



**HAILY GROUP BERHAD**  
(Registration No. 202001006412 (1362732-T))  
(Incorporated in Malaysia)

**Unaudited Interim Financial Report  
For The First Quarter Ended  
31 March 2025**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME<sup>(1)</sup>**

Note	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.03.2025 Unaudited	31.03.2024 Unaudited	31.03.2025 Unaudited	31.03.2024 Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	A9 95,849	72,113	95,849	72,113
Cost of sales	(86,447)	(65,819)	(86,447)	(65,819)
<b>Gross profit</b>	<b>9,402</b>	<b>6,294</b>	<b>9,402</b>	<b>6,294</b>
Other income	101	73	101	73
Administrative expenses	(5,203)	(4,140)	(5,203)	(4,140)
<b>Operating profit</b>	<b>4,300</b>	<b>2,227</b>	<b>4,300</b>	<b>2,227</b>
Finance income	92	35	92	35
Finance costs	(186)	(108)	(186)	(108)
<b>Profit before tax</b>	<b>B11 4,206</b>	<b>2,154</b>	<b>4,206</b>	<b>2,154</b>
Income tax expense	B5 (1,294)	(625)	(1,294)	(625)
<b>Profit for the financial period, representing total comprehensive income for the financial period</b>	<b>2,912</b>	<b>1,529</b>	<b>2,912</b>	<b>1,529</b>
<b>Profit attributable to:</b>				
Owners of the Company	<b>2,912</b>	<b>1,529</b>	<b>2,912</b>	<b>1,529</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	<b>2,912</b>	<b>1,529</b>	<b>2,912</b>	<b>1,529</b>
<b>Earnings per share attributable to owners of the Company (sen)</b>				
- Basic and diluted	B10 0.69	0.43	0.69	0.43

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION <sup>(1)</sup>**

	Note	As at 31.03.2025 Unaudited RM'000	As at 31.12.2024 Audited RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		9,982	9,527
Other investments		4,253	3,996
<b>Total non-current assets</b>		<b>14,235</b>	<b>13,523</b>
<b>Current assets</b>			
Current tax assets		2	2
Trade and other receivables		120,204	109,608
Contract assets		76,467	79,092
Cash and short-term deposits		27,145	30,198
<b>Total current assets</b>		<b>223,818</b>	<b>218,900</b>
<b>TOTAL ASSETS</b>		<b>238,053</b>	<b>232,423</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		77,458	77,458
Reorganisation reserve		(40,030)	(40,030)
Retained earnings		73,833	70,921
<b>TOTAL EQUITY</b>		<b>111,261</b>	<b>108,349</b>
<b>Non-current liabilities</b>			
Borrowings	B7	3,307	3,508
Deferred tax liabilities		167	167
<b>Total non-current liabilities</b>		<b>3,474</b>	<b>3,675</b>
<b>Current liabilities</b>			
Borrowings	B7	6,426	10,343
Tax liabilities		1,588	1,095
Trade and other payables		114,661	108,736
Contract liabilities		643	225
<b>Total current liabilities</b>		<b>123,318</b>	<b>120,399</b>
<b>TOTAL LIABILITIES</b>		<b>126,792</b>	<b>124,074</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>238,053</b>	<b>232,423</b>
Net assets per ordinary share attributable to owners of the Company (RM) <sup>(2)</sup>		0.26	0.26

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION <sup>(1)</sup>  
(CONT'D)**

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share is calculated based on the Company's issued share capital as at 31 March 2025 of 423,005,400 shares (31 December 2024: 423,005,400 shares).

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY <sup>(1)</sup>

Attributable to owners of the Company				
	Share capital	Reorganisation reserve	Retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2024 (Audited)</b>	<b>61,255</b>	<b>(40,030)</b>	<b>64,691</b>	<b>85,916</b>
<b>Total comprehensive income for the financial year</b>				
Profit for the financial year, representing total comprehensive income for the financial year	-	-	8,659	8,659
<b>Transactions with owners:</b>				
Issuance of shares pursuant to:				
- private placement	8,221	-	-	8,221
- exercise of warrants	7,982	-	-	7,982
Dividends paid on shares	-	-	(2,429)	(2,429)
Total transactions with owners	16,203	-	(2,429)	13,774
<b>At 31 December 2024 (Audited)</b>	<b><u>77,458</u></b>	<b><u>(40,030)</u></b>	<b><u>70,921</u></b>	<b><u>108,349</u></b>
<b>At 1 January 2025 (Audited)</b>	<b>77,458</b>	<b>(40,030)</b>	<b>70,921</b>	<b>108,349</b>
<b>Total comprehensive income for the financial period</b>				
Profit for the financial period, representing total comprehensive income for the financial period	-	-	2,912	2,912
<b>At 31 March 2025 (Unaudited)</b>	<b><u>77,458</u></b>	<b><u>(40,030)</u></b>	<b><u>73,833</u></b>	<b><u>111,261</u></b>

### Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

## **UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup>**

	CURRENT YEAR TO-DATE	PRECEDING YEAR TO-DATE
	31.03.2025	31.03.2024
	Unaudited	Unaudited
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	4,206	2,154
Adjustments for:		
Depreciation of property, plant and equipment	736	683
Interest income	(92)	(35)
Finance costs	186	108
<b>Operating profit before changes in working capital</b>	<b>5,036</b>	<b>2,910</b>
<b>Changes in working capital:</b>		
Trade and other receivables	(10,595)	5,850
Contract assets	2,400	(11,646)
Trade and other payables	5,924	1,466
Contract liabilities	643	(15)
<b>Net cash from/(used in) operations</b>	<b>3,408</b>	<b>(1,435)</b>
Income tax paid	(801)	(451)
Interest paid	(99)	(60)
<b>Net cash from/(used in) operating activities</b>	<b>2,508</b>	<b>(1,946)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,041)	(888)
Change in other investments	(257)	-
Change in pledge deposits	(348)	358
Interest received	92	35
<b>Net cash used in investing activities</b>	<b>(1,554)</b>	<b>(495)</b>
<b>Cash flows from financing activities</b>		
Payments of lease liabilities	(159)	(126)
Repayments of hire purchases	(161)	(120)
Drawdown of term loan	488	-
Repayment of term loan	(86)	(86)
<b>Net cash from/(used in) financing activities</b>	<b>82</b>	<b>(332)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,036</b>	<b>(2,773)</b>
Cash and cash equivalents at the beginning of the financial period	18,078	9,008
<b>Cash and cash equivalents at the end of the financial period</b>	<b>19,114</b>	<b>6,235</b>
<b>Cash and cash equivalents at the end of the financial period comprises:</b>		
Short-term deposits	5,120	2,150
Less: Pledged deposits	(5,120)	(2,150)
 Cash and bank balances	 -	 -
Bank overdraft	22,025	7,972
	(2,911)	(1,737)
<b>19,114</b>	<b>6,235</b>	

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup>  
(CONT'D)**

**Note:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

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## A. EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING

### A1. Basis of preparation

The interim financial report of Haily Group Berhad (“Haily” or “Company”) and its subsidiaries (“Group”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) No 134: Interim Financial Reporting and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

This interim financial report should be read in conjunction with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

### A2. Material Accounting Policies

The material accounting policies and presentations adopted by the Group in this interim financial report are consistent with those adopted in the preparation of the audited financial statements for the financial year ended 31 December 2024.

The Group has adopted the following applicable amendment to MFRS for the current financial period:

Amendment to MFRS

MFRS 121

The Effects of Changes in Foreign Exchange Rates

The adoption of the above amendment to MFRS did not have any significant effect on the Group’s interim financial report and did not result in significant changes to the Group’s existing accounting policies.

### A3. Auditors’ Report on Preceding Annual Financial Statements

There was no qualification on the audited financial statements of the Company for the financial year ended 31 December 2024.

### A4. Seasonal or Cyclical Factors

The Group’s business operations have not been materially affected by any seasonal or cyclical factors.

### A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

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

### A6. Changes in Estimates

There were no material changes in estimates for the current quarter and financial year-to-date.

**A. EXPLANATORY NOTES IN COMPLIANCE WITH MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)**

**A7. Debt and Equity Securities**

There were no issuances, repurchases or repayments of debts and equity securities in the current quarter and financial year-to-date.

**A8. Dividend Paid**

No dividend has been paid in the current quarter and financial year-to-date.

**A9. Segmental Information**

The Group prepared the following segmental information based on the internal reports of the Group's strategic business units which are regularly reviewed by the directors for the purpose of making decision about resource allocation and performance assessment. The 2 reportable operating segments are as follows: -

<b>Segments</b>	<b>Product and services</b>
Building construction	Building construction of residential and non-residential buildings
Others	Comprises: (i) Civil engineering construction works, (ii) Rental of construction machinery and equipment, (iii) Agricultural activities of managing and harvesting of durian and other fruits, and (iv) Civil engineering services and infrastructure construction projects.

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## A. EXPLANATORY NOTES IN COMPLIANCE WITH MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)

### A9. Segmental Information (Cont'd)

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
<b>Revenue:</b>				
Revenue from external customers:				
Building construction	95,509	71,986	95,509	71,986
Others	340	127	340	127
	<u>95,849</u>	<u>72,113</u>	<u>95,849</u>	<u>72,113</u>
Inter-segment revenue:				
Building construction	-	-	-	-
Others	3,111	2,586	3,111	2,586
Adjustment and eliminations	(3,111)	(2,586)	(3,111)	(2,586)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total:				
Building construction	95,509	71,986	95,509	71,986
Others	3,451	2,713	3,451	2,713
Adjustment and eliminations	(3,111)	(2,586)	(3,111)	(2,586)
	<u>95,849</u>	<u>72,113</u>	<u>95,849</u>	<u>72,113</u>
<b>Segment profit:</b>				
Building construction	9,532	6,429	9,532	6,429
Others	(130)	(135)	(130)	(135)
	<u>9,402</u>	<u>6,294</u>	<u>9,402</u>	<u>6,294</u>
Other income	101	73	101	73
Unallocated expenses	(5,203)	(4,140)	(5,203)	(4,140)
Interest Income	92	35	92	35
Finance costs	(186)	(108)	(186)	(108)
Income tax expense	(1,294)	(625)	(1,294)	(625)
Profit for the financial period	<u>2,912</u>	<u>1,529</u>	<u>2,912</u>	<u>1,529</u>

### A10. Valuation of property, plant and equipment

There was no valuation of property, plant and equipment in the current quarter and financial year-to-date.

### A11. Material Subsequent Events

There was no material event subsequent to the end of the current quarter and financial year-to-date which has not been reflected in this interim financial report as at the date of this report.

### A12. Changes in the Composition of the Group

There was no change in the composition of the Group during the current quarter and financial year-to-date.

**A. EXPLANATORY NOTES IN COMPLIANCE WITH MFRS 134: INTERIM FINANCIAL REPORTING (CONT'D)**

**A13. Contingent Assets and Contingent Liabilities**

There were no contingent assets and contingent liabilities as at the end of the current quarter and financial year-to-date.

**A14. Significant Related Party Transaction**

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Rental expenses paid to the holding company	120	120	120	120

**A15. Capital Commitments**

There were no material capital commitments as at the end of the current quarter and financial year-to-date.

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**B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES**

**B1. Review of Group Performance**

	Current quarter		Changes %	Year-to-date		Changes %
	31.03.2025 Unaudited RM'000	31.03.2024 Unaudited RM'000		31.03.2025 Unaudited RM'000	31.03.2024 Unaudited RM'000	
Revenue	95,849	72,113	32.92	95,849	72,113	32.92
Gross profit	9,402	6,294	49.38	9,402	6,294	49.38
Profit before tax	4,206	2,154	95.26	4,206	2,154	95.26
Profit after tax	2,912	1,529	90.45	2,912	1,529	90.45
Profit attributable to owners of the Company	2,912	1,529	90.45	2,912	1,529	90.45

The breakdown of the Group's revenue according to the relevant segments for the current quarter and financial year-to-date are as follows:

	Current quarter		Changes %	Year-to-date		Changes %
	31.03.2025 Unaudited RM'000	31.03.2024 Unaudited RM'000		31.03.2025 Unaudited RM'000	31.03.2024 Unaudited RM'000	
Building construction	95,509	71,986	32.68	95,509	71,986	32.68
Others	340	127	167.72	340	127	167.72
Total	95,849	72,113	32.92	95,849	72,113	32.92

For the first quarter ended 31 March 2025, the Group reported revenue of RM95.85 million, an increase of RM23.74 million or 32.92% as compared to RM72.11 million registered for the first quarter of the preceding financial year. The increase in revenue was mainly attributable to the Group's building construction segment which reported increase in revenue from RM71.99 million for the first quarter ended 31 March 2024 to RM95.51 million for the quarter under review, representing an increase of RM23.52 million or 32.68%.

The increase in revenue arose mainly from the following on-going building construction projects undertaken by the Group subsequent to the financial period ended 31 March 2024 which contributed to revenue in the quarter under review of approximately RM65.01 million: -

- (i) 220 DSTH Bandar Jaya Putra Project,
- (ii) 332 DSTH Gelang Patah Project,
- (iii) 171 DSLH Kews Senibong Project,
- (iv) 223 DSTH M Tiara – Parcels 1A & 1B Project,
- (v) 393 DSTH Meridin East – Parcels 4A3, 4A4 & 4A5 Project,
- (vi) 206 DSTH Bandar Jaya Putra Project, and
- (vii) 198 DSTH Permas Jaya Project.

In addition, the increase in revenue for the building construction segment is also attributed to the increase in percentage of completion recognised in the quarter under review in relation to the Group's on-going construction projects totalling approximately RM13.68 million, namely: -

- (i) 76 DSCH Taman Impian Emas Project, and
- (ii) 120 DSCH Bandar Putra Project.

**B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)**

**B1. Review of Group Performance (Cont'd)**

The increase in revenue above was offset by the decrease in revenue totalling approximately RM55.28 million due to the reduction in percentage of completion recognised in the quarter under review for the Group's on-going building construction projects, namely: -

- (i) 283 DSTH Meridin East – Parcel 1C Project,
- (ii) 77 TSSO Bandar Jaya Putra Project,
- (iii) 262 DSTH Gelang Patah Project,
- (iv) 186 SSTH Bandar Putra Project,
- (v) 170 DSCH Mutiara Maju Project, and
- (vi) 327 DSTH Meridin East – Parcel 2G

The Group reported a higher gross profit margin of 9.81% for the current quarter as compared to 8.73% registered for the corresponding quarter of the preceding year. The improvement in the gross profit margin was mainly attributable to contributions from work done undertaken on construction projects with higher margin during the quarter under review.

In line with the increase in revenue as well as the higher gross profit margin as explained in the foregoing paragraphs, the Group reported a higher gross profit of RM9.40 million for the current quarter, representing an increase of RM3.11 million or 49.38% as compared to the gross profit of RM6.29 million registered for the first quarter ended 31 March 2024. Consequently, the profit before tax and profit after tax of the Group for the current quarter increased to RM4.21 million and RM2.91 million respectively, representing increase of 95.26% and 90.45% respectively as compared to the results reported for the corresponding quarter of the preceding financial year.

**B2. Comparison with Immediate Preceding Quarter's Result**

	QUARTER ENDED		<b>Changes</b>
	<b>31.03.2025</b>	<b>31.12.2024</b>	
	<b>Unaudited</b>	<b>Unaudited</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	95,849	81,289	17.91
Gross profit	9,402	8,417	11.70
Profit before tax	4,206	3,579	17.52
Profit after tax	2,912	2,470	17.89
Profit attributable to owners of the Company	2,912	2,470	17.89

**B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)**

**B2. Comparison with Immediate Preceding Quarter's Result (Cont'd)**

The Group reported an increase in revenue by RM14.56 million or 17.91% from RM81.29 million registered for the immediate preceding quarter to RM95.85 million for the quarter under review. The increase in the Group's revenue is in tandem with the construction activities and progress of the Group's on-going projects.

Owing to the adjustments arising from projects' accounts finalisation made in the financial quarter ended 31 December 2024, gross profit margin registered for the said quarter was marginally higher at 10.35% as compared to 9.81% reported for the current quarter. However, the Group's gross profit for the current quarter increased to RM9.40 million, representing an increase by RM0.98 million or 11.70% from RM8.42 million registered for the immediate preceding quarter due to the significant increase in revenue as explained in the foregoing paragraph.

Consequently, the profit before tax and profit after tax of the Group increased to RM4.21 million and RM2.91 million respectively for the current quarter as compared to RM3.58 million and RM2.47 million respectively for the immediate preceding quarter.

**B3. Prospects**

Overview and outlook of the Malaysian economy

"The Malaysian economy expanded by 4.4% in the first quarter of 2025 (4Q 2024: 4.9%), driven by the steady expansion in domestic demand. Household spending was sustained amid positive labour market conditions and income-related policy measures, including the upward revision of minimum wage and civil servant salary. The steady expansion in investment activities was supported by realisation of new and existing projects. On a quarter-on-quarter, seasonally-adjusted basis, growth expanded by 0.7% (4Q 2024: -0.2%).

Bank Negara Malaysia Governor Dato' Seri Abdul Rasheed Ghaffour says, 'The rapidly-evolving developments surrounding trade tariffs are expected to affect the global outlook for the rest of the year. As a small and open economy, Malaysia will inevitably face both direct and indirect impact from these tariffs. Growth of the Malaysian economy is expected to be slightly lower than the earlier forecast of 4.5% - 5.5% in 2025. The high uncertainty surrounding outcomes of trade negotiations and how these will reshape global trade complicates a clear assessment of their impact on growth at this juncture. The new official growth forecast will be released in the near future once there is a greater visibility in these factors.'

Notwithstanding the external risks, growth will continue to be anchored primarily by resilient domestic demand. This provides a strong buffer against external headwinds. Household spending is expected to continue expanding, supported by continued wage and employment growth, particularly within domestic-oriented sectors as well as income-related policy measures. Investments activities will be driven by the continued implementation of multi-year projects across private and public sectors, further realisation of approved investments with a larger share by domestic players and the implementation of catalytic initiatives under the national master plans. Additionally, the continued demand for E&E goods, alongside higher tourist receipts will also provide cushion to growth" (*Source: Bank Negara Malaysia's Economic and Financial Developments in Malaysia in the First Quarter of 2025*).

**B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)**

**B3. Prospects (Cont'd)**

Overview and outlook of the construction sector in Malaysia

"The Construction sector soared by 16.6 per cent (Q4 2024: 23.1%) with the work done value amounting to RM42.9 billion in the first quarter of 2025.

Construction sector by state showed nearly 63.4 per cent of the work done value in the first quarter of 2025 was concentrated in Selangor, Johor, Wilayah Persekutuan (Kuala Lumpur, Putrajaya and Labuan) and Sarawak. The construction work done value in Selangor amounted to RM11.1 billion or 25.9 per cent. Meanwhile, Johor ranked second with a value of RM7.7 billion or 18.0 per cent. The work done in Wilayah Persekutuan was RM4.5 billion (10.6%) while Sarawak recorded RM3.9 billion (9.0%)" (Source: *Department of Statistics Malaysia's Construction Statistics, First Quarter 2025*).

"The construction sector is forecast to register a growth of 9.4% in 2025, largely driven by the acceleration of strategic infrastructure projects. The sector is expected to benefit particularly from civil engineering activities such as Light Rail Transit 3 (LRT3) Phase 2 and Sarawak-Sabah Link Road Phase 2. Similarly, the non-residential buildings subsector is projected to expand further, supported by strong demand for industrial facilities from the realisation of approved investments, coupled with the development of new industrial areas such as the Kerian Integrated Green Industrial Park (KIGIP) and Johor-Singapore Special Economic Zone (JS-SEZ). Furthermore, the residential buildings subsector is anticipated to expand, driven by sustained demand for affordable housing as underlined by the Ekonomi MADANI framework, alongside new development projects by the private sector" (Source: *Economic Outlook 2025, Ministry of Finance Malaysia*).

Premised on the outlook as set out above, the Group is cautiously optimistic of the continuing demand for its provision of building construction of residential and non-residential buildings for the financial year ending 31 December 2025 after having considered the positive outlook of the construction sector.

The Group will continue to focus on its core competency in building construction in Johor, as supported by its track record of more than 17 years since the commencement of its business operations in 2008. While the Group's on-going projects are mainly focussed in the districts of Johor Bahru, Kulai, Pontian and Kluang, all in Johor, the Group will continue to leverage on its experience and extend its reach to other districts in Johor and focus on construction projects involving residential, commercial and industrial buildings. The Group will continue to tender for projects located at other districts in Johor, should the opportunities arise. Moving forward, the Group expects its performance to be continuously driven by its ability to successfully complete the on-going construction projects.

**B4. Variance of Actual Profit from Profit Forecast or Profit Guarantee**

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

**B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)**

**B5. Income Tax Expense**

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.03.2025 Unaudited RM'000	31.03.2024 Unaudited RM'000	31.03.2025 Unaudited RM'000	31.03.2024 Unaudited RM'000
Current income tax	1,294	625	1,294	625
Effective tax rate <sup>(1)</sup> (%)	30.77	29.02	30.77	29.02
Statutory tax rate (%)	24.00	24.00	24.00	24.00

**Note:**

- (1) The effective tax rate for the current quarter and financial year-to-date were higher than the statutory tax rate mainly due to adjustments for non-deductible expenses.

**B6. Status of Corporate Proposals**

There are no corporate proposals announced but not implemented as at the date of this report.

**B7. Borrowings**

The details of the Group's borrowings were as follows:

	As At 31.03.2025 Unaudited RM'000	As At 31.12.2024 Audited RM'000
<b>Non-current:</b>		
Lease liabilities	1,983	2,104
Hire purchase payables	557	565
Term loan	767	839
	3,307	3,508
<b>Current:</b>		
Lease liabilities	1,213	1,197
Hire purchase payables	532	521
Term loan	770	277
Revolving credit	1,000	1,000
Bank overdraft	2,911	7,348
	6,426	10,343
<b>Total borrowings</b>	<b>9,733</b>	<b>13,851</b>

All borrowings are secured and denominated in Ringgit Malaysia (RM).

**B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)**

**B8. Material Litigation**

As at 23 May 2025 (being a date not earlier than 7 days from the date of issue of this report), there was no material litigation or arbitration by/against the Group, which has a material effect on the financial position of the Group and the Board is not aware of any material proceedings pending or of any fact likely to give rise to any proceedings.

**B9. Dividends**

Dividends declared or proposed during the current quarter and financial year-to-date were as follows: -

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Second interim single tier dividend of 0.33 sen per ordinary share for the financial year ended 31 December 2024, declared on 26 March 2025 and paid on 16 May 2025	1,396	-	1,396	-
Second interim single tier dividend of 0.68 sen per ordinary share for the financial year ended 31 December 2023, declared on 27 March 2024 and paid on 21 May 2024	-	1,213	-	1,213
	<b>1,396</b>	<b>1,213</b>	<b>1,396</b>	<b>1,213</b>

**B10. Earnings Per Share**

The basic and diluted earnings per share for the current quarter and financial year-to-date are computed as follows:

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	Unaudited	Unaudited	Unaudited	Unaudited
Profit attributable to ordinary equity holders of the Company (RM'000)	2,912	1,529	2,912	1,529
Weighted average number of ordinary shares for basic and diluted earnings per share ('000)	423,005	356,641	423,005	356,641
Basic and diluted earnings per share attributable to ordinary equity holders of the Company (sen)	0.69	0.43	0.69	0.43

Diluted earnings per share are not presented as the warrants are anti-dilutive where the average market price during the financial period does not exceed the exercise price of the warrants.

The weighted average number of ordinary shares in issue and earnings per share for the current quarter and financial year-to-date ended 31 March 2024 have been adjusted to reflect the bonus issue which was completed on 13 September 2024.

**B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)**

**B11. Notes to the Unaudited Condensed Consolidated Statement of Comprehensive Income**

Profit for the current quarter and financial year-to-date were arrived at after crediting/(charging) the following:

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	31.03.2025 Unaudited RM'000	31.03.2024 Unaudited RM'000	31.03.2025 Unaudited RM'000	31.03.2024 Unaudited RM'000
Interest income	92	35	92	35
Other income	101	73	101	73
Finance costs	(186)	(108)	(186)	(108)
Depreciation of property, plant and equipment	(736)	(683)	(736)	(683)

Other disclosure items pursuant to Appendix 9B, Note 16 of the ACE Market Listing Requirements of Bursa Securities are not applicable.

**B12. Derivatives**

The Group did not enter into any derivatives during the current quarter and financial year-to-date.

**B13. Authorisation for Issue**

This interim financial report was authorised for issue by the Board in accordance with a resolution passed by the Board on 28 May 2025.

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