VARIA BERHAD

Registration No. 199701004603 (420099-X)

(Incorporated in Malaysia)

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

	Unaudited As at 31.12.2025 RM'000	Audited As at 30.06.2025 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	11,814	12,223
Inventories	44,000	15,074
Investment properties	11,580	11,580
Goodwill on consolidation	369,332	369,332
Intangible assets	33,724	44,621
Prepayments	3,053	3,148
	473,503	455,978
Current Assets		
Inventories	12,636	8,386
Contract costs	472	295
Contract assets	155,717	57,392
Trade receivables	149,266	144,761
Other receivables, deposits and prepayments	55,542	40,950
Current tax assets	789	891
Deposits placed with licensed banks	18,179	6,940
Cash and bank balances	23,592	18,725
	416,193	278,340
TOTAL ASSETS	889,696	734,318
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Parent		
Share capital	394,387	394,387
Retained earnings	35,096	8,167
Total Equity	429,483	402,554
Non Current Liabilities		
Loans and borrowings	92,640	61,728
Deferred tax liabilities	8,449	11,065
	101,089	72,793
Current Liabilities		
Contract liabilities	19,905	54,434
Trade payables	203,313	133,478
Other payables, accruals and deposits	27,295	666
Loans and borrowings	97,569	70,259
Current tax liabilites	11,042	134
	359,124	258,971
Total Liabilities	460,213	331,764
TOTAL EQUITY AND LIABILITIES	889,696	734,318
Net assets per share attributable to owner of the parent	0.99	0.93

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.

VARIA BERHAD

Registration No. 199701004603 (420099-X)
(Incorporated in Malaysia)

UNAUDITED RESULTS OF THE GROUP FOR SECOND QUARTER ENDED 31 DECEMBER 2025 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PREVIOUS CORRESPONDING QUARTER	**CURRENT YEAR TO-DATE**	PRECEDING YEAR TO-DATE
	3-month	3-month	**6-month**	6-month
	31.12.2025	31.12.2024	**31.12.2025**	31.12.2024
	RM'000	RM'000	**RM'000**	RM'000
Revenue	**240,760**	143,144	**402,180**	257,904
Cost of sales	**(191,889)**	(130,612)	**(336,417)**	(232,554)
Gross profit	**48,871**	12,532	**65,763**	25,350
Other operating income	**98**	68	**557**	122
Total income	**48,969**	12,600	**66,320**	25,472
Administrative operating costs	**(7,802)**	(5,853)	**(13,619)**	(10,279)
Amortisation of intangible assets	**(4,741)**	-	**(10,897)**	-
Profit from operation	**36,426**	6,747	**41,804**	15,193
Finance income	**266**	116	**448**	181
Finance cost	**(2,197)**	(1,994)	**(4,163)**	(3,879)
Profit before taxation	**34,495**	4,869	**38,089**	11,495
Tax expense	**(9,080)**	615	**(11,160)**	(1,513)
Total comprehensive profit for the period	**25,415**	5,484	**26,929**	9,982
Earnings per share : --	**sen**	sen	**sen**	sen
- basic / diluted	**5.88**	1.27	**6.23**	2.31

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

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

	Share capital	Retained earnings	Total Equity
	RM'000	RM'000	RM'000
Group			
At 1 July 2024 (Audited)	381,713	6,079	387,792
Total comprehensive profit for the financial year	-	2,088	2,088
Issuance of ordinary shares, representing total transaction with owners	12,674	-	12,674
At 30 June 2025 (Audited)	394,387	8,167	402,554
Total comprehensive profit for the financial period	-	26,929	26,929
At 31 December 2025 (Unaudited)	**394,387**	**35,096**	**429,483**

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR YEAR ENDED 31 DECEMBER 2025

	Note	CURRENT YEAR ENDED 31.12.2025 RM'000	PRECEDING YEAR ENDED 31.12.2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**38,089**	**11,495**
Adjustments for :			
Non-cash items		**11,721**	**917**
Non-operating items (which are investing/financing)		**142**	**3,232**
Operating profit before changes in working capital		**49,952**	**15,644**
Changes in working capital :			
Net changes in current assets		**(160,447)**	**(26,543)**
Net changes in current liabilities		**71,702**	**13,386**
Cash from operations		**(38,793)**	**2,487**
Interest paid		**(142)**	**165**
Tax paid		**(2,765)**	**(3,393)**
Net cash used in operating activities		**(41,700)**	**(741)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash used in investing activities		**(11,653)**	**(8,567)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash from financing activities		**58,592**	**5,262**
Net increase in cash and cash equivalents		**5,239**	**(4,046)**
Cash and cash equivalents at beginning of financial period		**4,794**	**(1,116)**
Cash and cash equivalents at end of the financial period	(i)	**10,033**	**(5,162)**
Note (i) :			
Represented by :			
Cash and bank balances		**23,592**	**22,580**
Deposits placed with licensed banks		**18,179**	**11,098**
Less : Pledged deposits		**(18,179)**	**(11,098)**
		23,592	**22,580**
Less : Bank Overdraft		**(13,559)**	**(27,742)**
		10,033	**(5,162)**

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

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Notes to the Interim Financial Report

A1 Corporate information

The Company is a public limited company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

A2 Basis of preparation

The interim financial statements of the Group and of the Company for the second quarter ended 31 December 2025 is unaudited and has been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), the International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia and the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements of the Group for the financial year ended 30 June 2025.

The accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the annual financial statements for the financial year ended 30 June 2025 except for those standards, amendments and interpretations which are effective from the annual year beginning on or after 1 July 2025 as disclosed below.

A3 Changes in Accounting policies

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 years beginning on or after
New MFRSs		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments 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 19	Subsidiaries without Public Accountability: Disclosure	1 January 2027
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

A3 Changes in Accounting policies (cont'd)

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

MFRS 18 Presentation and Disclosure in Financial Statements
MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including "operating profit", which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures ("MPMs"). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communicates about the entity's financial performance, and any changes made to the MPMs in the year.

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the "operating" category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as "other" to be labelled and/or described in as faithfully representative and precise a way as possible.

A4 Seasonal or cyclical factors

The business operations of the Group were not affected by any significant seasonal or cyclical factors.

A5 Items affecting assets, liabilities, equity, net income or cash flows

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence during the current financial quarter.

A6 Change in estimates

There were no significant changes in the estimates of amounts reported in the interim periods of prior financial years that have a material effect in the current financial quarter.

A7 Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter.

A8 Dividend paid

No dividend was paid for the current quarter under review.

Notes to the Interim Financial Report (cont'd)

A9 Segment Revenue and Segment Result by Business Segments

Segment information is presented in respect of the Group's business segment. All inter-segment transactions have been entered into in the normal course of business and have been established under terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. The effects of the inter-segment transactions are eliminated on consolidation.

Business Segments	Investment Holding	Property Development	Construction	Property Investment	Others	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended 31 December 2025							
Revenue							
External sales	-	9,794	394,691	52	-	(2,357)	402,180
Inter-segment sales	-	-	-	-	-	-	-
	-	9,794	394,691	52	-	(2,357)	402,180
EBITDA	(3,547)	(571)	61,454	37	(594)	(2,357)	54,422
Results							
Segment result	(3,677)	(679)	60,419	37	(594)	(13,254)	42,252
Finance costs	(2,344)	(146)	(1,673)	-	-	-	(4,163)
(Loss)/profit before tax	(6,021)	(825)	58,746	37	(594)	(13,254)	38,089
Tax (expense)/credit	-	-	(13,758)	(10)	(7)	2,615	(11,160)
(Loss)/profit after tax	(6,021)	(825)	44,988	27	(601)	(10,639)	26,929

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Notes to the Interim Financial Report (cont'd)

A9 Segment Revenue and Segment Result by Business Segments (cont'd)

Business Segments	Investment Holding RM'000	Property Development RM'000	Construction RM'000	Property Investment RM'000	Others RM'000	Elimination RM'000	Group RM'000
6 months ended 31 December 2024							
Revenue							
External sales	-	6,197	251,651	56	-	-	257,904
Inter-segment sales	-	-	-	-		-	-
	-	6,197	251,651	56	-	-	257,904
EBITDA	(2,175)	(214)	19,164	30	(435)	(78)	16,291
Results							
Segment result	(2,626)	(523)	18,575	30	(70)	(12)	15,374
Finance costs	(3,372)	(255)	(264)	-		12	(3,879)
(Loss)/profit before tax	(5,998)	(778)	18,311	30	(70)	-	11,495
Tax expense	-	-	(1,494)	(12)	(7)	-	(1,513)
(Loss)/profit after tax	(5,998)	(778)	16,817	18	(77)	-	9,982

Notes to the Interim Financial Report (cont'd)

A10 Valuation of property, plant and equipment and investment properties

The fair value of the investment properties is determined by directors' estimation and referring to an external independent property valuer, with professional qualifications and recent experience in the location and category of property being valued.

A11 Material subsequent events

On 25 February 2026, the Company announced that Pembinaan Teguh Maju Sdn Bhd, a wholly-owned subsidiary of Varia, has on 25 February 2026 accepted a Letter of Award from Kemuncak Pesaka Sdn Bhd for a project known as "Menaik Taraf Lebuhraya Pasir Gudang (FT17) Dari Persimpangan Bertingkat Perling Hingga Ke Susur Turun Lebuhraya Utara Selatan, Pasir Gudang, Johor" for sub-contract works comprising supply of labour, materials, equipment, tools, plant and machineries for the construction and completion of upgrading civil and infrastructure works ("Contract").

The total sum of the Contract is RM155,000,000.00 with a contract period of 36 months, from the commencement date on 3 December 2025 until the date of completion on 2 December 2028.

A12 Changes in composition of the Group

There were no changes in the composition of the Group for the current quarter under review.

A13 Contingent liabilities or contingent assets

The Company has given corporate guarantees amounting to RM327.22 million (30/06/2025: RM327.22 million) to licensed banks for banking facilities granted to a subsidiary. Consequently, the Company is contingently liable for banking facilities utilised by subsidiaries amounting to RM58.98 million (30/06/2025: RM29.96 million).

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Additional information required by Bursa Malaysia Listing Requirements

B1 Review of performance

	FOR THE QUARTER		
	CURRENT YEAR QUARTER (Q2) 3-month 31.12.2025 RM'000	PREVIOUS YEAR CORRESPONDING QUARTER (Q2) 3-month 31.12.2024 RM'000	Change %
Revenue	240,760	143,144	68%
Gross profit	48,871	12,532	290%
EBITDA	42,079	7,780	441%
Profit before tax	34,495	4,869	608%
Profit after tax	25,415	5,484	363%

Quarterly

For the current financial quarter, the Group recorded revenue of RM240.76 million and profit before tax of RM34.50 million compared to the preceding year corresponding quarter revenue of RM143.14 million and profit before tax of RM4.87 million.

The significant increase in revenue was mainly due to the accelerated progress of the RTB Segamat, RTB Kota Tinggi and RTB Sungai Klang projects. In addition, improved gross margins for the Pulau Indah and Puspahanas projects, driven by reassessments of cost and effective project management, further enhanced profitability for the quarter.

Construction segment recorded revenue of RM235.02 million and profit before tax of RM43.85 million, remained the Group's key contributor for the quarter. Revenue was mainly derived from ongoing projects, namely Pulau Indah of RM43.08 million, RTB Segamat of RM35.01 million, Perkeso Setiu of RM33.98 million, Puspahanas of RM19.79 million, STP Mak Mandin of RM19.50 million, RTB Kota Tinggi of RM16.97 million and RTB Sungai Klang of RM14.44 million. Additionally, the significant upward revision in gross margins arising from cost reassessments and effective project management particularly for Pulau Indah and Puspahanas, has further strengthened profitability during the quarter.

Property Development segment recorded revenue of RM5.71 million and loss before tax of RM0.69 million for the quarter under review. During the quarter, the single-storey units at Taman Arowana were fully sold out and the revenue and profit had largely been recognised. The current sales of the double-storey units remained at an early stage which not sufficiently covered the operation costs.

The investment holdings segment posted a loss before tax of RM3.66 million mainly arising from financing costs and staff cost.

Additional information required by Bursa Malaysia Listing Requirements (cont'd)

B1 Review of performance (cont'd)

Year-to-date

	FOR THE YEAR		
	CURRENT YEAR 6-month 31.12.2025 RM'000	PRECEDING YEAR 6-month 31.12.2024 RM'000	Change %
Revenue	402,180	257,904	56%
Gross profit	65,763	25,350	159%
EBITDA	42,079	7,780	441%
Profit before tax	38,088	11,495	231%
Profit after tax	26,928	9,982	170%

For the six months ended 31 December 2025, the Group recorded revenue of RM402.18 million and profit before tax of RM38.09 million as compared to corresponding preceding year ended revenue of RM257.90 million and profit before tax of RM11.50 million.

For the six-month period under review, construction segment recorded revenue of RM394.69 million and profit before tax of RM58.75 million for the financial period under review.

For property development segment, the Taman Arowana housing development project has generated revenue of RM9.79 million and loss before tax of RM825,000 for 6-months ended 31 December 2025.

B2 Comparison of the quarterly results to the results of the immediate preceding quarter.

	CURRENT QUARTER ENDED 31.12.2025 RM'000	IMMEDIATE PRECEDING QUARTER ENDED 30.09.2025 RM'000	Change %
Revenue	240,760	161,420	49%
Gross profit	48,871	16,891	189%
EBITDA	42,079	12,339	241%
Profit before tax	34,495	3,592	860%
Profit after tax	25,415	1,512	1581%

The Group recorded revenue of RM240.76 million with profit before tax of RM34.50 million for the current quarter ended 31 December 2025, compared to revenue of RM161.42 million with profit before tax of RM3.59 million in the immediate preceding quarter.

The increase in revenue was mainly due to the accelerated progress of the RTB Segamat, RTB Kota Tinggi and RTB Sungai Klang projects. Additionally, the significant upward revision in gross margins arising from cost reassessments and effective project management particularly for Pulau Indah and Puspahanas, has further strengthened profitability during the quarter.

Additional information required by Bursa Malaysia Listing Requirements (cont'd)

B3 Prospects

The Department of Statistics Malaysia reported that Malaysia's construction sector expanded by 12.5 per cent in 2025 to reach RM178.6 billion in work done, compared to the construction work done in 2024 of RM158.8 billion. Overall, Malaysia's Construction sector in 2025 continued to expand, supported by positive performance across all subsectors. In line with this positive market outlook, the Group continues to strengthen its position in both the construction and property development segments.

The Construction segment will maintain its focus on the execution of on-going projects, while actively pursuing new opportunities in the infrastructure and oil and gas to further expand its order book including to form joint venture with other business entities to undertake new building construction job. As at 31 December 2025, the Group's outstanding order book stood at approximately RM2.32 billion, comprising projects in infrastructure, education, rehabilitation institutions and environmental initiatives. This sizeable pipeline reflects the Group's capability to undertake diverse and complex projects, reinforcing its resilience amid a challenging economic environment.

On 24 November 2025, the Group announced that Varia Crest Sdn Bhd had entered into a Joint Venture Agreement with Citaglobal Property Development Sdn Bhd to jointly develop a 6,410 sqm leasehold parcel in Kuala Lumpur into a mixed development comprising office and commercial spaces. The integrated commercial development will feature Grade A office space, serviced residences, a hotel, retail spaces, and a multi-level podium parking facility.

On 25 February 2026, the Group announced that Pembinaan Teguh Maju Sdn Bhd, a wholly-owned subsidiary of Varia Berhad, was awarded a Letter of Award from Kemuncak Pesaka Sdn Bhd for a project known as "Menaik Taraf Lebuhraya Pasir Gudang (FT17) Dari Persimpangan Bertingkat Perling Hingga Ke Susur Turun Lebuhraya Utara Selatan, Pasir Gudang, Johor" for sub-contract works comprising supply of labour, materials, equipment, tools, plant and machineries for the construction and completion of upgrading civil and infrastructure works. The total sum is RM155,000,000.00 with a contract period of 36 months, from the commencement date on 3 December 2025 until the date of completion on 2 December 2028.

The integrated commercial development will bring together business, lifestyle, and wellness in the heart of Kuala Lumpur's medical and tertiary education corridor, surrounded by renowned institutions such as the National Heart Institute (IJN), Hospital Kuala Lumpur (HKL), and KPJ Tawakkal. It is strategically positioned within this healthcare hub, the project is envisioned to become a premier destination for medical tourism, corporate activity, and urban living.

Overall, the Group remains cautiously optimistic. With a strong order book, ongoing tendering efforts, and initiatives to broaden income streams in FY2026, Varia Berhad is well-positioned to achieve higher revenue and enhance long-term shareholder value.

Additional information required by Bursa Malaysia Listing Requirements (cont'd)

B4 Profit forecast

The Group does not issue any profit forecast during the current financial quarter under review.

B5 Profit Before Tax

Profit before tax is arrived at after (crediting) / charging: -

	Current Quarter 31-Dec-25 3-month RM'000	Preceding Quarter 31-Dec-24 3-month RM'000	Current YTD 31-Dec-25 6-month RM'000	Preceding YTD 31-Dec-24 6-month RM'000
Interest income	(266)	(116)	(448)	(181)
Interest expenses	2,197	1,994	4,163	3,879
Depreciation expenses	536	342	1,051	636
Depreciation - right of used of asset	110	188	221	281

B6 Taxation

	Current Quarter 31-Dec-25 3-month RM'000	Preceding Quarter 31-Dec-24 3-month RM'000	Current YTD 31-Dec-25 3-month RM'000	Preceding YTD 31-Dec-24 3-month RM'000
- Prior year tax	-	-	-	-
- Current year tax	10,218	(615)	13,775	1,513
- Deferred tax	(1,138)	-	(2,615)	-
Total	**9,080**	**(615)**	**11,160**	**1,513**

Provision for tax was made in the current quarter on business and non-business income derived mainly from operating income, rental, interest on repo and fixed deposit.

Deferred tax is derived from the amortization of intangible assets.

B7 Unquoted investments and properties

There was no sale of unquoted investments or properties for the current quarter and financial period to date.

B8 Purchase or disposal of quoted investments

There was no purchase or disposal of quoted investments for the current quarter.

Additional information required by Bursa Malaysia Listing Requirements (cont'd)

B9 Borrowing

The Group borrowings are as follows: -

	As at 31-Dec-25 RM'000	As at 30-Jun-25 RM'000
Short Term Borrowings (Secured)		
- Term loans	34,578	29,659
- Lease liabilities	344	516
- Hire purchase	944	953
- Bank overdrafts	13,559	13,931
- Revolving credit	48,144	25,200
	97,569	70,259
Long Term Borrowings (Secured)		
- Term loans	38,724	57,339
- Lease liabilities	1,560	1,619
- Hire purchase	2,356	2,771
- Sukuk	50,000	-
	92,640	61,728
Total Borrowings	190,209	131,987

B10 Material litigation

There is no material litigation for the financial period as at 31 December 2025.

B11 Dividend

No dividends were proposed or declared for the current quarter and financial period to date (2025: RM Nil).

B12 Earnings per share

The basic/diluted earnings per share for the financial period has been calculated based on the consolidated profit after taxation attributable to the owners of the parent of RM26.93 million and on the number of ordinary shares issue of 432,500,000.

By Order of the Board
Chin Foong Ping
MAICSA 7044276
Company Secretary
Petaling Jaya
26 February 2026