MERCURY INDUSTRIES BERHAD

Registration No. 198201008273 (105550-K)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND PERIOD-TO-DATE ENDED 31 DECEMBER 2025

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MERCURY INDUSTRIES BERHAD

Registration No. 198201008273 (105550-K)

Interim Financial Report for the Second Quarter Ended 31 December 2025
Condensed Consolidated Statement of Profit or Loss and
Other Comprehensive Income

	---------------------------- Unaudited		-------------------------------	
	Individual Quarter 3 Months Ended		**Cumulative 6 Months Ended**	
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	RM'000	RM'000	RM'000	RM'000
Revenue	14,479	2,107	29,686	4,315
Cost of sales	(10,641)	(1,818)	(22,025)	(3,762)
Gross profit	3,838	289	7,661	553
Other income	14	1,047	332	1,524
Operating expenses	(1,343)	(1,083)	(3,190)	(1,974)
Profit from operations	2,509	253	4,803	103
Finance income	15	46	33	141
Finance costs	(108)	(325)	(205)	(653)
Profit/(loss) before tax	2,416	(26)	4,631	(409)
Income tax	(747)	-	(1,500)	-
Profit/(loss) for the period	1,669	(26)	3,131	(409)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income/(loss) for the period	1,669	(26)	3,131	(409)
Total comprehensive income/(loss) attributable to owners of the Company	1,669	(26)	3,131	(409)
Earnings/(loss) per share (Sen)	2.36	(0.04)	4.48	(0.64)

The Condensed Consolidated Statements of Profit or Loss And Other Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the financial period ended 30 June 2025.

MERCURY INDUSTRIES BERHAD

Registration No. 198201008273 (105550-K)

Interim Financial Report for the Second Quarter Ended 31 December 2025

Condensed Consolidated Statement of Financial Position

	(Unaudited) As At 31-Dec-25 RM'000	(Audited) As At 30-Jun-25 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	1,025	151
Investment properties	7,490	7,200
Goodwill on consolidation	28,438	28,438
Deferred tax assets	1,393	1,393
Fixed deposits with licensed Financial Institutions	3,555	3,524
	41,901	40,706
Current Assets		
Trade receivables	1,729	1,406
Other receivables	5,342	4,027
Amount due from a related party	333	-
Contract assets	25,152	16,646
Land development cost	27,983	14,694
Other investments	119	123
Cash and bank balances	853	3,170
	61,511	40,066
TOTAL ASSETS	**103,412**	**80,772**
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	85,835	83,885
Accumulated losses	(31,754)	(34,885)
Total equity	54,081	49,000
Non-current Liabilities		
Borrowings	1,410	1,701
Lease liabilities	65	79
Other payables	-	250
Deferred tax liabilities	4	4
	1,479	2,034
Current Liabilities		
Trade payables	13,003	13,311
Other payables	23,175	3,194
Amount due to a corporate shareholder	6,162	2,853
Amount due to a related party	-	6,142
Borrowings	919	782
Lease liabilities	28	27
Bank overdraft	2,777	2,969
Tax payable	1,788	460
	47,852	29,738
TOTAL EQUITY AND LIABILITIES	**103,412**	**80,772**
Net assets per share (RM)	**0.76**	**0.76**

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

MERCURY INDUSTRIES BERHAD

Registration No. 198201008273 (105550-K)

Interim Financial Report for the Second Quarter Ended 31 December 2025

Condensed Consolidated Statements of Changes in Equity

	<-Attributable To Equity holders of the Company->		
	Non-distributable Share Capital	**Accumulated Losses**	**Total Equity**
	RM'000	RM'000	RM'000
Balance as of 1 Jul 2024	81,258	(39,645)	41,613
Transaction with owners			
Issuance of new shares	2,627	-	2,627
Total comprehensive income for the financial year	-	4,760	4,760
Balance as of 30 Jun 2025	83,885	(34,885)	49,000
Transaction with owners:			
Issuance of new shares	1,950	-	1,950
Total comprehensive income for the financial period	-	3,131	3,131
Balance as of 31 Dec 2025	85,835	(31,754)	54,081

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

MERCURY INDUSTRIES BERHAD

Registration No. 198201008273 (105550-K)

Interim Financial Report for the Second Quarter Ended 31 December 2025
Condensed Consolidated Statements of Cash Flows

	(Unaudited) 6 months Ended	
	31-Dec-25	**31-Dec-24**
GROUP	**RM'000**	**RM'000**
OPERATING ACTIVITIES		
Profit/(loss) before taxation	4,631	(409)
Adjustments for:		
Depreciation of property, plant and equipment	24	21
Fair value adjustment on other investments	4	41
Fair value gain on investment properties	(290)	-
Interest expenses	205	653
Interest income	(33)	(141)
Reversal of impairment loss on receivables	-	(1,277)
Gain on disposal of property, plant and equipment	-	(46)
Operating profit/(loss) before working capital changes	4,541	(1,158)
Changes in working capital:		
Inventories	(13,289)	2,152
Receivables	(1,638)	3,492
Contract balances	(8,506)	(4,232)
Payables	19,423	365
Related Party	(6,475)	-
Cash (used in)/generated from operations	(5,944)	619
Interest paid	(110)	(111)
Interest received	2	3
Tax paid	(172)	(90)
Net cash (used in)/generated from operating activities	(6,224)	421
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(898)	(4)
Proceeds from disposal of property, plant and equipment	-	46
Net cash (used in)/generated from investing activities	(898)	42
FINANCING ACTIVITIES		
Increase in fixed deposits pledged	(31)	(35)
Interest received	31	35
Proceeds from borrowings	563	-
Repayment of borrowings	(717)	(39)
Advance from a director	-	-
Advances from a corporate shareholder	3,309	-
Repayment of lease liabilities	(13)	(21)
Interest paid	(95)	(101)
Proceeds from issuance of new shares	1,950	-
Net cash generated from/(used in) financing activities	4,997	(161)
CASH AND CASH EQUIVALENTS		
Net changes	(2,125)	303
Balance as of 1 July	201	(2,456)
Balance as at end of financial period	(1,924)	(2,153)

Cash and cash equivalents at the end of the financial period comprise of the following balances:

	As at 31-Dec-25	**As at 31-Dec-24**
	RM'000	RM'000
Cash and bank balances	853	522
Bank overdrafts	(2,777)	(2,675)
Fixed deposits	3,555	3,488
Less: Fixed deposits pledged	(3,555)	(3,488)
	(1,924)	(2,153)

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

A EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING

A1 Basis of Preparation

The interim financial statement is unaudited and have been prepared in compliance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting, issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").

The interim financial statements shall be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2025. These interim financial statements contain selected explanatory notes which provide explanations of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and its subsidiaries ("Group").

A2 MFRSs

The significant accounting policies adopted by the Group in these interim financial statements are consistent with those of the audited financial statements for the financial period ended 30 June 2025, except for the adoption of the following new/revised MFRSs and Amendments to MFRSs:-

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

The adoption of the above Amendments to MFRSs does not have significant financial impact to the Group.

The following new standards/amendments to MFRSs that were issued but are not yet effective have not been early adopted by the Group.

Effective for financial period beginning on or after 1 January 2026:-

Amendments to MFRS 9 and MFRS 7	Financial Instruments and Financial Instruments - Disclosures - Amendments to the Classification and Measurement of Financial Instruments
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	Annual Improvement to MFRS Accounting Standards – Volume 11

Effective for financial period beginning on or after 1 January 2027:-

Presentation and Disclosure in Financial Statements

Subsidiaries without Public Accountability - Disclosures

A2 MFRSs (cont'd)

Deferred to a date to be determined by the MASB:-

Amendments to MFRS 10 and 128	Consolidated financial statements and investments in associates and joint ventures: Sale or contribution of assets between an investor and its associate or joint venture

A3 Audit Report of the Preceding Annual Financial Statements

There was no qualification of the Group's preceding audited financial statements for the financial year ended 30 June 2025.

A4 Seasonality or Cyclicality of Interim Operations

The Group's operations are not significantly affected by any seasonal or cyclical factors.

A5 Items of Unusual Nature

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

A6 Change in Estimates

There was no material change in estimates for the current financial quarter under review.

A7 Dividend Paid

There were no dividends paid during the current financial quarter under review.

A8 Sales Revenue by Geographical Market

The Group's revenue is derived wholly from its operating activities in Malaysia.

A9 Segmental Reporting

Segmental report for the financial period ended 31 December 2025 is as follows:

	Property development RM'000	Complementary businesses * RM'000	Investment holding RM'000	Eliminations RM'000	Group RM'000
<u>6 Months Ended 31 December 2025</u>					
Revenue					
External revenue	29,686	-	-	-	29,686
Inter-segment revenue	-	17,505	1,382	(18,887)	-
Total revenue	29,686	17,505	1,382	(18,887)	29,686
Results					
Segment profit/(loss)	5,359	724	54	(1,334)	4,803
Interest income	2	31	-	-	33
Finance costs	(92)	(113)	-	-	(205)
Profit/(loss) before tax	5,269	642	54	(1,334)	4,631
<u>6 Months Ended 31 December 2024</u>					
Revenue					
External revenue	4,315	-	-	-	4,315
Inter-segment revenue	-	2,769	815	(3,584)	-
Total revenue	4,315	2,769	815	(3,584)	4,315
Results					
Segment profit/(loss)	278	525	(259)	(441)	103
Interest income	4	137	-	-	141
Finance cost	(537)	(115)	(1)	-	(653)
Profit/(loss) before tax	(255)	547	(260)	(441)	(409)

**The complementary businesses comprise building construction and the trading of construction materials, supporting the Group's property development segment.*

A10 Changes in Debt and Equity Securities

There were no issuances, cancellation, repurchases, resale and repayments of debt and equity securities for the current financial quarter under review.

A11 Subsequent Material Events

There were no material events subsequent to the end of the current quarter up to 18 February 2026 that have not been reflected in the interim financial statements for the current financial period.

A12 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial period under review.

A13 Capital Commitment

There is no capital commitment which has not been reflected in the interim financial statements for the current financial quarter ended 31 December 2025.

A14 Contingent Liabilities / Assets

Save as disclosed below, there were no other contingent liabilities and contingent assets as at the date of this report.

<u>Litigation</u>

a) On 28 January 2021, Ferrare Construction San Bhd ("FCSB") commenced legal action against Paramount Bounty Sdn Bhd ("PBSB"), a wholly-owned subsidiary of the Company, in relation to an alleged claim of RM0.97 million arising from missing materials on site.

   The Sessions Court dismissed FCSB's claim on 29 July 2025 and awarded costs to PBSB, which were subsequently fixed at RM20,000 on 16 October 2025.

   On 20 November 2025, FCSB filed an appeal to the High Court together with an application for an extension of time to serve and file the Notice of Appeal out of time. A striking-out application in respect of FCSB's appeal has been filed by PBSB. Both applications are fixed for hearing on 11 March 2026.

b) On 2 July 2025, PBSB, a wholly-owned subsidiary of the Company, filed a claim against Kumpulan Jetson Berhad ("KJB"), the corporate guarantor of PBSB's debtor, Jetson Construction Sdn Bhd, for the recovery of an outstanding sum of RM2.48 million. PBSB obtained a Judgment in Default of Appearance against KJB on 23 July 2025 and KJB subsequently filed an application to set aside the said judgment on 6 August 2025. An amicable settlement was later reached and a Consent Judgment was recorded at the Kuala Lumpur High Court on 7 November 2025, under which KJB shall pay PBSB RM1,287,947.67 as full and final settlement of the claim. The matter is now deemed closed, subject to the settlement sum being honoured.

A15 Valuation of Property, Plant and Equipment

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

A16 Significant Related Party Transactions

There were no related party transactions entered into by the Group and the Company during the current quarter and financial period to date.

B EXPLANATORY NOTES IN COMPLIANCE WITH LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 Review of performance – Comparison with the corresponding quarter of the preceding year

Current quarter ended 31 December 2025 ("Q2 FY2026") versus quarter ended 31 December 2024 ("Q2 FY2025")

	Individual Quarter			
	31-Dec-25	31-Dec-24	Changes	
	RM'000	RM'000	RM'000	%
Revenue	14,479	2,107	12,372	587%
Profit/(Loss) before tax	2,416	(26)	2,442	9,392%

For the quarter under review, the Group recorded revenue of RM14.48 million, representing an increase of RM12.37 million or 587% compared to RM2.11 million in the corresponding quarter of the preceding year. The Group recorded a profit before tax ("PBT") of RM2.42 million, compared with a loss before tax ("LBT") of RM0.03 million in the same quarter last year. The increase in both revenue and profitability was primarily attributable to strong sales and higher progressive revenue recognition from Phase 1 of the Batu Berendam project, which commenced in Q3 FY2025.

B2 Review of Performance - Comparison with the immediate preceding quarter

Current quarter ended 31 December 2025 ("Q2 FY2026") versus immediate preceding quarter ended 30 September 2025 ("Q1 FY2026")

	Current Quarter	Previous Quarter		
	31-Dec-25	30-Sep-25	Changes	
	RM'000	RM'000	RM'000	%
Revenue	14,479	15,207	(728)	-5%
Profit before tax	2,416	2,215	201	9%

The Group's revenue for the current quarter decreased marginally by RM0.73 million or 5%, compared with RM15.21 million recorded in the preceding quarter. The lower revenue was mainly due to slower construction progress across ongoing projects during the quarter.

Despite the lower revenue, the Group recorded a higher profit before tax ("PBT") of RM2.42 million in the current quarter, compared with RM2.22 million in the preceding quarter. The increase in PBT was primarily due to lower operating expenses incurred during the current quarter.

B3 Variance from Profit Forecast

Not applicable, as the Group has not issued any profit forecast for the financial period under review.

B4 Commentary on Prospects

The Group maintains a positive outlook for its Klebang Cove Residensi and Phase 1 of the Batu Berendam projects, which have achieved take-up rates of 48% and 77% respectively. The take-up rate for Phase 1 of Batu Berendam slightly lower by 2% compared to the preceding quarter due to cancellations. Nevertheless, the current take-up rates remain commendable and are indicative of strong market interest and a solid foundation for continued progress. The Group remains confidence in its property development segment, anticipating further growth and positive results.

B5 Quoted Securities

There was no other purchase or disposal of quoted and marketable securities during the current quarter under review.

B6 Status of Corporate Proposals

Save as disclosed below, there were no outstanding corporate proposals as at 18 February 2026.

On 27 November 2025, the Company announced that Plutovest Sdn Bhd, a wholly-owned subsidiary, entered into a conditional Sale and Purchase Agreement for the proposed acquisition of approximately 9.31 acres of freehold land in Tanjong Kling, Melaka for a cash consideration of RM11.50 million ("Proposed Acquisition").

The Proposed Acquisition remains conditional, pending the fulfilment of the conditions precedent under the SPA.

B7 Status of Utilisation of Proceeds from the Propose Private Placement

As at 31 December 2025, the gross proceeds raised from the first tranche and the second and final of the Proposed Private Placement are utilised in the following manner:

Purpose	Gross Proceeds Raised	Actual Utilisation	Balance Unutilised	Estimated Timeframe for Utilisation from completion
	RM'000	RM'000	RM'000	
(a) Working Capital	4,576	(4,576)	-	Within 12 months
(b) Estimated expenses in relation to the Proposed Private Placement	99	(99)	-	Within 1 month
Total	4,675	(4,675)	-	

B8 Material Litigation

There is no material litigation as of the date of this report.

B9 Notes to the Statement of Profit or Loss and Other Comprehensive income

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceeding Year Corresponding Quarter	Current Year To Date	Preceeding Year Corresponding Period
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	RM'000	RM'000	RM'000	RM'000
After charging:				
Depreciation and amortisation	8	11	24	21
Fair value (gain)/loss on other investments	(8)	12	4	41
Interest expenses	108	325	205	653
Rental expense	50	94	98	187
And after crediting:				
Interest income	(15)	(46)	(33)	(141)
Rental income	(4)	(51)	(9)	(195)
Fair value gain on investments properties	-	-	(290)	-
Reversal of impairment loss on receivables	-	(946)	-	(1,277)
Gain on disposal of property, plant and equipment	-	(46)	-	(46)

B10 Taxation

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended	Preceeding Year Corresponding Quarter	Current Year To Date	Preceeding Year Corresponding Period
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
	RM'000	RM'001	RM'000	RM'000
Income tax				
- Current period	(747)	-	(1,500)	-
Deferred tax				
- Current period	-	-	-	-
	(747)	-	(1,500)	-

The Group has unabsorbed capital allowances of RM2.54 million and unutilised tax losses of RM19.71 million available for set-off against future taxable profits.

B11 Group Borrowings and Debt Securities

a) Total group borrowings and debt securities as at 31 December 2025 and

	Long Term	Short Term	Total Borrowings
	RM'000	RM'000	RM'000
As At 31 December 2025			
Secured:-			
Term Loans	1,410	590	2,000
Trade facilities	-	329	329
Lease liabilities	65	28	93
Bank overdrafts	-	2,777	2,777
Total	1,475	3,724	5,199
As At 30 June 2025			
Secured:-			
Term loans	1,701	675	2,376
Trade facilities	-	107	107
Lease liabilities	79	27	106
Bank overdrafts	-	2,969	2,969
Total	1,780	3,778	5,558

b) There were no borrowings or debt securities denominated in foreign currencies.

B12 Dividend Payable

No interim dividends have been recommended in respect of the current financial quarter under review.

B13 Earnings/(loss) Per Ordinary Share

The basic earnings/(loss) per ordinary share is calculated by dividing the profit for the period attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the period:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceeding Year Corresponding Quarter	Current Year To Date	Preceeding Year Corresponding Period
	31-Dec-25	31-Dec-24	31-Dec-25	31-Dec-24
Profit/(loss) attributable to owners of the Company (RM '000)	1,669	(26)	3,131	(409)
Weighted average number of ordinary shares ('000)	70,730	64,300	69,813	64,300
Basic earnings/(loss) per share (Sen)	2.36	(0.04)	4.48	(0.64)