# Mega First Corporation Berhad
**Registration No. 196601000210 (6682-V)**
**Incorporated in Malaysia**

# Interim Financial Report
# 30 June 2025

**Mega First Corporation Berhad**
**Registration No. 196601000210 (6682-V)**

**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**
**For The Second Quarter and 6-Month Period Ended 30 June 2025**

| | | 2nd Quarter Ended | | 6-Month Period Ended | |
|---|---|---|---|---|---|
| | | 30.6.2025 | 30.6.2024 | 30.6.2025 | 30.6.2024 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | 339,929 | 331,950 | 681,483 | 645,429 |
| Cost of sales | | (193,287) | (178,847) | (404,268) | (357,234) |
| Gross profit | | 146,642 | 153,103 | 277,215 | 288,195 |
| Other income | | 7,891 | 11,004 | 16,172 | 51,210 |
| Other operating expenses | | (12,578) | (2,521) | (18,381) | (12,581) |
| Administrative and distribution expenses | | (19,931) | (17,881) | (42,349) | (35,044) |
| Profit from operations | | 122,024 | 143,705 | 232,657 | 291,780 |
| Finance costs | | (14,346) | (15,882) | (25,699) | (32,221) |
| Share of results in equity accounted investments, net of tax | | (16,353) | (9,537) | (44,885) | (23,452) |
| Profit before tax | | 91,325 | 118,286 | 162,073 | 236,107 |
| Income tax expense | | (3,924) | (5,825) | (8,684) | (15,600) |
| Profit after tax for the period | | 87,401 | 112,461 | 153,389 | 220,507 |
| Other comprehensive (expenses)/income | | (134,614) | 14,922 | (181,805) | 64,421 |
| Total comprehensive income for the period | | (47,213) | 127,383 | (28,416) | 284,928 |
| Profit after tax attributable to: | | | | | |
| - Owners of the Company | | 84,771 | 105,355 | 147,557 | 200,819 |
| - Non-controlling interests | | 2,630 | 7,106 | 5,832 | 19,688 |
| | | 87,401 | 112,461 | 153,389 | 220,507 |
| Total comprehensive income attributable to: | | | | | |
| - Owners of the Company | | (48,946) | 120,297 | (32,825) | 265,112 |
| - Non-controlling interests | | 1,733 | 7,086 | 4,409 | 19,816 |
| | | (47,213) | 127,383 | (28,416) | 284,928 |
| EPS - Basic (sen) | B11 | 8.99 | 11.18 | 15.66 | 21.30 |

The notes set out on pages 7 to 28 form an integral part and should be read in conjunction with this interim financial report.

**Mega First Corporation Berhad**
**Registration No. 196601000210 (6682-V)**

**Unaudited Condensed Consolidated Statement of Financial Position**
**As at 30 June 2025**

| | Unaudited As At 30.6.2025 RM'000 | Audited As At 31.12.2024 RM'000 |
|---|---|---|
| **ASSETS** | | |
| **Non-Current Assets** | | |
| Service concession asset | 2,022,279 | 2,175,656 |
| Property, plant and equipment | 836,915 | 775,791 |
| Water rights | 311,328 | 337,515 |
| Receivable and other asset | 215,359 | 246,445 |
| Investment properties | 261,679 | 261,679 |
| Right of use assets | 115,458 | 117,549 |
| Joint ventures and associates | 213,274 | 173,432 |
| Investment in quoted shares | 56,403 | 87,351 |
| Inventories | 40,166 | 40,166 |
| Goodwill on consolidation | 57,927 | 57,927 |
| Development expenditures | 713 | 884 |
| Investment in unquoted shares | 669 | 669 |
| | 4,132,170 | 4,275,064 |
| **Current Assets** | | |
| Inventories and biological assets | 164,193 | 186,197 |
| Receivables and other assets | 287,701 | 391,774 |
| Bank balances and deposits | 412,507 | 268,320 |
| | 864,401 | 846,291 |
| **TOTAL ASSETS** | 4,996,571 | 5,121,355 |
| **EQUITY AND LIABILITIES** | | |
| **Equity Attributable To Owners Of The Company** | | |
| Share capital | 743,121 | 743,121 |
| Treasury shares | (46,733) | (46,473) |
| Retained profits | 2,693,872 | 2,588,726 |
| Other reserves | (141,232) | 39,150 |
| | 3,249,028 | 3,324,524 |
| Non-Controlling Interests | 199,106 | 219,930 |
| **Total Equity** | 3,448,134 | 3,544,454 |
| **Non-Current Liabilities** | | |
| Long-term borrowings | 479,364 | 530,924 |
| Deferred tax liabilities | 130,888 | 133,853 |
| Put option liability | 70,612 | 69,220 |
| Hire purchase and lease liabilities | 7,917 | 8,435 |
| Payables | 609 | 636 |
| | 689,390 | 743,068 |
| **Current Liabilities** | | |
| Payables and accruals | 201,181 | 214,530 |
| Short-term borrowings | 655,314 | 615,516 |
| Hire purchase and lease liabilities | 2,552 | 3,787 |
| | 859,047 | 833,833 |
| **Total Liabilities** | 1,548,437 | 1,576,901 |
| **TOTAL EQUITY AND LIABILITIES** | 4,996,571 | 5,121,355 |
| **Net Assets Per Ordinary Share (RM)** | 3.45 | 3.53 |

The notes set out on pages 7 to 28 form an integral part and should be read in conjunction with this interim financial report.

**Mega First Corporation Berhad**
**Registration No. 196601000210 (6682-V)**

**Unaudited Condensed Consolidated Statement of Changes in Equity**
**For the 6-month period ended 30 June 2024**

| | Non-Distributable | | | | | | Distributable | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Share Capital RM'000** | **Treasury Shares RM'000** | **Translation Reserve RM'000** | **Fair Value Reserve RM'000** | **Capital Reserve RM'000** | **Other Reserve RM'000** | **Retained Profits RM'000** | **Attributable To Owners Of The Company RM'000** | **Non-Controlling Interests RM'000** | **Total Equity RM'000** |
| Balance at 01.1.2024 | 743,121 | (45,517) | 139,813 | 73,620 | 27,394 | (88,556) | 2,207,033 | 3,056,908 | 167,110 | 3,224,018 |
| Total comprehensive income for the period | - | - | 60,652 | 3,641 | - | - | 200,819 | 265,112 | 19,816 | 284,928 |
| Total transactions with owners: | | | | | | | | | | |
| - Dividends to shareholders of the Company | - | - | - | - | - | - | (40,067) | (40,067) | - | (40,067) |
| Dividend by a subsidiary to non-controlling interest | - | - | - | - | - | - | - | - | (2,000) | (2,000) |
| Effect on accretion of interest in a subsidiary | - | - | - | - | - | - | 73 | 73 | (6,450) | (6,377) |
| Acquisition of subsidiaries | - | - | - | - | - | - | - | - | 47,784 | 47,784 |
| Balance at 30.6.2024 | 743,121 | (45,517) | 200,465 | 77,261 | 27,394 | (88,556) | 2,367,858 | 3,282,026 | 226,260 | 3,508,286 |

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**Mega First Corporation Berhad**
**Registration No. 196601000210 (6682-V)**

**Unaudited Condensed Consolidated Statement of Changes in Equity (Cont'd)**
**For the 6-month period ended 30 June 2025**

| | ← | Non-Distributable | | → | | | Distributable | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share Capital RM'000 | Treasury Shares RM'000 | Translation Reserve RM'000 | Fair Value Reserve RM'000 | Capital Reserve RM'000 | Other Reserve RM'000 | Retained Profits RM'000 | Attributable To Owners Of The Company RM'000 | Non-Controlling Interests RM'000 | Total Equity RM'000 |
| Balance at 01.1.2025 | 743,121 | (46,473) | 71,510 | 28,802 | 27,394 | (88,556) | 2,588,726 | 3,324,524 | 219,930 | 3,544,454 |
| Total comprehensive income for the period | - | - | (149,434) | (30,948) | - | - | 147,557 | (32,825) | 4,409 | (28,416) |
| Total transactions with owners: | | | | | | | | | | |
| - Dividend to shareholders of the Company | - | - | - | - | - | - | (42,411) | (42,411) | - | (42,411) |
| - Purchase of treasury shares | - | (260) | - | - | - | | - | (260) | - | (260) |
| | - | (260) | - | - | - | - | (42,411) | (42,671) | - | (42,671) |
| Dividends by subsidiaries to non-controlling interests | - | - | - | - | - | - | - | - | (28,633) | (28,633) |
| Subscription of shares in subsidiary by non-controlling interests | - | - | - | - | - | - | - | - | 3,400 | 3,400 |
| Balance at 30.6.2025 | 743,121 | (46,733) | (77,924) | (2,146) | 27,394 | (88,556) | 2,693,872 | 3,249,028 | 199,106 | 3,448,134 |

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**Mega First Corporation Berhad**
**Registration No. 196601000210 (6682-V)**

**Unaudited Condensed Consolidated Statement of Cash Flows**
**For the 6-month period ended 30 June 2025**

| | | 6-Month Period Ended | |
|---|---|---|---|
| | | 30.6.2025 | 30.6.2024 |
| | | RM'000 | RM'000 |
| **Cash flows from operating activities** | | | |
| Profit before tax | | 162,073 | 236,107 |
| Adjustments for non-cash flow | - Non-cash items | 124,348 | 78,046 |
| | - Non-operating items | 12,396 | 21,788 |
| Operating profit before working capital changes | | 298,817 | 335,941 |
| Changes in working capital | - Net change in assets | 115,593 | 17,947 |
| | - Net change in liabilities | (19,692) | (46,982) |
| Cash from operations | | 394,718 | 306,906 |
| Income tax paid | | (6,040) | (7,497) |
| **Net cash from operating activities** | | 388,678 | 299,409 |
| | | | |
| **Cash flows (for)/from investing activities** | | | |
| Net cash outflow on acquisition of subsidiaries | | - | (3,664) |
| Development expenditures/Contract costs paid for: | | | |
| - Don Sahong Hydropower Project | | (22,109) | (33,939) |
| - Solar Project in Maldives | | (9,852) | - |
| Dividends received | | 389 | 689 |
| Interest received | | 14,118 | 11,377 |
| Insurance claims received | | 4,029 | - |
| Investment in joint venture and associate | | (84,727) | - |
| Payments for purchase of: | | | |
| - property, plant and equipment | | (76,074) | (73,535) |
| - investment properties | | - | (75,362) |
| - right of use assets | | (238) | (114) |
| - quoted shares | | - | (1,200) |
| Proceeds from disposal of: | | | |
| - property, plant and equipment | | 1,052 | 235 |
| Receipt from redemption of short-term investment, net | | - | 4,500 |
| Subscription of additional shares in a subsidiary | | - | (6,377) |
| **Net cash for investing activities** | | (173,412) | (177,390) |

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**Mega First Corporation Berhad**
**Registration No. 196601000210 (6682-V)**

**Unaudited Condensed Consolidated Statement of Cash Flows (Cont'd)**
**For the 6-month period ended 30 June 2025**

| | 6-Month Period Ended | |
|---|---|---|
| | **30.6.2025** | **30.6.2024** |
| | **RM'000** | **RM'000** |
| **Cash flows (for)/from financing activities** | | |
| Dividends paid to: | | |
| - shareholders of the Company | (42,411) | (40,067) |
| - subsidiary's non-controlling interests | (2,000) | (2,000) |
| Finance costs paid * | (26,303) | (32,129) |
| Net (repayment)/drawdown of: | | |
| - Revolving credits, trade financing and loans | 54,172 | 77,310 |
| - Hire purchase liabilities | (1,550) | (3,584) |
| - Term loans | (42,921) | 20,436 |
| Proceeds from issuance of shares by a subsidiary to non-controlling interest | 3,400 | - |
| Purchase of treasury shares | (260) | - |
| Withdrawal/(Placement) of deposits pledged with licensed banks or deposits with original maturity period of > 3 months | 9,840 | (4,008) |
| **Net cash (for)/from financing activities** | (48,033) | 15,958 |
| | | |
| **Effect of foreign exchange translation** | (13,206) | 10,225 |
| **Net increase in cash and cash equivalents** | 154,027 | 148,202 |
| **Cash and cash equivalents at beginning of the period** | 228,404 | 462,934 |
| **Cash and cash equivalents at end of the period** | 382,431 | 611,136 |

Cash and cash equivalents included in the statement of cash flows comprise the following amounts:

| | | |
|---|---|---|
| Bank balances and deposits | 412,507 | 660,797 |
| Less: | | |
| - Deposits with original maturity period of more than three months | (2,534) | (17,635) |
| - Bank deposits pledged with licensed banks | (27,542) | (32,026) |
| | 382,431 | 611,136 |

* *Include capitalised interest.*

The notes set out on pages 7 to 28 form an integral part and should be read in conjunction with this interim financial report.

## Notes to the interim financial report

## A EXPLANATORY NOTES PURSUANT TO MFRS 134

### A1. Basis of preparation

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and Issuers Communication No. 1/2017 - Guidance on Disclosures in Notes to Quarterly Report issued by Bursa Malaysia.

These interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2024.

(a) The accounting policies and methods of computation adopted by the Group in preparing this interim financial report are consistent with those in the financial statements for the financial year ended 31 December 2024, except for the following new accounting interpretation which was adopted at the beginning of the financial year ending 31 December 2025. This pronouncement is not relevant to the Group's financial statements for the current quarter and 6-month period ended 30 June 2025.

**MFRSs and/or IC Interpretations (including the Consequential Amendments)**

Amendments to MFRS 121: Lack of Exchangeability

(b) The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the MASB but are not yet effective for the financial year ending 31 December 2025:

| MFRSs and/or IC Interpretations (including the Consequential Amendments) | Effective Date |
|---|---|
| Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred |
| Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments | 1 January 2026 |
| Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity | 1 January 2026 |
| Annual Improvements to MFRS Accounting Standards – Volume 11 | 1 January 2026 |
| MFRS 18: Presentation and Disclosure in Financial Statements | 1 January 2027 |
| MFRS 19: Subsidiaries without Public Accountability – Disclosures | 1 January 2027 |

## A1. Basis of preparation (Cont'd)

(b) (Cont'd)

(i) MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The Group is in the midst of assessing the impact of implementing this new standard.

(ii) MFRS 19 Subsidiaries without Public Accountability: Disclosures. We foresee that not many subsidiaries will adopt the exemption because the Group expects most subsidiaries to continue prepare full set of financial statements, facilitating the preparation of the consolidated financial statements.

## A2. Qualification of financial statements

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

## A3. Seasonal or cyclical factors

The Group's principal business operations were not significantly affected by seasonal or cyclical factors other than its Renewable Energy Division where hydropower generation is subject to seasonal fluctuation of the water level. Normally, the water level will peak between June and November during the wet season. More detailed commentary is set out in Notes B3 and B4 to these financial statements.

## A4. Unusual item

There was no item affecting assets, liabilities, equity, net income, or cash flows that is unusual because of their nature, size or incidence in these financial statements.

## A5. Nature and amount of changes in estimates

There was no change in estimates of amounts reported in prior periods that have a material effect in the period under review.

## A6. Debt and equity securities

| | Number of Ordinary Shares | | Amount | |
|---|---|---|---|---|
| | Share Capital (Issued and Fully Paid) '000 | Treasury Shares '000 | Share Capital (Issued and Fully Paid) RM'000 | Treasury Shares RM'000 |
| At 1 January 2025 | 988,352 | (45,811) | 743,121 | (46,473) |
| Shares repurchased in current period | - | (62) | - | (260) |
| At 30 June 2025 | 988,352 | (45,873) | 743,121 | (46,733) |

Of the total 988,352,102 issued ordinary shares as at 30 June 2025, 45,872,800 ordinary shares were held as treasury shares by the Company. Accordingly, the number of outstanding ordinary shares in issue as at 30 June 2025 was 942,479,302.

There was no issuance and repayment of debt and equity securities, share cancellations and resale of treasury shares in these financial statements.

## A7. Segment information

| 6-Month Period Ended 30 June 2025 | Renewable Energy RM'000 | Resources RM'000 | Packaging RM'000 | Investment Holding & Others RM'000 | Eliminations RM'000 | Consolidated RM'000 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| External revenue | 305,463 | 104,196 | 205,959 | 65,865 | - | 681,483 |
| Inter-segment revenue | - | - | - | 191,869 | (191,869) | - |
| Consolidated revenue | 305,463 | 104,196 | 205,959 | 257,734 | (191,869) | 681,483 |
| **Results** | | | | | | |
| Profit from operations | 220,303 | 18,241 | 12,694 | 174,608 | (193,189) | 232,657 |
| Finance costs | | | | | | (25,699) |
| Share of loss in equity accounted investments | | | | | | (44,885) |
| Profit before tax | | | | | | 162,073 |
| Income tax expense | | | | | | (8,684) |
| Profit after tax | | | | | | 153,389 |
| **Total assets** | | | | | | |
| At 30 June 2025 | 3,015,272 | 389,600 | 627,156 | 1,201,239 | (236,696) | 4,996,571 |

## A7. Segment information (Cont'd)

| 6-Month Period Ended 30 June 2024 | Renewable Energy RM'000 | Resources RM'000 | Packaging RM'000 | Investment Holding & Others RM'000 | Eliminations RM'000 | Consolidated RM'000 |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| External revenue | 293,770 | 120,435 | 207,039 | 24,185 | - | 645,429 |
| Inter-segment revenue | - | - | - | 63,878 | (63,878) | - |
| Consolidated revenue | 293,770 | 120,435 | 207,039 | 88,063 | (63,878) | 645,429 |
| **Results** | | | | | | |
| Profit from operations | 222,702 | 27,465 | 24,833 | 81,370 | (64,590) | 291,780 |
| Finance costs | | | | | | (32,221) |
| Share of losses in equity accounted investments | | | | | | (23,452) |
| Profit before tax | | | | | | 236,107 |
| Income tax expense | | | | | | (15,600) |
| Profit after tax | | | | | | 220,507 |
| **Total assets** | | | | | | |
| At 31 December 2024 | 3,178,278 | 384,463 | 628,587 | 1,146,217 | (216,190) | 5,121,355 |

## A8. Dividend paid

Details of dividend declared and paid during the current quarter and 6-month period ended 30 June 2025 are disclosed in Note B9 to these financial statements.

## A9. Valuation of property, plant and equipment

There was no revaluation of property, plant and equipment during the period reported up to 14 August 2025, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

## A10. Significant event during the reporting period

There was no significant event during the reporting period.

## A11. Significant event subsequent to the end of the reporting period

There was no significant event subsequent to the end of the period reported up to 14 August 2025, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

## A12. Changes in composition of the Group

Changes in the composition of the Group during the 6-month period ended 30 June 2025 are as follows:

a) Two indirect wholly-owned subsidiaries of the Company, namely Mega First Power Services Sdn Bhd and Bayangan Sutera Sdn Bhd both were placed under Members' Voluntary Winding-Up on 19 March 2024, were dissolved on 26 June 2025.

## A13. Changes in contingent liabilities and assets

(a) Contingent liability

The Group has no contingent liability as at 14 August 2025, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

(b) Contingent asset

The Group has no contingent asset as at 14 August 2025, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

## A14. Capital commitments

As at 30 June 2025, the Group has the following capital commitments:

| | **RM'000** |
|---|---|
| **Property, plant and equipment** | |
| Approved and contracted for | 135,621 |

## A15. Significant related party transactions

There was no significant related party transaction during the current quarter and the 6-month period ended 30 June 2025 other than the following transactions made by the Company:

| | 2nd Quarter Ended 30 June | | Financial Period Ended 30 June | |
|---|---|---|---|---|
| | **2025 RM'000** | **2024 RM'000** | **2025 RM'000** | **2024 RM'000** |
| <u>A Major Shareholder of the Company</u> | | | | |
| Term loan repaid | - | - | 44,496 | 47,234 |
| Interest expense | 4,689 | 6,558 | 9,760 | 13,423 |

| | **30.6.2025 RM'000** | **31.12.2024 RM'000** |
|---|---|---|
| Corporate guarantees given to lenders and supplier of joint ventures and associates | 409,348 | 418,891 |

## A16. Derivative financial instruments

| | **30.6.2025 RM'000** | **31.12.2024 RM'000** |
|---|---|---|
| **<u>Derivative liability</u>** | | |
| Put option liability over shares of a subsidiary held by non-controlling interest | 70,612 | 69,220 |

The Company entered into a Put Option Agreement with the minority shareholders of Stenta Group whereby the minority shareholders have the right to require the Company to buy their equity interest in the subsidiary in accordance to the terms of the Put Option Agreement.

The obligation by the Company to purchase Stenta Group 's equity interest held by the minority shareholders is initially recognised as put option liability with a corresponding charge direct to equity (classified as "Other Reserve"). Subsequent to the initial recognition, the put option will be remeasured at fair value and any changes in fair value is recognised in profit or loss.

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## B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

### B1. Performance review - Current quarter ended 30 June 2025 ("2Q2025") versus ("vs") the corresponding quarter ended 30 June 2024 ("2Q2024")

| | 2Q2025 RM'000 | 2Q2024 RM'000 | Changes RM'000 | Changes % |
|---|---|---|---|---|
| Revenue | 339,929 | 331,950 | 7,979 | 2.4% |
| Other income | 7,891 | 11,004 | (3,113) | -28.3% |
| Other expenses | (12,578) | (2,521) | (10,057) | 398.9% |
| Earning before interest, tax, depreciation and amortisation ("EBITDA") * | 152,975 | 168,569 | (15,594) | -9.3% |
| Operating profit | 122,024 | 143,705 | (21,681) | -15.1% |
| Profit before tax | 91,325 | 118,286 | (26,961) | -22.8% |
| Profit after tax | 87,401 | 112,461 | (25,060) | -22.3% |
| Profit after tax attributable to owners of the Company | 84,771 | 105,355 | (20,584) | -19.5% |
| **Revenue** | | | | |
| Renewable Energy | 150,580 | 156,142 | (5,562) | -3.6% |
| Resources | 48,229 | 56,672 | (8,443) | -14.9% |
| Packaging | 104,618 | 104,220 | 398 | 0.4% |
| Sub-total | 303,427 | 317,034 | (13,607) | -4.3% |
| Construction Revenue on Service Concession Arrangements | 3,971 | - | 3,971 | n/a |
| Investment Holding & Others | 32,531 | 14,916 | 17,615 | 118.1% |
| Total revenue | 339,929 | 331,950 | 7,979 | 2.4% |
| **Profit before tax** | | | | |
| Renewable Energy | 112,837 | 110,241 | 2,596 | 2.4% |
| Resources | 8,307 | 12,646 | (4,339) | -34.3% |
| Packaging | 3,535 | 9,124 | (5,589) | -61.3% |
| Sub-total | 124,679 | 132,011 | (7,332) | -5.6% |
| Construction Profit on Service Concession Arrangements | 506 | - | 506 | n/a |
| Investment Holding & Others | (33,860) | (13,725) | (20,135) | 146.7% |
| Total profit before tax | 91,325 | 118,286 | (26,961) | -22.8% |

* - *EBITDA excludes share of profit/(loss) in equity accounted investments and insurance claims income*

<u>**Normalised Profit Before Tax for 2Q2025 Vs 2Q2024**</u>

| | 2Q2025 RM'000 | 2Q2024 RM'000 | Variance RM'000 | Variance % |
|---|---|---|---|---|
| Profit Before Tax, As Reported | 91,325 | 118,286 | (26,961) | -22.8% |
| Adjustments for:- | | | | |
| (i) Non-recurring items | | | | |
| (a) Insurance income for assets damaged by fire in 2023 | - | (2,467) | | |
| (b) Construction profit on service concession arrangements | (506) | - | | |
| (ii) Other items | | | | |
| (a) Share of loss in joint ventures and associates | 16,353 | 9,537 | | |
| (b) Fair value loss on put option liability | 696 | 883 | | |
| "Normalised" Profit Before Tax | 107,868 | 126,239 | (18,371) | -14.6% |

## B1. Performance review - 2Q2025 vs 2Q2024 (Cont'd)

**Normalised PATNCI for 2Q2025 Vs 2Q2024**

| | 2Q2025 RM'000 | 2Q2024 RM'000 | Variance RM'000 | Variance % |
|---|---|---|---|---|
| Profit After Tax Attributable to Owners of the Company ("PATNCI"), As Reported | 84,771 | 105,355 | (20,584) | -19.5% |
| Adjustments for:- | | | | |
| (i) Non-recurring items | | | | |
| (a) Insurance income for assets damaged by fire in 2023 | - | (1,295) | | |
| (b) Construction profit on service concession arrangements | (430) | - | | |
| (ii) Other items | | | | |
| (a) Share of loss in joint ventures and associates | 16,353 | 9,537 | | |
| (b) Fair value loss on put option liability | 696 | 883 | | |
| "Normalised" PATNCI | 101,390 | 114,480 | (13,090) | -11.4% |

In the second quarter of 2025, the Group reported normalised revenue of RM336.0 million (excluding RM4.0 million in construction revenue), representing a modest year-on-year increase of 1.2%. This improvement was supported by a full-quarter contribution from CSC (RM20.7 million), versus one month's contribution in the previous quarter (RM7.0 million). However, this gain was negated by a 4.3% decline in combined core division revenue, falling from RM317.0 million to RM303.4 million due to lower contributions from the Resources and Renewable Energy divisions.

Normalised profit before tax (PBT) declined by 14.6% to RM107.9 million, driven principally by weaker performance in the Resources and Packaging divisions, where profits fell by 34.3% and 61.3% respectively. Earnings were further impacted by increased forex losses of RM8.2 million, compared to a marginal forex gain of RM0.1 million a year earlier. The Renewable Energy division performance was however resilient, with pre-tax profit increasing 2.4% to RM112.8 million.

Reported PBT fell 22.8% year-on-year to RM91.3 million. This included the higher share of loss from associates and joint ventures, which rose 71.5% from RM9.5 million to RM16.4 million, mainly due to Edenor's operational disruptions following gas supply interruptions after the Putra Heights pipeline explosion on 1 April 2025. Gas supply was fully restored only in early July 2025. In addition, RM2.5 million insurance income was recognised in the corresponding quarter last year.

Profit after tax and non-controlling interest (PATNCI) came in at RM84.8 million, down 19.5% year-on-year, while normalised PATNCI fell by 11.4% to RM101.4 million.

## B1. Performance review - 2Q2025 vs 2Q2024 (Cont'd)

**Renewable Energy Division**

Hydro energy sales in USD increased by 5.4%, supported by a 10.9% rise in energy generation from the fifth turbine. This was partially offset by a 5.4% reduction in hydro tariffs pursuant to a new Supplemental Power Purchase Agreement (SPPA) effective 1 January 2025. Don Sahong achieved an average EAF of 80.3% (based on 325 MW) versus 89.7% (based on 260 MW).

However, revenue denominated in Ringgit declined by 3.6%, from RM156.1 million to RM150.6 million, due to a 9.0% currency translation loss. Solar energy revenue rose 11.0% to RM3.0 million as a result of increased installed capacity.

Despite lower reported revenue, pre-tax profit increased 2.4% to RM112.8 million, attributable to reductions in net royalty (arising from acquisition of water rights asset), net interest expense and amortisation charge (arising from concession extensions), which more than offset the impact of lower tariffs and currency translation losses.

**Resources Division**

Revenue fell 14.9% to RM48.2 million, due to soft export demand for lime products and heightened competition. Pre-tax profit dropped 34.3% to RM8.3 million. In addition to lower revenue, profit margin was affected by higher freight and unit production costs.

**Packaging Division**

Revenue remained steady, increasing marginally by 0.4% to RM104.6 million, as the Group successfully defended its market position despite industry overcapacity and intense competition. However, margin pressured from market competition and weaker US Dollar led to a steep 61.3% decrease in PBT, from RM9.1 million to RM3.5 million.

## B2. Performance review - 6 months period ended 30 June 2025 ("1H2025") versus ("vs") the corresponding period ended 30 June 2024 ("1H2024")

| | 1H2025 RM'000 | 1H2024 RM'000 | Changes RM'000 | % |
|---|---|---|---|---|
| Revenue | 681,483 | 645,429 | 36,054 | 5.6% |
| Other income | 16,172 | 51,210 | (35,038) | -68.4% |
| Other expenses | (18,381) | (12,581) | (5,800) | 46.1% |
| Earning before interest, tax, depreciation and amortisation ("EBITDA") * | 293,457 | 322,946 | (29,489) | -9.1% |
| Operating profit | 232,657 | 291,780 | (59,123) | -20.3% |
| Profit before tax | 162,073 | 236,107 | (74,034) | -31.4% |
| Profit after tax | 153,389 | 220,507 | (67,118) | -30.4% |
| Profit after tax attributable to owners of the Company | 147,557 | 200,819 | (53,262) | -26.5% |
| **Revenue** | | | | |
| Renewable Energy | 282,337 | 293,770 | (11,433) | -3.9% |
| Resources | 104,196 | 120,435 | (16,239) | -13.5% |
| Packaging | 205,959 | 207,039 | (1,080) | -0.5% |
| Sub-total | 592,492 | 621,244 | (28,752) | -4.6% |
| Construction Revenue on Service Concession Arrangements | 23,126 | - | 23,126 | n/a |
| Investment Holding & Others | 65,865 | 24,185 | 41,680 | 172.3% |
| Total revenue | 681,483 | 645,429 | 36,054 | 5.6% |
| **Profit before tax** | | | | |
| Renewable Energy | 201,645 | 199,019 | 2,626 | 1.3% |
| Resources | 18,013 | 27,086 | (9,073) | -33.5% |
| Packaging | 7,938 | 17,719 | (9,781) | -55.2% |
| Sub-total | 227,596 | 243,824 | (16,228) | -6.7% |
| Construction Profit on Service Concession Arrangements | 2,943 | - | 2,943 | n/a |
| Investment Holding & Others | (68,466) | (7,717) | (60,749) | 787.2% |
| Total profit before tax | 162,073 | 236,107 | (74,034) | -31.4% |

* - *EBITDA excludes share of profit/(loss) in equity accounted investments and insurance claims income*

**Normalised Profit Before Tax for 1H2025 Vs 1H2024**

| | 1H2025 RM'000 | 1H2024 RM'000 | Variance RM'000 | % |
|---|---|---|---|---|
| Profit Before Tax, As Reported | 162,073 | 236,107 | (74,034) | -31.4% |
| Adjustments for:- | | | | |
| (i) Non-recurring items | | | | |
| (a) Insurance income for assets damaged by fire in 2023 | - | (24,856) | | |
| (b) Construction profit on service concession arrangements | (2,943) | - | | |
| (ii) Other items | | | | |
| (a) Share of loss in joint ventures and associates | 44,885 | 23,452 | | |
| (b) Fair value loss on put option liability | 1,392 | 1,765 | | |
| "Normalised" Profit Before Tax | 205,407 | 236,468 | (31,061) | -13.1% |

## B2. Performance review - 1H2025 vs 1H2024 (Cont'd)

**Normalised PATNCI for 1H2025 Vs 1H2024**

| | 1H2025 RM'000 | 1H2024 RM'000 | Variance RM'000 | Variance % |
|---|---|---|---|---|
| Profit After Tax Attributable to Owners of the Company ("PATNCI"), As Reported | 147,557 | 200,819 | (53,262) | -26.5% |
| Adjustments for:- | | | | |
| (i) Non-recurring items | | | | |
| (a) Insurance income for assets damaged by fire in 2023 | - | (13,329) | | |
| (b) Construction profit on service concession arrangements | (2,502) | - | | |
| (ii) Other items | | | | |
| (a) Share of loss in joint ventures and associates | 44,885 | 23,452 | | |
| (b) Fair value loss on put option liability | 1,392 | 1,765 | | |
| "Normalised" PATNCI | 191,332 | 212,707 | (21,375) | -10.0% |

In the first half of 2025, the Group reported total revenue of RM681.5 million, an increase of 5.6% year-on-year. This growth was primarily driven by a 172.3% surge in Investment Holding & Others revenue to RM65.9 million, following the full-period impact of the CSC acquisition at the end of May last year, and the inclusion of RM23.1 million in construction revenue from service concession arrangements. Nevertheless, revenue from the core divisions faced headwinds, with Renewable Energy and Resources declining by 3.9% and 13.5%, respectively, while Packaging remained stable with a marginal decrease of 0.5%.

Normalised profit before tax contracted 13.1% to RM205.4 million, from RM236.5 million in 1H2024. This was largely due to weaker contributions from the Resources and Packaging divisions. Resources division pre-tax profit fell by 33.5% to RM18.0 million, affected by lower sales volume and heightened cost pressures, while Packaging pre-tax profit declined sharply by 55.2% to RM7.9 million amid margin compression and adverse currency movements. The Group reported forex losses of RM9.5 million in the first half of this year compared to a forex gain of RM3.5 million a year ago. The Renewable Energy division however sustained its performance, with pre-tax profit rising slightly by 1.3% to RM201.6 million, supported by operational improvements and cost reductions.

Reported profit before tax dropped significantly by 31.4% to RM162.1 million, due to higher share of losses from joint venture and associates, as well as the absence of non-recurring insurance income (RM24.9 million in 1H2024). The share of losses from joint ventures and associates increased by 91.4% to RM44.9 million, primarily due to operational challenges at Edenor. Normalised PATNCI decreased by 10.0% to RM191.3 million, while reported PATNCI contracted by 26.5% to RM147.6 million.

## B2. Performance review - 1H2025 vs 1H2024 (Cont'd)

### Renewable Energy Division

Revenue decreased by 3.9% to RM282.3 million, attributed to lower average hydro tariffs (down 5.1% to 6.0 US cents) under the new SPPA and adverse currency translation (down 7.4% to RM4.38/USD), despite a 9.2% increase in generation to 1,053.3 GWh driven by expanded capacity. The addition of a fifth turbine contributed to a reduction in average EAF from 84.5% to 74.6%. Solar energy sales revenue improved 5.1% from RM5.4 million to RM5.7 million.

Despite lower revenue, pre-tax profit increased by 1.3% to RM201.6 million, supported by reduced net royalty and interest expenses as well as lower amortisation following the concession extension.

### Resources Division

Revenue contracted 13.5% to RM104.2 million, mainly due to weaker export demand for lime products and intensified market competition, though partially offset by stronger domestic sales. Pre-tax profit however dropped 33.5% to RM18.0 million from lower volumes, higher freight and unit production costs which negatively impacted margin.

### Packaging Division

Revenue was largely unchanged, down 0.5% to RM206.0 million, amid a challenging market environment. However, pre-tax profit declined substantially by 55.2% to RM7.9 million, reflecting ongoing industry overcapacity, price pressures, and unfavorable currency movements.

## B2. Performance review - 30.6.2025 vs 31.12.2024

(a) Assets and Liabilities as at 30 June 2025

Changes in key assets and liabilities since 31 December 2024 are explained below:

| **Asset/Liability Items** | **As At 30.6.2025** RM'000 | **As At 31.12.2024** RM'000 | **Changes** RM'000 | **Explanation** |
|---|---|---|---|---|
| Service concession asset | 2,022,279 | 2,175,656 | (153,377) | The decrease was due to RM126.9 million translation loss and amortisation charge of RM42.4 million, partially offset by RM15.9 million addition during the period. |
| Property, plant and equipment ("PPE") | 836,915 | 775,791 | 61,124 | The increase was primarily due to RM93.8 million CAPEX, comprising mainly:<br>a) RM67.2 million for Renewable Energy Division;<br>b) RM12.3 million for agricultural development; and<br>c) RM10.7 million for Packaging Division.<br>partly offset by RM23.9 million depreciation charge and translation loss of RM7.9 million. |
| Water rights | 311,328 | 337,515 | (26,187) | The decrease was due to RM19.6 million translation loss and amortisation charge of RM6.6 million for the period. |
| Receivable and other asset (non-current) | 215,359 | 246,445 | (31,086) | The decrease was due to RM17.3 million repayment received from Électricité du Laos (EDL) during the period and translation loss. |
| Investment properties | 261,679 | 261,679 | - | No movement during the period. |
| Right-Of-Use ("ROU") assets | 115,458 | 117,549 | (2,091) | The decrease was largely due to depreciation charge during the period. |

## B2. Performance review - 30.6.2025 vs 31.12.2024 (Cont'd)

(a) Assets and Liabilities as at 30 June 2025 (Cont'd)

Changes in key assets and liabilities since 31 December 2024 are explained below (Cont'd):

| **Asset/Liability Items** | **As At 30.6.2025** RM'000 | **As At 31.12.2024** RM'000 | **Changes** RM'000 | **Explanation** |
|---|---|---|---|---|
| Joint ventures and associates | 213,274 | 173,432 | 39,842 | The increase was due to RM84.7 million investment in joint venture and new associate, Chiwadi (manufacturer of downstream coconut sugar products), partially offset by RM44.9 million share of loss in the current period. |
| Investment in quoted shares | 56,403 | 87,351 | (30,948) | The decrease was due to fair value loss of marketable securities. |
| Inventories and biological assets (current) | 164,193 | 186,197 | (22,004) | The decrease was largely due to lower inventory held by the manufacturing subsidiaries. |
| Receivables and other assets (current) | 287,701 | 391,774 | (104,073) | The decrease was mainly due to improved collection from EDL and lower prepayment of solar development costs. |
| Deferred tax liabilities | 130,888 | 133,853 | (2,965) | The decrease was mainly due to translation gain during the period. |
| Payables and accruals (current) | 201,181 | 214,530 | (13,349) | The decrease was primarily attributed to the partial settlement of amounts owed to contractors and suppliers for the fifth turbine, as well as payments related to turbines overhaul, operation and maintenance. |

## B2. Performance review – 30.6.2025 vs 31.12.2024 (Cont'd)

(b) Group borrowings and debt securities

The table below sets out the salient information on the Group's bank borrowings:

| | Long-term | | Short-term | | Total | |
|---|---|---|---|---|---|---|
| | **Foreign Currency ('000)** | **RM ('000)** | **Foreign Currency ('000)** | **RM ('000)** | **Foreign Currency ('000)** | **RM ('000)** |
| **As at 30 June 2025** | | | | | | |
| **Secured** | | | | | | |
| Trade financing and loans | - | - | - | 75,581 | - | 75,581 |
| Term loans | - | 334,054 | - | 37,104 | - | 371,158 |
| Term loan (USD) ^ | 13,750 | 38,615 | 18,333 | 77,229 | 32,083 | 115,844 |
| Revolving credit | - | - | - | 140,000 | - | 140,000 |
| | | 372,669 | | 329,914 | | 702,583 |
| **Unsecured Loan** | | | | | | |
| Term loan | - | 22,445 | - | - | - | 22,445 |
| Term loan (USD) ^ | 20,000 | 84,250 | 40,000 | 168,500 | 60,000 | 252,750 |
| Revolving credit | - | - | - | 156,900 | - | 156,900 |
| | | 106,695 | | 325,400 | | 432,095 |
| **Total Borrowings** | | 479,364 | | 655,314 | | 1,134,678 |
| **As at 31 December 2024** | | | | | | |
| **Secured** | | | | | | |
| Trade financing and loans | - | - | - | 50,926 | - | 50,926 |
| Term loans | - | 294,406 | - | 36,136 | - | 330,542 |
| Term loan (USD) * | 18,333 | 82,051 | 18,333 | 82,051 | 36,666 | 164,102 |
| Revolving credit | - | - | - | 156,883 | - | 156,883 |
| | | 376,457 | | 325,996 | | 702,453 |
| **Unsecured Loan** | | | | | | |
| Term loan | - | 20,202 | - | - | - | 20,202 |
| Term loan (USD) * | 30,000 | 134,265 | 40,000 | 179,020 | 70,000 | 313,285 |
| Revolving credit | - | - | - | 110,500 | - | 110,500 |
| | | 154,467 | | 289,520 | | 443,987 |
| **Total Borrowings** | | 530,924 | | 615,516 | | 1,146,440 |

^ - *translated at exchange rate of 4.21 as at 30 June 2025*

* - *translated at exchange rate of 4.48 as at 31 December 2024*

At 30 June 2025, total borrowings (excluding hire purchase liabilities) stood at RM1,134.7 million, representing a decrease of RM11.7 million from RM1,146.4 million at 31 December 2024. This reduction was primarily due to RM23.0 million translation gain on USD-denominated loans and net loans drawdown of RM11.3 million.

The Group's borrowings as at 30 June 2025 are floating in nature and none of the foreign currency-denominated borrowings are hedged. The Group had not issued any debt securities by the end of the reporting period.

## B2. Performance review – 30.6.2025 vs 31.12.2024 (Cont'd)

(c) <u>Cash flow analysis for the 6 months period ended 30 June 2025</u>

During the six-month period ended 30 June 2025, the Group generated post-tax cash from operating activities of RM388.7 million, an increase of 29.8% compared to RM299.4 million in the corresponding period last year. This strong growth was primarily driven by improved trade receivables collection, particularly from EDL.

This higher operating net cash inflow enabled a 17.8% reduction in the Group's net debts, from RM878.1 million to RM722.2 million, and also funded RM107.2 million in capital expenditures (mainly on PPE purchases and payments to 5th turbine contractors), RM84.7 million of investments in a joint venture and new associate, as well as RM42.4 million in dividend payments to the Company's shareholders.

## B3. Variation of Current Quarter ("2Q2025") versus ("vs") Preceding Quarter ("1Q2025")

| | 2Q2025 | 1Q2025 | Changes | |
|---|---|---|---|---|
| | RM'000 | RM'000 | RM'000 | % |
| Revenue | 339,929 | 341,554 | (1,625) | -0.5% |
| Other income | 7,891 | 8,281 | (390) | -4.7% |
| Other expenses | (12,578) | (5,803) | (6,775) | 116.7% |
| Earning before interest, tax, depreciation and amortisation ("EBITDA") * | 152,975 | 140,482 | 12,493 | 8.9% |
| Operating profit | 122,024 | 110,633 | 11,391 | 10.3% |
| Profit before tax | 91,325 | 70,748 | 20,577 | 29.1% |
| Profit after tax | 87,401 | 65,988 | 21,413 | 32.4% |
| Profit after tax attributable to owners of the Company | 84,771 | 62,786 | 21,985 | 35.0% |
| **Revenue** | | | | |
| Renewable Energy | 150,580 | 131,757 | 18,823 | 14.3% |
| Resources | 48,229 | 55,967 | (7,738) | -13.8% |
| Packaging | 104,618 | 101,341 | 3,277 | 3.2% |
| Sub-total | 303,427 | 289,065 | 14,362 | 5.0% |
| Construction Revenue on Service Concession Arrangements | 3,971 | 19,155 | (15,184) | -79.3% |
| Investment Holding & Others | 32,531 | 33,334 | (803) | -2.4% |
| Total revenue | 339,929 | 341,554 | (1,625) | -0.5% |
| **Profit before tax** | | | | |
| Renewable Energy | 112,837 | 88,808 | 24,029 | 27.1% |
| Resources | 8,307 | 9,706 | (1,399) | -14.4% |
| Packaging | 3,535 | 4,403 | (868) | -19.7% |
| Sub-total | 124,679 | 102,917 | 21,762 | 21.1% |
| Construction Profit on Service Concession Arrangements | 506 | 2,437 | (1,931) | -79.2% |
| Investment Holding & Others | (33,860) | (34,606) | 746 | -2.2% |
| Total profit before tax | 91,325 | 70,748 | 20,577 | 29.1% |

* *EBITDA excludes share of profit/(loss) in equity accounted investments.*

## B3. Variation of 2Q2025 vs 1Q2025 (Cont'd)

**Normalised Profit Before Tax for 2Q2025 Vs 1Q2025**

| | 2Q2025 | 1Q2025 | Variance | |
|---|---|---|---|---|
| | RM'000 | RM'000 | RM'000 | % |
| Profit Before Tax, As Reported | 91,325 | 70,748 | 20,577 | 29.1% |
| Adjustments for:- | | | | |
| (i) Non-recurring items | | | | |
| (a) Construction profit on service concession arrangements | (506) | (2,437) | | |
| (ii) Other items | | | | |
| (a) Share of loss in joint ventures and associates | 16,353 | 28,532 | | |
| (b) Fair value loss on put option liability | 696 | 696 | | |
| "Normalised" Profit Before Tax | 107,868 | 97,539 | 10,329 | 10.6% |

**Normalised PATNCI for 2Q2025 Vs 1Q2025**

| | 2Q2025 | 1Q2025 | Variance | |
|---|---|---|---|---|
| | RM'000 | RM'000 | RM'000 | % |
| PATNCI, As Reported | 84,771 | 62,786 | 21,985 | 35.0% |
| Adjustments for:- | | | | |
| (i) Non-recurring items | | | | |
| (a) Construction profit on service concession arrangements | (430) | (2,071) | | |
| (ii) Other items | | | | |
| (a) Share of loss in joint ventures and associates | 16,353 | 28,532 | | |
| (b) Fair value loss on put option liability | 696 | 696 | | |
| "Normalised" PATNCI | 101,390 | 89,943 | 11,447 | 12.7% |

In the second quarter of 2025, the Group recorded revenue of RM339.9 million, broadly in line with the previous quarter's RM341.6 million, representing a marginal decrease of 0.5%. This slight decline was mainly due to lower construction revenue and reduced sales in the Resources division, largely offset by improved performance in the Renewable Energy and Packaging divisions.

Normalised profit before tax increased by 10.6% quarter-on-quarter to RM107.9 million (from RM97.5 million in 1Q2025), driven primarily by robust growth in the Renewable Energy division, where pre-tax profit jumped 27.1% to RM112.8 million. This improvement was partially offset by softer results from the other divisions and a substantial rise in forex losses, which increased from RM1.3 million to RM8.2 million.

Reported profit before tax climbed 29.1% to RM91.3 million, reflecting the divisional gains and a sharp reduction in losses from joint venture and associates. The improved results from joint venture and associates were largely attributable to Edenor, where plant upgrades and repairs led to greater operational stability and a more favourable commodity price trend. Nevertheless, Edenor remained loss-making as gas supply was significantly curtailed in the current quarter following the pipeline explosion.

PATNCI improved by 35.0% to RM84.8 million, while normalised PATNCI rose 12.7% to RM101.4 million compared to the previous quarter.

## B3. Variation of 2Q2025 vs 1Q2025 (Cont'd)

### Renewable Energy Division

Revenue rose 14.3% to RM150.6 million, with hydro energy generation volume increasing 17.8% to 569.8 GWh as water levels recovered post-dry season, driving EAF up from 68.9% to 80.3%. However, energy volume growth was partially offset by a 3.0% currency translation loss due to a weaker US dollar. Solar revenue also increased by 12.0% to RM3.0 million, as 1Q2025 was impacted by reduced irradiation and repair downtime. Pre-tax profit grew 27.1% to RM112.8 million, supported by higher energy sales volumes and lower operating costs following the completion of turbine overhaul.

### Resources Division

Revenue declined 13.8% to RM48.2 million, primarily due to the elevated base in 1Q2025 from a year-end sales cut-off adjustment. Regional demand for lime products remained subdued amid stiff competition. Pre-tax profit fell 14.4% to RM8.3 million, in tandem with softer sales.

### Packaging Division

Revenue increased 3.2% quarter-on-quarter to RM104.6 million, boosted by rising sales volumes from both existing and new customers. Nonetheless, persistent margin pressure led to a 19.7% decline in pre-tax profit to RM3.5 million, attributable to a weaker US dollar (impacting export proceeds) and intensified price competition.

## B4. Prospects

The broader global economic backdrop remains unsettled, with investment sentiment and consumer spending continuing to be weighed down by policy uncertainty, trade-related frictions, and fragmented supply chains. Against this backdrop, management remains vigilant in navigating market volatility and cost pressures.

Looking ahead, Renewable Energy earnings are expected to remain resilient for the remainder of the year. The competitive environment in the Resources Division is projected to stay challenging, though conditions are expected to level out in the coming months. For the Packaging Division, we believe the operating trough may have passed during the second quarter, competition appears to have stabilised and a gradual recovery in demand is anticipated in the second half.

With gas fully restored in early July and operations progressively ramped up since then, Edenor oleochemicals plant is now running at relatively steady levels. While competition in the oleochemicals market remains tough, we anticipate a marked turnaround in Edenor's financial contribution in the second half compared with the first half.

## B4. Prospects (Cont'd)

### Renewable Energy Division

Hydro (Don Sahong)

During 1H2025, Don Sahong successfully completed the scheduled overhaul of one turbine and annual maintenance on the remaining four units. Since June, all five turbines have been operational, coinciding with the onset of the wet season. With higher river flows and full generating capacity available, earnings in 2H2025 are expected to improve sequentially compared to the first half. On a year-on-year basis, overall profitability is expected to remain broadly steady, reflecting energy volume gains, and lower royalty and net financing costs, offset by downward tariff adjustments assuming no significant currency exchange fluctuation.

Solar

The division's solar segment maintains the growth outlook set earlier in the year, with the current 32.1 MWp of installed capacity to be expanded to 94.5 MWp upon commissioning of ongoing projects later in 2025. In line with Malaysia's National Energy Transition Roadmap, MFCB's consortium submitted its bid for the 400 MWh Battery Energy Storage Scheme tender on 31 July 2025, and the Group continues to actively pursue opportunities under the Corporate Renewable Energy Supply Scheme (CRESS).

### Resources Division

The operating environment remains challenging and uncertain with demand continuing to be weighed down by slower economic activity and persistent competitive pressure from regional suppliers, particularly China. Even so, management anticipates conditions to gradually stabilise over the remainder of 2025. Efforts will remain centred on driving production cost efficiencies and widening the regional customer network to support a satisfactory earnings performance.

### Packaging Division

While the competitive and demand environment in Q2 was largely unchanged from that of Q1, there are encouraging signs that the market has bottomed. The imbalance between supply and demand, which drove intense price competition earlier in the year, appears to be easing, and a gradual recovery in orders is anticipated in the second half of 2025. Capacity additions, including Stenta's new LLDPE lines and Hexachase's new printing and extrusion facilities are expected to strategically position the division for medium-term growth, despite the likelihood of continuing short-term margin pressure.

## B5. Profit forecast

The Group did not issue any profit forecast or profit guarantee.

## B6. Income tax expense

| | 2nd Quarter Ended 30 June | | 6-Month Period Ended 30 June | |
|---|---|---|---|---|
| | 2025 RM'000 | 2024 RM'000 | 2025 RM'000 | 2024 RM'000 |
| Tax expense: | | | | |
| - current period | 3,930 | 5,825 | 8,584 | 15,600 |
| - underprovision in previous years | (6) | - | 100 | - |
| | 3,924 | 5,825 | 8,684 | 15,600 |

The Group's effective tax rate for the current quarter and 6 months period ended 30 June 2025 was significantly lower than the Malaysia's statutory tax rate of 24% mainly because the profit derived from energy sales in the Lao People's Democratic Republic ("Lao PDR") is exempted from income tax during the current 6 months period.

## B7. Status of corporate proposal

There was no corporate proposal announced but not completed at 14 August 2025, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

## B8. Material litigations

The Group has no material litigation as at 14 August 2025, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

## B9. Dividends

(a) A final single-tier dividend of 4.50 sen per ordinary share for the financial year ended 31 December 2024 was declared on 26 February 2025 and paid to entitled shareholders on 18 April 2025; and

(b) The Board has declared an interim single-tier dividend of 4.75 sen per ordinary share for the financial year ending 31 December 2025, of which the entitlement and payment dates will be announced at a later date. Accordingly, total dividend declared to-date for the current financial year is 4.75 sen (30.6.2024: 4.50 sen) per ordinary share.

## B10. Disclosure for consolidated statement of profit or loss and other comprehensive income

| | 2nd Quarter Ended 30 June | | 6-Month Period Ended 30 June | |
|---|---|---|---|---|
| | **2025 RM'000** | **2024 RM'000** | **2025 RM'000** | **2024 RM'000** |
| **Statement of Profit or Loss** | | | | |
| **After crediting:** | | | | |
| Dividend income | 358 | 515 | 389 | 689 |
| Gain on disposal of: | | | | |
| - property, plant and equipment | 114 | 29 | 188 | 132 |
| Gain on foreign exchange: | | | | |
| - realised | - | 433 | - | 134 |
| - unrealised | - | - | - | 3,318 |
| Interest income | 5,976 | 6,675 | 14,118 | 11,377 |
| Write-back of: | | | | |
| - impairment loss on receivables, net | 51 | - | 24 | - |
| Insurance claims income | - | 2,467 | - | 24,856 |
| **After charging:** | | | | |
| Amortisation of: | | | | |
| - service concession asset | (20,850) | (22,987) | (42,397) | (45,934) |
| - other intangible asset | (86) | (123) | (171) | (246) |
| - water rights | (3,247) | - | (6,603) | - |
| Fair value loss on put option liability | (696) | (883) | (1,392) | (1,765) |
| Depreciation of: | | | | |
| - property, plant and equipment | (11,743) | (9,913) | (23,734) | (19,307) |
| - right-of-use assets | (1,001) | (983) | (2,013) | (1,912) |
| Finance costs | (14,346) | (15,882) | (25,699) | (32,221) |
| Inventories written down | (6) | (20) | (11) | (20) |
| Loss on foreign exchange: | | | | |
| - realised | (2,213) | - | (2,085) | - |
| - unrealised | (5,988) | (286) | (7,407) | - |
| Loss on deconsolidation of subsidiaries | - | - | - | 99 |
| Plant and equipment written off | (27) | (4) | (27) | (4) |
| **Statement of Other Comprehensive (Expenses)/Income:** | | | | |
| Foreign currency translation difference for foreign operations | | | | |
| - changes in current period | (125,055) | (711) | (150,857) | 60,780 |
| Fair value changes of equity investments | (9,559) | 15,633 | (30,948) | 3,641 |

Except for those disclosed above, there were no gain or loss on disposal of quoted or unquoted investments.

## B11. Earnings per share

| | 2nd Quarter Ended 30 June | | 6-Month Period Ended 30 June | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| | **RM'000** | **RM'000** | **RM'000** | **RM'000** |
| Profit after tax attributable to owners of the Company | 84,771 | 105,355 | 147,557 | 200,819 |
| Weighted average number of ordinary shares ('000): | | | | |
| Issued ordinary shares outstanding at beginning of the period/year | 988,352 | 988,352 | 988,352 | 988,352 |
| Effect of treasury shares held | (45,873) | (45,593) | (45,854) | (45,593) |
| | 942,479 | 942,759 | 942,498 | 942,759 |
| Basic earnings per share (sen) | 8.99 | 11.18 | 15.66 | 21.30 |

The basic earnings per share is calculated by dividing the Group's profit after tax attributable to owners of the Company by the weighted average number of ordinary shares in issue during the current quarter and 6 months period ended 30 June 2025, excluding treasury shares held by the Company.

The diluted earnings per share is equal to the basic earnings per share as there are no outstanding potentially dilutive equity instruments issued by the Company as at 30 June 2025.

## B12. Authorised for issue

These interim financial statements were authorised for issue by the Board of Directors on 21 August 2025.