KJTS GROUP BERHAD

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

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED
30 JUNE 2026

KJTS GROUP BERHAD

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

Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2026

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Second Quarter Ended 30 June 2026[(1)]

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Note	Current Quarter 30.06.2026	Preceding Year Corresponding Quarter 30.06.2025	Current Year-to-date 30.06.2026	Preceding Year Corresponding Year-to-date 30.06.2025
		Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
Revenue		88,179	44,057	144,085	90,608
Cost of sales		(68,996)	(33,673)	(111,899)	(68,287)
Gross profit ("GP")		**19,183**	**10,384**	**32,186**	**22,321**
Other income		521	2,086	1,113	2,607
Administrative expenses		(8,262)	(6,912)	(15,326)	(14,533)
Changes on impairment of financial instruments and contract assets		341	*	337	(32)
Finance costs		(476)	(164)	(638)	(319)
Share of results of associates		34	(4)	2	6
Profit before tax ("PBT")	B13	**11,341**	**5,390**	**17,674**	**10,050**
Tax expenses		(2,752)	(829)	(4,651)	(1,262)
Profit after tax ("PAT")		**8,589**	**4,561**	**13,023**	**8,788**
Other comprehensive gain/(loss) for the financial period		51	(22)	(144)	13
Total comprehensive income for the financial period		**8,640**	**4,539**	**12,879**	**8,801**
Profit for the financial period attributable to:					
- Owners of the Company		8,079	4,507	12,686	8,736
- Non-controlling interests		510	54	337	52
		8,589	**4,561**	**13,023**	**8,788**
Total comprehensive income for the financial period attributable to:					
- Owners of the Company		8,171	4,494	12,692	8,762
- Non-controlling interests		469	45	187	39
		8,640	**4,539**	**12,879**	**8,801**
Earnings per share ("EPS")					
- Basic (sen)	B12	1.17	0.65	1.84	1.27
- Diluted (sen)	B12	1.16	0.65	1.82	1.25

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Second Quarter Ended 30 June 2026 (cont'd)

NOTE:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the audited financial statements of KJTS Group Berhad ("**KJTS**" or the "**Company**") and its subsidiaries ("**Group**") for the financial year ended ("**FYE**") 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

* Less than RM1,000

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Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2026

Unaudited Condensed Consolidated Statement of Financial Position as at 30 June 2026[1]

	Note	As at 30.06.2026 Unaudited RM'000	As at 31.12.2025 Audited RM'000
Non-current assets			
Property, plant, and equipment		5,954	3,050
Right-of-use assets		3,836	2,772
Intangible assets		933	-
Investment properties		5,654	663
Investment in associates		866	861
Concession receivables		25,113	17,296
Goodwill on consolidation		13,611	1,808
Other investments		1,920	-
Other receivables		89	26
Deferred tax assets		1,034	-
		59,010	**26,476**
Current assets			
Concession receivables		1,279	1,646
Short-term investments		34,177	41,580
Inventories		4,327	113
Trade receivables		43,553	48,860
Other receivables		34,101	19,216
Contract assets		80,834	46,169
Amount due from associates		2,199	2,831
Tax recoverable		812	1,062
Fixed deposit with a licensed bank		4,310	2,405
Cash and bank balances		3,928	14,059
		209,520	177,941
Total assets		**268,530**	**204,417**
Equity			
Share capital		102,272	101,041
Option reserve		5,015	4,404
Other reserve		(3)	(3)
Foreign currency translation reserve		(179)	(185)
Retained earnings		75,214	62,528
Merger reserve		(34,938)	(34,938)
Equity attributable to owners of the Company		147,381	132,847
Non-controlling interests		51	(136)
Total equity		**147,432**	**132,711**

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Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2026

Unaudited Condensed Consolidated Statement of Financial Position as at 30 June 2026 (cont'd)

	Note	As at 30.06.2026 Unaudited RM'000	As at 31.12.2025 Audited RM'000
Non-current liabilities			
Bank borrowings	B9	20,266	6,680
Lease liabilities		1,992	1,456
Redeemable convertible preference shares		3,818	-
Employee benefit obligations		40	24
Deferred tax liabilities		273	4
		26,389	8,164
Current liabilities			
Trade payables		19,609	23,945
Other payables		55,000	32,608
Contract liabilities		1,571	1,091
Bank overdraft		2,055	958
Bank borrowings	B9	3,551	1,598
Banker's acceptances		5,000	-
Notes payable		1,475	-
Lease liabilities		2,047	1,185
Redeemable convertible preference shares		1,069	-
Tax payable		3,332	2,157
		94,709	63,542
Total liabilities		**121,098**	**71,706**
Total equity and liabilities		**268,530**	**204,417**
Net assets per ordinary share attributable to owners of the Company (RM)[(2)]		0.21	0.19

NOTES:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for the FYE 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

(2) Net assets per ordinary share is calculated based on the Company's ordinary shares in issue as at 30 June 2026 of 690,634,020 shares (31 December 2025: 689,522,635 shares).

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Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2026

Unaudited Condensed Consolidated Statement of Changes in Equity for the Second Quarter Ended 30 June 2026[1]

	Attributable to Owners of the Company								
	Non-Distributable					Distributable			
	Share Capital	Foreign Currency Translation Reserve	Option Reserve	Other Reserve	Merger Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2025 (Audited)/ 1 January 2026	101,041	(185)	4,404	(3)	(34,938)	62,528	132,847	(136)	132,711
Profit/(loss) for the financial period	-	-	-	-	-	12,686	12,686	337	13,023
Other comprehensive loss for the financial period	-	6	-	-	-	-	6	(150)	(144)
Total comprehensive (loss)/income for the financial period	**-**	**6**	**-**	**-**	**-**	**12,686**	**12,692**	**187**	**12,879**
Transactions with owners:									
Issuance of shares pursuant to special issue	346	-		-	-	-	346	-	346
Issuance of shares pursuant to executives' share option scheme ("**ESOS**")	885	-	(584)	-	-	-	301	-	301
Share options granted under ESOS	-	-	1,353	-	-	-	1,353	-	1,353
Share options forfeited under ESOS	-	-	(158)	-	-	-	(158)	-	(158)
	1,231	-	611	-	-	-	1,842	-	1,842
At 30 June 2026 (Unaudited)	**102,272**	**(179)**	**5,015**	**(3)**	**(34,938)**	**75,214**	**147,381**	**51**	**147,432**

Unaudited Condensed Consolidated Statement of Changes in Equity for the Second Quarter Ended 30 June 2026 (cont'd)

	Attributable to Owners of the Company								
	Non-Distributable					Distributable			
	Share Capital	Foreign Currency Translation Reserve	Option Reserve	Other Reserve	Merger Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2024 (Audited)/ 1 January 2025	99,120	129	2,413	(3)	(34,938)	47,211	113,932	(221)	113,711
Profit for the financial period	-	-	-	-	-	8,736	8,736	52	8,788
Other comprehensive loss for the financial period	-	26	-	-	-	-	26	(13)	13
Total comprehensive (loss)/income for the financial period	**-**	**26**	**-**	**-**	**-**	**8,736**	**8,762**	**39**	**8,801**
Transactions with owners:									
Issuance of shares pursuant to ESOS	1,135	-	(916)	-	-	-	219	-	219
Share options granted under ESOS	-	-	1,729	-	-	-	1,729	-	1,729
Share options forfeited under ESOS	-	-	(177)	-	-	-	(177)	-	(177)
	1,135	-	636	-	-	-	1,771	-	1,771
At 30 June 2025 (Unaudited)	**100,255**	**155**	**3,049**	**(3)**	**(34,938)**	**55,947**	**124,465**	**(182)**	**124,283**

NOTE:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for the FYE 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2026

Unaudited Condensed Consolidated Statements of Cash Flows for the Second Quarter Ended 30 June 2026[1]

	Current Year-to-date 30.06.2026 Unaudited RM'000	Preceding Year Corresponding Year-to-date 30.06.2025 Unaudited RM'000
OPERATING ACTIVITIES		
Profit before tax	17,674	10,050
Adjustments for: -		
Depreciation of property, plant, and equipment	797	456
Depreciation of right-of-use assets	983	694
Depreciation of investment properties	9	3
Amortisation of intangible assets	18	-
Gain on disposal of property, plant and equipment	-	(4)
Right-of-use assets written off	-	-
(Reversal of)/Impairment losses on trade receivables and contract assets	(337)	32
Dividend income from financial assets measured at fair value through profit or loss	(483)	(827)
Interest income	(61)	(487)
Provision for employee benefits	17	28
Finance costs	638	734
ESOS expenses	1,195	1,552
Share of results of associates	(2)	(6)
Unrealised gain on foreign exchange	(8)	(1)
Operating profit before changes in working capital	20,440	12,224
Changes in working capital:		
Inventories	(243)	(31)
Concession receivables	(7,451)	1,151
Receivables	(13,804)	(13,775)
Payables	9,615	5,676
Amount due from associates	653	383
Foreign exchange reserve	(103)	4
Contract assets	(24,050)	(6,242)
	(35,383)	(12,834)
Cash generated from/ (used in) operations	**(14,943)**	**(610)**
Interest paid	(541)	(342)
Interest received	40	50
Income tax refund	297	-
Dividend received	483	-
Income tax paid	(3,452)	(1,523)
	(3,173)	(1,815)
Net cash used in operating activities	**(18,116)**	**(2,425)**

Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2026

Unaudited Condensed Consolidated Statements of Cash Flows for the Second Quarter Ended 30 June 2026 (cont'd)

	Current Year-to-date 30.06.2026	Preceding Year Corresponding Year-to-date 30.06.2025
	Unaudited	**Unaudited**
	RM'000	**RM'000**
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(381)	(1,178)
Purchase of right-of-use assets	-	(28)
Proceeds from disposal of property, plant and equipment	-	4
Acquisition of a subsidiary, net of cash acquired	(11,308)	-
Deposit paid for acquisition of a subsidiary	-	(6,550)
Refund of deposit paid for acquisition of a subsidiary	6,550	-
Additional investment to other investment	(1,920)	-
Acquisition of equity interest by non-controlling interests	-	1
Net cash used in investing activities	**(7,059)**	**(7,751)**
FINANCING ACTIVITIES		
Proceeds from issuance of shares	646	220
Increased in fixed deposit pledged to a licensed bank	(85)	(28)
Payment of lease liabilities	(855)	(618)
Drawdown of borrowings	8,046	3,354
Repayment of borrowings	(1,208)	(589)
Net cash from financing activities	**6,544**	**2,339**
Net decrease in cash and cash equivalents	**(18,631)**	**(7,837)**
Effect of exchange translation differences on cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the financial period	54,681	65,207
Cash and cash equivalents at the end of the financial period[(2)]	**36,050**	**57,370**

NOTES:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for the FYE 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

(2) Cash and cash equivalents at the end of the financial period consist of:

	As at 30.06.2026	As at 30.06.2025
	Unaudited	**Unaudited**
	RM'000	**RM'000**
Short-term investments	34,177	50,918
Cash and bank balances	3,928	7,371
Fixed deposit with a licensed bank	4,310	2,378
Bank overdraft	(2,055)	(919)
	40,360	59,748
Less: Fixed deposit pledged to a licensed bank	(4,310)	(2,378)
	36,050	57,370

PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134: INTERIM FINANCIAL REPORTING

A1. BASIS OF PREPARATION

The interim financial report of the Group is unaudited and has been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board, Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**").

This interim financial report should be read in conjunction with the audited financial statements of the Group for the FYE 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

A2. MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the FYE 31 December 2025 except for the adoption of the following new MFRSs and Amendments to MFRSs that become effective for the financial period beginning on 1 January 2026:

Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity
Annual Improvements to MFRS Accounting Standards – Volume 11: • Amendments to MFRS 1 • Amendments to MFRS 7 • Amendments to MFRS 9 • Amendments to MFRS 10 • Amendments to MFRS 107	

The new and amended standards that are issued, but not yet effective and have not been adopted by the Group are as follows:

		Effective Date
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2027
Amendments to MFRS 128	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	1 January 2027
MFRS 20	Regulatory Assets and Regulatory Liabilities	1 January 2029
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group intends to adopt these new and amended standards, if applicable, when they become effective.

The initial application of the abovementioned new and amended standards, where applicable, is not expected to have any material impact on the financial statements of the Group.

A3. MATERIAL CHANGES IN ACCOUNTING ESTIMATES

There were no material changes in accounting estimates during the current financial quarter and financial year-to-date under review.

PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)

A4. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The audited financial statements of the Group for the preceding FYE 31 December 2025 were issued without any qualifications.

A5. SEASONAL OR CYCLICAL FACTORS

The Group's performance has not been materially affected by any seasonal and cyclical factors during the current financial quarter and financial year-to-date under review.

A6. ITEMS OR INCIDENCES OF AN UNUSUAL NATURE

There were no material and unusual items affecting the assets, liabilities, equity, net income, or cash flows of the Group during the current financial quarter and financial year-to-date under review.

A7. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

There were no material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.

A8. DEBT AND EQUITY SECURITIES

In conjunction with the Company's listing on the ACE Market of Bursa Securities ("**Listing**"), the Company has established a long-term incentive plan ("**LTIP**") of up to 10.00% of the total number of issued shares of the Company, comprising ESOS and executives' share grant scheme, to be granted to the eligible persons of the Group who are eligible executive directors and eligible executives who meet the criteria of eligibility for participation in the LTIP in accordance with the By-Laws ("**Eligible Persons**"). The LTIP has taken effect on 23 January 2024. The LTIP shall be in force for a period of 5 years from 23 January 2024.

On 26 January 2024 and 12 November 2024, 13,756,000 ESOS options and 13,760,000 ESOS options respectively, have been offered to the Eligible Persons.

As of 30 June 2026, 2,386,020 ordinary shares have been issued pursuant to the exercise of the ESOS options by Eligible Persons.

On 3 September 2025, the Company announced the proposal to undertake a special issue of up to 102,050,000 new ordinary shares to Bumiputera investors to be identified and/or approved by the Ministry of Investment, Trade and Industry ("**Special Issue**").

On 30 September 2025, the Company had announced that Bursa Securities had vide its letter dated 30 September 2025, resolved to approve the listing and quotation of the Special Issue Shares on 30 September 2025,

On 27 October 2025, the Company has obtained the shareholders' approval through the extraordinary general meeting for the Special Issue.

On 9 January 2026, the Company allotted 248,000 Special Issue Shares at an issue price of RM1.3965 per share to 12 Bumiputera investors, raising gross proceeds of RM346,332.

The Special Issue Shares were listed and quoted on the ACE Market of Bursa Securities on 13 January 2026.

The Securities Commission Malaysia via its letter dated 27 January 2026 (which was received by the Company on 29 January 2026) informed that the Company is deemed to have complied with the Bumiputera equity condition.

Save as disclosed above, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial year-to-date under review.

A9. DIVIDEND PAID

There was no dividend paid during the current financial quarter under review and during the preceding year corresponding quarter.

A10. SEGMENTAL INFORMATION

The Group is principally involved in the following businesses:

Operating segments	Nature
(a) Energy Services	(a) Energy services which mainly involve the supply of chilled water and hot water as well as providing operations and maintenance services for cooling and heating energy systems and provision of energy saving system for commercial buildings. (b) Engineering, procurement, construction and commissioning ("**EPCC**") of cooling and heating energy system which mainly involves the construction of new, upgrading and / or retrofitting of cooling and heating energy systems.
(b) Integrated Facilities Management	Integrated facilities management services, which mainly consist of comprehensive building support services, including cleaning, hygiene, repair and maintenance of facilities, machinery and equipment.
(c) Investment	Investment holding.

During the current year, the Group revised the name of the segment previously identified as Cooling Energy to Energy Services. This change was made to better reflect the expanded scope of services offered, encompassing a broader range of sustainable energy solutions. The renaming does not affect the measurement, recognition, or presentation of segment results.

The Group also combined the Cleaning Services segment and the Facilities Management segment into a single reporting segment, namely Integrated Facilities Management. This change was made to better reflect the way performance was tracked, as both services are overseen by the same management team, share a similar client base and share common resources. The integration has resulted in operational efficiencies and a unified service offering.

Comparative information has been restated to align with the new segment presentation.

(a) Revenue by business activities

The table below sets out the breakdown of the Group's revenue by business activities for the financial quarter under review:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.06.2026	Preceding Year Corresponding Quarter 30.06.2025	Current Year-to-date 30.06.2026	Preceding Year Corresponding Year-to-date 30.06.2025
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Energy Services	68,651	24,380	103,739	51,188
Integrated Facilities Management	19,528	19,677	40,346	39,420
	88,179	44,057	144,085	90,608

A10. SEGMENTAL INFORMATION (CONT'D)

(b) Revenue by geographical market of customers

The table below sets out the breakdown of the Group's revenue by geographical market of customers for the financial quarter under review:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.06.2026	Preceding Year Corresponding Quarter 30.06.2025	Current Year-to-date 30.06.2026	Preceding Year Corresponding Year-to-date 30.06.2025
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Malaysia	69,646	32,849	115,257	70,159
Overseas:				
- Singapore	6,867	7,791	13,671	15,694
- Thailand	11,666	3,417	15,157	4,755
	88,179	44,057	144,085	90,608

A11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

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

A12. CHANGES IN THE COMPOSITION OF THE GROUP

Save for the acquisition of IHSB which was completed on 10 April 2026, there were no material changes in the composition of the Group for the current financial quarter under review.

A13. CAPITAL COMMITMENTS

There were no material capital commitments as at 30 June 2026.

A14. CONTINGENT ASSETS OR CONTINGENT LIABILITIES

Save as disclosed below, as at 30 June 2026, there are no contingent assets and contingent liabilities incurred or known to be incurred by the Group, which upon becoming enforceable, may have a material impact on the financial position of the Group:

	RM'000
Bank guarantees for tender bond, performance bond, and corporate bank guarantee provided to third parties for our Group's projects	2,341
Corporate guarantees given to licensed banks to secure banking facilities granted to subsidiaries	
-Limit of guarantees	75,847
-Amount utilised	16,914

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

Save as disclosed below, there were no significant related party transactions during the current financial quarter and financial year-to-date:

	Current Quarter 30.06.2026	Preceding Year Corresponding Quarter 30.06.2025	Current Year-to-date 30.06.2026	Preceding Year Corresponding Year-to-date 30.06.2025
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Transactions with associates:				
Income				
Sales	1,180	974	2,251	1,874
Management fee received/receivable	6	6	12	12
Interest received/receivable	10	10	21	21
Expenses				
Purchases	579	487	1,125	950
Transactions with related parties:				
Income				
Sales	-	-	-	7
Expenses				
Purchases	2	-	3	-
Administrative expenses paid/payable	13	1	20	2
Interest paid/payable	46	36	91	69

A16. FAIR VALUE OF FINANCIAL LIABILITIES

There were no gains or losses arising from fair value changes in the Group's financial liabilities for the current financial quarter under review.

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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE

	QUARTER ENDED			YEAR-TO-DATE ENDED		
	30.06.2026	30.06.2025		30.06.2026	30.06.2025	
	Unaudited	Unaudited	Changes	Unaudited	Unaudited	Changes
	RM'000	RM'000	(RM'000/%)	RM'000	RM'000	(RM'000/%)
Revenue	88,179	44,057	44,122/100%	144,085	90,608	53,477/59%
Gross profit	19,183	10,384	8,799/85%	32,186	22,321	9,865/44%
PBT	11,341	5,390	5,951/110%	17,674	10,050	7,624/76%
PAT	8,589	4,561	4,028/88%	13,023	8,788	4,235/48%
Profit attributable to owners of the Company	**8,079**	**4,507**	**3,572/79%**	**12,686**	**8,736**	**3,950/45%**

The Group recorded revenue of RM88.18 million for the current financial quarter ended 30 June 2026. The Energy Services and Integrated Facilities Management segments recorded revenue of RM68.65 million (77.85% of the Group's revenue) and RM19.53 million (22.15% of the Group's revenue) respectively, for the current financial quarter under review. The Group's revenue increased by RM44.12 million (or 100.14%) from RM44.06 million in the preceding year corresponding quarter. This was mainly contributed by the commencement of energy services projects of the Energy Services segment in the current financial quarter under review.

Malaysia was our largest overall market and recorded revenue of RM69.65 million (78.99% of the Group's revenue) for the current financial quarter under review. Meanwhile, Thailand and Singapore contributed revenue of RM11.67 million (13.23% of the Group's revenue) and RM6.86 million (7.78% of the Group's revenue) respectively, for the current financial quarter under review.

The Group reported PBT of RM11.34 million for the current financial quarter compared to a PBT of RM5.39 million in the preceding year corresponding quarter, representing an increase of RM5.95 million. The higher PBT is primarily contributed by the increase in gross profit which is mainly derived from the new energy services contracts with relatively higher contract value and gross profit contribution for the current financial quarter under review as compared to the preceding year corresponding quarter.

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B2. VARIANCE OF RESULTS AGAINST PRECEDING QUARTER

	INDIVIDUAL QUARTER			
	Current Quarter 30.06.2026	Preceding Quarter 31.03.2026	Variance	
	Unaudited	Unaudited	Unaudited	
	RM'000	RM'000	RM'000	%
Revenue	88,179	55,906	32,273	57.73
PBT	11,341	6,333	5,008	79.08

The Group recorded a revenue of RM88.18 million for the current financial quarter ended 30 June 2026 which is 57.73% higher than the revenue recorded in the preceding financial quarter ended 31 March 2026 of RM55.91 million. The increase in revenue was mainly due to higher revenue recognised from Energy Services segment in the current financial quarter ended 30 June 2026. Revenue from Energy Services segment increased by RM33.56 million in the current financial quarter ended 30 June 2026 as compared to the preceding quarter ended 31 March 2026, mainly due to commencement of recently secured energy services contracts in the current quarter. Meanwhile, revenue from Integrated Facilities Management segment decreased by RM1.29 million in the current financial quarter ended 30 June 2026 as compared to the preceding financial quarter ended 31 March 2026, mainly due to expiration of a few cleaning services contracts since the end of the previous quarter.

The Group recorded a PBT of RM11.34 million for the current financial quarter ended 30 June 2026 as compared to a PBT of RM6.33 million in the preceding financial quarter ended 31 March 2026. The increase in PBT was mainly due to increase in gross profit as a result of increase in revenue as discussed above and new energy services contracts with relatively higher gross profit margin, being offset by the increase in administrative expenses in the current financial quarter ended 30 June 2026 as compared to the preceding financial quarter ended 31 March 2026.

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B3. PROSPECTS AND OUTLOOK FOR THE CURRENT FINANCIAL PERIOD

The Malaysian economy expanded by 6.0% in the second quarter of 2026, improving from 5.4% in the preceding quarter. Growth was supported by sustained household spending, continued investment activity and stronger exports, particularly electrical and electronics products. Bank Negara Malaysia maintained the Overnight Policy Rate at 2.75% in July 2026 and expects full-year growth to remain within the 4.0% to 5.0% forecast range. Although the outlook remains exposed to geopolitical developments, global financial conditions and commodity-production risks, resilient domestic demand and the external sector provide a supportive operating backdrop for KJTS Group Berhad.[(1)]

Malaysia's policy and investment environment continues to support demand for energy-efficiency solutions. The Energy Efficiency and Conservation Act 2024, which came into effect on 1 January 2025, provides a broader regulatory framework covering energy consumers, commercial buildings and energy-using products.[(2)] In parallel, the Malaysian Investment Development Authority reported RM92.8 billion of approved investments in the first quarter of 2026, including RM34.6 billion across 33 data-centre and cloud-computing projects.[(3)] The expansion of energy-intensive digital and industrial infrastructure is expected to increase demand for efficient cooling, heat recovery and integrated facilities management, which are closely aligned with the Group's core capabilities.

Against this backdrop, a key strategic milestone during the quarter was the completion on 10 April 2026 of the acquisition, through wholly-owned KJ Technical Services Sdn. Bhd. ("**KJTS SB**"), of a 70.67% equity interest in IHSB for RM10.1 million.[(4)] IHSB is a specialist engineering group focused on heat recovery and waste-heat utilisation systems. Its proprietary Heatfuse technology is deployed across industrial, healthcare and hospitality facilities in Malaysia, Thailand, Singapore and selected Asia-Pacific markets.[(5)]

The acquisition broadens KJTS's integrated energy-services platform by combining the Group's established cooling-energy expertise with IHSB's waste-heat recovery capabilities. This allows the Group to address a larger portion of the thermal-energy cycle, from efficient cooling generation to the capture and reuse of waste heat. The combination also creates cross-selling opportunities across the respective customer bases, strengthens control over engineering integration and lifecycle performance, and supports the development of performance-based solutions that can deepen customer relationships and expand the Group's long-term recurring income base.[(5)]

At the regional and international level, KJTS continues to broaden its market presence through strategic partnerships and industry engagement. Its collaboration with China Construction Yangtze River (Malaysia) Sdn. Bhd. provides a framework to identify, develop, bid for and execute data-centre and infrastructure projects in Malaysia and other jurisdictions, including Cambodia, Thailand, Singapore and Turkey.[(6)] During the quarter, the Group also participated in Build4Asia in Hong Kong to share its expertise in district cooling and Energy-as-a-Service solutions.[(7)] These efforts enhance KJTS's visibility and partner network while supporting the pursuit of cross-border opportunities.

Looking ahead, the Group will remain focused to capitalise on the integration of IHSB, cross-selling across the enlarged customer network and the execution of long-term cooling, heat-recovery and facilities-management contracts. Supportive domestic economic conditions, energy-efficiency regulation and sustained investment in digital and industrial infrastructure provide a constructive foundation for growth. Nevertheless, KJTS will remain vigilant to external cost pressures, supply-chain uncertainties and project-execution risks. Barring unforeseen circumstances, the Board remains cautiously optimistic about the Group's prospects for the current financial year and believes that its broader service offering and recurring-contract portfolio position KJTS to deliver sustainable long-term value to shareholders.

NOTES:

(1) *Source: Bank Negara Malaysia, Quarterly Bulletin: Second Quarter 2026 (14 August 2026); and Monetary Policy Statement (9 July 2026)*

(2) *Source: Energy Commission, Energy Efficiency and Conservation Act (EECA) 2024 (Date accessed: 15 August 2026)*

(3) *Source: Malaysian Investment Development Authority, Malaysia Attracts RM92.8 Billion in Q1 2026 Approved Investments (8 June 2026)*

(4) *Source: KJTS Group Berhad, Bursa Malaysia announcement, Completion of the acquisition of 70.67% equity interest in iHandal Holdings Sdn. Bhd. (10 April 2026)*

(5) *Source: KJTS Group Berhad, KJTS Expands into Heat Recovery with Acquisition of iHandal (5 March 2026)*

(6) *Source: KJTS Group Berhad, Bursa Malaysia announcement, Collaboration Agreement between KJ Technical Services Sdn. Bhd. and China Construction Yangtze River (Malaysia) Sdn. Bhd. (26 January 2026)*

(7) *Source: KJTS Group Berhad, Build4Asia: Building Hong Kong's Sustainable Future with District Cooling (11 May 2026)*

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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B4. PROFIT FORECAST OR PROFIT GUARANTEE

The Group did not issue any profit forecast or profit guarantee in the current financial quarter under review.

B5. TAX EXPENSES

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.06.2026	Preceding Year Corresponding Quarter 30.06.2025	Current Year-to-date 30.06.2026	Preceding Year Corresponding Year-to-date 30.06.2025
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Tax expenses recognised in profit or loss				
Current tax expense[1]	2,756	829	4,655	1,262
Under/(Over) provision in prior years	-	-	-	-
	2,756	829	4,655	1,262
Deferred tax				
Relating to origination and reversal of temporary differences	(4)	-	(4)	-
Over provision in prior years	-	-	-	-
	(4)	-	(4)	-
Tax expenses for the financial period	2,752	829	4,651	1,262
Effective tax rate (%)	24.3	15.4	26.3	12.6
Statutory tax rate (%)	24.0	24.0	24.0	24.0

For the current financial quarter ended 30 June 2026, the Group recorded an effective tax rate of 24.3%, which was higher than the statutory tax rate. This was primarily attributable to the full utilisation of unutilised tax losses brought forward (as compared to the prior year's corresponding period) and non-deductible ESOS expenses of RM0.58 million incurred during the financial period.

NOTE:

(1) Income tax is recognised based on management's best estimate.

B6. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced but not implemented as at the date of this interim financial report.

B7. QUARTERLY UPDATES ON THE STATUS OF COLLABORATIONS, MEMORANDUMS OF UNDERSTANDING AND JOINT VENTURES

(a) Strategic Collaboration Agreement with FBG Land Sdn. Bhd. and The Penang Development Corporation

On 20 January 2025, the Board announced that KJTS entered into a strategic collaboration agreement with FBG Land Sdn. Bhd. and The Penang Development Corporation to establish the development and construction of the district cooling system infrastructure for the proposed development known as Medi-City in Batu Kawan, Mukim 13, Daerah Seberang Perai Selatan, Pulau Pinang, Malaysia.

There has been no material development on the status of this collaboration since the last announcement made on 20 May 2026.

(b) Memorandum of Understanding entered between Green AI Sdn. Bhd. and Shenzen Envicool Technology Co. Ltd.

On 13 June 2025, the Board announced that Green AI Sdn. Bhd., a subsidiary of KJTS through its wholly-owned subsidiary, KJTS SB, had entered into a memorandum of understanding with Shenzhen Envicool Technology Co., Ltd. to jointly pursue data centre infrastructure projects, with a focus on innovative, energy-efficient cooling solutions in ASEAN.

There has been no material development on the status of this collaboration since the last announcement made on 20 May 2026.

(c) Collaboration Agreement between KJTS SB and China Construction Yangtze River (Malaysia) Sdn. Bhd.

On 26 January 2026, the Board announced that KJTS SB, a wholly-owned subsidiary of the Company, had entered into a collaboration agreement with China Construction Yangtze River (Malaysia) Sdn. Bhd. (collectively referred to as "**Parties**") to collaborate on the identification, development, bidding, and execution of data centre projects and other infrastructure or building-related projects in Malaysia and other jurisdictions as may be mutually agreed between the Parties in writing, including but not limited to Cambodia, Thailand, Singapore and Turkey.

There has been no material development on the status of this collaboration since the last announcement made on 20 May 2026.

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B8. UTILISATION OF IPO PROCEEDS

The Company was listed on the ACE Market of Bursa Securities on 26 January 2024. As part of the Listing exercise, the Company has undertaken a public issue of 218,027,200 new ordinary shares at an issue price of RM0.27 per share, raising gross proceeds of RM58.87 million ("**IPO Proceeds**"). The status of the utilisation of the IPO Proceeds as of 30 June 2026 is as follows:

Purpose of utilisation	Proposed utilisation	Actual utilisation	Balance to be utilised	Estimated timeframe for utilisation
	RM'000	RM'000	RM'000	
Business expansion				
- Expansion of cooling energy segment	40,417	(31,450)	8,967	Within 24 months from 16 March 2026
- Expansion of offices in Malaysia, Thailand, and Singapore	4,500	(500)	4,000	Within 24 months from 16 March 2026
Working capital	8,118	(8,118)	-	Within 12 months from Listing date
Defraying the listing expenses	5,832	(5,832)	-	Within 1 month from Listing date
Total	**58,867**	**(45,900)**	**12,967**	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 5 January 2024 and the announcement dated 16 March 2026.

B9. BORROWINGS

	As at 30 June 2026 (Unaudited)					
	Current		Non-Current		Total borrowings	
	Foreign Currency	RM Equivalent	Foreign Currency	RM Equivalent	Foreign Currency	RM Equivalent
	'000	RM'000	'000	RM'000	'000	RM'000
Secured						
Denominated in MYR						
- Lease liabilities[(1)]	-	611	-	1,495	-	2,106
- Term loans	-	986	-	8,258	-	9,244
- Bankers' acceptances	-	5,000	-	-	-	5,000
- Notes payable	-	1,475	-	-	-	1,475
Denominated in SGD[(2)]						
- Lease liabilities[(1)]	16	51	51	162	67	213
Denominated in THB[(3)]						
- Term loans	20,891	2,565	97,817	12,008	118,708	14,573

	As at 31 December 2025 (Audited)					
	Current		Non-Current		Total borrowings	
	Foreign Currency	RM Equivalent	Foreign Currency	RM Equivalent	Foreign Currency	RM Equivalent
	'000	RM'000	'000	RM'000	'000	RM'000
Secured						
Denominated in MYR						
- Lease liabilities[1]	-	375	-	955	-	1,330
- Term loans	-	71	-	-	-	71
Denominated in SGD[2]						
- Lease liabilities[1]	16	51	60	188	76	239
Denominated in THB[3]						
- Term loans	11,885	1,527	51,995	6,680	63,880	8,207

These borrowings are secured and denominated in Malaysian Ringgit ("**MYR**"), Singapore Dollar ("**SGD**") and Thai Baht ("**THB**").

NOTES:

(1) Excluding lease liabilities arising from the rental of land and buildings.

(2) Exchange rate (SGD: MYR) at SGD: MYR 3.1495 as at 30 June 2026 and SGD: MYR 3.1572 as at 31 December 2025 (Source of reference: Bank Negara Malaysia website).

(3) Exchange rate (THB: MYR) at THB: MYR 0.12276 as at 30 June 2026 and THB: MYR 0.128472 as at 31 December 2025 (Source of reference: Bank Negara Malaysia website).

B10. MATERIAL LITIGATION

There was no material litigation involving the Group as at the date of this interim financial report.

B11. DIVIDEND PROPOSED

No dividend has been proposed or recommended by the Board for the current financial quarter under review.

B12. EARNINGS PER SHARE

Basic EPS

The earnings and weighted average number of ordinary shares used in the calculation of basic EPS are as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.06.2026	Preceding Year Corresponding Quarter 30.06.2025	Current Year-to-date 30.06.2026	Preceding Year Corresponding Year-to-date 30.06.2025
	Unaudited	Unaudited	Unaudited	Unaudited
Profit attributable to the owners of the Company (RM'000)	8,079	4,507	12,686	8,736
Weighted average number of ordinary shares for the purpose of basic EPS (unit) ('000)	689,732	688,689	689,732	688,689
Basic EPS (sen)	1.17	0.65	1.84	1.27

Diluted EPS

The earnings used in the calculation of diluted EPS as follow:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.06.2026	Preceding Year Corresponding Quarter 30.06.2025	Current Year-to-date 30.06.2026	Preceding Year Corresponding Year-to-date 30.06.2025
	Unaudited	Unaudited	Unaudited	Unaudited
Profit attributable to the owners of the Company (RM'000)	8,079	4,507	12,686	8,736
Weighted average number of ordinary shares for the purpose of basic EPS (unit) ('000)	689,732	688,689	689,732	688,689
Shares deemed to be issued for no consideration in respect of ESOS (unit) ('000)	8,374	9,308	8,374	9,308
Weighted average number of ordinary shares used in the calculation of diluted EPS (unit) ('000)	698,106	697,997	698,106	697,997
Diluted EPS (sen)	1.16	0.65	1.82	1.25

B13. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

Profit/(Loss) before tax is arrived at after charging/(crediting):

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.06.2026	**Preceding Year Corresponding Quarter 30.06.2025**	**Current Year-to-date 30.06.2026**	**Preceding Year Corresponding Year-to-date 30.06.2025**
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Auditors' remuneration	114	103	220	205
Depreciation of:				
- property, plant, and equipment	465	250	797	456
- right-of-use assets	641	389	983	694
- investment properties	7	1	9	3
Amortisation of intangible assets	18	-	18	-
Gain/(loss) on disposal of property, plant and equipment	-	-	-	(4)
Interest income	(33)	(257)	(61)	(487)
Interest expenses	476	387	638	734
Provision for employee benefits	8	14	17	28
(Reversal of)/Impairment losses on:				
- trade receivables and contract assets	(341)	(*)	(337)	32
Lease expenses relating to short-term assets	564	379	1,077	720
Realised loss on foreign exchange	10	*	11	3
Unrealised gain on foreign exchange	(9)	(*)	(8)	(1)
Non-Executive Directors' remuneration - Fees	69	69	138	138

* Less than RM1,000

Other disclosure items pursuant to Note 16, Appendix 9B of the Listing Requirements are not applicable.

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B14. DERIVATIVES

The Group did not enter into any derivatives during the current financial quarter and financial year-to-date.

B15. AUTHORISATION FOR ISSUE

The interim financial report was authorised for issue by the Board in accordance with a resolution passed by the Board on 27 August 2026.

BY ORDER OF THE BOARD
KJTS GROUP BERHAD