

Kimlun Corporation Berhad
[Registration No.: 200901023978 (867077-X)]
Unaudited Condensed Consolidated Statement of Comprehensive Income
For the 2nd Quarter Ended 30 June 2025

	Individual Quarter		Cumulative Period	
	Current Year Quarter 30/06/2025 RM'000	Preceding Year Quarter 30/06/2024 RM'000	Current Year To Date 30/06/2025 RM'000	Preceding Year To Date 30/06/2024 RM'000
Revenue	432,213	282,276	891,921	487,335
Cost of sales	(378,672)	(264,675)	(777,202)	(453,018)
Gross profit	53,541	17,601	114,719	34,317
Other operating income	782	43,946	1,657	45,535
Selling and administrative expenses	(12,960)	(13,309)	(31,261)	(24,798)
Finance costs	(9,169)	(5,896)	(17,883)	(11,209)
Share of gain/(loss) of joint ventures	473	(10)	887	(98)
Share of loss of associate company	(7)	-	(167)	-
Profit before tax	32,660	42,332	67,952	43,747
Income tax expense	(9,101)	(11,197)	(19,334)	(12,235)
Profit net of tax	23,559	31,135	48,618	31,512
Other comprehensive (loss)/income	2	9	2	-
Total comprehensive income for the period	23,561	31,144	48,620	31,512
Profit/(loss) attributable to :				
Owners of the Company	23,643	31,294	48,850	31,831
Non-controlling interests	(84)	(159)	(232)	(319)
	23,559	31,135	48,618	31,512
Profit Per Share (Sen)				
- Basic (2)	6.69	8.86	13.82	9.01
- Diluted (2)	6.69	8.86	13.82	9.01
Total comprehensive income/(loss) attributable to :				
Owners of the Company	23,645	31,302	48,852	31,831
Non-controlling interests	(84)	(158)	(232)	(319)
	23,561	31,144	48,620	31,512

Notes:

(1) The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying notes attached to the interim financial statements.

(2) Please refer to Note B11 for details.

Kimlun Corporation Berhad
[Registration No.: 200901023978 (867077-X)]
Unaudited Condensed Consolidated Statements of Financial Position
As at 30 June 2025

	Unaudited As at 30/06/2025 RM'000	Audited As at 31/12/2024 RM'000
Assets		
Non- current assets		
Property, plant and equipment	296,727	268,531
Right-of-use asset	5,680	7,112
Land held for property development	363,549	360,917
Investment properties	123	126
Other investments	75	75
Investment in associate company	-	160
Investment in joint ventures	2,118	2,119
Deferred tax assets	14,687	12,534
Goodwill	16	16
	<u>682,975</u>	<u>651,590</u>
Current assets		
Property development costs	318,029	329,658
Inventories	74,883	78,667
Trade and other receivables	740,204	541,726
Prepayment	11,992	10,781
Contract assets	443,407	383,547
Cash and bank balances	48,168	69,669
	<u>1,636,683</u>	<u>1,414,048</u>
TOTAL ASSETS	<u>2,319,658</u>	<u>2,065,638</u>
Current liabilities		
Loans and borrowings	496,288	423,238
Lease liability	3,253	3,859
Trade and other payables	570,232	507,759
Contract liabilities	69,706	45,916
Current tax liabilities	16,117	1,808
Provisions	18,643	15,000
	<u>1,174,239</u>	<u>997,580</u>
Net current assets	<u>462,444</u>	<u>416,468</u>
Non-current liabilities		
Loans and borrowings	273,540	248,298
Lease liabilities	2,623	3,442
Other payables	27,634	21,148
Deferred tax liabilities	12,155	7,256
	<u>315,952</u>	<u>280,144</u>
TOTAL LIABILITIES	<u>1,490,191</u>	<u>1,277,724</u>
Net assets	<u>829,467</u>	<u>787,914</u>
Equity		
Share capital	255,953	255,953
Treasury shares	(24)	(24)
Other reserves	(674)	(676)
Retained earnings	548,132	506,349
Equity attributable to owners of the Company	<u>803,387</u>	<u>761,602</u>
Non-controlling interests	26,080	26,312
Total equity	<u>829,467</u>	<u>787,914</u>
TOTAL EQUITY AND LIABILITIES	<u>2,319,658</u>	<u>2,065,638</u>
Net Assets Per Share Attributable to owners of the Company (RM)	2.27	2.16

Notes:

(1) The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying notes attached to the interim financial statements.

Kimlun Corporation Berhad
[Registration No.: 200901023978 (867077-X)]
Unaudited Condensed Consolidated Statement of Changes in Equity
As at 30 June 2025

	Attributable to owners of the Company							Total Equity RM'000
	Non-distributable				Distributable	Sub-Total RM'000	Non-controlling interest (NCI) RM'000	
Share capital RM'000	Treasury shares RM'000	Warrants reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000				
YTD ended June 2025								
Balance At 1/1/2025	255,953	(24)	-	(676)	506,349	761,602	26,312	787,914
Total comprehensive income for the period	-	-	-	2	48,850	48,852	(232)	48,620
Transactions with owner								
Dividend (as detailed in Note B10)	-	-	-	-	(7,067)	(7,067)	-	(7,067)
At 30/06/2025	255,953	(24)	-	(674)	548,132	803,387	26,080	829,467
YTD ended 30 June 2024								
Balance At 1/1/2024	255,944	(24)	34,194	(718)	424,446	713,842	26,524	740,366
Total comprehensive income for the period	-	-	-	-	31,831	31,831	(319)	31,512
Transactions with owner								
Conversion of warrants	9	-	(2)	-	-	7	-	7
Expiry of warrants	-	-	(34,192)	-	34,192	-	-	-
NCI's share of fair value adjustment of assets	-	-	-	-	-	-	397	397
Dividend (as detailed in Note B10)	-	-	-	-	(3,534)	(3,534)	-	(3,534)
At 30/06/2024	255,953	(24)	-	(718)	486,935	742,146	26,602	768,748

(1) The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying notes attached to the interim financial statements

Kimlun Corporation Berhad
(Registration No.: 200901023978 (867077-X))
Unaudited Condensed Consolidated Statement of Cash Flow
For The Period Ended 30 June 2025

	Current Year To Date 30/06/2025 RM'000	Preceding Year To Date 30/06/2024 RM'000
Operating activities		
Profit before tax	67,952	43,747
Adjustment for :		
(Reversal of)/Investment expenses written off	(1)	1
Gain on remeasurement of equity investment	-	(908)
Reversal of allowance for impairment on trade receivables and contract asset	-	(43,519)
Unrealised foreign exchange (gain)/loss	(17)	2,987
Depreciation of property, plant and equipment	20,854	11,275
Depreciation of right-of-use assets	2,105	1,769
Depreciation of investment properties	3	3
Amortisation of quarry development expenditure	105	84
Provision for defect liabilities costs	3,643	1,206
Gain on disposal of property, plant and equipment	(424)	(198)
Loss/(Gain) on derecognition of right-of-use assets	1	(40)
Fixed asset written off	-	7
Interest expenses	17,883	11,209
Interest income	(1,271)	(707)
Share of loss of associate company	167	-
Share of (gain)/loss of joint ventures	(887)	98
Operating cash flows before changes in working capital	<u>110,113</u>	<u>27,014</u>
Changes in working capital		
Property development costs	19,336	(36,349)
Inventories	3,784	(234)
Receivables	(186,852)	(59,735)
Other current assets	(52,937)	(4,691)
Payables	47,348	18,033
Other current liabilities	23,783	12,266
Cash flows used in operations	<u>(35,425)</u>	<u>(43,696)</u>
Interest paid	(19,834)	(14,665)
Tax paid	(2,215)	(1,447)
Interest received	531	527
Net cash flows used in operating activities	<u>(56,943)</u>	<u>(59,281)</u>
Investing activities		
Purchase of property, plant and equipment	(33,318)	(38,330)
Net cash outflow on acquisition of a subsidiary	-	(10,983)
Additions to land held for property development	(881)	(107)
Proceeds from disposal of property, plant & equipment	1,275	265
Net cash flows used in investing activities	<u>(32,924)</u>	<u>(49,155)</u>
Financing activities		
Proceeds from conversion of warrants	-	7
Proceeds from loans and borrowings	93,900	121,760
Advance from a corporate shareholder of a subsidiary	1,340	731
Repayment to joint venture	-	(2,975)
Advance to associate company	(10,195)	-
Repayment to hire purchase creditors	(10,786)	(6,221)
Repayment of lease liabilities	(2,098)	(1,722)
Placement of fixed deposit with licensed banks	(1,084)	(291)
Net cash flows generated from financing activities	<u>71,077</u>	<u>111,289</u>
Net (decrease)/increase in cash and cash equivalents	(18,790)	2,853
Effects of exchange rate changes on cash and cash equivalents	(886)	1,766
Cash and cash equivalents at beginning of financial period	<u>57,912</u>	<u>58,715</u>
Cash and cash equivalents at end of financial period	<u>38,236</u>	<u>63,334</u>
Cash and cash equivalents at end of the financial period comprise the following:		
Cash and bank balances	48,168	72,395
Less: Pledge of fixed deposit with licensed banks	(6,778)	(4,832)
Bank overdrafts (included within short term borrowings)	<u>(3,154)</u>	<u>(4,229)</u>
	<u>38,236</u>	<u>63,334</u>

Notes:

(1) The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying notes attached to the interim financial statements

KIMLUN CORPORATION BERHAD (867077-X)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2025

NOTES TO THE REPORT

PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting and Appendix 9B Part A of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia Securities”). It contains condensed combined financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group. The interim combined financial report and notes thereon do not include all the information required for a full set of financial statements prepared in accordance with MFRSs.

The interim financial report should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2024 (“FY2024 AFS”)

A2. Changes in accounting policies

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the Group’s FY2024 AFS except for the adoption of the following amendments to MFRS that are mandatory for annual financial periods beginning on or after 1 January 2025:

Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

The directors are of the opinion that the Standards and Amendments above would not have any material impact on the financial statements in the year of initial adoption.

A3. Auditor's report on preceding annual financial statements

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2024.

A4. Seasonal or Cyclical Factors

The business operations of the Group were not significantly affected by any seasonal or cyclical factor.

A5. Items of Unusual Nature

There were no material unusual items affecting the assets, liabilities, equity, net income or cash flow during the financial year-to-date.

A6. Material Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have had a material effect in the financial year-to-date.

KIMLUN CORPORATION BERHAD (867077-X)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2025

A7. Changes in Debt and Equity Securities

Save as disclosed below, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial year-to-date;

- (a) Redemption of 5 tranches of Islamic commercial papers (“ICP”) with nominal value of RM53.61 million; and
- (b) issuance of 6 tranches of ICP with tenure of 3 months to 12 months, and with aggregate nominal value of RM58.21 million.

A8. Dividend Paid

There was no payment of dividend during the financial year-to-date.

A9. Valuation of property, plant and equipment

There was no valuation of property, plant and equipment (“PPE”) in the current financial quarter.

A10. Capital commitments

Capital commitment for PPE not provided for as at 30 June 2025 are as follows:

	RM'000
Approved and contracted for	<u>19,647</u>

The capital commitment is mainly for the purchase of tunnel forms.

A11. Property, Plant and Equipment

The Group incurred capital expenditure on PPE amounting to RM50.01 million during the financial year-to-date, mainly for the purchase of heavy machineries and tunnel forms to meet the needs of construction projects.

A12. Material events subsequent to the end of period reported

There were no material events subsequent to the end of the current financial quarter up to 22 August 2025, being the latest practicable date (“LPD”), which is not earlier than 7 days from the date of issuance of this quarterly report, that have not been reflected in this quarterly report.

A13. Changes in composition of the group

There was no change in composition of the group during the financial year-to-date.

A14. Contingent liabilities or contingent assets

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this report.

A15. Significant Related Party Transactions

There was no significant related party transaction during the current quarter under review.

KIMLUN CORPORATION BERHAD (867077-X)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2025

A16. Segmental Information

The Group is organized into the following operating segments:-

- a) Construction;
- b) Manufacturing and trading of building materials;
- c) Property development; and
- c) investment

The segment revenue and results for the financial period ended 30 June 2025:

	Construction RM'000	Manufacturing & Trading RM'000	Property Development RM'000	Investment RM'000	Elimination RM'000	Consolidated RM'000
REVENUE						
External sales	628,409	112,331	151,172	9	0	891,921
Inter-segment sales	71,915	39,659	0	6,415	(117,989)	0
Total revenue	700,324	151,990	151,172	6,424	(117,989)	891,921
RESULTS						
Gross profit/(loss)	46,936	31,113	41,894	6,424	(11,648)	114,719
Other operating income						1,657
Selling and administrative expenses						(31,261)
Finance costs						(17,883)
Share of gain of joint ventures						887
Share of loss of associate company						(167)
Profit before tax						67,952
Income tax expense						(19,334)
Profit net of tax						48,618
Segment Assets	1,388,103	456,958	875,030	438,358	(838,791)	2,319,658
Segment Liabilities	959,828	196,942	661,639	138,674	(466,892)	1,490,191

KIMLUN CORPORATION BERHAD (867077-X)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2025

The segment revenue and results for the financial period ended 30 June 2024:

REVENUE	Construction RM'000	Manufacturing & Trading RM'000	Property Development RM'000	Investment RM'000	Elimination RM'000	Consolidated RM'000
External sales	400,900	82,904	3,523	8	0	487,335
Inter-segment sales	55,068	36,852	0	2,926	(94,846)	0
Total revenue	455,968	119,756	3,523	2,934	(94,846)	487,335
RESULTS						
Gross profit/(loss)	20,654	22,290	(171)	2,934	(11,390)	34,317
Other operating income						45,535
Selling and administrative expenses						(24,798)
Finance costs						(11,209)
Share of loss of a joint venture						(98)
(Loss) before tax						43,747
Income tax credit						(12,235)
(Loss) net of tax						31,512
Segment Assets	1,027,858	430,246	684,496	434,311	(723,711)	1,853,200
Segment Liabilities	643,640	196,492	479,489	132,432	(367,601)	1,084,452

KIMLUN CORPORATION BERHAD (867077-X)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2025

PART B – ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)

	Individual Quarter (Quarter 2)		Changes		Cumulative Period		Changes		Preceding Quarter 31/3/2025 RM'000	Current quarter compared to preceding quarter	
	Current Year Quarter 30/6/2025 RM'000	Preceding Year Quarter 30/6/2024 RM'000	Amount RM'000	%	Current Year To Date 30/6/2025 RM'000	Preceding Year To Date 30/6/2024 RM'000	Amount RM'000	%		Amount RM'000	%
Revenue											
Construction	354,090	258,754	95,336	36.8%	700,324	455,968	244,356	53.6%	346,234	7,856	2.3%
Manufacturing & Trading	77,090	58,366	18,724	32.1%	151,990	119,756	32,234	26.9%	74,900	2,190	2.9%
Property Development	45,941	756	45,185	5977%	151,172	3,523	147,649	4191%	105,231	(59,290)	-56.3%
Investment	4,972	1,470	3,502	238.2%	6,424	2,934	3,490	119.0%	1,452	3,520	242.4%
Elimination	(49,880)	(37,070)	(12,810)	34.6%	(117,989)	(94,846)	(23,143)	24.4%	(68,109)	18,229	-26.8%
Consolidated revenue	432,213	282,276	149,937	53.1%	891,921	487,335	404,586	83.0%	459,708	(27,495)	-6.0%
Gross profit/(loss) ("GP")											
Construction	23,884	11,259	12,625	112.1%	46,936	20,654	26,282	127.2%	23,052	832	3.6%
Manufacturing & Trading	15,935	10,833	5,102	47.1%	31,113	22,290	8,823	39.6%	15,178	757	5.0%
Property Development	12,658	87	12,571	14449%	41,894	(171)	42,065	-24599%	29,236	(16,578)	-56.7%
Investment	4,972	1,470	3,502	238.2%	6,424	2,934	3,490	119.0%	1,452	3,520	242.4%
Elimination	(3,908)	(6,048)	2,140	-35.4%	(11,648)	(11,390)	(258)	2.3%	(7,740)	3,832	-49.5%

KIMLUN CORPORATION BERHAD (867077-X)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2025

	Individual Quarter (Quarter 2)		Changes		Cumulative Period		Changes		Preceding Quarter 31/3/2025 RM'000	Current quarter compared to preceding quarter	
	Current Year Quarter 30/6/2025 RM'000	Preceding Year Quarter 30/6/2024 RM'000	Amount RM'000	%	Current Year To Date 30/6/2025 RM'000	Preceding Year To Date 30/6/2024 RM'000	Amount RM'000	%		Amount RM'000	%
Consolidated GP	53,541	17,601	35,940	204.2%	114,719	34,317	80,402	234.3%	61,178	(7,637)	-12.5%
GP margin											
Construction	6.7%	4.4%			6.7%	4.5%			6.7%		
Manufacturing & Trading	20.7%	18.6%			20.5%	18.6%			20.3%		
Property Development	27.6%	11.5%			27.7%	-4.9%			27.8%		
Investment	100.0%	100.0%			100.0%	100.0%			100.0%		
Consolidated GP margin	12.4%	6.2%			12.9%	7.0%			13.3%		
Other income	782	43,946	(43,164)	-98.2%	1,657	45,535	(43,878)	-96.4%	875	(93)	-10.6%
Selling & administrative expenses	(12,960)	(13,309)	349	-2.6%	(31,261)	(24,798)	(6,463)	26.1%	(18,301)	5,341	-29.2%
Finance costs	(9,169)	(5,896)	(3,273)	55.5%	(17,883)	(11,209)	(6,674)	59.5%	(8,714)	(455)	5.2%
Share of (loss) of joint ventures	473	(10)	483	-4830%	887	(98)	985	1005%	414	59	14.3%
Share of (loss) of associate company	(7)	-	(7)	∞	(167)	-	(167)	∞	(160)	153	-95.6%
(Loss)/profit before tax	32,660	42,332	(9,672)	-22.8%	67,952	43,747	24,205	55.3%	35,292	(2,632)	-7.5%
(Loss)/profit net of tax	23,559	31,135	(7,576)	-24.3%	48,618	31,512	17,106	54.3%	25,059	(1,500)	-6.0%

KIMLUN CORPORATION BERHAD (867077-X)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2025

NOTES TO REPORT

PART B – ADDITIONAL INFORMATION AS REQUIRED BY LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)

B1. Operating Segments Review

- (a) Quarter 2 Financial Year Ending 31 December (“FY”) 2025 (“current quarter”) vs Quarter 2 FY2024

Consolidated revenue of RM432.21 million for the current quarter was RM149.94 million (53.1%) higher compared to RM282.28 million recorded in Quarter 2 FY2024. Consolidated gross profit (“GP”) of RM53.54 million for the current quarter was RM35.94 million (204.2%) higher compared to RM17.60 million recorded in Quarter 2 FY2024.

Other income of RM0.78 million for the current quarter was RM43.16 million (98.2%) lower compared to Quarter 2 FY2024.

Selling and administrative (“S&A”) expenses of RM12.96 million for the current quarter was slightly lower compared to Quarter 2 FY2024.

Finance costs of RM9.17 million for the current quarter were RM3.27 million (55.5%) higher compared to Quarter 2 FY2024.

Share of profit of joint ventures of RM0.47 million for the current quarter was higher compared to Quarter 2 FY2024.

Due to the variances stated above, the Group recorded a lower profit before tax (“PBT”) of RM32.66 million for the current quarter against RM42.33 million of Quarter 2 FY2024. Profit net of tax was accordingly lower at RM23.56 million in the current quarter.

- (b) Year to date FY2025 (“YTD 2025”) compared to year-to-date FY2024 (“YTD 2024”)

Consolidated revenue of RM891.92 million for YTD 2025 was RM404.59 million (83.0%) higher compared to RM487.34 million recorded in YTD 2024. Consolidated GP of RM114.72 million for YTD 2025 was RM80.40 million (234.3%) higher compared to RM34.32 million recorded in YTD 2024.

Other income of RM1.66 million for YTD 2025 was RM43.88 million (96.4%) lower compared to YTD 2024.

S&A expenses of RM31.26 million for YTD 2025 was RM6.46 million (26.1%) higher compared to YTD 2024.

Finance costs of RM17.88 million for YTD 2025 were RM6.67 million (59.5%) higher compared to YTD 2024.

Share of profit of joint ventures of RM0.89 million for YTD 2025 was higher compared to YTD 2024.

KIMLUN CORPORATION BERHAD (867077-X)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2025

Due to the variances stated above, the Group recorded a higher PBT of RM67.95 million for YTD 2025 against RM43.75 million of YTD 2024. Profit net of tax was accordingly higher at RM48.62 million for YTD 2025.

(c) Performance review

For the current quarter and YTD 2025, the increase in the consolidated revenue was attributable to the increase in external sales revenue (“external revenue”) generated by all the active business divisions.

The construction division’s external revenue was higher in the current quarter and YTD 2025 mainly attributable to revenue contribution from the sizable balance order of RM3.1 billion brought down from 31 December 2024.

The M&T division’s external revenue was higher in the current quarter and YTD 2025 mainly attributable to the acceleration of the production and sales of orders in hand supported by higher production capacity after the expansion of manufacturing plant.

The property development (“PD”) division’s external revenue was multifold higher in the current quarter and YTD 2025 attributable to the launching and sales of a new development project in Johor Bahru (“New Development Project”).

The improvement in the consolidated GP in the current quarter and YTD 2025 was attributable to higher GP generated by all the active business divisions on the back of higher revenue, as well as better GP margin on economic of scale from higher level of operation.

Other income was lower in the current quarter and YTD 2025 compared to last year’s corresponding period as there was a significant reversal of allowance of impairment on trade receivable and contract asset aggregating RM43.52 million in relation to a customer in last year’s corresponding period.

S&A expenses were higher in the current quarter and YTD 2025 mainly due to higher human resources costs in line with higher scale of operation, and agent commissions in relation to the sales of the New Development Project, partly offset by a lower foreign exchange loss.

Finance costs were higher in the current quarter and YTD 2025 mainly due to higher utilization of bank facilities to fund larger scale of operation.

Share of profit of joint ventures was higher in the current quarter and YTD 2025 due to higher profit contribution from the quarry business.

(d) Group Cash Flow Review

RM56.94 million net cash was used in operating activities, in line with working capital requirements of larger scale of operation and preliminary costs of new projects. RM32.92 million net cash was used in investing activities, mainly for the acquisition of PPE. RM71.08 million net cash was generated from financing activities, mainly attributable to higher utilization of bank facilities for working capital and acquisition of PPE and development land.

KIMLUN CORPORATION BERHAD (867077-X)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2025

B2. Material Changes In The Quarterly Results Compared To The Results Of The Preceding Quarter

Consolidated revenue recorded in the current quarter was RM27.50 million (6.0%) lower compared to the preceding quarter due to lower revenue generated by the PD division. The New Development Project launched in the preceding quarter generated lumpy revenue in preceding quarter as it was launched after its stage of construction has exceeded 50%, and its international lots were substantially sold during the preceding quarter.

GP in the current quarter was RM7.64 million (12.5%) lower compared to the preceding quarter, in line with lower revenue from the more profitable PD division.

S&A expenses in the current quarter were RM5.34 million (29.2%) lower compared to the preceding quarter mainly due to lower agent commissions incurred on the sales of the New Development Project and lower stamp duty and legal fee incurred on new banking facilities loan documentation.

The higher finance costs in the current quarter were mainly caused by the factors stated in section B1(c) above.

Overall, the Group recorded a lower PBT and PAT for the current quarter compared to the preceding quarter.

B3. Prospects For 2025

The Group has an estimated construction and manufacturing balance order book of approximately RM2.76 billion and RM0.35 billion respectively as at 30 June 2025, contributed by numerous construction contracts and supply contracts. The balance order book provides a good earnings visibility to the Group and is expected to keep the Group busy for the next 2 to 3 years.

Our on-going projects and sales orders comprises contracts secured from, amongst other, Samling Resources Sdn Bhd, Eco World Development Group Berhad group, UEM Sunrise Bhd Group, S P Setia Bhd Group and China Communications Construction Company Ltd. Our on-going projects and sales orders include the following:

- (a) the SSRL Project for a contract sum of RM0.78 billion. The estimated completion period of the project is year 2026;
- (b) Design and build project for 1 block of service apartment and amenities in Johor for a contract sum of RM98.85 million. The estimated completion period of the project is year 2026; and
- (c) Few sales orders for the supply of IBS components and tunnel lining segments ("TLS") to Singapore MRT project. The estimated completion period of these sales orders is year 2026.

The Board is optimistic that the construction sector of Malaysia and Singapore will continue to be vibrant in 2025, thus offer order book replenishment prospects.

Malaysia Construction Sector

The Group expects some tender opportunities from the following public sector projects in 2025:

Highway projects in East Malaysia;

Road upgrading works in Johor;

KIMLUN CORPORATION BERHAD (867077-X)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2025

Penang LRT projects; and

Affordable housing projects

Further, the Group's construction arm will undertake construction works for in-house property developments projects as detailed in the ensuing section of this report. Meanwhile, the Group will be selective and remain cautious in the bidding of other private sector projects, to mitigate credit risks.

Singapore Construction Sector

The Building and Construction Authority (BCA) projects the total construction demand, i.e. the value of construction contracts to be awarded, to range between S\$47 billion and S\$53 billion in nominal terms in 2025.

The strong demand is underpinned by the expected award of contracts for several large-scale developments, such as Changi Airport Terminal 5 (T5) and the expansion of the Marina Bay Sands Integrated Resort, alongside public housing development and upgrading works. Other contributors include high-specification industrial buildings, educational developments, healthcare facilities, Mechanical and Engineering contracts for the Thomson-East Coast Line Extension (TEL) and Cross Island Line (CRL), and infrastructure works for the Woodlands Checkpoint extension and the Tuas Port.

Over the medium-term, BCA expects the total construction demand to reach an average of between S\$39 billion and S\$46 billion per year from 2026 to 2029.

Our subsidiary SPC Industries Sdn Bhd ("SPC") has very strong track record in the supply of precast components including TLS, concrete rail sleepers and jacking pipes to large public sector infrastructure projects in Singapore including Singapore MRT projects, Deep Tunnel Sewerage System Phase 2 and Singapore Power's underground cable tunnel.

Further, SPC has been a frequent supplier of IBS components to various projects in Singapore.

With its strong track record in Singapore, SPC is well positioned to compete for further potential sales orders from Singapore.

Property Development Division

The Group began the sales of a service apartment development project in Masai, Johor, namely Pinegate Residency Phase 1, with estimated gross development value ("GDV") of approximately RM320 million, in January 2025.

Further, its associate company, Astaka Kimlun Sdn Bhd, launched a service apartment development project in Johor Bahru, Johor, namely Arden Residence, with estimated GDV of approximately RM800 million, in March 2025.

The developments received good take up rate and will contribute positively to the Group's profit.

The Group targets to launch Pinegate Residency Phase 2, with estimated GDV of approximately RM330 million, in the last quarter of 2025. Further, the Group expects to submit its development planning applications in relation to few of its land bank for the relevant authorities' approval this year.

KIMLUN CORPORATION BERHAD (867077-X)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2025

B4. Profit Forecast And Profit Estimate

The Group did not issue any profit forecast or profit estimate previously in any public document.

B5. Profit Before Tax

The following items have been included in arriving at profit before tax:

	Current Quarter 3 months ended 30.6.2025 RM'000	Cumulative Quarter 6 months ended 30.6.2025 RM'000
(a) interest income	629	1,271
(b) other income including investment Income	153	292
(c) interest expense	9,169	17,883
(d) depreciation and amortization	11,997	23,067
(e) provision for and write off of receivables	0	0
(f) provision for and write off of inventories	0	0
(g) (gain) or loss on disposal of quoted or unquoted investments or properties	(330)	(424)
(h) impairment of assets	0	0
(i) foreign exchange (gain) or loss	24	196
(j) gain or loss on derivatives	0	0
(k) exceptional items	0	0

B6. Taxation

	Current Quarter 3 months ended 30.6.2025 RM'000	Cumulative Quarter 6 months ended 30.6.2025 RM'000
In respect of the current period		
- Income tax	7,392	16,589
- Deferred tax	1,708	3,097
	<u>9,100</u>	<u>19,686</u>
In respect of prior year		
- Income tax	-	-
- Deferred tax	1	(352)
	<u>9,101</u>	<u>19,334</u>

KIMLUN CORPORATION BERHAD (867077-X)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2025

The effective tax rate for the period under review was higher than the statutory rate applicable to the Group as certain expenses were disallowed for tax deduction under tax regulations, and potential deferred tax benefits on unutilized tax losses were not recognised on prudent basis.

B7. Status of Corporate Proposals

- (a) At the Annual General Meeting held on 3 June 2025 ("16th AGM"), the shareholders approved the declaration of a final single tier dividend of RM0.02 per ordinary share in respect of the financial year ended 31 December 2024 ("FYE 2024 Final Dividend"). The FYE 2024 Final Dividend was paid on 24 July 2025.
- (b) The Company ("Kimlun") proposes to undertake a private placement of up to 35,336,200 new ordinary shares in Kimlun ("Placement Share"), representing up to approximately 10% of the total number of issued shares of Kimlun (excluding treasury shares) pursuant to Sections 75 and 76 of the Companies Act 2016 ("Act") ("Proposed Private Placement").

Bursa Securities Malaysia Bhd ("Bursa Securities") had, vide its letter dated 12 August 2025 approved the listing of and quotation for up to 35,336,200 Placement Shares to be issued pursuant to the Proposed Private Placement subject to the following conditions:

- (i) Kimlun and the principal adviser, RHB Investment Bank, must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities pertaining to the implementation of the Proposed Private Placement;
- (ii) Kimlun and RHB Investment Bank are required to inform Bursa Securities upon the completion of the Proposed Private Placement;
- (iii) Kimlun is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed;
- (iv) Kimlun is required to furnish Bursa Securities with a certified true copy of the resolution passed by shareholders of the Company pursuant to Sections 75 and 76 of the Act, in the event the current general mandate expires prior to the completion of the Proposed Private Placement; and
- (v) additional listing fee payable based on the final issue price together with a copy of the details of the computation of the amount of listing fees payable (where applicable).

On 19 August 2025, Kimlun announced that the issue price of the Placement Shares has been fixed at RM1.19 per Placement Share.

The Proposed Private Placement has yet to be completed as at the LPD.

KIMLUN CORPORATION BERHAD (867077-X)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2025

B8. Group Borrowings and Debts Securities

The Group's borrowings and debts securities as at 30 June 2025 are as follows:

	Interest rate per annum YTD 2024	As at 30.6.2025 RM'000	As at 30.6.2024 RM'000
Long term borrowings			
<u>Secured:</u>			
Hire purchase creditors	1.88% to 3.61%	37,657	32,797
Term loans	4.92% to 6.82%	205,883	182,412
<u>Unsecured:</u>			
IMTN	5.06%	30,000	55,000
		273,540	270,209
Short term borrowings			
<u>Secured:</u>			
Bank overdraft	5.26% to 7.89%	3,154	4,229
Hire purchase creditors	1.88% to 3.61%	22,262	14,085
Bankers' acceptance	4.30% to 4.87%	66,963	95,674
Invoice financing	3.13% to 7.70%	275,384	158,229
Term loans and revolving credits	4.92% to 6.82%	38,615	30,229
<u>Unsecured:</u>			
IMTN and ICP	4.87% to 5.25%	89,910	35,010
		496,288	337,456

The borrowings are denominated in the following currencies:

	As at 30.6.2025 RM'000	As at 30.6.2024 RM'000
Long term borrowings		
Ringgit Malaysia	273,540	270,209
Short term borrowings		
Ringgit Malaysia	492,317	331,110
Singapore Dollar	3,971	6,346
	496,288	337,456

All borrowings, other than hire purchase financing, IMTN and ICP which are based on fixed interest rate, are based on floating interest rate.

KIMLUN CORPORATION BERHAD (867077-X)
UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2025

B9. Material Litigation

There was no material litigation as at the LPD.

B10. Dividends

- (a) The FYE 2024 Final Dividend was approved by the Shareholders at the 16th AGM, as detailed in Note B7(a).
- (b) The Board of Directors does not recommend the payment of any interim dividend for the financial quarter ended 30 June 2025.
- (c) Dividend declared during the previous year's corresponding period:

A final single-tier dividend of RM0.01 per share in respect of the financial year ended 31 December 2023.

B11. Earnings/(Loss) Per Share

	Current Quarter Ended		Year to-Date Ended	
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
Profit/(loss) attributable to owners of the Company (RM'000)	32,643	31,294	48,850	31,831
Weighted average number of ordinary shares in issue ('000)	353,363	353,360	353,363	353,360
Assumed shares issued from the exercise of warrants ('000)	0	0	0	0
Adjusted weighted average number of ordinary shares in issue ('000)	353,363	353,360	353,363	353,360
Basic earnings per share ("BEPS") (Sen)	6.69	8.86	13.82	9.01
Diluted earnings per share ("DEPS") (Sen)	6.69	8.86	13.82	9.01

BEPS is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period.

DEPS is calculated by dividing the profit attributable to owners of the Company by the adjusted weighted average number of ordinary shares in issue during the financial period.