



**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AT 30 JUNE 2025 – UNAUDITED**

	30/06/2025 RM'000	31/12/2024 RM'000
Assets		
Property, plant and equipment	76,814	67,205
Right-of-use assets	23,898	11,982
Intangible assets	38,949	30,791
Investment properties	8,056	8,057
Investment in associate	-	-
Investment in joint ventures	28,458	26,295
Other investments	54,198	54,693
Deferred tax assets	13,405	13,360
Trade and other receivables	82,229	23,004
Total non-current assets	326,007	235,387
Trade and other receivables	80,865	59,564
Contract assets	57,490	97,530
Inventories	8,750	115,396
Other investment	5,069	8,991
Current tax assets	3,886	3,485
Assets classified as held for sale	445	445
Cash and cash equivalents	155,665	143,669
Total current assets	312,170	429,080
Total assets	638,177	664,467
Equity		
Ordinary share capital	480,407	465,184
Reserves	(7,549)	(7,072)
Accumulated losses	(36,203)	(46,662)
Total equity attributable to owners of the Company	436,655	411,450
Non-controlling interests	7,231	9,123
Total equity	443,886	420,573
Liabilities		
Trade and other payables	18,099	15,400
Loans and borrowings	14,180	16,672
Lease liabilities	14,632	9,972
Deferred tax liabilities	10,786	10,747
Total non-current liabilities	57,697	52,791
Trade and other payables	103,480	140,780
Contract liabilities	3,376	380
Lease liabilities	10,502	2,752
Loans and borrowings	13,564	46,810
Current tax liabilities	5,672	381
Total current liabilities	136,594	191,103
Total liabilities	194,291	243,894
Total equity and liabilities	638,177	664,467
Net assets per share (RM)	0.40	0.41

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE CUMULATIVE SECOND QUARTER ENDED 30 JUNE 2025 – UNAUDITED**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year Totale	Preceding Year Corresponding Period
	30/06/2025 RM'000	30/06/2024 RM'000	30/06/2025 RM'000	30/06/2024 RM'000
Revenue	49,860	97,496	230,958	145,131
Cost of sales	(41,235)	(89,218)	(194,551)	(131,676)
Gross Profit	8,625	8,278	36,407	13,455
Other income	3,102	5,720	4,973	12,822
Other expenses	(2,156)	(25)	(3,744)	(403)
Distribution expenses	(794)	(499)	(1,501)	(782)
Administrative expenses	(14,230)	(9,213)	(27,019)	(18,442)
Profit/(Loss) from operating activities	(5,453)	4,261	9,116	6,650
Finance costs	(915)	(871)	(1,952)	(1,688)
Finance income	1,916	1,022	3,708	2,093
Share of profit of equity-accounted associate/ joint ventures, net of tax	978	965	2,166	2,158
Profit/(Loss) before tax	(3,474)	5,377	13,038	9,213
Tax expense	(439)	(145)	(5,537)	(302)
Profit/(Loss) for the period	(3,913)	5,232	7,501	8,911
Profit/(Loss) attributable to:				
Owners of the Company	(2,665)	4,131	10,459	8,571
Non-controlling interests	(1,248)	1,101	(2,958)	340
Profit/(Loss) for the period	(3,913)	5,232	7,501	8,911
Basic earnings per ordinary share (sen)	(0.25)	0.41	1.00	0.85

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE CUMULATIVE SECOND QUARTER ENDED 30 JUNE 2025 – UNAUDITED**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year Todate	Preceding Year Corresponding Period
	30/06/2025 RM'000	30/06/2024 RM'000	30/06/2025 RM'000	30/06/2024 RM'000
Profit/(Loss) for the period	(3,913)	5,232	7,501	8,911
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences for foreign operations	(242)	(450)	(477)	226
Total other comprehensive income/(expense)	(242)	(450)	(477)	226
Total comprehensive income/(expense) for the period	(4,155)	4,782	7,024	9,137
Total comprehensive income/(expense) attributable to:				
Owners of the Company	(2,907)	3,681	9,982	8,797
Non-controlling interests	(1,248)	1,101	(2,958)	340
Total comprehensive income/(expense) for the period	(4,155)	4,782	7,024	9,137

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE CUMULATIVE SECOND QUARTER ENDED 30 JUNE 2025 – UNAUDITED**

	← Attributable to Owners of the Company →						
	← Non – distributable →		Distributable				
	Ordinary share capital	Translation reserve	Treasury shares	Accumulated losses	Total	Non- controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	458,276	(6,347)	(71)	(62,783)	389,075	7,520	396,595
Total comprehensive income							
for the period	-	226	-	8,571	8,797	340	9,137
Acquisition of preference shares in a subsidiary	-	-	-	-	-	150	150
Issuance of shares - exercise of Warrants	354	-	-	-	354	-	354
At 30 June 2024	458,630	(6,121)	(71)	(54,212)	398,226	8,444	406,670
At 1 January 2025	465,184	(7,001)	(71)	(46,662)	411,450	9,123	420,573
Total comprehensive income/(expense)							
for the period	-	(477)	-	10,459	9,982	(2,958)	7,024
Issuance of shares							
- exercise of Warrants 2018/2025	15,223	-	-	-	15,223	-	15,223
Acquisition of subsidiaries	-	-	-	-	-	1,126	1,126
Changes in ownership interest in subsidiaries		-	-	-	-	(60)	(60)
At 30 June 2025	480,407	(7,478)	(71)	(36,203)	436,655	7,231	443,886

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE CUMULATIVE SECOND QUARTER ENDED 30 JUNE 2025 - UNAUDITED**

	6 months Ended 30/06/2025 RM'000	6 months Ended 30/06/2024 RM'000
<u>Cash flows from operating activities</u>		
Profit before tax	13,038	9,213
Adjustments for :		
- Non-cash items	4,030	(10,321)
- Non-operating items	(1,834)	(406)
Operating profit/(loss) before changes in working capital	15,234	(1,514)
Changes in working capital	35,313	(1,513)
Cash generated from/(used in) operations	50,547	(3,027)
Interest paid	(317)	(363)
Income taxes paid	(266)	(137)
Net cash generated from/(used in) operating activities	49,964	(3,527)
<u>Cash flows from investing activities</u>		
- Proceeds from disposal of other investments	-	4,664
- Proceeds from disposal of property, plant and equipment	192	900
- Acquisition of preference shares in a subsidiary	-	150
- Acquisition of non-controlling interest in subsidiary	(60)	-
- Acquisition of property, plant and equipment	(12,828)	(3,782)
- Acquisition of subsidiaries, net of cash acquired	(8,814)	(7,003)
- Redemption of investment from fund investments	4,000	908
- Dividends received from :		
- Associates/joint ventures	-	2,000
- Other investments	42	76
- Interest received	3,708	2,093
Net cash (used in)/generated from investing activities	(13,760)	6
<u>Cash flows from financing activities</u>		
- Proceeds from exercise of warrants	15,223	354
- Drawdown from borrowings	(2,031)	5,319
- Interest paid	(1,635)	(1,324)
- Repayment of borrowings	(31,297)	(614)
- Repayment of lease liabilities	(1,443)	(565)
- Repayment of finance lease liabilities	(3,400)	(1,193)
Net cash (used in)/generated from financing activities	(24,583)	1,977
Net (decrease)/increase in cash and cash equivalents	11,621	(1,544)
Cash and cash equivalents at beginning of period	143,638	155,763
Exchange differences on translation of the financial statements of foreign entities	376	453
Cash and cash equivalents at end of period	155,635	154,672

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE CUMULATIVE SECOND QUARTER ENDED 30 JUNE 2025 – UNAUDITED**

The cash and cash equivalents comprise the following balance sheet amounts:

	6 months Ended 30/6/2025 RM'000	6 months Ended 30/06/2024 RM'000
Cash and bank balances	21,472	45,898
Deposits placed with licensed banks	134,193	108,804
	155,665	154,702
Bank overdrafts	-	-
Pledged deposits	(30)	(30)
	155,635	154,672

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2024 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE CUMULATIVE SECOND QUARTER ENDED 30 JUNE 2025**(i) EXPLANATORY NOTES PURSUANT TO MFRS 134 – Interim Financial Reporting****1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134 – *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. It also complies with IAS 34 – *Interim Financial Reporting* issued by the International Accounting Standards Board (IASB).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2024 and with the explanatory notes attached herein. These explanatory notes 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 last audited financial statements for year ended 31 December 2024. The audited financial statements of the Group as at and for the year ended 31 December 2024 were prepared under Malaysian Financial Reporting Standards (MFRSs).

1.1 Significant Accounting Policies

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for year ended 31 December 2024 except for the adoption of the following new and revised MFRSs, Amendments to MFRSs and IC Interpretations by the Group with effect from 1 January 2025.

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, Financial Instruments and MFRS 7, Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments
- Amendments that are part of Annual Improvements — Volume 11:
 - Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards
 - Amendments to MFRS 7, Financial Instruments: Disclosures
 - Amendments to MFRS 9, Financial Instruments
 - Amendments to MFRS 10, Consolidated Financial Statements
 - Amendments to MFRS 107, Statement of Cash Flows
- Amendments to MFRS 9, Financial Instruments and MFRS 7, Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, Presentation and Disclosure in Financial Statements
- MFRS 19, Subsidiaries without Public Accountability: Disclosures

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.
- from the annual period beginning on 1 January 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026.
- from the annual period beginning on 1 January 2027 for the accounting standards that are effective for annual periods beginning on or after 1 January 2027, except for MFRS 19 which is not applicable to the Group and the Company.

The initial application of the abovementioned amendments are not expected to have any material financial impact to the current period and prior year financial statements of the Group.

2. Preceding Annual Financial Statement

The audit report of the Group's annual financial statements prepared under MFRSs for the year ended 31 December 2024 was not subject to any qualification.

3. Seasonal or Cyclical Factors

The principal activities of the Group are not subject to any seasonal or cyclical changes.

4. Unusual Items that Affect the Financial Statements

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the cumulative quarter ended 30 June 2025.

5. Material Changes in Estimates

There were no changes in the estimates of amounts reported in prior financial years that have a material effect in the current interim period.

6. Debt and Equity Securities

There were no issuance and repayment of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the cumulative quarter ended 30 June 2025 other than:

a) Warrants

During the financial period, the Company has issued a total of 50,479,704 new ordinary shares pursuant to the exercise of Warrants 2018/2025 at the exercise price of RM0.30 per share.

As a result of the exercise of warrants, the Company's issued and paid-up share capital has increased by RM15,223,000 and the total number of shares outstanding has increased to 1,085,597,000. The proceeds from the warrant exercise will be used for general corporate purposes, including future capital expenditure and working capital requirements.

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7. Segmental Reporting

The segmental revenue and results of the Group for the cumulative quarter ended 30 June 2025 are as follows:-

	Constructions RM'000	Glove Manufacturing RM'000	Healthcare RM'000	Trading & Services RM'000	Property Development RM'000	Consolidated RM'000
Segment profit/(loss)	(854)	1,751	(2,950)	3,972	19,426	21,345
<i>Included in the measure of segment profit are:</i>						
Revenue from external customers	66,574	22,075	7,186	6,456	128,667	230,958
Share of profit of associate	-	-	-	3	-	3
Share of profit of joint venture	3	-	-	2,160	-	2,163
<i>Not included in the measure of segment profit but provided to CODM:</i>						
Depreciation and amortization	(1,072)	(1,746)	(2,305)	(1,662)	(142)	(6,927)
Finance costs	(531)	(175)	(514)	(150)	(582)	(1,952)
Finance income	1,670	3	-	2	2,033	3,708
Income tax expense	(29)	45	76	(200)	(5,429)	(5,537)
Segment assets	371,751	36,061	79,637	92,232	58,496	638,177
<i>Included in the measure of segment assets are:</i>						
Investment in associate	-	-	-	-	-	-
Investment in joint venture	4,051	-	-	24,407	-	28,458
Additions to non-current assets other than financial instruments and deferred tax assets	1,969	215	23,050	9	-	25,243

Reconciliations of reportable segment profit or loss, assets and other material items

	RM'000
Profit or loss	
Total profit or loss for reportable segments	21,345
Depreciation and amortisation	(6,927)
Finance costs	(1,952)
Finance income	3,708
Unrealised/ realised foreign exchange gain/(loss)	1,074
Unallocated expenses:	
Corporate expenses	(4,210)
Consolidated profit/(loss) before tax	<u>13,038</u>

8. Valuations of Property, Plant and Equipment

There was no revaluation of property, plant and equipment during the cumulative quarter ended 30 June 2025. The valuation of land and buildings have been brought forward without amendment from the previous annual audited report.

9. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the interim period up to 20 August 2025 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report), that have not been reflected in the financial statement for the interim period.

10. Effect of Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period to-date except for the following: -

- (i) Bloom Healthcare Dental (Northern) Sdn Bhd, an indirect 85%-owned subsidiary of Bloom Healthcare Group Sdn Bhd which is a 90%-owned subsidiary of Salcon, had on 21 April 2025, entered into a conditional share sale agreement with Freeda Woon Binti Faiza Woon Tai Keat, Chay Siew Han and Brenda Sim Pei Ling for the proposed acquisition by Bloom Healthcare Dental (Northern) of 703 ordinary shares in Tria Dental Group Sdn Bhd ("Tria Dental"), representing 70% equity interest in Tria Dental, for a purchase consideration of RM3,696,000, to be satisfied entirely in cash. Following the completion of the acquisition, Tria Dental became a 53.55% indirect-owned subsidiary of the Company.

The principal business activity of Tria Dental is the provision of dental services.

- (ii) Bloom Healthcare Dental (Northern) Sdn Bhd, an indirect 85%-owned subsidiary of Bloom Healthcare Group Sdn Bhd which is a 90%-owned subsidiary of Salcon, had on 21 April 2025, entered into a conditional share sale agreement with Kenneth Wong Pak Ken and Brenda Sim Pei Ling for the proposed acquisition by Bloom Healthcare Dental (Northern) of 42,000 ordinary shares in WS Dental Group Sdn Bhd ("WS Dental"), representing 70% equity interest in WS Dental, for a purchase consideration of RM6,160,000, to be satisfied entirely in cash. Following the completion of the acquisition, WS Dental became a 53.55% indirect-owned subsidiary of the Company.

The principal business activity of WS Dental is the provision of dental services.

11. Changes in Contingent Liabilities/Contingent Assets

The contingent liabilities as at financial period ended 30 June 2025 are as follows:-

	RM'000
(i) Bank guarantees given to third parties relating to performance, tenders and advance payment bonds	<u>65,053</u>
(ii) Claims related to breach of the contract by Aspen Glove Sdn Bhd	<u>173,980</u>

The details of the litigation are reported in Part B (Note 4).

12. Net assets (NA) per share

The NA per share is derived as follows:-

	RM'000
Shareholders funds	436,655
No. of shares	<u>1,085,597</u>
NA per share (RM)	<u>0.40</u>

B. ADDITIONAL DISCLOSURE PURSUANT TO THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD

1. Taxation

The breakdown of tax charge is as follows:-

	Current Quarter Ended 30/06/2025 RM'000	Cumulative Quarter To-date 30/06/2025 RM'000
Continuing operations		
Malaysia - current period	421	5,594
- prior years	18	(57)
	<u>439</u>	<u>5,537</u>

The Group's higher effective tax rate (excluding the results of associates and joint ventures which are equity accounted net of tax) in the cumulative quarter to-date is primarily attributed to certain expenses which were not deductible for taxation purposes and the non-availability of group relief where tax losses of certain subsidiary companies cannot be set off against the taxable income of other subsidiary companies.

2. Status of Corporate Proposals

On 24 March 2023, Nusantara Megajuta Sdn Bhd ("NMSB" or "Landowner"), an indirect wholly-owned subsidiary of Salcon, entered into a Joint Venture Agreement with EXSIM Kebun Teh Sdn Bhd to undertake a multiple phased mixed-use development comprising of service apartments and retail units on 2 adjoining parcels of 99 years' leasehold land held under HSD 482930, PTB 22841 and HSD 482931, PTB 22842, Bandar Johor Bahru, Daerah Johor Bahru.

The status of the utilisation of the Landowner's Entitlement to be received of RM140.00 million as at 20 August 2025 is as follows: (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report):-

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Estimated Timeframe for Utilisation	Deviation RM'000	%	Explanation
Repayment of bank borrowings	28,000	(31,524)	Within 12 months from the last collection date	(3,524)	(13)	Completed
Working capital	112,000	(38,476)	Within 12 months from the last collection date	NA	NA	Not Completed
Total	140,000	(70,000)		-	-	-

On 18 August 2025, Salcon Development Sdn Bhd (“SDSB”), a wholly-owned subsidiary of Salcon, entered into a Sale and Purchases Agreement For Share with Kota Platinum Sdn Bhd for the disposal of the entire Share held in Prestasi Kemas Sdn Bhd (“PKSB”), an 70%-owned subsidiary of SDSB.

The status of the utilisation of the sale consideration to be received of RM36.57 million as at 20 August 2025 is as follows: (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report):-

Purpose	Proposed Utilisation	Actual Utilisation	Estimated Timeframe for Utilisation	Deviation		Explanation
	RM'000	RM'000		RM'000	%	
Estimated expenses relating to the disposal	200	-	Within 6 months	NA	NA	NA
Future Investment and Working capital	36,367	-	Within 12 months	NA	NA	NA
Total	36,567	-		-	-	-

3. Group Borrowings and Debt Securities

Total Group borrowings as at 30 June 2025 are as follows:

	As at 2nd quarter ended 2025		
	Long term	Short term	Total borrowings
	RM'000 denomination	RM'000 denomination	RM'000 denomination
<u>Secured</u>			
Term loans	3,644	7,309	10,953
Finance lease liabilities	8,916	2,530	11,446
<u>Unsecured</u>			
Term loans	1,620	360	1,980
Bankers' Acceptance	-	3,365	3,365
	14,180	13,564	27,744

	As at 2nd quarter ended 2024		
	Long term	Short term	Total borrowings
	RM'000 denomination	RM'000 denomination	RM'000 denomination
<u>Secured</u>			
<i>Term loans</i>	3,699	8,026	11,725
<i>Finance lease liabilities</i>	11,494	3,311	14,805
<u>Unsecured</u>			
<i>Term loans</i>	2,282	360	2,642
<i>Bankers' Acceptance</i>	-	3,653	3,653
<i>Bank overdrafts</i>	-	35,200	35,200
	17,475	50,550	68,025

For the year to-date financial quarter under review, the Group has recorded borrowings of RM27.74 million as compared to RM68.03 million for corresponding period in the immediate preceding year. The movement in the borrowings was substantially attributed to the repayment of overdraft amounting to RM35.20 million.

There were no bank borrowings denominated in foreign currencies as at the reporting date.

4. Changes in Material Litigation

There was no material update as at 20 August 2025 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report) except for the following:-

(i) Aspen Glove Sdn Bhd (“AGSB” or “Plaintiff”) vs JR Engineering and Medical Technologies (M) Sdn Bhd (“JREMT” or “Defendant”)

On 13 January 2021, JREMT had entered into a Sale and Distribution Agreement with AGBS (“Contract”), for the sale and purchase of gloves produced by AGBS in year 2021.

On 4 November 2022, JREMT served a letter of demand on the Plaintiff via its solicitors, Messrs Rosli Dahlan Saravana Partnership, to demand the sum of RM22,363,243.07, being unutilised funds under the Contract.

However, the Plaintiff had on 5 December 2022 filed an Originating Summons with the High Court of Malaya at Shah Alam, Selangor Darul Ehsan, Originating Summons No. BA24NCC-118-12/2022, (“Originating Summons”) against the Defendant for the following reliefs :

- (i) a declaration that the letter of demand dated 4 November 2022 is invalid and void;
- (ii) an injunction restraining the Defendant whether by itself or through its agents or representatives from filing or presenting a winding up petition based on the notice of demand dated 4 November 2022 until the disposal of the Originating Summons;
- (iii) an injunction restraining the Defendant whether by itself or through its agents or representative from advertising a winding up petition based on the notice of demand dated 4 November 2022 until the disposal of the Originating Summons;
- (iv) costs; and
- (v) other reliefs the Court deems fit.

JREMT is advised by its solicitors that AGBS’s Originating Summons is non-meritorious and JREMT will oppose to the Originating Summons without hesitant. In connection thereto, JREMT

had on 19 December 2022 filed an Affidavit in Reply to oppose the Originating Summons, which includes a counterclaim, as follows:

- (a) That the Plaintiff do pay RM22,363,243.07.
- (b) Alternatively, declaration that the Plaintiff is liable to account to the Defendant for the sum of RM22,363,243.07 as a constructive trustee;
- (c) Pre-judgement interests pursuant to Section 11 of the Civil Law Act 1956;
- (d) Post-judgement interests;
- (e) Costs; and
- (f) Such further and/or other reliefs that this Honourable Court deems just and proper.

In relation to the Originating Summons (Summons No.: BA-24NCC-118-12/2022):

- (i) Further to the counterclaim filed by JREMT on 19 December 2022, JREMT had on 27 December 2022 filed an application for interim injunction to, amongst others, preserve the RM22,363,243.07 pending the disposal of JREMT's counterclaim ("Interim Injunction Application").
- (ii) On 20 January 2023, the court granted an ex-parte injunction order ("Ex-Parte Order") in favour of JREMT in the Interim Injunction Application.
- (iii) On 26 January 2023, AGSB filed an application to set-aside the Ex-Parte Order ("Setting Aside Application").
- (iv) On 31 January 2023, the court granted an interim injunction in the Originating Summons in favour of AGSB restraining JREMT from presenting a winding up petition against AGSB pending the disposal of the Originating Summons. The decision in respect of the Originating Summons is fixed on 20 February 2023.
- (v) Directions in respect of JREMT's counterclaim will also be given on 20 February 2023.
- (vi) On 10 February 2023, the court granted an ad-interim injunction order in favour of JREMT in the Interim Injunction Application, pending the disposal of the Interim Injunction Application (inter-partes) and the Setting Aside Application.
- (vii) Hearing and/or decision of the Interim Injunction Application and the Setting Aside Application are fixed on 24 February 2023.
- (viii) AGSB's originating summons was allowed on 20 February 2023.
- (ix) JREMT's application for interim conjunction to preserve the sum of RM22,363,243.07 was dismissed on 24.02.2023.
- (x) AGSB's application to set aside the ex-parte order dated 20 February 2023 was allowed on 24 February 2023.

Furthermore, Salcon also inform that on 25 January 2023, AGSB filed a writ against JREMT (Civil Suit No.: BA-22NCvC-41-01/2023)("Suit") endorsed with Statement of Claim. In the Suit, AGSB alleged that JREMT did not purchase one (1) billion pieces of gloves from AGSB as stated in the Contract and therefore JREMT was in breach of the Contract.

In this Suit, AGSB claims:

- (a) a declaration that JREMT breached the Contract;
- (b) an order that JREMT pays AGSB the sum of RM74,654,583.90, being loss of expenditure;
- (c) an order that JREMT pays AGSB the sum of RM99,325,563.00, being loss of profit;
- (d) damages for breach of contract;
- (e) compensation for breach of contract;
- (f) interest;
- (g) costs;
- (h) such further or other relief as the Court deems fit.

JREMT is advised by its solicitors that the Suit is non-meritorious and JREMT shall vigorously defend the Suit.

JREMT had on 31 January 2023 filed its Memorandum of Appearance. The parties of the Suit are now exchanging its pleadings

5. Material Changes in the Results of the Current Quarter compared to that of the Preceding Quarter

	Current Quarter RM'000	Immediate Preceding Quarter RM'000	Changes %
	30/06/2025	31/03/2025	
Revenue	49,860	181,098	-72%
Operating (Loss)/Profit	(5,453)	14,569	-137%
(Loss)/Profit Before Interest and Tax	(2,559)	17,549	-115%
(Loss)/Profit Before Tax	(3,474)	16,512	-121%
(Loss)/Profit For The Period	(3,913)	11,414	-134%
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(2,665)	13,124	-120%

For the current quarter, the Group's revenue decreased by 72% to RM49.86 million. The Group reported a loss before tax of RM2.67 million, compared to a profit before tax of RM13.12 million in the immediate preceding quarter. Both decreases were mainly attributable to the recognition of landowner's entitlement by the Property Development Division in the immediate preceding quarter.

The revenue recorded in the Construction Division was RM31.84 million, representing an 8% decrease from the immediate preceding quarter. The Division recorded loss before tax of RM748,000 in the current quarter as compared to loss before tax of RM506,000 in the immediate preceding quarter. The decline was primarily due to lower profit margins from construction projects during the current quarter.

Revenue in the Glove Manufacturing Division declined by 15%, from RM11.91 million to RM10.16 million, compared to the immediate preceding quarter. The Division recorded a lower profit before tax of RM24,000 in the current quarter, versus RM35,000 in the preceding quarter, mainly due to the lower revenue during the current quarter.

The Healthcare Division recorded an 98% increase in revenue to RM4.78 million, compared to RM2.41 million in the immediate preceding quarter, driven by higher contribution from the Dental clinics. Nevertheless, the division posted a higher loss before tax of RM3.27 million in the current quarter, versus RM2.50 million in the previous quarter. The increased loss was primarily due to higher start-up and operating costs incurred for new clinics in the current quarter.

In the Property Development Division, no revenue was recorded in the current quarter, compared to RM128.67 million in the immediate preceding quarter, which arose from the recognition of landowner's entitlement. The Division reported a profit before tax of RM332,000, versus RM20.40 million in the immediate preceding quarter. The significant variance was due to the gain from landowner's entitlement recognised in the immediate preceding quarter.

For the Trading and Services Division, revenue decreased by 9% to RM3.08 million, from RM3.38 million in the preceding quarter. The Division recorded a higher profit before tax of RM1.25 million, compared to RM0.92 million in the preceding quarter, mainly due to lower operating expenses in the current quarter.

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



11. Notes to the Condensed Consolidated Statement of Comprehensive Income

Profit before tax arrived at after (charging)/crediting the followings items:

	Current Quarter Ended 30/06/2025 RM'000	Cumulative Quarter Ended 30/06/2025 RM'000
Net realised foreign exchange gain/(loss)	-	46
Net unrealised foreign exchange gain/(loss)	104	1,028
Depreciation and amortization	(3,470)	(6,927)
	<u>(3,366)</u>	<u>(5,853)</u>

Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 August 2025.

ON BEHALF OF THE BOARD

TAN SRI DATO' TEE TIAM LEE
Executive Deputy Chairman

Selangor Darul Ehsan
27 August 2025