

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

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

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This Report is authorised by the Board for public release on 19 November 2025

KEY FINANCIAL HIGHLIGHTS

<i>(in RM'000 unless specified otherwise)</i>	<u>9 months ended 30 Sep</u>		<u>Variance</u>
	<u>2025</u>	<u>2024</u>	<u>(%)</u>
	unaudited	unaudited	#
Revenue	329,385	350,300	↓ 6
Gross profit	113,100	143,596	↓ 21
Profit before taxation ("PBT")	94,777	114,757	↓ 17
Profit for the period	77,992	84,466	↓ 8
Earnings per share ("EPS") (sen)	3.42	2.79	↑ 23
Dividends per share (sen)	1.5	4.0	↓ 63

approximate, to the nearest digit

- For the financial period ended 30 September 2025, the Group revenue declined by 6% from RM350.30 million to RM329.39 million mainly reflecting lower contribution from the toll highway and water treatment and supply segments.
- The drop in the Group's revenue was primarily due to the toll highway segment, which recorded lower government compensation of RM1.27 million compared to RM55.28 million a year ago. In the water treatment and supply segment, revenue declined by 2.2% mainly due to a reduction in metered sales and lower electricity rebates in the Sungai Selangor Water Treatment Plant Phase 1 (**"SSP1"**) operations. The decrease in electricity rebates arose from the reduction in the Imbalance Cost Pass-Through (**"ICPT"**) surcharge by Tenaga Nasional Berhad (**"TNB"**) from RM0.037/kWh to RM0.027/kWh effective 1 July 2024, coupled with the implementation of TNB's revised tariff structure and rates effective 1 July 2025 (**"Electricity Tariff Restructuring"**) to better reflect consumption patterns and energy costs.
- The construction segment recorded higher revenue following the continued progress in Packages 2 and 3 of Stage 1 of the Sungai Rasau Water Supply Scheme Project (**"Rasau Projects"**) whilst the renewable energy segment also contributed positively, following the replacement of solar panels in the previous year which led to higher electricity generation and sales to off-takers.
- In line with the lower revenue, the Group gross profit fell by 21%. The impact, however, was partially offset by the absence of one-off expenses totalling RM22.72 million in the corresponding period, comprising RM15.13 million in write-off of property, plant and equipment and RM7.59 million in upkeep and maintenance costs related to the replacement of solar panels in the renewable energy segment.
- On the earnings front, the Group's PBT fell to RM94.78 million or by 17%, down from RM114.76 million in the corresponding period. This decline was also contributed by a lower share of profits from a joint venture company, Grand Sepadu (NK) Sdn Bhd (**"Grand Sepadu"**) arising from the lower government compensation of RM0.58 million as compared to RM38.74 million recognised last year, as well as the absence of a sundry income of RM10.67 million from insurance claims in the renewable energy segment. However, the drop in PBT was mitigated by a higher share of profit from an associate, SWM Environment Holdings Sdn Bhd (**"SWMEH"**), following a one-off net reversal of provision for loss allowance on receivables of RM101.32 million for the 9-months period, after an agreement with a customer on the amount to be repaid to SWMEH, as well as lower foreign exchange losses, and finance costs.
- Profit for the period declined by RM6.47 million or by 8%. However, EPS increased to 3.42 sen from 2.79 sen due to higher share of profit attributable to owners of the Company. On the other hand, the share of non-controlling interests was lower mainly due to a significant reduction in the profitability in the toll highway segment in the current period.
- Based on the Group's performance for the financial quarter ended 30 September 2025, the Board is pleased to declare a third interim single-tier dividend of 0.5 sen per share amounting to RM10.08 million to be payable on 24 December 2025. This is in addition to the dividends already declared and paid for the previous two financial quarters, bringing the total dividend for the financial period to 1.5 sen per share amounting to RM30.24 million.

CONDENSED STATEMENTS OF FINANCIAL POSITION

		30 Sep 2025	31 Dec 2024
		RM'000	RM'000
	Note	(Unaudited)	(Audited)
ASSETS			
Property, plant and equipment		99,259	107,162
Right-of-use assets		25,347	28,185
Investment properties		91	93
Intangible assets		898,480	921,891
Investment in joint venture		68,966	75,119
Investment in associates		88,506	75,336
Other investment		200	200
Goodwill on consolidation		132,503	132,503
Long-term other receivable		11,919	11,919
Deposits, cash and bank balances		53,905	55,403
Deferred tax assets		6,715	6,588
Total Non-Current Assets		1,385,891	1,414,399
Inventories		78,026	66,778
Trade receivables		98,403	61,576
Other receivables, deposits and prepayments		9,503	12,800
Tax recoverable		1,802	1,156
Investments designated at fair value through profit or loss	B11	41,057	34,221
Deposits, cash and bank balances	B11	74,832	99,749
Total Current Assets		303,623	276,280
TOTAL ASSETS		1,689,514	1,690,679
EQUITY AND LIABILITIES			
Share capital		438,354	438,354
Merger deficit		(71,500)	(71,500)
Currency translation reserve		634	107
Retained earnings		340,759	302,020
Total Equity Attributable to Owners of the Company		708,247	668,981
Non-controlling interests		291,663	293,427
Total Equity		999,910	962,408
LIABILITIES			
Long-term borrowings	B7	189,620	229,473
Lease liabilities		26,902	27,395
Long-term trade payables		2,644	2,126
Provisions		37,549	38,672
Deferred income		40,669	39,482
Deferred tax liabilities		203,912	209,680
Total Non-Current Liabilities		501,296	546,828
Trade payables		36,169	33,175
Other payables and accruals		40,234	29,508
Amount due to contract customers		62,523	49,127
Short-term borrowings	B7	44,128	44,358
Lease liabilities		1,282	3,153
Deferred income		3,398	13,480
Tax liabilities		574	8,642
Total Current Liabilities		188,308	181,443
TOTAL LIABILITIES		689,604	728,271
TOTAL EQUITY AND LIABILITIES		1,689,514	1,690,679

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

		<u>3 Months ended</u>		<u>9 Months ended</u>	
		<u>30 Sep</u>		<u>30 Sep</u>	
	<u>Note</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</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>
Revenue	A4, B1	110,848	158,001	329,385	350,300
Cost of operations		(75,460)	(87,405)	(216,285)	(206,704)
Gross profit		35,388	70,596	113,100	143,596
Other operating income		1,970	12,129	6,570	15,707
Administrative and other expenses		(9,673)	(12,379)	(31,505)	(32,169)
Operating profit		27,685	70,346	88,165	127,134
Finance costs		(3,434)	(3,975)	(10,407)	(11,947)
Share of results of joint venture		1,324	8,623	2,847	13,850
Share of results of associates		27,677	(8,536)	14,172	(14,280)
Profit before tax	B4	53,252	66,458	94,777	114,757
Income tax expense	B5	(5,282)	(18,890)	(16,785)	(30,291)
Profit for the financial period		47,970	47,568	77,992	84,466
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Currency translation		20	1,223	527	1,448
Total comprehensive income for the financial period		47,990	48,791	78,519	85,914
Profit for the financial period attributable to:					
Owners of the Company		45,020	24,253	68,976	56,264
Non-controlling interests		2,950	23,315	9,016	28,202
		47,970	47,568	77,992	84,466

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

		3 Months ended		9 Months ended	
		30 Sep		30 Sep	
	Note	2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
		unaudited	unaudited	unaudited	unaudited
Total comprehensive income for the financial period attributable to:					
Owners of the Company		45,040	25,476	69,503	57,712
Non-controlling interests		2,950	23,315	9,016	28,202
		47,990	48,791	78,519	85,914
Basic and diluted earnings per share attributable to owners of the Company (sen per share)	B9	2.23	1.20	3.42	2.79

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

CONDENSED STATEMENTS OF CHANGES IN EQUITY

<u>Note</u>	<u>Attributable to Owners of the Company</u>					<u>Non-</u>	<u>Total</u>
	<u>Share</u>	<u>Merger</u>	<u>Currency</u>	<u>Retained</u>	<u>Total</u>	<u>controlling</u>	
	<u>capital</u>	<u>deficit</u>	<u>translation</u>	<u>earnings</u>		<u>interests</u>	<u>Equity</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As of 1 January 2025	438,354	(71,500)	107	302,020	668,981	293,427	962,408
Profit for the financial period	-	-	-	68,976	68,976	9,016	77,992
Other Comprehensive Income:							
Currency translation differences	-	-	527	-	527	-	527
Total comprehensive income for the period	-	-	527	68,976	69,503	9,016	78,519
Transactions with Owners of the Company:							
Dividends paid	-	-	-	(30,237)	(30,237)	-	(30,237)
Dividends paid by a subsidiary to non-controlling interest	-	-	-	-	-	(10,780)	(10,780)
Total transactions with Owners of the Company	-	-	-	(30,237)	(30,237)	(10,780)	(41,017)
As of 30 Sep 2025 (unaudited)	438,354	(71,500)	634	340,759	708,247	291,663	999,910

CONDENSED STATEMENTS OF CHANGES IN EQUITY

	<u>Attributable to Owners of the Company</u>					<u>Non-</u>	
	<u>Share</u>	<u>Merger</u>	<u>Currency</u>	<u>Retained</u>	<u>Total</u>	<u>controlling</u>	<u>Total</u>
	<u>capital</u>	<u>deficit</u>	<u>translation</u>	<u>earnings</u>		<u>interests</u>	<u>Equity</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As of 1 January 2024	438,354	(71,500)	(615)	329,673	695,912	267,950	963,862
Profit for the financial period	-	-	-	56,264	56,264	28,202	84,466
Other Comprehensive Income:							
Currency translation differences	-	-	1,448	-	1,448	-	1,448
Total comprehensive income for the period	-	-	1,448	56,264	57,712	28,202	85,914
Transactions with Owners of the Company:							
Dividends paid	-	-	-	(60,474)	(60,474)	-	(60,474)
Total transactions with Owners of the Company	-	-	-	(60,474)	(60,474)	-	(60,474)
As of 30 Sep 2024 (unaudited)	438,354	(71,500)	833	325,463	693,150	296,152	989,302

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

CONDENSED STATEMENTS OF CASH FLOWS

	<u>9 Months</u> <u>ended</u> <u>30 Sep 2025</u> <u>RM'000</u> <u>unaudited</u>	<u>9 Months</u> <u>ended</u> <u>30 Sep 2024</u> <u>RM'000</u> <u>unaudited</u>
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	94,777	114,757
Adjustments for:		
Non-cash items	11,284	44,197
Interest income	(2,381)	(1,779)
Finance costs	10,407	11,947
Operating Profit Before Working Capital Changes	114,087	169,122
Net increase in inventories, amount due from contract customers, trade and other receivables	(30,261)	(111,837)
Net increase in trade and other payables, provisions and deferred income	16,732	44,249
Cash Generated From Operations	100,558	101,534
Income tax paid	(31,422)	(23,596)
Income tax refund	27	51
Net Cash From Operating Activities	69,163	77,989
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Interest received	2,124	1,822
Property, plant and equipment:		
- Proceeds from disposal	41	173
- Purchases	(1,714)	(12,354)
Purchase of intangible assets	(1,847)	-
Dividend received from an associate	176	1,512
Dividend received from a joint venture	9,000	4,500
Investments designated at fair value through profit or loss ("FVTPL"):		
- Purchase	(21,433)	(42,724)
- Proceeds from redemption	15,000	54,900
- Dividend income	712	923
Withdrawals/(Placements) of deposits pledged as security	1,506	(8,945)
Net Cash From/(Used In) Investing Activities	3,565	(193)
CASH FLOWS FROM/(USED) IN FINANCING ACTIVITIES		
Interest paid	(14,345)	(16,152)
Drawdown from borrowings	-	6,987
Repayment of borrowings	(40,230)	(35,064)
Repayment of lease liabilities	(2,580)	(2,245)
Dividends paid (<i>Note A7</i>)	(30,237)	(60,475)
Dividends paid by a subsidiary to non-controlling interests	(10,780)	-
Net Cash Used In Financing Activities	(98,172)	(106,949)

CONDENSED STATEMENTS OF CASH FLOWS

	9 Months ended 30 Sep 2025 RM'000 unaudited	9 Months ended 30 Sep 2024 RM'000 unaudited
NET DECREASE IN CASH AND CASH EQUIVALENTS	(25,444)	(29,153)
Effect of Exchange Rate Changes	527	1,448
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL PERIOD	99,749	82,478
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	74,832	54,773
Cash and cash equivalents comprised the following amounts in the statements of financial position:		
Deposits with licensed banks	83,650	78,284
Cash and bank balances	45,087	31,365
Total deposits, cash and bank balances	128,737	109,649
Less: Deposits pledged as security	(53,905)	(54,876)
	74,832	54,773

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

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

A1 – Basis of Preparation

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

These interim financial statements should be read in conjunction with the latest audited financial statements of the Company and its subsidiaries (“**Group**”) for the financial year ended 31 December 2024 (“**Audited Financial Statements**”). The selected explanatory notes attached to these interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the previous financial year.

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

(i) Adoption of amendments to Malaysian Financial Reporting Standards (“MFRSs”)

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

Amendments to MFRS 121 Lack of Exchangeability

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

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

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

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 9 and MFRS 7	Classification and Measurement of Financial Instruments

Annual Improvement to MFRS Standards-Volume 11

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

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

A1 – Basis of Preparation (continued)

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

<u>Foreign currency</u>	<u>30 Sep 2025</u>	<u>30 Jun 2025</u>	<u>30 Sep 2024</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>
1 US Dollar (USD)	4.21	4.21	4.12
1 Singapore Dollar (SGD)	3.26	3.30	3.22

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

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

As at the end of the reporting period, RM1.84 million of preliminary costs were incurred, with a notional revenue of RM1.89 million and a notional profit of RM0.05 million recognised in the statement of profit or loss.

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>9 Months ended</u>	
	<u>30 Sep</u>		<u>30 Sep</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</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>
<i>Revenue from contracts with customers:</i>				
Management, operations and maintenance of water treatment plants	47,786	48,104	141,458	147,151
Toll revenue and operator fee	20,153	20,297	59,885	59,344
Revenue from construction contracts				
- In accordance with MFRS 15	29,317	21,317	87,788	52,373
- In accordance with IC Interpretation 12	664	-	1,893	-
Sales of electricity	8,448	8,404	23,762	22,431
Management fees	1,083	1,083	3,249	3,249
	<u>107,451</u>	<u>99,205</u>	<u>318,035</u>	<u>284,548</u>
<i>Revenue from other sources:</i>				
Deferred income	3,397	3,516	10,082	10,472
Government compensation	-	55,280	1,268	55,280
Revenue as per Condensed Statement of Comprehensive Income	<u>110,848</u>	<u>158,001</u>	<u>329,385</u>	<u>350,300</u>
<i>Timing of revenue recognition for revenue from contracts with customers:</i>				
At a point in time	76,387	76,805	225,105	228,926
Over time	31,064	22,400	92,930	55,622
	<u>107,451</u>	<u>99,205</u>	<u>318,035</u>	<u>284,548</u>

A5 – Accounting Estimates

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

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

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

A7 – Dividends Paid

The total dividends paid to shareholders during the financial period amounted to RM30,237,000 (2024: RM60,474,000) as follows: -

- (a) on 27 February 2025, the Board declared a fourth interim single-tier dividend of 0.5 sen per share on 2,015,817,574 ordinary shares amounting to RM10,079,000 in respect of the financial year ended 31 December 2024 which was paid on 28 March 2025;
- (b) on 19 May 2025, the Board declared a first interim single-tier dividend of 0.5 sen per share on 2,015,817,574 ordinary shares amounting to RM10,079,000 in respect of the financial year ending 31 December 2025 which was paid on 30 June 2025; and
- (c) on 27 August 2025, the Board declared a second interim single-tier dividend of 0.5 sen per share on 2,015,817,574 ordinary shares amounting to RM10,079,000 in respect of the financial year ending 31 December 2025 which was paid on 30 September 2025.

A8 – Material Subsequent Events

Except as disclosed below, there were no material events subsequent to the end of the financial report that have not been reflected in these interim financial statements.

In October 2025, Grand Saga Sdn. Bhd., an indirect 51%-owned subsidiary of the Company and Grand Sepadu, recognised revenue for the toll compensation of RM34.4 million and RM13.8 million from the Government relating to the non-implementation of the scheduled toll hike in respect of previous years. As the approval from Lembaga Lebuhraya Malaysia was obtained after the end of the reporting period, this is a non-adjusting subsequent event, and no amount has been recognised in the current quarter's results.

A9 – Contingent Liabilities

There were no material contingent liabilities as at the end of the current financial period and up to 12 November 2025 (being a date not earlier than 7 days from the date of these interim financial statements).

A10 – Changes in Composition of the Group

Except as disclosed below, 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.

- (a) Applications to strike off TRS Uno Pte. Ltd., TRS Dos Pte. Ltd. and TRS Tres Pte. Ltd., the indirect wholly-owned subsidiaries of the Company, were submitted to the Accounting and Corporate Regulatory Authority (“ACRA”) on 30 September 2025 pursuant to Section 344A(1) of the Singapore Companies Act 1967.
- (b) On 29 September 2025, LGB Taliworks Consortium Sdn Bhd, an associate in which the Company holds a 20% interest, reduced its issued share capital by cancelling 3,970,000 ordinary shares out of 4,000,000. The issued share capital now stands at RM30,000 comprising 30,000 shares, of which the Company holds 6,000 shares for RM6,000.

A11 – Other Significant Events and Transactions

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

A12 – Operating Segments

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

3 Months
ended 30 Sep

	Water		Waste management		Construction		Toll highway		Renewable energy		Others		Total		Reconciliation		Amount as per Statement of	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Revenue	47,786	48,104	91,447	87,965	29,981	21,317	17,564	55,523	8,448	8,404	1,083	1,083	196,309	222,396	(85,461)	(64,395)	110,848	158,001
EBITDA(i)	15,353	17,075	72,748	7,776	1,572	775	14,558	52,349	6,779	(7,809)	(21,955)	(2,727)	89,055	67,439	(47,974)	15,010	41,081	82,449
Depreciation and amortisation	(122)	(121)	(3,782)	(3,006)	(3)	(3)	(6,438)	(6,381)	(3,885)	(2,656)	(792)	(757)	(15,022)	(12,924)	1,626	821	(13,396)	(12,103)
Operating profit	15,231	16,954	68,966	4,770	1,569	772	8,120	45,968	2,894	(10,465)	(22,747)	(3,484)	74,033	54,515	(46,348)	15,831	27,685	70,346
Finance costs	(4)	(6)	(9,243)	(8,563)	-	-	(1,697)	(2,030)	(115)	(120)	(284)	(314)	(11,343)	(11,033)	7,909	7,058	(3,434)	(3,975)
Share of results of joint venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,324	8,623	1,324	8,623
Share of results of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27,677	(8,536)	27,677	(8,536)
Profit before tax	15,227	16,948	59,723	(3,793)	1,569	772	6,423	43,938	2,779	(10,585)	(23,031)	(3,798)	62,690	43,482	(9,438)	22,976	53,252	66,458
Income tax expense	(3,447)	(3,725)	(10,178)	(1,747)	(1)	-	(1,781)	(10,802)	79	(16)	(202)	(169)	(15,530)	(16,459)	10,248	(2,431)	(5,282)	(18,890)
Profit for the financial year	11,780	13,223	49,545	(5,540)	1,568	772	4,642	33,136	2,858	(10,601)	(23,233)	(3,967)	47,160	27,023	810	20,545	47,970	47,568
EBDA(ii)	11,902	13,344	53,327	(2,534)	1,571	775	11,080	39,517	6,743	(7,945)	(22,441)	(3,210)	62,182	39,947	(816)	19,724	61,366	59,671
Capex(iii)	156	269	8,230	2,153	66	152	346	54	-	11,478	-	27	8,798	14,133	-	-	-	-

A12 - Operating Segments (continued)

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

9 Months ended 30 Sep	Water		Waste management		Construction		Toll highway		Renewable energy		Others		Total		Reconciliation		Amount as per Statement of Comprehensive Income	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Revenue	141,458	147,151	270,416	261,754	89,681 [*]	52,373	51,969	93,837	23,762	22,431	3,249	3,249	580,535	580,795	(251,150)	(230,495)	329,385	350,300
EBITDA(i)	50,741	52,273	99,808	39,965	3,742	1,765	42,440	84,232	17,988	4,506	(7,275)	(8,177)	207,444	174,564	(82,053)	(10,536)	125,391	164,028
Depreciation and amortisation	(362)	(348)	(10,631)	(8,704)	(8)	(12)	(19,135)	(19,064)	(8,778)	(8,446)	(2,372)	(2,352)	(41,286)	(38,926)	4,060	2,032	(37,226)	(36,894)
Operating profit	50,379	51,925	89,177	31,261	3,734	1,753	23,305	65,168	9,210	(3,940)	(9,647)	(10,529)	166,158	135,638	(77,993)	(8,504)	88,165	127,134
Finance costs	(14)	(18)	(27,791)	(25,418)	-	-	(5,263)	(6,228)	(347)	(367)	(871)	(941)	(34,286)	(32,972)	23,879	21,025	(10,407)	(11,947)
Share of results of joint venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,847	13,850	2,847	13,850
Share of results of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,172	(14,280)	14,172	(14,280)
Profit before tax	50,365	51,907	61,386	5,843	3,734	1,753	18,042	58,940	8,863	(4,307)	(10,518)	(11,470)	131,872	102,666	(37,095)	12,091	94,777	114,757
Income tax expense	(11,584)	(11,973)	(19,446)	(11,342)	(2)	-	(5,069)	(14,996)	503	165	(202)	(169)	(35,800)	(38,315)	19,015	8,024	(16,785)	(30,291)
Profit for the financial year	38,781	39,934	41,940	(5,499)	3,732	1,753	12,973	43,944	9,366	(4,142)	(10,720)	(11,639)	96,072	64,351	(18,080)	20,115	77,992	84,466
EBDA(ii)	39,143	40,282	52,571	3,205	3,740	1,765	32,108	63,008	18,144	4,304	(8,348)	(9,287)	137,358	103,277	(22,140)	18,083	115,218	121,360
Capex(iii)	211	481	23,720	12,469	93	165	748	177	83	11,600	133	36	24,988	24,928				

^{*} Includes notional construction revenue of RM664,000 and RM1,893,000 recognised pursuant to IC Interpretation 12 Service Concession Arrangements from the construction of the RTF for the current quarter and year-to-date, respectively.

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

1. The Group monitors the performance of its business by five main business segments namely water treatment and supply, construction, toll highway, waste management and renewable energy. Others refer to investment holding and other non-core businesses. Goodwill has been allocated to its reportable segments.
2. The revenue and profit performance represent the Group's proportionate share of interest in each of the subsidiaries (instead of full consolidation) and includes a proportionate share of the interest of joint ventures or associates (instead of being equity accounted). The total is then reconciled to the revenue and profit performance in the Condensed Statements of Comprehensive Income. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance.
3. The segmental information on the waste management segment excluded the fair value measurement adjustments made at the Group level. This is to better assess the operational performance of the segment. The segmental results (including the calculation of EBITDA and EBDA), are solely from the concession business, after the proportionate deduction of dividends on cumulative preferences shares held by parties other than the Group.

As at 30 Sep	<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>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</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	98,180	106,326	74,392	78,054	143,143	89,216	1,185,199	1,280,068	136,415	149,576	52,185	44,656	1,689,514	1,747,896
Segment liabilities	(29,969)	(29,619)	-	-	(104,739)	(79,162)	(508,521)	(586,938)	(18,567)	(37,846)	(27,808)	(25,029)	(689,604)	(758,594)
Net segment assets	68,211	76,707	74,392	78,054	38,404	10,054	676,678	693,130	117,848	111,730	24,377	19,627	999,910	989,302

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

B1 – Overall Review of Group’s Financial Performance

Part A – Review of Statement of Financial Position

	As at 30 Sep 2025 (Unaudited) RM’000	As at 31 Dec 2024 (Audited) RM’000	Variance (%) #
Total assets	1,689,514	1,690,679	-
Total liabilities	689,604	728,271	↓ 5
Total shareholders’ equity	999,910	962,408	↑ 4
Return on equity (%)*	7.95	10.65	↓ 25
Net assets per share (sen)	35.13	33.19	↑ 6

* *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 did not vary significantly from the Audited Financial Statements primarily due to counterbalancing changes in the carrying amounts of the categories of assets. The following asset classes recorded declines in carrying amounts:-

- (i) investments designated at FVTPL, cash and bank balances by RM19.58 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) property, plant and equipment by RM7.90 million and intangible assets by RM23.41 million, due to depreciation and amortisation charges; and
- (iii) investment in joint venture by RM6.15 million, primarily due to the RM9.00 million dividend received from Grand Sepadu which partially offset with its share of profit for the current financial period.

On the other hand, the following asset classes recorded increases in carrying amounts: -

- (i) trade and other receivables by RM33.53 million, largely due to higher billings from the Rasau Projects;
 - (ii) investments in associates by RM13.17 million, mainly from the Group’s share of profit from SWMEH; and
 - (iii) inventories by RM11.25 million, mainly from materials purchased and delivered on site for the Rasau Projects, but yet to be installed or consumed.
- (b) Total liabilities decreased by 5% or RM38.67 million, primarily from the redemption of the sixth tranche of the IMTN of RM40.00 million and deferred income recognised as revenue of RM8.90 million as disclosed in Note A4. These decreases were partly offset by higher trade and other payables of RM14.24 million, due to lower payments made during the period; and amounts due to contract customers of RM13.40 million, arising from increased billings for inventory purchases.
- (c) As at 30 September 2025, the net assets per share stood at 35.13 sen, an increase by 6% from 33.19 sen recorded as at 31 December 2024.

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

Part B – Review of Income Statement

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

	<u>3 Months</u> <u>ended</u> <u>30 Sep 2025</u> <u>RM’000</u> <u>unaudited</u>	<u>3 Months</u> <u>ended</u> <u>30 Sep 2024</u> <u>RM’000</u> <u>unaudited</u>	<u>9 Months</u> <u>ended</u> <u>30 Sep 2025</u> <u>RM’000</u> <u>unaudited</u>	<u>9 Months</u> <u>ended</u> <u>30 Sep 2024</u> <u>RM’000</u> <u>unaudited</u>
<i>Revenue</i>				
Water treatment and supply	47,786	48,104	141,458	147,151
Construction				
- In accordance with MFRS 15	29,317	21,317	87,788	52,373
- In accordance with IC Interpretation 12	664	-	1,893	
Toll highway	23,550	79,093	71,235	125,096
Renewable energy	8,448	8,404	23,762	22,431
Others	1,083	1,083	3,249	3,249
Revenue as per Condensed Statement of Comprehensive Income	110,848	158,001	329,385	350,300

Profit Before Tax

	<u>3 Months</u> <u>ended</u> <u>30 Sep 2025</u> <u>RM’000</u> <u>unaudited</u>	<u>3 Months</u> <u>ended</u> <u>30 Sep 2024</u> <u>RM’000</u> <u>unaudited</u>	<u>9 Months</u> <u>ended</u> <u>30 Sep 2025</u> <u>RM’000</u> <u>unaudited</u>	<u>9 Months</u> <u>ended</u> <u>30 Sep 2024</u> <u>RM’000</u> <u>unaudited</u>
Water treatment and supply	15,224	16,950	50,372	51,921
Construction	1,562*	762	3,700*	1,726
Toll highway	11,249	66,581	34,536	87,962
Renewable energy	2,901	(10,458)	9,217	(3,933)
Others	(3,251)	(3,489)	(9,660)	(10,542)
Operating profit	27,685	70,346	88,165	127,134
Finance cost	(3,434)	(3,975)	(10,407)	(11,947)
Share of results of joint venture	1,324	8,623	2,847	13,850
Share of results of associates	27,677	(8,536)	14,172	(14,280)
Profit before tax for the financial period	53,252	66,458	94,777	114,757

* Includes notional profit of RM16,000 and RM46,000 recognised in the current quarter and year-to-date, respectively, 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 RM110.85 million, down from RM158.00 million in the corresponding quarter. The reduction arose from a significant decline in the toll highway segment and a slight reduction in the water treatment and supply segment. In contrast, the construction segment posted higher revenue, while the renewable energy segment remained broadly unchanged year-on-year.

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)

In line with lower revenue, the Group’s PBT also declined to RM53.25 million from RM66.46 million in the same quarter last year, partly due to a lower share of profit amounting to RM1.32 million (Q3FY24: RM8.62 million) from its joint venture company, Grand Sepadu. However, these effects were partially mitigated by: -

- (a) a higher share of profit from an associate, SWMEH, of RM27.12 million (Q3FY24: share of losses of RM9.17 million); and
- (b) a net positive contribution from the renewable energy segment, arising mainly from the absence of one-off expenses, totalling RM22.72 million in the corresponding period, comprising RM15.13 million in write-off of property, plant and equipment and RM7.59 million in upkeep and maintenance costs (out of the total RM14.84 million) related to the replacement of solar panels in the renewable energy segment, as disclosed in Note B4, and lower net foreign exchange losses of RM0.03 million (Q3FY24: RM2.30 million). These positive contributions were partly offset by lower sundry income in the current quarter (as higher insurance claims of RM10.67 million was received in the corresponding quarter) and higher depreciation and amortisation expenses of RM3.88 million (Q3FY24: RM2.66 million).

Water treatment and supply

The segment registered revenue of RM47.79 million (Q3FY24: RM48.10 million) which comprised of metered sales of RM40.56 million (Q3FY24: RM39.98 million) and electricity and chemical rebates of RM7.22 million (Q3FY24: RM8.12 million). The slight reduction in total revenue was mainly due to lower electricity rebates following the Electricity Tariff Restructuring by TNB. However, the Electricity Tariff Restructuring had a marginal impact on the financial performance of SSP1 as it also resulted in lower electricity costs.

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

SSP1	Q3 2025	Q3 2024	Variance (%)
Metered Sales (million m ³)	83.48	83.30	↑ 0.2
Number of billing days	92	92	
Average MLD	907.37	905.41	↑ 0.2

Despite a slight decline in revenue, operating profit declined to RM15.22 million (Q2FY24: RM16.95 million). The reduction was attributable to amongst others, higher rehabilitation and maintenance expenses of RM7.69 million (Q3FY24: RM5.42 million) incurred during the 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 RM29.98 million, an increase by RM8.66 million from RM21.32 million in the same quarter last year, mainly from continued progress on the Rasau Projects. This translated into higher operating profit for the segment. Nonetheless, as construction activities generally yield lower profit margins, the contribution to the Group’s overall profitability remained relatively modest despite the increase in revenue.

Toll highway – Subsidiary

Average Daily Traffic (“ADT”)	Q3 2025	Q3 2024	Variance (%)
Grand Saga Highway (vehicles per day)	162,942	164,154	↓ 0.7

Both revenue and operating profit were significantly lower than in the corresponding quarter, due to lower government compensation recognised and a 0.7% decline in ADT. The ADT reduction was attributable to the opening of the East Klang Valley Expressway (“EKVE”) on 30 August 2025, which offered a toll-free period of approximately two (2) months until 24 October 2025. The EKVE provides an alternative route connecting Bandar Sungai Long to Ukay Perdana. The impact on operating profit was partially mitigated by lower repair and maintenance expenses and finance costs compared with the corresponding period.

Renewable energy

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

	Q3 2025	Q3 2024	Variance (%)
Total energy output (MWh)	7,113	7,075	↑ 0.5

Revenue from the renewable energy segment was almost similar to the corresponding quarter as the total energy output was marginally up by 0.5%.

Despite stable revenue, operating profit improved to RM2.90 million as compared to an operating loss of RM10.46 million a year ago, primarily due to the write-off of old solar panels and related contractor costs for the solar replacement project in the corresponding quarter, as well as lower net foreign exchange losses of RM0.03 million (Q3FY24: RM2.30 million) in the current quarter.

The positive impact was moderated by lower insurance claim received and higher depreciation and amortisation expenses of RM3.88 million (Q3FY25: RM2.66 million).

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	Q3 2025	Q3 2024	Variance (%)
Grand Sepadu Highway (vehicles per day)	90,767	90,491	↑ 0.3

The Group's share of results from Grand Sepadu benefited from a 0.3% improvement in ADT during the quarter. Overall results, however, were lower, mainly due to a significantly lower toll compensation recognised of RM0.58 million (Q3FY24: RM26.18 million). The impact was partially mitigated by a decrease in repair and maintenance expenses, tax expenses and finance costs in the current quarter.

Waste management – Associate

The Group's share of results of associates was contributed mainly by SWMEH. The Group's share of profit from SWMEH rose sharply to RM27.12 million, compared to share of losses of RM9.17 million in the corresponding quarter due to a higher PAT of RM141.56 million (Q3FY24: RM36.95 million) and after adjustments of RM64.08 million (Q3FY24: RM63.14 million) made by the Group to SWMEH's PAT.

At SWMEH, revenue from both solid waste collection and public cleansing services increased modestly by 4.0%, while the significant improvement in PAT was supported by a one-off net reversal in provision for loss allowance on receivables amounting to RM112.69 million for the current quarter, after an agreement was reached with a customer on the repayment of long outstanding receivables which the company had previously provided as loss allowance. The positive impact was partly offset by higher expenses in the current quarter, amongst others, payroll-related costs, depreciation, subcontractor costs, taxes and finance costs.

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

Overall Summary

The Group reported revenue of RM329.39 million for the current financial period, a decrease of RM20.91 million or 6% from RM350.30 million a year ago. The decrease was mainly attributed to a reduction in contribution recorded by the toll highway and water treatment and supply segments.

In line with the decrease in revenue, the Group's PBT was also lower, largely due to the following factors: -

- (a) lower sundry income in the current financial period due to receipt of insurance claims by the renewable energy segment in the corresponding period; and
- (b) lower share of profits from Grand Sepadu amounting to RM2.85 million (YTD Q3FY24: RM13.85 million).

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

Part B – Review of Income Statement (continued)

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

These impacts were partly offset by:

- (a) higher share of profit from SWMEH of RM12.44 million (YTD Q3FY24: share of losses of RM16.12 million);
- (b) RM15.13 million write-off in property, plant and equipment recorded last year and the lower upkeep and maintenance expenses amounting to RM21.29 million (YTD Q3FY24: RM27.69 million) primarily due to prior-year costs related to the solar panel replacement at TR Sepang and TR CPark; and
- (c) lower net foreign exchange losses and finance cost in the current financial period.

Water treatment and supply

At the operating level, the water treatment and supply segment generated RM141.46 million in revenue, compared to RM147.15 million a year earlier. The decline was mainly due to lower contributions in all revenue components, comprising a reduction in average MLD of metered sales of RM118.80 million (YTD Q3FY24: RM121.52 million) and electricity and chemical rebates of RM22.66 million (YTD Q3FY24: RM25.63 million). The reduction in electricity rebates followed the Electricity Tariff Restructuring effective 1 July 2025; however, Electricity Tariff Restructuring had no significant impact on SSP1 operations as it was accompanied by a corresponding decrease in electricity costs. Similarly, the reduction in chemical rebates was accompanied by lower chemical costs.

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

SSP1	YTD Sep 2025	YTD Sep 2024	Variance (%)
Metered Sales (million m ³)	247.49	253.17	↓ 2.2
Number of billing days	273	274	
Average MLD	906.57	923.97	↓ 1.9

Consistent with the lower revenue, operating profit decreased slightly to RM50.37 million (YTD Q3FY24: RM51.92 million), mainly due to higher rehabilitation and maintenance expenses of RM16.68 million (YTD Q3FY24: RM16.30 million), partly offset by higher sundry income from insurance claims.

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

Part B – Review of Income Statement (continued)

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

Construction

Steady progress on the Rasau Projects contributed to higher revenue and operating profit compared with the same period last year. As at the end of the financial period, the percentage of completion recognised for Packages 2 and 3 of the Rasau Projects stood at approximately 31% and 15%, respectively (YTD Q3FY24: 17% and 8%).

Toll operations - Subsidiary

ADT	YTD Sep 2025	YTD Sep 2024	Variance (%)
Grand Saga Highway (vehicles per day)	164,631	163,607	↑ 0.6

ADT on the Grand Saga Highway increased marginally by 0.6%. However, revenue decreased significantly to RM71.24 million, down from RM125.10 million in the corresponding period, mainly due to lower government compensation recognised in the current financial period. Operating profit correspondingly fell to RM34.54 million from RM87.96 million. The decrease was partially mitigated by higher interest income and lower repair and maintenance expenses during the current financial period.

Renewable energy

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

	YTD Sep 2025	YTD Sep 2024	Variance (%)
Total energy output (MWh)	19,954	18,968	↑ 5.2

The renewable energy segment delivered higher revenue contribution, up by RM1.33 million in tandem with a 5.2% increase in total energy output. The improved output was attributed to the completion of solar panel replacements at TR Sepang and TR CPark in the preceding financial period.

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

Part B – Review of Income Statement (continued)

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

The segment recorded an operating profit as compared to an operating loss in the previous period in tandem with the higher revenue. The improvement was also attributable to the write-off of property, plant and equipment and associated contractor costs incurred in the corresponding period and lower net foreign exchange losses of RM1.08 million (YTD Q3FY24: RM2.56 million). These gains were partly offset by higher depreciation and amortisation expenses, lower sundry income and net investment returns during the period.

Toll operations - Share of results of joint venture

ADT	YTD Sep 2025	YTD Sep 2024	Variance (%)
Grand Sepadu Highway (vehicles per day)	89,977	89,668	↑ 0.3

Despite the marginal increase in ADT, the Group’s share of results from Grand Sepadu declined significantly by RM11.00 million, mainly due to the lower government compensation recognised of RM0.58 million (YTD Q3FY24: RM38.74 million) in the current financial period. Although ADT was higher, toll collections decreased as lower traffic at higher toll rate plazas outweighed the volume increases at lower toll rate plazas. Results were further impacted by higher repair and maintenance and payroll-related expenses during the financial period. Nevertheless, these effects were partly offset by lower finance costs of RM1.56 million (YTD Q3FY24: RM2.16 million) and lower tax expense of RM6.92 million (YTD Q3FY24: RM15.92 million), together with higher other operating income of RM1.59 million (YTD Q3FY24: RM1.34 million).

Waste management - Share of results of associate

The Group’s share of profit from SWMEH was RM12.44 million compared to share of losses of RM16.12 million in the corresponding period, due to higher PAT recorded by SWMEH. This included group adjustments of RM191.14 million (YTD Q3FY24: RM188.68 million) to SWMEH’s PAT.

Other than revenue which increased by 3.3%, SWMEH’s PAT increased to RM225.38 million from RM142.61 million, mainly due to higher one-off net reversal of provision of loss allowance on receivables recorded in the current period. The higher PAT was partly offset by higher expenses in the current quarter, amongst others, payroll, subcontractor costs, depreciation, finance costs and taxes, as well as the absence of a one-off gain of RM13.72 million from disposal of an investment recorded in the corresponding period.

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

Part B – Review of Income Statement (continued)

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

	3 Months ended 30 Sep 2025 RM'000 unaudited	3 Months ended 30 Jun 2025 RM'000 unaudited
<u>Revenue</u>		
Water treatment and supply	47,786	47,657
Construction		
- In accordance with MFRS 15	29,317	30,542
- In accordance with IC Interpretation 12	664	1,229
Toll highway	23,550	24,923
Renewable energy	8,448	7,835
Others	1,083	1,083
Total revenue as per Condensed Statement of Comprehensive Income	110,848	113,269
<u>Profit Before Tax</u>		
Water treatment and supply	15,224	17,801
Construction	1,562*	1,139*
Toll highway	11,249	13,222
Renewable energy	2,901	2,832
Others	(3,251)	(3,077)
Operating profit	27,685	31,917
Finance cost	(3,434)	(3,402)
Share of results of joint venture	1,324	814
Share of results of associates	27,677	(5,806)
Profit before tax for the financial period	53,252	23,523

* Includes notional profit of RM16,000 and RM30,000 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 edged lower by 2% to RM110.85 million from RM113.27 million, reflecting reduced contributions from the construction and toll highway segments.

Despite lower revenue, the Group’s PBT rose by 126% to RM53.25 million from RM23.52 million in the previous quarter. The improvement was largely attributed to a higher share of profit from associates compared with a share of losses in the previous quarter, along with lower net foreign exchange losses and reduced corporate costs from the renewable energy segment. These gains were partly tempered by higher upkeep and maintenance expenses predominantly from water treatment and supply segment, higher depreciation from renewable energy division, and lower net returns from interest income, dividends and net gain on redemption from investments designated at FVTPL from the toll division.

For the water treatment and supply segment, operating revenue increased marginally by RM0.13 million, supported by 0.5% rise in metered sales to 83.48 million m³ (or 907.37 MLD) from 83.09 million m³ (or 903.11 MLD) in the previous quarter. Despite this, operating profit contracted by RM2.58 million due to higher rehabilitation and maintenance cost by RM3.29 million in the current quarter.

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

Part B – Review of Income Statement (continued)

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

The construction segment registered lower revenue this quarter, driven by slower progress on the Rasau Projects. As at the end of the financial period, the percentage of completion recognised for Packages 2 and 3 of the Rasau Projects stood at approximately 31% and 15% (Q2FY25: 27% and 14%), respectively. Despite the lower revenue, operating profit was slightly higher, due to higher reversal of provision for loss allowance on receivables recognised during the current quarter and increased profit arising from the downwards adjustment of construction costs for the 76ML RC Reservoir R4 and related ancillary works at Cyberjaya, Selangor Darul Ehsan (“**CRJ4 Project**”) following the finalisation of accounts with the sub-contractors.

For the Grand Saga Highway, revenue and operating profit decreased in tandem with a 2.0% decrease in the ADT to 162,942 vehicles per day (Q2FY25: 166,319 vehicles) and the absence of government compensation in the current quarter. Operating profit was further impacted by lower interest income and higher repair and maintenance expenses.

Meanwhile, the Group’s share of profit from Grand Sepadu improved quarter-on-quarter. While revenue benefited from a 1.0% increase in ADT and higher government compensation, the share of profit was offset by higher depreciation and taxation expenses of RM4.24 million and RM2.72 million (Q2FY25: RM4.14 million and RM2.22 million), respectively. This was mitigated by lower repair and maintenance expenses and finance costs.

In the renewable energy segment, revenue increased by RM0.61 million, driven by a 7.7% increase in total energy output to 7,113 MWh (Q2FY25: 6,602 MWh), supported by stronger average insolation during the quarter. However, operating profit only showed a marginal increase due to a higher depreciation and amortisation expenses and repair and maintenance expenses in the current quarter. These impacts were partly cushioned by lower net foreign exchange loss and reduced corporate costs during the current quarter.

The Group’s share of profit in SWMEH increased to RM27.12 million as compared to share of losses of RM6.43 million in the preceding quarter due to higher PAT recorded of RM141.56 million (Q2FY25: RM45.34 million) and after adjustments of RM64.08 million (Q2FY25: RM63.71 million) made by the Group to SWMEH’s PAT. The stronger results at SWMEH were largely due to a 1.2% rise in revenue from both solid waste collection and public cleansing services, along with a one-off net reversal in provisions for loss allowance on receivables. Nevertheless, the positive performance was partly offset by higher payroll-related costs, subcontractor costs, and tax expenses during the quarter.

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

Part C – Review of Statement of Cash Flow

	<u>9 Months ended</u> <u>30 Sep 2025</u> <u>RM’000</u> <u>unaudited</u>	<u>9 Months ended</u> <u>30 Sep 2024</u> <u>RM’000</u> <u>unaudited</u>	Variance (%)
Net cash from operating activities	69,163	77,989	↓ 11
Net cash from/(used in) investing activities	3,565	(193)	↑ >100
Net cash used in financing activities	(98,172)	(106,949)	↓ 8

Net cash generated from operating activities for the financial period was lower by RM8.83 million or 11%, primarily attributable to lower operating profit, prompt payments made to trade and other payables and higher income tax payments during the period. The decrease was then partially offset by higher collections from customer and lower purchases of inventories, which improved cash inflow.

Net cash generated from investing activities for the financial period recorded an increase by RM3.76 million mainly due to lower purchases of property, plant and equipment, higher dividends received from a joint venture totalling RM9.0 million, and higher withdrawals from pledged deposits held in the debt service reserve account under the IMTN Programme. However, the increase was partially offset by lower net proceeds from redemption of investments designated at FVTPL, lower dividend receipts from an associate, and the purchase of intangible assets during the current financial period.

Net cash outflow from financing activities decreased by RM8.78 million or 8%, mainly attributed to higher borrowings repayment and a dividend payout of RM10.78 million to non-controlling interests by a subsidiary. The overall outflow was partly moderated by lower dividends paid to shareholders and a reduction in interest payments during the period.

B2 – Prospects

The Group’s profitability continues to be mainly driven by the water treatment and supply, and toll highway segments, which remain the key contributors to the Group’s earnings and cash flows. In 2025, the water services sector in Malaysia, particularly in Selangor and the Federal Territories, is expected to experience stable but moderate growth. The notable 2.2% reduction in the average daily water production at SSP1 in 2025 as compared to 2024 which was due to Air Selangor’s redistribution initiatives through supply optimisation efforts and Non-Revenue Water reduction program, reflected a broader shift towards maximising existing resources rather than expansion. This was achieved through the reallocation of water distribution, whereby supply to some areas of Kuala Lumpur and Selangor, previously served by SSP1, has now been partially taken over by the Langat 2 Water Treatment Plant (“**Langat 2 WTP**”) under Air Selangor’s inter-connection supply planning. Nonetheless, demand is expected to remain relatively steady, supported by gradual population and commercial growth. To cater for future needs, Air Selangor is advancing the construction of a new pumping system for the Bukit Mayong Reservoir at SSP1, with a capacity of 150 MLD to accommodate future demand. This project is currently scheduled for completion by the second quarter of 2026 and is designed to effectively address the increased demand for treated water in the northern regions, as well as specific zones in Klang and Kuala Selangor. It is expected that production from SSP1 will see a slight recovery once the new Bukit Mayong Pumping Station becomes operational, currently targeted by the end of 2026. To mitigate the potential reduction in profitability due to lower production, SSP1 will continue to implement energy saving measures and proactive maintenance scheduling to ensure operational efficiency and maintain a sustainable operating cost.

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

B2 – Prospects (continued)

The toll highway segment, both Grand Saga and Grand Sepadu highways, experienced higher ADT in 2024 and in the current period. The prospect of this segment remains positive driven by heightened economic activities. For Grand Saga, performance remains resilient on the back of development along the corridor and interchange flows to or from the SUKE Expressway. However, ADT softened slightly in the current quarter following the opening of the EKVE on 30 August 2025, which was toll-free until 24 October 2025. 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 boost for the Grand Sepadu highway, as it could increase traffic flow and contributing to further growth in traffic volumes.

In the renewable energy segment, the economic outlook remain positive. Total energy output increased by 5.2% compared to the corresponding period, driven by the completion of solar panel replacements at TR SaTerm in the fourth quarter of 2022 whereas the remaining two sites at TR CPark and TR Sepang completed theirs in July 2024. With all sites now fitted with upgraded panels, it is envisaged that the performance of this segment will continue to improve in the next few years. The Group recognises the renewable energy sector as one of the key growth areas and it will continue to 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 several local authorities and jurisdictions. Securing timely regulatory approvals by all concerned parties is a continuing challenge and the delay by the authorities in granting the requisite approvals, have impeded the progress of these projects. Recognising these setbacks, Air Selangor 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. Other than the Rasau Projects, the Group is also actively tendering for other infrastructure-related projects to boost the order book.

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

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

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

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

B4 – Profit before tax

	<u>3 Months ended 30 Sep</u>		<u>9 Months ended 30 Sep</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</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>
<i><u>Other operating income:</u></i>				
Interest income on fixed deposits with licensed banks	622	554	2,381	1,779
Dividend from investments designated at FVTPL	243	305	712	928
Rental income	96	123	331	283
Gain on redemption of investments designated at FVTPL	-	54	116	267
Gain on foreign exchange (unrealised)	2	(39)	236	-
Fair value changes	125	-	286	2
Reversal of loss allowance on trade and other receivables and amount due from contract customers	244	-	252	-
Gain on disposal of property, plant and equipment and sundry income	639	11,132	2,256	12,448
<i><u>Cost of operations, administrative and other expenses:</u></i>				
Depreciation and amortisation	(13,396)	(12,103)	(37,226)	(36,894)
Property, plant and equipment written off	-	(15,129)	-	(15,131)
Upkeep and maintenance	(9,669)	(14,844)	(21,292)	(27,687)
Imputed interest on borrowing	(50)	(65)	(147)	(193)
Loss on fair value changes	-	19	-	(78)
Loss allowance on trade and other receivables and amount due from contract customers	-	(3)	-	(28)
Loss on foreign exchange (unrealised)	(21)	(2,002)	(762)	(2,294)
Loss on foreign exchange (realised)	(10)	(275)	(556)	(277)
Reversal of interest income imputed on retention sum	8	12	(49)	(14)

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

B5 – Income Tax Expense

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

	<u>3 Months ended 30 Sep</u>		<u>9 Months ended 30 Sep</u>	
	<u>2024</u>	<u>2023</u>	<u>2025</u>	<u>2024</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>
Malaysian income tax	7,119	21,129	22,680	36,237
Deferred tax expense	(1,837)	(2,239)	(5,895)	(5,946)
Total income tax expense	5,282	18,890	16,785	30,291
Effective tax rate	9.9%	28.4%	17.7%	26.4%

B6 – Status of Corporate Proposals Announced but not Completed

There was no corporate proposal announced but not completed as of 12 November 2025, being a date not earlier than 7 days from the date of these interim financial statements.

B7 – Group Borrowings and Debt Securities

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

	<u>Long term</u> <u>RM'000</u>	<u>Short term</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>
<u>30 Sep 2025 (unaudited)</u>			
Secured - IMTN	189,620	40,000	229,620
Unsecured - Corporate credit card	-	4,128	4,128
	<u>189,620</u>	<u>44,128</u>	<u>233,748</u>
<u>30 Sep 2024 (unaudited)</u>			
Secured- IMTN	229,409	40,000	269,409
Unsecured - Corporate credit card	-	6,987	6,987
	<u>229,409</u>	<u>46,987</u>	<u>276,396</u>

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

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

B8 – Changes in Material Litigations

The Group does not have any material litigation since the date of the last annual statement of financial position to 12 November 2025, being a date not earlier than 7 days from the date of these interim financial statements.

B9 – Earnings Per Share (“EPS”)

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

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

	<u>3 Months ended 30 Sep</u>		<u>9 Months ended 30 Sep</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>	<u>unaudited</u>
Profit for the financial period attributable to owners of the Company (RM'000)	45,020	24,253	68,976	56,264
Weighted average number of ordinary shares in issue ('000)	2,015,817	2,015,817	2,015,817	2,015,817
Earnings per share (sen)	<u>2.23</u>	<u>1.20</u>	<u>3.42</u>	<u>2.79</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 RM169.79 million are: -

- (a) RM53.91 million held as securities for banking facilities secured by the Group, of which RM46.25 million is maintained in a debt service reserve account for the seventh tranche of the IMTN and its corresponding interest due on 31 January 2026; and
- (b) RM8.00 million of budgeted capital expenditure for improvement works in all operating segments.

B12 – Dividends

The Board is pleased to declare a third interim single-tier dividend of 0.5 sen per share on 2,015,817,574 shares amounting to RM10,079,000 in respect of the financial year ending 31 December 2025, to be payable on 24 December 2025.

For the current financial period, the Board has declared a total single-tier dividend of 1.5 sen to shareholders amounting to RM30,237,000 (2024: 4.00 sen per share amounting to RM80,633,000) in respect of the financial year ending 31 December 2025.

B13 – Authorisation for Release

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

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