

6. Review of Performance of the Company and its Principal Subsidiaries

	Individual Period (2nd Quarter)		Changes %	6 Months Ended		Changes %
	Current Year Quarter RM'000	Preceding Year Corresponding Quarter RM'000		Current Year Cumulative Quarter RM'000	Preceding Year Cumulative Quarter RM'000	
	30/06/2025	30/06/2024		30/06/2025	30/06/2024	
Revenue	49,860	97,496	-49%	230,958	145,131	59%
Operating (Loss)/Profit	(5,453)	4,261	-228%	9,116	6,650	37%
(Loss)/Profit Before Interest and Tax	(2,559)	6,248	-141%	14,990	10,901	38%
(Loss)/Profit Before Tax	(3,474)	5,377	-165%	13,038	9,213	42%
(Loss)/Profit For The Period	(3,913)	5,232	-175%	7,501	8,911	-16%
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(2,665)	4,131	-165%	10,459	8,571	22%

For the current quarter under review, the Group recorded lower revenue of RM49.86 million, compared to RM97.50 million in the corresponding quarter of the preceding year, representing a decrease of 49%. A loss before tax of RM3.47 million was recorded in the current quarter, versus a profit before tax of RM5.38 million in the corresponding quarter of the preceding year. The significant variances in both revenue and profit/loss before tax were mainly attributed to the higher completion of projects in the Constructions Division and unrealised fair value gain recognised during the corresponding quarter of the preceding year.

In the Constructions Division, revenue recorded in the current quarter was RM31.81 million, representing a 61% decrease compared to RM82.20 million in the corresponding quarter of the preceding year. The division recorded a loss before tax of RM748,000 in the current year quarter, compared to a profit before tax of RM762,000 in the same quarter of the preceding year. The significant variance in both revenue and profit/loss before tax were mainly attributed to the higher completion of projects during the corresponding quarter of the preceding year.

In the Glove Manufacturing Division, revenue decreased by 26% to RM10.16 million, from RM13.66 million in the corresponding quarter of the preceding year. The division recorded a lower profit before tax of RM24,000 in the current year quarter, compared to RM569,000 in the same quarter of the preceding year, mainly due to lower sales in the current quarter.

In the Healthcare Division, revenue and loss before tax for the current quarter were RM4.78 million and RM3.27 million respectively, compared to revenue of RM443,000 and a loss before tax of RM253,000 in the corresponding quarter of the preceding year. The significant variances were mainly due to the fact that the Healthcare Division had just commenced operations in May 2024 with only 3 dental clinics, whereas it has since expanded to more than 30 clinics spanning dental, general practitioner, aesthetic and wellness centres. This expansion generated higher revenue but also resulted in higher start-up costs compared to the corresponding quarter of the preceding year.

The Property Development Division recorded a profit before tax of RM332,000 the current year quarter as compared to loss before tax of RM587,000 in the corresponding quarter of the preceding year mainly due to the gain from landowner's entitlement recognised in the current year.

In the Trading and Services Division, revenue increased by 169% to RM3.08 million, from RM1.14 million in the corresponding quarter of the preceding year. The variance arose because of a portion of the revenue in the corresponding quarter of the preceding year was only recognised in the third quarter. The Division, however, recorded a lower profit before tax of RM1.25 million in the current quarter, compared to RM1.56 million in the corresponding quarter of the preceding year, mainly due to higher operating expenses in the current quarter.

For the current year cumulative quarter, the Group recorded higher revenue of RM230.96 million, representing a 59% increase compared to RM145.13 million in the preceding year's cumulative quarter. The increase was mainly attributable to the recognition of landowner's entitlement by the Property Development Division in the current year. The Group also achieved a higher profit before tax of RM13.04 million in the current year cumulative quarter, compared RM9.21 million in the preceding year's cumulative quarter, primarily due to the gain from landowner's entitlement.

In the Construction Division, revenue decreased by 44% compared to the preceding year's cumulative quarter. The division recorded a loss before tax of RM1.25 million, compared to a profit before tax of RM0.42 million in the preceding year's cumulative quarter, primarily due to higher completion of projects in the preceding year.

In the Glove Manufacturing Division, revenue increased marginally by 1%, compared to the preceding year's cumulative quarter. The division recorded a profit before tax of RM59,000 in the current year cumulative quarter, compared to a loss before tax of RM388,000 million in the preceding year's cumulative quarter, mainly due to higher selling prices and lower average production costs in the current year cumulative period.

In the Healthcare Division, revenue and loss before tax for the current year cumulative quarter were RM7.19 million and RM5.77 million respectively, compared to revenue of RM443,000 and a loss before tax of RM253,000 in the corresponding cumulative quarter of the preceding year. The significant variances were mainly due to the fact that the Healthcare Division had just commenced operations in May 2024 with only 3 dental clinics, whereas it has since expanded to more than 30 clinics spanning dental, general practitioner, aesthetic and wellness centres. This expansion generated higher revenue but also resulted in higher start-up costs compared to the corresponding cumulative quarter of the preceding year.

The Property Development Division recorded a revenue of RM128.67 million in the current year cumulative quarter from the recognition of landowner's entitlement. The Division has recorded a profit before tax of RM20.74 million the current year cumulative quarter as compared to loss before tax of RM1.16 million in the preceding year corresponding quarter mainly due to the gain from landowner's entitlement recognised in the current year.

The Trading and Services Division recorded higher revenue of RM6.46 million in the current year cumulative quarter, compared to RM3.77 million in the preceding year's cumulative quarter. The variance arose because of a portion of the revenue in the second quarter of the preceding year was only recognised in the third quarter. The division achieved a profit before tax of RM2.16 million in the current year cumulative quarter, compared to a profit before tax of RM2.24 million in the preceding year's cumulative quarter, due to higher operating expenses in the current period.

7. Prospects

The Group continues to strengthen its position in the water and wastewater infrastructure sector, supported by a robust tender pipeline. During the quarter, our Engineering & Construction Division delivered on existing contracts and participated in competitive bids for projects aligned with government initiatives on non-revenue water reduction and water supply systems.

With national budget allocations and sustained demand for resilient infrastructure, we are well positioned to pursue new prospects. Our proven track record, technical expertise and commitment to sustainable value underpin our strategy to deliver long-term value for stakeholders.

8. Variance of Profit Forecast / Profit Guarantee

Not applicable as there was no profit forecast or profit guarantee issued.

9. Financial instruments - derivatives

As at 30 June 2025, the Group has no outstanding foreign currency forward contracts under derivative financial instruments.

10. Earnings Per Share

The basic and diluted earnings per share have been calculated based on the consolidated net profit attributable to equity holders of the parent for the period and the weighted average number of ordinary shares outstanding during the period as follows:

Basic earnings per shares

	Current Quarter Ended 30/06/2025	Comparative Quarter Ended 30/06/2024	Cumulative Quarter To-date 30/06/2025	Cumulative Quarter To-date 30/06/2024
(Loss)/Profit attributable to equity holders of the parent (RM'000)	(2,665)	4,131	10,459	8,571
<u>Weighted average number of ordinary shares</u>				
Issued ordinary shares at beginning of period ('000)	1,035,118	1,012,091	1,035,118	1,012,091
Effect of warrants exercised during the period ('000)	15,766	-	7,839	-
Weighted average number of ordinary shares ('000)	1,050,884	1,012,091	1,042,957	1,012,091
Basic earnings per share (sen)	(0.25)	0.41	1.00	0.85