Mega First Corporation Berhad

Registration No. 196601000210 (6682-V)
Incorporated in Malaysia

Interim Financial Report
30 June 2026

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 2026

		2nd Quarter Ended		6-Month Period Ended	
		30.6.2026	30.6.2025	30.6.2026	30.6.2025
		RM'000	RM'000	RM'000	RM'000
Revenue		328,721	339,923	633,675	679,694
Cost of sales and providing services		(195,902)	(193,287)	(378,139)	(404,268)
Gross profit		132,819	146,636	255,536	275,426
Other income		9,090	7,897	21,747	17,961
Other operating expenses		(4,595)	(12,578)	(12,984)	(18,381)
Administrative and distribution expenses		(20,895)	(19,931)	(42,425)	(42,349)
Profit from operations		116,419	122,024	221,874	232,657
Finance costs		(8,443)	(14,346)	(17,802)	(25,699)
Share of results in equity accounted investments, net of tax		(34,775)	(16,353)	(58,180)	(44,885)
Profit before tax		73,201	91,325	145,892	162,073
Tax expense		(11,702)	(3,924)	(18,393)	(8,684)
Profit after tax for the period		61,499	87,401	127,499	153,389
Other comprehensive expenses		18,909	(134,614)	(3,467)	(181,805)
Total comprehensive income for the period		80,408	(47,213)	124,032	(28,416)
Profit after tax attributable to:					
- Owners of the Company		59,391	84,771	121,740	147,557
- Non-controlling interests		2,108	2,630	5,759	5,832
		61,499	87,401	127,499	153,389
Total comprehensive income attributable to:					
- Owners of the Company		77,970	(48,946)	118,009	(32,825)
- Non-controlling interests		2,438	1,733	6,023	4,409
		80,408	(47,213)	124,032	(28,416)
EPS - Basic (sen)	B11	6.30	8.99	12.92	15.66

The notes set out on pages 7 to 30 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 2026

	Unaudited As At 30.6.2026 RM'000	Audited As At 31.12.2025 RM'000
ASSETS		
Non-Current Assets		
Service concession assets	1,891,540	1,921,276
Property, plant and equipment	972,980	980,111
Water rights	289,050	294,006
Receivables	178,426	191,075
Investment properties	185,536	185,530
Right of use assets	111,840	113,413
Joint ventures and associates	125,512	184,866
Investment in quoted shares	38,691	50,499
Inventories	40,166	40,166
Goodwill on consolidation	57,927	57,927
Other non-current assets	907	1,064
Investment in unquoted shares	686	686
	3,893,261	4,020,619
Current Assets		
Inventories and biological assets	187,406	168,574
Receivables	296,638	243,955
Other current assets	35,941	59,149
Bank balances and deposits	357,507	466,133
	877,492	937,811
TOTAL ASSETS	4,770,753	4,958,430
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Company		
Share capital	743,121	743,121
Treasury shares	(47,685)	(47,685)
Retained profits	2,931,020	2,888,527
Other reserves	(149,923)	(235,779)
	3,476,533	3,348,184
Non-Controlling Interests	193,963	206,021
Total Equity	3,670,496	3,554,205
Non-Current Liabilities		
Long-term borrowings	378,942	374,711
Deferred tax liabilities	130,195	129,671
Hire purchase and lease liabilities	7,359	7,208
Payables	8,712	6,763
	525,208	518,353
Current Liabilities		
Payables	181,229	162,773
Short-term borrowings	392,185	656,102
Put option liability	-	64,766
Hire purchase and lease liabilities	1,635	2,231
	575,049	885,872
Total Liabilities	1,100,257	1,404,225
TOTAL EQUITY AND LIABILITIES	4,770,753	4,958,430
Net Assets Per Ordinary Share (RM)	3.69	3.55

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Registration No. 196601000210 (6682-V)

Unaudited Condensed Consolidated Statement of Changes in Equity
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 1.1.2025	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:										
- Dividends 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 a 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
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Unaudited Condensed Consolidated Statement of Changes in Equity (Cont'd)
For the 6-month period ended 30 June 2026

	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 1.1.2026	743,121	(47,685)	(166,260)	(8,357)	27,394	(88,556)	2,888,527	3,348,184	206,021	3,554,205
Total comprehensive income for the period	-	-	8,077	(11,808)	-	-	121,740	118,009	6,023	124,032
Total transaction with owners:										
- Dividends to shareholders of the Company	-	-	-	-	-	-	(47,110)	(47,110)	-	(47,110)
	-	-	-	-	-	-	(47,110)	(47,110)	-	(47,110)
Effect of the accretion of interest in a subsidiary	-	-	-	-	-	-	(7,316)	(7,316)	(25,781)	(33,097)
Derecognition of put option liability and transfer of reserve over unexercised options	-	-	-	-	-	88,556	(23,790)	64,766	-	64,766
Subscription of shares in a subsidiary by non-controlling interests	-	-	-	-	-	-	-	-	7,700	7,700
Loss arising from disposal of equity investments	-	-	-	1,031	-	-	(1,031)	-	-	-
Balance at 30.6.2026	743,121	(47,685)	(158,183)	(19,134)	27,394	-	2,931,020	3,476,533	193,963	3,670,496

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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 2026

		6-month Period Ended	
		30.6.2026	**30.6.2025**
		RM'000	**RM'000**
Cash flows from operating activities			
Profit before tax		145,892	162,073
Adjustments for non-cash flow	- Non-cash items	133,928	124,348
	- Non-operating items	5,689	12,396
Operating profit before working capital changes		285,509	298,817
Changes in working capital	- Net change in assets	(32,016)	115,593
	- Net change in liabilities	9,737	(19,692)
Cash from operations		263,230	394,718
Income tax paid		(7,855)	(6,040)
Net cash from operating activities		255,375	388,678
Cash flows (for)/from investing activities			
Development expenditures/Contract costs paid for:			
- Don Sahong Hydropower Project		-	(22,109)
- Solar Project in Maldives		(2,410)	(9,852)
Dividends received		1,375	389
Interest received		4,874	5,358
Financing income received		6,948	8,760
Insurance claims received		-	4,029
Investment in joint venture and associate		-	(84,727)
Payments for purchase of:			
- property, plant and equipment		(20,753)	(76,074)
- investment properties		(6)	-
- right of use assets		-	(238)
Proceeds from disposal of:			
- property, plant and equipment		156	1,052
Purchase of equity shares in a subsidiary from non-controlling interests		(33,097)	-
Net cash for investing activities		(42,913)	(173,412)

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Mega First Corporation Berhad
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Unaudited Condensed Consolidated Statement of Cash Flows
For the 6-Month Period Ended 30 June 2026 (Cont'd)

	6-month Period Ended	
	30.6.2026	30.6.2025
	RM'000	RM'000
Cash flows (for)/from financing activities		
Dividends paid to:		
- shareholders of the Company	(47,110)	(42,411)
- subsidiary's non-controlling interests	-	(2,000)
Finance costs paid *	(18,588)	(26,303)
Net (repayment)/drawdown of:		
- Revolving credits, trade financing and loans	(118,227)	54,172
- Hire purchase liabilities	(722)	(1,550)
- Term loans	(139,384)	(42,921)
Proceeds from issuance of shares by a subsidiary to non-controlling interests	7,700	3,400
Purchase of treasury shares	-	(260)
(Placement)/Withdrawal of deposits pledged with licensed banks or deposits with original maturity period of > 3 months	(1,299)	9,840
Net cash for financing activities	(317,630)	(48,033)
Effect of foreign exchange translation	(4,473)	(13,206)
Net (decrease)/increase in cash and cash equivalents	(109,641)	154,027
Cash and cash equivalents at beginning of the period	433,222	228,404
Cash and cash equivalents at end of the period	323,581	382,431

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

Bank balances and deposits	357,507	412,507
Bank overdraft	(773)	-
	356,734	412,507
Less:		
- Deposits with original maturity period of more than three months	(3,810)	(2,534)
- Bank deposits pledged with licensed banks	(29,343)	(27,542)
	323,581	382,431

* *Include capitalised interest.*

The notes set out on pages 7 to 30 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 2025.

(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 2025, except for the following new accounting interpretation which was adopted at the beginning of the financial year ending 31 December 2026. This pronouncement is not relevant to the Group's financial statements for the 6-month period ended 30 June 2026.

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

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

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

Annual Improvements to MFRS Accounting Standards – Volume 11

(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 2026:

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
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability – Disclosures	1 January 2027
Amendments to MFRS 19: Subsidiaries without Public Accountability - Disclosures	1 January 2027
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	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 currently assessing the impact of implementing this new standard.

A2. Qualification of financial statements

The auditors' report of the Group's annual financial statements for the financial year ended 31 December 2025 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 to 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 2026	988,352	(46,148)	743,121	(47,685)
Shares repurchased in current period	-	-	-	-
At 30 June 2026	988,352	(46,148)	743,121	(47,685)

Of the total 988,352,102 issued and fully paid ordinary shares as at 30 June 2026, 46,147,800 ordinary shares were held as treasury shares by the Company. Accordingly, the number of outstanding ordinary shares in issue as at 30 June 2026 was 942,204,302.

There were 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 2026	Renewable Energy RM'000	Resources RM'000	Packaging RM'000	Investment Holding & Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External revenue	264,961	80,559	227,714	60,441	-	633,675
Inter-segment revenue	118	-	-	324,485	(324,603)	-
Consolidated revenue	265,079	80,559	227,714	384,926	(324,603)	633,675
Results						
Profit from operations	195,943	10,564	20,176	318,811	(323,620)	221,874
Finance costs						(17,802)
Share of losses in equity accounted investments						(58,180)
Profit before tax						145,892
Tax expense						(18,393)
Profit after tax						127,499
Total assets						
At 30 June 2026	2,854,891	401,925	653,906	1,067,757	(207,726)	4,770,753

A7. Segment information (Cont'd)

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	64,076	-	679,694
Inter-segment revenue	127	-	-	191,742	(191,869)	-
Consolidated revenue	305,590	104,196	205,959	255,818	(191,869)	679,694
Results						
Profit from operations	220,303	18,241	12,694	174,608	(193,189)	232,657
Finance costs						(25,699)
Share of losses in equity accounted investments						(44,885)
Profit before tax						162,073
Tax expense						(8,684)
Profit after tax						153,389
Total assets						
At 31 December 2025	3,066,456	390,230	643,514	1,027,716	(169,486)	4,958,430

A8. Dividend paid

Details of dividend declared and paid during the current quarter and 6-month period ended 30 June 2026 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 11 August 2026, 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

On 20 May 2026, the Company's 50% joint venture, Edenor Technology Sdn Bhd ("ETSB"), acting on behalf of its subsidiaries (collectively, the "Edenor Group"), voluntarily filed an application with the High Court of Malaya ("High Court") for a Judicial Management Order ("JMO") pursuant to Sections 404 to 406 of the Companies Act 2016 ("Application").

The Board of ETSB is of the view that the appointment of a Judicial Manager is necessary to facilitate the restructuring of the Edenor Group's obligations and to preserve the value of its business and assets for the benefit of its creditors and stakeholders. This decision was made after noting that the Edenor Group's financial performance in the first quarter of 2026 had deteriorated more severely than previously anticipated. Furthermore, earlier projections of improvement failed to materialise, causing its financial position to continue worsening, which has materially and adversely affected its ability to meet its obligations as and when they fall due.

The filing of the JMO immediately triggers an automatic moratorium period (which remains in effect until the application for a Judicial Management Order is either dismissed or granted). During the moratorium period, no proceedings, execution, or other legal process shall be commenced or continued against the Edenor Group or its property, save with the leave of the High Court.

The High Court had, on 3 June 2026, allowed the appointment of Interim Judicial Managers ("IJMs") pending the hearing of the Originating Summons for the JMO, upon which the IJMs shall have all rights, functions, and powers as vested in them under the Companies Act 2016 and any other applicable written law. The sealed High Court Order for the appointment of the IJMs was received on 5 June 2026.

The High Court subsequently granted the JMO to place the Edenor Group under judicial management pursuant to Section 405 of the Companies Act, following the Court's hearing of the Originating Summons on 22 July 2026. Consequently, Mr. Lim Tian Huat and Mr. Chiang Teng Guan of Messrs. Rodgers Reidy & Co were appointed as the joint and several Judicial Managers for the Edenor Group. The sealed High Court Order for the JMO was issued on 27 July 2026.

The Board of MFCB is closely monitoring the situation and will extend its full cooperation to the High Court and the appointed Judicial Managers in relation to the Edenor Group's records, operations, and any other related matters. MFCB will make further announcements as and when there are material developments on this matter, or when the financial impact can be more accurately ascertained.

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 11 August 2026, 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

The change in the composition of the Group during the 6-month period ended 30 June 2026 is disclosed below:

On 21 April 2026, Don Sahong Investments Limited, a wholly owned subsidiary of MFCB, incorporated a wholly owned subsidiary, namely Mega First Wind Power (Cambodia) Co., Ltd., with a registered capital of 4,000,000 Khmer Riels (equivalent to USD1,000). The subsidiary was incorporated with the objective of developing a wind power facility, as part of the Group's plans and strategy to grow its renewable energy portfolio.

A13. Changes in contingent liabilities and assets

(a) Contingent liability

The Group has no contingent liability as at 11 August 2026, 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 11 August 2026, 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 2026, the Group has the following capital commitments:

	RM'000
Property, plant and equipment	
Approved and contracted for	20,598

A15. Significant related party transactions

There was no significant related party transaction during the 6-month period ended 30 June 2026 other than the following transactions made by the Company:

	2nd Quarter Ended 30 June		Financial Period Ended 30 June	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
A Major Shareholder of the Company				
Term loan repaid	40,024	-	79,666	44,496
Interest expense	1,523	4,689	3,660	9,760

	30.6.2026 RM'000	**31.12.2025 RM'000**
Corporate guarantees given to lenders and supplier of joint venture and associates	415,443	466,696

A16. Derivative financial instruments

	30.6.2026 RM'000	**31.12.2025 RM'000**
Derivative liability		
Put option liability over shares of a subsidiary held by non-controlling interest	-	64,766

The Company entered into a Put Option Agreement on 28 July 2021 with the non-controlling interests of SFM whereby the non-controlling interests have the right to require the Company to buy their equity interest in SFM in accordance to the terms of the Put Option Agreement.

The obligation by the Company to purchase SFM 's equity interest held by the non-controlling interests 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.

The Put Option Agreement was terminated on 6 February 2026 following the completion of a Share Purchase Agreement ("SPA") dated 21 January 2026 between MFCB, as Purchaser, and PT Argha Karya Prima Industry Tbk, Rentak Rimbun Sdn Bhd, Wong Kok Hwa and Ngoei Boon Liong (collectively referred to as the "Vendors"). Under this SPA, MFCB acquired a total of 25,797,054 ordinary shares in SFM, representing 12.50% of the issued shares in SFM from the Vendors, for a total purchase consideration of RM33.1 million, thereby increasing the Company's effective interest in SFM from 75.0% to 87.5%."

The unexercised portion of the liability was derecognised in these financial statements, with a corresponding adjustment to equity.

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

B1. Performance review - Current quarter ended 30 June 2026 ("2Q2026") versus ("vs") the corresponding quarter ended 30 June 2025 ("2Q2025")

	2Q2026 RM'000	2Q2025 RM'000	Changes RM'000	Changes %
A Overview Of Financial Results				
Revenue	328,721	339,923	(11,202)	-3.3%
Other income	9,090	7,897	1,193	15.1%
Other expenses	(4,595)	(12,578)	7,983	-63.5%
Earning before interest, tax, depreciation and amortisation ("EBITDA") *	148,428	152,975	(4,547)	-3.0%
Operating profit	116,419	122,024	(5,605)	-4.6%
Profit before tax	73,201	91,325	(18,124)	-19.8%
Profit after tax	61,499	87,401	(25,902)	-29.6%
Profit after tax attributable to owners of the Company ("PATNCI")	59,391	84,771	(25,380)	-29.9%
B Revenue				
Renewable Energy	135,547	150,580	(15,033)	-10.0%
Resources	43,077	48,229	(5,152)	-10.7%
Packaging	120,042	104,618	15,424	14.7%
Core Revenue	298,666	303,427	(4,761)	-1.6%
Investment Holding & Others	29,424	32,525	(3,101)	-9.5%
Normalised Revenue	328,090	335,952	(7,862)	-2.3%
Construction Revenue on Service Concession Arrangements	631	3,971	(3,340)	-84.1%
Reported Revenue	328,721	339,923	(11,202)	-3.3%
C Profit Before Tax				
Renewable Energy	96,881	112,837	(15,956)	-14.1%
Resources	6,574	8,307	(1,733)	-20.9%
Packaging	7,591	3,535	4,056	114.7%
Core Profit Before Tax	111,046	124,679	(13,633)	-10.9%
Investment Holding & Others ^	(3,150)	(16,811)	13,661	-81.3%
Normalised Profit Before Tax	107,896	107,868	28	0.0%
Non-recurring items				
Construction profit on service concession arrangements	80	506	(426)	-84.2%
Other items				
Share of loss in joint ventures and associates	(34,775)	(16,353)	(18,422)	112.7%
Fair value loss on put option liability	-	(696)	696	-100.0%
	(34,695)	(16,543)	(18,152)	109.7%
Reported Profit Before Tax	73,201	91,325	(18,124)	-19.8%

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

^ Inclusive of;

Gain/(Loss) on foreign exchange	310	(8,201)	8,511	103.8%

B1. Performance review – 2Q2026 vs 2Q2025 (Cont'd)

	2Q2026 RM'000	2Q2025 RM'000	Changes RM'000	Changes %
D PATNCI				
Renewable Energy	89,820	108,728	(18,908)	-17.4%
Resources	4,825	5,885	(1,060)	-18.0%
Packaging	4,844	2,419	2,425	100.2%
Core PATNCI	99,489	117,032	(17,543)	-15.0%
Investment Holding & Others ^	(3,732)	(15,642)	11,910	-76.1%
Normalised PATNCI	95,757	101,390	(5,633)	-5.6%
Non-recurring items				
Construction profit on service concession arrangements	-	430	(430)	-100.0%
Packaging Division's one-off prior years tax charge	(1,591)	-	(1,591)	n.a
Other items				
Share of loss in joint ventures and associates	(34,775)	(16,353)	(18,422)	112.7%
Fair value loss on put option liability	-	(696)	696	-100.0%
	(36,366)	(16,619)	(19,747)	118.8%
Reported PATNCI	59,391	84,771	(25,380)	-29.9%
^ Inclusive of;				
Gain/(Loss) on foreign exchange	310	(8,201)	8,511	103.8%

n.a - Not applicable

In current quarter, the Group's normalised revenue eased 2.3% year-on-year to RM328.1 million (2Q2025: RM336.0 million), as weaker contributions from the Renewable Energy and Resources Divisions were largely cushioned by stronger Packaging sales. Reported revenue fell a steeper 3.3% to RM328.7 million (2Q2025: RM339.9 million), additionally weighed down by an 84.1% drop in construction revenue on service concession arrangements as the Maldives solar project neared completion.

Normalised profit before tax (PBT) held steady at RM107.9 million (2Q2025: RM107.9 million). The softer showing from the Group's core divisions was fully absorbed by a RM13.7 million improvement at the Investment Holding & Others level, where a swing from a foreign exchange loss to a gain accounted for the bulk of the recovery, complemented by narrower losses elsewhere in the Group.

Reported PBT fell 19.8% year-on-year to RM73.2 million (2Q2025: RM91.3 million), as a wider share of losses from joint venture and associates, up from RM16.4 million to RM34.8 million outweighed the steady normalised performance. The deterioration was driven by Edenor, whose operating loss widened to RM36.7 million (2Q2025: RM17.2 million) following the appointment of Interim Judicial Managers and the recognition of related staff retrenchment costs, moderated in part by a stronger combined contribution from the Group's other associates, which more than doubled to RM1.9 million (2Q2025: RM0.8 million).

B1. Performance review – 2Q2026 vs 2Q2025 (Cont'd)

Normalised PATNCI slipped 5.6% to RM95.8 million (2Q2025: RM101.4 million), largely a function of the 5% corporate tax on hydropower income that took effect from 1 January 2026. Reported PATNCI fell deeper, down 29.9% to RM59.4 million (2Q2025: RM84.8 million) as a result of a wider share of losses from joint venture and associates, compounded by a RM1.6 million one-off tax charge within the Packaging Division.

Renewable Energy Division

The Renewable Energy Division's normalised revenue fell 10.0% year-on-year to RM135.5 million (2Q2025: RM150.6 million). Translation losses from a 7.3% weaker US Dollar (2Q2026: RM4.00/USD1; 2Q2025: RM4.32/USD1) accounted for the bulk of the decline, compounded by a 3.9% dip in hydro generation to 547.6 GWh (2Q2025: 569.8 GWh) as one turbine was taken offline for scheduled overhaul spanning the entire quarter (28 March to 29 June 2026), a maintenance event that did not arise in 2Q2025. The energy availability factor accordingly eased to 77.2% (2Q2025: 80.3%), only partly cushioned by a marginally firmer hydro tariff of 6.05 US cents/kWh (2Q2025: 6.00 US cents/kWh). Solar energy revenue was little changed at RM3.0 million.

Normalised PBT declined 14.1% to RM96.9 million (2Q2025: RM112.8 million), reflecting the lower revenue and additional turbine overhaul-related costs.

Resources Division

Revenue fell 10.7% to RM43.1 million (2Q2025: RM48.2 million), as softer domestic demand particularly from steel industry customers weighed on lime product sales volumes. Average selling prices held broadly steady.

Pre-tax profit fell 20.9% to RM6.6 million (2Q2025: RM8.3 million), as the lower sales volume and higher freight costs compressed margins.

Packaging Division

Revenue rose 14.7% to RM120.0 million (2Q2025: RM104.6 million), supported by higher sales volume and selling price adjustments made in response to elevated resin costs following the outbreak of the US-Iran conflict on 28 February 2026.

Demand was further lifted by a degree of precautionary stocking among customers amid the heightened uncertainty, a trend that may not persist while lower paper bag sales to the US, amid stiffer competition and customer inventory adjustments, together with a 7.0% weaker US Dollar export currency, tempered the overall gain.

Profit before tax more than doubled to RM7.6 million (2Q2025: RM3.5 million), as the higher sales volume lifted plant utilisation and, together with the selling price adjustments noted above, drove an improvement in margins.

B2. Performance review - Year-to-date 30 June 2026 (“1H2026”) versus (“vs”) corresponding Year-to-date 30 June 2025 (“1H2025”)

		1H2026 RM'000	1H2025 RM'000	Changes RM'000	Changes %
A	**Overview Of Financial Results**				
	Revenue	633,675	679,694	(46,019)	-6.8%
	Other income	21,747	17,961	3,786	21.1%
	Other expenses	(12,984)	(18,381)	5,397	-29.4%
	Earning before interest, tax, depreciation and amortisation ("EBITDA") *	284,414	293,457	(9,043)	-3.1%
	Operating profit	221,874	232,657	(10,783)	-4.6%
	Profit before tax	145,892	162,073	(16,181)	-10.0%
	Profit after tax	127,499	153,389	(25,890)	-16.9%
	Profit after tax attributable to owners of the Company	121,740	147,557	(25,817)	-17.5%
B	**Revenue**				
	Renewable Energy	262,200	282,337	(20,137)	-7.1%
	Resources	80,559	104,196	(23,637)	-22.7%
	Packaging	227,714	205,959	21,755	10.6%
	Core Revenue	570,473	592,492	(22,019)	-3.7%
	Investment Holding & Others	60,441	64,076	(3,635)	-5.7%
	Normalised Revenue	630,914	656,568	(25,654)	-3.9%
	Construction Revenue on Service Concession Arrangements	2,761	23,126	(20,365)	-88.1%
	Reported Revenue	633,675	679,694	(46,019)	-6.8%
C	**Profit Before Tax**				
	Renewable Energy	188,520	201,645	(13,125)	-6.5%
	Resources	10,468	18,013	(7,545)	-41.9%
	Packaging	14,873	7,938	6,935	87.4%
	Core Profit Before Tax	213,861	227,596	(13,735)	-6.0%
	Investment Holding & Others ^	(10,140)	(22,189)	12,049	-54.3%
	Normalised Profit Before Tax	203,721	205,407	(1,686)	-0.8%
	Non-recurring items				
	Construction profit on service concession arrangements	351	2,943	(2,592)	-88.1%
	Other items				
	Share of loss in joint ventures and associates	(58,180)	(44,885)	(13,295)	29.6%
	Fair value gain on put option liability	-	(1,392)	1,392	-100.0%
		(57,829)	(43,334)	(14,495)	33.4%
	Reported Profit Before Tax	145,892	162,073	(16,181)	-10.0%

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

^	Inclusive of;				
	Loss on foreign exchange	(51)	(9,492)	9,441	-99.5%

B2. Performance review - 1H2026 vs 1H2025 (Cont'd)

	1H2026 RM'000	1H2025 RM'000	Changes RM'000	%
D <u>PATNCI</u>				
Renewable Energy	175,366	194,011	(18,645)	-9.6%
Resources	7,265	13,390	(6,125)	-45.7%
Packaging	9,646	4,562	5,084	111.4%
Core PATNCI	192,277	211,963	(19,686)	-9.3%
Investment Holding & Others ^	(10,766)	(20,631)	9,865	-47.8%
Normalised PATNCI	181,511	191,332	(9,821)	-5.1%
Non-recurring items				
Construction profit on service concession arrangements	-	2,502	(2,502)	-100.0%
Packaging Division's one-off prior years tax charge	(1,591)	-	(1,591)	n.a
Other items				
Share of loss in joint ventures and associates	(58,180)	(44,885)	(13,295)	29.6%
Fair value gain on put option liability	-	(1,392)	1,392	-100.0%
	(59,771)	(43,775)	(15,996)	36.5%
Reported PATNCI	121,740	147,557	(25,817)	-17.5%

^ Inclusive of;				
Loss on foreign exchange	(51)	(9,492)	9,441	-99.5%

n.a - Not applicable

In the first half of 2026, the Group's normalised revenue eased 3.9% year-on-year to RM630.9 million (1H2025: RM656.6 million). Core division revenue slipped 3.7% to RM570.5 million (1H2025: RM592.5 million), as weakness in the Resources and Renewable Energy divisions was only partly cushioned by stronger Packaging sales.

Reported revenue fell a steeper 6.8% to RM633.7 million (1H2025: RM679.7 million), additionally weighed down by a 88.1% decline in construction revenue on service concession arrangements as the Maldives solar project neared completion.

Normalised PBT edged down 0.8% to RM203.7 million (1H2025: RM205.4 million). Weaker contributions from the Resources and Renewable Energy divisions were largely offset by a 87.4% jump in Packaging PBT to RM14.9 million (1H2025: RM7.9 million), together with a RM12.0 million improvement at the Investment Holding & Others level, as foreign exchange losses narrowed to near breakeven (1H2026: RM0.1 million loss; 1H2025: RM9.5 million loss).

Reported PBT fell 10.0% to RM145.9 million (1H2025: RM162.1 million), as a wider share of losses from joint venture and associates up from RM44.9 million to RM58.2 million, outweighed the resilient normalised performance, on the same Edenor-related factor set out in Note B1.

Normalised PATNCI fell 5.1% to RM181.5 million (1H2025: RM191.3 million), largely reflecting the new 5% corporate tax on hydropower income effective from 1 January 2026. Reported PATNCI declined further, down 17.5% to RM121.7 million (1H2025: RM147.6 million), on the same factors affecting reported PBT, together with a RM1.6 million one-off tax charge within the Packaging Division.

B2. Performance review - 1H2026 vs 1H2025 (Cont'd)

Renewable Energy Division

Normalised revenue declined 7.1% to RM262.2 million (1H2025: RM282.3 million), as a 9.0% depreciation of the US Dollar against the Ringgit (1H2026: RM3.98/USD1; 1H2025: RM4.38/USD1) outweighed a 0.8% rise in hydro generation to 1,061.8 GWh (1H2025: 1,053.3 GWh), a resilient outcome considering two turbines underwent scheduled overhaul in the period, against one in 1H2025, together with an 11.2% increase in solar energy revenue to RM6.3 million (1H2025: RM5.6 million).

The average energy availability factor improved marginally to 75.2% (1H2025: 74.6%), reflecting the higher generation despite the additional overhaul downtime.

Normalised PBT decreased 6.5% to RM188.5 million (1H2025: RM201.6 million), reflecting the lower RM-translated revenue.

Resources Division

Revenue contracted 22.7% to RM80.6 million (1H2025: RM104.2 million), as softer demand, particularly from the steel industry and intensifying regional competition weighed on lime product sales volumes across both domestic and export markets.

Pre-tax profit dropped 41.9% to RM10.5 million (1H2025: RM18.0 million), as the lower sales volume and higher freight costs compressed margins.

Packaging Division

Revenue grew 10.6% to RM227.7 million (1H2025: RM206.0 million), supported by higher sales volume and selling price adjustments made in response to elevated resin costs, alongside the same demand and competitive dynamics discussed in Note B1.

Pre-tax profit surged 87.4% to RM14.9 million (1H2025: RM7.9 million), as the higher sales volume lifted plant utilisation and, together with the selling price adjustments, drove a meaningful improvement in margins.

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B2. Performance review – 30.6.2026 vs 31.12.2025

(a) Assets and Liabilities as at 30 June 2026

Changes in key assets and liabilities since 31 December 2025 are explained below:

Asset/Liability Items	**As At 30.6.2026** RM'000	**As At 31.12.2025** RM'000	**Changes** RM'000	**Explanation**
Service concession assets	1,891,540	1,921,276	(29,736)	The decrease was mainly due to an amortisation charge of RM38.6 million, partially offset by a RM6.9 million translation gain during the period.
Property, plant and equipment ("PPE")	972,980	980,111	(7,131)	The decrease was primarily due to depreciation charges of RM27.8 million, which was partly offset by additional CAPEX of RM20.7 million.
Water rights	289,050	294,006	(4,956)	The decrease was mainly due to amortisation charge for the period.
Receivables (non-current)	178,426	191,075	(12,649)	The decrease was mainly due to scheduled loan repayment by Électricité du Laos (EDL).
Investment properties	185,536	185,530	6	Insignificant movement
Right-Of-Use ("ROU") assets	111,840	113,413	(1,573)	The decrease was mainly due to amortisation charges for the period.
Joint ventures and associates	125,512	184,866	(59,354)	The decrease was mainly due to RM58.2 million share of loss in the current period.
Investment in quoted shares	38,691	50,499	(11,808)	The decrease was due to a fair value loss on marketable securities.

B2. Performance review – 30.6.2026 vs 31.12.2025 (Cont'd)

(a) Assets and Liabilities as at 30 June 2026 (Cont'd)

Changes in key assets and liabilities since 31 December 2025 are explained below (Cont'd):

Asset/Liability Items	**As At 30.6.2026** RM'000	**As At 31.12.2025** RM'000	**Changes** RM'000	**Explanation**
Inventories (current) and biological assets	187,406	168,574	18,832	The increase was mainly due to higher inventory held by the Resources Division.
Receivables (current)	296,638	243,955	52,683	The increase was driven by a slight delay in collecting EDL trade receivables, which were received after the close of the period end. Additionally, Packaging Division also recorded higher trade debtors, reflecting higher revenue in current quarter.
Other current assets	35,941	59,149	(23,208)	The decrease was attributable to the receipt of previously accrued government grant, and lower advanced payments for raw material purchases.
Deferred tax liabilities	130,195	129,671	524	Insignificant movement.
Payables (current)	181,229	162,773	18,456	The increase was mainly due to higher payables recorded by the manufacturing divisions, in line with the revenue growth achieved in current quarter.

B2. Performance review - 30.6.2026 vs 31.12.2025 (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 2026						
Secured						
Trade financing and loans	-	-	-	62,014	-	62,014
Term loans	-	352,424	-	41,138	-	393,562
Term loan (USD) ^	-	-	9,167	37,377	9,167	37,377
Revolving credit	-	-	-	78,172	-	78,172
Bank overdrafts	-	-	-	773	-	773
		352,424		219,474		571,898
Unsecured Loan						
Term loan	-	26,518	-	5,161	-	31,679
Term loan (USD) ^	-	-	20,000	81,550	20,000	81,550
Revolving credit	-	-	-	86,000	-	86,000
		26,518		172,711		199,229
Total Borrowings		378,942		392,185		771,127
As at 31 December 2025						
Secured						
Trade financing and loans	-	-	-	71,136	-	71,136
Term loans	-	337,664	-	68,400	-	406,064
Term loan (USD) *	-	-	18,333	74,452	18,333	74,452
Revolving credit	-	-	-	126,795	-	126,795
Bank overdrafts	-	-	-	1,057	-	1,057
		337,664		341,840		679,504
Unsecured Loan						
Term loan	-	37,047	-	5,422	-	42,469
Term loan (USD) *	-	-	40,000	162,440	40,000	162,440
Revolving credit	-	-	-	146,400	-	146,400
		37,047		314,262		351,309
Total Borrowings		374,711		656,102		1,030,813

^ - *translated at exchange rate of 4.08 as at 30 June 2026*

* - *translated at exchange rate of 4.06 as at 31 December 2025*

Total borrowings (excluding hire purchase liabilities) stood at RM771.1 million as at 30 June 2026, down RM259.7 million from RM1,030.8 million at 31 December 2025, mainly on net loan repayments of RM257.6 million during the period. Consequently, the Group's gearing ratio improved to 21% (31.12.2025: 29%).

The Group's borrowings as at 30 June 2026 are predominantly on floating rate terms, and none of the foreign currency-denominated borrowings are hedged against the Ringgit. The Group had not issued any debt securities as at the end of the reporting period.

B2. Performance review - 30.6.2026 vs 31.12.2025 (Cont'd)

(c) Cash flow analysis for the 6-month period ended 30 June 2026

The Group generated RM255.4 million in net cash from operating activities for the six-month period ended 30 June 2026.

Most of the funds were applied toward repaying interest-bearing borrowings and building cash reserves, reducing net debt by 26.8% to RM413.6 million (31 December 2025: RM564.7 million), with the balance deployed on RM56.3 million of capital expenditure, comprising RM33.1 million for the 12.5% equity stake in Stenta acquired during the period (as detailed in Note A10) and RM23.2 million on other capital projects, as well as RM47.1 million of dividend payments.

B3. Variation of Current Quarter ("2Q2026") versus ("vs") Preceding Quarter ("1Q2026")

	2Q2026	1Q2026	Changes	
	RM'000	RM'000	RM'000	%
A Overview Of Financial Results				
Revenue	328,721	304,954	23,767	7.8%
Other income	9,090	12,657	(3,567)	-28.2%
Other expenses	(4,595)	(8,389)	3,794	-45.2%
Earning before interest, tax, depreciation and amortisation ("EBITDA") *	148,428	135,986	12,442	9.1%
Operating profit	116,419	105,455	10,964	10.4%
Profit before tax	73,201	72,691	510	0.7%
Profit after tax	61,499	66,000	(4,501)	-6.8%
Profit after tax attributable to owners of the Company ("PATNCI")	59,391	62,349	(2,958)	-4.7%
B Revenue				
Renewable Energy	135,547	126,653	8,894	7.0%
Resources	43,077	37,482	5,595	14.9%
Packaging	120,042	107,672	12,370	11.5%
Core Revenue	298,666	271,807	26,859	9.9%
Investment Holding & Others	29,424	31,017	(1,593)	-5.1%
Normalised Revenue	328,090	302,824	25,266	8.3%
Construction Revenue on Service Concession Arrangements	631	2,130	(1,499)	-70.4%
Reported Revenue	328,721	304,954	23,767	7.8%

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

B3. Variation of 2Q2026 vs 1Q2026 (Cont'd)

	2Q2026 RM'000	1Q2026 RM'000	Changes RM'000	Changes %
C <u>Profit Before Tax</u>				
Renewable Energy	96,881	91,639	5,242	5.7%
Resources	6,574	3,894	2,680	68.8%
Packaging	7,591	7,282	309	4.2%
Core Profit Before Tax	111,046	102,815	8,231	8.0%
Investment Holding & Others ^	(3,150)	(6,990)	3,840	-54.9%
Normalised Profit Before Tax	107,896	95,825	12,071	12.6%
Non-recurring item				
Construction profit on service concession arrangements	80	271	(191)	-70.5%
Other item				
Share of loss in joint ventures and associates	(34,775)	(23,405)	(11,370)	48.6%
	(34,695)	(23,134)	(11,561)	50.0%
Reported Profit Before Tax	73,201	72,691	510	0.7%
D <u>PATNCI</u>				
Renewable Energy	89,820	85,546	4,274	5.0%
Resources	4,825	2,440	2,385	97.7%
Packaging	4,844	4,802	42	0.9%
Core PATNCI	99,489	92,788	6,701	7.2%
Investment Holding & Others ^	(3,732)	(7,034)	3,302	-46.9%
Normalised PATNCI	95,757	85,754	10,003	11.7%
Non-recurring item				
Packaging Division's one-off prior years tax charge	(1,591)	-	(1,591)	n.a
Other item				
Share of loss in joint ventures and associates	(34,775)	(23,405)	(11,370)	48.6%
	(36,366)	(23,405)	(12,961)	55.4%
Reported PATNCI	59,391	62,349	(2,958)	-4.7%
^ Inclusive of;				
Gain/(Loss) on foreign exchange	310	(361)	671	n.m

n.a - Not applicable
n.m - Not meaningful

The Group's normalised revenue rose 8.3% quarter-on-quarter to RM328.1 million (1Q2026: RM302.8 million), driven by growth across all three core divisions of Packaging, Resources and Renewable Energy. Reported revenue increased 7.8% to RM328.7 million (1Q2026: RM305.0 million).

Normalised PBT rose 12.6% to RM107.9 million (1Q2026: RM95.8 million), led by a 68.8% surge in Resources Division PBT to RM6.6 million (1Q2026: RM3.9 million) and a 5.7% increase in Renewable Energy earnings to RM96.9 million and a 4.2% rise in Packaging PBT. Reported PBT edged up only 0.7% to RM73.2 million (1Q2026: RM72.7 million), as the higher operating profit was largely offset by a wider share of losses from joint venture and associates, which increased to RM34.8 million (1Q2026: RM23.4 million) on a larger operating loss at Edenor due to staff related retrenchment costs.

B3. Variation of 2Q2026 vs 1Q2026 (Cont'd)

Normalised PATNCI rose 11.7% to RM95.8 million (1Q2026: RM85.8 million); reported PATNCI fell 4.7% to RM59.4 million (1Q2026: RM62.3 million), reflecting the higher share of losses from joint venture and associates noted above.

Renewable Energy Division

Normalised revenue rose 7.0% quarter-on-quarter to RM135.5 million (1Q2026: RM126.7 million), as the transition from the dry to the wet season lifted hydro energy generation by 6.5% to 547.9 GWh (1Q2026: 514.2 GWh) and the EAF to 77.2% (1Q2026: 73.2%), even as one turbine remained under scheduled overhaul during the quarter.

Solar energy revenue declined 10.4% to RM3.0 million (1Q2026: RM3.3 million), in the absence of a one-off energy compensation claim recorded in 1Q2026.

Normalised PBT rose 5.7% to RM96.9 million (1Q2026: RM91.6 million), supported by the higher revenue, partly offset by increased overhaul-related costs.

Resources Division

Revenue rose 14.9% to RM43.1 million (1Q2026: RM37.5 million), as lime product sales volumes recovered from the softer first quarter, alongside firmer average selling prices.

Pre-tax profit surged 68.8% to RM6.6 million (1Q2026: RM3.9 million), supported by the higher sales volume and an improved sales mix, even as freight costs remained elevated.

Packaging Division

Revenue rose 11.5% quarter-on-quarter to RM120.0 million (1Q2026: RM107.7 million), supported by higher sales volume and selling price adjustments of plastic packaging products, partly offset by lower paper bag sales to the US amid stiffer competition and customer inventory adjustments.

Pre-tax profit rose a modest 4.2% to RM7.6 million (1Q2026: RM7.3 million), as the improvement in plastic packaging margins was partially offset by weaker paper bag profitability on the lower sales volume.

B4. Prospects

In the current quarter, energy, raw material and other input costs, supply chains, and currency fluctuations have stabilised somewhat, alleviating some of the cost pressures faced in the previous quarter. However, the global environment remains uncertain due to ongoing geopolitical tensions and continued market volatility, with costs still remaining elevated above historical levels.

The Ringgit, which strengthened through much of 2025, has since weakened from an average of RM3.96 to the US Dollar in the first quarter of 2026 to around RM4.09 currently. This weaker Ringgit is favourable to the Group's manufacturing divisions as export sales are mainly US Dollars based and this should help support margins in the second half of the year.

The Renewable Energy Division is expected to remain the primary driver of the Group's profitability for the remainder of the year while earnings from the Resources Division is also expected to be stable given the market conditions that remain broadly unchanged. The Packaging Division continues to contend with intense competition and soft demand but we expect a sequential improvement in earnings over the second half of the year resulting from management efforts bearing fruit.

The Group's joint venture, the Edenor Group of companies was placed under judicial management during the quarter. The plant has been shut down, most employees retrenched and the judicial manager is now working to find a buyer for the plant and business. This means the ultimate impact on MFCB's earnings remains indeterminate, as it will depend on the specific terms of any eventual sale. On a positive note, Edenor's operating losses which have previously weighed on the Group's results are expected to decline significantly in the second half following the cessation of production, leading to a substantial reduction in operating expenses. Edenor has been a major drag on the Group's earnings for several years, and management hopes to resolve the matter by year-end.

Management's priorities for the rest of the year remain unchanged: to preserve cash, strengthen the earnings contribution from the renewable energy division, focus on operational efficiencies and cost control and to continue trimming exposure to underperforming, non-core businesses.

B4. Prospects (Cont'd)

Renewable Energy Division

The Division enters the second half with Don Sahong completing two scheduled turbine overhauls completed, one at end-March and the other at end-June. This will translate into higher plant availability going forward. The solar project pipeline is also progressing on schedule: the 51 MWp CGPP plant and 11.4 MWp Maldives project have been completed and commissioned, with commercial operations expected to commence in the third and fourth quarter, respectively.

At Don Sahong, energy generation in the second half is expected to come in well above first half levels, aided by the onset of the wet season and the completed turbine work. US Dollar revenue should likewise be steady on a year-on-year basis, with tariffs edging up slightly from 6.00 to 6.05 US cents, and should climb meaningfully as the wet season begins in the second half of the year. The currency headwinds that weighed on Ringgit-reported results in the first half has eased considerably as the Ringgit has weakened. If the exchange rate holds near RM4.09 to the US Dollar through the second half, translation losses are expected to narrow sharply, from roughly 9% in the first half to under 3%.

Overall, pre-tax earnings in US Dollar terms are expected to remain broadly comparable to 2025, though the hydropower profits are subjected to a 5% income tax, effective from January 2026.

The Group will continue to expand its renewable energy business- through the Corporate Renewable Energy Supply Scheme, the Battery Energy Storage Scheme, and other projects across the region, making renewable energy a key driver of long-term growth.

Resources Division

The operating environment for the Resources Division remains broadly unchanged from earlier in the year, but conditions have stopped deteriorating further and appear to be finding a floor.

Management will continue to focus on controlling costs and expanding its customer base. Earnings are expected to remain stable for the rest of the year.

Packaging Division

Competition in the packaging industry remains high while demand for flexible packaging from FMCG customers is still weak. However, the Division's ongoing push to expand and diversify the customer base are starting to show results. Management is closely monitoring the impact of the Middle East conflict on resin prices, and will adjust inventory and pricing as needed. On balance, earnings are expected to improve sequentially through the second half of the year.

B5. Profit forecast

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

B6. Tax expense

	2nd Quarter Ended 30 June		6-Month Period Ended 30 June	
	2026	**2025**	**2026**	**2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Tax expense:				
- current period	8,308	3,930	15,044	8,584
- under/(over) provision in prior years	3,394	(6)	3,349	100
	11,702	3,924	18,393	8,684

The Group's effective tax rate for the current quarter and 6-month period ended 30 June 2026 was lower than Malaysia's statutory tax rate of 24%, mainly due to the preferential tax rate of 5% on profits from energy sales in the Lao People's Democratic Republic ("Lao PDR"), partially alleviated by the impacts of joint venture/associates' losses on the Group's pre-tax profit and prior years' under provision adjustment.

B7. Status of corporate proposal

There was no corporate proposal announced but not completed at 11 August 2026, 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 11 August 2026, 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 5.0 sen per ordinary share for the financial year ended 31 December 2025 was declared on 26 February 2026 and paid to entitled shareholders on 16 April 2026; and

(a) The Board has declared an interim single-tier dividend of 5.0 sen per ordinary share for the financial year ending 31 December 2026, 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 5.0 sen (30.6.2025: 4.75 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	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
<u>Statement of Profit or Loss</u>				
After crediting:				
Dividend income	149	358	175	389
Gain on disposal property, plant and equipment	86	114	116	188
Gain on foreign exchange:				
- realised	1,181	-	-	-
- unrealised	-	-	1,853	-
Interest income	1,914	1,739	4,874	5,358
Financing income on long-term receivable	3,427	4,237	6,948	8,760
Write-back of:				
- impairment loss on receivables,net	-	51	-	24
After charging:				
Amortisation of:				
- service concession asset	(19,381)	(20,850)	(38,577)	(42,397)
- other intangible asset	(86)	(86)	(171)	(171)
- water rights	(3,018)	(3,247)	(6,008)	(6,603)
Fair value loss on put option liability	-	(696)	-	(1,392)
Depreciation of:				
- property, plant and equipment	(14,027)	(11,743)	(27,750)	(23,734)
- right-of-use assets	(838)	(1,001)	(1,856)	(2,013)
Finance costs	(8,443)	(14,346)	(17,802)	(25,699)
Impairment losses on:				
- receivables, net	(260)	-	(273)	-
Inventories written down	(8)	(6)	(25)	(11)
Loss on foreign exchange:				
- realised	-	(2,213)	(1,904)	(2,085)
- unrealised	(871)	(5,988)	-	(7,407)
Plant and equipment written off	-	(27)	-	(27)
Statement of Other Comprehensive Expenses:				
Foreign currency translation difference for foreign operations				
- changes in current period	21,514	(125,055)	8,341	(150,857)
Fair value changes of equity investments	(2,605)	(9,559)	(11,808)	(30,948)

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	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Profit after tax attributable to owners of the Company	59,391	84,771	121,740	147,557
Weighted average number of ordinary shares ('000):				
Issued ordinary shares outstanding at beginning of the period	988,352	988,352	988,352	988,352
Effect of treasury shares held	(46,148)	(45,873)	(46,148)	(45,854)
	942,204	942,479	942,204	942,498
Basic earnings per share (sen)	6.30	8.99	12.92	15.66

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-month period ended 30 June 2026, 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 2026.

B12. Authorised for issue

These interim financial statements were authorised for issue by the Board of Directors on 18 August 2026.