



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

**Unaudited Interim Financial Report  
For The Third Quarter Ended  
30 September 2025**

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

Note	<b>QUARTER ENDED</b>		<b>YEAR-TO-DATE ENDED</b>	
	<b>30.09.2025</b>	<b>30.09.2024</b>	<b>30.09.2025</b>	<b>30.09.2024</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	A9 115,773	84,830	322,526	239,556
Cost of sales	(105,683)	(76,924)	(293,143)	(217,087)
<b>Gross profit</b>	<b>10,090</b>	<b>7,906</b>	<b>29,383</b>	<b>22,469</b>
Other income	211	122	499	355
Administrative expenses	(5,804)	(4,949)	(17,209)	(13,848)
<b>Operating profit</b>	<b>4,497</b>	<b>3,079</b>	<b>12,673</b>	<b>8,976</b>
Finance income	139	62	326	143
Finance costs	(148)	(164)	(486)	(428)
<b>Profit before tax</b>	<b>4,488</b>	<b>2,977</b>	<b>12,513</b>	<b>8,691</b>
Income tax expense	B5 (1,330)	(834)	(3,858)	(2,502)
<b>Profit for the financial period, representing total comprehensive income for the financial period</b>	<b>3,158</b>	<b>2,143</b>	<b>8,655</b>	<b>6,189</b>
<b>Profit attributable to:</b>				
Owners of the Company	<b>3,158</b>	<b>2,143</b>	<b>8,655</b>	<b>6,189</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	<b>3,158</b>	<b>2,143</b>	<b>8,655</b>	<b>6,189</b>
<b>Earnings Per Share attributable to owners of the Company (sen)</b>				
- Basic and diluted	B10 <b>0.75</b>	<b>0.55</b>	<b>2.05</b>	<b>1.66</b>

**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 30.09.2025	As at 31.12.2024
			Unaudited	Audited
		<b>RM'000</b>	<b>RM'000</b>	
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		10,665	9,527	
Other investments		4,819	3,996	
<b>Total non-current assets</b>		<b>15,484</b>	<b>13,523</b>	
<b>Current assets</b>				
Current tax assets		-	2	
Trade and other receivables		148,859	109,608	
Contract assets		59,514	79,092	
Cash and short-term deposits		37,261	30,198	
<b>Total current assets</b>		<b>245,634</b>	<b>218,900</b>	
<b>TOTAL ASSETS</b>		<b>261,118</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		78,180	70,921	
<b>TOTAL EQUITY</b>		<b>115,608</b>	<b>108,349</b>	
<b>Non-current liabilities</b>				
Borrowings	B7	4,633	3,508	
Deferred tax liabilities		167	167	
<b>Total non-current liabilities</b>		<b>4,800</b>	<b>3,675</b>	
<b>Current liabilities</b>				
Borrowings	B7	2,095	10,343	
Tax liabilities		2,155	1,095	
Trade and other payables		135,968	108,736	
Contract liabilities		492	225	
<b>Total current liabilities</b>		<b>140,710</b>	<b>120,399</b>	
<b>TOTAL LIABILITIES</b>		<b>145,510</b>	<b>124,074</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>261,118</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 September 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 ----->				
	<b>Share capital</b>	<b>Reorganisation reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<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	-	-	8,655	8,655
<b>Transaction with owners:</b>				
Dividends paid on shares	-	-	(1,396)	(1,396)
<b>At 30 September 2025 (Unaudited)</b>	<b><u>77,458</u></b>	<b><u>(40,030)</u></b>	<b><u>78,180</u></b>	<b><u>115,608</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>

	<b>CURRENT YEAR TO-DATE</b>	<b>PRECEDING YEAR TO-DATE</b>
	<b>30.09.2025</b>	<b>30.09.2024</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	12,513	8,691
Adjustments for:		
Depreciation of property, plant and equipment	2,583	2,142
Gain on disposal of property, plant and equipment	(61)	-
Interest income	(326)	(143)
Finance costs	486	428
<b>Operating profit before changes in working capital</b>	<b>15,195</b>	<b>11,118</b>
<b>Changes in working capital:</b>		
Trade and other receivables	(39,251)	(1,854)
Contract assets	19,353	(17,012)
Trade and other payables	27,232	15,764
Contract liabilities	492	(14)
<b>Net cash from operations</b>	<b>23,021</b>	<b>8,002</b>
Income tax paid	(2,797)	(2,332)
Income tax refunded	2	-
Interest paid	(201)	(251)
<b>Net cash from operating activities</b>	<b>20,025</b>	<b>5,419</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,144)	(1,583)
Proceeds from disposal of property, plant and equipment	751	-
Change in other investments	(823)	-
Change in pledge deposits	(652)	(803)
Interest received	326	143
<b>Net cash used in investing activities</b>	<b>(3,542)</b>	<b>(2,243)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares pursuant to private placement	-	8,221
Payments of lease liabilities	(472)	(378)
Repayments of hire purchases	(596)	(399)
Repayment of revolving credit	(1,000)	-
Drawdown of term loan	988	-
Repayment of term loan	(352)	(258)
Drawdown of trade financing	105	-
Dividends paid	(1,396)	(1,213)
<b>Net cash (used in)/from financing activities</b>	<b>(2,723)</b>	<b>5,973</b>
<b>Net increase in cash and cash equivalents</b>	<b>13,760</b>	<b>9,149</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>31,838</b>	<b>18,157</b>
<b>Cash and cash equivalents at the end of the financial period comprises:</b>		
Short-term deposits	5,423	3,313
Less: Pledged deposits	(5,423)	(3,313)
Cash and bank balances	-	-
Bank overdraft	31,838	18,157
	<b>31,838</b>	<b>18,157</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 amendments 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 MALAYSIAN FINANCIAL REPORTING STANDARDS (“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**

Dividend paid by the Company since the end of the previous financial year to the date of this report are as follows: -

- a) Second interim single tier dividend of 0.33 sen per ordinary share for the financial ended 31 December 2024, amounted to RM1,395,917.78 computed based on 423,005,400 shares in issue was declared on 26 March 2025 and paid on 16 May 2025.
- b) First interim single tier dividend of 0.35 sen per ordinary share for the financial ending 31 December 2025, amounted to RM1,480,518.90 computed based on 423,005,400 shares in issue was declared on 28 August 2025 and paid on 17 October 2025.

**A9. Dividend Proposed**

There was no dividend declared in respect of the current quarter.

**A10. 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 MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS 134”): INTERIM FINANCIAL REPORTING (CONT'D)**

**A10. Segmental Information (Cont'd)**

	<b>QUARTER ENDED</b>		<b>YEAR-TO-DATE ENDED</b>	
	<b>30.09.2025</b>	<b>30.09.2024</b>	<b>30.09.2025</b>	<b>30.09.2024</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>
<b>Revenue:</b>				
Revenue from external customers:				
Building construction	115,471	83,103	321,862	235,594
Others	302	1,727	664	3,962
	<u>115,773</u>	<u>84,830</u>	<u>322,526</u>	<u>239,556</u>
Inter-segment revenue:				
Building construction	-	-	-	-
Others	2,610	2,880	8,151	7,229
Adjustment and eliminations	(2,610)	(2,880)	(8,151)	(7,229)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total:				
Building construction	115,471	83,103	321,862	235,594
Others	2,912	4,607	8,815	11,191
Adjustment and eliminations	(2,610)	(2,880)	(8,151)	(7,229)
	<u>115,773</u>	<u>84,830</u>	<u>322,526</u>	<u>239,556</u>
<b>Segment profit:</b>				
Building construction	10,020	6,760	29,739	20,780
Others	70	1,146	(356)	1,689
	<u>10,090</u>	<u>7,906</u>	<u>29,383</u>	<u>22,469</u>
Other income	211	122	499	355
Unallocated expenses	(5,804)	(4,949)	(17,209)	(13,848)
Interest Income	139	62	326	143
Finance costs	(148)	(164)	(486)	(428)
Income tax expense	(1,330)	(834)	(3,858)	(2,502)
Profit for the financial period	<u>3,158</u>	<u>2,143</u>	<u>8,655</u>	<u>6,189</u>

**A11. Valuation of property, plant and equipment**

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

**A12. Material Subsequent Events**

There was no material events subsequent to the end of the current quarter and financial year-to-date which has been reflected in this interim financial report as of the date of this report.

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

**A13. 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 change in the composition of the Group during the current quarter and financial year-to-date.

**A14. 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.

**A15. Significant Related Party Transaction**

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.09.2025	30.09.2024	30.09.2025	30.09.2024
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Rental expenses paid to the holding company	120	120	360	360

**A16. 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**

	3rd Quarter Ended		Changes %	Year-To-Date Ended		Changes %
	30.09.2025 Unaudited RM'000	30.09.2024 Unaudited RM'000		30.09.2025 Unaudited RM'000	30.09.2024 Unaudited RM'000	
Revenue	115,773	84,830	36.48	322,526	239,556	34.63
Gross profit	10,090	7,906	27.62	29,383	22,469	30.77
Profit before tax	4,488	2,977	50.76	12,513	8,691	43.98
Profit after tax	3,158	2,143	47.36	8,655	6,189	39.84
Profit attributable to owners of the Company	3,158	2,143	47.36	8,655	6,189	39.84

The breakdown of the Group's revenue according to the relevant segments for the 3<sup>rd</sup> quarter and financial year-to-date are as follows:

	3rd Quarter Ended		Changes %	Year-To-Date Ended		Changes %
	30.09.2025 Unaudited RM'000	30.09.2024 Unaudited RM'000		30.09.2025 Unaudited RM'000	30.09.2024 Unaudited RM'000	
Building construction	115,471	83,103	38.95	321,862	235,594	36.62
Others	302	1,727	(82.51)	664	3,962	(83.24)
Total	115,773	84,830	36.48	322,526	239,556	34.63

For the 3rd quarter ended 30 September 2025, the Group reported revenue of RM115.77 million, an increase of RM30.94 million or 36.48% as compared to RM84.83 million registered for the preceding year's corresponding quarter and the increase was mainly attributable to the Group's building construction segment.

Meanwhile, revenue from the Group's Others segment decreased to RM0.30 million for the current quarter under review from RM1.73 million for the preceding year's corresponding quarter, due to the cessation of the agricultural activities undertaken by the Company's wholly owned subsidiary, Haily Capital Sdn. Bhd. during the current quarter.

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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 (Cont'd)**

The increase in revenue was mainly due to ongoing building construction projects that commenced after the end of the financial period ended 30 September 2024. These projects contributed approximately RM47.49 million to the revenue for the quarter under review: -

- (i) 368 DSTH M Tiara - Parcel 2A & 2B Project,
- (ii) 206 DSTH Bandar Jaya Putra Project,
- (iii) 198 DSCH Permas Jaya Project,
- (iv) 168 DSTH Meridin East – Parcel 1B Project,
- (v) M Grand Minori – Sales Gallery and Show Units Project,
- (vi) Summer Suites Service Apartment – Piling Work, and
- (vii) 136 DSTH Gelang Patah Project.

In addition, the increase in revenue for the building construction segment was 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 RM33.76 million, namely: -

- (i) 332 DSTH Gelang Patah Project,
- (ii) 171 DSLH Kews Senibong Project,
- (iii) 223 DSTH M Tiara – Parcel 1A & 1B Project, and
- (iv) 393 DSTH Meridin East – Parcel 4A3, 4A4, & 4A5 Project.

The increase in revenue above was offset by the decrease in revenue totalling approximately RM50.93 million due to the reduction in percentage of completion recognised in the quarter under review for the Group's on-going and completed 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,
- (vi) 327 DSTH Meridin East – Parcel 2G Project,
- (vii) 76 DSCH Taman Impian Emas Project,
- (viii) 120 DSCH Bandar Putra Project,
- (ix) 2 Show House Meridin East – Parcel 1A Project,
- (x) 220 DSTH Austin Senibong Project, and
- (xi) 1 Show Gallery Austin Senibong Project.

The Group's gross profit margin of 8.72% for the current quarter is marginally lower than the margin registered for the corresponding quarter of the previous financial year at 9.32%.

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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 (Cont'd)

The Group's gross profit of RM10.09 million for the current quarter represented an increase of RM2.18 million or 27.62% as compared to the gross profit of RM7.91 million registered for the preceding year's corresponding quarter, due mainly to the higher revenue for the current quarter.

Consequently, profit before tax and profit after tax of the Group for the current quarter improved to RM4.49 million and RM3.16 million respectively, representing an increase of 50.76% and 47.36% respectively as compared to the preceding year's corresponding quarter' profit before tax and profit after tax of the Group of RM2.98 million and RM2.14 million respectively.

For the current financial year-to-date, the Group reported a revenue of RM322.53 million, representing an increase of RM82.97 million or 34.63% as compared to the revenue of RM239.56 million registered for the corresponding preceding financial year-to-date.

In line with the higher revenue for the current financial year-to-date, the Group's gross profit showed an increase of RM6.91 million or 30.77% to RM29.38 million as compared to RM22.47 million registered for the corresponding preceding financial year-to-date.

Consequently, profit before tax for the current financial year-to-date showed an increased of RM3.82 million or 43.98% to RM12.51 million as compared to RM8.69 million registered for the corresponding preceding financial year-to-date, while profit after tax of RM8.66 million showed an increased of RM2.47 million or 39.84% as compared to RM6.19 million for the corresponding preceding financial year-to-date.

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

	QUARTER ENDED		Changes %
	30.09.2025 Unaudited RM'000	30.06.2025 Unaudited RM'000	
Revenue	115,773	110,904	4.39
Gross profit	10,090	9,891	2.01
Profit before tax	4,488	3,819	17.52
Profit after tax	3,158	2,585	22.17
Profit attributable to owners of the Company	3,158	2,585	22.17

The Group reported a marginal increase in revenue by RM4.87 million or 4.39% in the current quarter under review to RM115.77 million compared to the revenue of RM110.90 million registered for the immediate preceding quarter. The increase was in tandem with the construction activities and progress of the Group's on-going projects.

The gross profit margin for the current and immediate quarter remained similar at 8.72% and 8.92% respectively. The Group's gross profit for the current quarter increased marginally to RM10.09 million, representing an increase of RM0.20 million or 2.01% as compared to RM9.89 million registered in the immediate preceding quarter.

**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 profit before tax and profit after tax of the Group increased to RM4.49 million and RM3.16 million respectively for the current quarter as compared to RM3.82 million and RM2.59 million respectively, for the immediate preceding quarter due mainly to higher administrative expenses incurred in the immediate preceding quarter.

**B3. Prospects**

Overview and outlook of the Malaysian economy

"The Malaysian economy expanded by 5.2% in the third quarter of 2025 (2Q 2025: 4.4%), driven by sustained domestic demand and higher net exports. Household spending was supported by positive labour market conditions, income-related policy measures, and cash assistance programs. Investment activity was underpinned by continued capital expansion by both private and public sectors. On the external front, net exports registered higher growth as export growth outpaced import growth.

On the supply side, growth was led by the services and manufacturing sectors. Growth in the services sector was mainly contributed by consumer-related sub-sectors, while the manufacturing sector's performance was driven by stronger production in electrical and electronics (E&E) and consumer-related goods. Meanwhile, the mining and quarrying sector rebounded, reflecting a recovery in crude oil and natural gas production post-scheduled maintenance work. On a quarter-on-quarter, seasonally-adjusted basis, growth expanded by 2.4% (2Q 2025: 2.2%).

Despite the challenging external environment, Malaysia's economic outlook remains on track to achieve growth between 4% and 4.8% in 2025, supported by resilient domestic demand. Household spending will be supported by continued employment and wage growth, as well as income-related policy measures. Investment activity will be sustained by progress of infrastructure projects, further realisation of approved private investments, and the implementation of national master plans. On the external front, export growth is expected to be impacted by tariffs and more moderate external demand. However, growth would be supported by continued demand for E&E goods, inbound tourism and the recovery in mining-related exports" (*Source: Bank Negara Malaysia's Economic and Financial Developments in Malaysia in the Third Quarter of 2025*).

"The Government expects the Malaysian economy to grow at a moderate pace between 4.0% and 4.5% in 2026. The fiscal deficit will reduce to 3.5%. It aims to attract and maintain high-value investments, accelerate digital and green transformation, and enhance the well-being of the people through targeted reforms and social protection measures" (*Source: FOURTH MADANI BUDGET 2026, presented by YAB DATO'S SERI ANWAR BIN IBRAHIM, PRIME MINISTER AND MINISTER OF FINANCE*).

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**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 recorded a strong growth of 10.6 per cent, with a work value of RM45.4 billion in the third quarter of 2025".

The value of work done in the Construction sector reached RM45.4 billion in the third quarter of 2025, posting a 10.6% increase, following the 12.9% growth recorded in the previous quarter. The solid performance was primarily driven by the expansion of the Special trade activities and Residential buildings sub-sectors, which grew by 15.3% and 11.6%, respectively. The Non-residential buildings sub-sector also increased by 10.0%, while the Civil engineering sub-sector sustained positive momentum, expanding at a more moderate pace of 8.9%.

Of RM45.4 billion of work done value recorded in the third quarter of 2025, a total of RM16.5 billion or 36.4% was attributed to the Civil engineering sub-sector, primarily in the activity of construction of Utility projects (RM8.9 billion) and Roads and railways (RM5.7 billion). Meanwhile, the value of work done for Non-residential buildings and Residential buildings sub-sectors accounted for RM12.9 billion (28.5%) and RM10.5 billion (23.0%), respectively. The Special trade activities contributed RM5.5 billion (12.1%), largely in Site preparation (RM1.6 billion); Electrical installation (RM1.4 billion); and Plumbing, heat and air-conditioning installation (RM1.0 billion) activities.

The private sector remained as the main impetus to the growth in this quarter, contributing RM29.5 billion or 65.0% of the total value. The private sector sustained its double-digit momentum with a 13.1% growth (Q2 2025: 19.3%), propelled by strong performance in the Non-residential buildings (14.3%) and the Residential buildings (13.4%) sub-sectors. Meanwhile, the value of work done by the public sector, with a 35.0% share valued at RM15.9 billion, recorded a more moderate growth of 6.1% (Q2 2025: 3.1%). The growth was primarily fuelled by the Special trade activities sub-sector at 23.9% growth.

Nearly 62.1% 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 RM10.5 billion or 23.1%, contributed by the Non-residential buildings (RM3.7 billion), followed by Residential buildings (RM3.1 billion) and Civil engineering (RM2.5 billion) sub-sectors. Meanwhile, Johor ranked second with a value of RM8.2 billion or 18.0%, primarily from the Non-residential buildings (RM3.1 billion) sub-sector. In the meantime, the value of work done in Sarawak was RM4.9 billion (10.7%), while Wilayah Persekutuan recorded RM4.7 billion (10.3%)" (Source: Department of Statistics Malaysia's Construction Statistic, Third Quarter 2025).

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

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

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**

	3RD QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.09.2025 Unaudited RM'000	30.09.2024 Unaudited RM'000	30.09.2025 Unaudited RM'000	30.09.2024 Unaudited RM'000
Current income tax				
- Current income tax charge	1,322	816	3,850	2,484
- Adjustment in respect of prior period/year	8	18	8	18
<b>Total income tax expense</b>	<b>1,330</b>	<b>834</b>	<b>3,858</b>	<b>2,502</b>
Effective tax rate <sup>(1)</sup> (%)	29.63	28.01	30.83	28.79
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.

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

**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:

	<b>As At 30.09.2025 Unaudited RM'000</b>	<b>As At 31.12.2024 Audited RM'000</b>
<b>Non-current:</b>		
Lease liabilities	1,962	2,104
Hire purchase payables	1,333	565
Term loan	1,338	839
	4,633	3,508
<b>Current:</b>		
Lease liabilities	681	1,197
Hire purchase payables	819	521
Term loan	490	277
Revolving credit	-	1,000
Bank overdraft	-	7,348
Trade financing	105	-
	2,095	10,343
<b>Total borrowings</b>	<b>6,728</b>	<b>13,851</b>

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

**B8. Material Litigation**

As at 21 November 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	
	30.09.2025	30.09.2024	30.09.2025	30.09.2024
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
First interim single tier dividend of 0.35 sen per ordinary share for the financial year ending 31 December 2025, declared on 28 August 2025 and paid on 17 October 2025	1,481	-	1,481	-
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	-
First interim single tier dividend of 0.31 sen per ordinary share for the financial year ending 31 December 2024, declared on 28 August 2024 and paid on 11 October 2024	-	1,216	-	1,216
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
	<b>1,481</b>	<b>1,216</b>	<b>2,877</b>	<b>2,429</b>

**B10. Earnings Per Share ("EPS")**

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	
	30.09.2025	30.09.2024	30.09.2025	30.09.2024
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Profit attributable to ordinary equity holders of the Company (RM'000)	3,158	2,143	8,655	6,189
Weighted average number of ordinary shares for basic and diluted earnings per share ('000)	423,005	392,305	423,005	371,740
Basic and diluted earnings per share attributable to ordinary equity holders of the Company (sen)	0.75	0.55	2.05	1.66

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

**B10. Earnings Per Share ("EPS") (Cont'd)**

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 EPS for the current quarter and financial year-to-date ended 30 September 2025 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:

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	30.09.2025	30.09.2024	30.09.2025	30.09.2024
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Interest income	139	62	326	143
(Loss)/Gain on disposal of property, plant and equipment	(36)	-	61	-
Other income	124	122	311	355
Finance costs	(148)	(164)	(486)	(428)
Depreciation of property, plant and equipment	(938)	(732)	(2,583)	(2,142)

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 27 November 2025.

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