



KJTS GROUP BERHAD

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

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2024**

Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2024
Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Third Quarter Ended 30 September 2024⁽¹⁾

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current	Preceding Year	Current	Preceding Year
		Quarter	Corresponding	Year-to-date	Corresponding
		30.09.2024	Quarter	30.09.2024	Year-to-date
		Unaudited	Unaudited	Unaudited	Unaudited
		RM'000	RM'000	RM'000	RM'000
Revenue		33,544	30,007	98,717	88,402
Cost of sales		(23,326)	(20,327)	(71,566)	(67,930)
Gross profit ("GP")		10,218	9,680	27,151	20,472
Other income		549	140	2,381	1,051
Administrative expenses		(8,182)	(4,588)	⁽²⁾ (22,753)	(14,374)
Net loss of impairment on financial assets and contract assets		(6)	(163)	(9)	(163)
Finance costs		(95)	(84)	(260)	(224)
Share of results of associates		1	4	151	(25)
Profit before tax ("PBT")	B12	2,485	4,989	6,661	6,737
Tax expenses		(650)	(768)	(2,091)	(1,254)
Profit after tax ("PAT")		1,835	4,221	4,570	5,483
Other comprehensive (loss)/ income for the financial period		(650)	(28)	(664)	259
Total comprehensive income for the financial period		1,185	4,193	3,906	5,742
Profit/(Loss) for the financial period attributable to:					
- Owners of the Company		2,014	3,755	4,907	5,931
- Non-controlling interests		(179)	466	(337)	(448)
		1,835	4,221	4,570	5,483
Total comprehensive income/(loss) for the financial period attributable to:					
- Owners of the Company		1,366	4,678	4,292	6,203
- Non-controlling interests		(181)	(485)	(386)	(461)
		1,185	4,193	3,906	5,742
Earnings per share ("EPS")					
- Basic (sen)	B11	0.30	0.80	0.73	1.26
- Diluted (sen)	B11	0.30	0.80	0.72	1.26

Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2024

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Third Quarter Ended 30 September 2024 (cont'd)⁽¹⁾

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 audited financial statements of KJTS Group Berhad (“**KJTS**” or the “**Company**”) and its subsidiaries (the “**Group**”) for the financial year ended (“**FYE**”) 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) Administrative expenses included non-recurring listing expenses of RM4.26 million and executives’ share option scheme (“**ESOS**”) expenses of RM1.60 million for the current financial year-to-date ended 30 September 2024. For illustration purposes only, the Group’s financial performance after adjusting for the ESOS expenses is disclosed in Note B2 in this interim financial report.

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Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2024

Unaudited Condensed Consolidated Statement of Financial Position as at 30 September 2024⁽¹⁾

	As at 30.09.2024	As at 31.12.2023
	Unaudited	Audited
Note	RM'000	RM'000
Non-current assets		
Property, plant, and equipment	1,304	1,337
Right-of-use assets	2,802	913
Investment properties	844	850
Investment in associates	1,012	823
Concession receivables	9,264	10,506
Goodwill on consolidation	1,808	1,808
Other receivables	88	59
Tax recoverable	171	125
Total non-current assets	17,293	16,421
Current assets		
Concession receivables	895	2,293
Other investments	672	2
Inventories	120	98
Trade receivables	27,511	22,219
Other receivables	8,833	10,657
Contract assets	13,981	9,783
Amount due from associates	2,683	4,650
Tax recoverable	586	738
Fixed deposit with a licensed bank	2,334	2,288
Cash and bank balances	64,573	11,624
	122,188	64,352
Total assets	139,481	80,773
Equity		
Share capital	99,120	41,828
Option reserve	1,596	-
Other reserve	(3)	76
Foreign currency translation reserve	(35)	580
Retained earnings	46,007	42,724
Merger reserve	(34,938)	(34,938)
Equity attributable to owners of the Company	111,747	50,270
Non-controlling interests	(735)	(278)
Total equity	111,012	49,992

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Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2024

Unaudited Condensed Consolidated Statement of Financial Position as at 30 September 2024 (cont'd)⁽¹⁾

		As at 30.09.2024	As at 31.12.2023
		Unaudited	Audited
	Note	RM'000	RM'000
Non-current liabilities			
Bank borrowings	B8	2,102	2,892
Lease liabilities		1,745	374
Employee benefit obligations		93	95
Deferred tax liabilities		17	17
		<u>3,957</u>	<u>3,378</u>
Current liabilities			
Trade payables		8,317	10,434
Other payables		13,887	14,515
Contract liabilities		66	1,050
Bank borrowings	B8	904	884
Lease liabilities		824	520
Tax payable		514	-
		<u>24,512</u>	<u>27,403</u>
Total liabilities		<u>28,469</u>	<u>30,781</u>
Total equity and liabilities		<u>139,481</u>	<u>80,773</u>
Net assets per ordinary share attributable to owners of the Company (RM) ⁽²⁾		0.16	0.07

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 2023 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 September 2024 of 688,000,000 shares (31 December 2023: 688,000,000 shares).

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Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2024

Unaudited Condensed Consolidated Statement of Changes in Equity for the Third Quarter Ended 30 September 2024⁽¹⁾

	Attributable to Owners of the Company						Total	Non-Controlling Interests	Total Equity	
	Non-Distributable					Distributable				
	Share Capital	Invested Equity	Foreign Currency Translation Reserve	Option Reserve	Other Reserve	Merger Reserve				Retained Earnings
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At 31 December 2023 (Audited)/ 1 January 2024	41,828	-	580	-	76	(34,938)	42,724	50,270	(278)	49,992
Profit/(Loss) for the financial period	-	-	-	-	-	-	4,907	4,907	(337)	4,570
Other comprehensive loss for the financial period	-	-	(615)	-	-	-	-	(615)	(49)	(664)
Total comprehensive (loss)/income for the financial period	-	-	(615)	-	-	-	4,907	4,292	(386)	3,906
Transactions with owners:										
Issuance of shares pursuant to initial public offering	58,867	-	-	-	-	-	-	58,867	-	58,867
Share issuance expenses	(1,575)	-	-	-	-	-	-	(1,575)	-	(1,575)
Share options granted under ESOS	-	-	-	1,596	-	-	-	1,596	-	1,596
Changes in equity interest in a subsidiary	-	-	-	-	(79)	-	-	(79)	(71)	(150)
Dividend paid, representing total distribution to owners	-	-	-	-	-	-	(1,624)	(1,624)	-	(1,624)
	57,292	-	-	1,596	(79)	-	(1,624)	57,185	(71)	57,114
At 30 September 2024 (Unaudited)	99,120	-	(35)	1,596	(3)	(34,938)	46,007	111,747	(735)	111,012

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Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2024

Unaudited Condensed Consolidated Statement of Changes in Equity for the Third Quarter Ended 30 September 2024 (cont'd)⁽¹⁾

	Attributable to Owners of the Company									
	Non-Distributable						Distributable			
	Share Capital	Invested Equity	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	RM'000	RM'000
At 31 December 2022 (Audited)/ 1 January 2023	*	750	187	-	76	-	34,601	35,614	454	36,068
Profit/(Loss) for the financial year	-	-	-	-	-	-	5,931	5,931	(448)	5,483
Other comprehensive income for the financial year	-	-	246	-	-	-	-	246	13	259
Total comprehensive income/(loss) for the financial year	-	-	246	-	-	-	5,931	6,177	(435)	5,742
Transactions with owners:										
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
At 30 September 2023 (Unaudited)	41,828	-	433	-	76	(34,938)	40,532	47,931	24	47,955

NOTES:

- (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 2023 and the accompanying explanatory notes attached to this interim financial report.

* Less than RM1,000

Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2024

Unaudited Condensed Consolidated Statements of Cash Flows for the Third Quarter Ended 30 September 2024⁽¹⁾

	Current Year-to-date 30.09.2024	Preceding Year Corresponding Year-to-date 30.09.2023
	Unaudited	Unaudited
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax	6,661	6,737
Adjustments for: -		
Depreciation of property, plant, and equipment	510	447
Depreciation of right-of-use assets	632	631
Depreciation of investment properties	7	5
Gain on disposal of property, plant and equipment	(216)	-
Property, plant, and equipment written off	-	2
Impairment losses on trade receivables and contract assets	9	118
Dividend income from financial assets measured at fair value through profit or loss	(3)	-
Fair value gain on revaluation of financial assets measured at fair value through profit or loss	(12)	-
Interest income	(133)	(127)
Provision of employee benefits	(3)	(130)
Finance costs	260	224
ESOS expenses	1,596	-
Share of results of associates	(151)	25
Unrealised loss/(gain) on foreign exchange	14	(31)
Operating profit before changes in working capital	9,171	7,901
Changes in working capital:		
Inventories	(22)	(94)
Concession receivables	2,639	1,521
Receivables	(5,082)	(12,703)
Payables	(2,760)	7,882
Amount due from associates	(219)	(56)
Foreign exchange reserve	(662)	230
Contract liabilities	(5,182)	(1,442)
	(11,288)	(4,662)
Cash (used in)/generated from operations	(2,117)	3,239
Interest paid	(260)	(224)
Interest received	100	127
Income tax paid	(1,425)	(2,140)
	(1,585)	(2,237)
Net cash (used in)/from operating activities	(3,702)	1,002

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Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2024

Unaudited Condensed Consolidated Statements of Cash Flows for the Third Quarter Ended 30 September 2024 (cont'd)⁽¹⁾

	Current Year-to-date 30.09.2024	Preceding Year Corresponding Year-to-date 30.09.2023
	Unaudited	Unaudited
	RM'000	RM'000
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(501)	(635)
Purchase of right-of-use assets	(272)	-
Proceeds from disposal of property, plant and equipment	216	-
Additional investment in financial assets measured at fair value through profit or loss	(655)	-
Additional investment to a subsidiary	(150)	-
Additional investment in an associate	(30)	-
Redemption of investment in financial assets measured at fair value through profit or loss	-	1
Net changes in amount due from associates	2,218	-
Net cash from/(used in) investing activities	826	(634)
FINANCING ACTIVITIES		
Proceeds from issuance of shares	58,867	6,140
Dividend paid	(1,624)	-
Increased in fixed deposit pledged to a licensed bank	(46)	(28)
Payment of lease liabilities	(605)	(666)
Repayment of term loans	(770)	(584)
Net cash from financing activities	55,822	4,862
Net increase in cash and cash equivalents	52,946	5,230
Effect of exchange translation differences on cash and cash equivalents	3	31
Cash and cash equivalents at the beginning of the financial period	11,624	7,813
Cash and cash equivalents at the end of the financial period ⁽²⁾	64,573	13,074

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 2023 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 30.09.2024	As at 30.09.2023
	Unaudited	Unaudited
	RM'000	RM'000
Cash and bank balances	64,573	13,074
Fixed deposit with a licensed bank	2,334	2,263
	66,907	15,337
Less: Fixed deposit pledged to a licensed bank	(2,334)	(2,263)
	64,573	13,074

Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2024**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 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 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 2023 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 2023 except for the adoption of the following new MFRSs and Amendments to MFRSs that become effective for the financial year beginning on 1 January 2024:

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

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
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to MFRS Accounting Standards – Volume 11:		
<ul style="list-style-type: none"> • Amendments to MFRS 1 • Amendments to MFRS 7 • Amendments to MFRS 9 • Amendments to MFRS 10 • Amendments to MFRS 107 		1 January 2026
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.

Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2024

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 2023 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

Save for the offering of 13,760,000 ESOS options to Eligible Persons on 12 November 2024, 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

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter under review.

In conjunction with the Company's listing on the ACE Market of Bursa Securities ("**Listing**"), the Company had undertaken an initial public offering ("**IPO**") comprising public issue of 218,027,200 new ordinary shares in the Company in the following manner:

- (i) 168,627,200 IPO Shares to institutional and selected investors, at the institutional price of RM0.27 per IPO Share; and
- (ii) 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.

Thereafter, the Company's enlarged issued share capital comprising 688,000,000 shares was listed on the ACE Market of Bursa Securities on 26 January 2024.

In conjunction with the 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 (ESGS), 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, a total of 13,756,000 ESOS options have been offered to the Eligible Persons.

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.

Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2024

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

A9. DIVIDEND PAID

On 29 April 2024, the Board of Directors of the Company has announced a first and final single-tier dividend of 0.236 sen per ordinary share in respect of the FYE 31 December 2023, which has been paid on 28 June 2024 to shareholders whose names appear on the Record of Depositors on 11 June 2024.

There was no dividend paid during the preceding year corresponding quarter.

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.
(d) Investment	Investment holding.

(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 30.09.2024 Unaudited RM’000	Preceding Year Corresponding Quarter 30.09.2023 Unaudited RM’000	Current Year-to-date 30.09.2024 Unaudited RM’000	Preceding Year Corresponding Year-to-date 30.09.2023 Unaudited RM’000
Cooling Energy	15,186	13,529	46,204	41,870
Facilities Management	3,419	3,615	10,309	10,019
Cleaning Services	14,939	12,863	42,204	36,513
	33,544	30,007	98,717	88,402

The Cooling Energy and Cleaning Services segments within our building support services were the major revenue contributor during the financial quarter under review.

Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2024**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 30.09.2024 Unaudited RM'000	Preceding Year Corresponding Quarter 30.09.2023 Unaudited RM'000	Current Year-to-date 30.09.2024 Unaudited RM'000	Preceding Year Corresponding Year-to-date 30.09.2023 Unaudited RM'000
Malaysia	24,801	22,905	75,606	68,497
Overseas:				
- Singapore	6,720	6,415	19,477	17,947
- Thailand	2,023	687	3,634	1,958
	<u>33,544</u>	<u>30,007</u>	<u>98,717</u>	<u>88,402</u>

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

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 September 2024.

A14. CONTINGENT ASSETS OR CONTINGENT LIABILITIES

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

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Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2024

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 year-to-date:

	Current Quarter 30.09.2024	Preceding Year Corresponding Quarter 30.09.2023	Current Year-to-date 30.09.2024	Preceding Year Corresponding Year-to-date 30.09.2023
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Transactions with associates:				
Income				
Sales	1,177	577	5,842	1,698
Management fee received/ receivable	6	6	18	18
Interest received/receivable	(12)	14	33	42
Expenses				
Purchases	500	244	1,377	694
Interest paid/payable	*	*	*	1
Transactions with related parties:				
Income				
Sales	-	-	7	-
Expenses				
Purchases	13	121	98	364
Administrative expenses paid/payable	2	7	8	35
Interest paid/payable	25	9	55	18
Rental paid/payable	10	10	29	16

NOTE:

* 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 2024

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

B1. REVIEW OF PERFORMANCE

	QUARTER ENDED		Changes (Amount/%)	YEAR-TO-DATE ENDED		Changes (Amount/%)
	30.09.2024	30.09.2023		30.09.2024	30.09.2023	
	Unaudited	Unaudited		Unaudited	Unaudited	
	RM'000	RM'000		RM'000	RM'000	
Revenue	33,544	30,007	3,537/12%	98,717	88,402	10,315/12%
Gross profit	10,218	9,680	538/6%	27,151	20,472	6,679/33%
PBT	2,485	4,989	(2,504)/-50%	6,661	6,737	(76)/-1%
PAT	1,835	4,221	(2,386)/-57%	4,570	5,483	(913)/-17%
Profit attributable to owners of the Company	2,014	3,755	(1,741)/-46%	4,907	5,931	(1,024)/-17%

The Group recorded revenue of RM33.54 million for the current financial quarter ended 30 September 2024. The Group's revenue was mainly attributable to the Cooling Energy and Cleaning Services segments within building support services for the current financial quarter under review. The Cooling Energy and Cleaning Services segments recorded revenue of RM15.19 million (45.29% of the Group's revenue) and RM14.94 million (44.54% of the Group's revenue), respectively, for the current financial quarter under review. The Group achieved a strong growth of RM3.54 million (or 11.79%) in revenue as compared to the same period last year. This is mainly contributed by the newly secured major EPCC projects of the Cooling Energy segment and the steadily growing customer base in our Cleaning Services segment in the current quarter under review.

The Group reported a revenue of RM98.72 million for the current financial year-to-date ended 30 September 2024. Similarly, the Cooling Energy and Cleaning Services segments were the main contributors, generating revenues of RM46.20 million (46.80% of the Group's revenue) and RM42.20 million (42.75% of the Group's revenue) respectively, for the current financial year-to-date ended 30 September 2024. The Group achieved a healthy growth of RM10.32 million (or 11.67%) in revenue as compared to the same period last year. Consistent with the above, this growth is primarily contributed by the newly secured major EPCC projects of the Cooling Energy segment and the steadily growing customer base in our Cleaning Services segment during the current period under review.

Malaysia was our largest overall market and recorded revenue of RM24.80 million (73.94% of the Group's revenue) for the current financial quarter under review. Singapore was our largest foreign market and recorded revenue of RM6.72 million (20.04% of the Group's revenue) for the current financial quarter under review.

The Group reported PBT of RM2.49 million for the current quarter compared to PBT of RM4.99 million in the corresponding quarter of the previous financial year, representing a decrease of RM2.50 million. The lower PBT is generally contributed by the increase in administrative expenses for the current quarter under review as compared to the same period last year. The administrative expenses of the current quarter included ESOS expenses of RM1.60 million. For illustration purposes only, the Group's financial performance after adjusting for the ESOS expenses is disclosed in Note B2 in this interim financial report.

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Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2024

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

B2. VARIANCE OF RESULTS AGAINST PRECEDING QUARTER

	INDIVIDUAL QUARTER			Variance	%
	Current	Preceding			
	Quarter	Quarter			
	30.09.2024	30.06.2024			
	Unaudited	Unaudited	Unaudited		
	RM'000	RM'000	RM'000		
Revenue	33,544	28,975	4,569	15.77	
PBT ⁽¹⁾	2,485	4,328	(1,843)	(42.58)	

The Group recorded a revenue of RM33.54 million for the current financial quarter ended 30 September 2024 which is 15.77% higher than the revenue recorded in the preceding financial quarter ended 30 June 2024 of RM28.98 million. The increase in the revenue was contributed by higher revenue recognised from every segment this quarter. Cooling Energy segment contributed the highest revenue increase by RM3.24 million in the current financial quarter ended 30 September 2024 as compared to the preceding quarter ended 30 June 2024, due to more progress in several new major EPCC projects in the current quarter. Meanwhile, the Cleaning Services and Facilities Management segments reported revenue increases of RM0.71 million and RM0.62 million respectively in the current financial quarter ended 30 September 2024 as compared to the preceding quarter ended 30 June 2024. The increase in revenue of the Cleaning Services segment is attributed to the onboarding of several new clients in the current quarter. Meanwhile, the increase in revenue of the Facilities Management segment is brought on by the major cyclical maintenance of this segment's biggest client in the current quarter.

The Group recorded a PBT of RM2.49 million for the current financial quarter ended 30 September 2024 as compared to a PBT of RM4.33 million in the preceding quarter ended 30 June 2024, mainly due to ESOS expenses in the current financial quarter ended 30 September 2024 as compared to preceding quarter ended 30 June 2024.

NOTES:

- (1) Administrative expenses included ESOS expenses of RM1.60 million for the current financial quarter ended 30 September 2024. For illustration purposes only, the Group's financial performance after adjusting for the ESOS expenses is as follows:

	INDIVIDUAL QUARTER			Variance	%
	Current	Preceding			
	Quarter	Quarter			
	30.09.2024	30.06.2024			
	Unaudited	Unaudited	Unaudited		
	RM'000	RM'000	RM'000		
PBT	2,485	4,328	(1,843)	(42.58)	
Add: ESOS expenses	1,596	-	1,596	N/A	
Adjusted PBT ⁽²⁾	4,081	4,328	(247)	(5.71)	
PAT	1,835	3,505	(1,670)	(47.65)	
Add: ESOS expenses	1,596	-	1,596	N/A	
Adjusted PAT ⁽²⁾	3,431	3,505	(74)	(2.11)	



Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2024

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

- (2) If there were no ESOS expenses, the Group's adjusted PBT and PAT would only decrease by RM0.25 million or 5.71% from RM4.33 million to RM4.08 million and RM0.08 million or 2.11% from RM3.51 million to RM3.43 million for the current financial quarter ended 30 September 2024 compared to the preceding quarter ended 30 June 2024 respectively.
- (3) N/A denotes not applicable.

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Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2024**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)****B3. PROSPECTS AND OUTLOOK FOR THE CURRENT FINANCIAL PERIOD**

Looking ahead, Malaysia's Gross Domestic Product ("GDP") growth for 2025 is forecasted to be around 4.5% to 5.5%¹, reflecting a stable economy despite global uncertainties. The nation's GDP growth in third quarter ("Q3") 2024 is expected to hit 5.3%, primarily supported by a strong performance in the services sector, which rose by 5.1% from the previous year². Furthermore, Bank Negara Malaysia (BNM) has maintained the Overnight Policy Rate (OPR) at 3.0%, reinforcing a supportive monetary environment that continues to drive investment and growth³.

The recent announcement of Malaysia's Budget 2025, valued at RM421 billion, includes an allocation of RM335 billion for operating expenditure and RM86 billion for development⁴. This substantial budget, combined with a series of targeted initiatives, positions the construction and infrastructure sectors favourably for sustained growth. For KJTS Group, the government's emphasis on development spending and sustainable energy solutions provides an ideal landscape to enhance our footprint and capabilities.

KJTS Group is in a good position to benefit from the RM300 million allocated under Budget 2025 to the National Energy Transition Facilitation (NETF) Fund⁴, which will further bolster our prospects in energy efficiency and sustainability solutions. Our Cooling Energy ("CE") and EPCC, anchored in providing innovative cooling energy management services, remain pivotal to our operations. As we continue to extend our footprint across Malaysia, Singapore, and Thailand, our strategy remains focused on capturing regional growth opportunities and delivering impactful solutions that meet both commercial and environmental needs.

In line with Malaysia's climate and sustainability goals, Budget 2025 introduces initiatives like a potential carbon tax by 2026⁴ to underscore a commitment in addressing environmental challenges in which KJTS Group is ready to contribute by focusing on energy efficiency, particularly through our CE Segment. Since January 2017, our projects have saved approximately 65,046 megawatt hours of electricity and averted around 50,140 tonnes of carbon dioxide emissions, aligning with government priorities and reaffirming our commitment to environmental stewardship.

Malaysia's strategic focus on energy transition, reinforced by significant fiscal commitments in Budget 2025, presents a positive growth outlook for KJTS Group. With continued emphasis on sustainable energy and development initiatives, we are confident in our ability to drive long-term value for stakeholders while advancing Malaysia's climate and sustainability agenda. As we navigate these favourable market conditions, our commitment to growth, regional expansion, and environmental sustainability remains unwavering, positioning KJTS Group as a forward-thinking leader in the cooling energy sector.

NOTES:

- (1) Source: [Economic Outlook, Belanjawan 2025, Ministry of Finance](#)
- (2) Source: [BNM Quarterly Bulletin, Third Quarter 2024, Bank Negara Malaysia](#)
- (3) Source: [Monetary Policy Statement \(6 November 2024\), Bank Negara Malaysia](#)
- (4) Source: [Budget Speech, Belanjawan 2025, Ministry of Finance](#)

Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2024

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 30.09.2024 Unaudited RM'000	Preceding Year Corresponding Quarter 30.09.2023 Unaudited RM'000	Current Year-to-date 30.09.2024 Unaudited RM'000	Preceding Year Corresponding Year-to-date 30.09.2023 Unaudited RM'000
Tax expenses recognised in profit or loss				
Current tax expense ⁽¹⁾	693	441	2,134	927
(Over)/Under provision in prior years	(43)	328	(43)	328
	<u>650</u>	<u>769</u>	<u>2,091</u>	<u>1,255</u>
Deferred tax				
Relating to origination and reversal of temporary differences	-	(7)	-	(7)
Under provision in prior years	-	6	-	6
	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(1)</u>
Tax expenses for the financial period	<u>650</u>	<u>768</u>	<u>2,091</u>	<u>1,254</u>
Effective tax rate (%)	26.2	15.4	31.4	18.6
Statutory tax rate (%)	24.0	24.0	24.0	24.0

The effective tax rate was higher than the statutory tax rate for the current financial quarter ended 30 September 2024 mainly due to higher non-deductible expenses. Nevertheless, for the current financial year-to-date ended 30 September 2024, the effective tax rate was much higher than the statutory tax rate. This was mainly due to non-recurring listing expenses of RM4.26 million and ESOS expenses of RM1.60 million incurred in the current financial period which are non-deductible and resulted in the Group's effective tax rate being higher than the statutory tax rate.

NOTE:

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

Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2024

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

B6. STATUS OF CORPORATE PROPOSALS

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

B7. UTILISATION OF PROCEEDS FROM IPO

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

The status of the utilisation of the IPO Proceeds as of 30 September 2024 is as follows:

	Proposed Utilisation	Actual Utilisation	Balance	Estimated timeframe for the utilisation upon Listing⁽¹⁾
	RM'000	RM'000	RM'000	
Details of utilisation of proceeds				
Business expansion:				
- Expansion of cooling energy segment	40,417	-	40,417	Within 36 months
- Expansion of offices in Malaysia, Thailand, and Singapore	4,500	-	4,500	Within 12 months
Working capital	8,118	8,118	-	Within 12 months
Defraying the listing expenses	5,832	5,832	-	Within 1 month
	58,867	13,950	44,917	

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 dated 5 January 2024.

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Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2024

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

B8. BORROWINGS

As at 30 September 2024 (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 RM						
- Lease liabilities ⁽¹⁾	-	289	-	1,044	-	1,333
- Term loans	-	477	-	192	-	669
Denominated in SGD⁽²⁾						
- Lease liabilities ⁽¹⁾	16	52	80	257	96	309
Denominated in THB⁽³⁾						
- Term loans	3,340	427	14,917	1,910	18,257	2,337

As at 31 December 2023 (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 RM						
- Lease liabilities ⁽¹⁾	-	96	-	300	-	396
- Term loans	-	452	-	551	-	1,003
Denominated in THB⁽³⁾						
- Term loans	3,221	432	17,430	2,341	20,651	2,773

These borrowings are secured and denominated in Ringgit Malaysia, Singapore Dollar (“SGD”) and Thai Bath (“THB”).

NOTES:

- (1) Excluding lease liabilities arising from the rental of land and buildings.
- (2) Exchange rate (SGD: MYR) at SGD: MYR 3.2204 as at 30 September 2024 (Source of reference: Bank Negara Malaysia website).
- (3) Exchange rate (THB: MYR) at THB: MYR 0.128032 as at 30 September 2024 and THB: MYR 0.134309 as at 29 December 2023 (Source of reference: Bank Negara Malaysia website).

Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2024

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

B9. MATERIAL LITIGATION

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

B10. DIVIDEND PROPOSED

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

B11. EARNINGS PER SHARE (“EPS”)

Basic earnings per share

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.09.2024 Unaudited	Preceding Year Corresponding Quarter 30.09.2023 Unaudited	Current Year-to-date 30.09.2024 Unaudited	Preceding Year Corresponding Year-to-date 30.09.2023 Unaudited
Profit attributable to the owners of the Company (RM'000)	2,014	3,755	4,907	5,931
Weighted average number of ordinary shares for the purpose of basic earnings of shares (unit) ('000)	673,067	469,973	673,067	469,973
Basic EPS (sen)	0.30	0.80	0.73	1.26

Diluted earnings per share

The earnings used in the calculation of diluted earnings per share as follow:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter 30.09.2024 Unaudited	Preceding Year Corresponding Quarter 30.09.2023 Unaudited	Current Year-to-date 30.09.2024 Unaudited	Preceding Year Corresponding Year-to-date 30.09.2023 Unaudited
Profit attributable to the owners of the Company (RM'000)	2,014	3,755	4,907	5,931
Weighted average number of ordinary shares for the purpose of basic earnings of shares (unit) ('000)	673,067	469,973	673,067	469,973
Shares deemed to be issued for no consideration in respect of employee share options (unit) ('000)	7,922	N/A	7,922	N/A

KJTS GROUP BERHAD

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

Weighted average number of ordinary shares used in the calculation of diluted earnings per share (unit) ('000)	680,989	N/A	680,989	N/A
Diluted EPS (sen)	0.30	0.80	0.72	1.26

NOTES:

- (1) N/A denotes not applicable.

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Unaudited Interim Financial Report for the Third Quarter Ended 30 September 2024
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	Year-to-	Year
	30.09.2024	Corresponding	date	Corresponding
	Quarter	Quarter	30.09.2024	Year-to-date
	30.09.2023	30.09.2023	30.09.2024	30.09.2023
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration	95	71	232	216
Depreciation of:				
- property, plant, and equipment	171	138	510	447
- right-of-use assets	232	256	632	631
- investment properties	3	2	7	5
Gain on disposal of property, plant and equipment	-	-	(216)	-
Interest income	(21)	(50)	(133)	(127)
Interest expenses	95	84	260	224
Property, plant and equipment written off	-	2	-	2
Reversal of employee benefits	-	(178)	(3)	(130)
Impairment losses on:				
- trade receivables	6	73	9	73
- contract assets	-	65	-	65
Reversal of impairment loss on trade receivables	-	(20)	-	(20)
Lease expenses relating to:				
- short-term assets	472	127	1,309	699
- low value assets	5	2	16	6
Realised gain on foreign exchange	(11)	(9)	(11)	1
Unrealised loss/(gain) on foreign exchange	2	(31)	14	(31)
Non-Executive Directors' remuneration - Fees	69	24	195	72

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

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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 year-to-date.

B14. AUTHORISATION FOR ISSUE

The interim financial report was authorized for issue by the Board of Directors of the Company in accordance with a resolution passed by the Board of Directors on 25 November 2024.

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