



## **HAILY GROUP BERHAD**

(Registration No. 202001006412 (1362732-T))  
(Incorporated in Malaysia)

**Unaudited Interim Financial Report  
For The Second Quarter Ended  
30 June 2025**

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

	Note	QUARTER ENDED		YEAR-TO-DATE ENDED	
		30.06.2025	30.06.2024	30.06.2025	30.06.2024
		Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Revenue	A9	110,904	82,613	206,753	154,726
Cost of sales		(101,013)	(74,344)	(187,460)	(140,163)
<b>Gross profit</b>		<b>9,891</b>	<b>8,269</b>	<b>19,293</b>	<b>14,563</b>
Other income		187	160	288	233
Administrative expenses		(6,202)	(4,759)	(11,405)	(8,899)
<b>Operating profit</b>		<b>3,876</b>	<b>3,670</b>	<b>8,176</b>	<b>5,897</b>
Finance income		95	46	187	81
Finance costs		(152)	(156)	(338)	(264)
<b>Profit before tax</b>	B11	<b>3,819</b>	<b>3,560</b>	<b>8,025</b>	<b>5,714</b>
Income tax expense	B5	(1,234)	(1,043)	(2,528)	(1,668)
<b>Profit for the financial period, representing total comprehensive income for the financial period</b>		<b>2,585</b>	<b>2,517</b>	<b>5,497</b>	<b>4,046</b>
<b>Profit attributable to:</b>					
Owners of the Company		<b>2,585</b>	<b>2,517</b>	<b>5,497</b>	<b>4,046</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		<b>2,585</b>	<b>2,517</b>	<b>5,497</b>	<b>4,046</b>
<b>Earnings per share attributable to owners of the Company (sen)</b>					
- Basic and diluted	B10	0.61	0.69	1.30	1.12

### 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>

		As at 30.06.2025 Unaudited RM'000	As at 31.12.2024 Audited RM'000
	Note		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		11,502	9,527
Other investments		4,445	3,996
<b>Total non-current assets</b>		<b>15,947</b>	<b>13,523</b>
<b>Current assets</b>			
Current tax assets		2	2
Trade and other receivables		143,323	109,608
Contract assets		74,982	79,092
Cash and short-term deposits		21,059	30,198
<b>Total current assets</b>		<b>239,366</b>	<b>218,900</b>
<b>TOTAL ASSETS</b>		<b>255,313</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		75,022	70,921
<b>TOTAL EQUITY</b>		<b>112,450</b>	<b>108,349</b>
<b>Non-current liabilities</b>			
Borrowings	B7	4,182	3,508
Deferred tax liabilities		167	167
<b>Total non-current liabilities</b>		<b>4,349</b>	<b>3,675</b>
<b>Current liabilities</b>			
Borrowings	B7	4,075	10,343
Tax liabilities		2,219	1,095
Trade and other payables		129,787	108,736
Contract liabilities		2,433	225
<b>Total current liabilities</b>		<b>138,514</b>	<b>120,399</b>
<b>TOTAL LIABILITIES</b>		<b>142,863</b>	<b>124,074</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>255,313</b>	<b>232,423</b>
Net assets per ordinary share attributable to owners of the Company (RM) <sup>(2)</sup>			
		0.27	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 30 June 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>77,458</b>	<b>(40,030)</b>	<b>70,921</b>	<b>108,349</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	-	-	5,497	5,497
<b>Transaction with owners:</b>				
Dividends paid on shares	-	-	(1,396)	(1,396)
<b>At 30 June 2025 (Unaudited)</b>	<b>77,458</b>	<b>(40,030)</b>	<b>75,022</b>	<b>112,450</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 <b>30.06.2025</b> Unaudited RM'000	PRECEDING YEAR TO-DATE <b>30.06.2024</b> Unaudited RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	8,025	5,714
Adjustments for:		
Depreciation of property, plant and equipment	1,645	1,410
Gain on disposal of property, plant and equipment	(97)	-
Interest income	(187)	(81)
Finance costs	338	264
<b>Operating profit before changes in working capital</b>	<b>9,724</b>	<b>7,307</b>
<u>Changes in working capital:</u>		
Trade and other receivables	(33,714)	31
Contract assets	3,885	(13,219)
Trade and other payables	21,050	11,879
Contract liabilities	2,433	(14)
<b>Net cash from operations</b>	<b>3,378</b>	<b>5,984</b>
Income tax paid	(1,403)	(877)
Interest paid	(156)	(170)
<b>Net cash from operating activities</b>	<b>1,819</b>	<b>4,937</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,049)	(1,304)
Proceeds from disposal of property, plant and equipment	106	-
Change in other investments	(450)	-
Change in pledge deposits	(624)	(784)
Interest received	187	81
<b>Net cash used in investing activities</b>	<b>(2,830)</b>	<b>(2,007)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares pursuant to private placement	-	8,221
Payments of lease liabilities	(315)	(252)
Repayments of hire purchases	(361)	(255)
Drawdown of term loan	488	-
Repayment of term loan	(202)	(172)
Drawdown of trade financing	382	-
Dividends paid	(1,396)	(1,213)
<b>Net cash (used in)/from financing activities</b>	<b>(1,404)</b>	<b>6,329</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,415)</b>	<b>9,259</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>15,663</b>	<b>18,267</b>
<b>Cash and cash equivalents at the end of the financial period comprises:</b>		
Short-term deposits	5,396	3,293
Less: Pledged deposits	(5,396)	(3,293)
	-	-
Cash and bank balances	15,663	23,266
Bank overdraft	-	(4,999)
	<b>15,663</b>	<b>18,267</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**

A second interim single tier dividend of 0.33 sen per ordinary share for the financial year ended 31 December 2024, amounted to RM1,395,917.78 computed based on 423,005,400 ordinary shares in issue was paid on 16 May 2025.

### **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: <ul style="list-style-type: none"> <li>(i) Civil engineering construction works,</li> <li>(ii) Rental of construction machinery and equipment,</li> <li>(iii) Agricultural activities of managing and harvesting of durian and other fruits, and</li> <li>(iv) Civil engineering services and infrastructure construction projects.</li> </ul>

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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	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
<b>Revenue:</b>				
Revenue from external customers:				
Building construction	110,882	80,504	206,392	152,491
Others	22	2,109	361	2,235
	<u>110,904</u>	<u>82,613</u>	<u>206,753</u>	<u>154,726</u>
Inter-segment revenue:				
Building construction	-	-	-	-
Others	2,430	1,763	5,541	4,349
Adjustment and eliminations	<u>(2,430)</u>	<u>(1,763)</u>	<u>(5,541)</u>	<u>(4,349)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total:</b>				
Building construction	110,882	80,504	206,392	152,491
Others	2,452	3,872	5,902	6,584
Adjustment and eliminations	<u>(2,430)</u>	<u>(1,763)</u>	<u>(5,541)</u>	<u>(4,349)</u>
	<u>110,904</u>	<u>82,613</u>	<u>206,753</u>	<u>154,726</u>
<b>Segment profit:</b>				
Building construction	10,045	7,591	19,720	14,563
Others	<u>(154)</u>	<u>678</u>	<u>(427)</u>	<u>-</u>
	<u>9,891</u>	<u>8,269</u>	<u>19,293</u>	<u>14,563</u>
Other income	187	160	288	233
Unallocated expenses	(6,202)	(4,759)	(11,405)	(8,899)
Interest Income	95	46	187	81
Finance costs	(152)	(156)	(338)	(264)
Income tax expense	<u>(1,234)</u>	<u>(1,043)</u>	<u>(2,528)</u>	<u>(1,668)</u>
Profit for the financial period	<u>2,585</u>	<u>2,517</u>	<u>5,497</u>	<u>4,046</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.

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

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

On 6 February 2025, Haily Engineering Sdn Bhd ("Haily Engineering") was incorporated as a wholly-owned subsidiary of the Company with an issued share capital of RM2.00 comprising 2 ordinary shares, issued at RM1.00 each. In March 2025, Haily Engineering commenced its business in the provision of civil engineering services and infrastructure construction projects.

Save for the above, there was no other changes in the composition of the Group during the current quarter and financial year-to-date.

**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**

	<b>QUARTER ENDED</b>		<b>YEAR-TO-DATE ENDED</b>	
	<b>30.06.2025</b>	<b>30.06.2024</b>	<b>30.06.2025</b>	<b>30.06.2024</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Rental expenses paid to the holding company	120	120	240	240

**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
	30.06.2025 Unaudited RM'000	30.06.2024 Unaudited RM'000		30.06.2025 Unaudited RM'000	30.06.2024 Unaudited RM'000	
Revenue	110,904	82,613	34.25	206,753	154,726	33.63
Gross profit	9,891	8,269	19.62	19,293	14,563	32.48
Profit before tax	3,819	3,560	7.28	8,025	5,714	40.44
Profit after tax	2,585	2,517	2.70	5,497	4,046	35.86
Profit attributable to owners of the Company	2,585	2,517	2.70	5,497	4,046	35.86

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
	30.06.2025 Unaudited RM'000	30.06.2024 Unaudited RM'000		30.06.2025 Unaudited RM'000	30.06.2024 Unaudited RM'000	
Building construction	110,882	80,504	37.73	206,392	152,491	35.35
Others	22	2,109	(98.96)	361	2,235	(83.85)
Total	110,904	82,613	34.25	206,753	154,726	33.63

For the second quarter ended 30 June 2025, the Group reported revenue of RM110.90 million, an increase of RM28.29 million or 34.25% as compared to RM82.61 million registered for the second 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 RM80.50 million for the second quarter ended 30 June 2024 to RM110.88 million for the quarter under review, representing an increase of RM30.38 million or 37.73%.

The increase in revenue arose mainly from the following on-going building construction projects undertaken by the Group subsequent to the financial period ended 30 June 2024 which contributed to revenue in the quarter under review of approximately RM70.96 million: -

- (i) 171 DSLH Kews Senibong Project,
- (ii) 223 DSTH M Tiara – Parcels 1A & 1B Project,
- (iii) Sales Gallery 2 Bandar Jaya Putra Project,
- (iv) 393 DSTH Meridin East – Parcels 4A3, 4A4 & 4A5 Project,
- (v) 368 DSTH M Tiara – Parcels 2A & 2B Project,
- (vi) 206 DSTH Bandar Jaya Putra Project,
- (vii) 198 DSCH Permas Jaya Project,
- (viii) 168 DSTH Meridin East – Parcel 1B Project, and
- (ix) M Grand Minori – Sales Gallery and Show Units 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 RM12.75 million, namely: -

## **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)**

- (i) 120 DSCH Bandar Putra Project,
- (ii) 220 DSTH Bandar Jaya Putra Project, and
- (iii) 332 DSTH Gelang Patah Project.

The increase in revenue above was offset by the decrease in revenue totalling approximately RM53.94 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) Indahpura Food Court (Building) Project,
- (vi) 170 DSCH Mutiara Maju Project,
- (vii) 327 DSTH Meridin East – Parcel 2G Project,
- (viii) 76 DSCH Taman Impian Emas Project, and
- (ix) M Tiara – Show Village 1A Project.

The Group reported a gross profit margin of 8.92% for the current quarter as compared to 10.01% registered for the corresponding quarter of the preceding year. The decrease in the gross profit margin was mainly contributed from civil engineering construction works with higher margin undertaken by the Group during the financial quarter ended 30 June 2024. In line with the above, the Group reported gross profit at RM9.89 million, representing an increase of RM1.62 million or 19.62% for the current quarter as compared to the gross profit of RM8.27 million registered for the second quarter ended 30 June 2024.

Consequently, profit before tax and profit after tax of the Group for the current quarter increased to RM3.82 million and RM2.59 million respectively, representing increase of 7.28% and 2.70% respectively as compared to the results reported for the corresponding quarter of the preceding financial year.

For the financial year-to-date, the Group reported a higher revenue of RM206.75 million, representing an increase of RM52.02 million or 33.63% as compared to RM154.73 million registered for the corresponding period of the preceding financial year. In line with the higher revenue, the Group's gross profit for the financial period ended 30 June 2025 increased by RM4.73 million or 32.48% to RM19.29 million as compared to RM14.56 million registered for the corresponding period of the preceding financial year. Consequently, profit before tax increased by RM2.32 or 40.44% to RM8.03 million as compared to RM5.71 million registered for the financial period ended 30 June 2024. As compared to the financial period ended 30 June 2024 of RM4.05 million, profit after tax for the financial period under review increased by RM1.45 million or 35.86% to RM5.50 million.

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## 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

	QUARTER ENDED		Changes %
	30.06.2025 Unaudited RM'000	31.03.2025 Unaudited RM'000	
Revenue	110,904	95,849	15.71
Gross profit	9,891	9,402	5.20
Profit before tax	3,819	4,206	(9.20)
Profit after tax	2,585	2,912	(11.23)
Profit attributable to owners of the Company	2,585	2,912	(11.23)

The Group reported an increase in revenue by RM15.05 million or 15.71% from RM95.85 million registered for the immediate preceding quarter to RM110.90 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 during the current financial quarter, gross profit margin registered for the said quarter was lower at 8.92% as compared to 9.81% reported for the immediate preceding quarter. The Group's gross profit for the current quarter increased marginally to RM9.89 million, representing an increase by RM0.49 million or 5.20% from RM9.40 million registered for the immediate preceding quarter due to the increase in revenue as explained in the foregoing paragraph.

The profit before tax and profit after tax of the Group decreased to RM3.82 million and RM2.59 million respectively for the current quarter as compared to RM4.21 million and RM2.91 million respectively for the immediate preceding quarter owing to the higher administrative expenses incurred during the said financial quarter.

### B3. Prospects

#### Overview and outlook of the Malaysian economy

"The Malaysian economy expanded by 4.4% in the second quarter of 2025 (1Q 2025: 4.4%), driven by robust domestic demand. Household spending was higher amid positive labour market conditions and income-related policy measures, including the upward revision of minimum wage and civil servant salaries. Of significance, both private and public investments recorded stronger expansion, supported by the realisation of new and existing projects. On a quarter-on-quarter, seasonally-adjusted basis, growth expanded by 2.1% (1Q 2025: 0.7%).

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

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

BNM expects developments surrounding trade tariffs to affect the global and domestic outlook for the rest of the year. BNM Governor Dato' Sri Abdul Rasheed Ghaffour says, 'The external environment remains challenging. Uncertainty surrounding tariffs continues to linger and the impact will take time to fully materialise. Nonetheless, Malaysia is facing these challenges from a position of strength. Our economy remains on solid footing, supported by resilient domestic demand, continued demand for E&E goods, and a diversified export structure. These fundamentals, alongside continued structural reforms, ensure that Malaysia is well-positioned to navigate the evolving global landscape.'

Notwithstanding the external risks, economic growth is firmly supported by resilient domestic demand, serving as a buffer against global headwinds. Employment and wage growth within domestic-oriented sectors and income-related policy measures will continue to support household spending. The expansion in investment activity will be sustained by several factors. This includes the progress of infrastructure projects, continued high realisation of approved private investments and implementation of national master plans. Malaysia's exports prospects could be raised by favourable outcomes from remaining trade negotiations, pro-growth policies in major economies, and robust tourism activity. The steady rollout of structural reforms, such as the implementation of announced national master plans and fiscal reform measures, is critical to boost our resilience against future shocks" (*Source: Bank Negara Malaysia's Economic and Financial Developments in Malaysia in the Second Quarter of 2025*).

"Since BNM's announcement of Malaysia's 2025 GDP forecast in the Economic and Monetary Review 2024, global trade landscape has changed significantly. The US administration imposed higher tariff rates on most countries, and on selected products. Global uncertainty was exacerbated by the speed and frequency of policy reversals, as well as retaliatory actions by some countries. Consequently, the US effective tariff rate on global trading partners jumped to 19%, as of 31 July 2025 from 2% in 2024, the highest since 1938. These developments will impact global growth, including Malaysia as a small open economy.

As such, Malaysia's 2025 growth forecast is revised down to 4%-4.8% in 2025, as announced on 28 July 2025, from 4.5%-5.5% in BNM's Economic and Monetary Review 2024" (*Source: BNM Quarterly Bulletin Q2 2025*).

#### Overview and outlook of the construction sector in Malaysia

"The value of work done in the Construction sector amounted to RM43.9 billion in the second quarter of 2025, marking a growth of 12.9 per cent, following a 16.6 per cent increase in the previous quarter. The private sector remained the primary driver of growth in the Construction sector, contributing RM28.2 billion or 64.2 per cent of the total value. Nearly 61.1 per cent of the total work done value was concentrated in Selangor, Johor, Sarawak and Wilayah Persekutuan (Kuala Lumpur, Putrajaya and Labuan). The Construction value in Selangor amounted to RM9.7 billion or 22.2 per cent. Meanwhile, Johor ranked second with a value of RM7.7 billion or 17.5 per cent. In the meantime, the value of work done in Sarawak was RM5.2 billion (11.9%), while Wilayah Persekutuan recorded RM4.2 billion (9.5%).

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

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

Summarising the performance of the Construction work for the first half of 2025, the sector posted a value of RM86.8 billion, reflecting a 14.7 per cent increase compared to the same period in 2024 (Q1 2024 to Q2 2024: 17.2%)" (Source: *Department of Statistics Malaysia's Construction Statistics, Second Quarter 2025*).

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.

**B5. Income Tax Expense**

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.06.2025 Unaudited RM'000	30.06.2024 Unaudited RM'000	30.06.2025 Unaudited RM'000	30.06.2024 Unaudited RM'000
Current income tax	1,234	1,043	2,528	1,668
Effective tax rate <sup>(1)</sup> (%)	32.31	29.30	31.50	29.19
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.



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

**B7. Borrowings**

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

	<b>As At 30.06.2025 Unaudited RM'000</b>	<b>As At 31.12.2024 Audited RM'000</b>
<b>Non-current:</b>		
Lease liabilities	1,861	2,104
Hire purchase payables	1,249	565
Term loan	1,072	839
	<b>4,182</b>	<b>3,508</b>
<b>Current:</b>		
Lease liabilities	1,610	1,197
Hire purchase payables	707	521
Term loan	376	277
Revolving credit	1,000	1,000
Bank overdraft	-	7,348
Trade financing	382	-
	<b>4,075</b>	<b>10,343</b>
<b>Total borrowings</b>	<b>8,257</b>	<b>13,851</b>

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

**B8. Material Litigation**

As at 22 August 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.

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

### B9. Dividends

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

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	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	-
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
	<u>-</u>	<u>-</u>	<u>1,396</u>	<u>1,213</u>

### 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	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary equity holders of the Company (RM'000)	2,585	2,517	5,497	4,046
Weighted average number of ordinary shares for basic and diluted earnings per share ('000)	423,005	366,047	423,005	361,344
Basic and diluted earnings per share attributable to ordinary equity holders of the Company (sen)	0.61	0.69	1.30	1.12

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 30 June 2024 have been adjusted to reflect the bonus issue which was completed on 13 September 2024.

### 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:

**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 (Cont'd)**

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.06.2025 Unaudited RM'000	30.06.2024 Unaudited RM'000	30.06.2025 Unaudited RM'000	30.06.2024 Unaudited RM'000
Interest income	95	46	187	81
Gain on disposal of property, plant and equipment	97	-	97	-
Other income	90	160	191	233
Finance costs	(152)	(156)	(338)	(264)
Depreciation of property, plant and equipment	(909)	(727)	(1,645)	(1,410)

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 August 2025.

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