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## **TBK & Sons Holdings Limited**

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

**(Stock Code: 1960)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of TBK & Sons Holdings Limited (the “**Company**”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 31 December 2025 (the “**Period**”) together with the relevant comparative figures as follows:

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

*For the six months ended 31 December 2025*

		<b>Six months ended</b>	
		<b>31 December</b>	
		<b>2025</b>	2024
		<b>Unaudited</b>	Unaudited
	<i>Notes</i>	<b>RM’000</b>	<i>RM’000</i>
Revenue	5	<b>47,517</b>	44,193
Cost of sales		<b>(44,622)</b>	(40,270)
Gross profit		<b>2,895</b>	3,923
Gain on disposal of land		<b>6,773</b>	–
Other income, gains and losses, net		<b>461</b>	(824)
Selling and distribution expenses		<b>(189)</b>	(225)
Administrative expenses		<b>(9,153)</b>	(9,126)
Reversal of impairment (impairment loss)			
under expected credit loss model, net	6	<b>1,779</b>	(231)
Finance costs	7	<b>(1,918)</b>	(180)
Share of results of an associate		<b>36</b>	(133)
Profit (loss) before tax	8	<b>684</b>	(6,796)
Income tax expense	9	<b>–</b>	(4)
Profit (loss) for the period		<b>684</b>	(6,800)

		<b>Six months ended</b>	
		<b>31 December</b>	
		<b>2025</b>	2024
	<i>Notes</i>	<b>Unaudited</b>	Unaudited
		<b>RM'000</b>	<b>RM'000</b>
Other comprehensive income (expense) for the period, net of tax:			
<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		–	55
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>240</u>	<u>(2,063)</u>
Other comprehensive income (expense) for the period, net of income tax		<u>240</u>	<u>(2,008)</u>
Total comprehensive income (expense) for the period		<u><b>924</b></u>	<u><b>(8,808)</b></u>
Profit (loss) for the period attributable to:			
– Owners of the Company		<b>981</b>	(6,168)
– Non-controlling interests		<u>(297)</u>	<u>(632)</u>
		<u><b>684</b></u>	<u><b>(6,800)</b></u>
Total comprehensive income (expense) for the period attributable to:			
– Owners of the Company		<b>1,114</b>	(8,425)
– Non-controlling interests		<u>(190)</u>	<u>(383)</u>
		<u><b>924</b></u>	<u><b>(8,088)</b></u>
Earnings (loss) per share	<i>10</i>		
– Basic and diluted ( <i>RM</i> )		<u><b>0.10 sen</b></u>	<u><b>(0.62) sen</b></u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

		As at 31 December 2025 Unaudited RM'000	As at 30 June 2025 Audited RM'000
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment		11,286	10,263
Intangible assets		30	90
Interest in an associate		264	228
		<u>11,580</u>	<u>10,581</u>
<b>Current assets</b>			
Trade and other receivables	12	61,165	60,602
Contract assets		23,427	35,214
Amount due from an associate		–	98
Tax recoverable		3,145	3,016
Pledged time deposits		6,771	6,767
Cash and cash equivalents		91,441	25,266
		<u>185,949</u>	<u>130,963</u>
Assets classified as held for sale	13	–	4,689
		<u>185,949</u>	<u>135,652</u>
<b>Current liabilities</b>			
Trade and other payables	14	76,391	65,650
Tax payable		1,240	1,377
Lease liabilities-current portion		670	546
Amount due to a director		741	540
Bank and other borrowings		2,803	2,676
Promissory note	15	10,205	–
		<u>92,050</u>	<u>70,789</u>
<b>Net current assets</b>		<u>93,899</u>	<u>64,863</u>
<b>Total assets less current liabilities</b>		<u>105,479</u>	<u>75,444</u>

		<b>As at 31 December 2025 Unaudited RM'000</b>	As at 30 June 2025 Audited RM'000
	<i>Notes</i>		
<b>Non-current liabilities</b>			
Lease liabilities		<b>1,386</b>	574
Bank and other borrowings		–	275
Promissory note	<i>15</i>	<b>28,574</b>	–
Deferred tax liabilities		<b>11</b>	11
		<u><b>29,971</b></u>	<u>860</u>
<b>NET ASSETS</b>		<u><b>75,508</b></u>	<u>74,584</u>
<b>Capital and reserves</b>			
Share capital		<b>5,300</b>	5,300
Reserves		<b>76,485</b>	75,371
		<u><b>81,785</b></u>	<u>80,671</u>
Equity attributable to owners of the Company		<b>81,785</b>	80,671
Non-controlling interests		<b>(6,277)</b>	(6,087)
		<u><b>75,508</b></u>	<u>74,584</u>
<b>TOTAL EQUITY</b>		<u><b>75,508</b></u>	<u>74,584</u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 31 December 2025*

## 1. GENERAL INFORMATION

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 A, 12/F., Eton Building, 288 Des Voeux 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 unaudited condensed consolidated 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. BASIS OF PREPARATION

### 2.1 Basis of preparation

The unaudited condensed consolidated financial statements have been prepared in accordance with IFRS Accounting Standard 34 Interim Financial Reporting issued by International Accounting Standards Board ("**IASB**") and applicable disclosures requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The unaudited condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 30 June 2025 (the "**2025 Financial Statements**") and the amended IFRS Accounting Standards which are effective for the annual period beginning on or after 1 July 2025 and relevant to the Group.

The unaudited condensed consolidated financial statements do not include all the information and disclosures required in the 2025 Financial Statements, and should be read in conjunction with the 2025 Financial Statements.

The Directors have, at the time of approving the unaudited condensed consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the unaudited condensed consolidated financial statements.

### **3. PRINCIPAL ACCOUNTING POLICIES**

The unaudited condensed consolidated financial statements have been prepared under historical cost basis.

#### **Application of amendments to IFRS Accounting Standards**

In the current interim period, the Group has applied the following IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 July 2025 for the preparation of the Group's unaudited condensed consolidated financial statements:

Amendments to IAS 21      Lack of Exchangeability

The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or the disclosure set out in these unaudited condensed consolidated financial statements.

### **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.

(a) 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*

**For the six months ended 31 December 2025 (Unaudited)**

	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	2,022	41,262	-	4,233	-	47,517
Segment cost of sales	(1,917)	(38,848)	-	(3,857)	-	(44,622)
Gross profit	<u>105</u>	<u>2,414</u>	<u>-</u>	<u>376</u>	<u>-</u>	2,895
Gain on disposal of land						6,773
Other income, gains and losses, net						461
Selling and distribution expenses						(189)
Administrative expenses						(9,153)
Reversal of impairment under expected credit loss model, net						1,779
Finance costs						(1,918)
Share of results of an associate						<u>36</u>
Profit before tax						<u><u>684</u></u>

For the six months ended 31 December 2024 (Unaudited)

	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>
Revenue						
Revenue from external customers	-	35,011	1,059	8,123	-	44,193
Segment cost of sales	-	(31,399)	(946)	(7,925)	-	(40,270)
Gross profit	<u>-</u>	<u>3,612</u>	<u>113</u>	<u>198</u>	<u>-</u>	3,923
Other income, gains and losses, net						(824)
Selling and distribution expenses						(225)
Administrative expenses						(9,126)
Impairment loss under expected credit loss model, net						(231)
Finance costs						(180)
Share of results of an associate						<u>(133)</u>
Loss before tax						<u><u>(6,796)</u></u>

*Other segment information*

**For the six months ended 31 December 2025 (Unaudited)**

	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>
Depreciation of items of property, plant and equipment, excluding right-of- use assets						
Operating segments	3	60	-	70	-	133
Amount unallocated						<u>139</u>
						<u><u>272</u></u>
Depreciation of right-of-use assets						
Operating segments	13	268	-	-	-	281
Amount unallocated						<u>16</u>
						<u><u>297</u></u>

**For the six months ended 31 December 2024 (Unaudited)**

	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>
Depreciation of items of property, plant and equipment, excluding right-of- use assets						
Operating segments	-	96	3	75	138	312
Amount unallocated						<u>60</u>
Depreciation of right-of-use assets						<u><u>372</u></u>
Depreciation of right-of-use assets						
Operating segments	-	346	10	-	290	646
Amount unallocated						<u>16</u>
						<u><u>662</u></u>

### *Segment assets and liabilities*

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

#### **(b) Geographical information**

Information about the Group's revenue is presented based on the geographical location of customers from which the sales transactions originated.

Information about the Group's non-current assets is presented based on the geographical location of the Group's assets.

	<b>Revenue from external customers</b>		<b>Non-current assets</b>	
	<b>For the six months ended 31 December</b>		<b>As at 31 December</b>	<b>As at 30 June</b>
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2025</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Hong Kong	–	–	–	–
Malaysia	<b>43,284</b>	36,070	<b>11,373</b>	10,175
PRC	<b>4,233</b>	8,123	<b>207</b>	406
	<b>47,517</b>	44,193	<b>11,580</b>	10,581

#### **(c) Information about major customers**

Revenue from customers of the corresponding periods contributing over 10% of the Group's revenue are as follows:

	<b>Six months ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RM'000</b>	<b>RM'000</b>
Civil and Structural Works		
Customer A	<b>17,508</b>	17,270
Customer B	<b>14,516</b>	N/A
Customer C	–	7,551
Customer D	–	6,632

*Note:* N/A represents that the amounts of revenue from such customers is less than 10% of reporting periods.

## 5. REVENUE

Revenue represents the amounts received and receivable for civil and structural works rendered by the Group to customers.

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

	<b>Six months ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b><i>RM'000</i></b>	<b><i>RM'000</i></b>
<i>Recognised over time</i>		
Contract revenue	<b>47,517</b>	<b>44,193</b>

## 6. (REVERSAL OF IMPAIRMENT) IMPAIRMENT LOSS UNDER EXPECTED CREDIT LOSS MODEL, NET

	<b>Six months ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b><i>RM'000</i></b>	<b><i>RM'000</i></b>
<b>(Reversal of impairment) impairment loss under expected credit loss model, net:</b>		
– trade receivables	<b>(1,471)</b>	1,395
– contract assets	<b>(515)</b>	(1,128)
– other receivables	<b>207</b>	(36)
	<b>(1,779)</b>	231

## 7. FINANCE COSTS

	<b>Six months ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RM'000</b>	<b>RM'000</b>
Interests on:		
– bank and other borrowings	<b>91</b>	136
– promissory note	<b>1,766</b>	–
– lease liabilities	<b>61</b>	44
	<u><b>61</b></u>	<u>44</u>
	<b>1,918</b>	180
	<u><b>1,918</b></u>	<u>180</u>

## 8. PROFIT (LOSS) BEFORE TAX

Profit (loss) before tax has been arrived at after charging:

	<b>Six months ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RM'000</b>	<b>RM'000</b>
Short-term leases expenses	<b>779</b>	1,375
Amortisation on intangible assets	<b>57</b>	82
Depreciation of property, plant and equipment, excluding right-of-use assets	<b>272</b>	372
Depreciation of right-of-use assets	<b>297</b>	662
Subcontracting fee	<b>30,007</b>	11,769
Cost of inventories	<b>4,232</b>	15,848
Employee benefits expenses (including directors' and chief executive's emoluments)		
– Wages, salaries and other benefits	<b>11,973</b>	13,387
– Contributions to defined contribution plans	<b>661</b>	741
	<u><b>661</b></u>	<u>741</u>
Total employee costs	<b>12,634</b>	14,128
Less: amounts included in cost of sales	<b>(6,801)</b>	(8,054)
	<u><b>(6,801)</b></u>	<u>(8,054)</u>
Employee costs included in administrative expenses and selling distribution expenses	<b>5,833</b>	6,074
	<u><b>5,833</b></u>	<u>6,074</u>

## 9. INCOME TAX EXPENSE

The amount of income tax expense in the condensed consolidated statements of profit or loss and other comprehensive income represents:

	Six months ended 31 December	
	2025	2024
	Unaudited	Unaudited
	RM'000	RM'000
Current tax:		
PRC Enterprise Income Tax (“EIT”)	-	4

For the six months ended 31 December 2025 and 31 December 2024, the Group’s entities in the Cayman Islands and the British Virgin Islands (“BVI”) are not subject to income tax as there were no assessable profits during the periods.

The Malaysian corporate income tax applicable to Tan Bock Kwee & Sons Sdn. Bhd. (“TBK”) and Prestasi Senadi Sdn. Bhd. (“Prestasi Senadi”) is calculated at the statutory tax rate of 24% of the assessable profits for the six months ended 31 December 2025 and 31 December 2024. No provision for Malaysian income tax had been provided for the six months ended 31 December 2025 as these two subsidiaries had no assessable profits arising in Malaysia.

The provision for PRC EIT for 聯高能源(山東)有限公司 (Liangao Energy (Shandong) Company Limited) is based on a statutory rate of 25% of the assessable profits for the six months ended 31 December 2025 and 31 December 2024 as determined in accordance with the relevant income tax rules and regulations of the PRC. No PRC EIT has been provided for the six months ended 31 December 2025 and 31 December 2024 as Liangao Shandong had no assessable profits arising in PRC.

Pursuant to the State Taxation Administration Hainan Provincial Taxation Bureau Announcement No. 2 of 2025, the Group’s subsidiary, 港聯高能源(海南)有限公司 (Gangliangao Energy (Hainan) Company Limited) (“Gangliangao Hainan”), is subject to EIT at the preferential rate of 15% from 1 January 2025 to 31 December 2027. Pursuant to the Notice on the Policies of Income Tax Preferences for Enterprises in Hainan Free Trade Port (Cai Shui 2020 No.31), Gangliangao Hainan is subject to EIT at the preferential rate of 15% from 1 January 2020 to 31 December 2024. No EIT has been provided for the six months ended 31 December 2025 and 31 December 2024 as Gangliangao Hainan has no assessable profits arising in PRC.

Other than the above-mentioned subsidiaries, certain PRC subsidiaries are eligible as a small low-profit enterprise and is subject to the preferential tax treatment for the six months ended 31 December 2025 and 31 December 2024. The portion of annual taxable income amount of a small low-profit enterprise which does not exceed RMB3 million shall be computed at a reduced rate of 25% of taxable income amount, and be subject to EIT at 20% tax rate.

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both years. No Hong Kong profits tax has been provided as the Group has no assessable profits arising in Hong Kong for the six months ended 31 December 2025 and 31 December 2024.

## 10. EARNINGS (LOSS) PER SHARE

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

	<b>Six months ended 31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Profit (loss)</b>		
Profit (loss) for the period attributable to owners of the Company	<b>981</b>	<b>(6,168)</b>
Weighted average number of ordinary Shares for the purposes of basic and diluted earnings (loss) per share	<b>1,000,000,000</b>	<b>1,000,000,000</b>

The computation of diluted earnings (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 six months ended 31 December 2025 and 2024.

## 11. DIVIDEND

No dividends were paid, declared or proposed during the interim period (six months ended 31 December 2024: Nil). The Directors have determined that no dividend will be paid in respect of the interim period.

## 12. TRADE AND OTHER RECEIVABLES

	As at 31 December 2025 Unaudited RM'000	As at 30 June 2025 Audited RM'000
Trade receivables	70,291	74,946
Less: Allowance for credit losses	<u>(32,880)</u>	<u>(34,808)</u>
	<u>37,411</u>	<u>40,138</u>
Advances paid to subcontractors and suppliers	3,897	475
Other receivables	19,289	19,909
Other deposits	<u>991</u>	<u>629</u>
	24,177	21,013
Less: Allowance for credit losses	<u>(817)</u>	<u>(628)</u>
	23,360	20,385
Prepayments	<u>394</u>	<u>79</u>
	<u><b>61,165</b></u>	<u><b>60,602</b></u>

Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 7 days to 120 days from date of invoice. 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 31 December 2025 and 30 June 2025 are as follows:

	As at 31 December 2025 Unaudited RM'000	As at 30 June 2025 Audited RM'000
1 to 90 days	8,844	12,981
91 to 180 days	1,267	8,508
181 to 270 days	4,331	10,253
271 to 360 days	8,005	4,394
Over 360 days	<u>47,844</u>	<u>38,810</u>
	<u><b>70,291</b></u>	<u><b>74,946</b></u>

### 13. 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. During the six months ended 31 December 2025, the disposal was completed and recognised a gain of approximately RM6,773,000, representing the total consideration minus the carrying amount of the freehold lands.

### 14. TRADE AND OTHER PAYABLES

	As at <b>31 December</b> <b>2025</b> <b>Unaudited</b> <i>RM'000</i>	As at 30 June 2025 Audited <i>RM'000</i>
Trade payables	<b>60,616</b>	49,028
Retention payables	<b>1,111</b>	2,080
Accruals	<b>9,297</b>	7,640
Other payables	<b>5,368</b>	6,902
	<b>76,391</b>	65,650

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 day to 180 days (30 June 2025: 30 days to 180 days) from the date of invoice.

The ageing analysis of trade payables, based on invoice dates, as at 31 December 2025 and 30 June 2025 are as follows:

	As at <b>31 December</b> <b>2025</b> <b>Unaudited</b> <i>RM'000</i>	As at 30 June 2025 Audited <i>RM'000</i>
Within 30 days	<b>2,337</b>	12,336
31 to 60 days	<b>10,267</b>	4,623
61 to 90 days	<b>7,415</b>	5,710
Over 90 days	<b>40,597</b>	26,359
	<b>60,616</b>	49,028

## 15. PROMISSORY NOTE

On 8 July 2025, a direct wholly-owned subsidiary of the Company (the “**Issuer**”) has entered into agreement with an individual third party (the “**Subscriber**”). The Subscriber will subscribe for the promissory notes to be issued by the Issuer with an aggregated principal amount of up to USD9,500,000. The first promissory note of USD2,500,000 (the “**Tranche 1**”) had been issued in July 2025 and the remaining promissory note of USD7,000,000 (the “**Tranche 2**”) was issued in December 2025. The promissory note bears interest at 2% per month and repayable no later than July 2026 for Tranche 1 and December 2027 for Tranche 2.

The promissory 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.

## 16. COMPARATIVE FIGURES

During the six months ended 31 December 2025, for enhancing the relevance of the presentation of the unaudited condensed consolidated financial statements, reclassifications has been made to certain comparative figures presented in the unaudited condensed consolidated financial statements in respect of the prior period to achieve comparability with the current period presentation.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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 Period, the Group's revenue recorded an increase by approximately RM3.3 million or 7.5% from approximately RM44.2 million for the six months ended 31 December 2024 to approximately RM47.5 million for the Period. The revenue generated from the civil and structural works in Malaysia and the PRC, as well as the trading of oil and related products in the PRC contributed approximately 100% (2024: 100%) and 0% (2024: 0%) respectively of the total revenue of the Group.

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

Against a gradually improving economic backdrop, the Group's civil and structural operations in Malaysia continued to demonstrate resilience, with its products, services, revenue streams, and customer base remaining stable and showing encouraging signs of upside during the financial period. While the Group faced challenges in securing new projects due to rising costs and tightening margins, these conditions also created opportunities to refine its competitive approach and strengthen long-term positioning.

The headwinds encountered, namely (i) the slowdown and deferment of new project launches coupled with rising of essential material costs; (ii) increasingly unrealistic pricing expectations from certain project owners; and (iii) a continuous shortage of experienced professionals and skilled workers in project planning, budgeting, and control which intensified competition within the tendering landscape. With market share narrowing, the tendering environment has become noticeably more 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 RM36.1 million for the period ended 31 December 2024 to approximately RM43.3 million for the Period, whereas the gross profit decreased from approximately RM3.7 million for the period ended 31 December 2024 to approximately RM2.5 million for the Period and the gross profit margin maintained at approximately 5.8% and 10.3% for the periods ended 31 December 2025 and 2024.

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

The economic landscape in the PRC showed little improvement, as the property market remained persistently weak despite modest growth in infrastructure-driven construction activity. The Group's civil and structural operations in the PRC continued to face significant challenges, including fierce competition for contracts, extended payment terms, delays in progress certification, and customer payment delays. 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 RM8.1 million for the period ended 31 December 2024 to approximately RM4.2 million for the Period, the gross profit increased from approximately RM0.2 million for the Period ended 31 December 2024 to approximately RM0.4 million for the Period and the gross profit margin was approximately 8.9% and 2.4% for the periods ended 31 December 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 decreased by approximately RM0.4 million for the Period compared to the previous period. This decrease was primarily attributable to the settlements made by customers, which directly impact the ECL calculation by reflecting the changes in credit risk associated with the outstanding trade receivables and contract assets as at 31 December 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 remained highly volatile. Global crude prices fluctuated sharply amid geopolitical tensions, including the ongoing Russia-Ukraine conflict and the Israel-Palestine crisis. 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. During the Period, the Group did not record any revenue from the trading of oil and related products in the PRC (2024: Nil).

## PROFIT (LOSS) FOR THE PERIOD

The Group's unaudited profit attributable to owners of the Company for the Period amounted to approximately RM1.0 million (2024: loss of RM6.2 million). The turnaround to a profit for the Period was mainly attributable to the recognition of a gain on disposal of land of approximately RM6.8 million.

## 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 licence 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 six months ended 31 December 2025 and 2024:

	For the six months ended 31 December			
	2025		2024	
	<i>approximately</i>		<i>approximately</i>	
	<i>RM'000</i>	<i>%</i>	<i>RM'000</i>	<i>%</i>
Site preparation works projects	2,022	4.7	–	0.0
Civil works projects	41,262	95.3	35,011	97.1
Building works projects	–	0.0	1,059	2.9
	<u>43,284</u>	<u>100.0</u>	<u>36,070</u>	<u>100.0</u>

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 Period under review, the revenue from civil and structural works in Malaysia increased by approximately 19.9% from approximately RM36.1 million for the six months ended 31 December 2024 to approximately RM43.3 million for the Period.

#### *Site preparation works projects*

Revenue from site preparation works projects increased from approximately Nil for the six months ended 31 December 2024 to approximately RM2.0 million for the Period, such increase was mainly attributed to the ongoing Project 66 (approximately RM2.0 million) which commenced during the Period.

#### *Civil works projects*

Revenue from civil works projects increased from approximately RM35.0 million for the six months ended 31 December 2024 to approximately RM41.3 million for the Period, representing an increase of approximately 18.0%.

The increase in revenue was mainly attributable to 5 completed projects which commenced during the previous year i.e. Project 57 (approximately RM0.2 million), Project 58 (approximately RM0.5 million), Project 63 (approximately RM0.1 million), Project 64 (approximately RM1.4 million) and Project 65 (approximately RM0.7 million), 1 ongoing project which commenced during the previous financial year i.e. Project 62 (approximately RM13.7 million), as well as 2 ongoing projects which commenced during the Period i.e. Project 67 (approximately RM0.8 million), and Project 68 (approximately RM0.5 million).

The increase was partially offset by the drop in revenue mainly from 6 completed projects during the previous year i.e. Project 1 (approximately RM0.2 million), Project 30 (approximately RM0.9 million), Project 44 (approximately RM0.3 million), Project 48 (approximately RM1.5 million), Project 52 (approximately RM1.4 million) and Project 56 (approximately RM0.3 million), 2 completed projects which commenced during the previous year i.e. Project 54 (approximately RM1.8 million) and Project 61 (approximately RM1.2 million), 1 ongoing project which commenced during the previous year i.e. Project 60 (approximately RM4.2 million), as well as other civil works completed during the Period (approximately RM0.3 million).

#### *Building works projects*

The Group did not record any revenue from building works projects (2024: RM1.1million) and it had not procured any new project during the Period.

## Projects on hand

As at the 31 December 2025, the Group had 5 (30 June 2025: 7) 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 60	A refinery in Pengerang	Civil works	PIPC	July 2024	March 2026
Project 62	An aeronautical factory in Nilai, Negeri Sembilan	Civil works	Non-PIPC	August 2024	September 2026
Project 66	A power plant in Sg Udang, Melaka	Site preparation works	Non-PIPC	October 2025	March 2026
Project 67	A refinery in Pengerang	Civil works	PIPC	December 2025	April 2027
Project 68	A refinery in Pengerang	Civil works	PIPC	December 2025	March 2028

## 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). Xinhongyao Construction 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 works in the PRC continued to face significant challenges, including fierce competition for contracts, extended payment terms, delays in progress certification, and customer payment delays. Projects undertaken in the PRC primarily involved construction, renovation, and labour 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 community development but were subject to lengthy approval and settlement processes by project owners. In response, the Group has slowed negotiations for new projects and focused 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 continues to maintain proactive communication with customers, seeking improvements in both project timelines and payment processes, while closely monitoring ongoing business conditions.

During the Period, the Group's revenue from civil and structural works in the PRC decreased by 48.1% from approximately RM8.1 million for the six months ended 31 December 2024 to approximately RM4.2 million for the Period.

The decrease in revenue was mainly attributable to 1 project which was completed during the previous year i.e. Project 2 (approximately RM0.7 million), as well as 5 ongoing projects which were commenced during the previous year i.e. Project 8 (approximately RM0.6 million), Project 1 (approximately RM6.1 million), Project 15 (approximately RM0.5 million), Project 16 (approximately RM0.1 million) and Project 20 (approximately RM0.9 million).

The decrease was partially offset by the increase in revenue for 3 ongoing projects which were commenced during the previous year i.e. Project 10 (approximately RM0.1 million), Project 22 (approximately RM0.8 million) and Project 23 (approximately RM3.9 million), as well as the ongoing Project 23 (approximately RM 0.2 million) which were commenced during the Period.

### **Projects on hand**

As at the 31 December 2025, the Group had 11 (30 June 2025: 10) 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	May 2026
Project 15	Waterproof works in Shandong Province	Construction works	January 2024	May 2026
Project 16	A college in Qingdao City West Coast New Area, Shandong Province	Construction works	March 2024	April 2026
Project 17	An innovation center in Qingdao West Coast New Area, Shandong Province	Renovation works	November 2024	May 2026
Project 18	A building in Laoshan District, Qingdao City	Construction works	April 2024	June 2026
Project 20	A building in Jimo District, Qingdao City	Construction works	November 2024	August 2026
Project 22	A college in Laoshan District, Qingdao	Construction works	December 2024	May 2026
Project 23	A building in Huangdao District, Qingdao City	Construction works	March 2025	April 2026
Project 24	A building in Huangdao District, Qingdao City	Construction works	August 2025	June 2026

## **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 remained highly volatile. Global crude prices fluctuated sharply amid geopolitical tensions, including the ongoing Russia-Ukraine conflict and the Israel-Palestine crisis. 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. During the Period, the Group did not record any revenue from the trading of oil and related products in the PRC (2024: Nil).

## **OUTLOOK**

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 and persistent geopolitical uncertainties, 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 riskconscious 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, with a view to diversifying the business of the Group.

## **FINANCIAL REVIEW**

### **Civil and Structural Works in Malaysia**

#### *Revenue*

During the Period under review, the Group's revenue from civil and structural works in Malaysia increased by approximately 19.9% from approximately RM36.1 million for the six months ended 31 December 2024 to approximately RM43.3 million for the Period.

## Cost of sales

The Group's cost of sales from civil and structural works in Malaysia mainly comprises cost of direct materials, subcontracting charges, and direct labour. The following table sets out the breakdown of the Group's direct costs during the six months ended 31 December 2025 and 2024:

	For the six months ended 31 December			
	2025		2024	
	<i>RM'000</i>	<i>Approximately</i> %	<i>RM'000</i>	<i>Approximately</i> %
Direct material	<b>4,091</b>	<b>10.0</b>	8,680	26.8
Subcontracting charges	<b>26,159</b>	<b>64.2</b>	11,769	36.4
Direct labour	<b>7,020</b>	<b>17.2</b>	8,054	24.9
Rental of machinery and equipment	<b>211</b>	<b>0.5</b>	492	1.5
Depreciation	<b>345</b>	<b>0.9</b>	455	1.4
Other costs	<b>2,938</b>	<b>7.2</b>	2,895	9.0
Total	<b><u>40,764</u></b>	<b><u>100.0</u></b>	<b><u>32,345</u></b>	<b><u>100.0</u></b>

The Group's cost of sales from civil and structural works in Malaysia during the Period 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 RM32.3 million for the six months ended 31 December 2024 to approximately RM40.8 million for the Period, representing an increase of approximately 26.3% 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*

The gross profit from civil and structural works in Malaysia decreased from approximately RM3.7 million for the six months ended 31 December 2024 to RM2.5 million for the Period, representing an decrease of approximately 32.4%, while the Group's gross profit margin decreased from approximately 10.3% for the six months ended 31 December 2024 to 6.2% for the Period. The decline in gross profit was mainly attributable to the new projects that commenced during the Period, which generated relatively lower profit margins.

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

The Group's civil and structural works in the PRC continued to face significant challenges, including fierce competition for contracts, extended payment terms, delays in progress certification, and customer payment delays. Projects undertaken in the PRC primarily involved construction, renovation, and labour 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 community development but were subject to lengthy approval and settlement processes by project owners. In response, the Group has slowed negotiations for new projects and focused 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 continues to maintain proactive communication with customers, seeking improvements in both project timelines and payment processes, while closely monitoring ongoing business conditions.

#### *Revenue*

During the Period under review, the Group's revenue from the civil and structural works in the PRC was approximately RM4.2 million (2024: RM8.1 million).

### *Cost of sales*

The Group's cost of sales from the civil and structural works in the PRC mainly comprises cost of direct materials, subcontracting fee, direct labour and other direct costs. During the Period under review, the Group's cost of sales from the civil and structural works in the PRC was approximately RM3.9 million (2024: RM7.9 million).

### *Gross profit and gross profit margin*

The Group's gross profit from the civil and structural works in the PRC was approximately RM0.4 million for the Period (2024: RM0.2 million). With combined effects of revenue and cost of sales from the civil and structural works in the PRC, the Group's gross profit margin from civil and structural works in the PRC was approximately 8.9% (2024: 2.4%).

### **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 remained highly volatile. Global crude prices fluctuated sharply amid geopolitical tensions, including the ongoing Russia-Ukraine conflict and the Israel-Palestine crisis. Fluctuations in crude oil prices became more pronounced, making it difficult for the Group to fully pass increased supplier costs onto customers. The Group adopted a cautious and prudent approach to operations, seeking to maintain stability during a period of heightened uncertainty. During the Period, the Group did not record any revenue from the trading of oil and related products in the PRC (2024: Nil).

### **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, travelling and transport expenses in the PRC. During the Period, the selling and distribution expenses were approximately RM0.2 million (2024: RM0.2 million).

### **Administrative expenses**

The Group's administrative expenses were approximately RM9.2 million for the Period (2024: approximately RM9.1 million). 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 and accounted for approximately 63.7% (2024: 66.6%) of administrative expenses.

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

The Group had adopted the simplified approach to account for ECLs as prescribed by IFRS9. Throughout the Period, the Group consistently followed the same methodology for the statistical analysis and judgement for the ECLs assessment. In assessing the recoverability of the trade receivables, contract assets and other receivables, the management had performed a detailed analysis based on the 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 Period, the Group recognised the net reversal of impairment loss on ECLs on trade receivables, contract assets and other receivables of approximately RM1.8 million (2024: net impairment loss RM0.2 million). As at 31 December 2025, the provision for impairment loss on trade receivables, contract assets and other receivables amounted to approximately RM32.9 million (30 June 2025: RM34.8 million), RM5.8 million (30 June 2025: RM6.4 million) and RM0.8 million (2025: RM0.6 million), respectively.

The decrease in ECLs was primarily attributable to the improved customer payment timeliness, which directly impact the ECLs calculation by reflecting the positive changes in credit risk associated with the outstanding trade receivables and contract assets as at 31 December 2025.

The Group actively monitors the status of its customers and the economic environment, and conducts ongoing evaluations of its 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 and has focused on the collection process of long-aged trade receivables. The Group will maintain 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 31 December 2025 to be justifiable.

## **Finance costs**

Finance costs represented interest on promissory note, bank and other borrowings and lease liabilities. For the six months ended 31 December 2025 and 2024, the Group recorded finance costs of approximately RM2.0 million and RM0.2 million, respectively.

## Income tax expense

The Group's income tax expenses was approximately RMNil for the Period (2024: RM4,000). The decrease was mainly due to no estimated assessable profit generated from the Group during the Period.

## Profit (Loss) and Earnings (Loss) per Share

The Group recorded a profit attributable to owners of the Company for the Period of approximately RM1.0 million (2024: loss of RM6.2 million) and the earnings per share for the Period was approximately RM0.1 sen (2024: loss per share RM0.62 sen). The turnaround to a profit for the Period was mainly attributable to the recognition of a gain on disposal of land of approximately RM6.8 million.

## Key Financial Ratio

	<i>Note</i>	<b>As at December 2025</b>	<b>As at June 2025</b>
Current ratio ( <i>times</i> )	<i>1</i>	<b>2.0</b>	2.0
Quick ratio ( <i>times</i> )	<i>2</i>	<b>2.0</b>	2.0
Gearing ratio (%)	<i>3</i>	<b>57.8</b>	<b>5.5</b>

*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%.

## Liquidity, Financial Resources and Capital Structure

As at 31 December 2025,

- a. the Company's issued capital was RM5.3 million (or HK\$10 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 (30 June 2025: RM6.8 million) and approximately RM91.4 million (30 June 2025: RM25.2 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, bank and other borrowings and promissory note of approximately RM2.1 million (30 June 2025: RM1.1 million), RM2.8 million (30 June 2025: RM3.0 million) and RM38.8 million (30 June 2025: Nil), respectively. All lease liabilities and borrowings were denominated in RM and RMB; and
- d. the Group's total equity attributable to owners of the Company was approximately RM81.8 million (30 June 2025: RM80.7 million). The equity 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 an interim dividend for the Period (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 Period.

### **Capital Commitments**

As at 31 December 2025, the Group had no significant capital commitments (30 June 2025: Nil).

## **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 approximately of 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 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. To prevent similar non-compliance in the future, the Group has arranged and completed in-house training and the special internal control assessment on Chapter 14 of the Listing Rules, to ensure all relevant parties possess the practical knowledge to identify notifiable transactions and are well acquainted with the Group's workflow, procedures and policies. During the Period, the disposal was completed and recognised a gain of approximately RM6,773,000, representing the total consideration of approximately RM11,462,000 minus the carrying amount of the freehold lands of RM4,689,000.

## **Pledge of Assets**

As at 31 December 2025, certain freehold land with carrying amount of RMNil (30 June 2025: RM4.7 million), certain right-of-use assets of leasehold land and buildings with total net carrying amount of approximately RM1.6 million (30 June 2025: RM1.6 million), and time deposit of approximately RM6.8 million (30 June 2025 RM6.8 million) were pledged to licensed banks as security for credit facilities granted to the Group. As at 31 December 2025, the Group had a promissory note with an aggregate principal amount of USD9.5 million (equivalents to RM38.8 million), which is secured by a charge on the entire share capital of TBKS Holding Sdn. Bhd., an indirect wholly-owned subsidiary of the Company. Details of the promissory note has been disclosed in note 15 of this announcement.

## **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 31 December 2025, the Group had no significant contingent liabilities or outstanding litigation (30 June 2025: Nil).

## **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 shares 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 Period.

## **Employees and Remuneration Policy**

As at 31 December 2025, the Group had 509 (30 June 2025: 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 Period, the Group’s employee cost, including Directors’ emoluments, were approximately RM12.6 million (2024: RM14.1 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 announcements of the Company in relation to change in use of proceeds dated 31 January 2022 and 27 September 2024 (the “**Announcements**”), 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 Announcements with the Group’s actual business progress for the period from the Listing Date to 31 December 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<br><br>– 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 have Bumiputera ownership   |

- vi. To set aside for working capital purpose – To set aside, together with internal resources of the Group, for general working capital purpose
- vii. To expand and develop 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 31 December 2025, all of the Net Proceeds were fully utilized as intended. 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 2025 <i>HK\$' million</i>	Unutilised Net Proceeds brought forward from 30 June 2025 <i>HK\$' million</i>	Utilised amount of Net Proceeds as during the Period <i>HK\$' million</i>	Unutilised Net Proceeds as at 31 December 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	(23.9)	5.0	(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>(80.0)</u>	<u>5.0</u>	<u>(5.0)</u>	<u>–</u>

## SHARE OPTION SCHEME

Pursuant to the written resolutions of all the Shareholders passed on 5 September 2019, the Company adopted 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 31 December 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 of category of participant	Date of grant	Exercise price HK\$	Outstanding at 1 July 2024 and 30 June 2025	Granted during the Period	Exercised during the Period	Cancelled/ lapsed during the Period	Outstanding at 31 December 2025	Exercise period of the Share Options
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 Period (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 Period 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 Period.

## **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 to the Listing Rules 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 during the Period.

## **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 knowledge of the Board, the Company has complied with all the applicable CG Code during the Period. The Board will periodically review 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 interim financial results of the Group for the Period are unaudited but have been reviewed and approved 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.

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

This interim 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 interim report of the Company for the six months ended 31 December 2025 will be despatched to shareholders of the Company and available on the same websites in due course.

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

Hong Kong, 26 February 2026

*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.*