



**KJTS GROUP BERHAD**

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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER ENDED  
30 SEPTEMBER 2023**

**Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2023**
**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Third Quarter Ended 30 September 2023<sup>(1)</sup>**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Quarter	Preceding Year Corresponding Quarter <sup>(3)</sup>	Current Period-to-date	Preceding Year Corresponding Period-to-date <sup>(3)</sup>
		30.09.2023	30.09.2022	30.09.2023	30.09.2022
		Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
Revenue		30,007	N/A	88,402	N/A
Cost of sales		(20,327)	N/A	(67,930)	N/A
<b>Gross profit ("GP")</b>		<b>9,680</b>	<b>N/A</b>	<b>20,472</b>	<b>N/A</b>
Other income		140	N/A	1,051	N/A
Administrative expenses		(4,588)	N/A	(14,374)	N/A
Net loss of impairment on financial assets and contract assets		(163)	N/A	(163)	N/A
Finance costs		(84)	N/A	(224)	N/A
Share of results of associates		4	N/A	(25)	N/A
<b>Profit before tax ("PBT")</b>	B12	<b>4,989</b>	<b>N/A</b>	<b>6,737</b>	<b>N/A</b>
Tax expenses		(768)	N/A	(1,254)	N/A
<b>Profit after tax ("PAT")</b>		<b>4,221</b>	<b>N/A</b>	<b>5,483</b>	<b>N/A</b>
Other comprehensive (loss)/income for the financial period		(28)	N/A	259	N/A
<b>Total comprehensive income for the financial period</b>		<b>4,193</b>	<b>N/A</b>	<b>5,742</b>	<b>N/A</b>
<b>Profit for the financial period attributable to:</b>					
- Owners of the Company		3,755	N/A	5,931	N/A
- Non-controlling interests		466	N/A	(448)	N/A
		<b>4,221</b>	<b>N/A</b>	<b>5,483</b>	<b>N/A</b>
<b>Total comprehensive income for the financial period attributable to:</b>					
- Owners of the Company		4,678	N/A	6,203	N/A
- Non-controlling interests		(485)	N/A	(461)	N/A
		<b>4,193</b>	<b>N/A</b>	<b>5,742</b>	<b>N/A</b>
<b>Earnings per share ("EPS")</b>					
- Basic (sen) <sup>(2)</sup>	B11	0.80	N/A	1.26	N/A
- Diluted (sen) <sup>(2)</sup>	B11	0.80	N/A	1.26	N/A

**Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2023**

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**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Third Quarter Ended 30 September 2023 (cont'd)<sup>(1)</sup>**

**NOTES:**

- (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 Accountants' Report as disclosed in Section 13 of the prospectus of KJTS Group Berhad ("**KJTS**" or the "**Company**") dated 5 January 2024 ("**Prospectus**") and the accompanying explanatory notes attached to this report.
- (2) Basic/Diluted EPS is calculated based on the Company's pro forma enlarged share capital of 469,972,800 shares after the acquisition of KJ Technical Services Sdn Bhd but before the initial public offering ("**IPO**") of the Company. The diluted EPS is equivalent to the basic EPS as the Company does not have any convertible options as at the end of the current financial quarter and financial period-to-date.
- (3) This is the first interim financial report for the third quarter ended 30 September 2023 being announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"), hence there are no comparative figures for the preceding corresponding quarter and period-to-date.
- (4) N/A denotes not applicable.

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**Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2023**

**Unaudited Condensed Consolidated Statement of Financial Position as at 30 September 2023<sup>(1)</sup>**

	As at 30.09.2023	As at 31.12.2022
	Unaudited	Audited
Note	RM'000	RM'000
<b>Non-current assets</b>		
Property, plant, and equipment	1,302	1,100
Right-of-use assets	1,208	904
Investment properties	903	909
Investment in associates	841	867
Concession receivables	11,059	12,385
Goodwill on consolidation	1,808	1,808
Tax recoverable	175	-
<b>Total non-current assets</b>	<b>17,296</b>	<b>17,973</b>
<b>Current assets</b>		
Concession receivables	1,943	2,138
Other investments	1	2
Inventories	93	-
Trade receivables	24,776	16,437
Other receivables	12,011	7,699
Contract assets	8,402	7,370
Amount due from associates	3,454	3,398
Tax recoverable	548	126
Fixed deposit with a licensed bank	2,263	2,234
Cash and bank balances	13,074	7,813
	66,565	47,217
<b>Total assets</b>	<b>83,861</b>	<b>65,190</b>
<b>Equity</b>		
Share capital	41,828	*
Invested equity	-	750
Other reserve	76	76
Foreign currency translation reserve	433	187
Retained earnings	40,532	34,601
Merger reserve	(34,938)	-
Equity attributable to owners of the Company	47,931	35,614
Non-controlling interests	24	454
<b>Total equity</b>	<b>47,955</b>	<b>36,068</b>

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**Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2023**

**Unaudited Condensed Consolidated Statement of Financial Position as at 30 September 2023 (cont'd)<sup>(1)</sup>**

		As at 30.09.2023	As at 31.12.2022
		Unaudited	Audited
	Note	RM'000	RM'000
<b>Non-current liabilities</b>			
Bank borrowings	B8	2,981	3,601
Lease liabilities		944	308
Employee benefit obligations		33	163
Deferred tax liabilities		21	22
		3,979	4,094
<b>Current liabilities</b>			
Trade payables		14,846	10,971
Other payables		15,862	11,855
Contract liabilities		12	357
Bank borrowings	B8	884	848
Lease liabilities		245	630
Tax payable		78	367
		31,927	25,028
<b>Total liabilities</b>		35,906	29,122
<b>Total equity and liabilities</b>		83,861	65,190
Net assets per ordinary share attributable to owners of the Company (RM) <sup>(2)</sup>		0.10	0.08

**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 Accountants' Report as disclosed in Section 13 of the Prospectus and the accompanying explanatory notes attached to this report.
- (2) Net assets per ordinary share as at 30 September 2023 and 31 December 2022 are calculated based on the Company's pro forma enlarged share capital of 469,972,800 shares after the acquisition of KJ Technical Services Sdn Bhd but before the IPO of the Company. The Company has adopted the merger accounting principles as the consolidated entities are under common control by the same parties before and after IPO.
- \* Less than RM1,000.00

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# KJTS GROUP BERHAD

Registration No. 202201020004 (1465701-T)  
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## Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2023

### Unaudited Condensed Consolidated Statement of Changes in Equity for the Third Quarter Ended 30 September 2023<sup>(1)(2)</sup>

	Attributable to Owners of the Company					Retained Earnings RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Non-Distributable			Distributable					
	Share Capital RM'000	Invested Equity RM'000	Foreign Currency Translation Reserve RM'000	Other Reserve RM'000	Merger Reserve RM'000				
<b>At 31 December 2022/ 1 January 2023 (Audited)</b>	-*	750	187	76	-	34,601	35,614	454	36,068
Profit/(Loss) for the financial period	-	-	-	-	-	5,931	5,931	(448)	5,483
Other comprehensive income for the financial period	-	-	246	-	-	-	246	13	259
<b>Total comprehensive income/(loss) for the financial period</b>	-	-	<b>246</b>	-	-	<b>5,931</b>	<b>6,177</b>	<b>(435)</b>	<b>5,742</b>
<b>Transactions with owners:</b>									
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	5	5
Issue of ordinary shares	-	6,140	-	-	-	-	6,140	-	6,140
Acquisition of subsidiaries	41,828	(6,890)	-	-	(34,938)	-	-	-	-
	41,828	(750)	-	-	(34,938)	-	6,140	5	6,145
<b>At 30 September 2023 (Unaudited)</b>	<b>41,828</b>	<b>-</b>	<b>433</b>	<b>76</b>	<b>(34,938)</b>	<b>40,532</b>	<b>47,931</b>	<b>24</b>	<b>47,955</b>

#### NOTES:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in Section 13 of the Prospectus and the accompanying explanatory notes attached to this report.
- (2) This is the first interim financial report for the third quarter ended 30 September 2023 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding corresponding quarter and period-to-date.

\* Less than RM1,000.00

**KJTS GROUP BERHAD**

Registration No. 202201020004 (1465701-T)  
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**Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2023**
**Unaudited Condensed Consolidated Statements of Cash Flows for the Third Quarter Ended 30 September 2023<sup>(1)(2)</sup>**

	Current Period-to-date 30.09.2023	Preceding Year Corresponding Period-to-date 30.09.2022
	Unaudited	Unaudited
	RM'000	RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	6,737	N/A
Adjustments for: -		
Depreciation of property, plant, and equipment	447	N/A
Depreciation of right-of-use assets	631	N/A
Depreciation of investment properties	5	N/A
Impairment losses on trade receivables and contract assets	138	N/A
Reversal of impairment losses on trade receivables	(20)	N/A
Interest income	(127)	N/A
Property, plant, and equipment written off	2	N/A
Reversal of employee benefits	(130)	N/A
Finance costs	224	N/A
Share of results of associates	25	N/A
Unrealised gain on foreign exchange	(31)	N/A
Operating profit before changes in working capital	7,901	N/A
<b>Changes in working capital:</b>		
Inventories	(94)	N/A
Concession receivables	1,521	N/A
Trade and other receivables	(12,703)	N/A
Trade and other payables	7,882	N/A
Amount due from associates	(56)	N/A
Foreign exchange reserves	230	N/A
Contract assets	(1,097)	N/A
Contract liabilities	(345)	N/A
	(4,662)	N/A
<b>Cash generated from operations</b>	<b>3,239</b>	<b>N/A</b>
Interest paid	(224)	N/A
Interest received	127	N/A
Income tax paid	(2,140)	N/A
	(2,237)	N/A
<b>Net cash from operating activities</b>	<b>1,002</b>	<b>N/A</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, plant, and equipment	(635)	N/A
Redemption of investment in financial assets at fair value through profit or loss	1	N/A
<b>Net cash used in investing activities</b>	<b>(634)</b>	<b>N/A</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	6,140	N/A
Increased in fixed deposits pledged to a licensed bank	(28)	N/A
Payment of lease liabilities	(666)	N/A
Repayment of term loans	(584)	N/A
<b>Net cash from financing activities</b>	<b>4,862</b>	<b>N/A</b>

**Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2023**

**Unaudited Condensed Consolidated Statements of Cash Flows for the Third Quarter Ended 30 September 2023 (cont'd)<sup>(1)</sup>**

	<b>Current Period-to-date 30.09.2023</b>	<b>Preceding Year Corresponding Period-to-date 30.09.2022</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Net increase in cash and cash equivalents</b>	<b>5,230</b>	N/A
Effect of exchange translation differences on cash and cash equivalents	31	N/A
Cash and cash equivalents at the beginning of the financial period	7,813	N/A
<b>Cash and cash equivalents at the end of the financial period <sup>(3)</sup></b>	<b>13,074</b>	<b>N/A</b>

**NOTES:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in Section 13 of the Prospectus and the accompanying explanatory notes attached to this report.
- (2) This is the first interim financial report for the third quarter ended 30 September 2023 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding corresponding quarter and period-to-date.
- (3) Cash and cash equivalents at the end of the financial period consist of:

	<b>As at 30.09.2023</b>	<b>As at 30.09.2022</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	13,074	N/A
Fixed deposit with a licensed bank	2,263	N/A
	15,337	N/A
Less: Fixed deposit pledged to a licensed bank	(2,263)	N/A
	13,074	N/A

- (4) N/A denotes not applicable.

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**Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2023****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 KJTS and its subsidiaries (the “**Group**”) are unaudited and have 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 Listing Requirements.

This is the first interim financial report for the third quarter ended 30 September 2023 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding corresponding quarter and year-to-date.

The interim financial report should be read in conjunction with the Accountants’ Report as disclosed in Section 13 of the Prospectus and the accompanying explanatory notes attached to this report.

**A2. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies and presentation adopted for this interim financial report are consistent with those adopted as disclosed in the Accountants’ Report in the Prospectus as disclosed below:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Asset and Liabilities arising from a Single Transaction

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

<b>MFRS (Including the Consequential Amendments)</b>		<b>Effective Date</b>
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
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 period-to-date under review.

**Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2023**

**PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“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 financial year ended 31 December 2022 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 period-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 period-to-date under review.

**A7. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD**

On 29 May 2023, KJTS has entered into a conditional share sale agreement with Lee Kok Choon, Sheldon Wee Tah Poh and Yeow Boon Siang (“**KJ Technical Services Vendors**”) to acquire the entire equity interest in KJ Technical Services Sdn Bhd (“**KJ Technical Services**”) comprising 808,000 ordinary shares for a total purchase consideration of RM41,827,570.30 (“**Acquisition**”). The purchase consideration for the Acquisition will be satisfied by the issuance of 469,972,700 new Shares to the KJ Technical Services Vendors at an issue price of RM0.0890 each. The Acquisition was completed on 13 December 2023 subsequent to the fulfillment of conditions precedent pursuant to the share sale agreement. Consequently, KJ Technical Services became a wholly-owned subsidiary of KJTS.

In conjunction with the Company's listing on the ACE Market of Bursa Securities (“**Listing**”), on 5 January 2024, the Company issued the Prospectus for the IPO of 218,027,200 new ordinary shares in the Company (“**IPO Shares**”) involving:

- (a) Institutional offering of 168,627,200 IPO Shares to institutional and selected investors, at the institutional price to be determined by way of bookbuilding (“**Institutional Price**”); and
- (b) Retail offering of 49,400,000 IPO Shares to the Malaysian public, the eligible directors, eligible key senior management, eligible employees and persons who have contributed to the success of the Group, at the retail price of RM0.27 per IPO Share (“**Retail Price**”), payable in full upon application and subject to refund of the difference between the Retail Price and the final retail price in the event that the final retail price is less than the Retail Price,

subject to the clawback and reallocation provisions. The final retail price will be equal to the lower of the Retail Price of RM0.27 per IPO Share or the Institutional Price.

Upon completion of the IPO, the Company is expected to be admitted to the Official List of Bursa Securities and the Company’s entire enlarged issued share capital of 688,000,000 ordinary shares are expected to be listed and quoted on the ACE Market of Bursa Securities.

Save as disclosed above, there were no other material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.



**Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2023**

**PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING (CONT’D)**

**A8. DEBT AND EQUITY SECURITIES**

Save as disclosed in Note A7, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter under review.

**A9. DIVIDEND PAID**

There was no dividend paid during the current financial quarter under review.

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**Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2023**

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

**A10. SEGMENTAL INFORMATION**

The Group is principally involved in the following businesses:

Operating segments	Nature
(a) Cooling Energy	(a) Cooling energy management services which mainly involves the supply of chilled water for space cooling as well as providing operations and maintenance services for cooling energy systems  (b) Engineering, procurement, construction and commissioning (EPCC) of cooling energy system which mainly involves the construction of new, upgrading and / or retrofitting of cooling energy systems.
(b) Facilities Management	Facilities management services are mainly related to the repair and maintenance of machinery and equipment.
(c) Cleaning Services	Cleaning services to maintain the cleanliness, tidiness and hygiene of buildings and outdoor areas.

**(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 30.09.2023 Unaudited RM'000	Preceding Year Corresponding Quarter <sup>(1)</sup> 30.09.2022 Unaudited RM'000	Current Period-to-date 30.09.2023 Unaudited RM'000	Preceding Year Corresponding Period-to-date <sup>(1)</sup> 30.09.2022 Unaudited RM'000
Cooling Energy	13,529	N/A	41,870	N/A
Facilities Management	3,615	N/A	10,019	N/A
Cleaning Services	12,863	N/A	36,513	N/A
	30,007	N/A	88,402	N/A

**NOTES:**

(1) This is the first interim financial report for the third quarter ended 30 September 2023 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding corresponding quarter and period-to-date.

(2) N/A denotes not applicable.

The Cooling Energy segment within our building support services was the major revenue contributor during the financial period under review.

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**Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2023****PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)****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 30.09.2023	Preceding Year Corresponding Quarter <sup>(1)</sup> 30.09.2022	Current Period-to-date 30.09.2023	Preceding Year Corresponding Period-to-date <sup>(1)</sup> 30.09.2022
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Malaysia	22,905	N/A	68,497	N/A
Overseas:				
- Singapore	6,415	N/A	17,947	N/A
- Thailand	687	N/A	1,958	N/A
	30,007	N/A	88,402	N/A

**NOTES:**

(1) This is the first interim financial report for the third quarter ended 30 September 2023 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding corresponding quarter and period-to-date.

(2) N/A denotes not applicable.

**A11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

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

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**Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2023**

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

**A12. CHANGES IN THE COMPOSITION OF THE GROUP**

Save as disclosed in Note A7, there were no other 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 September 2023.

**A14. CONTINGENT ASSETS OR CONTINGENT LIABILITIES**

There were no contingent assets and contingent liabilities as at the date of this report.

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**Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2023**

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

**A15. SIGNIFICANT RELATED PARTY TRANSACTIONS**

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

	Current Quarter 30.09.2023	Preceding Year Corresponding Quarter <sup>(1)</sup> 30.09.2022	Current Period-to-date 30.09.2023	Preceding Year Corresponding Period-to-date <sup>(1)</sup> 30.09.2022
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
<b>Transactions with associates:</b>				
<b>Income</b>				
Sales	577	N/A	1,698	N/A
Management fee received/ receivable	6	N/A	18	N/A
Interest received/receivable	14	N/A	42	N/A
<b>Expenses</b>				
Purchases	244	N/A	694	N/A
Interest paid/payable	<sup>(2)</sup>	N/A	1	N/A
<b>Transactions with related parties:</b>				
<b>Expenses</b>				
Purchases	121	N/A	364	N/A
Administrative expenses paid/payable	7	N/A	35	N/A
Interest paid/payable	9	N/A	18	N/A
Rental paid/payable	10	N/A	16	N/A

**NOTES:**

(1) This is the first interim financial report for the third quarter ended 30 September 2023 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding corresponding quarter and period-to-date.

(2) Represents less than RM1,000.

**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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**Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2023**

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

**B1. REVIEW OF PERFORMANCE**

	QUARTER ENDED		PERIOD-TO-DATE ENDED	
	30.09.2023	30.09.2022 <sup>(1)</sup>	30.09.2023	30.09.2022 <sup>(1)</sup>
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	30,007	N/A	88,402	N/A
Gross profit	9,680	N/A	20,472	N/A
Profit before tax	4,989	N/A	6,737	N/A
Profit after tax	4,221	N/A	5,483	N/A
<b>Profit attributable to owners of the Company</b>	<b>3,755</b>	<b>N/A</b>	<b>5,931</b>	<b>N/A</b>

**NOTES:**

(1) This is the first interim financial report for the third quarter ended 30 September 2023 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding corresponding quarter and period-to-date.

(2) N/A denotes not applicable.

The Group recorded revenue of RM30.01 million and RM88.40 million for the current financial quarter and financial period-to-date ended 30 September 2023 respectively. The Group's revenue was mainly attributable to the cooling energy segment and cleaning services segment within building support services, for the current financial quarter and the financial period-to-date under review. Cooling energy segment and cleaning services segment recorded revenue of RM13.53 million (45.09% of the Group's revenue) and RM12.86 million (42.87% of the Group's revenue) for the current financial quarter, and RM41.87 million (47.36% of the Group's revenue) and RM36.51 million (41.30% of the Group's revenue) for the financial period-to-date under review.

Malaysia was our largest overall market and recorded revenue of RM22.91 million (76.33% of the Group's revenue) for the current financial quarter and RM68.50 million (77.48%) of the Group's revenue) for the financial period-to-date under review. Singapore was our largest foreign market and recorded revenue of RM6.42 million (21.38% of the Group's revenue) for the current financial quarter and RM17.95 million (20.30% of the Group's revenue) for the financial period-to-date under review.

The Group registered a PBT of RM4.99 million for the current financial quarter and RM6.74 million for the financial period-to-date after deducting mainly administrative expenses of RM4.59 million for the current financial quarter and RM14.37 million for the financial period-to-date respectively. The administrative expenses mainly consist of staff costs, rental, IT expenses and depreciation of property, plant, and equipment.

There are no comparative figures for the corresponding preceding quarter or period-to-date results as this is the first interim financial report for the third quarter ended 30 September 2023 being announced by the Company in compliance with the Listing Requirements.

**B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS**

There are no comparative figures for the immediate preceding quarter as this is the first interim financial report on the unaudited condensed consolidated financial results announced by the Company.



**Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2023**

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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)****B3. PROSPECTS AND OUTLOOK FOR THE CURRENT FINANCIAL YEAR**

The Group's business strategies and plans are to grow our business in Malaysia focusing on leveraging our core competencies and strengths of our Cooling Energy Segment business, where we provide cooling energy management services and carry out engineering, procurement, construction and commissioning (EPCC) of cooling energy systems. In addition, we plan to expand our offices in the countries where we currently operate, namely Malaysia, Singapore and Thailand.

The prospects and outlook of Malaysia's building support services industry depends upon, among others, the existing and future supply of buildings as a platform for business sustainability and growth. When comparing the future supply in Malaysia between the end of quarter 3 2023 and quarter 3 2022, purpose-built offices grew by 2.6%, while shopping complexes, industrial detached units and industrial complexes declined by 4.2%, 5.6% and 6.3% respectively.

In addition, the performance of the construction industry, especially building construction, will impact the building support services industry. In 2022, the real gross domestic product ("GDP") of the construction industry in Malaysia grew by 5.0% and is estimated to grow by 6.3% in 2023. In 2024, the construction industry is forecasted to grow by 6.8% following better performance across all subsectors (Source: Ministry of Finance (MoF)). For the first 9 months of 2023, the real GDP of the construction industry grew by 7.0% compared to the corresponding period in 2022. In Singapore, the real GDP of the construction industry grew by 6.7% in 2022, and 7.3% for the first 9 months of 2023 compared to the corresponding period in 2022 (Source: Singapore Department of Statistics (SDOS)).

The inflow of foreign direct investments (FDI) into Malaysia and Singapore will also create opportunities for operators involved in the building support services industry. As multinational companies establish new commercial and industrial facilities, demand for building support services such as cooling energy, cleaning and facilities management will potentially grow.

The trend towards environmental sustainability and the drive to reduce the carbon footprint associated with commercial and industrial activities, coupled with potential cost savings, will contribute to the increasing demand for cooling energy management services and energy-efficient cooling systems within the building support services industry.

In 2023, the Ministry of Economy introduced the National Energy Transition Roadmap which outlined energy efficiency saving targets of 22% and 23% for the industrial and commercial sectors by 2040 and 2050 respectively, and 15% and 20% for the residential sector by 2040 and 2050 respectively, as well as initiatives to enhance energy efficiency. This will benefit operators in the building support services industry focusing on cooling energy services. (Source: Prospectus)

**B4. PROFIT FORECAST OR PROFIT GUARANTEE**

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

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**Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2023**
**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**
**B5. TAX EXPENSES**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.09.2023 Unaudited RM'000	Preceding Year Corresponding Quarter <sup>(2)</sup> 30.09.2022 Unaudited RM'000	Current Period-to-date 30.09.2023 Unaudited RM'000	Preceding Year Corresponding Period-to-date <sup>(2)</sup> 30.09.2022 Unaudited RM'000
<b>Tax expenses recognised in profit or loss</b>				
Current tax expense <sup>(1)</sup>	441	N/A	927	N/A
Under provision in prior years	328	N/A	328	N/A
	769	N/A	1,255	N/A
<b>Deferred tax</b>				
Deferred tax expense	(7)	N/A	(7)	N/A
Under provision in prior years	6	N/A	6	N/A
	(1)	N/A	(1)	N/A
Tax expenses for the financial year/period	768	N/A	1,254	N/A
Effective tax rate (%)	15.4	N/A	18.6	N/A
Statutory tax rate (%)	24.0	N/A	24.0	N/A

**NOTES:**

- (1) Income tax is recognised based on management's best estimate.
- (2) This is the first interim financial report for the third quarter ended 30 September 2023 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding corresponding quarter and year-to-date.
- (3) N/A denotes not applicable.

The effective tax rate was lower than the statutory tax rate mainly due to the tax effects of the utilisation of unused tax losses.

**B6. STATUS OF CORPORATE PROPOSALS**

Save for the IPO and Listing as disclosed in Note A7, there were no other corporate proposals announced but not implemented as at the date of this report.

**Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2023**

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

**B7. UTILISATION OF PROCEEDS FROM IPO**

The estimated gross proceeds of approximately RM58.87 million to be raised from the IPO are intended to be utilised in the following manner:

Details of utilisation of proceeds	Proposed Utilisation	Actual Utilisation	Estimated timeframe for the utilisation upon Listing <sup>(1)</sup>
	RM'000	RM'000	
Business expansion:			
- Expansion of cooling energy segment	40,417	-	Within 36 months
- Expansion of offices in Malaysia, Thailand, and Singapore	4,500	-	Within 12 months
Working capital	8,118	-	Within 12 months
Defraying the listing expenses	5,832	-	Within 1 month
	<b>58,867</b>	<b>-</b>	

**NOTE:**

- (1) From the date of listing of the Company on the ACE Market of Bursa Securities. The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus. As at the date of this report, the IPO is pending completion.

**B8. BORROWINGS**

	As at 30-Sep-2023 (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
<b><u>Secured</u></b>						
<b><u>Denominated in RM</u></b>						
- Lease liabilities <sup>(1)</sup>	-	75	-	229	-	304
- Term loans	-	444	-	665	-	1,109
<b><u>Denominated in THB</u></b>						
- Term loans	3,429	440	18,012	2,316	21,441	2,756

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**Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2023**

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

	As at 31-Dec-2022 (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
<b>Secured</b>						
<b>Denominated in RM</b>						
- Lease liabilities <sup>(1)</sup>	-	76	-	212	-	288
- Term loans	-	423	-	998	-	1,421
<b>Denominated in THB</b>						
- Term loans	3,342	425	20,468	2,603	23,810	3,028

*Exchange rate (THB: MYR) at THB: MYR 0.128583 as at 30 September 2023 and THB: MYR 0.127200 as at 31 December 2022 (Source of reference: Bank Negara Malaysia website)*

**NOTE:**

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

These borrowings are secured and denominated in both Ringgit Malaysia and Thai Baht.

**B9. MATERIAL LITIGATION**

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

**B10. DIVIDEND PROPOSED**

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

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**Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2023**

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

**B11. EARNINGS PER SHARE**

The basic and diluted EPS are computed as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.09.2023	Preceding Year Corresponding Quarter <sup>(3)</sup> 30.09.2022	Current Period-to-date 30.09.2023	Preceding Year Corresponding Period-to-date <sup>(3)</sup> 30.09.2022
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Profit attributable to the owners of the Company	3,755	N/A	5,931	N/A
Number of ordinary shares ('000)	469,973	N/A	469,973	N/A
Basic EPS (sen) <sup>(1)</sup>	0.80	N/A	1.26	N/A
Diluted EPS (sen) <sup>(2)</sup>	0.80	N/A	1.26	N/A

**NOTES:**

- (1) Basic EPS is calculated based on the Company's pro forma enlarged share capital of 469,972,800 shares after the acquisition of KJ Technical Services Sdn Bhd but before the IPO.
- (2) The diluted EPS is equivalent to the basic EPS as the Company does not have any convertible options as at the end of the current financial quarter and financial period-to-date.
- (3) This is the first interim financial report for the third quarter ended 30 September 2023 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding corresponding quarter and period-to-date.
- (4) N/A denotes not applicable.

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**Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2023**
**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)**
**B12. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current	Preceding	Current	Preceding
	Quarter	Year	Period-to-	Year
	30.09.2023	Corresponding Quarter <sup>(1)</sup> 30.09.2022	date 30.09.2023	Corresponding Period-to-date <sup>(1)</sup> 30.09.2022
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
<b>Auditors' remuneration</b>	71	N/A	216	N/A
Depreciation of:				
- property, plant, and equipment	138	N/A	447	N/A
- right-of-use assets	256	N/A	631	N/A
- investment properties	2	N/A	5	N/A
Interest income	(50)	N/A	(127)	N/A
Interest expenses	84	N/A	224	N/A
Property, plant, and equipment written off	2	N/A	2	N/A
Reversal of employee benefits	(178)	N/A	(130)	N/A
Impairment losses on:				
- trade receivables	73	N/A	73	N/A
- contract assets	65	N/A	65	N/A
Reversal of impairment losses on trade receivables	(20)	N/A	(20)	N/A
Lease expenses relating to:				
- low value assets	2	N/A	6	N/A
- short-term assets	127	N/A	699	N/A
Realised (gain)/loss on foreign exchange	(9)	N/A	1	N/A
Unrealised gain on foreign exchange	(31)	N/A	(31)	N/A
Non-Executive Directors' remuneration - Fees	24	N/A	72	N/A

**NOTES:**

- (1) This is the first interim financial report for the third quarter ended 30 September 2023 being announced by the Company in compliance with the Listing Requirements, hence there are no comparative figures for the preceding corresponding quarter and period-to-date.
- (2) N/A denotes not applicable.

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

## **KJTS GROUP BERHAD**

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



### **Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2023**

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

##### **B13. DERIVATIVES**

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

##### **B14. AUTHORISATION FOR ISSUE**

The interim financial report was authorised for issue by the Board of Directors of the Company in accordance with a resolution passed by the Board of Directors on 5 January 2024.

**BY ORDER OF THE BOARD  
KJTS GROUP BERHAD**