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

INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2025 (UNAUDITED)

CONTENTS

This Report is authorised by the Board for public release on 11 February 2026

KEY FINANCIAL HIGHLIGHTS

(in RM'000 unless specified otherwise)	12 months ended 31 Dec		Variance
	2025 unaudited	2024 audited	(%) #
Revenue	461,867	451,398	↑ 2
Gross profit	179,041	174,143	↑ 3
Profit before taxation **("PBT")**	138,015	118,264	↑ 17
Profit for the year	107,387	102,534	↑ 5
Earnings per share **("EPS")** (sen)	4.14	3.63	↑ 14
Dividends per share (sen)	2.25	4.50	↓ 50

\# *approximate, to the nearest digit*

- For the financial year ended 31 December 2025, the Group revenue increased by 2% to RM461.87 million from RM451.40 million recorded last year, mainly due to stronger contribution from the construction and renewable energy segments, while the toll and water treatment and supply segments recorded a decline.

- The increase in the Group's revenue was primarily driven by the continued progress in Packages 2 and 3 of Phase 1 of the Sungai Rasau Water Supply Scheme Project ("**Rasau Projects**"). The renewable energy segment also contributed positively, benefiting from the full-year impact of the successful completion of solar panel replacement at the TR Sepang Sdn. Bhd. ("**TR Sepang**") and TR CPark Sdn. Bhd. ("**TR CPark**") solar photovoltaic plants in the previous year, which resulted in higher electricity generation and sales to off-takers.

- The toll highway segment delivered a lower contribution following lower government compensation of RM37.38 million compared to RM56.54 million a year ago. In the water treatment and supply segment, revenue declined by RM8.52 million 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.

- In line with the higher revenue, the Group's gross profit increase by 3%. The improvement also reflects the absence of one-off expenses totalling RM22.72 million in the corresponding year, 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.

- The Group's PBT rose 17% to RM138.02 million, up from RM118.26 million in the corresponding year. Key contributors were lower share of losses from an associate, SWM Environment Holdings Sdn Bhd ("**SWMEH**"), driven by a one-off net reversal of provision for loss allowance on receivables of RM112.69 million following an agreement with a customer on the repayment of long outstanding receivables to SWMEH, a one-off gain of RM2.48 million on lease modification as referred to in Note A(11)(a), as well as lower finance costs. These were partly offset 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 RM15.03 million as compared to RM39.51 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.

- Profit for the year increased by RM4.85 million or by 5% with EPS up to 4.14 sen from 3.63 sen per share.

- In view of the Group's performance for the financial quarter ended 31 December 2025, the Board is pleased to declare a fourth interim single-tier dividend of 0.75 sen per share amounting to RM15.12 million to be payable on 31 March 2026. Together with dividends declared for the previous three quarters, total dividends for the financial year are 2.25 sen per share, amounting to RM45.36 million.

CONDENSED STATEMENTS OF FINANCIAL POSITION

	Note	31 Dec 2025 RM'000 (Unaudited)	31 Dec 2024 RM'000 (Audited)
ASSETS			
Property, plant and equipment		96,781	107,162
Right-of-use assets		27,437	28,185
Investment properties		90	93
Intangible assets		888,039	921,891
Investment in joint venture		72,871	75,119
Investment in associates		69,864	75,336
Other investment		200	200
Goodwill on consolidation		132,503	132,503
Long-term other receivable		10,990	11,919
Deposits, cash and bank balances		53,911	55,403
Deferred tax assets		6,439	6,588
Total Non-Current Assets		**1,359,125**	**1,414,399**
Inventories		97,088	66,778
Trade receivables		130,500	61,576
Other receivables, deposits and prepayments		6,813	12,800
Tax recoverable		1,301	1,156
Investments designated at fair value through profit or loss	B11	46,384	34,221
Deposits, cash and bank balances	B11	79,201	99,749
Total Current Assets		361,287	276,280
TOTAL ASSETS		**1,720,412**	**1,690,679**
EQUITY AND LIABILITIES			
Share capital		438,354	438,354
Merger deficit		(71,500)	(71,500)
Currency translation reserve		835	107
Retained earnings		345,244	302,020
Total Equity Attributable to Owners of the Company		**712,933**	**668,981**
Non-controlling interests		306,494	293,427
Total Equity		**1,019,427**	**962,408**
LIABILITIES			
Long-term borrowings	B7	189,670	229,473
Lease liabilities		24,382	27,395
Long-term trade payables		1,423	2,126
Provisions		34,518	38,672
Deferred income		31,683	39,482
Deferred tax liabilities		201,829	209,680
Total Non-Current Liabilities		**483,505**	**546,828**
Trade payables		38,626	33,175
Other payables and accruals		28,530	29,508
Amount due to contract customers		90,116	49,127
Short-term borrowings	B7	43,779	44,358
Lease liabilities		3,567	3,153
Deferred income		8,565	13,480
Tax liabilities		4,297	8,642
Total Current Liabilities		**217,480**	**181,443**
TOTAL LIABILITIES		**700,985**	**728,271**
TOTAL EQUITY AND LIABILITIES		**1,720,412**	**1,690,679**

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	Note	3 Months ended 31 Dec 2025 RM'000 unaudited	3 Months ended 31 Dec 2024 RM'000 audited	12 Months ended 31 Dec 2025 RM'000 unaudited	12 Months ended 31 Dec 2024 RM'000 audited
Revenue	A4, B1	**132,482**	**101,098**	**461,867**	**451,398**
Cost of operations		(66,541)	(70,551)	(282,826)	(277,255)
Gross profit		**65,941**	**30,547**	**179,041**	**174,143**
Other operating income		7,140	2,968	13,710	18,675
Administrative and other expenses		(13,042)	(9,245)	(44,547)	(41,414)
Operating profit		**60,039**	**24,270**	**148,204**	**151,404**
Finance costs		(3,433)	(3,970)	(13,840)	(15,917)
Share of results of joint venture		3,905	(1,141)	6,752	12,709
Share of results of associates		(17,273)	(15,652)	(3,101)	(29,932)
Profit before tax	B4	**43,238**	**3,507**	**138,015**	**118,264**
Income tax (expense)/credit	B5	(13,843)	14,561	(30,628)	(15,730)
Profit for the financial period/year		**29,395**	**18,068**	**107,387**	**102,534**
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Currency translation		201	(726)	728	722
Total comprehensive income for the financial period/year		**29,596**	**17,342**	**108,115**	**103,256**
Profit for the financial period attributable to:					
Owners of the Company		14,564	16,873	83,540	73,137
Non-controlling interests		14,831	1,195	23,847	29,397
		29,395	**18,068**	**107,387**	**102,534**

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	Note	3 Months ended 31 Dec		12 Months ended 31 Dec	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
		unaudited	audited	unaudited	audited
Total comprehensive income for the financial period attributable to:					
Owners of the Company		14,765	16,147	84,268	73,859
Non-controlling interests		14,831	1,195	23,847	29,397
		29,596	**17,342**	**108,115**	**103,256**
Basic and diluted earnings per share attributable to owners of the Company (sen per share)	B9	0.72	0.84	4.14	3.63

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

CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Note	Share capital RM'000	Merger deficit RM'000	Currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
		Attributable to Owners of the Company						
As of 1 January 2025		**438,354**	**(71,500)**	**107**	**302,020**	**668,981**	**293,427**	**962,408**
Profit for the financial year		-	-	-	83,540	83,540	23,847	107,387
Other Comprehensive Income:								
Currency translation differences		-	-	728	-	728	-	728
Total comprehensive income for the year		-	-	728	83,540	84,268	23,847	108,115
Transactions with Owners of the Company:								
Dividends paid	A7	-	-	-	(40,316)	(40,316)	-	(40,316)
Dividends paid by a subsidiary to non-controlling interest		-	-	-	-	-	(10,780)	(10,780)
Total transactions with Owners of the Company		-	-	-	(40,316)	(40,316)	(10,780)	(51,096)
As of 31 Dec 2025 (unaudited)		**438,354**	**(71,500)**	**835**	**345,244**	**712,933**	**306,494**	**1,019,427**

CONDENSED STATEMENTS OF CHANGES IN EQUITY

	Share capital RM'000	Merger deficit RM'000	Currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
	Attributable to Owners of the Company						
As of 1 January 2024	**438,354**	**(71,500)**	**(615)**	**329,673**	**695,912**	**267,950**	**963,862**
Profit for the financial year	-	-	-	73,137	73,137	29,397	102,534
Other Comprehensive Income:							
Currency translation differences	-	-	722	-	722	-	722
Total comprehensive income for the year	-	-	722	73,137	73,859	29,397	103,256
Transactions with Owners of the Company:							
Dividends paid	-	-	-	(100,790)	(100,790)	-	(100,790)
Dividends paid by a subsidiary to non-controlling interest	-	-	-	-	-	(3,920)	(3,920)
Total transactions with Owners of the Company	-	-	-	(100,790)	(100,790)	(3,920)	(104,710)
As of 30 Dec 2024 (audited)	**438,354**	**(71,500)**	**107**	**302,020**	**668,981**	**293,427**	**962,408**

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

	12 Months ended 31 Dec 2025 RM'000 unaudited	12 Months ended 31 Dec 2024 RM'000 audited
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	138,015	118,264
Adjustments for:		
Non-cash items	(2,325)	71,777
Interest income	(3,164)	(2,585)
Finance costs	13,840	15,917
Operating Profit Before Working Capital Changes	146,366	203,373
Net increase in inventories, trade and other receivables	(91,984)	(18,276)
Net increase in trade and other payables, amount due to contract customers, provisions and deferred income	76,728	14,946
Cash Generated From Operations	131,110	200,043
Income tax paid	(43,302)	(38,116)
Income tax refund	482	51
Net Cash From Operating Activities	**88,290**	**161,978**
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Interest received	2,553	2,723
Property, plant and equipment:		
- Proceeds from disposal	68	156
- Purchases	(2,490)	(13,491)
Purchase of intangible assets	(2,364)	-
Dividend received from an associate	1,576	2,400
Dividend received from a joint venture	9,000	9,000
Investments designated at fair value through profit or loss ("**FVTPL**"):		
- Purchase	(31,660)	(57,992)
- Proceeds from redemption	20,000	74,900
- Dividend income	939	1,191
Proceeds from reduction of share capital in associate company	794	-
Withdrawals/(Placements) of deposits pledged as security	1,492	(9,479)
Net Cash (Used In)/ From Investing Activities	**(92)**	**9,408**
CASH FLOWS FROM/(USED) IN FINANCING ACTIVITIES		
Interest paid	(14,646)	(16,541)
Repayment of borrowings	(40,579)	(30,642)
Repayment of lease liabilities	(3,153)	(2,943)
Dividends paid *(Note A7)*	(40,316)	(100,790)
Dividends paid by a subsidiary to non-controlling interests	(10,780)	(3,920)
Net Cash Used In Financing Activities	**(109,474)**	**(154,836)**

CONDENSED STATEMENTS OF CASH FLOWS

	12 Months ended 31 Dec 2025 RM'000 unaudited	12 Months ended 31 Dec 2024 RM'000 audited
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(21,276)**	**16,550**
Effect of Exchange Rate Changes	728	721
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	**99,749**	**82,478**
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL YEAR	**79,201**	**99,749**
Cash and cash equivalents comprised the following amounts in the statements of financial position:		
Deposits with licensed banks	76,734	124,476
Cash and bank balances	56,378	30,676
Total deposits, cash and bank balances	133,112	155,152
Less: Deposits pledged as security	(53,911)	(55,403)
	79,201	**99,749**

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 year, 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
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.

A1 – Basis of Preparation (continued)

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

Foreign currency	31 Dec 2025 RM	30 Sep 2025 RM	31 Dec 2024 RM
1 US Dollar (USD)	4.06	4.21	4.48
1 Singapore Dollar (SGD)	3.16	3.26	3.29

(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, RM2.36 million of preliminary costs were incurred, with a notional revenue of RM2.42 million and a notional profit of RM0.06 million recognised in the statement of profit or loss.

A2 – Comments about the Seasonal or Cyclicality of Interim Operations

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

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

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

A4 – Disaggregation of Revenue

The disaggregation of revenue was as follows:

	3 Months ended 31 Dec		12 Months ended 31 Dec	
	2025 RM'000 unaudited	2024 RM'000 audited	2025 RM'000 unaudited	2024 RM'000 audited
Revenue from contracts with customers:				
Management, operations and maintenance of water treatment plants	45,366	48,193	186,824	195,344
Toll revenue and operator fee	19,680	19,671	79,565	79,015
Revenue from construction contracts				
- In accordance with MFRS 15	18,918	20,192	106,706	72,565
- In accordance with IC Interpretation 12	530	-	2,423	-
Sales of electricity	7,392	7,185	31,154	29,616
Management fees	1,083	1,083	4,332	4,332
	92,969	96,324	411,004	380,872
Revenue from other sources:				
Deferred income	3,398	3,517	13,480	13,989
Government compensation	36,115	1,257	37,383	56,537
Revenue as per Condensed Statement of Comprehensive Income	**132,482**	**101,098**	**461,867**	**451,398**
Timing of revenue recognition for revenue from contracts with customers:				
At a point in time	72,438	75,049	297,543	303,975
Over time	20,531	21,275	113,461	76,897
	92,969	**96,324**	**411,004**	**380,872**

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 year.

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

During the current quarter and financial year, 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 year amounted to RM40,316,000 (2024: RM100,790,000) 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 ended 31 December 2025 which was paid on 30 June 2025;

(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 ended 31 December 2025 which was paid on 30 September 2025; and

(d) on 19 November 2025, the Board declared a third 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 2025 which was paid on 24 December 2025.

A8 – Material Subsequent Events

There were no material events subsequent to the end of the financial year 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 year and up to 4 February 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 as disclosed below, there were no changes to the composition of the Group during the financial year, 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. The companies were subsequently struck off from the register of companies with effect from 2 January 2026.

(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

Except as disclosed below, 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.

(a) During the current quarter, the Group and the Company renewed the rental of its office premises with the landlord for a further three (3) years from 1 January 2026 to 31 December 2028, with the option to renew for one (1) additional term of three (3) years until 31 December 2031. The changes to lease term, payments and scope constitute a lease modification under MFRS 16 Leases. Therefore, the lease obligation is remeasured by discounting the revised lease payments using a revised discount rate at the date of the modification.

Arising thereof, the Group and the Company recognised a gain on lease modification in the current quarter amounting to RM2.48 million ("**Gain on Lease Modification**") as disclosed in Note B4.

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 Dec	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	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
Revenue	45,366	48,193	92,426	88,847	19,447*	20,192	40,981	17,915	7,392	7,185	1,083	(429)	206,695	181,903	(74,213)	(80,805)	132,482	101,098
EBITDA(i)	18,029	13,555	(4,872)	(379)	(4,000)	823	36,248	13,629	6,273	7,329	200	(7,638)	51,878	27,319	23,141	12,932	75,019	40,251
Depreciation and amortisation	(135)	(122)	(7,484)	(3,297)	(1)	(4)	(8,259)	(10,246)	(2,928)	(2,235)	(790)	(785)	(19,597)	(16,689)	4,617	708	(14,980)	(15,981)
Operating profit	17,894	13,433	(12,356)	(3,676)	(4,001)	819	27,989	3,383	3,345	5,094	(590)	(8,423)	32,281	10,630	27,758	13,640	60,039	24,270
Finance costs	(5)	(5)	(9,745)	(8,402)	-	-	(1,697)	(2,021)	(116)	(127)	(283)	(320)	(11,846)	(10,875)	8,413	6,905	(3,433)	(3,970)
Share of results of joint venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,905	(1,141)	3,905	(1,141)
Share of results of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(17,273)	(15,652)	(17,273)	(15,652)
Profit before tax	17,889	13,428	(22,101)	(12,078)	(4,001)	819	26,292	1,362	3,229	4,967	(873)	(8,743)	20,435	(245)	22,803	3,752	43,238	3,507
Income tax expense	(3,760)	(2,786)	(9,932)	(402)	(819)	30	(6,698)	(1,006)	1,110	19,143	(914)	(820)	(21,013)	14,159	7,170	402	(13,843)	14,561
Profit for the financial year	14,129	10,642	(32,033)	(12,480)	(4,820)	849	19,594	356	4,339	24,110	(1,787)	(9,563)	(578)	13,914	29,973	4,154	29,395	18,068
EBDA(ii)	14,264	10,764	(24,549)	(9,183)	(4,819)	853	27,853	10,602	7,267	26,345	(997)	(8,778)	19,019	30,603	25,356	3,446	44,375	34,049
Capex(iii)	236	149	11,383	8,155	-	109	478	359	655	-	20	172	12,772	8,944	-	-	-	-

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.

12 Months ended 31 Dec	Water		Waste management		Construction		Toll highway		Renewable enery		Others		Total		Reconciliation		Amount as per Statement of Comprehensive Income	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
Revenue	186,824	195,344	362,842	350,601	109,128 *	72,565	92,950	111,752	31,154	29,616	4,332	4,332	787,230	764,210	(325,363)	(312,812)	461,867	451,398
EBITDA(i)	68,770	65,828	94,936	39,586	(258)	2,588	78,688	97,861	24,261	11,835	(7,075)	(5,815)	259,322	211,883	(58,912)	(7,604)	200,410	204,279
Depreciation and amortisation	(497)	(470)	(18,115)	(12,001)	(9)	(16)	(27,394)	(29,310)	(11,706)	(10,681)	(3,162)	(3,137)	(60,883)	(55,615)	8,677	2,740	(52,206)	(52,875)
Operating profit	68,273	65,358	76,821	27,585	(267)	2,572	51,294	68,551	12,555	1,154	(10,237)	(8,952)	198,439	156,268	(50,235)	(4,864)	148,204	151,404
Finance costs	(19)	(23)	(37,536)	(33,820)	-	-	(6,960)	(8,249)	(463)	(494)	(1,154)	(1,261)	(46,132)	(43,847)	32,292	27,930	(13,840)	(15,917)
Share of results of joint venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,752	12,709	6,752	12,709
Share of results of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,101)	(29,932)	(3,101)	(29,932)
Profit before tax	68,254	65,335	39,285	(6,235)	(267)	2,572	44,334	60,302	12,092	660	(11,391)	(10,213)	152,307	112,421	(14,292)	5,843	138,015	118,264
Income tax expense	(15,344)	(14,759)	(29,378)	(11,744)	(821)	30	(11,767)	(16,002)	1,613	19,308	(1,116)	(989)	(56,813)	(24,156)	26,185	8,426	(30,628)	(15,730)
Profit for the financial year	52,910	50,576	9,907	(17,979)	(1,088)	2,602	32,567	44,300	13,705	19,968	(12,507)	(11,202)	95,494	88,265	11,893	14,269	107,387	102,534
EBDA(ii)	53,407	51,046	28,022	(5,978)	(1,079)	2,618	59,961	73,610	25,411	30,649	(9,345)	(8,065)	156,377	143,880	3,216	11,529	159,593	155,409
Capex(iii)	447	630	35,103	20,624	93	274	1,226	536	738	11,600	153	208	37,760	33,872				

** Includes notional construction revenue of RM530,000 and RM2,423,000 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 31 Dec	Water treatment and supply		Waste management		Construction		Toll highway		Renewable energy		Others		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	unaudited	audited	unaudited	audited	unaudited	audited	unaudited	audited	unaudited	audited	unaudited	audited	unaudited	audited
Segment assets	99,290	105,484	56,874	61,947	159,086	86,267	1,217,548	1,258,629	136,905	139,213	50,709	39,139	1,720,412	1,690,679
Segment liabilities	(27,088)	(33,755)	-	-	(124,386)	(74,510)	(506,546)	(576,699)	(18,786)	(18,787)	(24,179)	(24,520)	(700,985)	(728,271)
Net segment assets	72,202	**71,729**	**56,874**	**61,947**	**34,700**	**11,757**	**711,002**	**681,930**	**118,119**	**120,426**	**26,530**	**14,619**	**1,019,427**	**962,408**

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 Dec 2025 (Unaudited) RM'000	As at 31 Dec 2024 (Audited) RM'000	Variance (%) #
Total assets	1,720,412	1,690,679	↑ 2
Total liabilities	700,985	728,271	↓ 4
Total shareholders' equity	1,019,906	962,408	↑ 6
Return on equity (%)*	10.84	10.65	↑ 2
Net assets per share (sen)	35.37	33.19	↑ 7

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

\# *approximate, to the nearest digit*

(a) The Group's total assets increased by 2% or RM29.73 million as compared to the Audited Financial Statements primarily due to increase in the carrying amounts of the following:-

(i) trade and other receivables by RM62.01 million, largely due to higher billings from the Rasau Projects as well as recognition of toll compensation receivable from the government by toll segment; and

(ii) inventories by RM30.31 million, mainly from materials purchased and delivered on site for the Rasau Projects, but yet to be installed or consumed.

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

(i) property, plant and equipment by RM10.38 million and intangible assets by RM33.85 million, due to depreciation and amortisation charges;

(ii) investments designated at FVTPL, cash and bank balances by RM9.88 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 an IMTN (Sukuk) Programme issued by a subsidiary, Cerah Sama Sdn Bhd **("Cerah Sama")**, and interest payments during the financial year;

(iii) investment in associates by RM5.47 million, primarily due to share of losses for the current financial year; and

(iv) investment in joint venture by RM2.25 million, primarily due to the RM9.00 million dividend received from Grand Sepadu which was partially offset against its share of profit for the current financial year.

(b) Total liabilities decreased by 4% or RM27.29 million, primarily from the redemption of the sixth tranche of the IMTN of RM40.00 million, deferred income recognised as revenue of RM12.71 million as disclosed in Note A4, reduction in deferred tax liabilities by RM7.85 million mainly due to changes in temporary differences related to intangible assets as well as tax provision by RM4.35 million. These decreases were partly offset by higher amounts due to contract customers of RM40.99 million, arising from increased billings for inventory purchases and higher trade and other payables of RM3.77 million, due to lower payments made during the year.

(c) As at 31 December 2025, the net assets per share stood at 35.37 sen, an increase by 7% from 33.19 sen recorded as at 31 December 2024.

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

Part B – Review of Income Statement

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

	3 Months ended 31 Dec 2025 RM'000 unaudited	3 Months ended 31 Dec 2024 RM'000 audited	12 Months ended 31 Dec 2025 RM'000 unaudited	12 Months ended 31 Dec 2024 RM'000 audited
Revenue				
Water treatment and supply	45,366	48,193	186,824	195,344
Construction				
- In accordance with MFRS 15	18,918	20,192	106,706	72,565
- In accordance with IC Interpretation 12	530	-	2,423	-
Toll highway	59,193	24,445	130,428	149,541
Renewable energy	7,392	7,185	31,154	29,616
Others	1,083	1,083	4,332	4,332
Revenue as per Condensed Statement of Comprehensive Income	**132,482**	**101,098**	**461,867**	**451,398**

Profit Before Tax

	3 Months ended 31 Dec 2025 RM'000 unaudited	3 Months ended 31 Dec 2024 RM'000 audited	12 Months ended 31 Dec 2025 RM'000 unaudited	12 Months ended 31 Dec 2024 RM'000 audited
Water treatment and supply	17,901	13,437	68,273	65,358
Construction	(3,849)*	816	(149)*	2,542
Toll highway	43,243	7,436	77,779	95,398
Renewable energy	3,338	5,087	12,555	1,154
Others	(594)	(2,506)	(10,254)	(13,048)
Operating profit	**60,039**	**24,270**	**148,204**	**151,404**
Finance cost	(3,433)	(3,970)	(13,840)	(15,917)
Share of results of joint venture	3,905	(1,141)	6,752	12,709
Share of results of associates	(17,273)	(15,652)	(3,101)	(29,932)
Profit before tax for the financial period/year	**43,238**	**3,507**	**138,015**	**118,264**

** Includes notional profit of RM13,000 and RM59,000 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 RM132.48 million, up from RM101.10 million in the corresponding quarter. The increase was mainly attributable to higher contributions from the toll segment, arising from higher government compensation recognised, as well as renewable energy segment. This was partially offset by lower revenue from the water treatment and supply segment and the construction segment.

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 higher revenue, the Group's PBT increased significantly to RM43.24 million from RM3.51 million in the same quarter last year, partly due to the following: -

(a) higher government compensation recognised by the toll division, particularly by Grand Saga Sdn Bhd, amounting to RM36.12 million (Q4FY24: RM1.26 million);

(b) higher share of profit from the Group's joint venture company, Grand Sepadu, amounting to RM3.91 million (Q4FY24: share of losses of RM1.14 million) due to higher government compensation recognised of RM14.45 million (Q4FY24: RM0.77 million);

(c) lower rehabilitation and maintenance expenses of RM7.79 million (Q4FY24: RM10.52 million), as well as depreciation and amortisation expenses of RM14.98 million (Q4FY24: RM15.98 million);

(d) gain on lease modification amounting to RM2.48 million (Q4FY24: Nil), referred to in Note A11(a); and

(e) higher sundry income of RM2.89 million (Q4FY24: RM1.19 million), mainly due to the receipt of insurance claims amounting to RM1.82 million by the renewable energy segment.

However, the above were partially offset by net foreign exchange losses amounting to RM0.55 million (Q4FY24: net foreign exchange gain of RM1.52 million) and higher share of losses from an associate, SWMEH, amounting to RM17.52 million (Q4FY24: RM16.11 million).

Water treatment and supply

The segment registered revenue of RM45.37 million (Q4FY24: RM48.19 million), comprising metered sales of RM40.42 million (Q4FY24: RM40.09 million) and electricity and chemical rebates of RM4.95 million (Q4FY24: RM8.10 million). The 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 SSP1as 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	Q4 2025	Q4 2024	Variance (%)
Metered Sales (million m^3)	84.20	83.53	↑ 0.8
Number of billing days	92	92	
Average MLD	915.20	907.77	↑ 0.8

Despite lower revenue, operating profit improved to RM17.90 million (Q4FY24: RM13.44 million). The improvement was mainly attributable to lower rehabilitation and maintenance expenses of RM4.64 million (Q4FY24: RM8.57 million), as well as a higher reversal of provision for loss allowances on receivables amounting to RM0.37 million recognised in the current quarter. This was partially offset by higher IT-related maintenance expenses and stamp duties incurred during the period.

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

Part B – Review of Income Statement (continued)

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

Construction

The construction segment posted revenue of RM19.45 million, a decrease of RM0.74 million from RM20.19 million in the same quarter last year, mainly due to a downward revision to the estimated profit margin for Rasau Package 2 following a review of project costs estimation arising from project prolongation. Coupled with higher payroll related expenses and IT-related maintenance costs, the segment recorded an operating loss in the current quarter compared to an operating profit in the corresponding quarter last year.

Despite the operating loss, its impact on the Group's overall results was modest due to generally lower profit margins in construction activities.

Toll highway – Subsidiary

Average Daily Traffic ("ADT")	Q4 2025	Q4 2024	Variance (%)
Grand Saga Highway (vehicles per day)	162,539	166,088	↓ 2.1

Both revenue and operating profit were significantly higher than in the corresponding quarter, driven by higher government compensation recognised despite a 2.1% decline in ADT. The lower ADT 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. Despite the lower ADT, toll collections showed a higher amount due to the differing festive toll discount structures (100% discount in 2024 versus a 50% discount in 2025). Included in the operating profit are lower depreciation and amortisation expenses of RM11.12 million (Q4FY24: RM12.82 million), which were offset by higher repair and maintenance expenses of RM2.63 million (Q4FY24: RM1.39 million), compared with the corresponding quarter.

Renewable energy

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

	Q4 2025	Q4 2024	Variance (%)
Total energy output (MWh)	6,159	6,321	↓ 2.6

Revenue from the renewable energy segment increased despite lower energy output generated, largely because a portion of energy output produced by TR SaTerm Sdn. Bhd.'s ("**TR SaTerm**") solar facilities in the previous quarter was billed at a rate lower than the feed-in tariff rate as it has exceeded the declared annual availability.

Despite the increase in revenue, operating profit declined to RM3.34 million as compared to RM5.09 million a year ago, primarily due to higher net foreign exchange losses of RM0.55 million (Q4FY24: net foreign exchange gain of RM1.52 million), higher depreciation and amortisation expenses of RM2.93 million (Q4FY24: RM2.24 million), and higher corporate costs incurred to explore potential projects during the quarter. Nonetheless, the impact was partially offset by the receipt of insurance claims amounting to RM1.82 million 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	Q4 2025	Q4 2024	Variance (%)
Grand Sepadu Highway (vehicles per day)	91,438	90,382	↑ 1.2

The Group's share of results from Grand Sepadu improved, underpinned by higher government compensation of RM14.45 million (Q4FY24: RM0.77 million) and a 1.2% improvement in ADT during the quarter. Earnings were further supported by lower depreciation and amortisation, partly tempered by higher tax expenses in the quarter.

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 RM17.52 million, compared to RM16.11 million in the corresponding quarter due to a lower PAT of RM14.03 million (Q4FY24: RM17.12 million) and after adjustments of RM64.08 million (Q4FY24: RM63.14 million) made by the Group to SWMEH's PAT.

At SWMEH, despite the lower PAT, revenue from both solid waste collection and public cleansing services increased by 4.0%. The lower PAT recorded was due to higher expenses in the current quarter, amongst others, payroll-related costs, depreciation, subcontractor costs, repair and maintenance, taxes and finance costs. The impact was partly offset by a net reversal in provision for loss allowance on receivables amounting to RM1.17 million in the current quarter, as opposed to a provision for loss allowance on receivables of RM45.99 million in the corresponding quarter.

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

Overall Summary

The Group reported revenue of RM461.87 million for the current financial year, up by RM10.47 million or 2% from RM451.40 million a year earlier. The higher revenue primarily reflected stronger contributions from the construction and renewable energy segments, while the toll and water treatment and supply segments recorded a decline.

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

(a) lower share of losses from SWMEH of RM5.07 million (YTD Q4FY24: RM32.23 million);

(b) RM15.13 million write-off in property, plant and equipment recorded last year and lower upkeep and maintenance expenses amounting to RM29.08 million (YTD Q4FY24: RM38.20 million) primarily due to prior-year's costs related to the solar panel replacement at TR Sepang and TR CPark; and

(c) gain on lease modification, as well as lower finance cost in the current financial year.

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)

Nonetheless, these positive impacts were partly offset by:

(a) lower sundry income in the current financial year due to lower receipt of insurance claims by the renewable energy segment; and

(b) lower share of profits from Grand Sepadu amounting to RM6.75 million (YTD Q4FY24: RM12.71 million).

Water treatment and supply

At the operating level, the water treatment and supply segment generated RM186.82 million in revenue, compared to RM195.34 million a year earlier. The decline was mainly due to lower contributions in all revenue components, comprising metered sales of RM159.21 million (YTD Q4FY24: RM161.61 million) and electricity and chemical rebates of RM27.61 million (YTD Q4FY24: RM33.73 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's 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 Dec 2025	YTD Dec 2024	Variance (%)
Metered Sales (million m^3)	331.69	336.68	↓ 1.5
Number of billing days	365	366	
Average MLD	908.75	919.90	↓ 1.2

Despite the lower revenue, operating profit rose to RM68.27 million (YTD Q4FY24: RM65.36 million), driven by lower rehabilitation and maintenance expenses of RM21.33 million (YTD Q4FY24: RM24.87 million), higher sundry income from insurance claims, and a reversal of provision for loss allowance on receivables.

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

Part B – Review of Income Statement (continued)

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

Construction

Steady progress on the Rasau Projects contributed to higher revenue. However, the segment registered an operating loss as compared to an operating profit last year. This was mainly attributed to a downward revision in the estimated profit margin for Rasau Package 2 and higher expenses. As at the end of the financial year, the percentage of completion recognised for Packages 2 and 3 of the Rasau Projects stood at approximately 34% and 17% respectively (YTD Q4FY24: 20% and 10%).

Toll operations - Subsidiary

ADT	YTD Dec 2025	YTD Dec 2024	Variance (%)
Grand Saga Highway (vehicles per day)	164,104	164,230	↓ 0.1

Revenue declined to RM130.43 million, down from RM149.54 million in the corresponding year, mainly from lower government compensation recognised in the year. Despite a marginally lower ADT, toll collections on the other hand were higher due to the festive toll discount structure, with a 100% discount granted by the government in 2024 versus a 50% discount in 2025. In line with the lower revenue, operating profit was RM77.78 million (YTD Q4FY24: RM95.40 million). The lower operating profit was also impacted by higher repair and maintenance expenses. However, it was partially offset by lower depreciation and amortisation, as well as finance costs for the year.

Renewable energy

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

	YTD Dec 2025	YTD Dec 2024	Variance (%)
Total energy output (MWh)	26,112	25,289	↑ 3.3

The renewable energy segment delivered higher revenue, rising by RM1.54 million, supported by a 3.3% increase in total energy output. The stronger generation reflected the full-year benefit from the solar panel replacements at TR Sepang and TR CPark in the prior financial year.

Operating profit improved significantly year-on-year, in line with the stronger top line, coupled with the absence of prior-year write-offs of property, plant and equipment and related contractor costs. These gains were partly offset by higher net foreign exchange losses of RM1.63 million (YTD Q4FY24: RM1.03 million), increased depreciation and amortisation, lower sundry income, and higher corporate costs during the year.

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)

Toll operations - Share of results of joint venture

ADT	YTD Dec 2025	YTD Dec 2024	Variance (%)
Grand Sepadu Highway (vehicles per day)	90,345	89,848	↑ 0.6

Despite the marginal increase in ADT, the Group's share of results from Grand Sepadu declined significantly by RM5.96 million, mainly due to the lower government compensation recognised of RM15.03 million (YTD Q4FY24: RM39.51 million) in the current financial year. The results achieved by the company were however, mitigated by lower depreciation and amortisation expenses of RM17.72 million (YTD Q4FY24: RM19.88 million), finance costs of RM1.96 million (YTD Q4FY24: RM2.77 million) and tax expense of RM12.29 million (YTD Q4FY24: RM17.80 million).

Waste management - Share of results of associate

The Group's share of losses from SWMEH was lower at RM5.07 million compared to RM32.23 million in the corresponding year, due to higher PAT recorded by SWMEH. This included group adjustments of RM255.21 million (YTD Q4FY24: RM251.81 million) to SWMEH's PAT.

Other than revenue which increased by 3.5%, SWMEH's PAT of RM239.41 million from RM161.04 million a year ago, was achieved mainly from a one-off net reversal of provision of loss allowance on receivables of RM112.69 million recorded in the current year. The higher PAT was partly offset by higher expenses in the current year, amongst others, payroll, subcontractor costs, depreciation, repair and maintenance expenses, 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 year.

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

	3 Months ended 31 Dec 2025 RM'000 unaudited	3 Months ended 30 Sep 2025 RM'000 unaudited
Revenue		
Water treatment and supply	45,366	47,786
Construction		
- In accordance with MFRS 15	18,918	29,317
- In accordance with IC Interpretation 12	530	664
Toll highway	59,193	23,550
Renewable energy	7,392	8,448
Others	1,083	1,083
Total revenue as per Condensed Statement of Comprehensive Income	**132,482**	**110,848**

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)

	3 Months ended 31 Dec 2025 RM'000 unaudited	3 Months ended 30 Sep 2025 RM'000 unaudited
Profit Before Tax		
Water treatment and supply	17,901	15,224
Construction	(3,849)*	1,562*
Toll highway	43,243	11,249
Renewable energy	3,338	2,901
Others	(594)	(3,251)
Operating profit	**60,039**	**27,685**
Finance cost	(3,433)	(3,434)
Share of results of joint venture	3,905	1,324
Share of results of associates	(17,273)	27,677
Profit before tax for the financial period	**43,237**	**53,252**

** Includes notional profit of RM13,000 and RM16,000 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 increased by 20% to RM132.48 million from RM110.85 million, mainly due to higher contributions from the toll highway segment, while other operating segments recorded a decline.

Despite higher revenue, the Group's PBT declined by RM10.02 million to RM43.72 million from RM53.25 million in the previous quarter. The decline was largely attributed to a higher share of losses from associates compared with a share of profit in the previous quarter. This was partly offset by a higher share of results from joint venture. The decline was further mitigated by lower upkeep and maintenance expenses predominantly from water treatment and supply segment, higher sundry income arising from insurance claims received by renewable energy segment, and a gain on lease modification recognised in the current quarter.

For the water treatment and supply segment, operating revenue decreased by RM2.42 million in line with lower metered sales by 0.4% i.e. from 84.50 million m^3 (or 918.48 MLD) to 84.20 million m^3 (or 915.20 MLD) and lower electricity rebates. Despite this, operating profit was higher by RM2.68 million due to lower rehabilitation and maintenance cost by RM3.05 million as well as reversal of loss allowance on receivables.

The construction segment registered lower revenue this quarter, driven by a downward revision in the estimated profit margin for Rasau Package 2 and slower progress on the Rasau Projects. As at the end of the financial year, the percentage of completion recognised for Packages 2 and 3 of the Rasau Projects stood at approximately 34% and 17% respectively (Q3FY25: 31% and 15%). In line with the lower revenue, the segment recorded an operating loss as compared to operating profit in the preceding quarter. The decline was further impacted by higher expenses and partially offset by the reversal of provision for loss allowance on receivables recognised in the previous 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)

For the Grand Saga Highway, revenue and operating profit was significantly higher due to government compensation recognised in the current quarter despite a 0.2% decrease in the ADT to 162,539 vehicles per day (Q3FY25: 162,942 vehicles per day). Operating profit was partially impacted by higher repair and maintenance expenses, as well as higher depreciation and amortisation expenses in the current quarter.

Meanwhile, the Group's share of profit from Grand Sepadu improved quarter-on-quarter following higher government compensation recognised. While revenue benefited from a 0.7% increase in ADT and higher government compensation, the share of profit was offset by higher repair and maintenance expenses of RM3.14 million (Q3FY25: RM0.63 million), depreciation and amortisation of RM5.31 million (Q3FY25: RM4.24 million) and taxation expenses of RM5.37 million (Q3FY25: RM2.72 million).

In the renewable energy segment, revenue declined by RM1.06 million, attributable to a 13.4% reduction in total energy output to 6,159 MWh (Q3FY25: 7,113 MWh), due to weaker average insolation during the quarter. Operating profit, however, edged higher, supported by lower depreciation and amortisation expenses, reduced repair and maintenance expenses and higher sundry income from insurance claim recognised in the current quarter. These improvements were partially offset by higher net foreign exchange loss and higher corporate costs during the current quarter.

The Group's share of losses in SWMEH increased to RM17.52 million as compared to share of profit of RM27.12 million in the preceding quarter due to lower PAT recorded of RM14.03 million (Q3FY25: RM141.56 million) and after adjustments of RM64.08 million (Q3FY25: RM64.08 million) made by the Group to SWMEH's PAT. The lower results at SWMEH were largely due to a one-off net reversal in provisions for loss allowance on receivables made in the previous quarter amounting to RM112.69 million. The performance was further impacted by higher payroll-related costs, subcontractor costs and depreciation expenses during the quarter. Nonetheless, the impact was partly offset by lower tax expenses during the quarter.

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

Part C – Review of Statement of Cash Flow

	12 Months ended 31 Dec 2025 RM'000 unaudited	12 Months ended 31 Dec 2024 RM'000 audited	Variance (%)
Net cash from operating activities	88,290	161,978	↓ 45
Net cash (used in)/from investing activities	(92)	9,408	↓ >100
Net cash used in financing activities	(109,474)	(154,836)	↓ 29

Net cash generated from operating activities for the financial year was lower by RM73.69 million or 45%, primarily attributable to higher purchases of inventories, government compensation receivable of RM34.40 million as at year end, as well as higher income tax payments during the year. The decrease was partially offset by lower payments to trade and other payables, which improved cash inflow.

Net cash generated from investing activities for the financial year recorded a decrease by RM9.50 million mainly due to lower net proceeds from redemption of investments designated at FVTPL, lower dividend receipts from an associate, and the purchase of intangible assets during the year. However, the reduction was partially offset by lower purchases of property, plant and equipment, as well as higher withdrawals from pledged deposits held in the debt service reserve account under the IMTN Programme. The larger placements of pledged deposits in the previous year were primarily due to higher IMTN tranche obligations that matured in January 2025.

Net cash outflow from financing activities decreased by RM45.36 million or 29%, mainly attributed to lower dividends paid to shareholders and a reduction in interest payments during the year. The reduction was partially offset by higher repayment of borrowings and dividend payout to non-controlling interests by a subsidiary.

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 2025, the water services sector in Malaysia, particularly in Selangor and the Federal Territories, experienced stable but moderate growth. The notable 1.2% reduction in the average daily water production at SSP1 in 2025 as compared to 2024 attributable 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 in 2026, 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 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 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 enable SSP1 to continue to make dividend payments to the parent company.

B2 – Prospects (continued)

The toll highway segment, both Grand Saga and Grand Sepadu highways, continue to enjoy high traffic volume. 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. Following the opening of the EKVE on 30 August 2025, which was toll-free until 24 October 2025, the ADT at the Grand Saga Highway has momentarily dipped. However, with the commencement of toll at the EVKE, traffic volume has picked up again and is expected to remain robust in 2026. 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 contribute to growth in the traffic volume.

In the renewable energy segment, the outlook remains positive with all sites now fitted with upgraded panels. Total energy output increased by 3.3% compared to the corresponding year, driven by the completion of solar panel replacements at TR SaTerm (in the fourth quarter of 2022) and at TR CPark and TR Sepang (in the third quarter of 2024). 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 its 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 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. 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 impacted SWMEH's profitability, as approximately 10% of its workforce comprises foreign workers. Despite these challenges, SWMEH remains committed to rationalise its costs and optimise its operational efficiency.

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

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

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

B4 – Profit before tax

	3 Months ended 31 Dec		12 Months ended 31 Dec	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
	unaudited	audited	unaudited	audited
Other operating income:				
Interest income on fixed deposits with licensed banks	783	806	3,164	2,585
Dividend from investments designated at FVTPL	227	263	939	1,191
Rental income	127	69	458	352
Gain on redemption of investments designated at FVTPL	171	80	287	347
Gain on foreign exchange (realised)	-	382	19	382
Gain on foreign exchange (unrealised)	121	137	357	137
Fair value changes	(70)	-	216	2
Reversal of loss allowance on trade and other receivables and amount due from contract customers	372	36	624	36
Gain on disposal of property, plant and equipment and sundry income	2,912	1,176	5,168	13,624
Interest income imputed on retention sums	-	19	-	19
Gain on modification of leases	2,478	-	2,478	-
Cost of operations, administrative and other expenses:				
Depreciation and amortisation	(14,981)	(15,979)	(52,207)	(52, 873)
Property, plant and equipment written off	-	1	-	(15,130)
Upkeep and maintenance	(7,790)	(10,515)	(29,082)	(38,202)
Imputed interest on borrowing	(49)	(65)	(196)	(258)
Loss on fair value changes	-	12	-	(66)
Loss allowance on trade and other receivables and amount due from contract customers	(167)	(3)	(167)	(31)
Loss on foreign exchange (unrealised)	(324)	937	(1,086)	(1,357)
Loss on foreign exchange (realised)	(363)	66	(919)	(211)
Reversal of interest income imputed on retention sum	8	14	(41)	-

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

B5 – Income Tax Expense

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

	3 Months ended 31 Dec		12 Months ended 31 Dec	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
	unaudited	audited	unaudited	audited
Malaysian income tax	15,717	7,698	38,397	43,935
Deferred tax expense	(1,874)	(22,259)	(7,769)	(28,205)
Total income tax expense	**13,843**	**(14,561)**	**30,628**	**15,730**
Effective tax rate	31.7%	- >100%*	22.1%	13.3%

* The negative effective tax rate arose from the recognition of deferred tax assets as the Group anticipates that sufficient taxable profits from the renewable energy segment would be available to offset the unused tax losses following completion of the solar panels replacement exercise.

B6 – Status of Corporate Proposals Announced but not Completed

There was no corporate proposal announced but not completed as of 4 February 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: -

	Long term	Short term	Total
	RM'000	RM'000	RM'000
31 Dec 2025 (unaudited)			
Secured - IMTN	189,670	40,000	229,670
Unsecured - Corporate credit cards	-	3,779	3,779
	189,670	**43,779**	**233,449**
31 Dec 2024 (audited)			
Secured- IMTN	229,473	40,000	269,473
Unsecured - Corporate credit cards	-	4,358	4,358
	229,473	**44,358**	**273,831**

The RM420 million in nominal value IMTN Programme issued by Cerah Sama is repayable over eleven (11) annual instalments commencing 2020. During the financial year, 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 year, 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, was redeemed in January 2026.

Corporate credit cards were issued by financial institutions with a total approved credit limit are RM15.2 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 4 February 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 year.

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

	3 Months ended 31 Dec		12 Months ended 31 Dec	
	2025 unaudited	2024 audited	2025 unaudited	2024 audited
Profit for the financial period attributable to owners of the Company (RM'000)	14,564	16,873	83,540	73,137
Weighted average number of ordinary shares in issue ('000)	2,015,817	2,015,817	2,015,817	2,015,817
Earnings per share (sen)	**0.72**	**0.84**	**4.14**	**3.63**

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 year, included in the investment designated at FVTPL, deposits, bank and cash balances totalling RM179.50 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) RM4.87 million of budgeted capital expenditure for improvement works in all operating segments.

B12 – Dividends

The Board is pleased to declare a fourth interim single-tier dividend of 0.75 sen per share on 2,015,817,574 shares amounting to RM15,119,000 in respect of the financial year ended 31 December 2025, to be payable on 31 March 2026.

For the current financial year, the Board has declared a total single-tier dividend of 2.25 sen to shareholders amounting to RM45,356,000 in respect of the financial year ended 31 December 2025 (2024: 4.50 sen per share amounting to RM90,712,000 in respect of the financial year ended 31 December 2024).

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
11 February 2026