company

Amounts due to holding company and a related company are unsecured, interest free and repayable on demand.

13. Revenue

	2024 RM	2023 RM
Revenue from contracts with customers	174,935,308	172,437,826

Revenue from contracts with customers is solely from Malaysia and recognised over time.

Nature of services

The following information reflects the typical transaction of the Company:

Nature of services	Timing of revenue recognition or method used to recognised revenue	Significant payment terms
Electricity and chilled water distribution	Revenue is recognised over time as the customer simultaneously receives and consumes the electricity and chilled water provided by the Company.	Credit period of 30 days from invoice date.

14. Finance income

	2024 RM	2023 RM
Interest income of financial assets calculated using the effective interest method	1,116,573	1,057,711

15. Finance costs

	2024 RM	2023 RM
Interest expense on lease liabilities	13,870	9,634

16. Tax expense/(benefit)

Recognised in profit or loss

	Note	2024 RM	2023 RM
Current tax expense			
Current year		1,706,725	1,335,945
Under provision in prior year		434,988	-
		2,141,713	1,335,945
Deferred tax expense			
Origination and reversal of temporary differences		(979,585)	(1,061,748)
Under/(Over) provision in prior year		197,540	(310,774)
	11	(782,045)	(1,372,522)
		1,359,668	(36,577)

Reconciliation of tax expense/(benefit)

	2024 RM	2023 RM
Profit for the year	1,576,125	1,031,384
Total tax expense/(benefit)	1,359,668	(36,577)
Profit before tax	2,935,793	994,807
Income tax calculated using Malaysian tax rate of 24% (2023: 24%)	704,590	238,754
Non-deductible expenses	22,550	35,443
Under/(Over) provision in prior year:		
- current tax	434,988	-
- deferred tax	197,540	(310,774)
	1,359,668	(36,577)

17. Profit for the year

	Note	2024 RM	2023 RM
Profit for the year is arrived at after charging/ (crediting):			
Auditors' remuneration		44,000	40,000
Material expenses/(income)			
Depreciation of property, plant and equipment		6,779,967	7,942,178
Depreciation of right-of-use assets		229,968	229,968
Property, plant and equipment written off		571	13,748
Personnel expenses (including key management personnel):			
- Contribution to Employees Provident Fund		447,155	609,616
- Expenses related to retirement benefit plan		294,683	277,726
- Wages, salaries and others		3,606,785	4,516,112
Settlement expenses of litigation claims	17.1	438,716	-
Compensation from insurance claims		-	(22,494)
Rental income		(634,680)	(634,680)
Net gain on impairment of financial instruments		(407,693)	-

17.1 In March 2024, the Company has received the Final Awards related to arbitration cases pertaining to chilled water supply between 348 Sentral Sdn. Bhd. (as Claimant) and the Company with a total net sum payable by the Company to the Claimant of RM438,716.

18. Other comprehensive expense

2024	Before tax RM	Tax benefit/ (expense) RM	Net of tax RM
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liabilities	(39,366)	9,448	(29,918)
2023			
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit liabilities	(228,122)	62,997	(165,125)

19. Dividends

Dividends recognised by the Company:

2024	RM per share	Total amount RM	Date of payment
Final 2024 ordinary	0.80	8,000,000	28 October 2024

20. Financial instruments

20.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC"):

2024	Carrying amount RM	AC RM
Financial assets		
Trade and other receivables*	19,663,438	19,663,438
Cash and cash equivalents	28,166,703	28,166,703
	47,830,141	47,830,141
Financial liabilities		
Trade and other payables	(31,852,108)	(31,852,108)
2023		
Financial assets		
Trade and other receivables*	25,506,460	25,506,460
Other investments	10,164,352	10,164,352
Cash and cash equivalents	20,594,136	20,594,136
	56,264,948	56,264,948
Financial liabilities		
Trade and other payables	(32,857,001)	(32,857,001)

* Excludes non-financial instruments

20.2 Net gains from financial instruments

	2024 RM	2023 RM
Net gains on:		
Financial assets measured at amortised cost	1,524,266	1,057,711

20.3 Financial risk management

The Company has exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk

20. Financial instruments (continued)

20.4 Credit risk

Trade receivables and unbilled receivables

Recognition and measurement of impairment losses

The Company adopts the simplified approach and uses an allowance matrix to measure expected credit losses ("ECLs") of receivables. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the past three years. The Company also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Company's view of economic conditions over the expected lives of the receivables. Nevertheless, the Company believes that these factors are not significant for the purpose of impairment calculation for the year.

The movements in the allowance for impairment in respect of trade receivables and unbilled receivables during the year are shown below.

	Lifetime ECL RM
At 1 January 2023/31 December 2023/1 January 2024	1,310,752
Net remeasurement of loss allowance	(407,693)
At 31 December 2024	903,059

Cash and cash equivalents and deposits with licensed banks

The cash and cash equivalents and deposits are held with banks and financial institutions. These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

As at the end of the reporting period, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

20. Financial instruments (continued)

20.5 Liquidity risk

The Company maintains a level of cash and cash equivalents deemed adequate by management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

Maturity analysis

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

2024	Carrying amount RM	Discount rate %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM
Financial liabilities						
Lease liabilities	582,293	3.88	609,960	243,984	243,984	121,992
Trade and other payables	31,852,108	-	31,852,108	31,852,108	-	-
	32,434,401		32,462,068	32,096,092	243,984	121,992
2023						
Financial liabilities						
Lease liabilities	122,500	3.88	124,877	124,877	-	-
Trade and other payables	32,857,001	-	32,857,001	32,857,001	-	-
	32,979,501		32,981,878	32,981,878	-	-

21. Related parties

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Company are shown below. The balances related to the following transactions are shown in Notes 6 and 12.

	2024 RM	2023 RM
i. **Holding company**		
Management fees	(937,000)	(937,000)
Rental income	634,680	634,680
Dividends paid	(8,000,000)	-

Statement by Directors pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 5 to 27 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board 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 Company as of 31 December 2024 and of its financial performance and cash flows for the financial year then ended.

Signed in accordance with a resolution of the Directors:

....

Anwar Syahrin bin Abdul Ajib
Chairman

....

Mohd Nazersham bin Mansor
Director

Kuala Lumpur

28 February 2025

Statutory declaration pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Mohd Nazersham bin Mansor**, the Director primarily responsible for the financial management of Malakoff Utilities Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 5 to 27 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Mohd Nazersham bin Mansor, NRIC: 730416-14-5671, MIA CA34453, at Kuala Lumpur in the Federal Territory on 28 February 2025.

....

Mohd Nazersham bin Mansor

Before me:

PESURUHJAYA SUMPAH
W 904
ROSLI BIN SAAD
01.01.2025 - 31.12.2027
MALAYSIA

50A-1, Jalan Kemuja
Bangsar Utama,
59000 Kuala Lumpur

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Telephone +60 (3) 7721 3388
Fax +60 (3) 7721 3399
Website www.kpmg.com.my

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF MALAKOFF UTILITIES SDN. BHD.

(Registration No. 199601002393 (374739-T))
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Malakoff Utilities Sdn. Bhd., which comprise the statement of financial position as at 31 December 2024 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 5 to 27.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting 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 auditors' 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 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.

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 Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements 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 Directors' Report, 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 financial statements of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting 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 Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the ability of the Company 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 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 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 misstatement of the financial statements 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 the override of internal control.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- 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 internal control of the Company.

- 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 ability of the Company 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 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Other Matter

This report is made solely to the member 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.

KPMG PLT	**Eric Kuo Sze-Wei**
(LLP0010081-LCA & AF 0758)	Approval Number: 03473/11/2025 J
Chartered Accountants	Chartered Accountant

Petaling Jaya

28 February 2025

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

Our Board has been seen and approved this Circular, and they are collectively and individually accept full responsibility for the accuracy of the information contained in this Circular. Our Board confirms that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular false or misleading.

Notwithstanding the above, all information relating to MUSB has been extracted from publicly available sources and/or provided by the management of MUSB and/or the Vendor. Therefore, the responsibility of our Board is limited to ensuring that such information is accurately reproduced in this Circular.

2. CONSENT AND CONFLICT OF INTEREST

HLIB, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

HLIB, its subsidiaries and associated companies as well as its penultimate holding company, namely Hong Leong Financial Group Berhad, and the subsidiaries and associated companies of Hong Leong Financial Group Berhad (collectively, the "**Hong Leong Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, assets and funds management and credit transaction services businesses.

The Hong Leong Group has engaged, and may in the future engage, in transactions with and perform services for our Group. In addition, in its ordinary course of business, any member of the Hong Leong Group may at any time offer or provide its services to or engages in any transaction (on its own account or otherwise) with our Group, hold long or short positions, and may trade or otherwise effect transactions for its own account or the account of its customers in debt or equity securities or senior loans of our Group. The Hong Leong Group may have, in the ordinary course of its business, granted credit facilities to our Group.

As at the LPD, our Group has outstanding credit facilities with the Hong Leong Group amounting to approximately RM0.11 million.

Notwithstanding the above, HLIB confirmed that there is no conflict of interest exists or likely to exist in its capacity as the Principal Adviser to our Group in respect of the Proposals, as:

(i) HLIB is a licensed investment bank and its appointment as the Principal Adviser for the Proposals and the extension of the credit facilities by the Hong Leong Group arose in its ordinary course of business;

(ii) the conduct of the Hong Leong Group in its banking business is strictly regulated by the Financial Services Act 2013, Islamic Financial Services Act 2013 and, where applicable, the Capital Markets and Services Act 2007, as well as the Hong Leong Group's own internal controls and checks; and

(iii) the said credit facilities which is less than 0.01% of the audited NA of the Hong Leong Group as at 30 June 2024 of approximately RM30.09 billion, are not material.

FURTHER INFORMATION (CONT'D)

3. MATERIAL COMMITMENTS

As at the LPD, there are no material commitments incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the financial position of our Group.

4. CONTINGENT LIABILITIES

Save as disclosed below, as at the LPD, there are no contingent liabilities incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the financial position of our Group:

	RM'000
Bank guarantee for tender bond, performance bond, and corporate bank guarantee provided to third parties for our Group's projects	5,375
Corporate guarantee given to licensed banks for credit facilities obtained by subsidiaries	59,953
	65,328

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company during business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the EGM:

(i) Constitution of our Company;

(ii) Constitution of MUSB;

(iii) the SPA;

(iv) the audited financial statements of our Group for the FYE 31 December 2023 and 2024;

(v) the audited financial statements of MUSB for the FYE 31 December 2023 and 2024;

(vi) the letter of consent and conflict of interest referred to in **Section 2** of **Appendix V** of this Circular; and

(vii) the relevant cause papers for the material litigation referred to in **Section 9** of **Appendix II** of this Circular.

KJTS GROUP BERHAD

(Registration No. 202201020004 (1465701-T))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting ("**EGM**") of KJTS Group Berhad ("**KJTS**" or "**Company**") will be held at Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Tuesday, 27 May 2025 at 11.00 a.m. or immediately after the conclusion of the 3rd Annual General Meeting of the Company and at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions:

ORDINARY RESOLUTION 1

PROPOSED ACQUISITION BY KJ TECHNICAL SERVICES SDN BHD ("KJ TECHNICAL SERVICES"), A WHOLLY-OWNED SUBSIDIARY OF KJTS GROUP BERHAD ("KJTS" OR "COMPANY"), OF 10,000,000 ORDINARY SHARES IN MALAKOFF UTILITIES SDN BHD ("MUSB"), A WHOLLY-OWNED SUBSIDIARY OF MALAKOFF CORPORATION BERHAD, REPRESENTING 100% EQUITY INTEREST IN MUSB, FOR A TOTAL CASH CONSIDERATION OF RM65.50 MILLION ("PROPOSED ACQUISITION")

"**THAT** subject to the approvals of all relevant authorities and/or parties being obtained in respect of the Proposed Acquisition, and the conditions precedent stipulated in the conditional sale and purchase agreement dated 3 February 2025 ("**SPA**") entered into between the KJ Technical Services and Malakoff Corporation Berhad in respect of the Proposed Acquisition being fulfilled or waived, approval be and is hereby given to the Company, through KJ Technical Services, to acquire 100% equity interest in MUSB for a total cash consideration of RM65.50 million, subject to the terms and conditions as stipulated in the SPA.

AND THAT the Board of Directors of KJTS be and is hereby authorised to sign and execute all documents, do all acts, deeds and things as may be required to give effect to the Proposed Acquisition with full power to assent to any terms, modifications, variations, arrangements, condition and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things in any manner as it may deem fit or necessary or expedient in the best interest of the Company to implement, finalise, complete and give full effect to the Proposed Acquisition."

ORDINARY RESOLUTION 2

PROPOSED VARIATION OF PROCEEDS RAISED FROM THE INITIAL PUBLIC OFFERING ("IPO") OF THE COMPANY PURSUANT TO RULE 8.24 OF THE ACE MARKET LISTING REQUIREMENTS ("LISTING REQUIREMENTS") OF BURSA MALAYSIA SECURITIES BERHAD ("PROPOSED VARIATION")

"**THAT** subject to the passing of Ordinary Resolution 1 and the approvals of all relevant authorities and/or parties being obtained in respect of the Proposed Variation, authority be and is hereby given for the Company to undertake the Proposed Variation to vary the utilisation of the unutilised balance of proceeds raised from the Company's IPO of approximately RM44.42 million in the manner set out in **Section 3** of the Circular to shareholders of the Company dated 9 May 2025.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps and do all acts, deeds and things to enter into any arrangements, transactions, agreements and/or undertakings and to execute, sign and deliver on behalf of the Company, all such documents as they may deem necessary, expedient and/or appropriate to implement and give full effect to and to complete the Proposed Variation with full powers to assent to any conditions, modifications, variations and/or amendments as the Directors may in their absolute discretion deem fit, necessary, expedient, appropriate and/or as may be imposed or permitted by any relevant authorities in connection with the Proposed Variation."

By Order of the Board

NUR SHAHFAIZA BINTI MD YUSOFF (SSM PC No. 202008000953) (MAICSA 7052006)
CHOO SOOK FUN (SSM PC No. 202008000567) (LS 0009607)
Company Secretaries

Kuala Lumpur

9 May 2025

Notes:

1. For the purpose of determining who shall be entitled to participate in this EGM, 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 EGM or appoint a proxy to attend, speak and vote on his/her/its behalf.

2. A member entitled to attend and vote at this EGM 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 the EGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the EGM.

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 EGM or adjourned EGM 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 EGM or adjourned EGM 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 11.00 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 EGM.

KJTS GROUP BERHAD

(Registration No. 202201020004 (1465701-T))
(Incorporated in Malaysia)

PROXY FORM

CDS Account No.	
No. of shares held	

*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 Extraordinary General Meeting ("**EGM**") 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 11.00 a.m. or immediately after the conclusion of the 3rd Annual General Meeting of the Company and at any adjournment thereof, and to vote as indicated below:

ITEM	**AGENDA**	**RESOLUTION**	**FOR**	**AGAINST**
1	Proposed Acquisition	Resolution 1		
2	Proposed Variation	Resolution 2		

**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 EGM, 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 EGM or appoint a proxy to attend, speak and vote on his/her/its behalf.

2. A member entitled to attend and vote at this EGM 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 the EGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the EGM.

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 EGM or adjourned EGM at which the person named in the appointment proposes to vote:

   (i) <u>In hard copy form</u>
   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) <u>By electronic form</u>
   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 EGM or adjourned EGM 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 11.00 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 EGM.

Fold this flap for sealing

Then fold here

AFFIX
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

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