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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 2026

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 2026 (the “**Financial Year**”) together with the comparative figures for the year ended 30 June 2025.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2026

	<i>Notes</i>	2026 RM’000	2025 RM’000
Revenue	5	75,398	97,408
Cost of sales		<u>(73,943)</u>	<u>(91,064)</u>
Gross profit		1,455	6,344
Other income, gains and losses, net	6	8,531	(484)
Selling and distribution expenses		(351)	(384)
Administrative expenses		(16,800)	(18,349)
Impairment loss under expected credit loss model, net of reversal	8	(21,005)	(17,437)
Impairment losses of property, plant and equipment and right-of-use assets	8	(1,044)	–
Finance costs	7	(5,880)	(470)
Share of results of an associate		<u>(36)</u>	<u>54</u>
Loss before tax	8	(35,130)	(30,726)
Income tax credit (expense)	9	<u>6</u>	<u>(447)</u>
Loss for the year		<u>(35,124)</u>	<u>(31,173)</u>

		2026	2025
	Notes	RM'000	RM'000
Other comprehensive income (expense) for the year			
<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		46	96
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(1,048)	(1,571)
Release of cumulative exchange translation reserve upon deregistration of subsidiaries		(8)	—
Other comprehensive expense for the year, net of income tax		(1,010)	(1,475)
Total comprehensive expense for the year		(36,134)	(32,648)
Loss for the year attributable to:			
– Owners of the Company		(32,953)	(28,338)
– Non-controlling interests		(2,171)	(2,835)
		(35,124)	(31,173)
Total comprehensive expense attributable to:			
– Owners of the Company		(33,785)	(30,248)
– Non-controlling interests		(2,349)	(2,400)
		(36,134)	(32,648)
Loss per share			
– Basic and diluted (RM)	10	(3.30 sen)	(2.83 sen)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	2026 RM'000	2025 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment		8,754	10,263
Intangible assets		–	90
Interest in an associate		192	228
		<u>8,946</u>	<u>10,581</u>
CURRENT ASSETS			
Trade and other receivables	12	36,492	60,602
Contract assets		12,718	35,214
Amount due from an associate		–	98
Tax recoverable		2,426	3,016
Pledged time deposits		7,920	6,767
Cash and cash equivalents		73,606	25,266
		<u>133,162</u>	<u>130,963</u>
Assets classified as held for sale	13	–	4,689
		<u>133,162</u>	<u>135,652</u>
CURRENT LIABILITIES			
Trade and other payables	14	59,065	65,650
Tax payable		1,326	1,377
Lease liabilities		569	546
Amount due to a director		586	540
Bank and other borrowings		2,402	2,676
Promissory notes	15	19,552	–
		<u>83,500</u>	<u>70,789</u>
NET CURRENT ASSETS		<u>49,662</u>	<u>64,863</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>58,608</u>	<u>75,444</u>

	<i>Notes</i>	2026 <i>RM'000</i>	2025 <i>RM'000</i>
NON-CURRENT LIABILITIES			
Lease liabilities		142	574
Bank and other borrowings		–	275
Promissory notes	15	20,002	–
Deferred tax liabilities		<u>5</u>	<u>11</u>
		<u>20,149</u>	<u>860</u>
NET ASSETS		<u>38,459</u>	<u>74,584</u>
CAPITAL AND RESERVES			
Share capital		5,300	5,300
Reserves		<u>41,586</u>	<u>75,371</u>
Equity attributable to owners of the Company		46,886	80,671
Non-controlling interests		<u>(8,427)</u>	<u>(6,087)</u>
TOTAL EQUITY		<u>38,459</u>	<u>74,584</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2026

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 financial statements are presented in Malaysian Ringgit ("**RM**"), as in the opinion of 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 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21

Lack of Exchangeability

The application of the amendments to IFRS Accounting standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these 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 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ¹
Amendments to IFRS 9 and IFRS 7	<i>Classification and Measurement of Financial Instrument (amendments)</i> ²
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity (amendments)</i> ²
Amendments to IFRS Accounting Standards	<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i> ²
IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to IFRS Accounting Standards mentioned in Note 2 to the consolidated financial statements, the Directors anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material 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 IFRS Accounting Standards issued by International Accounting Standards Board. 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, 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 2026

	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	3,860	65,569	722	5,247	–	75,398
Segment cost of sales	(3,841)	(64,303)	(711)	(5,088)	–	(73,943)
Gross profit	<u>19</u>	<u>1,266</u>	<u>11</u>	<u>159</u>	<u>–</u>	1,455
Other income, gains and losses, net						8,531
Selling and distribution expenses						(351)
Administrative expenses						(16,800)
Impairment loss under expected credit loss model, net of reversal						(21,005)
Impairment losses of property, plant and equipment and right-of-use assets						(1,044)
Finance costs						(5,880)
Share of results of an associate						(36)
Loss before tax						<u>(35,130)</u>

Year ended 30 June 2025

	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	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>(30,726)</u>

Revenue reported was generated from external customers. There were no inter-segment sales during the year ended 30 June 2026 (2025: 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:

	2026 <i>RM'000</i>	2025 <i>RM'000</i>
<i>Recognised over time</i>		
Site preparation works projects	3,860	600
Civil works projects	65,569	79,324
Building works projects	722	1,285
Construction and renovation works projects	<u>5,247</u>	<u>15,847</u>
	<u>75,398</u>	<u>97,056</u>
<i>Recognised at a point in time</i>		
Trading of oil and related products	<u>–</u>	<u>352</u>
	<u>75,398</u>	<u>97,408</u>

6. OTHER INCOME, GAINS AND LOSSES, NET

	2026 RM'000	2025 RM'000
Interest income	1,197	616
Sundry income	1	140
Exchange gain, net	31	11
Gain on disposal of property, plant and equipment	489	–
Gain on disposal of assets classified as held for sale (<i>Note 13</i>)	6,773	–
Loss from default on oil trading contract	–	(1,251)
Gain on deregistration of subsidiaries	40	–
	<u>8,531</u>	<u>(484)</u>

7. FINANCE COSTS

	2026 RM'000	2025 RM'000
Interests on:		
– bank and other borrowings	242	431
– promissory notes	5,564	–
– lease liabilities	74	39
	<u>5,880</u>	<u>470</u>

8. LOSS BEFORE TAX

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

	2026 RM'000	2025 RM'000
Auditor's remuneration	408	545
Amortisation on intangible assets	90	127
Depreciation of property, plant and equipment, excluding right-of-use assets	465	653
Depreciation of right-of-use assets	659	960
Impairment losses recognised (reversed) on:		
– Trade receivables	22,930	14,075
– Other receivables	441	(249)
– Contract assets	(3,166)	3,695
– Bank balances	802	(86)
– Amount due from an associate	(2)	2
	<u>21,005</u>	<u>17,437</u>
Impairment losses of property, plant and equipment	494	–
Impairment losses of right-of-use asset	<u>550</u>	<u>–</u>
	<u>1,044</u>	<u>–</u>
Cost of inventories	14,633	17,259
Subcontracting charges including in cost of sales	36,600	48,510
Employee benefits expenses (including Directors' and chief executive's emoluments):		
– Wages, salaries and other benefits	24,616	25,035
– Contributions to defined contribution plans	<u>1,785</u>	<u>1,702</u>
Total employee costs	26,401	26,737
Less: amounts included in cost of sales	<u>(15,219)</u>	<u>(16,141)</u>
Employee costs included in administrative expenses and selling and distribution expenses	<u><u>11,182</u></u>	<u><u>10,596</u></u>

9. INCOME TAX (CREDIT) EXPENSE

	2026 RM'000	2025 RM'000
Current tax:		
Malaysian corporate income tax	–	423
Deferred tax	<u>(6)</u>	<u>24</u>
Income tax (credit) expense	<u><u>(6)</u></u>	<u><u>447</u></u>

10. LOSS PER SHARE

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

	2026 RM'000	2025 RM'000
Loss		
Loss for the year attributable to owners of the Company	<u><u>(32,953)</u></u>	<u><u>(28,338)</u></u>
	'000	'000

Number of shares

Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	<u><u>1,000,000</u></u>	<u><u>1,000,000</u></u>
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For the year ended 30 June 2026, no diluted earnings per share for 2026 was presented as there were no potential ordinary shares in issue for 2026.

For the year ended 30 June 2025, 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.

11. DIVIDEND

No dividend was paid or proposed for ordinary shareholder of the Company during the year ended 30 June 2026, nor has any dividend been proposed since the end of reporting period (2025: Nil).

12. TRADE AND OTHER RECEIVABLES

	2026 RM'000	2025 RM'000
Trade receivables	71,738	74,946
Less: Allowance for credit losses	<u>(58,684)</u>	<u>(34,808)</u>
	<u>13,054</u>	<u>40,138</u>
Bills receivables	<u>120</u>	<u>–</u>
Advance paid to sub-contractors and suppliers	206	475
Other receivables	23,322	19,909
Other deposits	<u>604</u>	<u>629</u>
	24,132	21,013
Less: Allowance for credit losses	<u>(1,068)</u>	<u>(628)</u>
	<u>23,064</u>	<u>20,385</u>
Prepayments	<u>254</u>	<u>79</u>
	<u>36,492</u>	<u>60,602</u>

As at 1 July 2024, trade receivables from contracts with customers amounted to approximately RM53,958,000, net of allowance for credit losses of approximately RM22,987,000.

Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 0 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 2026 and 2025 are as follows:

	2026 RM'000	2025 <i>RM'000</i>
1 to 90 days	4,025	12,981
91 to 180 days	558	8,508
181 to 270 days	70	10,253
271 to 360 days	812	4,394
Over 360 days	66,273	38,810
	71,738	74,946

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 banking 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 year ended 30 June 2026, the disposal was completed and the Group 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

	2026 RM'000	2025 RM'000
Trade payables	38,276	49,028
Retention payables	1,783	2,080
Accruals	10,717	7,640
Other payables	7,156	6,902
Contract liabilities	1,133	—
	<u>59,065</u>	<u>65,650</u>

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 0 day to 120 days (2025: 30 days to 180 days) from the invoice dates.

The ageing analysis of trade payables, based on the invoice dates, as at 30 June 2026 and 2025 are as follows:

	2026 RM'000	2025 RM'000
Within 30 days	9,000	12,336
31 to 60 days	3,779	4,623
61 to 90 days	159	5,710
Over 90 days	25,338	26,359
	<u>38,276</u>	<u>49,028</u>

15. PROMISSORY NOTES

On 8 July 2025, a direct wholly-owned subsidiary of the Company (the “**Issuer**”) has entered into agreement with an independent third party (the “**Subscriber**”). The Subscriber would 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**”) was issued in July 2025 and the remaining promissory note of USD7,000,000 (the “**Tranche 2**”) was issued in December 2025. The promissory notes bear interest at 24% per annum and are repayable no later than July 2026 for Tranche 1 and December 2027 for Tranche 2. The promissory notes are 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.

MANAGEMENT DISCUSSION AND ANALYSIS

The global economy remained subdued amid a complex mix of structural and cyclical pressures. Heightened geopolitical tensions, renewed volatility in energy markets, persistent inflationary trends, and weak productivity growth continued to constrain global activity and contributed to a cautious and unpredictable operating environment. In addition, the PRC's prolonged property market weakness further weighed on domestic demand and overall economic momentum. These external and domestic headwinds collectively affected business sentiment and posed challenges to the Group's operations during the Financial Year. The Board expects the operating environment to remain challenging. It will continue to monitor macroeconomic developments closely and adjust its strategies as appropriate to safeguard business resilience, enhance performance, and maximize shareholder value.

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 RM22.0 million or 22.6% from approximately RM97.4 million for the year ended 30 June 2025 to approximately RM75.4 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 100.0% (2025: 99.6%) and Nil% (2025: 0.4%) respectively of the total revenue of the Group.

CIVIL AND STRUCTURAL WORKS IN MALAYSIA

Malaysia achieved a GDP growth of 4.7% in 2026, compared to 5.2% recorded in 2025 and remains within the earlier forecast of 4%-5%. The foreign reserve also increased from USD120.6bil in June 2025 to USD132.6bil in June 2026. The Malaysian Ringgit strengthened against US Dollar from approximately 4.23 in June 2025 to approximately 4.09 in June 2026.

Against a more gradually improving economic backdrop, the Group's civil and structural operations in Malaysia continued to demonstrate resilience, with its products, services, and customer base remaining relatively stable yet showing signs of downside during the Financial Year. The Group still encountered challenges in securing new projects due to rising costs and tightening profit 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 decreased from approximately RM81.2 million for the year ended 30 June 2025 to approximately RM70.2 million for the Financial Year, whereas the gross profit decreased from approximately RM5.9 million for the year ended 30 June 2025 to approximately RM1.3 million for the Financial Year and the gross profit margin was approximately 1.8% and 7.3% for the years ended 30 June 2026 and 2025.

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 RM15.8 million for the year ended 30 June 2025 to approximately RM5.2 million for the Financial Year, the gross profit increased from approximately RM0.1 million for the year ended 30 June 2025 to approximately RM0.2 million for the Financial Year and the gross profit margin was approximately 3.0% and 0.4% for the years ended 30 June 2026 and 2025.

TRADING OF OIL AND RELATED PRODUCTS IN THE PRC

The PRC market continued to experience subdued sentiment, largely driven by the downturn in the property sector and a reduction in infrastructure projects. Simultaneously, geopolitical conflicts caused fluctuations in crude oil prices to become 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 Financial Year, the Group did not record any revenue from the trading of oil and related products in the PRC (2025: RM0.4 million). Consequently, no gross profit (2025: Nil million) or gross profit margin (2025: Nil) was presented for this segment. The revenue recorded for the financial year ended 30 June 2025 represented transaction where the Group acted as an agent and recognized revenue on the net basis.

As a result of the foregoing, the Group recorded a loss attributable to owners of the Company of approximately RM33.0 million for the Financial Year (2025: RM28.3 million). The deterioration of financial results for the Financial Year was mainly attributable to the combined effects of (i) lower gross profit of approximately RM4.9 million resulting from the Group's revenue decline for the Financial Year, (ii) an increase in net impairment losses under the expected credit loss model (the "ECL") on trade receivables, contract assets, other receivable and bank balances (net of reversals) from approximately RM17.4 million for the financial year ended 30 June 2025 to RM21.0 million for the Financial Year, (iii) impairment losses of property, plant and equipment and right-of-use assets of approximately RM1.0 million (2025: Nil), (iv) promissory note interest of approximately RM5.6 million (2025: Nil) and (v) 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 year ended 30 June 2026 and 2025:

	2026		2025	
	<i>RM'000</i>	<i>approximately %</i>	<i>RM'000</i>	<i>approximately %</i>
Site preparation works projects	3,860	5.5	600	0.7
Civil works projects	65,569	93.5	79,324	97.7
Building works projects	722	1.0	1,285	1.6
	70,151	100.0	81,209	100.0

Against a gradually improving economic backdrop in Malaysia, the Group's civil and structural operations in Malaysia continued to demonstrate resilience, with its products, services, and customer base remaining stable yet showing signs of downside during the financial year. During the Financial Year, the revenue from civil and structural works in Malaysia decreased by approximately 13.6% from approximately RM81.2 million for the year ended 30 June 2025 to approximately RM70.2 million for the Financial Year.

Site preparation works projects

Revenue from site preparation works projects increased from approximately RM0.6 million for the year ended 30 June 2025 to approximately RM3.9 million for the Financial Year. The increase in revenue was mainly attributable to the ongoing Project 66 (approximately RM 3.4 million) which commenced during the Financial Year and offset by the decrease in revenue from Project 53 (approximately RM0.1 million) which completed during the previous financial year.

Civil works projects

Revenue from civil works projects decreased from approximately RM79.3 million for the year ended 30 June 2025 to approximately RM65.6 million for the Financial Year, representing an decrease of approximately 17.3%.

The decrease in revenue was mainly attributable to 2 completed projects during the previous financial year i.e. Project 30 (approximately RM0.8 million), and Project 56 (approximately RM0.3 million); 5 completed projects during the Financial Year i.e. Project 54 (approximately RM2.4 million), Project 57 (approximately RM31.7 million), Project 58 (approximately RM0.5 million), Project 61 (approximately RM1.5 million), and Project 63 (approximately RM0.8) million), as well as the ongoing Project 60 (approximately RM8.8 million) and other civil works projects (approximately RM0.3 million), which commenced during the previous financial year.

The decrease was partially offset by the rise in revenue mainly from 3 projects which were completed during the Financial Year i.e. Project 64 (approximately RM1.4 million), Project 65 (approximately RM0.7 million), and Project 71 (approximately RM0.4 million); 4 ongoing projects which commenced during the Financial Year i.e. Project 67 (approximately RM9.1 million), Project 68 (approximately RM12.7 million), Project 69 (approximately RM1.9 million), and Project 70 (approximately RM1.7 million), as well as the ongoing Project 62 (approximately RM5.5 million), which commenced during the previous financial year.

Building works projects

Revenue from the building works projects decreased from approximately RM1.3 million for the year ended 30 June 2025 to approximately RM0.7 million for the Financial Year. The decrease in revenue was mainly attributable to the Project 59 (approximately RM0.9 million), which was completed during the previous financial year. The decrease was partially offset by the rise in revenue from other building work projects (approximately RM0.3 million) which were completed during the Financial Year. There was no new building works project during the Financial Year.

Projects on hand

As at 30 June 2026, the Group had 10 (2025: 7) material 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 material 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 RAPID Pengerang	Civil works	PIPC	July 2024	September 2026
Project 62	An aeronautical factory in Nilai, Negeri Sembilan	Civil works	Non-PIPC	August 2024	September 2026
Project 66	A Site preparation work at power plant in Sg. Udang, Melaka	Site preparation	Non-PIPC	October 2025	September 2026
Project 67	A refinery at Pengerang	Civil works	PIPC	December 2025	April 2027
Project 68	A refinery at Pengerang	Civil works	PIPC	December 2025	March 2028
Project 69	A refinery at Pengerang	Civil works	PIPC	February 2026	February 2027
Project 70	A green data centre campus at Negeri Sembilan	Civil works	PIPC	May 2026	September 2026
Project 72	A waste to energy plant at Melaka	Civil works	PIPC	June 2026	December 2026
Project 73	A storage tank at Selangor	Civil works	PIPC	June 2026	August 2026
Project 74	A green data centre campus at Negeri Sembilan	Civil works	PIPC	June 2026	August 2026

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/ISO 9001:2015 (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/ISO 45001:2018 (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 lower 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 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 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 66.9% from approximately RM15.8 million for the year ended 30 June 2025 to approximately RM5.2 million for the Financial Year.

The decrease in revenue was mainly attributable to the Project 19 (approximately RM2.4 million) which was substantially completed during the previous year, 3 projects i.e. Project 14 (approximately RM5.9 million), Project 15 (approximately RM0.5 million) and Project 22 (approximately RM2.8 million) which were completed during the Financial Year, 2 ongoing projects i.e. Project 8 (approximately RM1.4 million) and Project 20 (approximately RM0.9 million) which were commenced during the previous years, together with other civil and structural work projects (approximately RM0.4 million).

The decrease was partially offset by the increase in revenue for the substantially completed Project 24 (approximately RM0.3 million) which was commenced during the Financial Year, and the ongoing project 23 (approximately RM3.3 million) which was commenced in previous year, as well as other civil and structural work projects (approximately RM0.1 million).

Projects on hand

As at 30 June 2026, the Group had 5 (30 June 2025: 10) material 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 material projects on hand is set out below:

Project	Particular and location	Type of works	Commencement date	Expected completion date
Project 8	A college in Laiyang City, Shandong Province	Construction works	October 2022	September 2026
Project 10	A building in Licang district, Qingdao	Renovation works	January 2023	August 2026
Project 16	A college in Qingdao City West Coast New Area, Shandong Province	Construction works	March 2024	October 2026
Project 20	A building in Shinan District, Qingdao City	Construction works	November 2024	February 2027
Project 23	A building in Huangdao District, Qingdao City	Construction works	March 2025	October 2026

Trading of Oil and Related Products in the PRC

The PRC market continued to experience subdued sentiment, largely driven by the downturn in the property sector and a reduction in infrastructure projects. Simultaneously, geopolitical conflicts caused fluctuations in crude oil prices to become 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 not entered into any 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 100.0% from approximately RM0.4 million for the year ended 30 June 2025 to approximately RM Nil million for the Financial Year.

OUTLOOK

According to the World Bank's Global Economic Prospect Report for June 2026, 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 2026/2027 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 adopted a prudent and risk-conscious approach, actively seeking new projects to maintain its foothold in the industry while exploring opportunities across East and West Malaysia, Timor-Leste, Laos 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 also regularly evaluate its existing operations and explores new business and investment opportunities to maximize the shareholder value.

FINANCIAL REVIEW

Civil and Structural works in Malaysia

Against a more gradually improving economic backdrop, the Group's civil and structural operations in Malaysia continued to demonstrate resilience, with its products, services, and customer base remaining relatively stable yet showing signs of downside during the Financial Year. The Group still encountered challenges in securing new projects due to rising costs and tightening profit margins. 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.

Revenue

During the Financial Year, the revenue from civil and structural works in Malaysia decreased by approximately 13.6% from approximately RM81.2 million for the year ended 30 June 2025 to approximately RM70.2 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 2026 and 2025:

	2026		2025	
	<i>RM'000</i>	<i>approximately %</i>	<i>RM'000</i>	<i>approximately %</i>
Direct materials	16,219	23.6	16,559	22.0
Subcontracting charges	31,685	46.0	35,237	46.8
Direct labour	15,219	22.1	16,090	21.4
Rental of machinery and equipment	425	0.6	1,041	1.3
Depreciation	660	1.0	814	1.1
Other costs	4,647	6.7	5,541	7.4
Total	68,855	100.0	75,282	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 decreased from approximately RM75.3 million for the year ended 30 June 2025 to approximately RM68.9 million for the Financial Year, representing a decrease of approximately 8.5% which is in line with the decrease 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 decrease in revenue, the Group's gross profit from civil and structural works in Malaysia decreased from approximately RM5.9 million for the year ended 30 June 2025 to approximately RM1.3 million for the Financial Year, representing a decrease of approximately 78.1%, while the Group's gross profit margin decreased from approximately 7.3% for the year ended 30 June 2025 to approximately 1.8% 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 lower 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 66.9% from approximately RM15.8 million for the year ended 30 June 2025 to approximately RM5.2 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 RM5.1 million (2025: RM15.8 million) during the Financial Year. The decrease was mainly attributable to the significant drop in revenue.

Gross profit and gross profit margin

The Group's gross profit from civil and structural works in the PRC was approximately RM0.2 million for the Financial Year (2025: RM0.1 million). 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 3.0% (2025: 0.4%).

Trading of Oil and Related Products in the PRC

The PRC market continued to experience subdued sentiment, largely driven by the downturn in the property sector and a reduction in infrastructure projects. Simultaneously, geopolitical conflicts caused fluctuations in crude oil prices to become 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

The Group's revenue from the trading of oil and related products in the PRC recorded a significant decreased by 100.0% from approximately RM0.4 million for the year ended 30 June 2025 to approximately RM Nil million for the Financial Year.

Cost of sales, gross profit and gross profit margin

During the Financial Year, no cost of sales from the trading of oil and related products in the PRC (2025: Nil) was recorded, and no gross profit or gross profit margin was presented. During the year ended 30 June 2025, no gross profit and no gross profit margin were presented, as the Group 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 recorded approximately RM0.4 million (2025: RM0.4 million), remaining consistent with prior year's levels.

Administrative expenses

During the Financial Year, the Group's administrative expenses were approximately RM16.8 million (2025: approximately RM18.3 million). The decrease was mainly attributed to the decrease in professional services fee and other general office 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 64.7% (2025: 57.7%) of administrative expenses.

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, other receivables and bank balances of approximately RM21.0 million (2025: RM17.4 million). As at 30 June 2026, the provision for impairment loss on trade receivables, contract assets and other receivables amounted to approximately RM58.7 million (2025: RM34.8 million), RM3.2 million (2025: RM6.4 million) and RM1.1 million (2025: RM0.6 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 2026.

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 2026 to be justifiable.

Impairment assessment of property, plant and equipment and right-of-use assets

At 30 June 2026, the civil and structural works projects segments in Malaysia collectively as Malaysia CGU, continued to underperform, the management of the Group concluded there was indication for impairment and conducted impairment assessment by determining the recoverable amounts of freehold land and freehold land and buildings included in property, plant and equipment and leasehold land and leasehold land and buildings included in right-of use assets.

The recoverable amount of the freehold land, freehold land and buildings, and certain leasehold land and leasehold land and buildings (“**Land and Buildings – non lease**”), which is not under the lease, have been determined based on its fair value less costs of disposal. The Group uses direct comparison approach to estimate the fair value less costs of disposal by assuming sale of the property in its existing status with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market.

As at 30 June 2026, based on the result of the assessment, management of the Group determined that the recoverable amounts of the freehold land, freehold land and buildings and Land and Buildings – non lease exceed their carrying amounts by approximately RM9,241,000. Accordingly, no impairment loss would be recognised against the carrying amounts of the freehold land and freehold land and buildings included in property, plant and equipment and Land and Buildings – non lease included in right-of-use assets.

The recoverable amount of other property, plant and equipment and remaining portion of leasehold land and leasehold land and buildings (“**Land and Buildings – lease**”) has been determined with reference to a value in use calculation based on discounted cash flow approach. That calculation uses cash flow projections based on financial budgets approved by the management of the Group covering a 5-year period.

As at 30 June 2026, based on the result of the assessment, management of the Group determined that the recoverable amounts of other property, plant and equipment and Land and Buildings – lease were lower than the carrying amounts. Accordingly, impairment losses of approximately RM494,000 and RM550,000 were recognised on property, plant and equipment and Land and Buildings – lease included in right-of use assets respectively for the year ended 30 June 2026.

Finance costs

Finance costs represented interest on bank overdrafts, bank and other borrowings, promissory notes and lease liabilities. For the year ended 30 June 2026 and 2025, the Group recorded finance costs of approximately RM5.9 million and RM0.5 million, respectively. The increase was mainly attributable to interest on the promissory notes which were issued during the Financial Year.

Income Tax (Credit) Expense

The Group recorded an income tax credit of approximately RM6,000 for the Financial Year (2025: income tax expenses RM447,000). The decrease was mainly due to no estimated assessment profit generated from the Group.

Loss and Loss per Share

As a result of the foregoing, the Group recorded a loss attributable to owners of the Company of approximately RM33.0 million for the Financial Year (2025: RM28.3 million). The deterioration of financial results for the Financial Year was mainly attributable to (i) lower gross profit of approximately RM4.9 million resulting for the Group's revenue decline for the Financial Year, (ii) the increase in the net impairment on ECL on trade receivables, contract assets, other receivables, bank balances as well as property, plant and equipment and right-of-use assets of approximately RM4.6 million, (iii) promissory note interest of approximately RM5.6 million and (iv) the recognition of a gain on disposal of land of approximately RM6.8 million. The loss per share for the Financial Year was approximately RM3.3 sen (2025: RM2.83 sen).

Key Financial Ratio

		As at/for the year ended 30 June	
	Note	2026	2025
Current ratio (<i>times</i>)	1	1.6	1.9
Quick ratio (<i>times</i>)	2	1.6	1.9
Gearing ratio (%)	3	110.9	5.5
Debt to equity (%)	4	N/A	N/A
Return on equity (%)	5	(91.3)	(41.8)
Return on total assets (%)	6	(24.7)	(21.3)
Interest coverage (<i>times</i>)	7	(5.0)	(64.4)

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, borrowings and promissory notes) divided by total equity and multiplied by 100%.
4. Debt to equity ratio is total debt (i.e. sum of lease liabilities, borrowings and promissory notes) 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 2026,

- 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 RM7.9 million (2025: RM6.8 million) and approximately RM73.6 million (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 RM0.7 million (2025: RM1.1 million), RM2.4 million (2025: RM3.0 million) and RM39.6 million (2025: Nil), respectively. All of the lease liabilities, bank borrowings and other borrowing and promissory notes were denominated in USD, RM and RMB; and
- d. the Group's total equity attributable to owners of the Company was approximately RM46.9 million (2025: RM80.7 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 (2025: 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 2026 and 2025, 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.

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 30 June 2026, certain freehold land with net carrying amount of RMNil (2025: RM4.7 million), certain rightofuse assets of leasehold land and buildings with total net carrying amount of approximately RM1.6 million (2025: RM1.6 million), and time deposit of approximately RM7.9 million (2025: RM6.8 million) were pledged as securities for the bank facilities granted to the Group. As at 30 June 2026, the Group had a promissory note with an aggregate principal amount of USD9.5 million (equivalents to RM39.6 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 the heading of "Issue of promissory note".

Issue of Promissory Note

On 8 July 2025, a direct wholly-owned subsidiary of the Company (the “**Issuer**”) 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 USD9.5 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 by the Issuer. Details of the Note has been disclosed in the Company’s announcement dated 8 July 2025 and note 15 to the announcement. The proceeds from the issuance of the Note would be used as general working capital of the operations of the Group in Malaysia and Hong Kong.

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 2026, the Group had no significant contingent liabilities or outstanding litigation (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 share capital of the Company as at the date of this announcement.

Events after the Reporting Period

The Board is not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2026 and up to 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 2026, the Group had 427 (2025: 461) 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 RM26.4 million (2025: RM26.7 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 2026 (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 | <ul style="list-style-type: none"> – 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 | <ul style="list-style-type: none"> – 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 | <ul style="list-style-type: none"> – 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 | <ul style="list-style-type: none"> – To acquire engineering contractors which |
| vi | To set aside for working capital purpose have Bumiputera ownership | <ul style="list-style-type: none"> – 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 | <ul style="list-style-type: none"> – To develop northern PRC market of the Oil Trading Business |
| | | <ul style="list-style-type: none"> – To expand its customer base |
| | | <ul style="list-style-type: none"> – To secure a supply of higher quality oil products |
| viii | Future investment opportunities | <ul style="list-style-type: none"> – 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 2026, 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	Revised allocation of the Net Proceeds disclosed in the Announcement	Utilised amount of the Net Proceeds up to 30 June 2025	Unutilised Net Proceeds brought forward from 30 June 2025	Utilised amount of Net Proceeds during the Financial Year	Unutilised Net Proceeds as at 30 June 2025
	HK\$' million	HK\$' million	HK\$' million	HK\$' million	HK\$' million	HK\$' million
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 of 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 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 2026, 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 2025	Granted during the Financial Year	Exercised during the Financial Year	Cancelled/ Lapsed during the Financial Year	Outstanding at 30 June 2026	Validity period of the Share Options
Employees	12 May 2021	0.35	10,000,000	-	-	(10,000,000)	-	12 May 2021 to 11 May 2026
Total:			<u>10,000,000</u>	<u>-</u>	<u>-</u>	<u>(10,000,000)</u>	<u>-</u>	

Save as disclosed above, no Share Option was granted, exercised or cancelled/lapsed during the Financial Year (2025: Nil).

All the options forfeited before expiry of the options will be treated as lapsed options under the Share Option Scheme. 10,000,000 options were treated as lapsed during the Financial Year. (2025: Nil).

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 (2025: 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 2026 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 INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated statement of financial position as at 30 June 2026 and consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 June 2026 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 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) and the Stock Exchange (www.hkexnews.hk), respectively. The annual report of the Company for the year ended 30 June 2026 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 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.