

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2025**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT PERIOD QUARTER 30/6/2025 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2024 RM'000	CURRENT YEAR TO DATE 30/6/2025 RM'000	PRECEDING YEAR CORRESPONDING YEAR 30/6/2024 RM'000
Revenue	13	104,374	101,976	414,112	398,834
Cost of sales		(82,849)	(73,300)	(322,888)	(315,058)
<b>Gross profit</b>		<b>21,525</b>	<b>28,676</b>	<b>91,224</b>	<b>83,776</b>
Other operating income		2,494	1,735	5,836	8,987
Other operating expenses		(16,179)	(19,015)	(63,444)	(59,479)
<b>Profit from operations</b>		<b>7,840</b>	<b>11,396</b>	<b>33,616</b>	<b>33,284</b>
Finance income, net		(92)	(1,010)	(1,925)	(834)
<b>Profit before taxation</b>	<b>13</b>	<b>7,748</b>	<b>10,386</b>	<b>31,691</b>	<b>32,450</b>
Taxation	17	(1,079)	(3,376)	(6,726)	(7,763)
Zakat		(10)	(30)	(100)	(120)
<b>Profit after taxation for the financial period</b>		<b>6,659</b>	<b>6,980</b>	<b>24,865</b>	<b>24,567</b>
<b>Other comprehensive income:</b>					
Revaluation of property, plant and equipment		72	72	72	72
Foreign currency translation differences		(1,159)	(509)	(5,695)	486
<b>Total comprehensive income for the financial period</b>		<b>5,572</b>	<b>6,543</b>	<b>19,242</b>	<b>25,125</b>
<b>Profit attributable to:</b>					
Owners of the Company		6,659	6,980	24,865	19,721
Non-controlling interests		-	-	-	4,846
		<b>6,659</b>	<b>6,980</b>	<b>24,865</b>	<b>24,567</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		5,572	6,543	19,242	20,393
Non-controlling interests		-	-	-	4,732
		<b>5,572</b>	<b>6,543</b>	<b>19,242</b>	<b>25,125</b>
<b>Basic earnings per share (sen)</b>	<b>22</b>	<b>2.05</b>	<b>2.18</b>	<b>7.60</b>	<b>6.10</b>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2024.

The accompanying notes are an integral part of this statement.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2025**

	Note	(Unaudited)	(Audited)
		AS AT 30/6/2025 RM'000	AS AT 30/6/2024 RM'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		18,853	19,130
Investment properties		5,200	5,900
Intangible assets		31,439	31,439
Other Financial Asset		1,327	-
Deferred tax assets		6,201	4,930
Right of use assets		3,847	3,961
		<b>66,867</b>	<b>65,360</b>
<b>CURRENT ASSETS</b>			
Inventories		26,987	29,389
Tax recoverable		12,840	12,223
Other receivables		29,155	33,377
Trade receivables		112,552	124,181
Contract assets		43,392	51,109
Short term investment		2,698	6,769
Deposits with licensed banks, cash and bank balances		133,642	119,238
		<b>361,266</b>	<b>376,286</b>
<b>TOTAL ASSETS</b>		<b>428,133</b>	<b>441,646</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		129,451	126,504
Treasury shares		(1,287)	(1,287)
Foreign exchange reserve		4,180	9,875
Revaluation reserve		4,568	4,496
Share option reserve		(150)	450
Retained profits		92,307	71,598
<b>Equity attributable to owners of the Company</b>		<b>229,069</b>	<b>211,636</b>
Non-controlling interests		-	-
<b>Total Equity</b>		<b>229,069</b>	<b>211,636</b>
<b>NON-CURRENT LIABILITIES</b>			
Loans and borrowings	19	51,035	62,578
Deferred tax liabilities		26	19
		<b>51,061</b>	<b>62,597</b>
<b>CURRENT LIABILITIES</b>			
Other payables		31,913	22,378
Trade payables		51,196	69,104
Employee benefits		1,491	1,475
Provision for taxation		3,877	2,387
Loans and borrowings	19	46,132	44,357
Contract liabilities		13,394	27,712
		<b>148,003</b>	<b>167,413</b>
<b>TOTAL LIABILITIES</b>		<b>199,064</b>	<b>230,010</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>428,133</b>	<b>441,646</b>
<b>NET ASSETS PER SHARE (SEN)</b>		<b>70.0</b>	<b>65.4</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2024.

The accompanying notes are an integral part of this statement.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FOURTH QUARTER ENDED 30 JUNE 2025**

	CURRENT PERIOD TO DATE 30/6/2025 RM'000	PREVIOUS YEAR TO DATE 30/6/2024 RM'000
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Profit before taxation	31,691	32,450
Adjustments for:		
Allowance for impairment losses on trade receivables	828	1,262
Allowance for slow moving inventories	146	175
Reversal of impairment on receivables	(3,598)	(3,317)
Reversal of impairment on contract assets	-	(3,209)
Depreciation of property, plant and equipment	3,261	3,175
Depreciation of right of use asset	3,201	3,022
Property, plant and equipment written off	6	2
Other receivables written off	-	2
Loss on revaluation of investment properties	400	563
Fair value loss on other financial asset	173	-
Gain on disposal of property, plant and equipment	(370)	(151)
Unrealised loss on foreign exchange	170	(456)
Finance costs/(income),net	1,925	834
<b>Operating profit before working capital changes</b>	<b>37,833</b>	<b>34,352</b>
Decrease in inventories	2,256	5,263
Decrease in receivables	26,639	5,431
Decrease in payables	(26,280)	(6,824)
Increase in amount owing by an associate	-	184
<b>Cash generated from operations</b>	<b>40,448</b>	<b>38,406</b>
Interest paid	(5,160)	(3,774)
Taxes paid	(7,116)	(8,042)
Zakat paid	(100)	(120)
<b>Net cash generated from operating activities</b>	<b>28,072</b>	<b>26,470</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net cash outflow from acquisition of subsidiaries	-	(110,000)
Withdrawal of short term investment	4,070	847
Purchase of property, plant and equipment	(2,415)	(4,377)
Addition to other financial asset	(1,500)	-
Proceeds from disposals of property, plant and equipment	385	175
Interest received	3,235	2,940
<b>Net cash generated from /(used in) investing activities</b>	<b>3,775</b>	<b>(110,415)</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
(Repayment)/Drawdown of revolving credit/term loans	(5,584)	80,807
(Repayment)/Drawdown of hire purchase and lease payables	(188)	98
(Repayment)/Drawdown of trade loan	(3,994)	3,668
Repayment of overdraft facilities	(3)	(2,625)
Proceed from exercise of employee share options	2,372	1,775
Dividends paid to owners	(4,181)	(1,650)
<b>Net cash (used in)/ generated from financing activities</b>	<b>(11,578)</b>	<b>82,073</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>20,269</b>	<b>(1,872)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<b>119,238</b>	<b>119,474</b>
Effects of exchange differences	(5,865)	486
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>133,642</b>	<b>118,088</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	68,701	68,107
Deposits with licensed bank	64,941	49,981
	<b>133,642</b>	<b>118,088</b>

The Condensed Consolidated Statement of Cash flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2024.

The accompanying notes are an integral part of this statement.

# AWC BERHAD

(Company No. 550098-A)



## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 30 JUNE 2025

	Share Capital RM'000	Treasury Shares RM'000	Foreign Exchange Reserves RM'000	Revaluation Reserves RM'000	Share Option Reserves RM'000	Distributable Retained Profits RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
<b>30 June 2025</b>									
At 1 July 2024	126,504	(1,287)	9,875	4,496	450	71,598	211,636	-	211,636
Profit after taxation for the financial period	-	-	-	-	-	24,865	24,865	-	24,865
Other comprehensive income for the financial period									
- Revaluation of property, plant and equipment	-	-	-	72	-	-	72	-	72
- Foreign currency translation reserve	-	-	(5,695)	-	-	-	(5,695)	-	(5,695)
	-	-	(5,695)	72	-	-	(5,623)	-	(5,623)
Total comprehensive income for the financial period	-	-	(5,695)	72	-	24,865	19,242	-	19,242
Transaction with owners:									
- Exercise of employee share options	2,947	-	-	-	(575)	-	2,372	-	2,372
- Share options lapsed	-	-	-	-	(25)	25	-	-	-
- Dividends paid on shares to owner of the company	-	-	-	-	-	(4,181)	(4,181)	-	(4,181)
<b>At 30 June 2025</b>	<b>129,451</b>	<b>(1,287)</b>	<b>4,180</b>	<b>4,568</b>	<b>(150)</b>	<b>92,307</b>	<b>229,069</b>	<b>-</b>	<b>229,069</b>
<b>30 June 2024</b>									
At 1 July 2023	119,697	(1,287)	9,274	4,438	64	91,590	223,776	72,864	296,640
Profit after taxation for the financial period	-	-	-	-	-	19,721	19,721	4,846	24,567
Other comprehensive income for the financial period									
- Revaluation of property, plant & equipment	-	-	-	72	-	-	72	-	72
- Foreign currency translation reserve	-	-	600	-	-	-	600	(114)	486
	-	-	600	72	-	-	672	(114)	558
Total comprehensive income for the financial period	-	-	600	72	-	19,721	20,393	4,732	25,125
Transaction with owners:									
- Exercise of employee share options	1,329	-	-	-	446	-	1,775	-	1,775
- Share options lapsed	-	-	-	-	(59)	59	-	-	-
- Dividends paid on shares to owner of the company	-	-	-	-	-	(1,650)	(1,650)	-	(1,650)
- Acquisition of subsidiaries	5,478	-	-	-	-	(37,882)	(32,404)	(77,596)	(110,000)
<b>At 30 June 2024</b>	<b>126,504</b>	<b>(1,287)</b>	<b>9,874</b>	<b>4,510</b>	<b>451</b>	<b>71,838</b>	<b>211,890</b>	<b>-</b>	<b>211,890</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2024.

The accompanying notes are an integral part of this statement.

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2025**

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**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134**

**1. BASIS OF PREPARATION**

The interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”), MFRS 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2024.

**Adoption of amendments/improvements to MFRSs**

The Group and the Company have adopted the following amendments to MFRSs for the current financial year:

Amendments to MFRSs

MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 112	Income Taxes

The adoption of the above amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group’s and the Company’s existing accounting policies.

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2025**

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**1. BASIS OF PREPARATION (CONTINUED)**

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

The Group and the Company have not adopted the following new MFRSs and amendments to MFRSs that have been issued, but yet to be effective:

<u>New MFRS</u>		<b>Effective for financial periods beginning on or after</b>
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
MFRS 7	Financial Instruments: Disclosures	1 January 2024/ 1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statement of Cash Flows	1 January 2024/ 1 January 2026
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

The Group and the Company plan to adopt the above applicable new MFRSs and amendments to MFRSs when they become effective.

**2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the financial statements for the financial year ended 30 June 2024 was not subject to any audit qualification.

**3. SEASONAL OR CYCLICAL FACTORS**

The Group's business was not affected by any significant seasonal or cyclical factors during the current quarter under review.

**4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

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

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2025**

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**5. CHANGE IN ESTIMATES**

There was no change in estimates of amounts reported in the prior financial year that have a material effect in the current quarter under review.

**6. DEBT AND EQUITY SECURITIES**

There was no issuance, cancellation, repurchases, resale and repayment of debt and equity securities during the current quarter under review, except for the issuance of new AWC shares in line with the Group's Employee Share Option Scheme ("ESOS"), as follows:

- i) 18,695,686 ordinary shares were issued at an exercise price of 33.6 sen per share;
- ii) 3,899,212 ordinary shares were issued at an exercise price of 42.3 sen per share;
- iii) 1,219,150 ordinary shares were issued at an exercise price of 72.3 sen per share;
- iv) 300,000 ordinary shares were issued at an exercise price of 75.1 sen per share;
- v) 3,285,000 ordinary shares were issued at an exercise price of 23.7 sen per share;
- vi) 3,707,000 ordinary shares were issued at an exercise price of 41.8 sen per share;
- and
- vii) 195,000 ordinary shares were issued at an exercise price of 51.2 sen per share.

Options to subscribe for 7,496,860 ordinary shares remain unexercised.

Treasury Shares

The number of treasury shares held as at 30 June 2025 is as follows: -

	<b>No. of shares</b>	<b>Amount RM</b>
Balance of treasury shares as at 1 July 2024	4,628,700	1,287,081
Add: Purchase of treasury shares during the year under review	-	-
Balance of treasury shares as at 30 June 2025	<u>4,628,700</u>	<u>1,287,081</u>

**7. DIVIDENDS PAID**

No dividend has been paid in the current quarter under review.

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2025**

**8. SEGMENTAL INFORMATION**

The segment information for the current year ended 30 June 2025 is as follows:

	Investment Holding	Facilities Division	Engineering Division	Environment Division	Rail Division	Others Division	Adjustments and Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	19,466	221,593	86,335	87,778	48,698	-	(49,758)	414,112
Profit/(Loss) before tax	12,414	2,223	6,935	22,715	5,310	(52)	(17,854)	31,691
Segment assets	253,141	215,358	76,126	137,138	46,900	10	(300,540)	428,133

**9. CARRYING AMOUNT OF REVALUED ASSETS**

Not Applicable.

**10. SIGNIFICANT AND SUBSEQUENT EVENT**

No material events subsequent to 30 June 2025 to the date of this report that have not been reflected in the financial statements for current financial year.

**11. CHANGES IN COMPOSITION OF THE GROUP**

There was no change in the composition of the Group during the current quarter under review.

**12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no material contingent liabilities or contingent assets as at the date of this report.

**AWC BERHAD**

(Company No. 550098-A)




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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2025**


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**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**
**13. PERFORMANCE REVIEW BY SEGMENTS**

Revenue	Current quarter	Preceding year	Current year	Preceding year
	ended	corresponding	to-date ended	corresponding
	30 June	quarter ended	30 June	year ended
	2025	30 June	2025	30 June
	RM'000	RM'000	RM'000	RM'000
Facilities	53,075	59,047	221,593	230,329
Environment	22,034	29,712	87,778	101,968
Engineering	24,508	21,881	86,335	79,676
Investment holdings	4,270	5,480	19,466	31,920
Rail	12,487	4,760	48,698	18,968
<b>Total</b>	<b>116,374</b>	<b>120,880</b>	<b>463,870</b>	<b>462,861</b>
Less: Elimination	(12,000)	(18,904)	(49,758)	(64,027)
<b>Consolidated Total</b>	<b>104,374</b>	<b>101,976</b>	<b>414,112</b>	<b>398,834</b>

Profit/(Loss) before tax	Current quarter	Preceding year	Current year	Preceding year
	ended	corresponding	to-date ended	corresponding
	30 June	quarter ended	30 June	year ended
	2025	30 June	2025	30 June
	RM'000	RM'000	RM'000	RM'000
Facilities	768	2,847	2,223	2,966
Environment	5,587	8,477	22,715	24,647
Engineering	1,897	1,746	6,935	8,319
Investment holdings	2,711	10,292	12,414	31,917
Rail	505	1,869	5,310	4,483
Others	(3)	(3)	(52)	(41)
<b>Total</b>	<b>11,465</b>	<b>25,228</b>	<b>49,545</b>	<b>72,291</b>
Less: Elimination	(3,717)	(14,842)	(17,854)	(39,841)
<b>Consolidated Total</b>	<b>7,748</b>	<b>10,386</b>	<b>31,691</b>	<b>32,450</b>

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2025**

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**13. PERFORMANCE REVIEW BY SEGMENTS (CONTINUED)****13.1 Facilities Division****Quarter on Quarter (“QoQ”)**

Revenue for Q4/FY25 dropped marginally by 0.2% to RM53.1m from RM53.2m in Q3/FY25.

As for profitability, the division recorded a PBT of RM768k in Q4/FY25 as compared to PBT of RM414k in Q3/FY25, an increase of RM354k/85.4% mainly due to trade receivables recovery of RM835k.

**Current quarter vs preceding year corresponding quarter**

The revenue for the current quarter Q4/FY25 was lower by RM6.0m/10.1% compared to the preceding year’s corresponding quarter Q4/FY24 mainly due to lower revenue from Concession.

The division recorded a PBT of RM768k in the current quarter under review Q4/FY25 as compared to PBT of RM2.8m in Q4/FY24. However the RM2.8m PBT in Q4/FY24 included a one-time inter division receivables write back of RM2.9m.

**13.2 Environment Division****QoQ**

The division’s revenue for the quarter under review Q4/FY25 amounted to RM22.0m compared to the immediate preceding quarter Q3/FY25, at RM21.6m. The increase of RM0.4m/1.8% was largely due to higher projects progress in the Malaysia and Singapore regions during the quarter under review.

Despite of higher revenue, the division recorded a PBT of RM5.6m in Q4/FY25 as compared to PBT of RM6.2m in Q3/FY25, a decrease of RM0.6m/9.7%.

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2025**

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**13. PERFORMANCE REVIEW BY SEGMENTS (CONTINUED)**

**13.2 Environment Division(continued)**

**Current quarter vs preceding year corresponding quarter**

The revenue for the current quarter Q4/FY25 was RM22.0m vs RM29.7m in Q4/FY24, a decrease of RM7.7m/25.8% mainly due to slower project progress especially in Abu Dhabi and Singapore regions.

Hence the division recorded a PBT of RM5.6m in Q4/FY25 vs a PBT of RM8.5m in Q4/FY24, a decrease of RM2.9m/34.1%.

**13.3 Engineering Division**

**QoQ**

The revenue for Q4/FY25 amounted to RM24.5m compared to RM19.9m in Q3/FY25, an increase of RM4.6m/23.1% mainly due to higher project progress under the Plumbing segment.

As a result, the division recorded a PBT of RM1.9m in Q4/FY25 vs a PBT of RM1.8m in Q3/FY25, an increase of RM0.1m/4.6%.

**Current quarter vs preceding year corresponding quarter**

The revenue for the current quarter Q4/FY25 was RM24.5m vs RM21.9m in Q4/FY24, an increase of RM2.6m/12.0%. The higher revenue recorded was mainly attributable to higher project progress from the Plumbing segment during the current quarter under review.

In line with higher revenue, the division's recorded PBT of RM1.9m in Q4/FY25 vs a PBT of RM1.7m in Q4/FY24, an increase of RM0.2m/8.6%.

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2025**

**13. PERFORMANCE REVIEW BY SEGMENTS (CONTINUED)**

**13.4 Rail Division**

**QoQ**

The Division recorded a higher revenue for Q4/FY25 of RM12.5m compared to RM11.4m in Q3/FY25, an increase of RM1.1m/9.3% due to higher order fulfilment and project deliverables during the quarter under review.

Despite of higher revenue, the division recorded a lower PBT of RM0.5m in Q4/FY25 vs a PBT of RM1.0m in Q3/FY25, a decrease of RM0.5m/49.0% in the current quarter mainly attributable to lower gross profit from projects completed in the current quarter.

**Current quarter vs preceding year corresponding quarter**

The revenue in Q4/FY25 was RM12.5m compared to RM4.8m in Q4/FY24, an increase of RM7.7m/>100% due to higher order fulfillment and project deliverables in Q4/FY25.

Despite of higher revenue, the division recorded a PBT of RM0.5m in Q4/FY25 vs a PBT of RM1.9m in Q4/FY24, a decrease of RM1.4m/73.0% during the current quarter, mainly due to lower margin mix in Q4/FY25 (10.9% vs 44.1%).

**14. COMMENTARY ON MATERIAL VARIATION IN REVENUE AND PROFIT BEFORE TAXATION AGAINST PRECEDING QUARTER**

	<b>Current quarter ended 30 June 2025</b>	<b>Preceding quarter ended 31 March 2025</b>	<b>Favorable/ (Adverse) Variance</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	<u>104,374</u>	<u>98,576</u>	<u>5,798</u>
Profit before taxation and zakat	<u>7,748</u>	<u>7,671</u>	<u>77</u>

On a QoQ basis, revenue increased by RM5.8m/5.9% due to higher revenue recorded by all divisions except facilities as highlighted above.

Arising from the above as well as points highlighted under the respective business divisions, the Group PBT remains almost similar at approximately RM7.7m despite of fair value loss on investment properties (RM0.2m), impairment of trade receivables (RM0.3m), fair value loss on other financial asset (RM0.2m) and share based payment charge from ESOS granted to eligible employees during the year (RM0.1m).

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2025**

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**15. COMMENTARY ON PROSPECTS**

Despite ongoing macroeconomic challenges globally, the Board remains cautiously optimistic about the Group's financial outlook for upcoming financial year (FY26). This is supported by our strong balance sheet and healthy order book of RM597 million, which provides clear earnings visibility and reinforces our confident in the Group's continued positive performance.

We set out below our analysis of prospects by Divisions:

**15.1 Facilities Division**

The Division continues to deliver steady recurring income from its existing long-term maintenance concession for the Southern Region and Sarawak, which includes both standard maintenance services and the Critical Asset Refurbishment Programme (CARP). This 10-year contract remains in effect until 31 December 2025 and is anticipated to contribute meaningfully to the Group's revenue base.

In parallel, the Division manages a portfolio of non-concession facilities contracts in the commercial and healthcare segments, which generally span two to five years. The Division's total outstanding order book stands at around RM270 million as of end-June 2025 with approximately RM230 million to be recognized in the next three to five years.

Looking ahead, management remains confident in the Division's outlook as it continues to execute its strategic initiatives. With a sizeable pipeline of tenders — both submitted and scheduled for submission before the end of 2025 — targeted at sectors aligned with the Facilities Division's strengths, prospects of the Division remain promising.

**15.2 Environment Division**

The Environment Division continues to maintain a healthy order book with secured contracts extending into the next two financial years. With steady project execution and billing progress anticipated, the Division is expected to sustain its positive contribution to the Group's overall performance.

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2025**

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**15. COMMENTARY ON PROSPECTS (CONTINUED)**

**15.3 Engineering Division**

**Air conditioning segment**

Moving forward, the Management anticipates securing a higher order book which, together with the leaner cost structure, is expected to support a more sustainable performance trajectory.

**Plumbing segment**

Ongoing projects under this segment remain on schedule and are expected to continue contributing positively to the Group's earnings over the next one to two years. In response to elevated material costs, the segment is actively engaging clients with value engineering proposals aimed at optimizing specifications and better overall project cost management.

**15.4 Rail Division**

The Division continues to actively pursue rail-related projects and procurement opportunities both domestically and regionally. Leveraging its established agency and principal representations, and potential business in service-related segment, the Division is strategically positioned to participate in selected rail initiatives. These efforts are expected to translate into tangible contributions to Group's performance over the next two years.

**16. PROFIT FORECAST OR PROFIT GUARANTEE**

Not applicable.

**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2025**

**17. INCOME TAX EXPENSE**

	Current quarter ended 30 June 2025 RM'000	Year to date ended 30 June 2025 RM'000
Profit before taxation and zakat	7,748	31,691
Income tax expense for the year	(1,079)	(6,726)
Effective tax rate	14%	21%

Domestic income tax is calculated at Malaysian statutory income tax rate of 24% (2024: 24%) of the estimated assessable profit for the financial year.

For other jurisdictions, the income tax rate applicable to the subsidiaries in Singapore and United Arab Emirates are 17% and 9% respectively (2024: 17% and 9%).

**18. CORPORATE PROPOSALS**

There was no corporate proposal announced but not completed at the date of this report.

**19. LOANS AND BORROWINGS**

	As at 30 June 2025 RM'000	As at 30 June 2024 RM'000
Current:		
Term loan	12,667	13,770
Hire purchase	1,265	909
Revolving credit	24,700	18,000
Trade loan	6,383	6,163
Lease Liabilities	1,120	1,409
Bank overdraft	(3)	(5)
Total	46,132	40,246
Non-current:		
Term loan	47,870	63,437
Hire purchase	808	1,039
Lease Liabilities	2,357	2,224
Total	51,035	66,700
Total loans and borrowings	97,167	106,946

All the above borrowings are denominated in Ringgit Malaysia except for the trade loan and bank overdraft are denominated in Singapore Dollar.

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2025**

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**20. MATERIAL LITIGATION**

Other than appended below, there is no material litigation which may materially affect the Group for the current quarter under review.

Trackwork & Supplies Sdn. Bhd. (“the Claimant”), a subsidiary of the Company, had through its solicitors, Messrs. Gan Partnership in their letter dated 25 April 2023 requested to commence an arbitration between the Claimant and Emrail Sdn. Bhd. (“the Respondent”) made pursuant to Rule 7 of the Arbitration Rules of the Asian International Arbitration Centre (AIAC). The Claimant’s claim is based on the purchase orders issued by the Respondent to the Claimant (‘the Contract’) whereby the Claimant had supplied and delivered materials or goods to the Respondent for a project in relation to restoration of track and slope stabilisation, track rehabilitation and associated works. The Claimant is seeking for an order that the Respondent pay the sum of RM2,163,420.00 to the Claimant and/or any order of loss, cost, expenses and/or damages suffered by the Claimant arising from the default in payment by the Respondent. Dispute has arisen between the Claimant and the Respondent under the Contract with regards to the payment by Respondent in respect of the Invoices issued by the Claimant. Notice to arbitrate has been issued by the Claimant’s solicitors and the Respondent through its solicitors have responded to the notice to arbitrate.

The Arbitrator had dismissed the preliminary objection raised by the Respondent on the pre-conditions for arbitration have not been fulfilled and the costs of the preliminary proceedings are to be paid by the Respondent to the Claimant. The hearing of the arbitration proceeded with neither the Respondent nor their solicitors present. The Arbitral Tribunal deemed the Respondent’s case closed as of 19 February 2025. Thereafter, the Arbitrator has also given various directions with oral submissions on 24 April 2025 and to file submission on costs by 15 May 2025. The arbitration is currently pending the issuance of the award by the Arbitrator.

The Respondent filed an appeal to the Shah Alam High Court on the dismissal of Respondent’s preliminary objection by the Arbitrator. The Shah Alam High Court on 20 March 2025 dismissed the Respondent’s appeal with costs of RM8,000.00.

The Company will make a further announcement if there is any material update on the aforesaid arbitration.

**21. DIVIDEND DECLARED**

The Board of Directors is pleased to propose a final single-tier dividend of 0.5 sen per ordinary share in respect of the financial year ended 30 June 2025. The book closure and payment dates for this dividend will be announced in due course.

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2025**

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**22. EARNINGS PER SHARE**

The basic earnings per ordinary share of the Group is calculated based on the Group's net profit for the period attributable to owners of the Company over the weighted average number of ordinary shares in issue during the year, excluding treasury shares held by the Company as follows:

	<b>Current quarter ended 30 June 2025</b>	<b>Year to date ended 30 June 2025</b>
Profit attributable to owners of the Company (RM'000)	6,659	24,865
Weighted average number of ordinary shares in issue, excluding treasury shares ('000)	325,082	327,343
Basic earnings per share (sen)	<u>2.05</u>	<u>7.60</u>

There are no shares or other financial instruments in issue which have a dilutive effect on the earnings per share of the Group.

**23. REALISED AND UNREALISED PROFITS**

	<b>As at 30 June 2025 RM'000</b>
Total retained profits of the Company and its subsidiaries:	
- Realised	228,381
- Unrealised	6,004
	<u>234,385</u>
Less: Consolidation adjustments	(142,078)
Total group retained profit as per consolidated accounts	<u>92,307</u>

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**EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2025**

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**24. ITEMS INCLUDED IN CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

Profit from operations is for the current quarter and year to-date ended 30 June 2025 is stated after charging / (crediting) the following items:

	<b>Current quarter ended 30 June 2025 RM'000</b>	<b>Year to date ended 30 June 2025 RM'000</b>
Depreciation and amortisation	2,536	6,462
Foreign exchange gain	(72)	(814)
Gain on disposal of property, plant and equipment	(6)	(370)
Interest income	(1,249)	(3,235)
Interest expense	1,341	5,160
Impairment losses on trade receivables	270	828
Reversal of impairment on trade receivables	(2,193)	(3,598)
Stock written (back)/ off	(4)	146
Other income	(177)	(806)

**25. AUTHORISATION FOR ISSUE**

This interim financial report has been approved by the Board of Directors of the Company for issuance on 27 August 2025.