AWC BERHAD

(Company No. 550098-A)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 31 DECEMBER 2025

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Note	CURRENT PERIOD QUARTER 31/12/2025 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2024 RM'000	CURRENT PERIOD TO DATE 31/12/2025 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2024 RM'000
Revenue	13	105,549	116,796	203,154	211,162
Cost of sales		(84,038)	(92,445)	(160,000)	(163,511)
Gross profit		**21,511**	**24,351**	**43,154**	**47,651**
Other operating income		349	1,225	969	2,071
Other operating expenses		(15,597)	(16,464)	(31,945)	(32,231)
Profit from operations		**6,263**	**9,112**	**12,178**	**17,491**
Finance income, net		(281)	(578)	(622)	(1,219)
Profit before taxation	**13**	**5,982**	**8,534**	**11,556**	**16,272**
Taxation	17	(1,903)	(2,238)	(3,324)	(3,707)
Zakat		(30)	(30)	(80)	(60)
Profit after taxation for the financial period		**4,049**	**6,266**	**8,152**	**12,505**
Other comprehensive income:					
Foreign currency translation differences		(2,474)	3,362	(3,356)	(4,722)
Total comprehensive income for the financial period		**1,575**	**9,628**	**4,796**	**7,783**
Profit attributable to:					
Owners of the Company		**4,049**	**6,266**	**8,152**	**12,505**
Total comprehensive income attributable to:					
Owners of the Company		**1,575**	**9,628**	**4,796**	**7,783**
Basic earnings per share (sen)	**22**	**1.21**	**1.93**	**2.41**	**3.83**

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2025.

The accompanying notes are an integral part of this statement.

AWC BERHAD
(Company No. 550098-A)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2025

	Note	(Unaudited) AS AT 31/12/2025 RM'000	(Audited) AS AT 30/6/2025 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment		19,199	18,853
Investment properties		5,200	5,200
Intangible assets		31,439	31,439
Other Financial Asset		1,285	1,327
Deferred tax assets		6,183	5,963
Right of use assets		4,443	3,847
		67,749	**66,629**
CURRENT ASSETS			
Inventories		28,867	26,929
Tax recoverable		12,915	12,842
Other receivables		44,704	30,885
Trade receivables		74,908	112,471
Contract assets		35,374	47,567
Short term investment		40,027	3,244
Deposits with licensed banks, cash and bank balances		121,263	134,510
		358,058	**368,448**
TOTAL ASSETS		**425,807**	**435,077**
EQUITY AND LIABILITIES			
Equity			
Share capital		131,642	129,451
Treasury shares		(1,287)	(1,287)
Foreign exchange reserve		823	4,179
Revaluation reserve		4,578	4,578
Statutory reserve		228	228
Share option reserve		-	(150)
Retained profits		97,921	92,142
Equity attributable to owners of the Company		**233,905**	**229,141**
Non-controlling interests		-	-
Total Equity		**233,905**	**229,141**
NON-CURRENT LIABILITIES			
Loans and borrowings	19	45,344	50,341
Deferred tax liabilities		43	26
		45,387	**50,367**
CURRENT LIABILITIES			
Other payables		25,917	25,492
Trade payables		48,393	54,561
Employee benefits		1,529	1,495
Provision for taxation		4,169	3,797
Loans and borrowings	19	46,444	46,897
Contract liabilities		20,063	23,327
		146,515	**155,569**
TOTAL LIABILITIES		**191,902**	**205,936**
TOTAL EQUITY AND LIABILITIES		**425,807**	**435,077**
NET ASSETS PER SHARE (SEN)		**69.1**	**65.4**

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2025.

The accompanying notes are an integral part of this statement.

AWC BERHAD

(Company No. 550098-A)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2025

	CURRENT PERIOD TO DATE 31/12/2025 RM'000	PREVIOUS PERIOD TO DATE 31/12/2024 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before taxation	11,556	16,272
Adjustments for:		
Allowance for impairment lossess on trade receivables	782	561
Allowance for slow moving inventories	210	101
Reversal of impairment on trade receivables	(429)	(646)
Depreciation of property, plant and equipment	1,578	1,645
Depreciation of right of use asset	1,102	1,001
Property, plant and equipment written off	-	5
Loss on revaluation of investment properties	-	200
Fair value gain on other financial asset	(5)	-
Gain on disposal of property, plant and equipment	(38)	(267)
Unrealised loss on foreign exchange	138	94
Finance costs/(income),net	622	1,219
Operating profit before working capital changes	**15,516**	**20,185**
Decrease in inventories	(2,149)	782
Decrease in receivables	35,583	40,916
Decrease in payables	(10,562)	(4,177)
Cash generated from operations	**38,388**	**57,706**
Interest paid	(2,110)	(2,537)
Taxes paid	(3,229)	(3,778)
Zakat paid	(80)	(60)
Net cash generated from operating activities	**32,969**	**51,331**
CASH FLOWS FROM INVESTING ACTIVITIES		
Placement of short term investment	(36,782)	(38,118)
Purchase of property, plant and equipment	(2,138)	(1,460)
Addition to other financial asset	(404)	-
Proceeds from disposals of property, plant and equipment	144	271
Proceeds from disposals of other financial asset	451	-
Interest received	1,488	1,318
Net cash used in investing activities	**(37,241)**	**(37,989)**
CASH FLOWS FOR FINANCING ACTIVITIES		
Repayment of revolving credit/term loans	(1,003)	(2,510)
Drawdown/(Repayment) of hire purchase and lease payables	552	(608)
Repayment of trade loan	(4,997)	(6,192)
Repayment of overdraft facilities	(1)	(4)
Proceed from exercise of employee share options	1,665	1,268
Dividends paid to owners	(1,697)	(1,666)
Net cash used in financing activities	**(5,481)**	**(9,712)**
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	**(9,753)**	**3,630**
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	**134,510**	**119,238**
Effects of exchange differences	(3,494)	(4,816)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	**121,263**	**118,052**
Cash and cash equivalents comprise:		
Cash and bank balances	62,085	47,918
Deposits with licensed bank	59,178	70,134
	121,263	**118,052**

The Condensed Consolidated Statement of Cash flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2025.

The accompanying notes are an integral part of this statement.

AWC BERHAD

(Company No. 550098-A)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2025

	Share Capital RM'000	Treasury Shares RM'000	Foreign Exchange Reserves RM'000	Revaluation Reserves RM'000	Share Option Reserves RM'000	Statutory Reserves RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
31 December 2025								
At 1 July 2025	129,451	(1,287)	4,179	4,578	(150)	228	92,142	229,141
Profit after taxation for the financial period	-	-	-	-	-	-	8,152	8,152
Other comprehensive income for the financial period								
- Foreign currency translation reserve	-	-	(3,356)	-	-	-	-	(3,356)
	-	-	(3,356)	-	-	-	-	(3,356)
Total comprehensive income for the financial period	-	-	(3,356)	-	-	-	8,152	4,796
Transaction with owners:								
- Exercise of employee share options	1,665	-	-	-	-	-	-	1,665
- Share options lapsed	526				150	-	(676)	-
- Dividends paid on shares to owner of the company	-	-	-	-	-	-	(1,697)	(1,697)
At 31 December 2025	**131,642**	**(1,287)**	**823**	**4,578**	**(0)**	**228**	**97,921**	**233,905**
31 December 2024								
At 1 July 2024	126,504	(1,287)	9,875	4,496	450	-	71,598	211,636
Profit after taxation for the financial period	-	-	-	-	-	-	12,505	12,505
Other comprehensive income for the financial period								
- Foreign currency translation reserve	-	-	(4,722)	-	-	-	-	(4,722)
	-	-	(4,722)	-	-	-	-	(4,722)
Total comprehensive income for the financial period	-	-	(4,722)	-	-	-	12,505	7,783
Transaction with owners:								
- Exercise of employee share options	1,268	-	-	-	-	-	-	1,268
- Dividends paid on shares to owner of the company	-	-	-	-	-	-	(1,666)	(1,666)
At 31 December 2024	**127,772**	**(1,287)**	**5,153**	**4,496**	**450**	**-**	**82,437**	**219,021**

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2025.

The accompanying notes are an integral part of this statement.

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS"), MFRS 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2025.

These explanatory notes attached to the 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 financial year ended 30 June 2025.

Adoption of amendments/improvements to MFRSs

The Group and the Company have adopted the following amendments to MFRSs for the current financial year:

Amendments to MFRSs	
MFRS 7	Financial Instruments: Disclosures
MFRS 16	Leases
MFRS 101	Presentation of Financial Statements
MFRS 107	Statements of Cash Flows

The adoption of the above amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

1. BASIS OF PREPARATION (CONTINUED)

New MFRSs and amendments to MFRSs that have been issued, but yet to be effective:

The Group and the Company have not adopted the following new MFRSs and amendments to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New MFRS		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
MFRS 7	Financial Instruments: Disclosures	1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 107	Statement of Cash Flows	1 January 2026
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

The Group and the Company plan to adopt the above applicable new MFRSs and amendments to MFRSs when they become effective.

2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 30 June 2025 was not subject to any audit qualification.

3. SEASONAL OR CYCLICAL FACTORS

The Group's business was not affected by any significant seasonal or cyclical factors during the current quarter under review.

4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There was no unusual item affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

5. CHANGE IN ESTIMATES

There was no change in estimates of amounts reported in the prior financial year that have a material effect in the current quarter under review.

6. DEBT AND EQUITY SECURITIES

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

Treasury Shares
The number of treasury shares held as at 31 December 2025 is as follows: -

	No. of shares	Amount RM
Balance of treasury shares as at 1 July 2025	4,628,700	1,287,081
Add: Purchase of treasury shares during the year under review	-	-
Balance of treasury shares as at 31 December 2025	4,628,700	1,287,081

7. DIVIDENDS PAID

On 30 December 2025, the Company paid a Final Single-Tier Dividend of 0.5 sen per ordinary share in respect of the financial year ended 30 June 2025 amounting to approximately RM1.7m.

8. SEGMENTAL INFORMATION

The segment information for the current period ended 31 December 2025 is as follows:

	Investment Holding	Facilities Division	Engineering Division	Environment Division	Rail Division	Others Division	Adjustments and Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	10,440	115,804	54,453	36,952	13,307	-	(27,802)	203,154
Profit/(Loss) before tax	6,828	1,389	4,796	7,073	1,321	(22)	(9,829)	11,556
Segment assets	253,889	151,508	72,011	131,395	69,363	10	(252,369)	425,807

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2025

9. CARRYING AMOUNT OF REVALUED ASSETS

Not Applicable.

10. SIGNIFICANT AND SUBSEQUENT EVENT

No material events subsequent to 31 December 2025 to the date of this report that have not been reflected in the financial statements for current financial year.

11. CHANGES IN COMPOSITION OF THE GROUP

There was no change in the composition of the Group during the current quarter under review.

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

13. PERFORMANCE REVIEW BY SEGMENTS

Revenue	Current quarter ended 31 December 2025 RM'000	Preceding year corresponding quarter ended 31 December 2024 RM'000	Current period to-date ended 31 December 2025 RM'000	Preceding year corresponding period ended 31 December 2024 RM'000
Facilities	62,060	61,409	115,804	115,351
Environment	18,506	22,580	36,952	44,104
Engineering	29,534	22,044	54,453	41,921
Investment holdings	6,169	5,270	10,440	9,541
Rail	6,514	17,998	13,307	24,787
Total	122,783	129,301	230,956	235,704
Less: Elimination	(17,234)	(12,505)	(27,802)	(24,542)
Consolidated Total	**105,549**	**116,796**	**203,154**	**211,162**

Profit/(Loss) before tax	Current quarter ended 31 December 2025 RM'000	Preceding year corresponding quarter ended 31 December 2024 RM'000	Current period to-date ended 31 December 2025 RM'000	Preceding year corresponding period ended 31 December 2024 RM'000
Facilities	997	751	1,389	1,041
Environment	3,868	5,630	7,073	10,941
Engineering	2,620	1,074	4,796	3,225
Investment holdings	4,129	3,295	6,828	5,774
Rail	324	2,542	1,321	3,813
Others	(16)	(8)	(22)	(22)
Total	11,922	13,284	21,385	24,772
Less: Elimination	(5,940)	(4,750)	(9,829)	(8,500)
Consolidated Total	**5,982**	**8,534**	**11,556**	**16,272**

13. PERFORMANCE REVIEW BY SEGMENTS (CONTINUED)

13.1 Facilities Division

Quarter on Quarter ("QoQ")

The revenue for the current quarter Q2/FY26 was RM62.1m vs RM53.7m in Q1/FY26, an increase of RM8.4m/15.5% mainly from the Healthcare segment.

As for profitability, the division recorded a PBT of RM1.0m in Q2/FY26 as compared to PBT of RM0.4m in Q1/FY26, an increase of RM0.6m/>100%.

Current quarter vs preceding year corresponding quarter

The revenue for Q2/FY26 increased marginally by 1.1% to RM62.1m from RM61.4m in Q2/FY25.

The division recorded a PBT of RM1.0m in the current quarter under review Q2/FY26 as compared to PBT of RM0.8m in Q2/FY25, an increase of RM0.2m/32.8%.

13.2 Environment Division

QoQ

Revenue remained relatively stable compared to the preceding quarter.

The division recorded a PBT of RM3.9m in Q2/FY26 as compared to PBT of RM3.2m in Q1/FY26, an increase of RM0.7m/20.7%.

13. PERFORMANCE REVIEW BY SEGMENTS (CONTINUED)

13.2 Environment Division(continued)

Current quarter vs preceding year corresponding quarter

The revenue for the current quarter Q2/FY26 was RM18.5m vs RM22.6m in Q2/FY25, a decrease of RM4.1m/18.0% mainly due to slower project progress especially in Abu Dhabi and Dubai.

Hence the division recorded a PBT of RM3.9m in Q2/FY26 vs a PBT of RM5.6m in Q2/FY25, a decrease of RM1.7m/31.3%.

13.3 Engineering Division

QoQ

The revenue for the current quarter Q2/FY26 was RM29.5m vs RM24.9m in Q1/FY26, an increase of RM4.6m/18.5%. The higher revenue recorded was mainly attributable to higher project progress from the Air-cond segment during the current quarter under review (including intercompany revenue of RM4.8m).

As a result, the division recorded a PBT of RM2.6m in Q2/FY26 vs a PBT of RM2.2m in Q1/FY26, an increase of RM0.4m/20.4%.

Current quarter vs preceding year corresponding quarter

The revenue for the current quarter Q2/FY26 was RM29.5m vs RM22.0m in Q2/FY25, an increase of RM7.5m/34.0%. The higher revenue recorded was mainly attributable to higher project progress from the Air-cond segment during the current quarter under review.

As a result, the division recorded a PBT of RM2.6m in Q2/FY26 vs a PBT of RM1.1m in Q2/FY25, an increase of RM1.5m/>100%.

13. PERFORMANCE REVIEW BY SEGMENTS (CONTINUED)

13.4 Rail Division

QoQ

The Division recorded a slightly lower revenue for Q2/FY26 of RM6.5m compared to RM6.8m in Q1/FY26, a decrease of RM0.3m/4.1% due to lower order fulfilment and project deliverables during the quarter under review.

Hence the division recorded a lower PBT of RM0.3m in Q2/FY26 vs a PBT of RM1.0m in Q1/FY26, a decrease of RM0.7m/67.5% in the current quarter, mainly due to lower margin mix in Q2/FY26 (20.6% vs 26.0%).

Current quarter vs preceding year corresponding quarter

The Division recorded a lower revenue for Q2/FY26 of RM6.5m compared to RM18.0m in Q2/FY25, a decrease of RM11.5m/63.8% due to lower order fulfilment and project deliverables during the quarter under review.

As a result, the division recorded a PBT of RM0.3m in Q2/FY26 vs a PBT of RM2.5m in Q2/FY25, a decrease of RM2.2m/87.3% during the current quarter.

14. COMMENTARY ON MATERIAL VARIATION IN REVENUE AND PROFIT BEFORE TAXATION AGAINST PRECEDING QUARTER

	Current quarter ended 31 December 2025	Preceding quarter ended 30 September 2025	Favorable/ (Adverse) Variance
	RM'000	RM'000	RM'000
Revenue	105,549	97,605	7,944
Profit before taxation and zakat	5,982	5,574	408

On a Q-on-Q basis, revenue increased by RM7.9m/8.1%, mainly due to higher contributions from the Facilities Divisions as highlighted above. Arising from this and other factors noted under the respective business segments, the Group recorded a slightly higher profit before tax (PBT) of RM6.0m compared to RM5.6m in the immediate preceding quarter, an increase of RM0.4m/7.3%.

15. COMMENTARY ON PROSPECTS

The Board remains positively guided on the Group's prospects for the financial year ending 30 June 2026, underpinned by improved order book visibility and continued operational execution across its divisions.

As at 31 December 2025, the Group's order book strengthened significantly to RM909 million, compared to RM528 million as at 30 September 2025, reflecting successful contract wins secured during the quarter under review.

While the conversion of order book into revenue is naturally aligned with project milestones and contractual implementation schedules, the Group maintains active oversight over project delivery and continues to work closely with clients and stakeholders to ensure orderly execution. The enlarged order book provides a solid foundation for earnings sustainability in the forthcoming financial periods.

We set out below our analysis of prospects by Divisions:

15.1 Facilities Division

The Division continues to generate stable recurring income from its long-term maintenance concession for the Southern Region and Sarawak, which encompasses both standard maintenance services and the Critical Asset Refurbishment Programme ("CARP"). The 10-year concession, originally scheduled to expire on 31 December 2025, has been granted a one-year extension to 31 December 2026, adding approximately RM63.7 million to the Division's order book and reinforcing earnings continuity.

As at 31 December 2025, the Division's total outstanding order book stood at approximately RM465 million, compared to RM228 million as at 30 September 2025. The significant increase during the quarter under review was driven by the concession extension together with the award of two new facilities management contracts valued at RM82.5 million and RM99.1 million, respectively. The enlarged order book enhances revenue visibility and strengthens the Division's earnings foundation over the medium term.

In particular, the RM99.1 million contract represents the Division's strategic expansion into the mission-critical and high-technology facilities management segment. This development reflects the Division's growing technical depth and capability to support infrastructure-intensive and performance-sensitive environments, further broadening its service portfolio and market positioning.

With a healthy pipeline of tenders under evaluation and additional submissions planned, the Division remains focused on disciplined execution and selective growth. The expanding portfolio of concession and non-concession contracts, aligned with its core technical competencies, positions the Division to deliver sustainable growth and improved margin resilience over the medium term.

15. COMMENTARY ON PROSPECTS (CONTINUED)

15.2 Environment Division

The Environment Division remains supported by a stable and growing order book. As at 31 December 2025, the Division's outstanding order book increased to approximately RM224 million, compared to RM173 million as at 30 September 2025, representing a historical high for the Division and reflecting additional project awards secured during the quarter under review.

With secured contracts extending into the next two financial years, the Division continues to emphasise execution discipline, cost optimisation and margin preservation. While revenue recognition and progress billing may vary between quarters depending on implementation phases, overall execution remains within the Division's operational expectations.

The enlarged order book enhances earnings visibility and is expected to support sustained contribution to the Group's performance over the medium term. The Division shall further leverage its technical capabilities in automated waste collection and environmental infrastructure solutions to reinforce its premium market positioning.

15.3 Engineering Division

The Engineering Division recorded an increase in its outstanding order book to approximately RM114 million as at 31 December 2025, compared to RM84 million as at 30 September 2025, reflecting additional project wins secured during the quarter under review.

The Division's ongoing projects, encompassing both plumbing and air-conditioning works, remain on schedule and are expected to contribute positively to the Group's earnings over the next one to two years. The plumbing segment continues to secure technology-driven and high-specification building projects that require advanced technical expertise, particularly within mission-critical and infrastructure-intensive environments.

With a strengthened order book and disciplined cost management, the Division remains focused on sustainable performance and selective growth.

15.4 Rail Division

The Rail Division recorded a significant increase in its outstanding order book to approximately RM106 million as at 31 December 2025, compared to RM43 million as at 30 September 2025, reflecting successful contract conversions and procurement wins secured during the quarter under review. The strengthened order book enhances revenue visibility and provides improved earnings support over the forthcoming financial periods.

The Division continues to actively pursue rail-related projects and procurement opportunities both domestically and regionally. Beyond its established agency and principal representations, the Division is engaging with new technology partners and manufacturers capable of offering competitive and value-driven solutions aligned with evolving market priorities in cost efficiency, safety and system reliability.

In parallel, greater emphasis is being placed on expanding service-based and maintenance-related opportunities within the rail sector to strengthen recurring income streams and reduce earnings volatility. These initiatives position the Division to deliver more balanced and sustainable performance over the medium term.

16. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable.

17. INCOME TAX EXPENSE

	Current quarter ended 31 December 2025 RM'000	Period to date ended 31 December 2025 RM'000
Profit before taxation and zakat	5,982	11,556
Income tax expense for the period	(1,903)	(3,324)
Effective tax rate	32%	29%

Domestic income tax is calculated at Malaysian statutory income tax rate of 24% (2025: 24%) of the estimated assessable profit for the financial year.

For other jurisdictions, the income tax rate applicable to the subsidiaries in the United Arab Emirates, Singapore and Indonesia are 9%,17% and 22% respectively (2025: 9%,17% and 22%).

18. CORPORATE PROPOSALS

There was no corporate proposal announced but not completed at the date of this report.

19. LOANS AND BORROWINGS

	As at 31 December 2025 RM'000	As at 31 December 2024 RM'000
Current:		
Term loan	25,338	16,330
Hire purchase	1,040	786
Revolving credit	17,500	18,000
Trade loan	1,386	4,186
Lease Liabilities	1,181	1,378
Bank overdraft	(1)	(4)
Total	46,444	40,676
Non-current:		
Term loan	41,394	53,979
Hire purchase	964	794
Lease Liabilities	2,986	2,172
Total	45,344	56,945
Total loans and borrowings	91,788	97,621

All the above borrowings are denominated in Ringgit Malaysia except for the trade loan and bank overdraft are denominated in Singapore Dollar.

20. MATERIAL LITIGATION

Other than set out below, there is no material litigation which may materially affect the Group for the current quarter under review.

Trackwork & Supplies Sdn. Bhd. ("the Claimant"), a subsidiary of the Company, had through its solicitors, Messrs. Gan Partnership in their letter dated 25 April 2023 requested to commence an arbitration between the Claimant and Emrail Sdn. Bhd. ("the Respondent") made pursuant to Rule 7 of the Arbitration Rules of the Asian International Arbitration Centre (AIAC). The Claimant's claim is based on the purchase orders issued by the Respondent to the Claimant ('the Contract') whereby the Claimant had supplied and delivered materials or goods to the Respondent for a project in relation to restoration of track and slope stabilisation, track rehabilitation and associated works. The Claimant is seeking an order that the Respondent pay the sum of RM2,163,420.00 to the Claimant and/or any order of loss, cost, expenses and/or damages suffered by the Claimant arising from the default in payment by the Respondent.

The Company wishes to inform that the Claimant has on 4 November 2025 received the Final Award of the Arbitrator Tribunal dated 29 October 2025 ("the Award").
In the Award, the Arbitrator had awarded and directed that the Respondent pay the Claimant the following: -

1) The sum of RM2,163,420.00 as the outstanding sum owed by the Respondent to the Claimant, together with interest at the rate of 5% per annum from 15 September 2021 until the date of full and final settlement by the Respondent;
2) The sum of RM303,920.43 as the full costs associated with the arbitral proceedings, including all professional and legal fees and disbursements, as well as the fees and disbursements of the arbitral tribunal and any administering institutions; and
3) The Arbitral Tribunal's fees and the administrative costs of the arbitration (except where such sums have already been included in the preceding item 3) as determined by the AIAC in accordance with the AIAC Arbitration Rules 2021 but in so far as any part thereof may have been paid by the Claimant, the Claimant shall be entitled to recover such payment from the Respondent.

The Respondent's Preliminary Objection to the Arbitral Tribunal's jurisdiction to hear the aforesaid arbitration was dismissed and the Arbitral Tribunal's Interim Award has been reaffirmed.

The Respondent has filed originating summons with its affidavit in support at the Shah Alam High Court to set aside the Award. The Claimant is challenging this and shall file its affidavit in reply accordingly.

The Company will make a further announcement if there is any material update on the aforesaid arbitration.

21. DIVIDEND DECLARED

The Board of Directors is pleased to propose an interim single-tier dividend of 0.5 sen per ordinary share in respect of the financial year ended 30 June 2026. The book closure and payment dates for this dividend will be announced in due course.

22. EARNINGS PER SHARE

The basic earnings per ordinary share of the Group is calculated based on the Group's net profit for the period attributable to owners of the Company over the weighted average number of ordinary shares in issue during the year, excluding treasury shares held by the Company as follows:

	Current quarter ended 31 December 2025	Period to date ended 31 December 2025
Profit attributable to owners of the Company (RM'000)	4,049	8,152
Weighted average number of ordinary shares in issue, excluding treasury shares ('000)	335,989	338,387
Basic earnings per share (sen)	1.21	2.41

There are no shares or other financial instruments in issue which have a dilutive effect on the earnings per share of the Group.

23. REALISED AND UNREALISED PROFITS

	As at 31 December 2025 RM'000
Total retained profits of the Company and its subsidiaries:	
- Realised	234,180
- Unrealised	6,002
	240,182
Less: Consolidation adjustments	(142,261)
Total group retained profit as per consolidated accounts	97,921

24. ITEMS INCLUDED IN CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit from operations for the current quarter and period to date ended 31 December 2025 is stated after charging / (crediting) the following items:

	Current quarter ended 31 December 2025 RM'000	Period to date ended 31 December 2025 RM'000
Depreciation and amortisation	1,357	2,680
Foreign exchange gain	(58)	(80)
Gain on disposal of property, plant and equipment	(18)	(38)
Interest income	(774)	(1,488)
Interest expense	1,055	2,110
Impairment losses on trade receivables	183	782
Reversal of impairment on trade receivables	(45)	(429)
Stock written off	138	210
Other income	(283)	(336)

25. AUTHORISATION FOR ISSUE

This interim financial report has been approved by the Board of Directors of the Company for issuance on 23 February 2026.