



KJTS GROUP BERHAD

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

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED
31 DECEMBER 2024**

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2024

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Fourth Quarter Ended 31 December 2024⁽¹⁾

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Quarter	Preceding Year Corresponding Quarter	Current Year-to-date	Preceding Year Corresponding Year-to-date
		31.12.2024	31.12.2023	31.12.2024	31.12.2023
		Unaudited	Unaudited	Unaudited	Audited
		RM'000	RM'000	RM'000	RM'000
Revenue		39,029	31,502	137,746	119,904
Cost of sales		(28,179)	(24,355)	(99,745)	(92,285)
Gross profit ("GP")		10,850	7,147	38,001	27,619
Other income		763	272	3,144	1,323
Administrative expenses		(7,511)	(5,191)	⁽²⁾ (30,264)	(19,565)
Changes on impairment of financial instruments and contract assets		(92)	120	(101)	(43)
Finance costs		(132)	(75)	(392)	(299)
Share of results of associates		17	(8)	168	(33)
Profit before tax ("PBT")	B12	3,895	2,265	10,556	9,002
Tax expenses		(14)	(420)	(2,105)	(1,674)
Profit after tax ("PAT")		3,881	1,845	8,451	7,328
Other comprehensive income/(loss) for the financial year		218	192	(446)	451
Total comprehensive income for the financial year		4,099	2,037	8,005	7,779
Profit/(Loss) for the financial year attributable to:					
- Owners of the Company		3,393	2,192	8,300	8,123
- Non-controlling interests		488	(347)	151	(795)
		3,881	1,845	8,451	7,328
Total comprehensive income/(loss) for the financial year attributable to:					
- Owners of the Company		3,584	2,312	7,876	8,515
- Non-controlling interests		515	(275)	129	(736)
		4,099	2,037	8,005	7,779
Earnings per share ("EPS")					
- Basic (sen)	B11	0.50	0.47	1.23	1.73
- Diluted (sen)	B11	0.50	0.47	1.22	1.73

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Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2024

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Fourth Quarter Ended 31 December 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 RM2.43 million for the current financial year-to-date ended 31 December 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 Fourth Quarter Ended 31 December 2024

Unaudited Condensed Consolidated Statement of Financial Position as at 31 December 2024⁽¹⁾

	As at 31.12.2024	As at 31.12.2023
	Unaudited	Audited
Note	RM'000	RM'000
Non-current assets		
Property, plant, and equipment	1,591	1,337
Right-of-use assets	3,084	913
Investment properties	670	850
Investment in associates	990	823
Concession receivables	14,141	10,506
Goodwill on consolidation	1,808	1,808
Other receivables	57	59
Tax recoverable	122	125
Total non-current assets	22,463	16,421
Current assets		
Concession receivables	1,996	2,293
Other investments	2	2
Inventories	106	98
Trade receivables	26,885	22,219
Other receivables	11,352	10,657
Contract assets	16,785	9,783
Amount due from associates	2,487	4,650
Tax recoverable	1,063	738
Fixed deposit with a licensed bank	2,349	2,288
Cash and bank balances	65,205	11,624
	128,230	64,352
Total assets	150,693	80,773
Equity		
Share capital	99,120	41,828
Option reserve	2,425	-
Other reserve	(3)	76
Foreign currency translation reserve	157	580
Retained earnings	47,398	42,724
Merger reserve	(34,938)	(34,938)
Equity attributable to owners of the Company	114,159	50,270
Non-controlling interests	(221)	(278)
Total equity	113,938	49,992

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Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2024

Unaudited Condensed Consolidated Statement of Financial Position as at 31 December 2024 (cont'd)⁽¹⁾

		As at 31.12.2024	As at 31.12.2023
		Unaudited	Audited
	Note	RM'000	RM'000
Non-current liabilities			
Bank borrowings	B8	3,052	2,892
Lease liabilities		1,924	374
Employee benefit obligations		101	95
Deferred tax liabilities		10	17
		<u>5,087</u>	<u>3,378</u>
Current liabilities			
Trade payables		13,620	10,434
Other payables		13,188	14,515
Contract liabilities		2,210	1,050
Bank borrowings	B8	1,341	884
Lease liabilities		1,033	520
Tax payable		276	-
		<u>31,668</u>	<u>27,403</u>
Total liabilities		<u>36,755</u>	<u>30,781</u>
Total equity and liabilities		<u>150,693</u>	<u>80,773</u>
Net assets per ordinary share attributable to owners of the Company (RM) ⁽²⁾		0.17	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 31 December 2024 of 688,000,000 shares (31 December 2023: 688,000,000 shares).

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Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2024

Unaudited Condensed Consolidated Statement of Changes in Equity for the Fourth Quarter Ended 31 December 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 for the financial year	-	-	-	-	-	-	8,300	8,300	151	8,451
Other comprehensive loss for the financial year	-	-	(423)	-	-	-	-	(423)	(23)	(446)
Total comprehensive (loss)/income for the financial year	-	-	(423)	-	-	-	8,300	7,877	128	8,005
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	-	-	-	2,425	-	-	-	2,425	-	2,425
Changes in equity interest in a subsidiary	-	-	-	-	(79)	-	-	(79)	(71)	(150)
Dividend paid, representing total distribution to owners	-	-	-	-	-	-	(3,626)	(3,626)	-	(3,626)
	57,292	-	-	2,425	(79)	-	(3,626)	56,012	(71)	55,941
At 31 December 2024 (Unaudited)	99,120	-	157	2,425	(3)	(34,938)	47,398	114,159	(221)	113,938

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Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2024

Unaudited Condensed Consolidated Statement of Changes in Equity for the Fourth Quarter Ended 31 December 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	-	-	-	-	-	-	8,123	8,123	(795)	7,328
Other comprehensive income for the financial year	-	-	393	-	-	-	-	393	58	451
Total comprehensive income/(loss) for the financial year	-	-	393	-	-	-	8,123	8,516	(737)	7,779
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 31 December 2023 (Audited)	41,828	-	580	-	76	(34,938)	42,724	50,270	(278)	49,992

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 Fourth Quarter Ended 31 December 2024

Unaudited Condensed Consolidated Statements of Cash Flows for the Fourth Quarter Ended 31 December 2024⁽¹⁾

	Current Year-to-date 31.12.2024	Preceding Year Corresponding Year-to-date 31.12.2023
	Unaudited	Audited
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax	10,556	9,002
Adjustments for: -		
Depreciation of property, plant, and equipment	684	620
Depreciation of right-of-use assets	922	839
Depreciation of investment properties	9	8
Gain on disposal of property, plant and equipment	(216)	-
Property, plant, and equipment written off	15	21
Inventories written off	-	2
Deposit forfeited	-	1
Gain on early termination of lease contracts	(1)	(5)
Impairment loss on investment properties	171	51
Impairment loss on investment in associates	39	-
Impairment loss on amount due from associates	105	-
Impairment losses on trade receivables and contract assets	-	66
Reversal of impairment losses on trade receivables	(4)	(23)
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	(13)	*
Interest income	(193)	(191)
Provision for/(Reversal of) employee benefits	8	(75)
Finance costs	392	305
ESOS expenses	2,425	-
Share of results of associates	(168)	33
Unrealised loss/(gain) on foreign exchange	14	(94)
Operating profit before changes in working capital	14,742	10,560
Changes in working capital:		
Inventories	(7)	(100)
Concession receivables	(3,338)	1,724
Receivables	(5,137)	(8,835)
Payables	(513)	2,092
Amount due from associates	(86)	(626)
Foreign exchange reserve	(464)	454
Contract liabilities	(5,248)	(1,728)
	(14,793)	(7,019)
Cash (used in)/generated from operations	(51)	3,541
Interest paid	(377)	(273)
Interest received	150	132
Income tax paid	(2,065)	(2,794)
	(2,292)	(2,935)
Net cash (used in)/from operating activities	(2,343)	606

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2024

Unaudited Condensed Consolidated Statements of Cash Flows for the Fourth Quarter Ended 31 December 2024 (cont'd)⁽¹⁾

	Current Year-to-date 31.12.2024	Preceding Year Corresponding Year-to-date 31.12.2023
	Unaudited	Audited
	RM'000	RM'000
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(919)	(840)
Purchase of right-of-use assets	(388)	(36)
Proceeds from disposal of property, plant and equipment	216	*
Additional investment in financial assets measured at fair value through profit or loss	(2,370)	-
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	2,385	-
Net changes in amount due from associates	2,185	(474)
Capital contribution by non-controlling interests	-	5
Net cash from/(used in) investing activities	929	(1,345)
FINANCING ACTIVITIES		
Proceeds from issuance of shares	58,867	6,140
Dividend paid	(3,626)	-
Increased in fixed deposit pledged to a licensed bank	(61)	(54)
Payment of lease liabilities	(802)	(862)
Drawdown of borrowings	2,503	-
Repayment of borrowings	(1,886)	(674)
Net cash from financing activities	54,995	4,550
Net increase in cash and cash equivalents	53,581	3,811
Effect of exchange translation differences on cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the financial year	11,624	7,813
Cash and cash equivalents at the end of the financial year⁽²⁾	65,205	11,624

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 year consist of:

	As at 31.12.2024	As at 31.12.2023
	Unaudited	Audited
	RM'000	RM'000
Cash and bank balances	65,205	11,624
Fixed deposit with a licensed bank	2,349	2,288
	67,554	13,912
Less: Fixed deposit pledged to a licensed bank	(2,349)	(2,288)
	65,205	11,624

* Less than RM1,000

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 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 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 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 period 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:		1 January 2026
<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 		
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	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 Fourth Quarter Ended 31 December 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 announcement made on 3 February 2025 regarding the Proposals as disclosed below, 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:

- a) proposed acquisition by KJ Technical Services Sdn Bhd, a wholly-owned subsidiary of the Company, of 10,000,000 ordinary shares in Malakoff Utilities Sdn Bhd (“**MUSB**”), a wholly-owned subsidiary of Malakoff Corporation Berhad, representing 100% equity interest in MUSB for a total cash consideration of approximately RM65.50 million; and
- b) proposed variation of proceeds raised from the initial public offering of the Company pursuant to Rule 8.24 of the Listing Requirements

(collectively referred to as the “**Proposals**”)

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.

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2024**PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)**

On 26 January 2024 and 12 November 2024, a total of 13,756,000 and 13,760,000 ESOS options respectively, 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.

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.

On 4 December 2024, the Board of Directors of the Company has announced an interim single-tier dividend of 0.291 sen per ordinary share in respect of the FYE 31 December 2024, which has been paid on 30 December 2024 to shareholders whose names appear on the Record of Depositors on 18 December 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.

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Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2024

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

A10. SEGMENTAL INFORMATION (CONT'D)

(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 31.12.2024	Preceding Year Corresponding Quarter 31.12.2023	Current Year-to-date 31.12.2024	Preceding Year Corresponding Year-to-date 31.12.2023
	Unaudited	Unaudited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
Cooling Energy	19,101	14,096	65,305	55,967
Facilities Management	3,738	4,004	14,047	14,022
Cleaning Services	16,190	13,402	58,394	49,915
	39,029	31,502	137,746	119,904

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

(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 31.12.2024	Preceding Year Corresponding Quarter 31.12.2023	Current Year-to-date 31.12.2024	Preceding Year Corresponding Year-to-date 31.12.2023
	Unaudited	Unaudited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
Malaysia	26,453	24,429	102,059	92,926
Overseas:				
- Singapore	7,088	6,424	26,565	24,371
- Thailand	5,488	649	9,122	2,607
	39,029	31,502	137,746	119,904

A11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

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

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2024

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

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 31 December 2024.

A14. CONTINGENT ASSETS OR CONTINGENT LIABILITIES

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

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 31.12.2024	Preceding Year Corresponding Quarter 31.12.2023	Current Year-to-date 31.12.2024	Preceding Year Corresponding Year-to-date 31.12.2023
	Unaudited	Unaudited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
Transactions with associates:				
Income				
Sales	930	3,212	6,772	4,910
Management fee received/ receivable	6	6	24	24
Interest received/receivable	10	17	43	59
Expenses				
Purchases	465	313	1,842	1,007
Interest paid/payable	*	*	1	1
Transactions with related parties:				
Income				
Sales	12	-	19	-
Expenses				
Purchases	3	34	101	398
Administrative expenses paid/payable	16	6	24	41
Interest paid/payable	30	12	85	30
Rental paid/payable	9	10	38	26

NOTE:

* Less than RM1,000



Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2024

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

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 Fourth Quarter Ended 31 December 2024

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

B1. REVIEW OF PERFORMANCE

	QUARTER ENDED			YEAR-TO-DATE ENDED		
	31.12.2024	31.12.2023	Changes (RM'000/%)	31.12.2024	31.12.2023	Changes (RM'000/%)
	Unaudited RM'000	Unaudited RM'000		Unaudited RM'000	Audited RM'000	
Revenue	39,029	31,502	7,527/24%	137,746	119,904	17,842/15%
Gross profit	10,850	7,147	3,703/52%	38,001	27,619	10,382/38%
PBT	3,895	2,265	1,630/72%	10,556	9,002	1,554/17%
PAT	3,881	1,845	2,036/110%	8,451	7,328	1,123/15%
Profit attributable to owners of the Company	3,393	2,192	1,201/55%	8,300	8,123	177/2%

The Group recorded revenue of RM39.03 million for the current financial quarter ended 31 December 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 RM19.10 million (48.94% of the Group's revenue) and RM16.19 million (41.48% of the Group's revenue), respectively, for the current financial quarter under review. The Group achieved a strong growth of RM7.53 million (or 23.90%) in revenue as compared to the same period last year. This is mainly contributed by the newly secured 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 RM137.75 million for the current financial year-to-date ended 31 December 2024. Similarly, the Cooling Energy and Cleaning Services segments were the main contributors, generating revenues of RM65.31 million (47.41% of the Group's revenue) and RM58.39 million (42.39% of the Group's revenue) respectively, for the current financial year-to-date ended 31 December 2024. The Group achieved a healthy growth of RM17.84 million (or 14.88%) in revenue as compared to the same period last year. Consistent with the above, this growth is primarily contributed by the newly secured 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 RM26.45 million (67.77% of the Group's revenue) for the current financial quarter under review. Singapore was our largest foreign market and recorded revenue of RM7.09 million (18.17% of the Group's revenue) for the current financial quarter under review.

The Group reported PBT of RM3.90 million for the current quarter compared to PBT of RM2.27 million in the corresponding quarter of the previous financial year, representing an increase of RM1.63 million. The higher PBT is generally contributed by the increase in gross profit which is mainly coming from new EPCC projects with relatively higher profit margin for the current quarter under review as compared to the same period last year. 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 Fourth Quarter Ended 31 December 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	Variance		
	Quarter	Quarter			
	31.12.2024	30.09.2024			
Unaudited	Unaudited	Unaudited	RM'000		
RM'000	RM'000	RM'000			
Revenue	39,029	33,544	5,485	16.35	
PBT ⁽¹⁾	3,895	2,485	1,410	56.74	

The Group recorded a revenue of RM39.03 million for the current financial quarter ended 31 December 2024 which is 16.35% higher than the revenue recorded in the preceding financial quarter ended 30 September 2024 of RM33.54 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 RM3.92 million in the current financial quarter ended 31 December 2024 as compared to the preceding quarter ended 30 September 2024, due to substantial progress in EPCC projects in the current quarter. Meanwhile, the Cleaning Services and Facilities Management segments reported revenue increases of RM1.25 million and RM0.32 million respectively in the current financial quarter ended 31 December 2024 as compared to the preceding quarter ended 30 September 2024. The increase in revenue for the Cleaning Services segment is attributed to the onboarding of several new clients in the current quarter. Meanwhile, the increase in revenue for the Facilities Management segment is brought on by the major annual end of year maintenance for this segment's key clients in the current quarter.

The Group recorded a PBT of RM3.90 million for the current financial quarter ended 31 December 2024 as compared to a PBT of RM2.49 million in the preceding quarter ended 30 September 2024, mainly due to higher ESOS expenses recorded in preceding quarter. Besides, higher gross profit recorded in the current financial quarter which was driven by the corresponding increase in revenue for the current financial quarter ended 31 December 2024.

NOTES:

- (1) Administrative expenses included ESOS expenses of RM0.83 million for the current financial quarter ended 31 December 2024. For illustration purposes only, the Group's financial performance after adjusting for the ESOS expenses is as follows:

	INDIVIDUAL QUARTER			Variance	%
	Current	Preceding	Variance		
	Quarter	Quarter			
	31.12.2024	30.09.2024			
Unaudited	Unaudited	Unaudited	RM'000		
RM'000	RM'000	RM'000			
PBT	3,895	2,485	1,410	56.74	
Add: ESOS expenses	829	1,596	(767)	(48.06)	
Adjusted PBT ⁽²⁾	4,724	4,081	643	15.76	
PAT	3,881	1,835	2,046	111.50	
Add: ESOS expenses	829	1,596	(767)	(48.06)	
Adjusted PAT ⁽²⁾	4,710	3,431	1,279	37.28	



Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 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 increase by RM0.64 million or 15.76% from RM4.08 million to RM4.72 million and RM1.28 million or 37.28% from RM3.43 million to RM4.71 million for the current financial quarter ended 31 December 2024 compared to the preceding quarter ended 30 September 2024 respectively.

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Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2024**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)****B3. PROSPECTS AND OUTLOOK FOR THE CURRENT FINANCIAL PERIOD**

In 2024, Malaysia's economy delivered a satisfactory yet encouraging performance. Malaysia's economy grew 5.0% in the fourth quarter, achieving 5.1% for overall 2024, with double-digit investment growth leading to its best performance in 12 years¹. At the same time, Bank Negara Malaysia's Monetary Policy Committee maintained the Overnight Policy Rate at 3%².

Entering into 2025, KJTS Group is well-prepared to navigate the evolving economic landscape. Our flagship Cooling Energy Segment, which is central to our operations in Malaysia, Singapore, and Thailand, continues to drive our strategic initiatives. With our commitment to innovation and efficiency, we are poised to capitalise on emerging market opportunities despite the potential challenges posed by global trade disruptions.

The forthcoming Budget 2025 further enhances our growth prospects. The government has earmarked significant fiscal support, including RM300 million allocated to the National Energy Transition Roadmap, alongside measures such as the potential imposition of a carbon tax by 2026 and RM1.40 billion dedicated to climate adaptation initiatives³. These initiatives not only reinforce Malaysia's commitment to sustainability but also create an enabling environment for KJTS to expand our sustainable energy solutions.

Furthermore, Malaysia's upcoming electricity tariff adjustment is expected to further accelerate demand for energy-efficient cooling solutions. Tenaga Nasional Berhad has proposed a new base tariff of 45.62 sen per kilowatt-hour ("kWh") for Peninsular Malaysia under Regulatory Period 4, set to take effect from 1 July 2025⁴. This marks an increase from the current base tariff of 39.95 sen/kWh under Regulatory Period 3⁵. With potential rising electricity costs, businesses and property owners are likely to prioritise energy efficiency and cost-saving solutions, particularly in cooling systems that represent a significant portion of energy consumption in commercial and industrial buildings. As a key player in cooling energy management, our Group is well-positioned to capitalise on this shift, offering sustainable and cost-efficient cooling solutions to mitigate the impact of higher electricity costs. This trend, coupled with the government's continued commitment to energy transition policies, strengthens KJTS's long-term growth potential in the evolving energy landscape.

As part of our Group's strategic expansion, we had on 3 February 2025, announced the proposed acquisition of MUSB for a total cash consideration of RM65.50 million. This acquisition grants KJTS full ownership of MUSB, which holds exclusive rights to distribute up to 153 megawatt of electricity within Kuala Lumpur Sentral and operates a district cooling system supplying chilled water to 10 commercial buildings in the area.

The acquisition significantly enhances KJTS Group's capabilities in energy distribution and cooling energy management, allowing the Group to further strengthen its market position in the sustainable energy sector. Upon completion of this acquisition, KJTS expects to benefit from immediate revenue contributions from MUSB's established operations, long-term recurring income from its exclusive licensing rights, and operational synergies that will drive efficiencies across the Group's existing business portfolio.

On the Environmental, Social and Governance front, our focus on environmental stewardship remains unwavering. Since January 2017, our cooling energy projects have achieved notable milestones, saving approximately 68,683 megawatt hours of electricity and averting around 52,896 tonnes of carbon dioxide emissions. This track record aligns perfectly with the government's sustainability agenda and the fiscal measures outlined in Budget 2025, further cementing our role as a key player in Malaysia's transition towards a more sustainable energy future.

In summary, while 2024 presented a mix of robust growth and complex challenges, the stage is set for a dynamic 2025. With a stable monetary policy, proactive fiscal measures, and the strategic foresight of KJTS Group, we are well-positioned to manage the uncertainties of global trade and supply chain fluctuations. Our commitment to sustainable practices and regional expansion remains at the core of our strategy, ensuring that we continue to deliver value for our stakeholders as we navigate the evolving market landscape.

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2024

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

NOTES:

- (1) *Source: Malaysia Economic Performance Fourth Quarter of 2024, Media Statement (14 February 2025), Department of Statistics Malaysia, Ministry of Economy*
- (2) *Source: Monetary Policy Statement (22 January 2025), Bank Negara Malaysia*
- (3) *Source: Budget Speech, Belanjawan 2025, Ministry of Finance*
- (4) *Source: Tenaga Nasional Berhad: Regulatory Period 4 Implementation, Bursa Securities Announcement (26 December 2024)*
- (5) *Source: Annual Report 2022, Energy Commission*

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Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 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 31.12.2024 Unaudited RM'000	Preceding Year Corresponding Quarter 31.12.2023 Unaudited RM'000	Current Year-to-date 31.12.2024 Unaudited RM'000	Preceding Year Corresponding Year-to-date 31.12.2023 Audited RM'000
Tax expenses recognised in profit or loss				
Current tax expense ⁽¹⁾	21	422	2,155	1,349
Under/(Over) provision in prior years	-	1	(43)	329
	<u>21</u>	<u>423</u>	<u>2,112</u>	<u>1,678</u>
Deferred tax				
Relating to origination and reversal of temporary differences	3	(3)	3	(10)
(Over)/Under provision in prior years	(10)	*	(10)	6
	<u>(7)</u>	<u>(3)</u>	<u>(7)</u>	<u>(4)</u>
Tax expenses for the financial year	<u>14</u>	<u>420</u>	<u>2,105</u>	<u>1,674</u>
Effective tax rate (%)	0.4	18.5	19.9	18.6
Statutory tax rate (%)	24.0	24.0	24.0	24.0

The effective tax rate was about 0.4% for the current financial quarter ended 31 December 2024 mainly due to adjustment of over provision of taxation in preceding quarter. Nevertheless, for the current financial year-to-date ended 31 December 2024, the effective tax rate was lower than the statutory tax rate. This was mainly due to the tax effects of the utilisation of unused tax losses being partially offset by non-recurring listing expenses of RM4.26 million and ESOS expenses of RM2.43 million incurred in the current financial period which are non-deductible and resulted in the Group's effective tax rate being lower than the statutory tax rate.

NOTE:

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

* Less than RM1,000

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2024

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

B6. STATUS OF CORPORATE PROPOSALS

Save as disclosed below, there were no corporate proposals announced but not implemented as at the date of this interim financial report.

On behalf of the Board of Directors of KJTS, Hong Leong Investment Bank Berhad had on 3 February 2025, announced that the Company proposed to undertake the following:

- (a) proposed acquisition by KJ Technical Services Sdn Bhd, a wholly-owned subsidiary of the Company, of 10,000,000 ordinary shares in MUSB, a wholly-owned subsidiary of Malakoff Corporation Berhad, representing 100% equity interest in MUSB for a total cash consideration of approximately RM65.50 million; and
- (b) proposed variation of proceeds raised from the initial public offering of the Company pursuant to Rule 8.24 of the Listing Requirements.

The Proposals are subject to the approval of the shareholders of the Company at an extraordinary general meeting to be convened. Further details of the Proposals will be announced in due course.

B7. UTILISATION OF PROCEEDS FROM IPO

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 31 December 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	299	4,201	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	14,249	44,618	

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.

The Company is currently seeking for shareholders’ approval on the proposed variation of proceeds raised from the initial public offering as disclosed in B6 of this interim financial report.

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2024

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

B8. BORROWINGS

As at 31 December 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⁾	-	293	-	969	-	1,262
- Term loans	-	484	-	69	-	553
Denominated in SGD⁽²⁾						
- Lease liabilities ⁽¹⁾	16	53	76	249	92	302
Denominated in THB⁽³⁾						
- Term loans	6,555	857	22,834	2,983	29,389	3,840

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 3.2878 as at 31 December 2024 (Source of reference: Bank Negara Malaysia website).
- (3) Exchange rate (THB: MYR) at THB: MYR 0.130662 as at 31 December 2024 and THB: MYR 0.134309 as at 29 December 2023 (Source of reference: Bank Negara Malaysia website).

Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 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

On 4 December 2024, the Board of Directors of the Company has announced an interim single-tier dividend of 0.291 sen per ordinary share in respect of the FYE 31 December 2024, which has been paid on 30 December 2024 to shareholders whose names appear on the Record of Depositors on 18 December 2024.

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	Preceding Year Corresponding Quarter	Current Year-to-date	Preceding Year Corresponding Year-to-date
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	Unaudited	Unaudited	Unaudited	Audited
Profit attributable to the owners of the Company (RM'000)	3,393	2,192	8,300	8,123
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)	0.50	0.47	1.23	1.73

Diluted earnings per share

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year-to-date	Preceding Year Corresponding Year-to-date
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	Unaudited	Unaudited	Unaudited	Audited
Profit attributable to the owners of the Company (RM'000)	3,393	2,192	8,300	8,123
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)	7,084	N/A	7,084	N/A

KJTS GROUP BERHAD

Registration No. 202201020004 (1465701-T)
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Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2024

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)	680,151	469,973	680,151	469,973
Diluted EPS (sen)	0.50	0.47	1.22	1.73

NOTES:

- (1) N/A denotes not applicable.

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Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 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
	31.12.2024	Corresponding	date	Corresponding
	31.12.2023	31.12.2024	Year-to-date	31.12.2023
	Unaudited	Unaudited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration	197	107	429	323
Depreciation of:				
- property, plant, and equipment	174	173	684	620
- right-of-use assets	290	208	922	839
- investment properties	2	3	9	8
Gain on disposal of property, plant and equipment	-	-	(216)	-
Interest income	(60)	(64)	(193)	(191)
Interest expenses	132	81	392	305
Provision for/(Reversal of) employee benefits	11	55	8	(75)
Impairment losses on:				
- trade receivables and contract assets	(8)	(72)	-	66
Impairment loss on investment in associates	39	-	39	-
Impairment loss on amount due from associates	105	-	105	-
Reversal of impairment loss on trade receivables	(5)	(3)	(4)	(23)
Lease expenses relating to:				
- short-term assets	245	481	1,554	1,180
- low value assets	13	(5)	29	1
Realised (gain)/loss on foreign exchange	(2)	69	(13)	70
Unrealised loss/(gain) on foreign exchange	*	(62)	14	(93)
Non-Executive Directors' remuneration - Fees	69	24	264	96

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

* Less than RM1,000

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Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 2024

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 authorised for issue by the Board of Directors of the Company in accordance with a resolution passed by the Board of Directors on 26 February 2025.

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