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## **TBK & Sons Holdings Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1960)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of TBK & Sons Holdings Limited (the “**Company**”) announces the audited consolidated financial results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 30 June 2025 (the “**Financial Year**”) together with the comparative figures for the year ended 30 June 2024.

#### **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the year ended 30 June 2025*

	<i>Notes</i>	<b>2025</b> <b>RM’000</b>	2024 RM’000
<b>Revenue</b>	5	<b>97,408</b>	288,093
Cost of sales		<u><b>(91,064)</b></u>	<u>(283,206)</u>
<b>Gross profit</b>		<b>6,344</b>	4,887
Other income, gains and losses, net		<b>(484)</b>	1,274
Selling and distribution expenses		<b>(384)</b>	(735)
Administrative expenses		<b>(18,349)</b>	(20,802)
Impairment loss under expected credit loss model, net of reversal		<b>(17,437)</b>	(22,120)
Finance costs	6	<b>(470)</b>	(359)
Share of results of an associate		<u><b>54</b></u>	<u>26</u>
Loss before tax	7	<b>(30,726)</b>	(37,829)
Income tax expense	8	<u><b>(447)</b></u>	<u>(77)</u>
<b>Loss for the year</b>		<u><u><b>(31,173)</b></u></u>	<u><u>(37,906)</u></u>

		2025	2024
	Notes	RM'000	RM'000
<b>Other comprehensive income (expense) for the year</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
Exchange differences on translation of the Company's financial statements into its presentation currency		<u>96</u>	<u>–</u>
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>(1,571)</u>	<u>672</u>
Other comprehensive (expense) income for the year, net of income tax		<u>(1,475)</u>	<u>672</u>
<b>Total comprehensive expense for the year</b>		<b><u>(32,648)</u></b>	<b><u>(37,234)</u></b>
Loss for the year attributable to:			
– Owners of the Company		(28,338)	(32,744)
– Non-controlling interests		<u>(2,835)</u>	<u>(5,162)</u>
		<b><u>(31,173)</u></b>	<b><u>(37,906)</u></b>
Total comprehensive expense attributable to:			
– Owners of the Company		(30,248)	(32,095)
– Non-controlling interests		<u>(2,400)</u>	<u>(5,139)</u>
		<b><u>(32,648)</u></b>	<b><u>(37,234)</u></b>
<b>Loss per share</b>			
– Basic and diluted (RM)	9	<b><u>(2.83 sen)</u></b>	<b><u>(3.27 sen)</u></b>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 30 June 2025*

	<i>Notes</i>	<b>2025</b> <b>RM'000</b>	2024 <i>RM'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>10,263</b>	15,386
Intangible assets		<b>90</b>	234
Interest in an associate		<b>228</b>	174
Deferred tax assets		<b>–</b>	13
		<b>10,581</b>	15,807
<b>CURRENT ASSETS</b>			
Trade and other receivables	<i>11</i>	<b>60,602</b>	76,830
Contract assets		<b>35,214</b>	49,918
Amount due from an associate		<b>98</b>	–
Tax recoverable		<b>3,016</b>	3,039
Pledged time deposits		<b>6,767</b>	6,617
Restricted bank balances		<b>–</b>	450
Cash and cash equivalents		<b>25,266</b>	28,858
		<b>130,963</b>	165,712
Assets classified as held for sale	<i>12</i>	<b>4,689</b>	–
		<b>135,652</b>	165,712
<b>CURRENT LIABILITIES</b>			
Trade and other payables	<i>13</i>	<b>65,650</b>	67,964
Tax payable		<b>1,377</b>	1,534
Lease liabilities-current portion		<b>546</b>	826
Amount due to a director		<b>540</b>	–
Bank and other borrowings		<b>2,676</b>	3,567
		<b>70,789</b>	73,891
<b>NET CURRENT ASSETS</b>		<b>64,863</b>	91,821
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>75,444</b>	107,628

	<i>Notes</i>	<b>2025</b> <i>RM'000</i>	2024 <i>RM'000</i>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		<b>574</b>	–
Bank and other borrowings		<b>275</b>	396
Deferred tax liabilities		<b>11</b>	–
		<u><b>860</b></u>	<u>396</u>
<b>NET ASSETS</b>		<u><b>74,584</b></u>	<u>107,232</u>
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>5,300</b>	5,300
Reserves		<b>75,371</b>	105,619
		<u><b>80,671</b></u>	<u>110,919</u>
Equity attributable to owners of the Company		<b>80,671</b>	110,919
Non-controlling interests		<u><b>(6,087)</b></u>	<u>(3,687)</u>
<b>TOTAL EQUITY</b>		<u><b>74,584</b></u>	<u>107,232</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 30 June 2025*

### 1. GENERAL INFORMATION

TBK & Sons Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 8 November 2018 under the Companies law of the Cayman Islands. The address of the Company’s registered office is at the office of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. Its principal place of business in Hong Kong and Malaysia are located at Unit 1903, 19/F., West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong and Lot 333, Kampung Paya, Batu 2 Jalan Seremban, Port Dickson, Negeri Sembilan, Malaysia, respectively. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of civil and structural works in Malaysia and the People’s Republic of China (the “**PRC**”) and trading of oil and related products in the PRC. The ultimate holding company of the Company is TBK & Sons International Limited (“**TBKS International**”) which is incorporated in the British Virgin Islands. The controlling shareholders of the Company are Mr. Tan Hun Tiong and Mr. Tan Han Peng.

The functional currency of the Company is Hong Kong dollars (“**HK\$**”) while the financial statements are presented in Malaysian Ringgit (“**RM**”), as in the opinion of the directors of the Company (the “**Directors**”), it presents more relevant information to the management who monitors the performance and financial position of the Group based on RM.

### 2. APPLICATION OF NEW AND AMENDMENTS OF IFRS ACCOUNTING STANDARDS

#### **Amendments to IFRS Accounting Standards that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by International Accounting Standards Board (“**IASB**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 July 2024 for the preparation of the consolidated financial statements:

Amendments to Hong Kong Accounting Standards (“ <b>IAS</b> ”) 1	Classification of Liabilities as Current or Non-current (“ <b>2020 Amendments</b> ”), Non-current Liabilities with Covenants (“ <b>2022 Amendments</b> ”)
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

Except as described below, the application of the amendments to IFRS Accounting Standards in the current year has no material impact on the Group’s financial positions and performance for the current and prior years and/or disclosures set out in these consolidated financial statements.

***Impacts on application of Amendments to IAS 1 Classification of Liabilities as Current or Non-current and Amendments to IAS 1 Non-Current Liabilities with Covenants (the “2022 Amendments”)***

The Group has applied the amendments for the first time in the current year. The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.
- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity’s own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying IAS 32 *Financial Instruments: Presentation*.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity’s right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

## **New and Amendments to IFRS Accounting Standards in issue but are not yet effective**

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>3</sup>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature dependent Electricity</i> <sup>3</sup>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>1</sup>
Amendments to IFRS Accounting Standards	<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i> <sup>3</sup>
Amendments to IAS 21	<i>Lack of Exchangeability</i> <sup>2</sup>
IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to IFRS Accounting Standards mentioned in the consolidated financial statements, the Directors anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no impact on the consolidated financial statements in the foreseeable future.

### **3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards issued by the IASB. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”) and by the Hong Kong Companies Ordinance.

#### 4. OPERATING SEGMENTS

Information reported to the board of Directors, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable segments under IFRS 8 Operating Segments are as follows:

- (i) Site preparation works projects
- (ii) Civil works projects
- (iii) Building works projects
- (iv) Construction and renovation works projects
- (v) Trading of oil and related products

##### *Segment revenue and results*

##### **Year ended 30 June 2025**

	Site preparation works projects RM'000	Civil works projects RM'000	Building works projects RM'000	Construction and renovation works projects RM'000	Trading of oil and related products RM'000	Total RM'000
<b>Revenue</b>						
Revenue from external customers	600	79,324	1,285	15,847	352	97,408
Segment cost of sales	(561)	(73,532)	(1,189)	(15,782)	–	(91,064)
Gross profit	<u>39</u>	<u>5,792</u>	<u>96</u>	<u>65</u>	<u>352</u>	6,344
Other income, gains and losses, net						(484)
Selling and distribution expenses						(384)
Administrative expenses						(18,349)
Impairment loss under expected credit loss model, net of reversal						(17,437)
Finance costs						(470)
Share of results of an associate						<u>54</u>
Loss before tax						<u><u>(30,726)</u></u>



Year ended 30 June 2024

	Site preparation works projects <i>RM'000</i>	Civil works projects <i>RM'000</i>	Building works projects <i>RM'000</i>	Construction and renovation works projects <i>RM'000</i>	Trading of oil and related products <i>RM'000</i>	Total <i>RM'000</i>
<b>Revenue</b>						
Revenue from external customers	2,922	51,522	1,525	52,484	179,640	288,093
Segment cost of sales	<u>(2,822)</u>	<u>(48,129)</u>	<u>(1,458)</u>	<u>(51,714)</u>	<u>(179,083)</u>	<u>(283,206)</u>
Gross profit	<u>100</u>	<u>3,393</u>	<u>67</u>	<u>770</u>	<u>557</u>	4,887
Other income, gains and losses, net						1,274
Selling and distribution expenses						(735)
Administrative expenses						(20,802)
Impairment loss under expected credit loss model, net of reversal						(22,120)
Finance costs						(359)
Share of results of an associate						<u>26</u>
Loss before tax						<u><u>(37,829)</u></u>

Revenue reported was generated from external customers. There was no inter-segment sales during the year ended 30 June 2025 (2024: Nil).

## 5. REVENUE

Revenue represents the amounts received and receivable for civil and structural works rendered by the Group to customers and trading of oil and related products.

An analysis of the Group's revenue from contracts with customers is as follows:

	2025 RM'000	2024 RM'000
<i>Recognised over time</i>		
Site preparation works projects	600	2,922
Civil works projects	79,324	51,522
Building works projects	1,285	1,525
Construction and renovation works projects	15,847	52,484
	<u>97,056</u>	<u>108,453</u>
<i>Recognised at point in time</i>		
Trading of oil and related products	<u>352</u>	<u>179,640</u>
	<u><b>97,408</b></u>	<u><b>288,093</b></u>

## 6. FINANCE COSTS

	2025 RM'000	2024 RM'000
Interest on:		
– bank and other borrowings	431	282
– lease liabilities	<u>39</u>	<u>77</u>
	<u><b>470</b></u>	<u><b>359</b></u>

## 7. LOSS BEFORE TAX

Loss before tax has been arrived at after charging (crediting):

	2025 <i>RM'000</i>	2024 <i>RM'000</i>
Auditor's remuneration	545	906
Amortisation on intangible assets	127	164
Depreciation of property, plant and equipment, excluding right-of-use assets	653	1,156
Depreciation of right-of-use assets	960	2,093
Loss on written off of property, plant and equipment	–	3
Impairment losses recognised (reversed) on:		
– Trade receivables	14,075	19,621
– Other receivables	(249)	876
– Contract assets	3,695	1,623
– Bank balances	(86)	–
– Amount due from an associate	2	–
	<u>17,437</u>	<u>22,120</u>
Cost of inventories	17,259	195,481
Subcontracting charges included in cost of sales	48,510	60,082
Employee benefits expenses (including Directors' and chief executive's emoluments)		
– Wages, salaries and other benefits	25,035	28,186
– Contributions to defined contribution plans	1,702	1,836
Total employee costs	26,737	30,022
Less: amounts included in cost of sales	<u>(16,141)</u>	<u>(16,778)</u>
Employee costs included in administrative expenses and selling and distribution expenses	<u>10,596</u>	<u>13,244</u>

## 8. INCOME TAX EXPENSE

	2025 RM'000	2024 RM'000
Current tax:		
Malaysian corporate income tax	423	57
PRC enterprise income tax ("EIT")	–	14
	<u>423</u>	<u>71</u>
Under-provision in prior years		
– PRC EIT	–	31
	<u>–</u>	<u>31</u>
Deferred tax	<u>24</u>	<u>(25)</u>
Income tax expense	<u><u>447</u></u>	<u><u>77</u></u>

## 9. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of Company is based on the following data:

	2025 RM'000	2024 RM'000
<b>Loss</b>		
Loss for the year attributable to owners of the Company	<u><u>(28,338)</u></u>	<u><u>(32,744)</u></u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	<u><u>1,000,000,000</u></u>	<u><u>1,000,000,000</u></u>

The computation of diluted loss per share does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price for shares for the years ended 30 June 2025 and 30 June 2024.

## 10. DIVIDEND

No dividend was paid or proposed for ordinary shareholder of the Company during the year ended 30 June 2025, nor has any dividend been proposed since the end of reporting period. (2024: Nil)

## 11. TRADE AND OTHER RECEIVABLES

	2025 <i>RM'000</i>	2024 <i>RM'000</i>
Trade receivables	74,946	76,945
Less: Allowance for credit losses	<u>(34,808)</u>	<u>(22,987)</u>
	<u>40,138</u>	<u>53,958</u>
Advance paid to sub-contractors and suppliers	475	17,291
Other receivables	19,909	5,079
Other deposits	<u>629</u>	<u>678</u>
	21,013	23,048
Less: Allowance for credit losses	<u>(628)</u>	<u>(876)</u>
	<u>20,385</u>	<u>22,172</u>
Prepayments	<u>79</u>	<u>700</u>
	<u><b>60,602</b></u>	<u><b>76,830</b></u>

As at 1 July 2023, trade receivables from contracts with customers amounted to approximately RM54,317,000, net of allowance for credit losses of approximately RM3,339,000.

Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 7 days to 120 days from the invoice dates. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

The ageing analysis of gross trade receivables, based on the invoice dates, as at 30 June 2025 and 2024 are as follows:

	2025 <i>RM'000</i>	2024 <i>RM'000</i>
1 to 90 days	12,981	34,155
91 to 180 days	8,508	22,782
181 to 270 days	10,253	1,591
271 to 360 days	4,394	2,750
Over 360 days	<u>38,810</u>	<u>15,667</u>
	<u><b>74,946</b></u>	<u><b>76,945</b></u>

## 12. ASSETS CLASSIFIED AS HELD FOR SALE

On 24 April 2025, an indirect wholly-owned subsidiary of the Company, has entered into a sale and purchase agreement with an independent third party to dispose of four pieces of freehold land in the state of Johor, Malaysia, for a total consideration of approximately RM11,462,000. The freehold lands had been previously pledged to a Malaysian bank as security for the bank facilities granted to the Group, which was released for sale by such bank on the condition that RM1.0 million of the proceeds from the disposal would be pledged as security for the Group's banking facilities upon completion of the disposal. The Group has received a deposit amounted to RM1,146,000 from the third party in June 2025. As at 30 June 2025, the freehold lands of approximately RM4,689,000 have been classified as assets held for sale and are presented separately in the consolidated statement of financial position. No impairment loss was recorded as the fair value less costs to sell is higher than the assets' carrying value.

## 13. TRADE AND OTHER PAYABLES

	2025 RM'000	2024 RM'000
Trade payables	49,028	53,864
Retention payables	2,080	1,222
Accruals	7,640	3,965
Other payables	6,902	8,913
	<u>65,650</u>	<u>67,964</u>

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 days to 180 days (2024: 30 days to 180 days) from the invoice dates.

The ageing analysis of trade payables, based on the invoice dates, as at 30 June 2025 and 2024 are as follows:

	2025 RM'000	2024 RM'000
Within 30 days	12,336	31,358
31 to 60 days	4,623	2,297
61 to 90 days	5,710	2,601
Over 90 days	26,359	17,608
	<u>49,028</u>	<u>53,864</u>

#### 14. COMPARATIVE FIGURE

During the year ended 30 June 2025, for enhancing the relevance of the presentation of the consolidated financial statements, reclassification have been made to certain comparative figures presented in the consolidated financial statements in respect of the prior year to achieve comparability with the current year's presentation. As a result, the following line items regarding comparative figures have been amended, together with the related notes to conform to the current year's presentation:

	<b>Previously reported RM'000</b>	<b>Reclassification RM'000</b>	<b>As restated RM'000</b>
Consolidated statement of profit or loss and other comprehensive income			
Impairment loss on trade receivables and contract assets, net	(21,244)	21,244	–
(Impairment loss)/reversal of impairment loss on other receivables	(876)	876	–
Impairment loss under expected credit loss model, net of reversal	<u>–</u>	<u>(22,120)</u>	<u>22,120</u>
Consolidated statement of financial position			
<b>Current Liabilities</b>			
Bank and other borrowings	2,988	579	3,567
<b>Non-current Liabilities</b>			
Bank and other borrowings	<u>975</u>	<u>(579)</u>	<u>396</u>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The global economy faced a multifaceted and challenging environment, resulting from a combination of structural and cyclical influences. While the impact of the COVID-19 pandemic has largely faded, the recovery process of the economy has been inconsistent across various regions. This ongoing recovery is complicated by escalated geopolitical uncertainties, consistent inflationary pressure, and weak productivity growth, all contributing to a challenging and unpredictable business landscape. In addition, the persistent weakness in the property market in the PRC has further weighed on economic activity. Collectively, these factors have adversely impacted the Group's overall performance. Moving forward, the Group will maintain vigilant oversight of evolving economic trends and will adapt its business strategies as needed in response to shifting market conditions, with a continued focus on improving business performance.

The Group is principally engaged in civil and structural works in Malaysia and the PRC and trading of oil and related products in the PRC. During the Financial Year, the Group's revenue recorded a decrease by approximately RM190.7 million or 66.2% from approximately RM288.1 million for the year ended 30 June 2024 to approximately RM97.4 million for the Financial Year. The revenue generated from civil and structural works in Malaysia and the PRC, as well as the trading of oil and related products in the PRC contributed approximately 99.6% (2024: 37.6%) and 0.4% (2024: 62.4%) respectively of the total revenue of the Group.

### **CIVIL AND STRUCTURAL WORKS IN MALAYSIA**

Malaysia achieved a GDP growth of 5.1% in 2024, which surpassed the 3.6% recorded in 2023 and exceeds the earlier forecast of 4%-5%. The foreign reserve also increased from USD113.8bil in June 2024 to USD120.6bil in June 2025. The Malaysian Ringgit strengthened against US Dollar from approximately 4.72 in June 2024 to approximately 4.23 in June 2025.

Against a more favorable economic backdrop, the Group's civil and structural operations in Malaysia, including its products, services, revenue streams, and customer base, has remained relatively stable with a positive upside during the financial year. However, the Group still encountered headwinds in acquiring new projects, driven by rising costs and tightening profit margins. These challenges stem primarily from (i) lack and deferment of new projects and aggressive price competition during tendering; (ii) unrealistic pricing expectations imposed by project owners; and (iii) lack of experienced professionals in project planning, budgeting, and control. As a result of the shrinking market share, the tendering environment has become increasingly competitive. In response, the Group has adopted strategic pricing measures to preserve client relationships, sustain its market presence, and maximize resource efficiency. Overall, the revenue from civil and structural works in Malaysia increased from approximately RM56.0 million for the year ended 30 June 2024 to approximately RM81.2 million for the Financial Year, whereas the gross profit increased from approximately RM3.6 million for the year ended 30 June 2024 to approximately RM5.9 million for the Financial Year and the gross profit margin maintained at approximately 7.3% and 6.4% for the years ended 30 June 2025 and 2024.



## **CIVIL AND STRUCTURAL WORKS IN THE PRC**

The economic landscape in the PRC showed little improvement, largely because of persistent weakness in the property market. The Group's civil and structural operations in the PRC faced significant challenges, including fierce competition for contracts, extended payment terms, delays in progress certification, customer payment delays, and reduced profit margins. Projects undertaken in the PRC primarily involved construction, renovation, and labor provision for institutions such as colleges, the Sino-German Ecopark, the Economic and Trade Industrial Park, waterproofing works, and conference and exhibition centers. These initiatives, often commissioned by local government, were closely connected to social and community development but were subject to lengthy approval and settlement processes by project owners. In response, the Group has slowed negotiations for new projects to focus on completing those already in progress, and has prioritized efforts to collect trade receivables and contract assets to enhance liquidity and financial stability. The Group has as well strategically shifted its focus toward smaller-scale construction and renovation work projects to mitigate payment delays, as these projects typically require shorter completion timelines, resulting in faster progress certification of construction and renovation works. The Group continues to maintain proactive communication with customers, seeking improvements in both project timelines and payment processes, while closely monitoring ongoing business conditions.

The revenue from the civil and structural works in the PRC decreased from approximately RM52.5 million for the year ended 30 June 2024 to approximately RM15.8 million for the Financial Year, the gross profit decreased from approximately RM0.8 million for the year ended 30 June 2024 to approximately RM0.1 million for the Financial Year and the gross profit margin was approximately 0.4% and 1.5% for the years ended 30 June 2025 and 2024, respectively. In addition, the expected credit loss (the "ECL") on trade receivables and contract assets related to the civil and structural works in the PRC significantly increased by approximately RM5.7 million for the Financial Year compared to the previous year. This increase was primarily attributable to the customer payment delays, which directly impact the ECL calculation by reflecting the negative changes in credit risk associated with the outstanding trade receivables and contract assets as at 30 June 2025.

## **TRADING OF OIL AND RELATED PRODUCTS IN THE PRC**

The PRC market continued to experience subdued sentiment, largely due to the downturn in the property sector and a reduction in infrastructure projects. This environment led to weaker demand for petroleum refining finished products and a corresponding decline in prices, which further reduced the need for heavy raw oil. The international oil market faced additional volatility as a result of the ongoing Russia-Ukraine war and the Israel-Palestine conflict. Fluctuations in crude oil prices became more pronounced, making it difficult for the Group to fully pass increased supplier costs onto customers. In response to these challenging market conditions and the significant capital required for international oil trading and new business ventures, the Group adopted a cautious and prudent approach to operations, seeking to maintain stability during a period of heightened uncertainty.

As a result, the Group has only entered into one oil trading agency agreement during the Financial Year, and the revenue from the trading of oil and related products in the PRC recorded a significant decrease by 99.8% from approximately RM179.6 million for the year ended 30 June 2024 to approximately RM0.4 million for the Financial Year. No gross profit (2024: approximately RM0.6 million) and gross profit margin (2024: approximately 0.3%) was presented, as the Group has been acted as an agent and recognised revenue on the net basis.

As a result of the foregoing, the Group's record a loss attributable to owners of the Company of approximately RM28.3 million for the Financial Year (2024: RM32.7 million). The improvement of financial results for the Financial Year was mainly attributable to the combined effects of (i) the increase in the Group's gross profit despite of the significant decrease in revenue for the Financial Year compared to the previous year, (ii) the significant decrease in the net impairment loss on ECL on trade receivables, contract assets and other receivables from approximately RM22.1 million for the financial year ended 30 June 2024 to approximately RM17.4 million for the Financial Year, and (iii) the significant decrease in administration expenses incurred by the Group for the Financial Year.

## **BUSINESS REVIEW**

### **Civil and Structural works in Malaysia**

The Group is a civil and structural works contractor undertaking civil and structural works in the oil and gas industry in Malaysia with operational history since the 1970s. The Group is registered with a Construction Industry Development Board of Malaysia (the “**CIDB**”) Grade G7 qualification in Category CE (Civil Engineering Construction), Category B (Building Construction) and Category ME (Mechanical and Electrical), which is the highest possible contractor license under the CIDB and allows the Group to undertake civil and structural works of unlimited tender/contract value.

The Group's civil and structural works services generally involve (i) site preparation works such as earthwork, demolition works, and temporary facilities and infrastructure construction, including building temporary site offices, canteens, warehouses, etc.; (ii) civil works for process plants, involving reinforced concrete foundations, pipe supports, ponds, pits, underground and open drainage networks, paving work (including the use of gravel, concrete and asphalt) and related plant civil maintenance works; and (iii) building works (including the building of sub-station, field auxiliary rooms, workshop and storage buildings, etc.) in the oil and gas industry.

The following table sets forth the breakdown of the revenue by nature of works for the year ended 30 June 2025 and 2024:

	2025		2024	
	<i>RM'000</i>	<i>approximately %</i>	<i>RM'000</i>	<i>approximately %</i>
Site preparation works projects	<b>600</b>	<b>0.7</b>	2,922	5.2
Civil works projects	<b>79,324</b>	<b>97.7</b>	51,522	92.1
Building works projects	<b>1,285</b>	<b>1.6</b>	1,525	2.7
	<b>81,209</b>	<b>100.0</b>	<b>55,969</b>	<b>100.0</b>

Against a more favorable economic backdrop in Malaysia, the Group's civil and structural operations in Malaysia, including its products, services, revenue streams, and customer base, remained relatively stable with a positive upside throughout the financial year. During the Financial Year, the revenue from civil and structural works in Malaysia increased by approximately 45.0% from approximately RM56.0 million for the year ended 30 June 2024 to approximately RM81.2 million for the Financial Year.

#### ***Site preparation works projects***

Revenue from site preparation works projects decreased from approximately RM2.9 million for the year ended 30 June 2024 to approximately RM0.6 million for the Financial Year due to Project 53 which was completed during the Financial Year. There was no new site preparation works project during the Financial Year.

#### ***Civil works projects***

Revenue from civil works projects increased from approximately RM51.5 million for the year ended 30 June 2024 to approximately RM79.3 million for the Financial Year, representing an increase of approximately 54.0%.

The increase in revenue was mainly attributable to Project 56 (approximately RM0.3 million), which was completed during the Financial Year, 1 ongoing project which commenced during the previous financial year i.e. Project 57 (approximately RM47.6 million), as well as 5 ongoing projects commenced during the Financial Year i.e. Project 58 (approximately RM2.5 million), Project 60 (approximately RM11.3 million), Project 61 (approximately RM1.9 million), Project 62 (approximately RM7.7 million), and Project 63 (approximately RM1.0 million) together with other miscellaneous projects (approximately RM0.3 million).

The increase was partially offset by the drop in revenue mainly from 7 completed projects during the previous financial year i.e. Project 1 (approximately RM3.6 million), Project 33 (approximately RM0.4 million), Project 40 (approximately RM3.4 million), Project 41 (approximately RM0.05 million), Project 46 (approximately RM0.7 million), Project 50 (approximately RM3.7 million), and Project 55 (approximately RM2.0 million); 3 projects which were completed during the Financial Year i.e. Project 30 (approximately RM6.0 million), Project 48 (approximately RM2.8 million,) and Project 52 (approximately RM6.7 million), and the ongoing Project 54 (approximately RM15.4 million), which commenced during the previous financial year.

### ***Building works projects***

Revenue from the building works projects decreased from approximately RM1.5 million for the year ended 30 June 2024 to approximately RM1.3 million for the Financial Year. The decrease in revenue was mainly attributable to the completed Project 45 (approximately RM1.2 million), and offset by the increase in revenue from Project 59 (approximately RM1.0 million), which commenced and was completed during the Financial Year.

### ***Projects on hand***

As at 30 June 2025, the Group had 7 (2024: 10) projects on hand in Malaysia (including projects that have commenced but not yet completed and projects that have been awarded to the Group but not yet commenced). A summary of the projects on hand is set out below:

Project	Particulars and location	Type of works	Pengerang Integrated Petroleum Complex (“PIPC”)/Non-PIPC projects	Commencement date	Expected Completion date
Project 54	A refinery at Pengerang	Civil works	PIPC	August 2023	September 2025
Project 57	An electronic factory in Kulim, Kedah	Civil works	Non-PIPC	June 2024	October 2025
Project 58	An oleochemical plant in Nilai, Negeri Sembilan	Civil works	Non-PIPC	July 2024	September 2025
Project 60	A refinery in RAPID Pengerang	Civil works	PIPC	July 2024	September 2025
Project 61	An oleochemical plant in Pasir Gudang, Johor	Civil works	Non-PIPC	October 2024	September 2025
Project 62	An aeronautical factory in Nilai, Negeri Sembilan	Civil works	Non-PIPC	August 2024	December 2025
Project 63	A refinery in Port Dickson	Civil works	Non-PIPC	June 2025	September 2025

## Civil and Structural Works in the PRC

The Group acquired 75% equity interests of 青島鑫弘耀建設科技有限公司 (Qingdao Xinhongyao Construction Technology Company Limited\*) (“**Xinhongyao Construction**”) in April 2022, which was established in the PRC and it is currently carrying on business of construction and renovation works projects in the PRC. The scope of business of Xinhongyao Construction included design of construction projects; professional construction operations; residential interior decoration and renovation; general contracting of housing complex and municipal infrastructure projects and various types of engineering construction activities. Xinhongyao Construction has obtained the Qualification Certificate for Construction Enterprise (建築企業資質證書) for Grade II for Professional Contracting for Waterproofing, Corrosion and Heat Preservation Engineering and Grade I for Professional Contracting of Building Decoration and Engineering (防水防腐保溫工程專業承包貳級和建築裝修裝飾工程專業承包壹級), and the Construction Enterprise Safety Production License (建築施工企業安全生產許可證). All of the above-mentioned certificates and licenses are within the validity period. During the Financial Year, Xinhongyao has also obtained certifications for GB/T 19001-2016/ISO9001:2015 (Quality Management System Certification 質量管理體系認證), GB/T 24001-2016/ISO14001:2015 (Environmental Management System Certification 環境管理體系認證), and GB/T 45001-2020/ISO45001:2018 (Occupational Health and Safety Management System Certification 職業健康安全管理体系認證).

The Group’s civil and structural operations in the PRC faced significant challenges, including fierce competition for contracts, extended payment terms, delays in progress certification, customer payment delays, and reduced profit margins. Projects undertaken in the PRC primarily involved construction, renovation, and labor provision for institutions such as colleges, the Sino-German Ecopark, the Economic and Trade Industrial Park, waterproofing works, and conference and exhibition centers. These initiatives, often commissioned by local government, were closely connected to social and community development but were subject to lengthy approval and settlement processes by project owners. In response, the Group has slowed negotiations for new projects to focus on completing those already in progress, and has prioritized efforts to collect trade receivables and contract assets to enhance liquidity and financial stability. The Group has as well strategically shifted its focus toward smaller-scale construction and renovation work projects to mitigate payment delays, as these projects typically require shorter completion timelines, resulting in faster progress certification of construction and renovation works. The Group continues to maintain proactive communication with customers, seeking improvements in both project timelines and payment processes, while closely monitoring ongoing business conditions.

During the Financial Year, the revenue from the civil and structural works in the PRC decreased by approximately 69.9% from approximately RM52.5 million for the year ended 30 June 2024 to approximately RM15.8 million for the Financial Year.

The decrease in revenue was mainly attributable to the completed Project 9 (approximately RM5.1 million) during the Financial Year, and 6 ongoing projects which commenced during the previous financial year i.e. Project 8 (approximately RM0.06 million), Project 14 (approximately RM12.2 million), Project 15 (approximately RM0.6 million), Project 16 (approximately RM6.2 million), Project 17 (approximately RM3.1 million) and Project 18 (approximately RM3.6 million).

The decrease was partially offset by the increase in revenue for 2 completed projects i.e. Project 19 (approximately RM0.7 million) and Project 21 (approximately RM0.07 million) during the Financial Year, and 3 ongoing projects which commenced during the Financial Year i.e. Project 20 (approximately RM0.9 million), Project 22 (approximately RM3.7 million) and Project 24 (approximately RM0.8 million) as well as completed certain construction and renovation works projects of approximately RM0.1 million.

### **Projects on hand**

As at 30 June 2025, the Group had 10 (30 June 2024: 9) projects on hand in the PRC (including projects that have commenced but not yet completed and projects that have been awarded to the Group but not yet commenced). A summary of the projects on hand is set out below:

<b>Project</b>	<b>Particular and location</b>	<b>Type of works</b>	<b>Commencement date</b>	<b>Expected completion date</b>
Project 8	A college in Laiyang City, Shandong Province	Construction works	October 2022	March 2026
Project 10	A building in Licang district, Qingdao	Renovation works	January 2023	February 2026
Project 14	Economic and Trade Industrial Park in Shandong Province	Provision of construction labour	December 2023	December 2025
Project 15	Waterproof works in Shandong Province	Construction works	January 2024	December 2025
Project 16	A college in Qingdao City West Coast New Area, Shandong Province	Construction works	March 2024	December 2025
Project 17	An innovation center in Qingdao West Coast New Area, Shandong Province	Renovation works	November 2023	November 2025
Project 18	A building in Laoshan District, Qingdao City	Construction works	April 2024	November 2025
Project 20	A building in Shinan District, Qingdao City	Construction works	November 2024	October 2025
Project 22	A college in Laoshan District, Qingdao City	Construction works	December 2024	December 2025
Project 23	A building in Huangdao District, Qingdao City	Construction works	March 2025	October 2025



## **Trading of Oil and Related Products in the PRC**

The PRC market continued to experience subdued sentiment, largely due to the downturn in the property sector and a reduction in infrastructure projects. This environment led to weaker demand for petroleum refining finished products and a corresponding decline in prices, which further reduced the need for heavy raw oil. The international oil market faced additional volatility as a result of the ongoing Russia-Ukraine war and the Israel-Palestine conflict. Fluctuations in crude oil prices became more pronounced, making it difficult for the Group to fully pass increased supplier costs onto customers. In response to these challenging market conditions and the significant capital required for international oil trading and new business ventures, the Group adopted a cautious and prudent approach to operations, seeking to maintain stability during a period of heightened uncertainty. As a result, the Group has only entered into one oil trading agency agreement during the Financial Year, and the revenue from the trading of oil and related products in the PRC recorded a significant decreased by 99.8% from approximately RM179.6 million for the year ended 30 June 2024 to approximately RM0.4 million for the Financial Year.

## **OUTLOOK**

According to the World Bank's Global Economic Prospect Report for June 2025, the global growth is decelerating, marking one of the weakest five-year outlooks in decades, driven by persistent structural challenge including sluggish productivity gains, escalated geopolitical uncertainties, elevated financing costs and heightened trade tensions.

The Group anticipates that the financial year 2025/2026 will present similar challenges to those experienced in the previous year. The ongoing effects of heightened trade tensions, persistent geopolitical uncertainties, and high interest rates continue to pose significant headwinds to the broader economy. In both Malaysia and the PRC, difficulties in securing new projects and sustained pressure on profit margins have compounded the uncertainty. Furthermore, the sluggish property market and slowdown in infrastructure projects in the PRC are expected to continue weighing on the business landscape, adding further complexity to the Group's operating environment.

In this regard, the Group has been adopting a prudent and risk-conscious approach while actively looking for new projects in order to maintain its foothold in the industry besides exploring opportunities in both East and West Malaysia, as well as in neighbouring countries and the PRC. In addition, the Group will continue to explore and expand its customer base and source of supply to diversify the existing businesses. The Board will from time to time reviews its existing businesses and explores other business and investment opportunities, including but not limited to new energy related processing and logistic business, with a view to diversifying the business of the Group.

## FINANCIAL REVIEW

### Civil and Structural works in Malaysia

Against a more favorable economic backdrop in Malaysia, the Group's civil and structural operations in Malaysia, including its products, services, revenue streams, and customer base, remained relatively stable with a positive upside throughout the financial year. However, the Group still encountered headwinds in acquiring new projects, driven by rising costs and tightening profit margins. As a result of this shrinking market share, the tendering environment has become increasingly competitive. In response, the Group has adopted strategic pricing measures to preserve client relationships, sustain its market presence, and maximize resource efficiency.

#### *Revenue*

During the Financial Year, the revenue from civil and structural works in Malaysia increased by approximately 45.0% from approximately RM56.0 million for the year ended 30 June 2024 to approximately RM81.2 million for the Financial Year.

#### *Cost of sales*

The Group's cost of sales from civil and structural works in Malaysia mainly comprises cost of direct materials, subcontracting charges, direct labour. The following table sets out the breakdown of the Group's direct costs during the year ended 30 June 2025 and 2024:

	2025		2024	
	<i>RM'000</i>	<i>approximately %</i>	<i>RM'000</i>	<i>approximately %</i>
Direct materials	<b>16,559</b>	<b>22.0</b>	16,178	30.9
Subcontracting charges	<b>35,237</b>	<b>46.8</b>	11,533	22.0
Direct labour	<b>16,090</b>	<b>21.4</b>	15,887	30.3
Rental of machinery and equipment	<b>1,041</b>	<b>1.3</b>	1,457	2.8
Depreciation	<b>814</b>	<b>1.1</b>	1,470	2.8
Other costs	<b>5,541</b>	<b>7.4</b>	5,884	11.2
Total	<b>75,282</b>	<b>100.0</b>	52,409	100.0



The Group's cost of sales from civil and structural works in Malaysia during the Financial Year mainly comprised:

- (a) direct materials, which mainly represent direct costs for the purchase of construction materials, such as sand, steel, concrete, wood and fuel, that are directly attributable to the project works;
- (b) subcontracting charges, which represent fees and charges paid to or payable to subcontractors who provide civil works, site preparation works and/or building works at project sites;
- (c) direct labour, which represents remuneration to employees directly attributable to the projects; and
- (d) other costs, which include various miscellaneous expenses such as transportation fee, safety consultancy fee and insurance expenses for the Group's projects.

The Group's cost of sales from civil and structural works in Malaysia increased from approximately RM52.4 million for the year ended 30 June 2024 to approximately RM75.3 million for the Financial Year, representing an increase of approximately 43.7% which is in line with the increase in revenue.

Consumption of direct materials and their costs may vary from project to project, as (i) the consumption of raw materials varies according to different types of works performed; and (ii) the cost of direct materials may be agreed to be borne by the Group or by its customers or subcontractors depending on the contract terms with different customers and subcontractors, resulting in fluctuations in the proportions of these costs from project to project.

### ***Gross profit and gross profit margin***

In line with the increase in revenue, the Group's gross profit from civil and structural works in Malaysia increased from approximately RM3.6 million for the year ended 30 June 2024 to approximately RM5.9 million for the Financial Year, representing an increase of approximately 63.9%, while the Group's gross profit margin increased from approximately 6.4% for the year ended 30 June 2024 to approximately 7.3% for the Financial Year.

## **Civil and Structural Works in the PRC**

During the Financial Year, the Group's civil and structural operations in the PRC faced significant challenges, including fierce competition for contracts, extended payment terms, delays in progress certification, customer payment delays, and reduced profit margins. Projects undertaken in the PRC primarily involved construction, renovation, and labor provision for institutions such as colleges, the Sino-German Ecopark, the Economic and Trade Industrial Park, waterproofing works, and conference and exhibition centers. These initiatives, often commissioned by local government, were closely connected to social and community development but were subject to lengthy approval and settlement processes by project owners. In response, the Group has slowed negotiations for new projects to focus on completing those already in progress, and has prioritized efforts to collect trade receivables and contract assets to enhance liquidity and financial stability. The Group has as well strategically shifted its focus toward smaller-scale construction and renovation work projects to mitigate payment delays, as these projects typically require shorter completion timelines, resulting in faster progress certification of construction and renovation works. The Group continues to maintain proactive communication with customers, seeking improvements in both project timelines and payment processes, while closely monitoring ongoing business conditions.

### ***Revenue***

The Group's revenue from civil and structural works in the PRC decreased by approximately 69.9% from approximately RM52.5 million for the year ended 30 June 2024 to approximately RM15.8 million for the Financial Year.

### ***Cost of sales***

The Group's cost of sales from civil and structural works in the PRC mainly comprises cost of direct materials, subcontracting fee, direct labour and other direct costs. In line with the decrease in revenue, the Group's cost of sales from civil and structural works in the PRC was approximately RM15.8 million (2024: RM51.7 million) during the Financial Year. The decrease was mainly attributable to the decreased subcontracting of construction tasks to subcontractors.

### ***Gross profit and gross profit margin***

The Group's gross profit from civil and structural works in the PRC was approximately RM0.1 million for the Financial Year (2024: RM0.8 million). The decrease of gross profit was mainly attributable to the new provision of construction labour projects contributed lower gross profit and the decreased in subcontracting of construction tasks to subcontractors. With combined effects of revenue and cost of sales from civil and structural works in the PRC, the Group's gross profit margin from civil and structural works in the PRC was approximately 0.4% (2024: 1.5%).

## **Trading of Oil and Related Products in the PRC**

The PRC market continued to experience subdued sentiment, largely due to the downturn in the property sector and a reduction in infrastructure projects. This environment led to weaker demand for petroleum refining finished products and a corresponding decline in prices, which further reduced the need for heavy raw oil. The international oil market faced additional volatility as a result of the ongoing Russia-Ukraine war and the Israel-Palestine conflict. Fluctuations in crude oil prices became more pronounced, making it difficult for the Group to fully pass increased supplier costs onto customers. In response to these challenging market conditions and the significant capital required for international oil trading and new business ventures, the Group adopted a cautious and prudent approach to operations, seeking to maintain stability during a period of heightened uncertainty.

### ***Revenue***

During the Financial Year, the Group has only entered into one oil trading agency agreement. In accordance with IFRS 15, the Group has been acted as an agent and recognised revenue on the net basis of the amount of total consideration received or receivable. The Group's revenue from trading of oil and related products in the PRC recorded a significant decrease by approximately 99.8% from approximately RM179.6 million for the year ended 30 June 2024 to approximately RM0.4 million for the Financial Year.

### ***Cost of sales, gross profit and gross profit margin***

The Group's cost of sales from trading of oil and related products in the PRC mainly comprises cost of direct materials, storage fee and transportation fee. During the Financial Year, no cost of sales from the trading of oil and related products in the PRC (2024: approximately RM179.1 million) was recorded, and no gross profit (2024: approximately RM0.6 million) or gross profit margin (2024: approximately 0.3%) was presented, as the Group has been acted as an agent and recognised revenue on the net basis.

### ***Selling and distribution expenses***

The Group's selling and distribution expenses mainly comprised salary and benefits of our sales and marketing staff, entertainment and promotional expenses as well as travelling expenses in the PRC. During the Financial Year, the selling and distribution expenses were approximately RM0.4 million (2024: RM0.7 million). The decrease was mainly due to reduction of employees and relevant expenses as result of decrease in revenue.

## **Administrative expenses**

During the Financial Year, the Group's administrative expenses were approximately RM18.3 million (2024: approximately RM20.8 million). The decrease was mainly attributed to the reduction of employees and relevant expenses. The administrative expenses of the Group primarily consist of short-term leases expenses, depreciation of property, plant and equipment and right-of-use assets and employee benefits expense and other expenses, in which the employee benefits expenses constituted the main component account for approximately 57.7% (2024: 63.7%) of administrative expenses.

## **Net impairment loss on trade receivables, contract assets and other receivables**

The Group had adopted the simplified approach to account for ECL as prescribed by IFRS9. Throughout the Financial Year, the Group consistently followed the same methodology for the statistical analysis and judgement for the ECL assessment. The Group also engaged an independent valuer to assess the key estimates, assumptions and calculations. In assessing the recoverability of the trade receivables, contract assets and other receivables, the management had performed a detailed analysis based on the independent valuation report, available customers' historical data, market conditions as well as forward-looking estimates at the reporting date. The ECLs amount is recognised as the impairment loss in the consolidated statement of profit or loss and other comprehensive income.

During the Financial Year, the Group recognised the net impairment loss on ECL on trade receivables, contract assets and other receivables of approximately RM17.4 million (2024: RM22.1 million). As at 30 June 2025, the provision for impairment loss on trade receivables, contract assets and other receivables amounted to approximately RM34.8 million (2024: RM23.0 million), RM6.4 million (2024: RM3.0 million) and RM0.6 million (2024: RM0.9 million), respectively. The increase in ECL was primarily attributable to the customer payment delays, which directly impact the ECL calculation by reflecting the negative changes in credit risk associated with the outstanding trade receivables and contract assets as at 30 June 2025.

The Group actively monitors the status of its customers and conducts ongoing reviews of the business relationships. To recover overdue debts, the Group has established monitoring procedures and takes follow-up action where appropriate. The Group has been proactive in communicating with customers and seeking improvements in project timelines and payment processes. The Group has slowed down negotiations for new projects in the PRC to concentrate on completing existing projects on hand in the PRC and has focused on the collection process of trade receivables. The Group has maintained detailed records of communications with customers regarding overdue trade receivables and gathered feedback from customers to understand any issues that might be causing payment delays. At each reporting date, the Group assesses the recoverability of trade receivables, contract assets and other receivables to ensure that adequate impairment losses are made for irrecoverable amounts. As a result, the Directors consider the provision for impairment loss on trade receivables, contract assets and other receivables as at 30 June 2025 to be justifiable.

## Finance costs

Finance costs represented interest on bank overdrafts, bank and other borrowings and lease liabilities. For the year ended 30 June 2025 and 2024, the Group recorded finance costs of approximately RM0.5 million and RM0.4 million, respectively.

## Income Tax Expense

The Group's income tax expense was approximately RM447,000 for the Financial Year (2024: RM77,000). The increase was mainly due to the increase in the Group's revenue and profit from civil and structural works in Malaysia during the Financial Year.

## Loss and Loss per Share

As a result of the foregoing, the Group's record a loss attributable to owners of the Company of approximately RM28.3 million for the Financial Year (2024: RM32.7 million). The improvement of financial results for the Financial Year was mainly attributable to (i) the increase in the Group's gross profit despite of the significant decrease in revenue for the Financial Year compared to the previous year, and (ii) the significant decrease in the net impairment on ECL on trade receivables, contract assets and other receivables. The loss per share for the Financial Year was approximately RM2.83 sen (2023: RM3.27 sen).

## Key Financial Ratio

	<i>Note</i>	As at/for the year ended 30 June	
		2025	2024
Current ratio ( <i>times</i> )	1	1.9	2.3
Quick ratio ( <i>times</i> )	2	1.9	2.3
Gearing ratio (%)	3	5.5	4.5
Debt to equity (%)	4	N/A	N/A
Return on equity (%)	5	(41.8)	(35.4)
Return on total assets (%)	6	(21.3)	(20.9)
Interest coverage ( <i>times</i> )	7	(64.4)	(104.4)

*Notes:*

1. Current ratio is total current assets divided by total current liabilities.
2. Quick ratio is total current assets less inventories divided by total current liabilities.
3. Gearing ratio is total debt (i.e. sum of lease liabilities and borrowings) divided by total equity and multiplied by 100%.

4. Debt to equity ratio is total debt (i.e. sum of lease liabilities and borrowings) less cash and cash equivalents divided by total equity and multiplied by 100%.
5. Return on equity is (loss) for the year divided by total equity and multiplied by 100%.
6. Return on total assets is (loss) for the year divided by total assets and multiplied by 100%.
7. Interest coverage is (loss) before interest and tax divided by finance costs.

## **Liquidity, Financial Resources and Capital Structure**

As at 30 June 2025,

- a. the Company's issued capital was RM5.3 million (or HK\$10.0 million equivalent) and the number of its issued ordinary Shares was 1,000,000,000 Shares of HK\$0.01 each;
- b. the Group had total pledged time deposits as well as cash and cash equivalents of approximately RM6.8 million (2024: RM6.6 million) and approximately RM25.2 million (2024: RM28.9 million), respectively, most of which were denominated in Hong Kong dollar(HK\$), United States Dollar (USD), Malaysian Ringgit (RM) and Renminbi (RMB);
- c. the Group had lease liabilities and bank and other borrowings of approximately RM1.1 million (2024: RM0.8 million) and RM3.0 million (2024: RM4.0 million), respectively. All of the lease liabilities and bank borrowings were denominated in RM and RMB; and
- d. the Group's total equity attributable to owners of the Company was approximately RM80.7 million (2024: RM110.9 million). The capital of the Company mainly comprises share capital and reserves.

## **Treasury Policy**

The Group has adopted a prudent treasury management policy to (i) ensure that the Group's funds are properly and efficiently collected and deployed such that there is no material shortfall in cash which may interrupt the Group's daily business obligations; (ii) maintain sufficient level of funds to settle the Group's capital commitment when they fall due; (iii) maintain adequate liquidity to cover the Group's operation cash flows, project expenditures and administrative expenses; and (iv) streamline the Group's operational processes to achieve savings in construction-related costs, maintenance and other operating costs. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

## **Dividend**

The Board does not recommend the payment of a final dividend for the Financial Year (2024: Nil).

## **Significant Investments, Material Acquisitions or Disposals of Subsidiaries and Associated Companies**

Save as disclosed in this announcement, the Group has no significant investments, material acquisitions or disposals of subsidiaries and associated companies during the Financial Year.

## **Capital Commitments**

As at 30 June 2025 and 2024, the Group had no significant capital commitments.

## **Discloseable Transaction – Disposal of Property**

In April 2025, the Group has entered into a sale and purchase agreement with an independent third party to dispose of certain freehold lands in the state of Johor, Malaysia, for a total consideration of RM11,462,363.44 (equivalent to approximately HK\$20,205,281.15). The freehold lands had been previously pledged to a Malaysian bank as security for the bank facilities granted to the Group, which was released for sale by such bank on the condition that RM1.0 million of the proceeds from the disposal would be pledged as security for the Group's banking facilities upon completion of the disposal.

The disposal constituted a discloseable transaction under Chapter 14 of the Listing Rules. Due to inadvertent oversight of the management, the Group failed to report and announce the disposal. Hence, the disposal constituted non-compliance of Chapter 14 of the Listing Rules. Further information is available in the announcement dated 18 September 2025.

## **Pledge of Assets**

As at 30 June 2025, certain freehold land with net carrying amount of RM4.7 million (2024: certain freehold land with net carrying amount of RM4.7 million), certain right-of-use assets of leasehold land and buildings with total net carrying amount of approximately RM1.6 million (2024: RM1.6 million), and time deposit of approximately RM6.8 million (2024: RM6.6 million) were pledged as securities for the bank facilities granted to the Group.

## **Future Plan for Material Investments and Capital Assets**

Save as disclosed in this announcement, the Group does not have any concrete plan for material investments or capital assets for the coming year.

## **Contingent Liabilities**

As at 30 June 2025, the Group had no significant contingent liabilities or outstanding litigation (2024: Nil).

## **Events after Reporting Period – Issue of Promissory Note**

On 8 July 2025, a direct wholly-owned subsidiary of the Company (the “**Issue**”) has entered into a promissory note agreement with an independent third party subscriber (the “**Subscriber**”). The Subscriber will subscribe for the promissory note(s) (the “**Note**”) to be issued by the Issuer with an aggregate principal amount up to US\$9.5 million. The Note is secured by a charge on the entire share capital of TBKS Holding Sdn. Bhd., an indirect wholly-owned subsidiary of the Company held through the Issuer. The subscription was fully completed in August 2025. Details of the Note has been disclosed in the Company's announcement dated 8 July 2025.



## **Pledge of Shares by the Controlling Shareholder**

The Company had been notified that an aggregate of 600,000,000 Shares (the “**Pledged Shares**”) held by TBKS International had been pledged on 28 September 2021 in favour of an independent third party (the “**Lender**”) as a security for a loan facility of HK\$180,000,000 provided by the Lender to TBKS International. The Pledged Shares represented 60% of the issued share capital of the Company as at the date of this announcement.

## **Foreign Currency Risk**

The Group operates mainly in Malaysia, fluctuations in the Malaysian ringgit’s value against other currencies will create foreign currency translation gains or losses and may have an adverse effect on the Group’s business, financial condition and results of operations. Any imposition, variation or removal of foreign exchange controls may adversely affect the value, translated or converted into USD, RMB or HK\$, of the Group’s net assets, earnings or any declared dividends. Consequently, this may adversely affect the Group’s ability to pay dividends or satisfy other foreign exchange requirements.

The management will monitor foreign currency exposure of the Group and will consider undertaking foreign exchange hedging activities to reduce the impact of foreign exchange rate movements on the Group’s operating results. The Group had not used any derivative financial instrument for the Financial Year.

## **Employees and Remuneration Policy**

As at 30 June 2025, the Group had 460 (2024: 513) employees (including foreign labour). The Group’s employees are invaluable assets of the Group and it is dedicated to managing human capital. The Directors believe that continuous staff training and development will not only improve the Group’s staff’s performance, but will also enhance loyalty and staff morale. For its new recruits, the Group offers induction training courses which cover practical and technical aspects of their works, together with its corporate culture and core value. Remuneration packages the Group’s offer to its staff includes basic salary, discretionary bonuses and allowance. For the Financial Year, the Group’s employee cost, including Directors’ emoluments, were approximately RM26.7 million (2024: RM30.0 million). The Directors review the performance of the Group’s employees on a periodical basis in order to determine salary adjustment and promotions and keep the Group’s remuneration package competitive.

## **Comparison of Business Objectives and Strategies with Actual Business Progress**

As set out in the prospectus of the Company dated 16 September 2019 (the “**Prospectus**”) and the announcement of the Company in relation to change in use of proceeds dated 31 January 2022 (the “**Announcement**”), the business objectives and strategies of the Group are (i) to reserve more capital to satisfy the Group’s potential customers’ requirement for performance bond; (ii) to expand the Group’s workforce; (iii) to acquire machinery; (iv) to finance for the upfront expenditures of new projects; (v) to acquire business; (vi) to set aside for working capital purpose; (vii) to expand and develop of the trading of oil and related products (the “**Oil Trading Business**”) and (viii) future investment opportunities in project(s) including but not limited to petrochemical, mineral resources, natural resources, financial investment and oil logistics.



An analysis comparing the future plans and use of proceeds contained in the Prospectus and the Announcement with the Group's actual business progress for the period from the Listing Date to 30 June 2025 (the "**Relevant Period**") is set out below:

- |      |  |   |  |
|------|--|---|--|
| i.   | To reserve more capital to satisfy the Group's potential customers' requirement for performance bond | – | To purchase performance bond as required for any new project   |
| ii   | To expand the Group's workforce  | – | To carry out recruitment including project director, project manager, construction manager, project control manager, interface coordinator, quality assurance engineer environmental manager, quality control head, quality control site manager, health, safety, security and environment head, health, safety, security and environment site manager |
|      |  | – | Additional staff costs for retaining the aforesaid additional staff  |
| iii  | To acquire machinery   | – | To acquire 2 cranes, 3 excavators, dumpers, low loader, 2 roller compactors, water truck, arm roll lorry, micro-bus, compressor, bar benders/cutters, towel lighting, generator  |
| iv   | To finance for the upfront expenditures of new projects  | – | To pay for the upfront costs of the Group's projects including startup costs such as subcontracting charges for work done by subcontractors, material costs and direct labour costs  |
| v    | To acquire business  | – | To acquire engineering contractors which   |
| vi   | To set aside for working capital purpose have Bumiputera ownership                                   | – | To set aside, together with internal resources of the Group, for general working capital purpose   |
| vii  | To expand and develop of the Oil Trading Business  | – | To develop northern PRC market of the Oil Trading Business   |
|      |  | – | To expand its customer base  |
|      |  | – | To secure a supply of higher quality oil products  |
| viii | Future investment opportunities  | – | To pursue future investment opportunities in project(s) including but not limited to petrochemical, mineral resources, natural resources, financial investment and oil logistics   |

## Use of Proceeds

The total net proceeds from the share offer received by the Company after deducting underwriting fees and other related listing expenses were approximately HK\$85.0 million (equivalent to RM45.0 million) (the “**Net Proceeds**”). As at 30 June 2025, all of the unutilised Net Proceeds (the “**Unutilised Net Proceeds**”) were deposited in the licensed bank or financial institution in Hong Kong, Malaysia or the PRC. During the Relevant Period, the Net Proceeds has been applied as follows:

	Original allocation of the Net Proceeds disclosed in the Prospectus and the 2019 Annual Report <i>HK\$' million</i>	Revised allocation of the Net Proceeds disclosed in the Announcements <i>HK\$' million</i>	Utilised amount of the Net Proceeds up to 30 June 2024 <i>HK\$' million</i>	Unutilised Net Proceeds brought forward from 30 June 2024 <i>HK\$' million</i>	Utilised amount of Net Proceeds as during the Financial Year <i>HK\$' million</i>	Unutilised Net Proceeds as at 30 June 2025 <i>HK\$' million</i>
i To reserve more capital to satisfy the Group’s potential customers’ requirement for performance bond	8.9	(8.9)	–	–	–	–
ii To expand the Group’s workforce	13.4	(13.4)	–	–	–	–
iii To acquire machinery	17.8	(17.8)	–	–	–	–
iv To finance for the upfront expenditures of new projects	26.7	(14.8)	(11.9)	–	–	–
v To acquire business	13.4	(13.4)	–	–	–	–
vi To set aside for working capital purpose	4.8	24.1	(16.9)	12.0	(7.0)	5.0
vii To expand and develop the Oil Trading Business	–	40.0	(40.0)	–	–	–
viii Future investment opportunities	–	4.2	(4.2)	–	–	–
	<u>85.0</u>	<u>–</u>	<u>(73.0)</u>	<u>12.0</u>	<u>(7.0)</u>	<u>5.0</u>

## CHANGE IN USE OF PROCEEDS

As disclosed in the announcement and 2024 annual report dated 27 September 2024, the Unutilised Net Proceeds amounted to approximately HK\$12 million as at 30 June 2024. After careful consideration and detailed evaluation of the Group's operations and business strategies, the Board has resolved to allocate the Unutilised Net Proceeds, including (i) approximately HK\$6.2 million for financing the upfront expenditures of new projects and (ii) approximately HK\$5.8 million for future investment opportunities of the Group, to be used as general working capital of the Group, which are originally scheduled to be fully utilized by 30 June 2025. The remaining balance as at 30 June 2025 will be carried forward and the date of fully utilization is extended to 30 June 2026.

## REASONS FOR CHANGE IN USE OF PROCEEDS

Since the global economic activities are still reeling from the aftermath of the pandemic, the situation has been further exacerbated by geopolitical tensions, inflationary pressures and high interest rates, resulting in a complex and volatile business environment. Meanwhile, the sluggish property market in the PRC continues to impact economic activities. These factors have adversely affect the overall performance of the Group. In view of the above, the Group has adopted a cautious and prudent approach in its operation and investment strategies. The Board evaluates the trends in the economic and business environment in Malaysia and the PRC to determine the most effective and efficient use of the Unutilised Net Proceeds.

The Board considers that the change in use of the Unutilised Net Proceeds will allow the Group to deploy its financial resources more effectively and is in the interests of the Company and its shareholders as a whole and will not have any material adverse effect on the existing business and operations of the Group.

## SHARE OPTION SCHEME

Pursuant to the written resolutions of all the Shareholders passed on 5 September 2019, the Company adopted the share option scheme of the Company (the “**Share Option Scheme**”). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. The purpose of the Share Option Scheme is to enable the Board to grant options to employees, any supplier of goods or services, any customer, any person or entity that provides research, development or other technological support, any shareholder or other participants who contributes to the development and growth of the Group or any invested entity (the “**Eligible Persons**”) as incentives or rewards for their contribution or potential contribution to the Group and to recruit and retain high calibre Eligible Persons and attract human resources that are valuable to the Group.

On 12 May 2021, a total of 10,000,000 share options (the “**Share Option(s)**”) were granted to 2 Eligible Persons and each Share Option shall entitle the holder of the Share Option to subscribe for one Share upon exercise of such Share Option at an exercise price of HK\$0.35 per Share. Subject to the terms of the Share Option Scheme, the Share Options shall be exercisable at any time during the period from 12 May 2021 to 11 May 2026 (both dates inclusive). The closing price of the Shares on the date of the grant of the Share Options was HK\$0.34 per Share and the closing price of the Shares immediately before the date of the grant of the Share Options was HK\$0.345 per Share. None of the Grantees is the Director, chief executive or substantial Shareholder of the Company or any of their respective associates (as defined under the Listing Rules) as at the date of grant. Apart from that, no options were granted, exercised, cancelled or lapsed in accordance with the terms of the Share Option Scheme. Details of the above grant of the Share Options were set out in the Company’s announcement dated 12 May 2021.

As at 30 June 2025, the total number of securities available for issue under the Share Option Scheme was 90,000,000, representing 9% of the entire issued share capital of the Company. Movements of Share Options during the Period are as below:

Name and category of participant	Date of grant	Exercise price HK\$	Outstanding at 1 July 2024	Granted	Exercised	Cancelled/ Lapsed	Outstanding at 30 June 2025	Validity period of the Share Options
				during the Financial Year	during the Financial Year	during the Financial Year		
Employee	12 May 2021	0.35	10,000,000	–	–	–	10,000,000	12 May 2021 to 11 May 2026
Total:			10,000,000	–	–	–	10,000,000	

No Share Option was granted, exercised, cancelled or lapsed during the Financial Year (2024: Nil).

All the options forfeited before expiry of the options will be treated as lapsed options under the Share Option Scheme.

## **DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Other than the Share Option Scheme, at no time during the Financial Year was the Company or its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## **PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY**

No purchase, sale or redemption of the Company's listed securities was made by the Company or any of its subsidiaries during the Financial Year (2024: Nil).

## **SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the “**Model Code**”) as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of the Directors, all the Directors have confirmed that they have complied with the requirements of the Model Code throughout the Financial Year.

## **CORPORATE GOVERNANCE**

The Company is committed to fulfilling its responsibilities to the Shareholders and protecting and enhancing Shareholders' value through good corporate governance.

The Board recognises the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. The Company has adopted the principles and the code provisions of the Corporate Governance Code (the “**CG code**”) as set out in Appendix C1 of the Listing Rules.

To the best of the knowledge of the Board, the Company has complied with the applicable CG code during the Financial Year. The Board will periodically review on the Company's corporate governance functions and will continuously improve the Company's corporate governance practices by assessing their effectiveness with evolving standards to meet changing circumstances and needs.

## **AUDIT COMMITTEE**

The Audit Committee was established on 5 September 2019 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee comprises three independent non-executive Directors, namely Mr. Chu Hoe Tin, Mr. Ng Ying Kit and Mr. Wong Sze Lok. The chairman of the Audit Committee is Mr. Chu Hoe Tin.

The audited consolidated financial statements for the year ended 30 June 2025 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

## **SCOPE OF WORK OF ASIAN ALLIANCE (HK) CPA LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 June 2025 as set out in this preliminary announcement have been agreed by the Company's auditor, Asian Alliance (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the Financial Year. The work performed by Asian Alliance (HK) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Asian Alliance (HK) CPA Limited on this preliminary announcement.

## **PUBLICATION ON THE COMPANY AND STOCK EXCHANGE'S WEBSITES**

This annual results announcement is published on the websites of the Company ([www.tbkssb.com.my](http://www.tbkssb.com.my)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)), respectively. The annual report of the Company for the year ended 30 June 2025 will be despatched to Shareholders and available on the same websites in due course.

By order of the Board  
**TBK & Sons Holdings Limited**  
**Tan Hun Tiong**  
*Chairman*

Hong Kong, 29 September 2025

*As at the date of this announcement, the Board comprises Mr. Tan Hun Tiong, Mr. Tan Han Peng, Mr. Tang Zhiming and Mr. Chen Da as executive Directors; Ms. Venny as non-executive Director; and Mr. Chu Hoe Tin, Mr. Ng Ying Kit and Mr. Wong Sze Lok as independent non-executive Directors.*