

**KKB ENGINEERING BERHAD**

(Company No : 26495 - D)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024****Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income**

	3 MONTHS ENDED		CUMULATIVE 9 MONTHS ENDED	
	CURRENT QUARTER ENDED 30/09/2024 RM	COMPARATIVE QUARTER ENDED 30/09/2023 RM	CURRENT PERIOD ENDED 30/09/2024 RM	COMPARATIVE PERIOD ENDED 30/09/2023 RM
Revenue from contracts with customers	143,138,165	140,053,997	402,682,988	304,914,419
Cost of sales	(120,159,769)	(116,871,904)	(326,829,635)	(244,082,980)
<b>Gross profit</b>	<u>22,978,396</u>	<u>23,182,093</u>	<u>75,853,353</u>	<u>60,831,439</u>
Selling and distribution expenses	(20,604)	(720,313)	(1,131,059)	(2,023,990)
Administrative expenses	(10,402,426)	(8,735,449)	(35,022,194)	(27,672,758)
<b>Operating profit</b>	<u>12,555,366</u>	<u>13,726,331</u>	<u>39,700,100</u>	<u>31,134,691</u>
Finance costs	(1,463,850)	(599,031)	(3,829,897)	(1,315,162)
Finance income	470,443	272,512	1,522,336	651,991
Other expenses	(1,102,616)	(471,285)	(2,505,980)	(1,412,716)
Other income	2,028,793	2,142,367	6,220,156	7,071,782
Share of results of associates	452,565	364,294	2,635,225	1,230,514
<b>Profit before tax</b>	<u>12,940,701</u>	<u>15,435,188</u>	<u>43,741,940</u>	<u>37,361,100</u>
Income tax expense	(2,422,745)	(3,646,637)	(12,104,490)	(8,329,754)
<b>Profit for the period</b>	<u>10,517,956</u>	<u>11,788,551</u>	<u>31,637,450</u>	<u>29,031,346</u>
<b>Other Comprehensive Income</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Comprehensive Income for the period</b>	<u>10,517,956</u>	<u>11,788,551</u>	<u>31,637,450</u>	<u>29,031,346</u>
Profit for the period attributable to:				
Equity holders of the parent	8,434,855	9,727,570	15,590,506	23,015,756
Non-controlling interests	2,083,101	2,060,981	16,046,944	6,015,590
	<u>10,517,956</u>	<u>11,788,551</u>	<u>31,637,450</u>	<u>29,031,346</u>
Total Comprehensive Income for the period attributable to:				
Equity holders of the parent	8,434,855	9,727,570	15,590,506	23,015,756
Non-controlling interests	2,083,101	2,060,981	16,046,944	6,015,590
	<u>10,517,956</u>	<u>11,788,551</u>	<u>31,637,450</u>	<u>29,031,346</u>
<b>Earnings per share attributable to equity holders of the parent:</b>				
Basic, for profit for the period (sen)	<u>2.92</u>	<u>3.37</u>	<u>5.40</u>	<u>7.97</u>
Diluted, for profit for the period (sen) - Not Applicable				

(These Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

**KKB ENGINEERING BERHAD**

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**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024****Unaudited Condensed Consolidated Statements of Financial Position**

	AS AT 30/09/2024 RM	AS AT 31/12/2023 RM
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	130,740,136	135,348,156
Investment in associates	12,598,991	9,963,766
Goodwill	1,632,667	1,632,667
Deferred tax assets	4,010,856	3,964,181
	<u>148,982,650</u>	<u>150,908,770</u>
<b>Current assets</b>		
Inventories	54,293,283	51,504,980
Trade and other receivables	39,445,593	80,952,531
Contract assets	182,937,038	124,433,775
Other current assets	4,912,239	2,402,352
Short term funds	184,341,407	196,488,120
Cash and short-term deposits	70,222,175	35,687,693
	<u>536,151,735</u>	<u>491,469,451</u>
<b>TOTAL ASSETS</b>	<b><u>685,134,385</u></b>	<b><u>642,378,221</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Issued capital	175,254,461	175,254,461
Retained earnings	227,730,996	232,351,383
<b>Equity attributable to equity holders of the parent</b>	402,985,457	407,605,844
<b>Non-controlling interests</b>	67,291,160	51,244,216
<b>Total equity</b>	<u>470,276,617</u>	<u>458,850,060</u>
<b>Non-current liabilities</b>		
Lease liabilities	-	7,374
Trade and other payables	9,031,010	7,915,262
Deferred tax liabilities	5,438,866	6,161,723
	<u>14,469,876</u>	<u>14,084,359</u>
<b>Current liabilities</b>		
Contract liabilities	2,777,433	9,841,123
Trade and other payables	188,567,638	157,856,128
Lease liabilities	44,477	96,098
Income tax payable	8,998,344	1,650,453
	<u>200,387,892</u>	<u>169,443,802</u>
<b>Total liabilities</b>	<u>214,857,768</u>	<u>183,528,161</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>685,134,385</u></b>	<b><u>642,378,221</u></b>

(These Condensed Consolidated Statements of Financial Position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

**KKB ENGINEERING BERHAD**

(Company No : 26495 - D)

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**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024****Unaudited Condensed Consolidated Statements of Changes in Equity**

	<- Attributable to equity holders of the parent ->			Non-controlling	Total
	Issued Capital RM	Retained Earnings RM	Total RM	Interests RM	Equity RM
<b>At 1 January 2024</b>	175,254,461	232,351,383	407,605,844	51,244,216	458,850,060
Profit for the period	-	15,590,506	15,590,506	16,046,944	31,637,450
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	15,590,506	15,590,506	16,046,944	31,637,450
First and final dividend for FYE 31 December 2023	-	(20,210,893)	(20,210,893)	-	(20,210,893)
<b>At 30 September 2024</b>	<u>175,254,461</u>	<u>227,730,996</u>	<u>402,985,457</u>	<u>67,291,160</u>	<u>470,276,617</u>
<b>At 1 January 2023</b>	175,254,461	223,046,167	398,300,628	44,527,363	442,827,991
Profit for the period	-	23,015,756	23,015,756	6,015,590	29,031,346
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	23,015,756	23,015,756	6,015,590	29,031,346
First and final dividend for FYE 31 December 2022	-	(17,323,622)	(17,323,622)	-	(17,323,622)
<b>At 30 September 2023</b>	<u>175,254,461</u>	<u>228,738,301</u>	<u>403,992,762</u>	<u>50,542,953</u>	<u>454,535,715</u>

(These Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

**KKB ENGINEERING BERHAD**

(Company No : 26495 - D)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024****Unaudited Condensed Consolidated Statements of Cash Flows**

	CUMULATIVE 9 MONTHS ENDED 30/09/2024 RM	CUMULATIVE 9 MONTHS ENDED 30/09/2023 RM
Profit before taxation	43,741,940	37,361,100
Adjustments for:		
Depreciation of property, plant and equipment	7,715,344	7,154,135
Finance costs	3,829,898	1,315,162
Reversal of impairment on trade receivables	-	(58,071)
Dividend income	(1,990,153)	(1,345,773)
Fair value changes in short term funds	(3,169,643)	(3,397,230)
Net unrealised foreign exchange gain	(179,691)	(331,901)
Interest income from financial assets	(1,522,336)	(651,991)
Share of results of associates	(2,635,225)	(1,230,514)
Total adjustments	<u>2,048,194</u>	<u>1,453,817</u>
Operating cash flows before changes in working capital	45,790,134	38,814,917
Changes in working capital		
Increase in inventories	(2,788,303)	(224,204)
Decrease/(increase) in receivables	41,145,826	(9,443,128)
Increase in contract assets	(58,503,263)	(33,821,497)
Decrease in contract liabilities	(7,063,690)	-
Increase in payables	32,224,196	46,299,030
Increase in other current assets	(6,005)	(751)
Cash flows generated from operations	<u>50,798,895</u>	<u>41,624,367</u>
Interest paid	(3,829,898)	(1,315,162)
Net taxes paid	(8,030,014)	(2,302,481)
Net cash flows generated from operating activities	<u>38,938,983</u>	<u>38,006,724</u>
Investing activities		
Purchase of property, plant and equipment	(3,067,266)	(7,957,363)
Investment in short term funds	(52,300,522)	(53,000,000)
Redemption of short term funds	69,607,031	68,396,336
Interest received	1,666,201	651,991
Net cash flows generated from investing activities	<u>15,905,444</u>	<u>8,090,964</u>
Financing activities		
Dividend paid to shareholders of the Company	(20,210,893)	(17,323,622)
Repayment of principal portion of lease liabilities	(99,052)	(119,311)
Increase in short-term deposits with maturity more than 3 months	(452,392)	(10,258,380)
Decrease/(increase) in deposits pledged for bank guarantee	519,100	(215,358)
Net cash flows used in financing activities	<u>(20,243,237)</u>	<u>(27,916,671)</u>
Net increase in cash and cash equivalents	34,601,190	18,181,017
Cash and cash equivalents at the beginning of the period	24,910,213	15,832,280
Cash and cash equivalents at the end of the period	<u>59,511,403</u>	<u>34,013,297</u>

(These Condensed Consolidated Statements of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

## **NOTES TO THE QUARTERLY FINANCIAL STATEMENTS**

### **Selected explanatory notes pursuant to Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting**

#### **1. Basis of Preparation**

The condensed consolidated interim financial statements have been prepared in accordance with MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB"), IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 31 December 2023. The explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2023.

#### **2. Significant Accounting Policies**

The significant accounting policies and methods of computation applied in the interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2023 except for the adoption of the following, where applicable, when they become effective:

- ❖ Amendments to MFRS 101: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- ❖ Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
- ❖ Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements
- ❖ Amendments to MFRS 121: Lack of Exchangeability
- ❖ Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Adoption of the above is not expected to have any material financial impact on the Group's results.

#### **3. Seasonal or cyclical factors**

The business operations of the Group are not significantly affected by any seasonal or cyclical factors in the current quarter and financial year to date.

#### **4. Unusual Items Due to Their Nature, Size or Incidence**

There were no unusual items affecting the assets, liabilities, equities, net income or cash flows of the Group in the current quarter and financial year to date.

#### **5. Changes in Estimates**

There were no significant changes in estimates of amounts reported in prior financial years which have a material effect in the current quarter and financial year to date.

## 6. Debt and equity securities

There were no issuances and repayments of debt and equity securities, share buy backs, shares cancellation, shares held as treasury shares and resale of treasury shares in the current quarter and financial year to date.

## 7. Dividend paid

On 25 June 2024, the Company paid a first and final single tier dividend of seven (7.0) sen per ordinary share, in respect of the financial year ended 31 December 2023.

## 8. Segmental Reporting

The information for business segments predominantly conducted in Malaysia for the current financial year to date was as follows:

### RESULTS FOR PERIOD-TO-DATE ENDED 30 SEPTEMBER 2024

	Manufacturing RM	Engineering RM	Eliminations RM	Consolidated RM
External revenue	13,462,615	389,220,373	-	402,682,988
Inter-segment revenue	5,234,701	68,679,527	(73,914,228)	-
Total revenue	18,697,316	457,899,900	(73,914,228)	402,682,988
Results	(1,819,686)	46,756,298	-	44,936,612
Finance costs	(380)	(3,829,517)	-	(3,829,897)
Share of results of associates	242,806	2,392,419	-	2,635,225
(Loss)/Profit before tax	(1,577,260)	45,319,200	-	43,741,940
Income tax expense	(8,054)	(12,096,436)	-	(12,104,490)
(Loss)/Profit after tax	(1,585,314)	33,222,764	-	31,637,450
	=====	=====	=====	=====

### OTHER DISCLOSURES

Finance income	92,993	1,429,343	-	1,522,336
Depreciation of property, plant and equipment	673,595	7,041,749	-	7,715,344
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### RESULTS FOR PERIOD-TO-DATE ENDED 30 SEPTEMBER 2023

	Manufacturing RM	Engineering RM	Eliminations RM	Consolidated RM
External revenue	17,856,084	287,058,335	-	304,914,419
Inter-segment revenue	2,633,659	24,743,935	(27,377,594)	-
Total revenue	20,489,743	311,802,270	(27,377,594)	304,914,419
Results	2,212,865	35,232,883	-	37,445,748
Finance costs	(25)	(1,315,137)	-	(1,315,162)
Share of results of associates	384,975	845,539	-	1,230,514
Profit before tax	2,597,815	34,763,285	-	37,361,100
Income tax expense	(718,778)	(7,610,976)	-	(8,329,754)

Profit after tax	1,879,037	27,152,309	-	29,031,346
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***OTHER DISCLOSURES***

Finance income	65,962	586,029	-	651,991
Depreciation of property, plant and equipment	742,862	6,411,273	-	7,154,135
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**9. Material subsequent events**

There were no material subsequent events as at the date of this announcement.

**10. Changes in composition of the Group**

There were no changes in composition of the Group for the current quarter and financial year to date.

**11. Fair Value of Financial Instruments**

**(a) Determination of fair value**

The carrying amounts of trade and other receivables, trade and other payables, cash and short-term deposits, lease liabilities are reasonable approximation of fair values, due to their short-term and interest-bearing nature. In addition to that, trade receivables and trade payables are subject to normal trade credit terms.

**(b) Fair value hierarchy**

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Quantitative disclosures of the fair value measurement hierarchy were as follows:

	Date of valuation	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>Assets measured at fair value:</b>					
Short term funds	30/09/2024	184,341,407	-	-	184,341,407
	31/12/2023	196,488,120	-	-	196,488,120
		=====	=====	=====	=====

There has been no transfers between the fair value hierarchy during the period.

**12. Contingent liabilities/Contingent assets as at 30 September 2024**

There were no material contingent liabilities or contingent assets as at the date of this announcement.

**13. Capital Commitments**

	As At 30/09/2024 RM	As At 30/09/2023 RM
Commitments in respect of capital expenditure:		
Property, plant and equipment		
- Approved and contracted for	218,340	1,617,571
- Approved but not contracted for	-	8,880,615
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	218,340	10,498,186
	=====	=====

**14. Related Party Transactions**

	3 Months Ended		Cumulative 9 Months Ended	
	Current Quarter Ended 30/09/2024 RM	Comparative Quarter Ended 30/09/2023 RM	Current Period Ended 30/09/2024 RM	Comparative Period Ended 30/09/2023 RM
Transactions with an associate, Edisi Optima Sdn. Bhd.				
- Provision of miscellaneous services such as machineries, equipments and labour etc	221,180	375,442	773,383	1,097,787
- Rental income	28,500	6,000	85,500	18,000
- Purchase of miscellaneous services such as machineries, equipments and labour etc	35,977	11,824	63,992	35,472
Transactions with related companies of investors, Cahya Mata Sarawak Bhd. and/or Sarawak Economic Development Corporation				
- Purchase of aggregates, etc from SEDC Quarries Sdn. Bhd.	-	-	-	34,383
- Purchase of cement and other products from CMS Infra Trading Sdn. Bhd.	-	8,850	-	8,850
- Purchase of quarry sand, etc from Borneo Granite Sdn. Bhd.	-	-	-	631,091
Short term lease expense paid to companies in which certain directors of the Company have substantial financial interest and/or are also directors				
- KKB Development Sdn. Bhd.	28,650	17,850	79,150	53,550
- KKB Realty Sdn. Bhd.	19,800	19,800	59,400	50,400
- Sepang Kaya Sdn. Bhd.	33,325	32,708	99,358	98,124
Short term lease expense paid to a director, Dato Sri Kho Kak Beng	19,200	19,200	57,600	57,600
Short term lease expense paid to person connected with certain directors of the Company				
- Kho Siew Lan	4,800	4,800	14,400	14,400
- House Of Favourites	3,000	3,000	9,000	9,000
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	394,432	499,474	1,241,783	2,108,657
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These transactions have been entered into with related parties on terms and conditions that are not more favourable to the related party than those generally available to the public.

**Explanatory notes pursuant to Appendix 9B of Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

**15. Review Of Performance**

Financial review for current quarter and financial year to date

	Quarter		Changes (%)	Cumulative 9 months		Changes (%)
	Current Quarter	Preceding Year Corresponding Quarter		Current Period	Preceding Year Corresponding Period	
	30/09/24	30/09/23		30/09/24	30/09/23	
	RM'000	RM'000		RM'000	RM'000	
Revenue	143,138	140,054	2.2%	402,683	304,914	32.1%
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	16,948	18,607	-8.9%	55,287	45,830	20.6%
Profit before interest and tax	14,405	16,034	-10.2%	47,572	38,676	23.0%
Profit before tax	12,941	15,435	-16.2%	43,742	37,361	17.1%
Profit after tax	10,518	11,789	-10.8%	31,637	29,031	9.0%
Profit attributable to equity holders of the parent	8,435	9,728	-13.3%	15,591	23,016	-32.3%

The Group recorded a marginal 2.2% increase in its current quarter's revenue of RM143.1 million, as compared to RM140.1 million recorded in the preceding year corresponding quarter. Group revenue for the nine month's period ended 30 September 2024 increased by 32.1% to RM402.7 million as compared to RM304.9 million in the preceding year corresponding period. The prime mover for the increased revenue comes from the Group's Steel Fabrication division within the Engineering sector but offset by lower revenue from the Manufacturing sector.

Group's profit before taxation decreased by 16.2% to RM12.9 million in the current quarter as compared to RM15.4 million registered in the preceding year third quarter amidst lower profit contribution from the Civil Construction division coupled with the weak performance of the Manufacturing sector due to slower activities.

However, for the nine month's period ended 30 September 2024, the group's profit before taxation of RM43.7 million rose by 17.1% compared to RM37.4 million in the preceding year comparative period, mainly attributable to the stronger performance of the Steel Fabrication division within the Engineering sector.

Engineering Sector

The Engineering Sector registered a revenue of RM142.7 million for this current quarter ended 30 September 2024 (3Q23: RM131.5 million).

Revenue contribution from the Civil Construction division was slightly lower as compared to the preceding year third quarter, but the reduction was offset by increased revenue registered by both the Steel Fabrication and Hot Dip Galvanising divisions resulting in the overall improved revenue of 8.5% for the Engineering sector.

The Civil Construction division's revenue for the quarter of RM52.7 million (3Q23: RM53.6 million) was mostly from the Pan Borneo Highway project (Phase 1 Works Package Contract – WPC-09).

Steel Fabrication division's revenue for the quarter recovered strongly as compared to the preceding year corresponding quarter to register higher revenue of RM89.1 million as compared to RM77.9 million in the preceding year corresponding third quarter. Current quarter's revenue was mainly from the Engineering, Procurement and Construction of Standard Wellhead Platforms for MLNG FaS (F27, F22, Selasih and F23 Brownfield) for Sarawak Shell Berhad; Module Fabrication/supply of Steel Structures for the Samsung Malaysia Rosmari & Marjoram Onshore Gas Plant project in Bintulu, Sarawak and fabrication of Bridge and Boat landing for Kasawari Carbon Capture & Storage project.

Hot-Dip Galvanising division's revenue increased to RM899K (3Q23: RM87K), as increased revenue from Steel Fabrication division also benefited the division through higher volume of "inter-division" works received for galvanizing.

#### Manufacturing Sector

Current quarter's revenue for the LP Gas Cylinders manufacturing division of RM151K (3Q23: RM2.5 million) was from the Reconditioning/Requalification of LPG Cylinders.

The Group's Steel Pipes manufacturing division recorded a lower revenue of RM243K in the current quarter as compared to RM6.0 million registered in the preceding year corresponding quarter. The supply order for export of MSCL Pipes to Brunei by the Group's manufacturing plant in Kota Kinabalu, Sabah has been fully completed. The orders secured in May 2024 for the supply of MSCL Pipes and Fittings to Salim Water Treatment Plant, Sibul, Sarawak is still at the early stage to contribute to the sector's revenue and earnings.

### **16. Material changes in the quarterly results compared to the results of the preceding quarter**

Financial review for current quarter compared with immediate preceding quarter

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	30/09/24	30/06/24	
	RM'000	RM'000	
Revenue	143,138	109,215	31.1%
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	16,948	21,500	-21.2%
Profit before interest and tax	14,405	18,843	-23.6%
Profit before tax	12,941	17,547	-26.2%
Profit after tax	10,518	11,477	-8.4%
Profit attributable to equity holders of the parent	8,435	3,398	148.2%

Current quarter shows an increase in the Group's revenue to RM143.1 million, from RM109.2 million recorded in the preceding quarter. The increase was mainly from the Engineering Sector, in particular the Steel Fabrication and Civil Construction divisions, which recorded a combined revenue of RM141.8 million in the current quarter as compared to RM103.3 million in 2Q24.

Group's profit before taxation for the current quarter however decreased by 26.2% to RM12.9 million (2Q24: RM17.5 million), on the back of lower profit contribution from both the Steel Fabrication and Civil Construction divisions.

### **17. Prospects**

The Group's overall financial performance is positive for the financial year ending 31 December 2024, supported by the existing contracts in hand and expected increase in the level of Manufacturing activities.

The Group actively participates in new tenders or biddings, pursuing various engineering and construction projects, particularly projects related to the supply, laying and commissioning of water pipes and other steel related or infrastructure works throughout Sarawak and Sabah to replenish our orderbook for both the Engineering and Manufacturing sectors.

Amid the threat of adverse effect from the volatility of raw material prices on its performance, the risk of which is constantly being managed, the Group maintains its effort on cost management, product quality and operational efficiency to further improve its operating results.

The Group continues to manage the challenges of uncertainties in the global economic environment, escalation of costs due to inflationary pressure, volatility of global raw material steel prices and fluctuation of exchange rates are amongst factors that may impact the Group's performance.

**18. Variances from financial estimate, forecast or projection, or profit guarantee**

Not applicable to the Group as no financial estimate, forecast or projection, or profit guarantee were published.

**19. Commentary on the company's progress to achieve the financial estimate, forecast, projection or internal targets in the remaining period to the end of the financial year and the forecast period which was previously announced or disclosed in a public document and steps taken or proposed to be taken to achieve the financial estimate, forecast, projection or internal targets**

Not applicable to the Group as no announcements or disclosures were published in a public document as to the financial estimate, forecast, projection or internal targets as at the date of this announcement.

**20. Statement of the Board of Directors' opinion as to whether the financial estimate, forecast, projection or internal targets in the remaining period to the end of the financial year and the forecast period which was previously announced or disclosed in a public document are likely to be achieved**

Not applicable to the Group as no announcements or disclosures were published in a public document as to the financial estimate, forecast, projection or internal targets as at the date of this announcement.

**21. Income Tax Expense**

	3 Months Ended		Cumulative 9 Months Ended	
	Current	Comparative	Current	Comparative
	Quarter Ended	Quarter Ended	Period Ended	Period Ended
	30/09/2024	30/09/2023	30/09/2024	30/09/2023
	RM	RM	RM	RM
Malaysian taxation				
- Current year	1,677,688	2,234,293	12,982,070	6,561,448
- Prior year	(108,048)	546,172	(108,048)	546,172
Deferred tax	853,105	866,172	(769,532)	1,222,134
	-----	-----	-----	-----
	2,422,745	3,646,637	12,104,490	8,329,754
	=====	=====	=====	=====

The lower effective tax expense for the current quarter was primarily due to utilization of losses at Company level for which no deferred tax was provided.

Whilst higher effective tax expense for the financial year to date primarily due to losses at Company and subsidiaries level of which no deferred tax was provided.

**22. Status of Corporate Proposals**

There were no new or outstanding corporate proposals announced which have not been completed as at the date of this announcement.

## 23. Group's Borrowings and Debt Securities

Total Group's loans and borrowings as at 30 September 2024 were as follows: -

Interest-bearing Loans and Borrowings (denominated in Ringgit Malaysia)

	Secured RM	Unsecured RM
<u>Current</u>		
Lease liabilities	-	44,477
	-----	-----
<u>Non-Current</u>		
Lease liabilities	-	-
	-----	-----
Total borrowings	-	44,477
	=====	=====

Total Group's loans and borrowings as at 30 September 2023 were as follows: -

Interest-bearing Loans and Borrowings (denominated in Ringgit Malaysia)

	Secured RM	Unsecured RM
<u>Current</u>		
Lease liabilities	-	85,570
	-----	-----
<u>Non-Current</u>		
Lease liabilities	-	29,340
	-----	-----
Total borrowings	-	114,910
	=====	=====

## 24. Off Balance Sheet Financial Instruments

There are no financial instruments with off balance sheet risks entered into by the Group as at the date of this announcement.

## 25. Derivative Financial Instruments

There were no derivative financial instruments entered into by the Group as at 30 September 2024.

## 26. Gains/Losses Arising from Fair Value Changes of Financial Liabilities

There were no gains/losses arising from fair value changes of financial liabilities for the current quarter and financial year to date.

## 27. Material Litigations

Save that an announcement was made to Bursa Malaysia Securities Berhad on 15 September 2023 pursuant to the Arbitration Notice issued by OceanMight Sdn Bhd (a subsidiary of KKB Engineering Berhad) against Shapadu Energy Services Sdn Bhd, there were no pending material litigations against the Group which might materially and adversely affect the Group's financial position.

## 28. Dividend

No interim dividend has been recommended for payment in the current quarter and financial year-to-date.

**29. Earnings per share**

	3 Months Ended		Cumulative 9 Months Ended	
	Current Quarter Ended 30/09/2024	Comparative Quarter Ended 30/09/2023	Current Period Ended 30/09/2024	Comparative Period Ended 30/09/2023
Net profit attributable to equity holders of the parent (RM)	8,434,855	9,727,570	15,590,506	23,015,756
Weighted average number of ordinary shares in issue	288,727,040	288,727,040	288,727,040	288,727,040
Basic earnings per share for the period attributable to equity holders of the parent (sen)	2.92	3.37	5.40	7.97

There is no dilution in its earnings per ordinary share in the current quarter and financial year to date as there are no dilutive potential ordinary shares outstanding at the end of the reporting period.

**30. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the audited financial statements for the financial year ended 31 December 2023 was not qualified.

**31. Additional Disclosures on Profit for the period**

	3 Months Ended		Cumulative 9 Months Ended	
	Current Quarter Ended 30/09/2024 RM	Comparative Quarter Ended 30/09/2023 RM	Current Period Ended 30/09/2024 RM	Comparative Period Ended 30/09/2023 RM
Profit for the period is arrived at after charging/(crediting):				
Interest income from financial assets	(470,443)	(272,512)	(1,522,336)	(651,991)
Realised foreign exchange loss/(gain)	360,302	(69,424)	353,656	(317,139)
Unrealised foreign exchange gain	-	-	(179,691)	(331,901)
Rental income	(55,200)	(28,600)	(161,750)	(97,600)
Reversal of impairment on trade receivables	-	(5,000)	-	(58,071)
Depreciation of property, plant and equipment	2,542,990	2,572,829	7,715,344	7,154,135
Finance costs	1,463,850	599,031	3,829,897	1,315,162

Other than the above items which have been included in the statement of profit or loss and other comprehensive income, there were no provision for and write off of receivables and inventories, gain or loss on disposal of quoted or unquoted investments, gain or loss on derivatives and exceptional items for the current quarter and period ended 30 September 2024.