

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

**INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS**  
**FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2026**  
**(UNAUDITED)**

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## **KEY FINANCIAL HIGHLIGHTS**

<i>(in RM'000 unless specified otherwise)</i>	<u>3 months ended 31 Mar</u>		<u>Variance</u>
	<u>2026</u>	<u>2025</u>	<u>(%)</u>
	unaudited	unaudited	#
Revenue	119,211	105,268	↑ 13
Gross profit	36,785	36,501	↑ 1
Profit before taxation (“PBT”)	16,647	18,002	↓ 8
Profit for the period	10,759	12,906	↓ 17
Earnings per share (“EPS”) (sen)	0.45	0.52	↓ 13
Dividends per share (sen)	0.25	0.50	↓ 50

# approximate, to the nearest digit

- The Group recorded revenue of RM119.21 million for the financial period ended 31 March 2026, representing an increase of 13% from RM105.27 million in the corresponding period. The higher revenue was mainly driven by stronger contribution from all operating segments except for the toll highway segment, which recorded a lower contribution.
- The increase in the Group’s revenue was primarily contributed by the continued progress from Packages 2 and 3 of Stage 1 of the Sungai Rasau Water Supply Scheme Project (“**Rasau Projects**”). In addition, the renewable energy segment also recorded improved performance, supported by higher energy output arising from increased average insolation, which led to higher electricity generation and sales to off-takers. In the water treatment and supply segment, revenue increased marginally by RM0.67 million, mainly attributable to higher metered sales, which were partially offset by lower electricity rebates in the Sungai Selangor Water Treatment Plant Phase 1 (“**SSP1**”) operations. The increase in metered sales was due to an additional average demand of 50 MLD from the Bukit Gasing distribution pipeline to support Pengurusan Air Selangor Sdn. Bhd. (“**Air Selangor**”)’s distribution requirements, amid planned shutdown and upgrading works at other water treatment facilities within the Klang Valley water supply system. The decrease in electricity rebates arose from the implementation of Tenaga Nasional Berhad’s (“**TNB**”) revised tariff structure and rates effective 1 July 2025 (“**Electricity Tariff Restructuring**”), which better reflect consumption patterns and underlying energy costs, whereas electricity charges for the corresponding quarter were subject to the Imbalance Cost Pass-Through (“**ICPT**”) mechanism.
- The toll highway segment delivered a lower contribution, mainly due to a reduction in the Average Daily Traffic (“**ADT**”) by 0.6% and lesser recognition of deferred income of RM2.11 million in the current period as compared to RM3.32 million in the corresponding period.
- In line with higher revenue, gross profit increased marginally by 1% as compared to the corresponding period, as the revenue growth was largely driven by the construction segment which carries lower margins. The gross profit was also impacted by higher depreciation and amortisation expenses.
- Notwithstanding the higher gross profit, the Group’s PBT declined to RM16.65 million from RM18.00 million in the corresponding period, mainly due to a higher share of losses from an associate, SWM Environment Holdings Sdn Bhd (“**SWMEH**”), amounting to RM10.51 million as compared to RM8.25 million recorded a year ago. The higher share of losses was attributable to a lower PAT recorded by the associate. Nonetheless, this impact to the Group’s PBT was partially offset by lower finance costs from the repayment of the Group’s borrowings.
- As a result of the lower PBT, profit for the period dropped by RM2.15 million or by 17%, while EPS decreased from 0.52 sen per share to 0.45 sen per share.
- The Board is pleased to declare a first interim single-tier dividend of 0.25 sen per share amounting to RM5.04 million for the current financial quarter ended 31 March 2026 to be payable on 30 June 2026.

## CONDENSED STATEMENTS OF FINANCIAL POSITION

		<u>31 Mar 2026</u>	<u>31 Dec 2025</u>
		<u>RM'000</u>	<u>RM'000</u>
	<u>Note</u>	<u>(Unaudited)</u>	<u>(Audited)</u>
<b>ASSETS</b>			
Property, plant and equipment		93,885	96,781
Right-of-use assets		26,365	27,437
Investment properties		89	90
Intangible assets		879,392	888,039
Investment in joint venture		73,508	72,871
Investment in associates		60,174	69,865
Other investment		200	200
Goodwill on consolidation		132,503	132,503
Long-term other receivable		10,990	10,990
Deposits, cash and bank balances		12,914	53,911
Deferred tax assets		6,208	6,439
<b>Total Non-Current Assets</b>		<b>1,296,228</b>	<b>1,359,126</b>
Inventories		86,649	97,088
Trade receivables		128,734	130,500
Other receivables, deposits and prepayments		12,675	6,812
Tax recoverable		1,656	1,301
Investments designated at fair value through profit or loss	B11	46,747	46,384
Deposits, cash and bank balances	B11	77,318	79,201
<b>Total Current Assets</b>		<b>353,779</b>	<b>361,286</b>
<b>TOTAL ASSETS</b>		<b>1,650,007</b>	<b>1,720,412</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		438,354	438,354
Merger deficit		(71,500)	(71,500)
Currency translation reserve		850	835
Retained earnings		339,132	345,244
<b>Total Equity Attributable to Owners of the Company</b>		<b>706,836</b>	<b>712,933</b>
Non-controlling interests		308,252	306,494
<b>Total Equity</b>		<b>1,015,088</b>	<b>1,019,427</b>
<b>LIABILITIES</b>			
Long-term borrowings	B7	149,705	189,670
Lease liabilities		24,267	24,382
Long-term trade payables		2,184	1,423
Provisions		34,685	34,518
Deferred income		32,869	31,683
Deferred tax liabilities		199,740	201,829
<b>Total Non-Current Liabilities</b>		<b>443,450</b>	<b>483,505</b>
Trade payables		37,967	38,626
Other payables and accruals		21,327	28,530
Amount due to contract customers		75,686	90,116
Short-term borrowings	B7	44,272	43,779
Lease liabilities		2,767	3,567
Deferred income		6,453	8,565
Tax liabilities		2,997	4,297
<b>Total Current Liabilities</b>		<b>191,469</b>	<b>217,480</b>
<b>TOTAL LIABILITIES</b>		<b>634,919</b>	<b>700,985</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,650,007</b>	<b>1,720,412</b>

**CONDENSED STATEMENTS OF COMPREHENSIVE INCOME**

	<u>Note</u>	<u>3 Months ended</u>	
		<u>31 Mar</u>	
		<u>2026</u>	<u>2025</u>
		<u>RM'000</u>	<u>RM'000</u>
		<u>unaudited</u>	<u>unaudited</u>
Revenue	A4, B1	<b>119,211</b>	<b>105,268</b>
Cost of operations		(82,426)	(68,767)
<b>Gross profit</b>		<b>36,785</b>	<b>36,501</b>
Other operating income		1,588	2,053
Administrative and other expenses		(9,696)	(9,991)
<b>Operating profit</b>		<b>28,677</b>	<b>28,563</b>
Finance costs		(2,977)	(3,571)
Share of results of joint venture		637	709
Share of results of associates		(9,690)	(7,699)
<b>Profit before tax</b>	B4	<b>16,647</b>	<b>18,002</b>
Income tax expense	B5	(5,888)	(5,096)
<b>Profit for the financial period</b>		<b>10,759</b>	<b>12,906</b>
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences		21	86
<b>Total comprehensive income for the financial period</b>		<b>10,780</b>	<b>12,992</b>
<b>Profit for the financial period attributable to:</b>			
Owners of the Company		9,001	10,511
Non-controlling interests		1,758	2,395
		<b>10,759</b>	<b>12,906</b>

**CONDENSED STATEMENTS OF COMPREHENSIVE INCOME**

		3 Months ended	
	Note	31 Mar	
		2026	2025
		RM'000	RM'000
		unaudited	unaudited
<b>Total comprehensive income for the financial period attributable to:</b>			
Owners of the Company		9,022	10,597
Non-controlling interests		1,758	2,395
		<b>10,780</b>	<b>12,992</b>
<b>Basic and diluted earnings per share attributable to owners of the Company (sen per share)</b>	B9	0.45	0.52

<p>The Condensed Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2025 and the accompanying significant events and transactions attached to these interim financial statements.</p>
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**CONDENSED STATEMENTS OF CHANGES IN EQUITY**

<u>Note</u>	<u>Attributable to Owners of the Company</u>					<u>Non-controlling interests</u>	<u>Total Equity</u>
	<u>Share capital</u>	<u>Merger deficit</u>	<u>Currency translation reserve</u>	<u>Retained earnings</u>	<u>Total</u>		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>As of 1 January 2026 (audited)</b>	<b>438,354</b>	<b>(71,500)</b>	<b>835</b>	<b>345,244</b>	<b>712,933</b>	<b>306,494</b>	<b>1,019,427</b>
Profit for the financial period	-	-	-	9,001	9,001	1,758	10,759
<b>Other Comprehensive Income:</b>							
Currency translation differences	-	-	21	-	21	-	21
Reclassification adjustments relating to subsidiaries struck off during the period*	-	-	(6)	6	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>9,007</b>	<b>9,022</b>	<b>1,758</b>	<b>10,780</b>
<b>Transactions with Owners of the Company:</b>							
Dividends paid	A7	-	-	(15,119)	(15,119)	-	(15,119)
<b>Total transactions with Owners of the Company</b>		<b>-</b>	<b>-</b>	<b>(15,119)</b>	<b>(15,119)</b>	<b>-</b>	<b>(15,119)</b>
<b>As of 31 Mar 2026 (unaudited)</b>	<b>438,354</b>	<b>(71,500)</b>	<b>850</b>	<b>339,132</b>	<b>706,836</b>	<b>308,252</b>	<b>1,015,088</b>

\* The movement in the currency translation reserve arose from the recycling of cumulative exchange gain related to foreign subsidiaries struck off during the quarter, which were reclassified to profit or loss on the date of strike-off, in accordance with MFRS 121. This amount is included within the gain on the subsidiaries being struck off amounting to RM46,000.

## **CONDENSED STATEMENTS OF CHANGES IN EQUITY**

	<u>Attributable to Owners of the Company</u>				<u>Total</u>	<u>Non-</u> <u>controlling</u> <u>interests</u>	<u>Total</u> <u>Equity</u>
	<u>Share</u> <u>capital</u> RM'000	<u>Merger</u> <u>deficit</u> RM'000	<u>Currency</u> <u>translation</u> <u>reserve</u> RM'000	<u>Retained</u> <u>earnings</u> RM'000			
<b>As of 1 January 2025 (audited)</b>	<b>438,354</b>	<b>(71,500)</b>	<b>107</b>	<b>302,020</b>	<b>668,981</b>	<b>293,427</b>	<b>962,408</b>
Profit for the financial period	-	-	-	10,511	10,511	2,395	12,906
<b>Other Comprehensive Income:</b>							
Currency translation differences	-	-	86	-	86	-	86
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>86</b>	<b>10,511</b>	<b>10,597</b>	<b>2,395</b>	<b>12,992</b>
<b>Transactions with Owners of the Company:</b>							
Dividends paid	-	-	-	(10,079)	(10,079)	-	(10,079)
Dividends paid by a subsidiary to non-controlling interest	-	-	-	-	-	(10,780)	(10,780)
<b>Total transactions with Owners of the Company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,079)</b>	<b>(10,079)</b>	<b>(10,780)</b>	<b>(20,859)</b>
<b>As of 31 Mar 2025 (unaudited)</b>	<b>438,354</b>	<b>(71,500)</b>	<b>193</b>	<b>302,452</b>	<b>669,499</b>	<b>285,042</b>	<b>954,541</b>

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2025 and the accompanying significant events and transactions attached to these interim financial statements.

**CONDENSED STATEMENTS OF CASH FLOWS**

	<u>3 Months</u> <u>ended</u> <u>31 Mar 2026</u> <u>RM'000</u> <u>unaudited</u>	<u>3 Months</u> <u>ended</u> <u>31 Mar 2025</u> <u>RM'000</u> <u>unaudited</u>
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
Profit before tax	16,646	18,002
Adjustments for:		
Non-cash items	20,146	15,701
Interest income	(436)	(660)
Finance costs	2,977	3,571
Operating Profit Before Working Capital Changes	39,333	36,614
Net increase in inventories, amount due to contract customers and trade and other receivables	(759)	(16,052)
Net decrease in trade and other payables, provisions and deferred income	(11,225)	(4,431)
Cash Generated From Operations	27,349	16,131
Income tax paid	(9,441)	(8,132)
Income tax refund	42	-
<b>Net Cash From Operating Activities</b>	<b>17,950</b>	<b>7,999</b>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
Interest received	853	606
Property, plant and equipment:		
- Proceeds from disposal	25	-
- Purchases	(365)	(398)
Purchase of intangible assets	(371)	-
Dividend received from an associate	-	176
Dividend received from a joint venture	-	4,500
Investments designated at fair value through profit or loss ("FVTPL"):		
- Purchase	(241)	(10,939)
- Dividend income	241	219
Withdrawals of deposits pledged as security	40,997	41,679
<b>Net Cash From Investing Activities</b>	<b>41,139</b>	<b>35,843</b>
<b>CASH FLOWS FROM/(USED) IN FINANCING ACTIVITIES</b>		
Interest paid	(6,137)	(7,508)
Repayment of borrowings	(39,507)	(40,007)
Repayment of lease liabilities	(224)	(756)
Dividends paid ( <i>Note A7</i> )	(15,119)	(10,079)
Dividends paid by a subsidiary to non-controlling interests	-	(10,780)
<b>Net Cash Used In Financing Activities</b>	<b>(60,987)</b>	<b>(69,130)</b>

**CONDENSED STATEMENTS OF CASH FLOWS**

	<u>3 Months</u> <u>ended</u> <u>31 Mar 2026</u> <u>RM'000</u> <u>unaudited</u>	<u>3 Months</u> <u>ended</u> <u>31 Mar 2025</u> <u>RM'000</u> <u>unaudited</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,898)</b>	<b>(25,288)</b>
Effect of Exchange Rate Changes	15	86
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR</b>	<b>79,201</b>	<b>99,749</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD</b>	<b>77,318</b>	<b>74,547</b>
Cash and cash equivalents comprised the following amounts in the statements of financial position:		
Deposits with licensed banks	43,337	62,248
Cash and bank balances	46,895	26,026
Total deposits, cash and bank balances	90,232	88,274
Less: Deposits pledged as security	(12,914)	(13,727)
	<b>77,318</b>	<b>74,547</b>

The Condensed Statements of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2025 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 2025 (“**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 2026.

Amendments to MFRS 9 and Classification and Measurement of Financial Instruments  
MFRS 7

Amendments to MFRS 9 and Contracts Referencing Nature-dependent Electricity  
MFRS 7

Annual Improvement to MFRS Standards-Volume 11

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 19      Subsidiaries without Public Accountability: Disclosures

Amendments to MFRS 121      Translation to a Hyperinflationary Presentation Currency

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 to be adopted.

**A1 – Basis of Preparation (continued)**

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

<u>Foreign currency</u>	<u>31 Mar 2026</u>	<u>31 Dec 2025</u>	<u>31 Mar 2025</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>
1 US Dollar (USD)	4.05	4.06	4.43
1 Singapore Dollar (SGD)	3.14	3.16	3.31

**A2 – Comments about the Seasonal or Cyclical 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:

	<u>3 Months ended</u>	
	<u>31 Mar</u>	
	<u>2026</u>	<u>2025</u>
	<u>RM'000</u>	<u>RM'000</u>
	<u>unaudited</u>	<u>unaudited</u>
<i>Revenue from contracts with customers:</i>		
Management, operations and maintenance of water treatment plants	46,685	46,015
Toll collection	19,318	19,438
Revenue from construction contracts		
- In accordance with MFRS 15	41,063	27,929
- In accordance with IC Interpretation 12	381	-
Sales of electricity	8,437	7,479
Management fees	1,215	1,083
	<u>117,099</u>	<u>101,944</u>
<i>Revenue from other sources:</i>		
Deferred income	2,112	3,324
Revenue as per Condensed Statement of Comprehensive Income	<u>119,211</u>	<u>105,268</u>
<i>Timing of revenue recognition:</i>		
At a point in time	74,440	72,932
Over time	42,659	29,012
Revenue from contracts with customers	<u>117,099</u>	<u>101,944</u>

#### A5 – Accounting Estimates

There were no changes in estimates of amounts reported in prior interim periods of the current financial period 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 RM15,119,000 (2025: RM10,079,000) as follows: -

On 11 February 2026, the Board declared a fourth interim single-tier dividend of 0.75 sen per share on 2,015,817,574 ordinary shares amounting to RM15,119,000 in respect of the financial year ended 31 December 2025 which was paid on 31 March 2026.

#### **A8 – Material Subsequent Events**

There were no material events subsequent to the end of the financial period 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 15 May 2026 (being a date not earlier than 7 days from the date of these interim financial statements).

#### **A10 – Changes in Composition of the Group**

Except for the three (3) foreign wholly owned subsidiaries (referred to in Note 18 to the Audited Financial Statements) struck off by the Accounting and Corporate Regulatory Authority of Singapore with effect from 2 January 2026, 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 were 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 31 Mar	Water		Waste management		Construction		Toll highway		Renewable energy		Others		Total		Reconciliation		Amount as per Statement of Comprehensive Income	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	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	46,685	46,015	92,872	88,569	41,444 <sup>*</sup>	27,929	15,999	16,564	8,437	7,479	1,215	1,083	206,652	187,639	(87,441)	(82,371)	119,211	105,268
EBITDA(i)	17,664	17,445	12,008	12,032	1,071	1,015	12,420	12,966	7,543	5,951	(1,950)	(2,543)	48,756	46,866	(6,893)	(6,489)	41,863	40,377
Depreciation and amortisation	(206)	(120)	(4,584)	(3,333)	(125)	(3)	(6,679)	(6,268)	(2,955)	(2,445)	(713)	(786)	(15,262)	(12,955)	2,076	1,141	(13,186)	(11,814)
Operating profit	17,458	17,325	7,424	8,699	946	1,012	5,741	6,698	4,588	3,506	(2,663)	(3,329)	33,494	33,911	(4,817)	(5,348)	28,677	28,563
Finance costs	(26)	(5)	(10,243)	(9,447)	(38)	-	(1,477)	(1,828)	(107)	(116)	(199)	(303)	(12,090)	(11,699)	9,113	8,128	(2,977)	(3,571)
Share of results of joint venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	637	709	637	709
Share of results of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(9,690)	(7,699)	(9,690)	(7,699)
Profit before tax	17,432	17,320	(2,819)	(748)	908	1,012	4,264	4,870	4,481	3,390	(2,862)	(3,632)	21,404	22,212	(4,757)	(4,210)	16,647	18,002
Income tax expense	(4,362)	(3,916)	(3,809)	(4,257)	-	-	(1,522)	(1,421)	100	363	1	1	(9,592)	(9,230)	3,704	4,134	(5,888)	(5,096)
<b>Profit for the financial year</b>	<b>13,070</b>	<b>13,404</b>	<b>(6,628)</b>	<b>(5,005)</b>	<b>908</b>	<b>1,012</b>	<b>2,742</b>	<b>3,449</b>	<b>4,581</b>	<b>3,753</b>	<b>(2,861)</b>	<b>(3,631)</b>	<b>11,812</b>	<b>12,982</b>	<b>(1,053)</b>	<b>(76)</b>	<b>10,759</b>	<b>12,906</b>
EBDA(ii)	13,276	13,524	(2,044)	(1,672)	1,033	1,015	9,421	9,717	7,536	6,198	(2,148)	(2,845)	27,074	25,937	(3,129)	(1,217)	23,945	24,720
Capex(iii)	55	37	7,081	5,680	15	6	233	179	-	3	-	22	7,384	5,927				

\* Includes notional construction revenue of RM381,000 recognised during the current quarter pursuant to IC Interpretation 12 Service Concession Arrangements from the construction of a Residual Treatment Facility (“RTF”) (referred to in Note 17(b)(ii) to the Audited Financial Statements).

## 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.  
(iii) CAPEX is defined as capital expenditure based on the Group's proportionate share on capital expenditure incurred for the financial period.

### Notes

- 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.*
- 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.*
- 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.*

<u>As at 31 Mar</u>	<u>Water treatment and supply</u>		<u>Waste management</u>		<u>Construction</u>		<u>Toll highway</u>		<u>Renewable energy</u>		<u>Others</u>		<u>Total</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>
Segment assets	105,478	97,164	46,360	53,702	133,552	82,170	1,173,380	1,185,831	136,902	139,406	54,335	54,748	1,650,007	1,613,021
Segment liabilities	(30,619)	(27,803)	-	-	(99,038)	(63,737)	(458,134)	(524,803)	(18,446)	(18,536)	(28,682)	(23,601)	(634,919)	(658,480)
Net segment assets	<b>74,859</b>	<b>69,361</b>	<b>46,360</b>	<b>53,702</b>	<b>34,514</b>	<b>18,433</b>	<b>715,246</b>	<b>661,028</b>	<b>118,456</b>	<b>120,870</b>	<b>25,653</b>	<b>31,147</b>	<b>1,015,088</b>	<b>954,541</b>

**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 31 Mar 2026 (Unaudited) RM’000	As at 31 Dec 2025 (Audited) RM’000	Variance (%) #
Total assets	1,650,007	1,720,412	↓ 4
Total liabilities	634,919	700,985	↓ 9
Total shareholders’ equity	1,015,088	1,019,427	-
Return on equity (%)*	1.06	10.84	n/a
Net assets per share (sen)	35.06	35.37	↓ 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 decreased by 4% or RM70.41 million as compared to the Audited Financial Statements primarily due to decreases in the carrying amounts of the following: -

- (i) investments designated at FVTPL, cash and bank balances by RM42.52 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 RM10.44 million, due to the utilisation of materials previously purchased and delivered to the Rasau Project sites. As construction activities progress, the consumed materials were recognised as part of the contract cost in accordance with the percentage of completion of the projects;
- (iii) investments in associates by RM9.69 million, mainly due to share of losses of SWMEH during the financial period; and
- (iv) property, plant and equipment by RM2.90 million and intangible assets by RM8.65 million, due to depreciation and amortisation charges.

Conversely, trade and other receivables recorded an increase of RM4.10 million mainly due to higher deposits and prepayments made in the current period, including security deposits paid to relevant authorities for work permits and insurance prepayments made at beginning of the year, which are amortised to profit or loss over time, as well as maintenance charges income billed by the toll highway division.

- (b) Total liabilities decreased by 9% or RM66.07 million, primarily due to the redemption of the seventh tranche of the IMTN amounting to RM40.00 million, a RM14.43 million reduction in amount due to contract customers arising from the recognition of inventory purchases into contract costs, lower trade and other payables by RM7.10 million, and decreases in deferred tax liabilities (RM2.09 million), tax provision (RM1.30 million), and deferred income (RM0.93 million).
- (c) As at 31 March 2026, the net assets per share declined marginally by 1% to 35.06 sen from 35.37 sen recorded as at 31 December 2025.

## 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.

	<u>3 Months</u> <u>ended</u> <u>31 Mar 2026</u> <u>RM'000</u> <u>unaudited</u>	<u>3 Months</u> <u>ended</u> <u>31 Mar 2025</u> <u>RM'000</u> <u>unaudited</u>
<i>Revenue</i>		
Water treatment and supply	46,685	46,015
Construction		
- In accordance with MFRS 15	41,063	27,929
- In accordance with IC Interpretation 12	381	-
Toll highway	21,430	22,762
Renewable energy	8,437	7,479
Others	1,215	1,083
<b>Revenue as per Condensed Statement of Comprehensive Income</b>	<b>119,211</b>	<b>105,268</b>
<i>Profit Before Tax</i>		
	<u>3 Months</u> <u>ended</u> <u>31 Mar 2026</u> <u>RM'000</u> <u>unaudited</u>	<u>3 Months</u> <u>ended</u> <u>31 Mar 2025</u> <u>RM'000</u> <u>unaudited</u>
Water treatment and supply	17,458	17,347
Construction	933*	999
Toll highway	8,362	10,065
Renewable energy	4,589	3,484
Others	(2,665)	(3,332)
<b>Operating profit</b>	<b>28,677</b>	<b>28,563</b>
Finance cost	(2,977)	(3,571)
Share of results of joint venture	637	709
Share of results of associates	(9,690)	(7,699)
<b>Profit before tax for the financial period</b>	<b>16,647</b>	<b>18,002</b>

\* Includes notional profit of RM9,000 recognised in the current quarter pursuant to IC Interpretation 12 Service Concession Arrangements, arising from the construction of the RTF.

#### (a) Current Quarter vs. Preceding Year’s Corresponding Quarter

##### Overall Summary

For the current quarter, the Group reported revenue of RM119.21 million, an increase from RM105.27 million in the corresponding quarter. This growth was mainly driven by higher contributions from all operating segment, except for the toll highway segment, which registered a reduction.

## 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 RM16.65 million from RM18.00 million in the same quarter last year, partly due to higher share of losses from an associate, SWMEH amounting to RM10.51 million (Q1FY25: RM8.25 million) and higher depreciation and amortisation expenses of RM13.19 million (Q1FY25: RM11.81 million). The lower Group PBT was, however, mitigated by lower finance costs amounting to RM2.98 million (Q1FY25: RM3.57 million).

#### Water treatment and supply

The segment registered revenue of RM46.69 million (Q1FY25: RM46.02 million), comprising metered sales of RM40.36 million (Q1FY25: RM38.36 million) and electricity and chemical rebates of RM6.33 million (Q1FY25: RM7.66 million). The slight increase in revenue was mainly attributable to higher metered sales in the current quarter, which was partially offset by the lower electricity rebate following the Electricity Tariff Restructuring by TNB. However, the reduction in electricity rebate has no impact to the operations, as it was a direct consequence of the lower electricity costs incurred following the tariff changes. The increase in metered sales was a result of higher demand across the distribution network, including an additional average demand of 50 MLD from the Bukit Gasing distribution pipeline to support Air Selangor’s distribution requirements.

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

<b>SSP1</b>	<b>Q1 2026</b>	<b>Q1 2025</b>	<b>Variance (%)</b>
Metered Sales (million m <sup>3</sup> )	84.09	79.91	↑ 5.2
Number of billing days	90	90	
Average MLD	934.33	887.87	↑ 5.2

In line with the higher revenue, operating profit improved to RM17.46 million from RM17.35 million. Nonetheless, the improvement was marginal due to higher rehabilitation and maintenance expenses totalling RM5.42 million (Q1FY25: RM4.59 million) in the current quarter and insurance claims recognised in the corresponding quarter.

## 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)

##### Construction

The construction segment posted revenue of RM41.44 million, an increase of RM13.51 million from RM27.93 million in the same quarter last year, attributable to the progress from the Rasau Projects. However, the segment recorded a marginally lower operating profit due to downward revision to the estimated profit margin for Rasau Package 2 in the previous quarter. This revision arose from a reassessment of project cost estimates due to project prolongation. As at 31 March 2026, the percentage of completion recognised for Packages 2 and 3 of the Rasau Projects was approximately 39% and 19% (Q1FY25: 24% and 11%) respectively.

##### Toll highway – Subsidiary

Average Daily Traffic (“ADT”)	Q1 2026	Q1 2025	Variance (%)
Grand Saga Highway (vehicles per day)	163,682	164,651	↓ 0.6

Both revenue and operating profit were lower than the corresponding quarter, primarily due to lower deferred income recognised and a 0.6% decline in ADT. The lower ADT was attributable to the opening of the East Klang Valley Expressway (“EKVE”) on 30 August 2025, which provides an alternative route connecting Bandar Sungai Long to Ukay Perdana.

Included in the operating profit were depreciation and amortisation expenses of RM9.18 million (Q1FY25: RM8.45 million) and repair and maintenance expenses of RM0.60 million (Q1FY25: RM0.93 million).

##### Renewable energy

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

	Q1 2026	Q1 2025	Variance (%)
Total energy output (MWh)	7,085	6,239	↑ 13.6

Revenue from the renewable energy segment increased by RM0.96 million, as a result of a 13.6% rise in total energy output, attributable to higher average insolation in the current quarter.

On the other hand, operating profit was higher by RM1.11 million, in line with the higher revenue and lower operating expenses, including reduction in upkeep and maintenance and regulatory-related expenses as well as foreign exchange losses and a one-off gain arising from the subsidiaries that were struck off. The segment incurred higher depreciation and amortisation expenses in the current quarter.

## 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)

##### Toll highway – Share of results of joint venture

ADT	Q1 2026	Q1 2025	Variance (%)
Grand Sepadu Highway (vehicles per day)	89,883	89,286	↑ 0.7

ADT improved by 0.7% in the current quarter. However, the Group’s share of results from Grand Sepadu was marginally lower mainly due to higher depreciation and amortisation and lower other income. For the current quarter, the company incurred lower repair and maintenance expenses and finance costs.

##### Waste management – Associate

The Group’s share of results of associates was contributed mainly by SWMEH. The Group’s share of losses from SWMEH increased to RM10.51 million, as compared to RM8.25 million in the corresponding quarter due to lower PAT of RM33.84 million (Q1FY25: RM38.48 million) and after adjustments of RM63.88 million (Q1FY25: RM63.34 million) made by the Group to SWMEH’s PAT.

Despite the lower PAT, revenue from both the solid waste collection and public cleansing services increased by 4.9%. The lower PAT was mainly attributable to higher operating expenses, amongst others, payroll-related costs, depreciation, subcontractor costs and finance costs. This was partially offset by lower provision for loss allowance on receivables and lower tax expenses.

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

	<u>3 Months</u> <u>ended</u> <u>31 Mar 2026</u> <u>RM’000</u> <u>unaudited</u>	<u>3 Months</u> <u>ended</u> <u>31 Dec 2025</u> <u>RM’000</u> <u>unaudited</u>
<u>Revenue</u>		
Water treatment and supply	46,685	45,366
Construction		
- In accordance with MFRS 15	41,063	18,918
- In accordance with IC Interpretation 12	381	530
Toll highway	21,430	59,193
Renewable energy	8,437	7,392
Others	1,215	1,083
<b>Total revenue as per Condensed Statement of Comprehensive Income</b>	<b>119,211</b>	<b>132,482</b>

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

### Part B – Review of Income Statement (continued)

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

	<u>3 Months</u> <u>ended</u> <u>31 Mar 2026</u> <u>RM’000</u> <u>unaudited</u>	<u>3 Months</u> <u>ended</u> <u>31 Dec 2025</u> <u>RM’000</u> <u>unaudited</u>
<i>Profit Before Tax</i>		
Water treatment and supply	17,458	17,901
Construction	933*	(3,849)*
Toll highway	8,362	43,243
Renewable energy	4,589	3,338
Others	(2,665)	(594)
<b>Operating profit</b>	<b>28,677</b>	<b>60,039</b>
Finance cost	(2,977)	(3,433)
Share of results of joint venture	637	3,905
Share of results of associates	(9,690)	(17,273)
<b>Profit before tax for the financial period</b>	<b>16,647</b>	<b>43,238</b>

\* Includes notional profit of RM9,000 and RM13,000 recognised in the current and preceding quarters, respectively, pursuant to IC Interpretation 12 Service Concession Arrangements, arising from the construction of the RTF.

In the current quarter, the Group’s revenue decreased by 10% to RM119.21 million from RM132.48 million mainly attributable to the government compensation recognised by the toll highway segment in the previous quarter, whereas other operating segments recorded higher contribution.

Due to a lower revenue achieved, the Group’s PBT declined by RM26.59 million to RM16.65 million from RM43.24 million in the previous quarter. The drop in the PBT was also attributable to a reduced share of results from joint venture, where a government compensation was recognised in the previous quarter. In addition, the absence of a gain on lease modification and higher sundry income arising from insurance claims in the renewable energy segment in the previous quarter also contributed to the decline in the Group’s PBT. However, the drop in the PBT was partially offset by a lower share of losses from associates, cost savings from upkeep and maintenance, predominantly in the toll highway segment, as well as a decrease in depreciation and amortisation in the current quarter.

For the water treatment and supply segment, operating revenue increased by RM1.32 million due to higher electricity rebates, whilst metered sales declined marginally by 0.1% i.e. from 84.20 million m<sup>3</sup> (or 916.26 MLD) to 84.09 million m<sup>3</sup> (or 934.33 MLD). Despite the increased in revenue, operating profit was lower by RM0.44 million due to higher rehabilitation and maintenance expenses by RM0.78 million, lower net interest income, as well as the absence of a reversal of loss allowance on receivables recognised in the previous quarter.

The construction segment registered a significant increase in revenue and operating profit due to on-going progress of the Rasau Projects as well as a downward revision to the estimated profit margin for Rasau Package 2 in the previous quarter following a reassessment of project costs arising from project prolongation. In the previous quarter, higher operating expenses were also incurred. As at 31 March 2026, the percentage of completion recognised for the Packages 2 and 3 of the Rasau Projects was approximately 39% and 19% (Q4FY25: 34% and 17%), respectively.

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

### Part B – Review of Income Statement (continued)

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

For the Grand Saga Highway, revenue and operating profit were significantly lower due to government compensation recognised in the previous quarter. The highway recorded a 0.7% increase in the ADT to 163,682 vehicles per day (Q4FY25: 162,539 vehicles per day). The decline in the operating profit was partially mitigated by lower repair and maintenance expenses, as well as a reduction in depreciation and amortisation expenses in the current quarter.

Likewise, the Group’s share of profit from Grand Sepadu declined quarter-on-quarter, mainly due to the absence of government compensation in the current quarter (Q4FY25: RM14.45 million) and a 1.7% decrease in the ADT. Nonetheless, the decline was partially mitigated by lower repair and maintenance expenses of RM0.68 million (Q4FY25: RM3.14 million), depreciation and amortisation of RM4.14 million (Q4FY25: RM5.31 million), as well as tax expenses of RM2.07 million (Q4FY25: RM5.37 million).

In the renewable energy segment, revenue increased by RM1.05 million, attributable to a 15.1% increase in total energy output to 7,085 MWh (Q4FY25: 6,159 MWh), driven by stronger average insolation during the quarter. Operating profit also improved, supported by savings in repair and maintenance expenses, reduced net foreign exchange loss and lower corporate costs. The better operating profit performance was partially offset by lower sundry income.

The Group’s share of losses in SWMEH decreased to RM10.51 million from RM17.52 million in the preceding quarter, in line with the higher PAT of RM33.84 million (Q4FY25: RM14.03 million), after adjusting for RM63.88 million (Q4FY25: RM64.08 million) made by the Group to SWMEH’s PAT. Revenue from both solid waste collection and public cleansing services increased by 0.5%. SWMEH registered a higher PAT in the current quarter mainly due to lower depreciation expenses, taxes and repair and maintenance expenses. The higher PAT was also made possible by a significant impairment loss on property, plant and equipment amounting to RM9.59 million in the previous quarter. Nonetheless, the reduction in the Group’s share of losses was partially offset by higher payroll-related costs, subcontractor costs as well as finance costs in the current quarter.

## **B1 – Overall Review of Group’s Financial Performance (continued)**

### **Part C – Review of Statement of Cash Flow**

	<u>3 Months ended</u> <u>31 Mar 2026</u> <u>RM’000</u> <u>unaudited</u>	<u>3 Months ended</u> <u>31 Mar 2025</u> <u>RM’000</u> <u>unaudited</u>	Variance (%)
Net cash from operating activities	17,950	7,999	↑ >100
Net cash from investing activities	41,139	35,843	↑ 15
Net cash used in financing activities	(60,987)	(69,130)	↓ 12

Net cash generated from operating activities for the financial period was higher by RM9.95 million, primarily attributable to improved collections from trade and other receivables. The increase was partially offset by higher working capital outflows, particularly from timely payments to trade and other payables, and higher income tax payments during the period.

Net cash generated from investing activities for the financial period increased by RM5.30 million, mainly due to higher placements in investments designated at FVTPL in the corresponding quarter, which were partially offset by dividend income received from a joint venture and an associate in that period. No dividends were received in the current quarter.

Net cash used in financing activities decreased by RM8.14 million or 12%, mainly due to the absence of dividends paid to non-controlling interests. However, there were higher dividend payments made to shareholders during the current quarter.

## **B2 – Prospects**

The Group’s profitability continues to be anchored by the water treatment and supply, and toll highway segments, which remain the key contributors to the Group’s earnings and cash flows. In 2026, the water services sector in Malaysia, particularly in Selangor and the Federal Territories, experienced stable but moderate growth, with emphasis placed on system optimisation and supply reliability rather than capacity-led expansion. At SSP1, the average daily water production in the first quarter of 2026 increased by 5.2% on a year-on-year basis compared with the corresponding quarter in 2025, primarily due to additional demand from Air Selangor amid the planned shutdown and upgrading works at its other water treatment facilities, as well as operational requirements by Air Selangor to maintain healthy water levels at the reservoirs. Air Selangor has been implementing broader supply optimisation initiatives, including inter-plant redistribution and the Non-Revenue Water reduction program, which indicate a strategic shift towards maximising existing system capacity rather than expanding overall production. As part of Air Selangor’s integrated supply planning, water previously supplied by SSP1 to certain areas in Kuala Lumpur and Selangor has been partially reallocated to the Langat 2 Water Treatment Plant. Despite these optimisation and redistribution measures, underlying water demand is expected to remain relatively steady in 2026, supported by gradual population and commercial growth within Klang Valley, including increasing demand from data centres for cooling-related water usage. 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 designed to effectively address the increasing 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 increase once the new Bukit Mayong Pumping Station becomes operational, which is currently targeted for completion by the end of 2026. To mitigate any potential reduction in profitability due to production fluctuations, SSP1 will continue to implement energy saving measures and proactive maintenance scheduling to ensure operational efficiency and maintain a sustainable operating cost.

## **B2 – Prospects (continued)**

The RTF is scheduled to be completed by June 2026, however based on the current status, we anticipate the completion to be further delayed due to the delay in granting of approvals by the relevant authorities. The total estimated construction cost is approximately RM88 million. 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 enable SSP1 to reserve cash to upstream to the Group, thereby supporting the Group's investment strategy and potential new projects.

The toll highway segment, comprising the Grand Saga and Grand Sepadu highways, continues to enjoy high traffic volumes. The outlook for the segment remains positive boosted by heightened economic activities. Following the opening of the EKVE in August 2025, the ADT at the Grand Saga Highway dipped momentarily due to traffic diversion to EKVE, which provides an alternate route connecting Bandar Sungai Long and Ukay Perdana. However, traffic volume has since recovered with the commencement of EKVE's tolling in October 2025 and it is expected to remain robust. For the Grand Sepadu highway, ADT growth is more modest compared to the Grand Saga highway, given 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 upside, as it's expected to increase traffic flow and contribute positively to future traffic growth on Grand Sepadu.

In the renewable energy segment, the outlook remains positive following the completion of panel replacement works across all sites between 2022 and 2024. As a result, total energy output increased by 13.6% compared with the corresponding quarter. The Group views the renewable energy sector as a key long-term growth driver and will continue to explore 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 coordination with several local authorities and jurisdictions. As such, securing timely regulatory approvals by all relevant parties is an ongoing challenge, and the delays by the authorities in granting the requisite approvals have impeded the progress of these projects. In recognition of these challenges, Air Selangor has approved a second extension of time ("EOT") with a revised completion dates of 16 November 2026 for Package 2 and 31 March 2027 for Package 3, respectively. Other than the Rasau Projects, the Group is also actively tendering for other infrastructure-related projects to boost its order book.

For the waste management segment, SWMEH continues to record revenue growth from both the solid waste collection and public cleansing services, supported by the ongoing expansion of service coverage areas. Operational efficiencies achieved in 2025 through enhancements to the in-house i-Jadual Intelligent Work Scheduling System and i-Work System helped contain direct operating expenditure, notwithstanding higher payroll-related costs following the increase in the mandatory minimum wage in February 2025. Progress was also made during 2025 in the recovery of long-outstanding receivables, strengthening cash flows to support working capital needs and capital expenditure. In respect of tariffs, discussions with key government stakeholders, including Solid Waste and Public Cleansing Management Corporation ("SWCorp"), the Ministry of Housing and Local Government, and the Department of National Solid Waste Management, on the third cycle tariff review remain ongoing, and the Group is optimistic that negotiations will be concluded in 2026. Until then, the Group continues to recognise a share of losses from this associate, while focusing on cost rationalisation and operational optimisation initiatives.

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

	<u>3 Months ended 31 Mar</u>	
	<u>2026</u>	<u>2025</u>
	<u>RM'000</u>	<u>RM'000</u>
	<u>unaudited</u>	<u>unaudited</u>
<i>Other operating income:</i>		
Interest income on fixed deposits with licensed banks	436	660
Dividend from investments designated at FVTPL	241	219
Rental income	99	142
Gain on strike-off of subsidiaries	46	-
Gain on foreign exchange (unrealised)	14	40
Fair value changes	122	117
Reversal of loss allowance on amount due from contract customers	-	5
Gain on disposal of property, plant and equipment and sundry income	629	870
<i>Cost of operations, administrative and other expenses:</i>		
Depreciation and amortisation	(13,186)	(11,814)
Upkeep and maintenance	(6,104)	(5,898)
Imputed interest on borrowing	(35)	(48)
Loss on foreign exchange (unrealised)	(70)	(126)
Loss on foreign exchange (realised)	(1)	(100)
Reversal of interest income imputed on retention sum	(31)	(95)

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 results 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.

	<u>3 Months ended 31 Mar</u>	
	<u>2026</u>	<u>2025</u>
	<u>RM'000</u>	<u>RM'000</u>
	<u>unaudited</u>	<u>unaudited</u>
Malaysian income tax	7,745	6,660
Deferred tax expense	(1,857)	(1,564)
Total income tax expense	<u>5,888</u>	<u>5,096</u>
Effective tax rate	35.4%	28.3%

#### B6 – Status of Corporate Proposals Announced but not Completed

There was no corporate proposal announced but not completed as of 15 May 2026, 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: -

	<u>Long term</u> <u>RM'000</u>	<u>Short term</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
<u>31 Mar 2026 (unaudited)</u>			
Secured - IMTN	149,705	40,000	189,705
Unsecured - Corporate credit cards	-	4,272	4,272
	<u>149,705</u>	<u>44,272</u>	<u>193,977</u>
<u>31 Mar 2025 (unaudited)</u>			
Secured- IMTN	189,522	40,000	229,522
Unsecured - Corporate credit cards	-	4,351	4,351
	<u>189,522</u>	<u>44,351</u>	<u>233,873</u>

Out of RM750 million of IMTN programme, Cerah Sama Sdn. Bhd. issued RM420 million in nominal value, which is repayable over eleven (11) annual instalments commencing 2020. During the financial period, the seventh tranche of the IMTN amounting to RM40 million in nominal value was redeemed in full at maturity in January 2026. As at the end of the financial period, the balance of the IMTN of RM190 million in nominal value, is repayable between 2027 and 2030. The next tranche, amounting to RM40 million in nominal value, is scheduled for redemption in January 2027.

The Group have corporate credit cards facilities with licensed banks for operational purposes. The facilities are unsecured and provide an interest-free credit period of 20 days from the date of issuance of the credit card statements. Interest is charged at prevailing market rates on outstanding balances that are not settled within the interest-free period.

## 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 15 May 2026, 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.

	<u>3 Months ended 31 Mar</u>	
	<u>2026</u> <u>unaudited</u>	<u>2025</u> <u>unaudited</u>
Profit for the financial period attributable to owners of the Company (RM'000)	9,001	10,511
Weighted average number of ordinary shares in issue ('000)	2,015,817	2,015,817
Earnings per share (sen)	<u>0.45</u>	<u>0.52</u>

### **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 RM136.98 million are: -

- (a) RM12.91 million held as securities for banking facilities secured by the Group, of which RM5.74 million is maintained in a debt service reserve account for the eighth tranche of the IMTN and its corresponding interest due on 31 January 2027; and
- (b) RM4.51 million of budgeted capital expenditure for improvement works in all operating segments.

### **B12 – Dividends**

The Board is pleased to declare a first interim single-tier dividend of 0.25 sen per share on 2,015,817,574 shares amounting to RM5,040,000 in respect of the financial year ending 31 December 2026, to be payable on 30 June 2026.

For the current financial period, the Board has declared a total single-tier dividend of 0.25 sen to shareholders amounting to RM5,040,000 (2025: 0.5 sen per share amounting to RM10,079,000) in respect of the financial year ending 31 December 2026.

### **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  
22 May 2026