TALIWORKS CORPORATION BERHAD
(Company No 196501000264 (6052-V))
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2025 (UNAUDITED)

CONTENTS

This Report is authorised by the Board for public release on 27 August 2025

KEY FINANCIAL HIGHLIGHTS

(in RM'000 unless specified otherwise)	6 months ended 30 June 2025 unaudited	6 months ended 30 June 2024 unaudited	Variance (%) #
Revenue	218,537	192,299	↑ 14
Gross profit	77,712	73,000	↑ 6
Profit before taxation **("PBT")**	41,525	48,299	↓ 14
Profit for the period	30,022	36,898	↓ 19
Earnings per share **("EPS")** (sen)	1.19	1.59	↓ 25
Dividends per share (sen)	1.0	2.0	↓ 50

approximate, to the nearest digit

- For the financial period ended 30 June 2025, the Group posted a 14% increase in revenue, rising from RM192.30 million to RM218.54 million. This improvement was mainly driven by increased contribution from all operating subsidiaries, except for the water treatment and supply segment which recorded a dip.
- The improvement in the Group's revenue was mainly supported by the continued progress in Packages 2 and 3 of Phase 1 of the Sungai Rasau Water Treatment Plant and Water Supply Scheme ("**Rasau Projects**") whilst revenue from the toll highway segment was higher attributable to government compensation recognised. The renewable energy segment also contributed positively, following the successful completion of solar panel replacement in all the solar photovoltaic plants, leading to higher electricity generation and sales to off-takers.
- The drop in revenue in the water treatment and supply segment was mainly due to a 4.1% reduction in metered sales and lower electricity and chemical rebates in the Sungai Selangor Water Treatment Plant Phase 1 ("**SSP1**") operations. The decrease in electricity rebates arose from a reduction in the Imbalance Cost Pass-Through ("**ICPT**") surcharge by Tenaga Nasional Berhad from RM0.037/kWh to RM0.027/kWh, effective from 1 July 2024.
- In line with the higher revenue, the Group recorded an increase in gross profit by 6%, but with a lower gross margin due to a larger revenue contribution from the construction segment, which generates lower margins. The higher gross profit was contributed by a reduction in upkeep and maintenance as well as lower depreciation and amortisation expenses.
- On the earnings front, the Group's PBT fell to RM41.53 million or by 14%, down from RM48.30 million in the corresponding period. This was mainly driven by higher losses from an associate, SWM Environment Holdings Sdn Bhd ("**SWMEH**") and a lower contribution from a joint venture, Grand Sepadu (NK) Sdn Bhd ("**Grand Sepadu**"). The increased share of losses from SWMEH was attributable to higher expenses incurred during the current financial period, as well as a recognition of a one-off gain of RM13.72 million from the disposal of an investment in the corresponding period. On the other hand, share of results from Grand Sepadu was lower as the corresponding period included a government compensation of RM12.56 million for non-toll hikes. However, the decline in the PBT was mitigated by lower finance costs and higher other income during the period.
- Consequently, profit for the period declined by RM6.88 million or by 19%, with EPS decreasing from 1.59 sen per share to 1.19 sen per share.
- Based on the performance of the Group for the financial quarter ended 30 June 2025, the Board is pleased to declare a second interim single-tier dividend of 0.5 sen per share amounting to RM10.08 million to be payable on 30 September 2025. This is in addition to the 0.5 sen per share declared for the financial quarter ended 31 March 2025, bringing the total dividend for the financial period to 1.0 sen per share amounting to RM20.16 million.

CONDENSED STATEMENTS OF FINANCIAL POSITION

	Note	30 June 2025 RM'000 (Unaudited)	31 Dec 2024 RM'000 (Audited)
ASSETS			
Property, plant and equipment		102,581	107,162
Right-of-use assets		26,293	28,185
Investment properties		91	93
Intangible assets		906,255	921,891
Investment in joint venture		67,642	75,119
Investment in associates		61,655	75,336
Other investment		200	200
Goodwill on consolidation		132,503	132,503
Long-term other receivable		11,919	11,919
Deposits, cash and bank balances		13,737	55,403
Deferred tax assets		6,528	6,588
Total Non-Current Assets		**1,329,404**	**1,414,399**
Inventories		59,618	66,778
Trade receivables		94,492	61,576
Other receivables, deposits and prepayments		17,035	12,800
Tax recoverable		1,784	1,156
Investments designated at fair value through profit or loss	B11	40,688	34,221
Deposits, cash and bank balances	B11	111,121	99,749
Total Current Assets		324,738	276,280
TOTAL ASSETS		**1,654,142**	**1,690,679**
EQUITY AND LIABILITIES			
Share capital		438,354	438,354
Merger deficit		(71,500)	(71,500)
Currency translation reserve		614	107
Retained earnings		305,818	302,020
Total Equity Attributable to Owners of the Company		**673,286**	**668,981**
Non-controlling interests		288,713	293,427
Total Equity		**961,999**	**962,408**
LIABILITIES			
Long-term borrowings	B7	189,571	229,473
Lease liabilities		27,066	27,395
Long-term trade payables		2,688	2,126
Provisions		38,937	38,672
Deferred income		40,669	39,482
Deferred tax liabilities		205,561	209,680
Total Non-Current Liabilities		**504,492**	**546,828**
Trade payables		40,271	33,175
Other payables and accruals		38,778	29,508
Amount due to contract customers		46,858	49,127
Short-term borrowings	B7	44,450	44,358
Lease liabilities		1,906	3,153
Deferred income		6,795	13,480
Tax liabilities		8,593	8,642
Total Current Liabilities		**187,651**	**181,443**
TOTAL LIABILITIES		**692,143**	**728,271**
TOTAL EQUITY AND LIABILITIES		**1,654,142**	**1,690,679**

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	Note	3 Months ended 30 Jun 2025 RM'000 unaudited	3 Months ended 30 Jun 2024 RM'000 unaudited	6 Months ended 30 Jun 2025 RM'000 unaudited	6 Months ended 30 Jun 2024 RM'000 unaudited
Revenue	A4, B1	**113,269**	**98,972**	**218,537**	**192,299**
Cost of operations		(72,058)	(62,414)	(140,825)	(119,299)
Gross profit		**41,211**	**36,558**	**77,712**	**73,000**
Other operating income		2,547	1,076	4,600	3,578
Administrative and other expenses		(11,841)	(9,225)	(21,832)	(19,790)
Operating profit		**31,917**	**28,409**	**60,480**	**56,788**
Finance costs		(3,402)	(3,922)	(6,973)	(7,972)
Share of results of joint venture		814	823	1,523	5,227
Share of results of associates		(5,806)	(189)	(13,505)	(5,744)
Profit before tax	B4	**23,523**	**25,121**	**41,525**	**48,299**
Income tax expense	B5	(6,407)	(5,572)	(11,503)	(11,401)
Profit for the financial period		**17,116**	**19,549**	**30,022**	**36,898**
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Currency translation		421	675	507	225
Total comprehensive income for the financial period		**17,537**	**20,224**	**30,529**	**37,123**
Profit for the financial period attributable to:					
Owners of the Company		13,445	16,986	23,956	32,011
Non-controlling interests		3,671	2,563	6,066	4,887
		17,116	**19,549**	**30,022**	**36,898**

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	Note	3 Months ended 30 Jun 2025 RM'000 unaudited	3 Months ended 30 Jun 2024 RM'000 unaudited	6 Months ended 30 Jun 2025 RM'000 unaudited	6 Months ended 30 Jun 2024 RM'000 unaudited
Total comprehensive income for the financial period attributable to:					
Owners of the Company		13,866	17,661	24,463	32,236
Non-controlling interests		3,671	2,563	6,066	4,887
		17,537	**20,224**	**30,529**	**37,123**
Basic and diluted earnings per share attributable to owners of the Company (sen per share)	B9	0.67	0.84	1.19	1.59

The Condensed Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2024 and the accompanying significant events and transactions attached to these interim financial statements.

CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Note	Share capital RM'000	Merger deficit RM'000	Currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
		Attributable to Owners of the Company						
As of 1 January 2025		**438,354**	**(71,500)**	**107**	**302,020**	**668,981**	**293,427**	**962,408**
Profit for the financial period		-	-	-	23,956	23,956	6,066	30,022
Other Comprehensive Income:								
Currency translation differences		-	-	507	-	507	-	507
Total comprehensive income for the period		-	-	507	23,956	24,463	6,066	30,529
Transactions with Owners of the Company:								
Dividends paid	A7	-	-	-	(20,158)	(20,158)	-	(20,158)
Dividends paid by a subsidiary to non-controlling interest		-	-	-	-	-	(10,780)	(10,780)
Total transactions with Owners of the Company		-	-	-	(20,158)	(20,158)	(10,780)	(30,938)
As of 30 Jun 2025 (unaudited)		**438,354**	**(71,500)**	**614**	**305,818**	**673,286**	**288,713**	**961,999**

CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Attributable to Owners of the Company						
	Share capital RM'000	Merger deficit RM'000	Currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
As of 1 January 2024	**438,354**	**(71,500)**	**(615)**	**329,673**	**695,912**	**267,950**	**963,862**
Profit for the financial period	-	-	-	32,011	32,011	4,887	36,898
Other Comprehensive Income:							
Currency translation differences	-	-	225	-	225	-	225
Total comprehensive income for the period	-	-	225	-	32,236	4,887	37,123
Transactions with Owners of the Company:							
Dividends paid	-	-	-	(40,316)	(40,316)	-	(40,316)
Total transactions with Owners of the Company	-	-	-	(40,316)	(40,316)	-	(40,316)
As of 30 Jun 2024 (unaudited)	**438,354**	**(71,500)**	**(390)**	**321,368**	**687,832**	**272,837**	**960,669**

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2024 and the accompanying significant events and transactions attached to these interim financial statements.

CONDENSED STATEMENTS OF CASH FLOWS

	6 Months ended 30 Jun 2025 RM'000 unaudited	6 Months ended 30 Jun 2024 RM'000 unaudited
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	41,525	48,299
Adjustments for:		
Non-cash items	30,544	18,648
Interest income	(1,759)	(1,225)
Finance costs	6,973	7,972
Operating Profit Before Working Capital Changes	77,283	73,694
Net increase in inventories, amount due from contract customers, trade and other receivables	(32,638)	(11,608)
Net increase/(decrease) in trade and other payables, provisions and deferred income	18,249	(12,683)
Cash Generated From Operations	62,894	49,403
Income tax paid	(16,243)	(11,987)
Income tax refund	4	-
Net Cash From Operating Activities	**46,655**	**37,416**
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Interest received	1,632	1,347
Property, plant and equipment:		
- Proceeds from disposal	1	15
- Purchases	(840)	(393)
Purchase of intangible assets	(1,199)	-
Dividend received from an associate	176	-
Dividend received from a joint venture	9,000	4,500
Investments designated at fair value through profit or loss ("**FVTPL**"):		
- Purchase	(16,189)	(28,619)
- Proceeds from redemption	10,000	38,000
- Dividend income	469	619
Withdrawals of deposits pledged as security	41,672	30,227
Net Cash From Investing Activities	**44,722**	**45,696**
CASH FLOWS USED IN FINANCING ACTIVITIES		
Interest paid	(7,948)	(8,687)
Repayment of borrowings	(39,908)	(35,042)
Repayment of lease liabilities	(1,719)	(1,441)
Dividends paid *(Note A7)*	(20,158)	(40,316)
Dividends paid by a subsidiary to non-controlling interests	(10,780)	-
Net Cash Used In Financing Activities	**(80,513)**	**(85,486)**

CONDENSED STATEMENTS OF CASH FLOWS

	6 Months ended 30 Jun 2025 RM'000 unaudited	6 Months ended 30 Jun 2024 RM'000 unaudited
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	**10,864**	**(2,374)**
Effect of Exchange Rate Changes	508	226
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL PERIOD	**99,749**	**82,478**
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	**111,121**	**80,330**
Cash and cash equivalents comprised the following amounts in the statements of financial position:		
Deposits with licensed banks	77,083	65,082
Cash and bank balances	47,775	30,950
Total deposits, cash and bank balances	124,858	96,032
Less: Deposits pledged as security	(13,737)	(15,702)
	111,121	**80,330**

The Condensed Statements of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2024 and the accompanying significant events and transactions attached to these interim financial statements.

PART A – DISCLOSURES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING

A1 – Basis of Preparation

These interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board, Paragraph 9.22 of the Main Board Listing Requirements of Bursa Malaysia Securities Berhad **("Bursa Securities")** and guidance communication notes issued by Bursa Securities.

These interim financial statements should be read in conjunction with the latest audited financial statements of the Company and its subsidiaries **("Group")** for the financial year ended 31 December 2024 ("**Audited Financial Statements**"). The selected explanatory notes attached to these 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 previous financial year.

The material accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the Audited Financial Statements, except for the following: -

(i) **Adoption of amendments to Malaysian Financial Reporting Standards ("MFRSs")**

In the current financial period, the Group adopted all the amendments to the MFRSs issued by the Malaysian Accounting Standards Board that are effective for annual financial years beginning on or after 1 January 2025.

Amendments to MFRS 121	Lack of Exchangeability

The adoption of these amendments to MFRS did not result in significant changes in the accounting policies of the Group and had no material impact on the financial performance or position of the Group.

New MFRSs and Amendments to MFRSs in issue but not yet effective

As at the date of authorisation of these interim financial statements, the amendments to MFRSs which were in issue but not yet effective and not early adopted by the Group are as listed below: -

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 9 and MFRS 7	Classification and Measurement of Financial Instruments
Annual Improvement to MFRS Standards-Volume 11	
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity

The Board anticipates that the abovementioned MFRSs and Amendments to MFRSs will be adopted in the annual financial statements of the Group when they become effective, and that the adoption of these standards will have no material impact on the financial statements of the Group in the period of initial application, except for the presentation and disclosure required by MFRS 18 which introduces new categories and subtotals in the statement of profit and loss. It also requires the disclosure of management-defined performance measures and includes new requirements for the location, aggregation and disaggregation of financial information, all of which the Group is currently assessing.

A1 – Basis of Preparation (continued)

(ii) **The principal closing rate used in translation of foreign currency amounts were as follows:**

Foreign currency	30 Jun 2025	31 Mar 2025	30 Jun 2024
	RM	RM	RM
1 US Dollar (USD)	4.21	4.43	4.72
1 Singapore Dollar (SGD)	3.30	3.31	*

**not applicable as there are no monetary assets or liabilities in SGD to be translated, given that the relevant subsidiaries referred to in Note 19 to the Audited Financial Statements are only incorporated in July 2024.*

(iii) **Application of Existing Accounting Policy — IC Interpretation 12 Service Concession Arrangements**

A subsidiary, Sungai Harmoni Sdn. Bhd. ("**SHSB**") is obligated to construct a mechanical Residual Treatment Facility **("RTF")** at its own cost under the terms of the Bulk Water Supply Agreement ("**BWSA**") with Pengurusan Air Selangor Sdn. Bhd. **("Air Selangor")**. In accordance with IC Interpretation 12, the construction cost and a notional profit will be recognised as an intangible asset in the statement of financial position during the construction period and upon its completion, it will be amortised over the remaining tenure of the BWSA. At the same time, a notional construction revenue, based on costs incurred and the notional profit, will be recognised in the statement of profit or loss.

As at the end of the reporting period, RM1.20 million of preliminary costs were incurred, with a notional revenue of RM1.23 million and a notional profit of RM0.03 million recognised in the statement of profit or loss.

A2 – Comments about the Seasonal or Cyclicality of Interim Operations

There are no significant seasonal or cyclical factors affecting the operations of the Group.

A3 – Unusual Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

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

A4 – Disaggregation of Revenue

The disaggregation of revenue was as follows:

	3 Months ended 30 Jun		6 Months ended 30 Jun	
	2025 RM'000 unaudited	2024 RM'000 unaudited	2025 RM'000 unaudited	2024 RM'000 unaudited
Revenue from contracts with customers:				
Management, operations and maintenance of water treatment plants	47,657	48,153	93,672	99,047
Toll revenue and operator fee	20,294	19,614	39,732	39,047
Revenue from construction contracts				
- In accordance with MFRS 15	30,542	19,258	58,471	31,056
- In accordance with IC Interpretation 12	1,229	-	1,229	-
Sales of electricity	7,835	7,386	15,314	14,027
Management fees	1,083	1,083	2,166	2,166
	108,640	95,494	210,584	185,343
Revenue from other sources:				
Deferred income	4,629	3,478	7,953	6,956
Revenue as per Condensed Statement of Comprehensive Income	**113,269**	**98,972**	**218,537**	**192,299**
Timing of revenue recognition for revenue from contracts with customers:				
At a point in time	75,786	75,153	148,718	152,121
Over time	32,854	20,341	61,866	33,222
	108,640	**95,494**	**210,584**	**185,343**

A5 – Accounting Estimates

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years of the Group that have a material effect in the current quarter and financial period.

A6 – Issuance, Repurchases and Repayments of Debt and Equity Securities

During the current quarter and financial period, there was no issuance, repurchase and repayment of debt and equity securities by the Company.

A7 – Dividends Paid

The total dividends paid to shareholders during the financial period amounted to RM20,158,000 (2024: RM40,316,000) as follows: -

(a) on 27 February 2025, the Board declared a fourth interim single-tier dividend of 0.5 sen per share on 2,015,817,574 ordinary shares amounting to RM10,079,000 in respect of the financial year ended 31 December 2024 which was paid on 28 March 2025; and

(b) on 19 May 2025, the Board declared a first interim single-tier dividend of 0.5 sen per share on 2,015,817,574 ordinary shares amounting to RM10,079,000 in respect of the financial year ending 31 December 2025 which was paid on 30 June 2025.

A8 – Material Subsequent Events

There were no material events subsequent to the end of the financial report that have not been reflected in these interim financial statements.

A9 - Contingent Liabilities

There were no material contingent liabilities as at the end of the current financial period and up to 20 August 2025 (being a date not earlier than 7 days from the date of these interim financial statements).

A10 – Changes in Composition of the Group

There were no changes to the composition of the Group during the financial period, including business combination, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinued operations.

A11 – Other Significant Events and Transactions

There are no other transactions and events that are significant to the understanding of the changes in the financial position and performance of the Group since the Audited Financial Statements.

A12 – Operating Segments

Segmental information is presented in respect of the Group's business segments, which reflect the Group's management structure and the way financial information is internally reviewed by the Group's chief operating decision makers.

3 Months ended 30 Jun	Water		Waste management		Construction		Toll highway		Renewable energy		Others		Total		Reconciliation		Amount as per Statement of	
	2025 RM'000 Unaudited	2024 RM'000 Unaudited	2025 RM'000 Unaudited	2024 RM'000 Unaudited	2025 RM'000 Unaudited	2024 RM'000 Unaudited	2025 RM'000 Unaudited	2024 RM'000 Unaudited	2025 RM'000 Unaudited	2024 RM'000 Unaudited	2025 RM'000 Unaudited	2024 RM'000 Unaudited	2025 RM'000 Unaudited	2024 RM'000 Unaudited	2025 RM'000 Unaudited	2024 RM'000 Unaudited	2025 RM'000 Unaudited	2024 RM'000 Unaudited
Revenue	47,657	48,153	90,400	87,328	31,771*	19,258	17,841	16,874	7,835	7,386	1,083	1,083	196,587	180,082	(83,318)	(81,110)	113,269	98,972
EBITDA(i)	17,943	16,742	15,028	18,983	1,155	698	14,916	13,770	5,258	5,961	17,223	(2,089)	71,523	54,065	(27,590)	(13,205)	43,933	40,860
Depreciation and amortisation	(120)	(115)	(3,516)	(2,927)	(2)	(4)	(6,429)	(6,372)	(2,448)	(2,908)	(794)	(798)	(13,309)	(13,124)	1,293	673	(12,016)	(12,451)
Operating profit	17,823	16,627	11,512	16,056	1,153	694	8,487	7,398	2,810	3,053	16,429	(2,887)	58,214	40,941	(26,297)	(12,532)	31,917	28,409
Finance costs	(5)	(6)	(9,101)	(8,436)	-	-	(1,738)	(2,060)	(116)	(124)	(284)	(313)	(11,244)	(10,939)	7,842	7,017	(3,402)	(3,922)
Share of results of joint venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	814	823	814	823
Share of results of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,806)	(189)	(5,806)	(189)
Profit before tax	17,818	16,621	2,411	7,620	1,153	694	6,749	5,338	2,694	2,929	16,145	(3,200)	46,970	30,002	(23,447)	(4,881)	23,523	25,121
Income tax expense	(4,221)	(3,931)	(5,011)	(5,104)	(1)	-	(1,867)	(1,600)	61	91	(1)	-	(11,040)	(10,544)	4,633	4,972	(6,407)	(5,572)
Profit for the financial year	13,597	12,690	(2,600)	2,516	1,152	694	4,882	3,738	2,755	3,020	16,144	(3,200)	35,930	19,458	(18,814)	91	17,116	19,549
EBDA(ii)	13,717	12,805	916	5,443	1,154	698	11,311	10,110	5,203	5,928	16,938	(2,402)	49,239	32,582	(20,107)	(582)	29,132	32,000
Capex(iii)	18	122	9,810	1,060	21	-	223	29	80	115	111	4	10,263	1,330	-	-	-	-

A12 - Operating Segments (continued)

Segmental information is presented in respect of the Group’s business segments, which reflect the Group’s management structure and the way financial information is internally reviewed by the Group’s chief operating decision makers.

6 Months ended 30 Jun	Water		Waste management		Construction		Toll highway		Renewable enery		Others		Total		Reconciliation		Amount as per Statement of Comprehensive Income	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000	RM’000
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Revenue	93,672	99,047	178,969	173,789	59,700*	31,056	34,405	38,314	15,314	14,027	2,166	2,166	384,226	358,399	(165,689)	(166,100)	218,537	192,299
EBITDA(i)	35,388	35,198	27,060	32,189	2,170	990	27,882	31,883	11,209	12,315	14,680	(5,450)	118,389	107,125	(34,079)	(25,546)	84,310	81,579
Depreciation and amortisation	(240)	(227)	(6,849)	(5,698)	(5)	(9)	(12,697)	(12,683)	(4,893)	(5,790)	(1,580)	(1,595)	(26,264)	(26,002)	2,434	1,211	(23,830)	(24,791)
Operating profit	35,148	34,971	20,211	26,491	2,165	981	15,185	19,200	6,316	6,525	13,100	(7,045)	92,125	81,123	(31,645)	(24,335)	60,480	56,788
Finance costs	(10)	(12)	(18,548)	(16,855)	-	-	(3,566)	(4,198)	(232)	(247)	(587)	(627)	(22,943)	(21,939)	15,970	13,967	(6,973)	(7,972)
Share of results of joint venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,523	5,227	1,523	5,227
Share of results of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13,505)	(5,744)	(13,505)	(5,744)
Profit before tax	35,138	34,959	1,663	9,636	2,165	981	11,619	15,002	6,084	6,278	12,513	(7,672)	69,182	59,184	(27,657)	(10,885)	41,525	48,299
Income tax expense	(8,137)	(8,248)	(9,268)	(9,595)	(1)	-	(3,288)	(4,194)	424	181	-	-	(20,270)	(21,856)	8,767	10,455	(11,503)	(11,401)
Profit for the financial year	27,001	26,711	(7,605)	41	2,164	981	8,331	10,808	6,508	6,459	12,513	(7,672)	48,912	37,328	(18,890)	(430)	30,022	36,898
EBDA(ii)	27,241	26,938	(756)	5,739	2,169	990	21,028	23,491	11,401	12,249	14,093	(6,077)	75,176	63,330	(21,324)	(1,641)	53,852	61,689
Capex(iii)	55	212	15,490	10,316	27	13	402	123	83	122	133	9	16,190	10,795				

** Included a notional construction revenue of RM1,229,000 recognised pursuant to IC Interpretation 12 Service Concession Arrangements from the construction of the RTF.*

A12 – Operating Segments (continued)

(i) EBITDA is defined as earnings before finance costs, taxation, depreciation and amortisation (and excludes share of results of associates and joint venture).
(ii) EBDA is defined as earnings before depreciation and amortisation.
(iv) CAPEX is defined as capital expenditure based on the Group's proportionate share on capital expenditure incurred for the financial period.

Notes

1. *The Group monitors the performance of its business by five main business segments namely water treatment and supply, construction, toll highway, waste management and renewable energy. Others refer to investment holding and other non-core businesses. Goodwill has been allocated to its reportable segments.*

2. *The revenue and profit performance represent the Group's proportionate share of interest in each of the subsidiaries (instead of full consolidation) and includes a proportionate share of the interest of joint ventures or associates (instead of being equity accounted). The total is then reconciled to the revenue and profit performance in the Condensed Statements of Comprehensive Income. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance.*

3. *The segmental information on the waste management segment excluded the fair value measurement adjustments made at the Group level. This is to better assess the operational performance of the segment. The segmental results (including the calculation of EBITDA and EBDA), are solely from the concession business, after the proportionate deduction of dividends on cumulative preferences shares held by parties other than the Group.*

	Water treatment and supply		Waste management		Construction		Toll highway		Renewable energy		Others		Total	
As at 30 Jun	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	unaudited	unaudited	unaudited	unaudited	unaudited	unaudited	unaudited	unaudited	unaudited	unaudited	unaudited	unaudited	unaudited	unaudited
Segment assets	94,374	95,119	47,274	87,220	123,570	98,277	1,193,023	1,222,566	138,103	167,310	57,798	50,923	1,654,142	1,721,415
Segment liabilities	(27,245)	(22,769)	-	-	(99,769)	(89,251)	(523,690)	(585,639)	(18,577)	(37,872)	(22,862)	(25,215)	(692,143)	(760,746)
Net segment assets	67,129	**72,350**	**47,274**	**87,220**	**23,801**	**9,026**	**669,333**	**636,927**	**119,526**	**129,438**	**34,936**	**25,708**	**961,999**	**960,669**

PART B – DISCLOSURES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 – Overall Review of Group's Financial Performance

Part A – Review of Statement of Financial Position

	As at 30 Jun 2025 (Unaudited) RM'000	As at 31 Dec 2024 (Audited) RM'000	Variance (%) #
Total assets	1,654,142	1,690,679	↓ 2
Total liabilities	692,143	728,271	↓ 5
Total shareholders' equity	961,999	962,408	-
Return on equity (%)*	3.12	10.65	↓ 71
Net assets per share (sen)	33.40	33.19	↑ 1

* *Return on Equity is calculated by dividing the profit for the financial period/year with the average of the opening and closing total shareholders' equity*

\# *approximate, to the nearest digit*

(a) The Group's total assets declined as compared to the Audited Financial Statements primarily due to reductions in the carrying amount of the following: -

(i) investments designated at FVTPL, cash and bank balances by RM23.83 million. The decrease in the cash reserves of the Group was principally due to dividend payments to shareholders, repayments of the Islamic Medium-Term Notes **("IMTN")** under a IMTN (Sukuk) Programme issued by a subsidiary, Cerah Sama Sdn Bhd **("Cerah Sama")**, and interest payments during the financial period;

(ii) inventories by RM7.16 million due to the utilisation of materials previously purchased and delivered to the Rasau Project sites. As construction activities progress, the materials consumed were recognised as part of the contract cost in accordance with the percentage of completion of the projects;

(iii) intangible assets by RM15.64 million due to amortisation charges;

(iv) investments in associates by RM13.68 million mainly due to share of losses of SWMEH; and

(v) investment in joint venture by RM7.48 million primarily due to dividend of RM9.00 million received.

In contrast, trade and other receivables recorded an increase of RM37.15 million, largely due to higher billings.

(b) Total liabilities decreased by 5% or RM36.13 million, primarily due to the redemption of the sixth tranche of the IMTN of RM40.00 million and a RM5.50 million decrease in deferred income mainly due to it being recognised as revenue as disclosed in Note A4. This was partially mitigated by a RM16.93 million increase in trade and other payables, attributable to lower payments made during the period.

(c) As at 30 June 2025, the net assets per share stood at 33.40 sen, a marginal increase from 33.19 sen recorded as at 31 December 2024.

B1 – Overall Review of Group's Financial Performance (continued)

Part B – Review of Income Statement

The breakdown of the revenue by business segment below should be read in conjunction with Note A4 – Disaggregation of Revenue above.

	3 Months ended 30 Jun 2025 RM'000 unaudited	3 Months ended 30 Jun 2024 RM'000 unaudited	6 Months ended 30 Jun 2025 RM'000 unaudited	6 Months ended 30 Jun 20254 RM'000 unaudited
Revenue				
Water treatment and supply	47,657	48,153	93,672	99,047
Construction				
- In accordance with MFRS 15	30,542	19,258	58,471	31,056
- In accordance with IC Interpretation 12	1,229	-	1,229	-
Toll highway	24,923	23,092	47,685	46,003
Renewable energy	7,835	7,386	15,314	14,027
Others	1,083	1,083	2,166	2,166
Revenue as per Condensed Statement of Comprehensive Income	**113,269**	**98,972**	**218,537**	**192,299**

Profit Before Tax

	3 Months ended 30 Jun 2025 RM'000 unaudited	3 Months ended 30 Jun 2024 RM'000 unaudited	6 Months ended 30 Jun 2025 RM'000 unaudited	6 Months ended 30 Jun 2024 RM'000 unaudited
Water treatment and supply	17,801	16,627	35,148	34,971
Construction	1,139*	685	2,138*	964
Toll highway	13,222	10,935	23,287	21,381
Renewable energy	2,832	3,053	6,316	6,525
Others	(3,077)	(2,891)	(6,409)	(7,053)
Operating profit	**31,917**	**28,409**	**60,480**	**56,788**
Finance cost	(3,402)	(3,922)	(6,973)	(7,972)
Share of results of joint venture	814	823	1,523	5,227
Share of results of associates	(5,806)	(189)	(13,505)	(5,744)
Profit before tax for the financial period	**23,523**	**25,121**	**41,525**	**48,299**

** Included a notional profit of RM30,000 recognised pursuant to IC Interpretation 12 Service Concession Arrangements from the construction of the RTF for the current quarter and year-to-date, respectively.*

(a) Current Quarter vs. Preceding Year's Corresponding Quarter

Overall Summary

For the current quarter, the Group reported revenue of RM113.27 million, an increase from RM98.97 million in the corresponding quarter. This growth was mainly driven by higher contributions from all operating subsidiaries, except for the water treatment and supply segment which experienced a marginal decline of 1%.

B1 – Overall Review of Group's Financial Performance (continued)

Part B – Review of Income Statement (continued)

(a) Current Quarter vs. Preceding Year's Corresponding Quarter (continued)

Despite the higher revenue, the Group's PBT declined to RM23.52 million from RM25.12 million in the same quarter last year, primarily due to a higher share of losses amounting to RM6.43 million (Q2FY24: RM0.98 million) from its associate, SWMEH. These effects were mitigated by lower depreciation and amortisation expenses, improved net returns from interest income, dividend and net gain on redemption from investments designated at FVTPL, as well as lower finance costs.

Water treatment and supply

The segment registered revenue of RM47.66 million (Q2FY24: RM48.15 million), comprising metered sales of RM39.88 million (Q2FY24: RM39.51 million) and electricity and chemical rebates of RM7.78 million (Q2FY24: RM8.64 million). The decrease in revenue was mainly due to lower electricity rebate as a result of the reduction in the ICPT rate to RM0.027/kWh from RM0.037/kWh effective 1 July 2024. However, it also led to lower electricity costs, and the impact was marginal on the financial performance of SSP1.

The metered sales and the average million litres per day **("MLD")** of metered sales recorded in SSP1 were as follows: -

SSP1	Q2 2025	Q2 2024	Variance (%)
Metered Sales (million m^3)	83.09	82.31	↑ 0.9
Number of billing days	92	91	
Average MLD	903.11	904.48	↓ 0.2

Despite the decrease in revenue, the operating profit rose from RM16.63 million to RM17.80 million. The higher operating profit was also contributed by lower rehabilitation and maintenance expenses totalling RM4.40 million (Q2FY24: RM5.38 million) incurred during the quarter.

Construction

The construction segment posted revenue of RM31.77 million, an increase of RM12.51 million from RM19.26 million in the same quarter last year, mainly reflecting continued progress on the Rasau Projects. This translated into higher operating profit for the segment. Nonetheless, as construction activities generally yield lower profit margins, the contribution to the Group's overall profitability remained relatively modest despite the increase in revenue.

Toll highway – Subsidiary

Average Daily Traffic ("ADT")	Q2 2025	Q2 2024	Variance (%)
Grand Saga Highway (vehicles per day)	166,319	164,171	↑ 1.3

Both revenue and operating profit improved over the corresponding quarter, driven by a 1.3% increase in ADT and the recognition of government compensation of RM1.27 million for toll exemptions granted by the government during certain festive periods and the general elections. The improvement in the operating profit was further supported by higher interest income whereas there were no significant variations in depreciation and amortisation and repair and maintenance expenses compared to the corresponding period.

B1 – Overall Review of Group's Financial Performance (continued)

Part B – Review of Income Statement (continued)

(a) Current Quarter vs. Preceding Year's Corresponding Quarter (continued)

Renewable energy

The total energy output, measured in megawatt-hour ("MWh") recorded in the four (4) solar plants were as follows: -

	Q2 2025	**Q2 2024**	**Variance (%)**
Total energy output (MWh)	6,602	6,290	↑ 5.0

Revenue from the renewable energy segment increased by RM0.45 million, driven by an 5.0% growth in total energy output. This improvement was a consequence of the completion of solar panel replacements at TR Sepang and TR CPark in the prior year.

However, despite the higher revenue, the operating profit declined mainly due to higher upkeep and maintenance expenses amounting to RM0.49 million (Q2FY24: RM0.04 million), higher corporate cost of RM0.56 million (Q2FY24: RM0.08 million) incurred for exploring potential projects, higher net foreign exchange losses of RM0.87 million (Q2FY24: RM0.68 million), and lower net returns from interest income, dividend and net gain on redemption from investments designated at FVTPL of RM0.15 million (Q2FY24: RM0.29 million). These impacts were partially cushioned by lower depreciation and amortisation expenses of RM2.45 million (Q2FY24: RM2.91 million).

Toll highway – Share of results of joint venture

ADT	**Q2 2025**	**Q2 2024**	**Variance (%)**
Grand Sepadu Highway (vehicles per day)	89,861	89,586	↑ 0.3

Although ADT improved during the quarter, the Group's share of results from Grand Sepadu remained largely unchanged compared to the corresponding quarter, as the positive impact of higher traffic and lower finance costs was offset by an increase in repair and maintenance expenses in the current quarter.

Waste management – Associate

The Group's share of results of associates is contributed mainly by SWMEH. The Group's share of losses from SWMEH was higher at RM6.43 million as compared to RM0.98 million in the corresponding quarter due to a lower PAT of RM45.34 million (Q2FY24: RM59.96 million) and after adjustments of RM63.71 million (Q2FY24: RM62.77 million) made by the Group to SWMEH's PAT.

At SWMEH, revenue from both solid waste collection and public cleansing services was higher by 3.5%. However, the PAT was lower as the corresponding quarter included a one-off gain of RM13.72 million from the disposal of an investment and higher expenses in the current quarter, amongst others, payroll-related costs, depreciation and finance costs. This was partially mitigated by a reduced provision for loss allowance on receivables.

B1 – Overall Review of Group's Financial Performance (continued)

Part B – Review of Income Statement (continued)

(b) Current Year-to-date vs. Preceding Year-to-date

Overall Summary

The Group recorded higher revenue of RM218.54 million for the current financial period, up by RM26.24 million or 14% from RM192.30 million in the same period last year. The increase was mainly attributed to stronger turnover recorded across all operating subsidiaries, other than from the water treatment and supply segment.

Despite the increase in revenue, the Group's PBT was lower, largely due to the following factors: -

(a) higher share of losses from SWMEH amounting to RM14.67 million (YTD Q2FY24: RM6.96 million);

(b) lower share of profits from Grand Sepadu amounting to RM1.52 million (YTD Q2FY24: RM5.23 million); and

(c) higher net foreign exchange losses of RM1.05 million (YTD Q2FY24: RM0.26 million).

However, the lower PBT was partly cushioned by a reduction in rehabilitation and maintenance expenditure, which stood at RM11.62 million (YTD Q2FY24: RM12.84 million), lower depreciation and amortisation expenses of RM23.83 million (YTD Q2FY24: RM24.79 million), along with lower financing costs.

Water treatment and supply

At the operating level, the water treatment and supply segment generated RM93.67 million in revenue, compared to RM99.05 million a year earlier. The decline was mainly due to lower metered sales, driven by lower average MLD of metered sales and reduced electricity and chemical rebates. The decrease in the electricity rebate arose from the reduction in the ICPT rate to RM0.027/kWh (from RM0.037/kWh) effective 1 July 2024. However, the lower rebate had no significant impact on SSP1 operations as there was also a corresponding reduction in the electricity cost. Of the total revenue, metered sales contributed RM78.24 million (YTD Q2FY24: RM81.54 million) and electricity and chemical rebates accounted for RM15.43 million (YTD Q2FY24: RM17.51 million).

The metered sales and the average MLD of metered sales recorded in SSP1 were as follows: -

SSP1	**YTD Jun 2025**	**YTD Jun 2024**	**Variance (%)**
Metered Sales (million m^3)	162.99	169.87	↓ 4.1
Number of billing days	181	182	
Average MLD	900.52	933.36	↓ 3.5

B1 – Overall Review of Group's Financial Performance (continued)

Part B – Review of Income Statement (continued)

(b) Current Year-to-date vs. Preceding Year-to-date (continued)

Despite the decrease in revenue, the operating profit edged up slightly to RM35.15 million, compared to RM34.97 million in the same period last year. This was supported by reduced rehabilitation and maintenance expenses, which came in at RM8.99 million (YTD Q2FY24: RM10.87 million). Additionally, the segment benefited from higher sundry income during the period, largely attributed to insurance claims recognised in the current period.

Construction

During the financial period, steady progress on the Rasau Projects contributed to higher revenue and operating profit compared to the same period last year. As at the end of the financial period, the percentage of completion recognised for Packages 2 and 3 of the Rasau projects stood at approximately 27% and 14% respectively (YTD Q2FY24: 14% and 8%).

Toll operations - Subsidiary

ADT	YTD Jun 2025	YTD Jun 2024	Variance (%)
Grand Saga Highway (vehicles per day)	165,490	163,330	↑ 1.3

Revenue from the Grand Saga Highway increased to RM47.69 million, up from RM46.00 million in the corresponding period, driven by a 1.3% rise in ADT and the recognition of government compensation during the current period. Correspondingly, operating profit improved to RM23.29 million from RM21.38 million, coupled with higher interest income whereas there were no significant variations in depreciation and amortisation and repair and maintenance expenses compared to the corresponding period.

Renewable energy

The total energy output (measured in MWh) recorded in the four (4) solar plants were as follows: -

	YTD Jun 2025	YTD Jun 2024	Variance (%)
Total energy output (MWh)	12,841	11,893	↑ 8.0

The renewable energy segment posted a higher revenue contribution, rising by RM1.29 million in tandem with an 8.0% increase in total energy output. The improved output was attributed to the completion of solar panel replacements at TR Sepang and TR CPark in the preceding financial period.

B1 – Overall Review of Group's Financial Performance (continued)

Part B – Review of Income Statement (continued)

(b) Current Year-to-date vs. Preceding Year-to-date (continued)

Despite higher revenue, operating profit declined compared to the corresponding period. This was primarily due to a higher net foreign exchange losses of RM1.05 million (YTD Q2FY24: RM0.26 million), corporate cost, upkeep and maintenance expenses, and lower sundry income and net investment returns during the period. These impacts were mitigated by lower depreciation and amortisation expenses recorded during the current financial period.

Toll operations - Share of results of joint venture

ADT	YTD Jun 2025	YTD Jun 2024	Variance (%)
Grand Sepadu Highway (vehicles per day)	89,575	89,252	↑ 0.4

The Group's share of results in Grand Sepadu declined by RM3.70 million primarily due to the government compensation amounting to RM12.56 million recognised in the corresponding period. Despite the higher ADT, toll collections was lower as the decrease in traffic volume at higher toll rate plazas outweighed the volume increases at lower toll rate plazas. Performance was further impacted by higher repair and maintenance expenses during the financial period. Nevertheless, the decline was partially mitigated by lower finance costs and tax expenses, which stood at RM1.15 million (YTD Q2FY24: RM1.56 million) and RM4.19 million (YTD Q2FY24: RM7.20 million), respectively.

Waste management - Share of results of associate

The Group's share of losses from SWMEH was RM14.67 million compared to RM6.96 million in the corresponding period, due to lower PAT recorded by SWMEH. This included group adjustments of RM127.06 million (YTD Q2FY24: RM125.54 million) to SWMEH's PAT.

Despite a 3.0% increase in revenue, SWMEH's PAT declined to RM83.82 million from RM105.67 million, mainly due to higher payroll, subcontractor, depreciation, and finance costs, as well as the absence of a one-off gain of RM13.72 million from disposal of an investment recorded in the corresponding period. The impact was partially cushioned by lower provisions for loss allowance on receivables in the current financial period.

B1 – Overall Review of Group's Financial Performance (continued)

Part B – Review of Income Statement (continued)

(c) Material Change in Financial Performance for the Current Quarter Compared with Preceding Quarter

	3 Months ended 30 Jun 2025 RM'000 unaudited	3 Months ended 31 Mar 2025 RM'000 unaudited
Revenue		
Water treatment and supply	47,657	46,015
Construction		
- In accordance with MFRS 15	30,542	27,929
- In accordance with IC Interpretation 12	1,229	-
Toll highway	24,923	22,762
Renewable energy	7,835	7,479
Others	1,083	1,083
Total revenue as per Condensed Statement of Comprehensive Income	**113,269**	**105,268**
Profit Before Tax		
Water treatment and supply	17,801	17,347
Construction	1,139*	999
Toll highway	13,222	10,065
Renewable energy	2,832	3,484
Others	(3,077)	(3,332)
Operating profit	**31,917**	**28,563**
Finance cost	(3,402)	(3,571)
Share of results of joint venture	814	709
Share of results of associates	(5,806)	(7,699)
Profit before tax for the financial period	**23,523**	**18,002**

** Included a notional profit of RM30,000 in the current quarter recognised pursuant to IC Interpretation 12 Service Concession Arrangements from the construction of the RTF.*

In the current quarter, the revenue of the Group increased from RM105.27 to RM113.27 million or 8% due to higher revenue from all the operating subsidiaries.

In line with the higher revenue, the Group's PBT improved by RM5.52 million or 31% to RM23.52 million compared to RM18.00 million in the previous quarter. The improvement was largely attributed to a lower share of losses from associates, coupled with higher net returns from interest income, dividend and net gain on redemption from investments designated at FVTPL predominantly from the toll division. These gains, however, were partially offset by higher net foreign exchange losses and increased corporate costs during the quarter.

For the water treatment and supply segment, operating revenue increased by RM1.64 million primarily driven by 4.0% hike in metered sales to 83.09 million m^3 (or 903.11 MLD), up from 79.91 million m^3 (or 897.84 MLD) in the previous quarter. Corresponding with higher revenue, operating profit increased by RM0.45 million despite of higher operating expenses and a decline in sundry income to RM0.07 million from RM0.64 million in the preceding quarter.

B1 – Overall Review of Group's Financial Performance (continued)

Part B – Review of Income Statement (continued)

(c) Material Change in Financial Performance for the Current Quarter Compared with Preceding Quarter (continued)

The construction segment recorded stronger revenue this quarter, driven by further progress on the Rasau Projects. As at the end of the financial period, the percentage of completion recognised for Packages 2 and 3 of the Rasau Projects stood at approximately 27% and 14% (Q1FY25: 24% and 11%), respectively. Despite the higher revenue, operating profit posted only a marginal gain, reflecting the inherently competitive margins on construction projects.

For the Grand Saga Highway, revenue and operating profit increased in tandem with a 1.0% rise in the ADT to 166,319 vehicles per day (Q1FY25: 164,651 vehicles) and government compensation. The increase in operating profit was further supported by higher interest income and lower repair and maintenance expenses.

Meanwhile, the Group's share of profit from Grand Sepadu saw a slight improvement quarter-on-quarter. While revenue benefitted from a 0.6% increase in ADT, the share of profit was offset by higher depreciation and taxation expenses of RM4.14 million and RM2.22 million (Q1FY25: RM4.04 million and RM1.97 million), respectively, as well as lower other income.

In the renewable energy segment, revenue edged up by RM0.36 million, contributed by a 5.8% increase in total energy output to 6,602 MWh (Q1FY25: 6,239 MWh), supported by stronger average insolation during the quarter. However, operating profit declined due to a higher net foreign exchange loss and increased corporate cost. These impacts were partly cushioned by higher sundry income.

The Group's share of losses in SWMEH dropped to RM6.43 million as compared to RM8.25 million in the preceding quarter due to higher PAT recorded of RM45.34 million (Q1FY25: RM38.48 million) and after adjustments of RM63.71 million (Q1FY25: RM63.34 million) made by the Group to SWMEH's PAT. The stronger results at SWMEH were largely due to a 2.1% rise in revenue from both solid waste collection and public cleansing services, along with a reduction in provisions for loss allowance on receivables. Nevertheless, the positive performance was partly offset by higher payroll-related costs and tax expenses during the quarter.

B1 – Overall Review of Group's Financial Performance (continued)

Part C – Review of Statement of Cash Flow

	6 Months ended 30 Jun 2025 RM'000 unaudited	6 Months ended 30 Jun 2024 RM'000 unaudited	Variance (%)
Net cash from operating activities	46,655	37,416	↑ 25
Net cash from investing activities	44,722	45,696	↓ 2
Net cash used in financing activities	(80,513)	(85,486)	↓ 6

Net cash generated from operating activities for the financial period was higher by RM9.24 million or 25% primarily attributable to lower payments made to trade and other payables. The increase was partially impacted by lower collections from trade and other receivables as well as higher income tax payments during the period.

Net cash generated from investing activities for the financial period recorded a slight decline by RM0.97 million, or 2%, mainly due to lower net proceeds from redemption of investments designated at FVTPL and purchase of intangible assets in the current financial period. That said, the impact was cushioned by dividend receipts totalling RM9.0 million from a joint venture and RM0.18 million from an associate, coupled with higher withdrawals from pledged deposits held in the debt service reserve account under the IMTN Programme.

Net cash outflow from financing activities decreased by RM4.97 million or 6%, mainly attributed to higher borrowings repayment and a dividend payout of RM10.78 million to non-controlling interests by a subsidiary. The overall outflow was partly moderated by lower dividends paid to shareholders and a reduction in interest payments during the period.

B2 – Prospects

The profitability of the Group is predominantly driven by the performance of the water treatment and supply; and the toll highway segments as they contribute the bulk of the profits and cash flows to the Group. In 2025, the water services sector in Malaysia, particularly in Selangor and the Federal Territories, is expected to experience stable but moderate growth. The notable 4.1% reduction in the average daily water production at SSP1 in 2025 as compared to 2024 is due to Air Selangor's redistribution initiatives through supply optimisation efforts and Non-Revenue Water reduction program, reflects a broader shift towards maximising existing resources rather than expansion. This was achieved through the reallocation of water distribution, whereby supply to some areas of Kuala Lumpur and Selangor, previously served by SSP1, has now been partially taken over by the Langat 2 Water Treatment Plant **("Langat 2 WTP")** under Air Selangor's inter-connection supply planning. Demand is expected to remain relatively steady, supported by gradual population and commercial growth. To cater for future needs, Air Selangor is advancing the construction of a new pumping system for the Bukit Mayong Reservoir at SSP1, with a capacity of 150 MLD to accommodate future demand. This project is currently scheduled for completion by the fourth quarter of 2025 and is designed to effectively address the increased demand for treated water in the northern regions, as well as specific zones in Klang and Kuala Selangor. It is expected that production from SSP1 will see a slight recovery once the new Bukit Mayong Pumping Station becomes operational, currently targeted by the end of 2025. To mitigate the potential reduction in profitability due to lower production, SSP1 will continue to implement energy saving measures and proactive maintenance scheduling to ensure operational efficiency and maintain a sustainable operating cost.

The RTF is scheduled for commissioning by June 2026, with the planning permit currently pending approval from the local authorities. The total estimated construction cost has been revised to approximately RM88 million, from RM85 million previously disclosed in the Audited Financial Statements. Once completed, the RTF will provide a more sustainable and environmentally responsible solution for managing residuals, which are the unavoidable by-products of the water treatment process. The construction will be funded primarily by bank borrowings to preserve SSP1's cashflow for continued dividend payments to the parent company.

B2 – Prospects (continued)

The toll highway segment, both Grand Saga and Grand Sepadu highways, experienced higher ADT in 2024 and in the current period. The prospect of this segment remains positive driven by heightened economic activities. In particular, the Grand Saga highway continues to perform well with rising traffic volume. Its location allows it to benefit from developments occurring along and beyond the highway, as well as traffic travelling to and from the SUKE Expressway, which further contributes to its increased usage. On the other hand, the growth in ADT for the Grand Sepadu highway, while commendable, is more modest compared to the Grand Saga highway. This is primarily due to its dependency on commercial vehicles travelling to and from the Northport and Westport terminals, as well as the residential traffic within the vicinity of the highway. However, the gradual opening of the West Coast Expressway presents a potential boost for the Grand Sepadu highway, as it could increase traffic flow and contributing to further growth in traffic volumes.

In the renewable energy segment, the economic outlook is positive, driven by increased energy output by 8.0% as compared to the corresponding period. TR SaTerm has successfully completed its panel replacement in the fourth quarter of 2022 whereas the remaining two sites at TR CPark and TR Sepang completed theirs in July 2024. With all sites now fitted with upgraded panels, it is envisaged that the performance of this segment will continue to improve in the next few years. The Group recognises the renewable energy sector as one of the key growth areas and it will continue to pursue opportunities to expand its investments in this sector.

As for the construction segment, the Group is currently undertaking Packages 2 and 3 of the Rasau Projects with a total project value of RM896 million. These projects are sizeable and involve several local authorities and jurisdictions. Securing timely regulatory approvals by all concerned parties is a continuing challenge and the delay by the authorities in granting the requisite approvals, have impeded the progress of these projects. Recognising these setbacks, Air Selangor agreed to grant an extension of time **("EOT")** to complete these packages by 29 November 2025 and 19 December 2025 respectively. However, the physical work progress is still not progressing as certain regulatory approvals are still pending especially for the Package 3, and thus, it is unlikely to be completed by the EOT date. Thus, a second EOT application submitted in Q3 FY2024 has since been approved. The revised completion dates are now 16 November 2026 for Package 2 and 31 March 2027 for Package 3. Other than the Rasau Projects, the Group is also actively tendering for other infrastructure-related projects to boost the order book.

For the waste management segment, SWMEH continues to register growth in revenue from both the solid waste collection and public cleansing services mainly from increasing areas to be serviced. Whilst it manages its operations in accordance with the SWMEH concession agreement to provide essential waste management services to its customers in the Southern region of Peninsular Malaysia, the protracted delay by the authorities in granting a tariff revision continues to be a key concern. Discussions are still on-going between SWMEH and the Ministry of Housing and Local Government for a second cycle tariff review under the terms of the concession agreement. In terms of the operations, the delay in securing a tariff rate increase has resulted in a delay in replacing aging vehicles. Currently, vehicle replacements are carried out based on necessity, with all essential requirements planned. Until the tariff revision is resolved, the Group will continue to record share of losses from this associate. Arising from Malaysia's Budget 2025 announcement, the minimum wage was increased to RM1,700 per month effective February 2025, while mandatory EPF contributions for non-citizen workers will take effect from October 2025. These measures are expected to impact SWMEH's profitability, as approximately 10% of its workforce comprises foreign workers. Despite these challenges, SWMEH remains committed to rationalise its costs and optimise its operational efficiency.

The Group continues to focus on its growth strategies, prioritising investing and growing its infrastructure and utility businesses and intends to prioritise its resources for these purposes.

B3 – Profit Estimates, Forecasts, Projections, Internal Targets or Profit Guarantees

Not applicable as none were announced or disclosed in a public document.

B4 – Profit before tax

	3 Months ended 30 Jun		6 Months ended 30 Jun	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
	unaudited	unaudited	unaudited	unaudited
Other operating income:				
Interest income on fixed deposits with licensed banks	1,099	636	1,759	1,225
Dividend from investments designated at FVTPL	250	347	469	623
Rental income	93	64	235	160
Gain on redemption of investments designated at FVTPL	116	91	116	213
Gain on foreign exchange (unrealised)	194	(608)	234	39
Fair value changes	44	-	161	2
Reversal of loss allowance on trade and other receivables and amount due from contract customers	3	-	8	-
Gain on disposal of property, plant and equipment and sundry income	747	545	1,617	1,316
Cost of operations, administrative and other expenses:				
Depreciation and amortisation	(12,016)	(12,451)	(23,830)	(24,791)
Imputed interest on borrowing	(49)	(64)	(97)	(128)
Loss on fair value changes	-	(45)	-	(97)
Loss allowance on trade and other receivables and amount due from contract customers	-	(24)	-	(25)
Loss on foreign exchange (unrealised)	(615)	(65)	(741)	(292)
Loss on foreign exchange (realised)	(446)	(2)	(546)	(2)
Reversal of interest income imputed on retention sum	38	16	(57)	(26)

Save as disclosed above, the other items required under Chapter 9, Appendix 9B, Part A (16) of the Listing Requirements of Bursa Securities are not applicable.

B5 – Income Tax Expense

The income tax expense is in respect of the estimated Malaysian income tax charges and deferred tax expenses. The effective tax rate of the Group varied from the statutory tax rate principally due to non-deductibility of certain expenses and/or non-taxability of certain income, as the case maybe, tax effect of share of profits/loss of joint venture and associates and losses incurred by certain subsidiaries which were not available to be set-off against taxable profits in other companies within the Group.

	3 Months ended 30 Jun		3 Months ended 31 Mar	
	2024	2023	2025	2024
	RM'000	RM'000	RM'000	RM'000
	unaudited	unaudited	unaudited	unaudited
Malaysian income tax	8,901	7,811	15,561	15,108
Deferred tax expense	(2,494)	(2,239)	(4,058)	(3,707)
Total income tax expense	**6,407**	**5,572**	**11,503**	**11,401**
Effective tax rate	27.2%	22.2%	27.7%	23.6%

B6 – Status of Corporate Proposals Announced but not Completed

There was no corporate proposal announced but not completed as of 20 August 2025, being a date not earlier than 7 days from the date of these interim financial statements.

B7 – Group Borrowings and Debt Securities

Included in the borrowings of the Group are borrowings denominated in Ringgit Malaysia as follows: -

	Long term RM'000	Short term RM'000	Total RM'000
30 Jun 2025 (unaudited)			
Secured - IMTN	189,571	40,000	229,571
Unsecured - Corporate credit card	-	4,450	4,450
	189,571	**44,450**	**234,021**
30 Jun 2024 (unaudited)			
Secured- IMTN	**229,344**	**40,000**	**269,344**

The RM420 million in nominal value IMTN Programme issued by Cerah Sama is repayable over eleven (11) annual instalments commencing 2020. During the financial period, the sixth tranche of the IMTN amounting to RM40 million in nominal value was redeemed in full at maturity in January 2025. As at the end of the financial period, the balance of the IMTN of RM230 million in nominal value, is repayable between 2026 and 2030. The next tranche, amounting to RM40 million in nominal value, is scheduled for redemption in January 2026.

A Corporate credit card was issued by a financial institution with a total approved credit limit is RM10.2 million and is primarily used for the payment of TNB billings incurred by SSP1.

B8 – Changes in Material Litigations

The Group does not have any material litigation since the date of the last annual statement of financial position to 20 August 2025, being a date not earlier than 7 days from the date of these interim financial statements.

B9 – Earnings Per Share ("EPS")

Basic and diluted earnings per share attributable to owners of the Company are computed by dividing the profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period.

There are no potential dilutive ordinary shares attributable to the Company as at the end of the financial period.

	3 Months ended 30 Jun		6 Months ended 30 Jun	
	2025 unaudited	2024 unaudited	2025 unaudited	2024 audited
Profit for the financial period attributable to owners of the Company (RM'000)	13,445	16,986	23,956	32,011
Weighted average number of ordinary shares in issue ('000)	2,015,817	2,015,817	2,015,817	2,015,817
Earnings per share (sen)	**0.67**	**0.84**	**1.19**	**1.59**

B10 – Auditors' Reports

The audit report on the annual financial statements of the Group and the Company for the preceding financial year does not contain a modified opinion or material uncertainty related to going concern.

B11 – Investment Designated at FVTPL, Deposits, Bank and Cash Balances

As at the end of the financial period, included in the investment designated at FVTPL, deposits, bank and cash balances totalling RM165.55 million are: -

(a) RM13.74 million held as securities for banking facilities secured by the Group, of which RM6.14 million is maintained in a debt service reserve account for the interest payment on the IMTN due on 31 July 2025; and

(b) RM8.61 million of budgeted capital expenditure for improvement works in all operating segments.

B12 – Dividends

The Board is pleased to declare a second interim single-tier dividend of 0.5 sen per share on 2,015,817,574 shares amounting to RM10,079,000 in respect of the financial year ending 31 December 2025, to be payable on 30 September 2025.

For the current financial period, the Board has declared a total single-tier dividend of 1.0 sen to shareholders amounting to RM20,158,000 (2024: 2.00 sen per share amounting to RM40,316,000) in respect of the financial year ending 31 December 2025.

B13 – Authorisation for Release

These interim financial statements have been reviewed by the Audit and Risk Management Committee and approved by the Board for public release.

By Order of the Board
Tai Yuen Ling (LS0008513)
Tai Yit Chan (MAICSA 7009143)
Company Secretaries
27 August 2025