

FINANCIAL REPORT 2025

The cover of MRCB's Financial Report 2025 reflects a forward-looking approach anchored in sustainable progress. It presents a refined architectural perspective of The Symphony Centre, Auckland, New Zealand – MRCB's first international Transit-Oriented Development (TOD).

By focusing on the building's structural form and design precision, the composition underscores the integration of residential and commercial components that define this landmark precinct. The development marks a significant milestone in MRCB's growth, demonstrating our ability to extend our TOD expertise into a mature international market while maintaining disciplined execution, quality standards and sustainability commitments.

Through this project, we continue setting the standards in integrated urban development, delivering future-ready environments that support long-term value creation for our stakeholders.



Please scan for online report

WHAT YOU'LL FIND IN THIS REPORT

ABOUT THIS REPORT

The financial statements within this Financial Report were prepared in accordance with the International Financial Reporting Standards (IFRS), Malaysian Financial Reporting Standards (MFRS), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Malaysian Companies Act 2016.

The Financial Report should also be read in conjunction with our Integrated Annual Report and Corporate Governance Report, which is available on the Group's website, www.mrcb.com.my.

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KEY HIGHLIGHTS OF THE YEAR

GROUP REVENUE
RM1.2 BILLION

NET GEARING
0.41 TIMES

PROFIT BEFORE TAX
RM73 MILLION

SHAREHOLDERS' FUNDS
RM4.6 BILLION

DIVIDEND PER SHARE
1.00 SEN

NET ASSETS PER SHARE
RM1.03



CORPORATE INFORMATION

DIRECTORS

DATO' MOHAMAD NASIR AB LATIF

Chairman

TAN SRI MOHAMAD SALIM FATEH DIN

Executive Vice Chairman

DATO' MOHD IMRAN MOHAMAD SALIM

Group Managing Director

MOHAMAD HAFIZ KASSIM

DATO' WAN KAMARUZAMAN WAN AHMAD

DATO' DR JUNAIDAH KAMARRUDDIN

LIM FEN NEE

DATUK RASHIDAH MOHD SIES

COMPANY SECRETARY

Mohd Noor Rahim Yahaya
(MAICSA 0866820)
(SSM PC No. 202008002339)

BUSINESS ADDRESS

Level 30, Menara Allianz Sentral
No. 203, Jalan Tun Sambanthan
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel : 03-2786 8080
Fax : 03-2780 7668

REGISTERED OFFICE

Level 33A, Menara NU2
No. 203, Jalan Tun Sambanthan
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel : +603-2786 8080
Fax : +603-2780 7668

AUDITORS

PricewaterhouseCoopers PLT

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Tel : +603-7890 4700
Fax : +603-7890 4670

STOCK EXCHANGE LISTING

Listed on the Main Market of
Bursa Malaysia Securities Berhad

PRINCIPAL BANKERS

CIMB Bank Berhad
CIMB Islamic Bank Berhad
HSBC Bank Malaysia Berhad
Maybank Islamic Berhad
RHB Islamic Bank Berhad

DATE OF LISTING

22 March 1971

DIRECTORS' REPORT

The Directors are pleased to present their annual report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Dato' Mohamad Nasir Ab Latif (Chairman)
Tan Sri Mohamad Salim Fateh Din (Executive Vice Chairman)
Dato' Mohd Imran Mohamad Salim (Group Managing Director)
Mohamad Hafiz Kassim
Dato' Wan Kamaruzaman Wan Ahmad
Dato' Dr. Junaidah Kamarruddin
Lim Fen Nee
Datuk Rashidah Mohd Sies

By way of relief order dated 19 February 2026, granted by the Companies Commission of Malaysia, the names of directors of subsidiary companies as required under Section 253(2) of the Companies Act 2016 in Malaysia are not disclosed in this report. Their names are set out in the respective subsidiaries directors' report or financial statements and the said information is deemed incorporated herein by such reference and shall form part hereof.

In accordance with Articles 101 and 102 of the Company's Constitution, Dato' Mohd Imran Mohamad Salim, Dato' Wan Kamaruzaman Wan Ahmad and Dato' Dr. Junaidah Kamarruddin retire from office at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The Company also engages in property development, property investment, engineering and construction related activities, environmental engineering and provision of management services to its subsidiaries.

The Group is principally engaged in property development, property investment, engineering and construction related activities, environmental engineering, facilities management and parking services. Details of subsidiaries' principal activities are set out in Note 40 to the financial statements.

There has been no significant change in the nature of the activities of the Group and of the Company during the financial year.

DIRECTORS' REPORT

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit before tax	73,168	84,619
Taxation	(26,130)	(2,490)
Profit for the financial year	47,038	82,129
Profit for the financial year attributable to:		
Equity holders of the Company	47,319	82,129
Non-controlling interests	(281)	-
Profit for the financial year	47,038	82,129

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

SHARE CAPITAL AND DEBENTURES

There were no issuance of new ordinary shares or changes to share capital and debentures of the Company during the financial year.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than the benefits shown under Directors' Remuneration) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' REPORT

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, particulars of the interests of Directors who held office at the end of the financial year in shares and warrants over shares in the Company or its related corporations during the financial year were as follows:

Company	No. of ordinary shares			
	As at 1.1.2025	Acquired	Sold	As at 31.12.2025
Direct				
Tan Sri Mohamad Salim Fateh Din	1,388,800	-	-	1,388,800
Dato' Mohd Imran Mohamad Salim	468,200	-	-	468,200
Dato' Wan Kamaruzaman Wan Ahmad	286,875	-	-	286,875

Indirect

Tan Sri Mohamad Salim Fateh Din*	691,624,394	-	-	691,624,394
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	No. of warrants B over ordinary shares			
Indirect				
Tan Sri Mohamad Salim Fateh Din*	71,309,149	-	-	71,309,149

* Deemed interest by virtue of his shareholding in Gapurna Sdn. Bhd.

The other Directors in office at the end of the financial year did not hold any interest in shares or warrants over shares of the Company and its related corporations during the financial year.

DIVIDENDS

The Company paid a first and final single tier dividend in respect of the financial year ended 31 December 2024 of 1.0 sen per ordinary share, amounting to RM44,675,095 on 20 May 2025.

The Directors recommend the payment of a first and final single tier dividend in respect of the financial year ended 31 December 2025 of 1.0 sen per ordinary share, amounting to approximately RM44,675,095 at the date of this report. The payment will be made on 20 May 2026.

DIRECTORS' REPORT

DIRECTORS' REMUNERATION

The aggregate amounts of remuneration received/receivable by Directors of the Company from the Company and its subsidiaries for the financial year are as follows:

	Group and Company
	2025 RM'000
Salaries	3,782
Defined contribution plan	458
Directors' fees	950
Benefits in kind	116
Other employee benefits	966
	6,272

LONG-TERM INCENTIVE PLAN

The Company established a Long-Term Incentive Plan ("LTIP"), which was approved by the shareholders at the Extraordinary General Meeting held on 30 November 2016 and came into effect on 20 December 2017. An eligible executive or employee who accepts an offer under the Share Awards ("Grantee") shall pay a sum of RM1.00 as consideration for acceptance of that offer. Subject to the terms and conditions of the by-laws governing the LTIP, Grantees shall be entitled to receive new ordinary shares to be issued pursuant to a share award, on scheduled vesting dates without further payment, subject to meeting the vesting conditions as set out in their respective letters of offer for their share award, which comprise a performance target stipulated by the remuneration committee of the Company.

The LTIP shall be in force for a period of 10 years commencing from the date on which the scheme became effective and no share under a share award shall vest beyond the expiry of the duration of the scheme. The LTIP consists of two types of share awards namely, Restricted Share Plan and Performance Share Plan.

Details of the LTIP are contained in the by-laws and the salient features thereof are set out in Note 30 to the financial statements.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for loss allowance and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- to ensure that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

DIRECTORS' REPORT

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

At the date of this report, the Directors are not aware of any circumstances:

- which would render the amounts written off for bad debts or the amount of the provision for loss allowance inadequate to any substantial extent; or
- which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this report:

- there are no charges on the assets of the Group or of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; or
- there are no contingent liabilities of the Group or of the Company which have arisen since the end of the financial year.

No contingent or other liability of any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or of the Company to meet their obligations when they fall due.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

In the opinion of the Directors:

- The results of the operation of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or Company for the financial year in which this report is made.

DIRECTORS' REPORT

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and the Company for the financial year ended 31 December 2025 amounted to RM1,551,000 and RM290,000 respectively.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

To the extent permitted by the Companies Act 2016, the Group and the Company have agreed to indemnify its auditors, PricewaterhouseCoopers PLT, against claims by third parties arising from the statutory audit for an unspecified amount as part of the terms of its statutory audit engagement. No payment has been made to reimburse PricewaterhouseCoopers PLT during or since the end of the financial year.

In accordance with a resolution of the Board of Directors dated 14 April 2026.



DATO' MOHD IMRAN MOHAMAD SALIM
Group Managing Director



DATO' WAN KAMARUZAMAN WAN AHMAD
Director

STATEMENTS BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Dato' Mohd Imran Mohamad Salim and Dato' Wan Kamaruzaman Wan Ahmad, two of the Directors of Malaysian Resources Corporation Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 17 to 163 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and financial performance of the Group and of the Company for the financial year ended on that date in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

In accordance with a resolution of the Board of Directors dated 14 April 2026 .



DATO' MOHD IMRAN MOHAMAD SALIM
Group Managing Director



DATO' WAN KAMARUZAMAN WAN AHMAD
Director

STATUTORY DECLARATION

PURSUANT TO SECTION 251 (1) OF THE COMPANIES ACT 2016

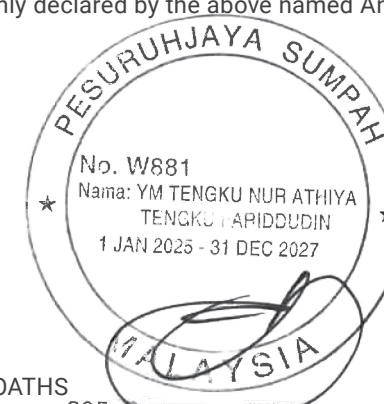
I, Ann Wan Tee, the Officer primarily responsible for the financial management of Malaysian Resources Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 17 to 163 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.



ANN WAN TEE
MIA membership no. 19497

Subscribed and solemnly declared by the above named Ann Wan Tee in the state of Wilayah Persekutuan, Kuala Lumpur, Malaysia on 14 April 2026.

Before me,



COMMISSIONER FOR OATHS
205, Bangunan Lake Yew
4, Jln Mahkamah Persekutuan
50050 Kuala Lumpur (W.P.)

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MALAYSIAN RESOURCES CORPORATION BERHAD

(INCORPORATED IN MALAYSIA)
REGISTRATION NO. 196801000388 (7994-D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Malaysian Resources Corporation Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 17 to 163.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MALAYSIAN RESOURCES CORPORATION BERHAD

(INCORPORATED IN MALAYSIA)
REGISTRATION NO. 196801000388 (7994-D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
<p>Revenue recognition - Property development and construction contracts - (Group: RM1,057,573,000; Company: RM111,794,000)</p> <p>Cost recognition - Property development and construction contracts - (Group: RM778,341,000; Company: RM95,439,000)</p> <p><i>Refer to Note 2.19(i)(a) - Summary of Material Accounting Policy Information - Sale of Development Properties, Note 2.19(ii)(a) - Summary of Material Accounting Policy Information - Construction Contracts, Note 3 - Critical accounting estimates and judgements, Note 6 - Revenue and Note 7 - Cost of sales.</i></p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> We tested operating effectiveness of key controls in respect of budgeting processes of total estimated property development and construction costs and the continuous review process of these budgets by management. In addition, we validated controls over the accounting processes of costs incurred for work performed to date. We tested on a sample basis, reasonableness of estimated total construction costs based on approved budgets to supporting documentation such as contracts, quotations and change order documentation with main contractors or sub-contractors. We also obtained appropriate evidence by seeking the Group's and the Company's expert opinions (including contract claim consultants and lawyers where applicable) to assess reasonableness of estimates by management on project costs, particularly around disputes or unresolved negotiations with employers and subcontractors. We tested on a sample basis, costs incurred to date on significant projects to relevant documents such as sub-contractor claim certificates verified by the Group's and the Company's or the employers' internal quantity surveyor. In respect of completed construction contracts, we tested completeness and accuracy of estimates by management of total construction costs and accruals for costs to complete through reading of executive committee meeting minutes, reading of correspondences with employers and sub-contractors, and obtaining audit evidence on employers or sub-contractor disputes from internal or external legal counsel. We obtained an understanding of the basis of accruals recognised by management on instances of significant uncertified value of costs submitted and level of accruals against these amounts.
<p>The Group and the Company recognise property development and construction contract revenue in the statements of comprehensive income using the input method. Revenue is recognised over time using percentage of work done which is based on actual costs certified by quantity surveyors as a percentage of total budgeted costs.</p>	
<p>Property development and construction contract accounting are inherently complex.</p>	
<p>We focus on these areas because significant estimates and judgements are involved in determining the stage of completion, the extent of property development and construction costs incurred, estimated total property development and construction costs, potential liquidated ascertained damages as well as recoverability of contracts. Total property development and construction costs are determined based on approved budgets. These budgets are supported by sub-contractors' quotations, actual contracts awarded and variation work orders awarded to main and sub-contractors.</p>	

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MALAYSIAN RESOURCES CORPORATION BERHAD

(INCORPORATED IN MALAYSIA)

REGISTRATION NO. 196801000388 (7994-D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
<p>Revenue recognition - Property development and construction contracts - (Group: RM1,057,573,000; Company: RM111,794,000)</p> <p>Cost recognition - Property development and construction contracts - (Group: RM778,341,000; Company: RM95,439,000) (continued)</p>	<p>We performed the following audit procedures: (continued)</p> <ul style="list-style-type: none"> We tested on a sample basis, actual sale of development properties to signed sales and purchase agreements. We held discussions with management to understand the nature of variation orders and claims included in revenue and inspected correspondences from contractors, minutes of meetings, contract claim consultants and other related documents to corroborate significant judgements applied by management. We agreed on a sample basis, total construction contract project revenue to supporting documentation, such as construction contracts, variation orders and correspondences with employers. In instances where projects have been delayed, we tested management's estimates of liquidated ascertained damages to supporting documentation such as construction contracts, correspondences with employers or claim consultants, extension of time approvals, work progress reports indicating reasons for delays and legal opinions, where applicable. On a sample basis, we checked mathematical calculation of the percentage of completion and we tested accuracy of percentage of revenue and costs recognised in the statements of comprehensive income. We also tested journal entries to ensure revenue were recorded appropriately. We reviewed the adequacy of disclosures in financial statements. <p>Based on the procedures performed, we noted no material exception.</p>

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MALAYSIAN RESOURCES CORPORATION BERHAD

(INCORPORATED IN MALAYSIA)

REGISTRATION NO. 196801000388 (7994-D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
<p>Impairment of trade and other receivables and contract assets - (Group: RM2,415,139,000; Company: RM226,023,000)</p> <p><i>Refer to Note 2.20 - Summary of Material Accounting Policy Information - Impairment for debt instruments and financial guarantee contracts, Note 3 - Critical accounting estimates and judgements, Note 25 - Trade and other receivables and Note 27 - Contract assets and liabilities.</i></p> <p><u>Engineering, construction and environment segment</u></p> <p>The Group and the Company assessed expected credit losses ("ECL") associated with trade receivables and contract assets using the simplified approach. ECL is assessed on an individual debtor basis due to different risk characteristics, where credit risk information of each individual debtor was obtained and monitored individually.</p> <p>The measurement of ECL incorporates expected loss rates, time value of money, probability weighted estimates and economic outlook.</p> <p>ECL associated with other receivables was assessed using the general 3-stage approach.</p> <p><u>Property investment and facilities management and parking segments</u></p> <p>The Group and the Company assessed ECL for trade receivables based on collective assessments. To measure expected credit losses under the collective approach, trade receivables were grouped based on shared credit risk characteristics and number of days past due.</p> <p>The measurement of ECL incorporates expected loss rates, time value of money, probability weighted estimates and economic outlook.</p> <p>ECL associated with other receivables was assessed using the general 3-stage approach.</p>	<p>In assessing the impairment of trade and other receivables and contract assets, we performed the following audit procedures:</p> <ul style="list-style-type: none"> For ECL measured under the collective approach, we checked that trade receivables and contract assets have been grouped based on similar credit risk characteristics and age of receivables. For ECL measured under the individual debtor assessment, we checked the expected timing and quantum of receipts of receivables by comparing it to historical payment trends of individual customers, and sighted to supporting documents such as correspondences with customers on contractual arrangements set out in contracts, variation orders, and opinions from legal advisors and claim consultants, where applicable. We held discussions with management to understand the status of ongoing negotiations for the recovery of receivables and contract assets and corroborated key assumptions included in the ECL model, namely on the likelihood, quantum and timing of receipt of balances. For significant outstanding balances from employers of the construction contracts included in trade receivables and contract assets, we verified management's assessment on the ability of employers to fulfil their contractual obligations and settle the outstanding balances. We reviewed the adequacy of disclosures in financial statements. <p>Based on the procedures performed, we noted no material exception.</p>

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MALAYSIAN RESOURCES CORPORATION BERHAD

(INCORPORATED IN MALAYSIA)

REGISTRATION NO. 196801000388 (7994-D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and contents of the 2025 Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MALAYSIAN RESOURCES CORPORATION BERHAD

(INCORPORATED IN MALAYSIA)

REGISTRATION NO. 196801000388 (7994-D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 40 to the financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MALAYSIAN RESOURCES CORPORATION BERHAD

(INCORPORATED IN MALAYSIA)

REGISTRATION NO. 196801000388 (7994-D)

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



PRICEWATERHOUSECOOPERS PLT

LLP0014401-LCA & AF 1146

Chartered Accountants

Kuala Lumpur
14 April 2026


IRVIN GEORGE LUIS MENEZES

02932/06/2026 J

Chartered Accountant

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	6	1,197,781	1,645,415	353,932	309,004
Cost of sales	7	(898,700)	(1,375,090)	(95,439)	(111,356)
Gross profit		299,081	270,325	258,493	197,648
Other income	8	58,150	33,628	11,964	2,280
Selling and distribution costs		(20,027)	(36,693)	(1,390)	(1,629)
Administrative expenses		(146,488)	(132,673)	(77,328)	(78,292)
Other operating expenses:					
- net (provision)/reversal for impairment:					
• receivables	9	(3,342)	38,109	-	30,800
• amounts due from subsidiaries	9	-	-	(5,844)	(10,103)
• contract assets	9	(10,933)	62,179	(11,135)	61,315
• investment in subsidiaries	9	-	-	(1,806)	(7,959)
- fair value (loss)/gain on financial asset	9	(641)	12	(641)	12
- others		(75,039)	(88,534)	(29,235)	(26,601)
Finance income	8	72,380	26,685	2,597	5,142
Finance costs	12	(114,760)	(108,817)	(61,056)	(59,346)
Share of results of associates	20	15,382	15,337	-	-
Share of results of joint ventures	21	(595)	(4,519)	-	-
Profit before income tax	9	73,168	75,039	84,619	113,267
Income tax expense	13	(26,130)	(11,493)	(2,490)	(69)
Profit for the financial year		47,038	63,546	82,129	113,198

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit for the financial year		47,038	63,546	82,129	113,198
Other comprehensive income/(loss) for the financial year, net of tax:					
Items that may be reclassified subsequently to profit or loss					
- currency translation differences		1,707	1,611	-	-
- share of other comprehensive loss of an associate		(257)	-	-	-
		1,450	1,611	-	-
Total comprehensive income for the financial year, net of tax		48,488	65,157	82,129	113,198
Profit for the financial year attributable to:					
Equity holders of the Company		47,319	63,670	82,129	113,198
Non-controlling interests	19	(281)	(124)	-	-
		47,038	63,546	82,129	113,198
Total comprehensive income for the financial year attributable to:					
Equity holders of the Company		48,769	65,281	82,129	113,198
Non-controlling interests	19	(281)	(124)	-	-
		48,488	65,157	82,129	113,198
Earnings per share attributable to the ordinary equity holders of the Company during the financial year (sen)	14				
Basic		1.06	1.43		
Diluted		1.06	1.43		

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	15	689,184	713,212	688	10,759
Investment properties	16	1,283,158	1,252,732	-	-
Right-of-use assets	17	34,905	45,938	-	-
Inventories	18(a)	2,845,863	2,379,664	-	-
Subsidiaries	19	-	-	3,226,761	3,230,139
Associates	20	458,907	468,421	417,999	417,999
Joint ventures	21	75,019	272,012	60,990	60,990
Long term receivables and prepayment	22	204,424	214,340	-	-
Intangible assets and construction rights	23	132,235	123,752	2,630	-
Deferred tax assets	24	154,594	126,649	134	134
Amounts due from subsidiaries	25	-	-	1,846,728	1,548,425
Amounts due from joint ventures	25	-	1,368	-	-
		5,878,289	5,598,088	5,555,930	5,268,446
Current assets					
Inventories	18(b) & (c)	400,519	381,868	10,095	10,095
Trade and other receivables	25	1,370,050	1,212,213	64,642	69,512
Amounts due from subsidiaries	25	-	-	1,041,136	913,409
Amounts due from associates and joint ventures	25	39,369	111,448	16,800	16,800
Contract assets	27	1,068,162	696,335	161,381	194,247
Tax recoverable		41,881	31,651	203	3,343
Financial assets at fair value through profit or loss	28	2,531	3,149	2,531	3,149
Deposits, cash and bank balances	29	657,548	999,226	158,824	174,655
		3,580,060	3,435,890	1,455,612	1,385,210
Total assets		9,458,349	9,033,978	7,011,542	6,653,656

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
EQUITY					
Equity attributable to the equity holders of the Company					
Share capital	30	4,356,106	4,356,106	4,356,106	4,356,106
Retained earnings		262,737	260,093	180,226	142,772
Other reserves		(51)	(1,501)	(619)	(619)
		4,618,792	4,614,698	4,535,713	4,498,259
Non-controlling interests	19	2,445	5,470	-	-
Total equity		4,621,237	4,620,168	4,535,713	4,498,259
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	24	85,087	55,454	-	-
Lease liabilities	17	27,595	33,719	-	-
Post-employment benefit obligations	31	9,772	11,912	4,331	4,452
Borrowings	32	1,521,785	1,678,321	1,424,272	1,591,385
Long term liabilities	33	421,154	430,699	-	-
Government grant	34	123,768	125,787	-	-
Provision for restoration costs	36	870	827	-	-
		2,190,031	2,336,719	1,428,603	1,595,837
Current liabilities					
Contract liabilities	27	133,391	78,878	8,484	4,731
Lease liabilities	17	8,431	4,173	-	-
Trade and other payables	35	1,477,068	1,412,116	41,519	181,246
Amounts due to subsidiaries	35	-	-	354,232	152,970
Current tax liabilities		1,123	1,256	-	-
Borrowings	32	1,027,068	580,668	642,991	220,613
		2,647,081	2,077,091	1,047,226	559,560
Total liabilities		4,837,112	4,413,810	2,475,829	2,155,397
Total equity and liabilities		9,458,349	9,033,978	7,011,542	6,653,656

The above statements of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Attributable to equity holders of the Company				Non-controlling interests RM'000	Total equity RM'000
	Share capital (Note 30) RM'000	Other reserves (Note(a)) RM'000	Retained earnings RM'000	Total RM'000		
As at 1 January 2025	4,356,106	(1,501)	260,093	4,614,698	5,470	4,620,168
Comprehensive income/(loss)						
Profit/(loss) for the financial year	-	-	47,319	47,319	(281)	47,038
Other comprehensive income/(loss)						
- Currency translation differences	-	1,707	-	1,707	-	1,707
- Share of other comprehensive income of associate	-	(257)	-	(257)	-	(257)
Total comprehensive income/(loss)	-	1,450	47,319	48,769	(281)	48,488
Transactions with owners						
Capital distribution by a subsidiary	-	-	-	-	(2,744)	(2,744)
Dividends paid for financial year ended						
- 31 December 2024 (Note 42)	-	-	(44,675)	(44,675)	-	(44,675)
Total transactions with owners	-	-	(44,675)	(44,675)	(2,744)	(47,419)
As at 31 December 2025	4,356,106	(51)	262,737	4,618,792	2,445	4,621,237

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Attributable to equity holders of the Company				Non-controlling interests RM'000	Total equity RM'000
	Share capital (Note 30) RM'000	Other reserves (Note(a)) RM'000	Retained earnings RM'000	Total RM'000		
As at 1 January 2024	4,356,106	(2,694)	240,680	4,594,092	5,594	4,599,686
Comprehensive income/(loss)						
Profit/(loss) for the financial year	-	-	63,670	63,670	(124)	63,546
Other comprehensive income/(loss)						
- Currency translation differences	-	1,611	-	1,611	-	1,611
- Post employment benefit obligations	-	(418)	418	-	-	-
Total comprehensive income/(loss)	-	1,193	64,088	65,281	(124)	65,157
Transactions with owners						
Dividends paid for financial year ended						
- 31 December 2023 (Note 42)	-	-	(44,675)	(44,675)	-	(44,675)
Total transactions with owners	-	-	(44,675)	(44,675)	-	(44,675)
As at 31 December 2024	4,356,106	(1,501)	260,093	4,614,698	5,470	4,620,168

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Note (a)

Other reserves

	Other reserves RM'000	Currency translation differences RM'000	Retirement benefit reserve RM'000	Cash flow hedge reserve RM'000	Total RM'000
As at 1 January 2025	1,666	1,853	(5,020)	-	(1,501)
Other comprehensive income/(loss)					
- Currency translation differences	-	1,707	-	-	1,707
- Share of other comprehensive income of associate	-	-	-	(257)	(257)
Total other comprehensive income	-	1,707	-	(257)	1,450
As at 31 December 2025	1,666	3,560	(5,020)	(257)	(51)

	Other reserves RM'000	Currency translation differences RM'000	Retirement benefit reserve RM'000	Total RM'000
As at 1 January 2024	1,666	242	(4,602)	(2,694)
Other comprehensive income/(loss)				
- Currency translation differences	-	1,611	-	1,611
- Post-employment benefits obligations	-	-	(418)	(418)
Total other comprehensive income	-	1,611	(418)	1,193
As at 31 December 2024	1,666	1,853	(5,020)	(1,501)

The above statements of changes in equity should be read in conjunction with the accompanying notes.

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Share capital (Note 30) RM'000	Other reserves (Note(b)) RM'000	Retained earnings RM'000	Total RM'000
As at 1 January 2025	4,356,106	(619)	142,772	4,498,259
Comprehensive income				
Profit for the financial year	-	-	82,129	82,129
Total comprehensive income	-	-	82,129	82,129
Transactions with owners				
Dividends paid for financial year ended				
- 31 December 2024 (Note 42)	-	-	(44,675)	(44,675)
Total transactions with owners	-	-	(44,675)	(44,675)
As at 31 December 2025	4,356,106	(619)	180,226	4,535,713
As at 1 January 2024	4,356,106	(619)	74,249	4,429,736
Comprehensive income				
Profit for the financial year	-	-	113,198	113,198
Total comprehensive income	-	-	113,198	113,198
Transactions with owners				
Dividends paid for financial year ended				
- 31 December 2023 (Note 42)	-	-	(44,675)	(44,675)
Total transactions with owners	-	-	(44,675)	(44,675)
As at 31 December 2024	4,356,106	(619)	142,772	4,498,259
Note (b)				
Other reserves				
			Retirement benefit reserve RM'000	
As at 1 January 2025 / 31 December 2025			(619)	
As at 1 January 2024 / 31 December 2024			(619)	

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
OPERATING ACTIVITIES					
Profit attributable to equity holders of the Company		47,319	63,670	82,129	113,198
Adjustments for:					
Taxation		26,130	11,493	2,490	69
Non-controlling interests		(281)	(124)	-	-
Share of results of					
- associates	20	(15,382)	(15,337)	-	-
- joint ventures	21	595	4,519	-	-
Dividend income	6	(102)	(92)	(174,940)	(110,753)
Finance income	8	(72,380)	(26,685)	(2,597)	(5,142)
Gain on lease modification		-	(3,080)	-	-
Gain on derecognition of lease liabilities	17	(1,199)	-	-	-
Loss on derecognition of right-of-use assets	17	1,093	-	-	-
Reversal of provision for restoration cost	36	-	(964)	-	-
Finance costs	12	114,760	108,817	61,056	59,346
(Reversal)/impairment on investment					
- subsidiaries	19	-	-	1,806	7,959
- associate	20	-	(807)	-	-
Provision/(reversal) of impairment on:					
- contract assets		10,933	(62,179)	11,135	(61,315)
- receivables	9	3,342	(38,109)	-	(30,800)
- amount due from subsidiaries	9	-	-	5,844	10,103
Fair value (gain)/loss of financial assets at fair value through profit or loss					
- unit trusts	8	(23)	(440)	(23)	(440)
- shares in corporations, quoted in Malaysia	9	641	(12)	641	(12)
Property, plant and equipment					
- depreciation	15	19,315	21,758	1,013	915
- gain on disposal	9	(83)	(225)	-	-
Investment properties					
- depreciation	16	6,056	7,958	-	-
- reversal of impairment	16	-	(2,993)	-	-
Right-of-use assets					
- depreciation	17	14,098	16,527	-	-
Amortisation of intangible assets					
- construction rights	23	876	1,531	-	-
- computer software	23	3,126	-	876	-

The above statements of changes in equity should be read in conjunction with the accompanying notes.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
OPERATING ACTIVITIES (CONTINUED)					
Amortisation of contract cost assets	26	2,082	2,629	-	-
Amortisation of government grant	34	(2,019)	(1,717)	-	-
Provision for/(reversal of provision)					
- liquidated ascertained damages		-	(7,041)	-	-
- post-employment benefits	31	892	923	327	347
Write back of accrual no longer required	8	(1,521)	(6,855)	-	-
Surplus from capital distribution received from a subsidiary	8	-	-	(3,684)	-
Unrealised loss on currency translation differences		15,410	25,499	1,144	5,850
Gain on disposal of joint venture		(22,639)	-	-	-
Reversal of inventory write down		(34,134)	-	-	-
Operating profit/(loss) before changes in working capital		116,905	98,664	(12,783)	(10,675)
Changes in working capital:					
Inventories		(365,329)	77,303	-	(489)
Receivables		4,546	(69,387)	5,077	106,465
Contract assets		(337,071)	(16,640)	21,731	99,002
Amounts due (to)/from subsidiaries (net)		-	-	287,143	(200,737)
Amounts due from/(to) associates and joint ventures (net)		73,915	(4,072)	-	(9,223)
Payables		(51,706)	(366,628)	(139,276)	(23,196)
Contract liabilities		54,513	41,223	3,753	4,731
Net cash flow (used in)/generated from operations		(504,227)	(239,537)	165,645	(34,122)
Interest income received		15,726	12,367	2,359	3,801
Dividends received from					
- subsidiaries		-	-	-	137,538
- financial assets at fair value through profit or loss		133	92	133	92
Tax refunded		14,106	1,575	3,343	-
Tax paid		(49,268)	(49,706)	(2,693)	(2,757)
Retirement benefits paid	31	(3,032)	(97)	(448)	-
Net cash flow (used in)/generated from operating activities		(526,562)	(275,306)	168,339	104,552

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment		83	682	-	-
Purchase of property, plant and equipment	15	(9,319)	(57,888)	(393)	(3,516)
Purchase of investment properties		(11,138)	(70,460)	-	-
Purchase of computer software	23	(3,034)	-	(2,063)	-
Upliftment of unit trusts		-	100,000	-	100,000
Dividends received from an associate		24,428	27,259	24,428	27,259
Proceeds from disposal of joint venture		219,037	-	-	-
Deposit paid for acquisition of balance equity investment in associate		(157,879)	-	-	-
Net cash outflow from acquisition of a subsidiary	5	-	(972)	-	-
Capital repayment of investment in associate	8	-	807	-	807
Repayment of advances by subsidiaries		-	-	121,001	288,784
Advances to subsidiaries		-	-	(461,295)	(611,230)
Release of deposit/(deposit placed) as collateral for bank guarantee facilities		42,289	(52,592)	-	-
Net cash flow generated from/(used in) investing activities		104,467	(53,164)	(318,322)	(197,896)
FINANCING ACTIVITIES					
Issuance cost paid	32	-	(2,346)	-	(1,435)
Finance costs paid		(42,966)	(37,045)	(11,215)	(11,269)
Proceeds from borrowings	32	638,322	963,165	146,886	304,113
Repayment of borrowings	32	(550,655)	(503,928)	(93,190)	(110,611)
Proceeds from Sukuk Murabahah	32	200,000	-	200,000	-
Repayment of interest for Sukuk Murabahah	32	(68,910)	(68,853)	(68,910)	(68,853)
Capital distribution received from a subsidiary		-	-	5,256	-
Capital distribution paid to non-controlling interests		(2,744)	-	-	-
Dividend paid to shareholders		(44,675)	(44,675)	(44,675)	(44,675)
Lease payments – principal	17	(4,824)	(1,435)	-	-
Net cash flow generated from financing activities		123,548	304,883	134,152	67,270

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CHANGES IN CASH AND CASH EQUIVALENTS		(298,547)	(23,587)	(15,831)	(26,074)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		874,629	900,005	174,655	200,729
FOREIGN CURRENCY TRANSLATION DIFFERENCE ON OPENING BALANCE		(842)	(1,789)	-	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	29	575,240	874,629	158,824	174,655
NON-CASH OPERATING ACTIVITY					
Dividend received via amounts due from subsidiaries		-	-	150,410	40,384
NON-CASH INVESTING ACTIVITIES					
Payment of interest expenses on behalf of subsidiaries		-	-	(20,187)	(24,954)
Investment in a subsidiary via amounts due from subsidiaries		-	-	-	(19,000)

The above statements of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2025

1 GENERAL INFORMATION

The Company is principally an investment holding company. The Company also engages in property development, property investment, engineering and construction related activities, environmental engineering and provision of management services to its subsidiaries.

The Group is principally engaged in property development, property investment, engineering and construction related activities, environmental engineering, facilities management and parking services.

The principal activities of the subsidiaries, joint ventures and associates are described in Note 40 to the financial statements.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of Bursa Malaysia Securities Berhad.

The address of the registered office of the Company is as follows:

Level 33A, Menara NU 2
No. 203, Jalan Tun Sambathan
Kuala Lumpur Sentral
50470 Kuala Lumpur

The address of the principal place of business of the Company is as follows:

Level 30, Menara Allianz Sentral
No. 203, Jalan Tun Sambathan
Kuala Lumpur Sentral
50470 Kuala Lumpur

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 14 April 2026.

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

2.1 BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention except as disclosed in this summary of material accounting policy information.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**2.1 BASIS OF PREPARATION (CONTINUED)**

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

(a) Standards early adopted by the Group and the Company

There are no standards early adopted by the Group and the Company.

(b) Standards and amendments to published standards that have been issued but not yet effective

A number of new standards and amendments to published standards are effective and applicable to the Group and the Company for financial year beginning after 1 January 2025 as set out below.

- MFRS 18 - Presentation and Disclosure in Financial Statements

The new MFRS introduces a new structure of profit or loss statement.

(a) Income and expenses are classified into 3 new main categories:

- Operating category which typically includes results from the main business activities;
- Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
- Financing category that presents income and expenses from financing liabilities.

(b) Entities are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.

Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards. Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**2.1 BASIS OF PREPARATION (CONTINUED)****(b) Standards and amendments to published standards that have been issued but not yet effective (continued)**

- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments'
- MFRS 19 'Subsidiaries without Public Accountability: Disclosures'
- Annual Improvements to MFRS Accounting Standards for enhanced consistency
- Amendments to MFRS 19 Subsidiaries without Public Accountability: Disclosures
- Translation to a Hyperinflationary Presentation Currency (Amendments to MFRS 121)

The above standards and amendments to published standards are not expected to have a significant impact on the financial statements of the Group and the Company except for MFRS 18 "Presentation and Disclosure in Financial Statements" effective for annual periods beginning on or after 1 January 2027.

2.2 ECONOMIC ENTITIES IN THE GROUP**(a) Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activity of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations when the acquired sets of activities and assets meet the definition of a business. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Acquisition related costs are recognised as expenses when incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to the fair value at the acquisition date, any gains or losses arising from such re-measurement are recognised in profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired at the date of acquisition is reflected as goodwill. See accounting policy Note 2.7 on intangible assets. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 ECONOMIC ENTITIES IN THE GROUP (CONTINUED)

(a) Subsidiaries (continued)

Non-controlling interest represents that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent. It is measured at the non-controlling interests' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the non-controlling interests' share of changes in the subsidiaries' equity since that date.

All earnings and losses of the subsidiaries are attributable to the parent and the non-controlling interest, even if the attributable losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit and loss attributable to non-controlling interests for prior financial year is not restated.

Intragroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive income, statement of changes in equity and statements of financial position respectively.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when the control is lost, with the change in carrying amount for the purpose of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets and liabilities. This may mean that the amount previously recognised in other comprehensive income are reclassified to profit or loss.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries disposed.

(b) Transactions with non-controlling interests

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 ECONOMIC ENTITIES IN THE GROUP (CONTINUED)

(c) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment in an associate is initially recognised at cost, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the associate in profit or loss, and the Group's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The Group's investment in associates includes goodwill identified on acquisition.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment loss is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with the Group.

When the Group ceases to equity account its associate because of a loss of significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Dilution gains or losses arising in the investments in associates are recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 ECONOMIC ENTITIES IN THE GROUP (CONTINUED)

(d) Joint arrangements

Joint arrangements are arrangement of which the Group has joint control, establishment by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

A joint arrangement is classified as "joint operation" when the Group or the Company has rights to assets and obligations for the liabilities relating to the arrangement. The Group and the Company account for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.

A joint arrangement is classified as "joint venture" when the Group has rights only to the net assets of the arrangement. The Group accounts for its interest in the joint venture using the equity method.

Investments in joint ventures are stated at cost in the separate financial statements. Where an indication of impairment exists, the carrying value of the investment is assessed and written down immediately to its recoverable amount. Refer to accounting policy on impairment of non-financial assets as set out in Note 2.17 to the financial statements.

Results and interests in joint venture are equity accounted in the venturer's financial statements of the Group.

Equity accounting involves recognising the venturer's share of the post-acquisition results of joint ventures in the profit or loss and its share of post-acquisition movements within reserves in reserves. The cumulative post-acquisition movements are adjusted against the cost of the investment and include goodwill on acquisition (net of accumulated impairment losses).

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturer. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

Where necessary, adjustments have been made to the financial statements of joint ventures to ensure consistency of accounting policies with those of the Group.

When the Group ceases to equity account its joint venture because of a loss of joint control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 FOREIGN CURRENCIES

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements of the Group and the Company are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

All foreign exchange gains and losses are presented in the statement of comprehensive income within other expenses.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that statements of financial position;
- income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**2.4 INVESTMENTS**

In the Company's separate financial statements, investments in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries, joint ventures and associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

The amounts due from subsidiaries of which the Company does not expect repayment in the foreseeable future are considered as part of the Company's investments in the subsidiaries.

2.5 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land which is not depreciated. Freehold land is not depreciated as it has an infinite life. Construction in progress is also not depreciated as these assets are not available for use. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial year in which they are incurred.

Other property, plant and equipment are depreciated on the straight line basis to write off the cost of the assets, or their revalued amounts to their residual values over their estimated useful lives summarised as follows:

Buildings	25 to 50 years
Plant and machinery	5 to 10 years
Furniture, fittings, office equipment and computers	3 to 20 years
Motor vehicles	3 to 5 years

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting date.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. Refer to accounting policy on impairment of non-financial assets as set out in Note 2.17 to the financial statements.

Gains and losses on disposals are determined by comparing the net proceeds with the carrying amount and are credited or charged to other expenses in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**2.6 INVESTMENT PROPERTIES**

Investment properties, comprising land and buildings, are held for long term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment properties are stated at cost less any accumulated depreciation and accumulated impairment losses. Investment properties are depreciated on the straight line basis to write off the cost of the assets to their residual values over their estimated useful lives. See accounting policy Note 2.17 to the financial statements on impairment of non-financial assets.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it is derecognised from the statements of financial position. The difference between the net disposal proceeds and the carrying amount is credited or charged to the profit or loss in the financial year of the retirement or disposal.

Investment properties also include properties that are under construction for future use as investment properties. These investments are also carried at cost.

Leasehold land are amortised over the period of the respective leases ranging from 47 years to 96 years. Amortisation is computed on the straight line method to write off the cost of each asset over its estimated useful life. The principal annual depreciation rate for related building is 2% per annum.

2.7 INTANGIBLE ASSETS**(a) Goodwill**

Goodwill arises from a business combination and represents the excess of the aggregate of fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed on the acquisition date. If the fair value of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in profit or loss.

Goodwill is not amortised but tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose. See accounting policy Note 2.17 to the financial statements on impairment of non-financial assets.

(b) Computer software

Expenditure on computer software that is not an integral part of the related hardware is treated as an intangible asset and is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line basis over their estimated useful lives. The estimated useful live for computer software is 3 years. Projects in progress are not amortised as these computer software are not yet available for use.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 LEASES

(a) Accounting by lessee

Leases are recognised as right-of-use (“ROU”) assets and a corresponding liability at the date on which the leased assets are available for use by the Group and the Company (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Company allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group and the Company are lessees, it have elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

Lease term

The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Company and affects whether the Group and the Company are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. See accounting policy below on reassessment of lease liabilities.

ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis. If the Group and the Company are reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset’s useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 LEASES (CONTINUED)

(a) Accounting by lessee (continued)

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group and the Company under residual value guarantees;
- The exercise price of a purchase and extension options if the Group and the Company are reasonably certain to exercise that option;
- Lease payments to be made under an extension option if the Group is reasonably certain to exercise the option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Company, the lessee’s incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The Group and the Company present the lease liabilities as a separate line item in the statements of financial position. Interest expense on the lease liability is presented within the finance cost in profit or loss in the statements of comprehensive income.

Reassessment of lease liabilities

The Group and the Company are also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 LEASES (CONTINUED)

(a) Accounting by lessee (continued)

Short term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line bases as an expense in profit or loss.

(b) Accounting by lessor

As a lessor, the Group and the Company determine at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group and the Company consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

Finance leases

The Group and the Company classify a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return. The Group and the Company revise the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

Operating leases

The Group and the Company classify a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group and the Company recognise lease payments received under operating lease as lease income on a straight-line basis over the lease term.

When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of underlying asset and recognised as an expense over the lease term on the same basis as lease income.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.9 INVENTORIES

(a) Land held for property development

Land held for property development consists of land or such portion thereof on which no significant development work has been undertaken or where development activities is not expected to be completed within the normal operating cycle. Such land and the related costs are classified as inventories in non-current asset and is stated at the lower of cost and net realisable value.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is transferred to inventories - property development costs (under current assets) (Note 2.9(b)) when development activities have commenced and can be completed within the Group's and the Company's normal development cycle.

Borrowing costs are capitalised in accordance with Note 2.18 to the financial statements.

(b) Property development costs

Property development costs comprise costs associated with the acquisition of land or such portion thereof and all costs directly attributable to development activities or that can be allocated on a reasonable basis to these activities.

Property development costs are transferred from land held for property development (Note 2.9(a)) when physical development activities have commenced and can be completed within the Group's and the Company's normal development cycle.

Property development costs are recognised when incurred.

When the outcome of the development activity can be estimated reliably and the sale of the development unit is effected (i.e. upon the signing of the individual sales and purchase agreements and satisfaction of respective performance obligations), property development revenue and costs are recognised as revenue and expenses respectively by reference to the stage of completion of development activity at the reporting date in accordance with MFRS 15 'Revenue from Contracts with Customers'. The stage of completion is determined based on the proportion that the property development costs incurred to-date bear to the estimated total costs for the property development.

When the outcome of a development activity cannot be estimated reliably, property development revenue is recognised only to the extent of property development costs incurred that is probable to be recoverable and the property development costs on the development units sold are recognised as an expense when incurred.

Irrespective of whether the outcome of a property development activity can be estimated reliably, when it is probable that total property development costs will exceed total property development revenue (including expected defect liability expenditure), the expected loss is recognised as an expense immediately.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**2.9 INVENTORIES (CONTINUED)****(b) Property development costs (continued)**

Property development costs not recognised as an expense are recognised as an asset and are stated at the lower of cost and net realisable value.

Borrowing costs are capitalised in accordance with Note 2.18 to the financial statements.

Where revenue recognised in the profit or loss exceed billings to purchasers, the balance is shown as contract assets (within current assets). Where billings to purchasers exceed revenue recognised in the profit or loss, the balance is shown as contract liabilities (within current liabilities).

(c) Unsold properties

Unsold properties are stated at the lower of cost and net realisable value.

The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and related allocation costs attributable to property development activities.

(d) Construction materials

Costs of construction materials is determined after deducting rebates and discounts valued using weighted average cost method.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

2.10 TRADE AND OTHER RECEIVABLES

Trade receivables are amounts due from customers in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group and of the Company. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value plus transaction costs. Other receivables are recognised initially at fair value plus transaction costs. Transaction costs include transfer taxes and duties.

After recognition, trade and other receivables are subsequently measured at amortised cost using the effective interest method, less loss allowance. See accounting policy Note 2.20 on impairment of financial assets.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**2.11 EMPLOYEE BENEFITS****(a) Short term employee benefits**

The Group and the Company recognise a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group and the Company recognise a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(b) Post-employment benefits

The Group and the Company have various post-employment benefit schemes in accordance with local conditions and practices. These benefits plans are either defined contribution or defined benefit plans.

Defined contribution plan

A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior financial years. A defined contribution plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors, such as age, years of service or compensation.

The Group's and the Company's contributions to defined contribution plan are charged to the profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan

The Group and the Company provide for unfunded retirement benefits to eligible employees that have been in the service of the Group and the Company for a continuous period of at least ten (10) years.

This scheme is closed to new employees since 1 September 2002.

The Group determines the present value of the defined benefit obligation with sufficient regularity such that the liability recognised in the financial statements does not differ materially from the amount that would have been determined as at that date. The defined benefit obligation, calculated using the projected unit credit method, is determined by a qualified independent actuary after considering the estimated future cash outflows using the market yields at the valuation date of high quality corporate bonds. The latest actuarial valuation was carried out on 18 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**2.11 EMPLOYEE BENEFITS (CONTINUED)****(b) Post-employment benefits (continued)****Defined benefit plan (continued)**

The current service cost recognised in the profit or loss is calculated based on the present value of the benefits accruing over the financial year following the valuation date with reference to the number of eligible employees and projected final salaries.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

(c) Share-based compensation

The Group and the Company operate an equity-settled, share-based long term incentive plan ("LTIP" or "the Plan") following the expiry of the Employee Share Option Scheme ("ESOS"), which comprises the compensation plan for the eligible employees of the Group and eligible executive directors of the Company. The LTIP comprises of Restricted Share Plan ("RSP") and Performance Share Plan ("PSP") as consideration for services rendered. The fair value of the employee services received in exchange for the RSP and PSP is recognised as an employee cost in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value, which is measured at grant date, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of shares that are expected to vest. At each reporting date, the Group and the Company revise its estimates of the number of shares that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

2.12 PROVISIONS

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group and the Company expect a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

The Group provides for estimated liability on projects still under progress at the reporting date. This provision is calculated based on contract agreements/past histories.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**2.13 PAYABLES**

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Payables are initially recognised at fair value net of transaction costs incurred, which include transfer taxes and duties. Payables is subsequently measured at amortised cost using the effective interest method.

2.14 CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash in hand, bank balances, demand deposits, short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts and exclude the designated bank balances of which have been charged as security for borrowings.

Bank overdrafts are presented within borrowings in current liabilities on the statements of financial position.

2.15 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group and the Company do not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company. The Group and the Company do not recognise contingent assets but disclose its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any non-controlling interests.

The Group recognises separately the contingent liabilities of the acquirees as part of allocating the cost of a business combination where their fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisitions and the information about the contingent liabilities acquired are disclosed in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**2.16 INCOME TAX**

The income tax expense or credit for the financial year is the tax payable on the current financial year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Group and the Company operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.17 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to the profit or loss. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**2.18 BORROWING COSTS**

Interest incurred on general and specific borrowings to finance the construction of property, plant and equipment and investment properties is capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the assets for its intended use or sale. Interests relating to property development activities and construction contracts are accounted for in a similar manner. All other borrowings costs are expensed on an effective interest rate method.

2.19 REVENUE AND OTHER INCOME RECOGNITION**Revenue from contracts with customers**

Performance obligations by segment are as follows:

i. Property development and investment

Property revenue consists of sales of development properties, sales of services and revenue from hotel operation.

(a) Sale of development properties

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the standalone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

The revenue from property development is measured at the fixed transaction price agreed under the sales and purchase agreement net of expected liquidated ascertained damages ("LAD") payment, based on the expected value method.

The transaction price is adjusted for the effects of time value of money if the timing of payments provides the customer or the Group and the Company with a significant benefit of financing the transfer of goods or services to the customer. For contracts with advance payment from customer at the beginning of the contract prior to the transfer of developed properties which will take more than one year to complete, a contract liability will be recognised when the advance payment is received, and the contract liability balance is accreted over the contract period to reflect the effects of financing received from the customer, with a corresponding interest expense recognised in statements of comprehensive income. For contracts with deferred payment scheme, the Group and the Company adjust the promised consideration for the effects of the significant financing component using the discount rate that would be reflected in a separate financing transaction between the Group and the Company and its customer at contract inception. The significant financing component is recognised as finance income in statements of comprehensive income over the credit period using the effective interest rate applicable at the inception date.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.19 REVENUE AND OTHER INCOME RECOGNITION (CONTINUED)

Revenue from contracts with customers (continued)

i. Property development and investment (continued)

(a) Sale of development properties (continued)

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group and the Company will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's and the Company's performance do not create an asset with an alternative use to the Group and the Company, and the Group and the Company have an enforceable right to payment for performance completed to date.

The promised properties are specifically identified by its lot and unit number and its attributes (such as its size and location) in the sale and purchase agreements and the attached layout plan. The purchasers could enforce its rights to the promised properties if the Group and the Company seek to sell the unit to another purchaser. The contractual restriction on the Group's and the Company's ability to direct the promised property for another use is substantive and the promised properties sold to the purchasers do not have an alternative use to the Group and the Company. The Group and the Company have the right to payment for performance completed to date. The Group and the Company are entitled to continue to transfer to the customer the development units promised and has the rights to complete the construction of the properties and enforce its rights to full payment.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group and the Company recognise revenue over time using the input method, which is based on the level the proportion that the property development costs incurred to date bear to the estimated total costs for the property development.

The Group and the Company recognise sales at a point in time for the sale of land and sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group and the Company will collect the considerations to which it will be entitled to in exchange for the assets sold.

When the Group and the Company are not able to determine the probability that the Group and the Company will collect the consideration to which the Group and the Company will be entitled to in exchange of development properties, the Group and the Company will defer the recognition of revenue from the sales of the development properties. Consideration received from the customer is recognised as contract liability.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.19 REVENUE AND OTHER INCOME RECOGNITION (CONTINUED)

Revenue from contracts with customers (continued)

i. Property development and investment (continued)

(b) Sale of services

The Group and the Company provide maintenance services for some of the development properties. The Group and Company also provide other services, including facilities management services, general administration management services, building consultancy management services, financial management services, leasing and tenant acquisition services, lessee and tenant monitoring services, facility management technical advisory services, financial modelling (feasibility study) services, project management and consultancy services, and sales and marketing consultancy services. The Group and the Company recognise revenue from sales of services upon performance of the services.

(c) Revenue from hotel operations

Hotel revenue represents income derived from room rentals, sales of food and beverage and other hotel related income. Room rental income is accrued on a daily basis on customer-occupied rooms. Sale of food and beverage are recognised upon delivery to customers. Hotel revenue is recognised net of sales tax and discounts.

(d) Management services

Revenue from property management fee is recognised upon performance of services.

ii. Engineering, construction and environment

Engineering, construction and environment revenue consists of services provided for construction contracts and project management services.

(a) Construction contracts

The Group and the Company provide various construction contract services, including design and build commercial building, commission of transmission lines and substations, and rehabilitation and improvement of beaches and rivers.

Construction contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the standalone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

The revenue from construction contracts is measured at the fixed transaction price agreed net of expected liquidated ascertained damages ("LAD") payment, based on the expected value method.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.19 REVENUE AND OTHER INCOME RECOGNITION (CONTINUED)

Revenue from contracts with customers (continued)

ii. Engineering, construction and environment (continued)

(a) Construction contracts (continued)

Revenue from construction contracts is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group and the Company will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Control of the asset is transferred over time as the Group's and the Company's performance create or enhance an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The Group and the Company recognise revenue over time using the input method, which is based on the level the proportion that the construction costs incurred to date bear to the estimated total costs for the construction contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as recoverables, prepayments or other assets, depending on their nature.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable. Irrespective of whether the outcome of a construction contract can be estimated reliably when it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The aggregate of the costs incurred and the attributable profit/loss recognised on each contract is compared against the progress billings up to the end of the financial year. Where costs incurred and recognised profit (less recognised losses) exceed progress billings, the balance is shown as contract assets. Conversely, where progress billings exceed costs incurred and attributable profit, the balance is shown as contract liabilities.

Revenue for non-cash consideration arising from construction contracts are recognised based on the fair value at the earlier of satisfaction of performance obligation over the period of the contract or when the non-cash consideration is transferred to the Group and to the Company. Management reassesses the fair value of the non-cash consideration at each reporting date and the changes in fair value will be accounted for as adjustments to the transaction price due to a change in estimate in the reporting period.

(b) Management services

Revenue from project management fee is recognised upon performance of services.

iii. Facilities management and parking

Facilities management and parking revenue consists of rental income for parking spaces, provision of management services and security guard services.

The Group and the Company recognise revenue from sales of management services and security guard services upon performance of services.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.19 REVENUE AND OTHER INCOME RECOGNITION (CONTINUED)

Revenue from contracts with customers (continued)

iv. Others

Revenue from others segment consists of sales of construction materials, management services to subsidiaries and revenue from other sources.

(a) Sales of construction materials

The Group and the Company recognise sales of construction materials at a point in time, when the control of the construction materials has been transferred to the customers, being when the construction materials have been delivered to the customers and it is probable that the Group and the Company will collect the considerations to which it will be entitled to in exchange for the construction materials sold.

(b) Management services

The Group provides project management and other management services to customers. The Company provides management services to its subsidiaries. The Group and the Company recognise revenue from sales of management services upon performance of services.

(c) Chilled water services

The Group provides chilled water supply services to customers. Revenue from chilled water supply services is recognised over the period in which services are rendered.

Revenue from other sources

Dividend income is recognised when the Group's right to receive payment is established. Dividend received as a recovery of investment in subsidiaries is offset against costs of investments.

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreements. Other rent related income is recognised in the accounting period in which the services have been rendered. Refer to Note 2.8(b) on the accounting policy of lessor.

Other income

Interest income is recognised on an accrual basis, using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.20 FINANCIAL INSTRUMENTS

Financial instruments are contracts that give rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

Financial assets**Classification**

The Group and the Company classify their financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss); and
- those to be measured at amortised cost.

The Group and the Company reclassify debt investments when and only when their business model for managing those assets changes.

Measurement

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ("SPPI").

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify their debt instruments:

(a) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other operating expenses together with foreign exchange gains and losses. Impairment losses are presented in other operating expenses in the statements of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.20 FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets (continued)**Debt instruments (continued)**

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify their debt instruments: (continued)

(b) Fair value through other comprehensive income ("FVOCI")

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other operating expenses. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other operating expenses and impairment expenses are presented in other operating expenses in the statements of profit or loss.

(c) Fair value through profit or loss ("FVTPL")

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group and the Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes is recognised in profit or loss and presented within other income or other operating expenses in the period which it arises.

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Where the Group's and the Company's management have elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's and the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other operating expenses or other income in the statements of profit or loss as applicable.

Impairment for debt instruments and financial guarantee contracts

The Group and the Company assess on a forward looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost and at FVOCI and financial guarantee contracts issued. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.20 FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets (continued)**Impairment for debt instruments and financial guarantee contracts (continued)**

The Group and the Company have the following financial instruments that are subject to the ECL model:

- Trade receivables;
- Other receivables;
- Amounts due from subsidiaries;
- Amounts due from joint ventures / associates;
- Contract assets;
- Financial guarantee contracts issued; and
- Deposits and bank balances.

While deposits and bank balances are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument. For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Company expects to receive from the holder, the debtor or any other party.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(a) General 3-stage approach for other receivables, amounts due from subsidiaries, amounts due from joint ventures/associates and financial guarantee contracts issued

At each reporting date, the Group and the Company measure ECL through loss allowance at an amount equal to 12 months ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

Note 25 sets out the measurement details of ECL.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.20 FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets (continued)**Impairment for debt instruments and financial guarantee contracts (continued)****(b) Simplified approach for trade receivables and contract assets**

The Group and the Company apply the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and contract assets.

Note 25 sets out the measurement details of ECL.

Significant increase in credit risk

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information. The following indicators are incorporated:

- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the Group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Definition of default and credit-impaired financial assets

The Group and the Company define a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

The Group and the Company define a financial instrument as default, when the counterparty fails to make contractual payment 90 days after the payment term.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.20 FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets (continued)**Definition of default and credit-impaired financial assets (continued)****Qualitative criteria**

The debtor meets unlikelihood to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- the debtor is in breach of financial covenants;
- concessions have been made by the lender relating to the debtor's financial difficulty;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganization; and
- the debtor is insolvent.

Financial instruments that are credit-impaired are assessed on an individual basis.

Assessment for ECL**(a) Collective assessment**

To measure ECL, trade receivables, lease receivables and contract assets arising from property development and investment, facilities management and parking businesses have been grouped based on shared credit risk characteristics by specific projects and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group and the Company have therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

(b) Individual assessment

Trade receivables and contract assets arising from engineering, construction and environment and sales of construction materials businesses have been assessed individually.

In addition, all trade receivables and contract assets which are in default or credit-impaired are assessed individually.

Loans to subsidiaries in the Company's separate financial statements are assessed on an individual basis for ECL measurement, as credit risk information is obtained and monitored based on each loan to subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.20 FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets (continued)**Write-off****(a) Trade receivables and contract assets**

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group and the Company, and a failure to make contractual payments for a period of greater than 90 days past due. Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(b) Other receivables

The Group and the Company write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. Subsequent recoveries of amounts previously written off will result in impairment gains.

2.21 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Board of Directors that makes strategic decisions.

Segment reporting is presented for enhanced assessment of the Group's and of the Company's risks and returns. Business segments provide products or services that are subject to risk and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between group enterprises within a single segment.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.22 SHARE CAPITAL

(a) Classification

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the contractual arrangement. See accounting policy Note 2.23 on borrowings.

(b) Share issue costs

Incremental costs directly attributable to the issue of new shares are deducted against equity.

(c) Dividend distribution

Distributions to holders of an equity instrument is debited directly to equity, net of any related income tax benefit and the corresponding liability is recognised in the period in which the dividends are approved.

(d) Warrants reserve

Proceeds from the issuance of warrants, net of issuance costs, are credited to warrants reserve which is non-distributable. Warrants reserve are transferred to share capital upon the exercise of warrants. Warrants reserve in relation to unexercised warrants at the expiry of the warrants period is transferred to retained earnings.

Issuance of free warrants is not recognised in the financial statements, except for the warrants issued in a business combination in which case the warrants are fair valued as part of the purchase consideration.

(e) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.23 BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred.

Borrowings are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method, except for borrowing costs incurred for the construction of any qualifying asset.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised as finance cost in profit or loss.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

When borrowings measured at amortised cost is modified without this resulting in derecognition, any gain or loss, being the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate, shall be recognised immediately in profit or loss in finance cost.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

2.24 FAIR VALUE MEASUREMENTS

The Group adopted MFRS 13 "Fair Value Measurement" which prescribed that fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into accounts a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the assets in its highest and best use.

2.25 GOVERNMENT GRANT

Grant from the Government is recognised at its fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grant relating to the acquisition of assets is classified as non-current and is amortised to the profit or loss over the expected lives of the related assets, on a basis which is consistent with the depreciation of the related assets.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**2.26 LOAN TO SUBSIDIARIES**

Loans to subsidiaries are recognised initially at fair value. If there is any difference between cash disbursed and fair value on initial recognition, the difference would be accounted as additional investment in the subsidiary as it reflects the substance of the transaction.

Loans to subsidiaries are subsequently measured at amortised cost using the effective interest method. The provision for impairment is established using expected credit loss approach as disclosed in Note 2.20.

2.27 CONTRACT COST ASSETS

The Group and the Company recognise incremental costs of obtaining a contract with a customer as contract cost assets if the Group and the Company expect to recover those costs. The incremental costs of obtaining a contract are those costs that the Group and the Company would not have incurred if the contract had not been obtained, including sales commission, agent fees in concluding sales and stamp duty incurred for project management contract agreements.

Contract cost assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates to.

The Group and the Company recognise an impairment loss in statements of comprehensive income to the extent that the carrying amount of contract cost asset exceeds:

- (a) the remaining amount of consideration that the Group and the Company expect to receive in exchange for the goods or services to which the asset relates; less
- (b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

The Group and the Company recognise in statements of comprehensive income a reversal of impairment loss previously recognised when the impairment conditions no longer exist or have improved. The increased carrying amount of the contract cost asset shall not exceed the amount that would have been determined (net of amortisation) if no impairment loss had been recognised.

2.28 CONTRACT ASSETS AND CONTRACT LIABILITIES

Contract asset is the right to consideration for goods or services transferred to the customers. In the case of property development and construction contracts, contract asset is the excess of cumulative revenue earned over the billings to-date.

The Group and the Company assess a contract asset for impairment at each reporting period and the loss allowance is measured at an amount equal to lifetime expected credit losses for the contract asset.

Contract liability is the obligation to transfer goods or services to customer for which the Group and the Company have received the consideration or has billed the customer. In the case of property development and construction contracts, contract liability is the excess of the billings to-date over the cumulative revenue earned. Contract liabilities include down payments received from customers other deferred income where the Group and the Company have billed or have collected the payment before the goods are delivered or services are provided to the customers.

NOTES TO THE FINANCIAL STATEMENTS

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3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, not necessarily equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's and the Company's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(a) Expected credit loss ("ECL") on trade and other receivables, contract assets and amounts due from subsidiaries

The Group and the Company assessed the expected credit loss associated with the debt instruments carried at amortised costs. The impairment methodology applied depends on whether there has been a significant increase in credit risk and the expected recovery plan. Refer to Note 25 and Note 27 for details of impairment of trade and other receivables, contract assets and amounts due from subsidiaries.

(b) Revenue from contracts with customers from property development activities and construction contract activities

The Group and the Company recognise revenue from contracts with customers from property development activities and construction contract activities in the profit or loss by using the input method. Revenue is recognised over time using percentage of work done which is based on actual costs certified by quantity surveyors as a percentage of total budgeted costs.

Significant judgement is required in determining the stage of completion, the extent of the property development and construction costs incurred and estimated total property development and construction costs, the potential liquidated ascertained damages ("LAD"), as well as recoverability of contracts. Total property development and construction costs are determined based on approved budgets. These budgets are supported by sub-contractors' quotations, actual contracts awarded and variation work orders awarded to main and sub-contractors.

LADs are determined based on the completion date of respective projects, the likelihood of extension of time approval by customers and the requirements of laws and regulations.

Total contract revenue includes an estimation of variation work that are recoverable from customers. In estimating the Group and the Company evaluate claims and stage of the project based on its industry knowledge, ongoing negotiations with customers and opinions issued by claim consultants and lawyers, where applicable.

(c) Goodwill

The Group tests at least annually whether goodwill have suffered any impairment, in accordance with the accounting policy stated in Note 2.7 and Note 2.17. The recoverable amounts of the cash generating units have been determined based on value-in-used and/or fair value less cost to sell calculations as appropriate. These calculations require the use of estimates. Refer to Note 23 for the details of the impairment testing of goodwill.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(d) Impairment of property, plant and equipment, investment properties, right-of-use assets, investment in subsidiaries, investment in associates and investment in joint ventures

The Group tests impairment of property, plant and equipment, investment properties, right-of-use assets, investment in subsidiaries, investment in associates and investment in joint ventures for impairment if there is any indicators of impairment. The determination of the recoverable amount involves significant judgement over the future performance of these assets or entities, which may differ materially from the actual results.

4 FINANCIAL RISK MANAGEMENT

- (a) The Group's activities expose it to a variety of financial risks, including interest rate risk, liquidity risk, credit risk and capital risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. The Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems and adherence to Group financial risk management policies. The Group does not trade in financial instruments.

(i) Interest rate risk

Interest rate risks arise mainly from the Group's and the Company's deposits and borrowings. The Group's and the Company's deposits are placed at prevailing interest rates.

Borrowings issued at variable rates expose the Group and the Company to cash flow interest rate risk. The Group manages this risk through the use of fixed and floating rate debt.

The Group's and the Company's outstanding borrowings as at the year end at variable rates on which hedges have not been entered into, are denominated in RM. If the annual interest rates of these borrowings increase/decrease by 1% respectively (2024: 1%) with all other variables being held constant, the result after tax or equity of the Group and the Company will be lower/higher by RM9,393,000 (2024: RM7,320,000) and RM4,568,000 (2024: RM3,640,000), respectively, as a result of higher/lower interest expense on these borrowings.

NOTES TO THE FINANCIAL STATEMENTS

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4 FINANCIAL RISK MANAGEMENT (CONTINUED)

- (a) The Group's activities expose it to a variety of financial risks, including interest rate risk, liquidity risk, credit risk and capital risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. The Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems and adherence to Group financial risk management policies. The Group does not trade in financial instruments. (continued)

(ii) Liquidity risk

The Group manages its liquidity risk by maintaining sufficient levels of cash or cash convertible investments and available credit facilities to meet its working capital requirements. Where necessary, the Group and the Company will draw down additional borrowing facilities or defer repayment of related company balances to meet working capital requirements.

The table below analyses the financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 1 year RM'000	Between 1 and 5 years RM'000	Over 5 years RM'000	Total RM'000
Group				
As at 31.12.2025				
Trade and other payables	1,315,548	-	-	1,315,548
Borrowings	1,140,390	1,458,339	248,041	2,846,770
Lease liabilities	9,020	23,725	10,777	43,522
Long term liabilities	161,520	204,000	364,200	729,720
	2,626,478	1,686,064	623,018	4,935,560
As at 31.12.2024				
Trade and other payables	1,367,116	-	-	1,367,116
Borrowings	650,131	1,592,104	289,307	2,531,542
Lease liabilities	5,948	34,947	15,044	55,939
Long term liabilities	45,000	105,000	450,000	600,000
	2,068,195	1,732,051	754,351	4,554,597

NOTES TO THE FINANCIAL STATEMENTS

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4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) (ii) Liquidity risk (continued)

	Within 1 year RM'000	Between 1 and 5 years RM'000	Over 5 years RM'000	Total RM'000
Company				
As at 31.12.2025				
Trade and other payables	41,519	-	-	41,519
Amounts due to subsidiaries	354,232	-	-	354,232
Borrowings	731,002	1,366,466	226,300	2,323,768
Financial guarantee contract	409,388	91,873	21,741	523,002
	1,536,141	1,458,339	248,041	3,242,521
As at 31.12.2024				
Trade and other payables	181,246	-	-	181,246
Amounts due to subsidiaries	152,970	-	-	152,970
Borrowings	290,076	1,526,885	267,075	2,084,036
Financial guarantee contract	360,055	65,219	22,232	447,506
	984,347	1,592,104	289,307	2,865,758

(iii) Credit risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, setting of counterparty limits and monitoring procedures. The Group seeks to invest cash assets safely and profitably. Credit risks are minimised given the Group's policy of selecting only counterparties with high creditworthiness.

Measurement of ECL**Bank balances**

While bank balances are subject to the impairment requirements of MFRS 9, the identified impairment loss was insignificant.

Trade receivables and contract assets using simplified approach

The expected loss rates are based on the payment profiles of sales over a period of 24 months before reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. No significant changes to estimation techniques or assumptions were made during the reporting period. Refer to Note 25(i)(a) to Note 25(i)(d), Note 27(a) and Note 27(b) for further credit risk analysis.

NOTES TO THE FINANCIAL STATEMENTS

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4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) (iii) Credit risk (continued)

Measurement of ECL (continued)**Other receivables, amounts due from subsidiaries and amounts due from joint ventures/associates using general 3-stage approach**

The Group and the Company use three categories for the above which reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Group's and the Company's ECL model is as follows:

Category	Group's and Company's definition of category	Basis for recognising ECL
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows	12 months ECL
Underperforming	Debtors for which there is a significant increase in credit risk or significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime ECL
Non-performing	Interest and/or principal repayments are 90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount	Asset is written off

Based on the above, loss allowance is measured on either 12 months ECL or lifetime ECL using a PD x LGD x EAD methodology as follows:

- PD ("probability of default") - the likelihood that the debtor would not be able to repay during the contractual period;
- LGD ("loss given default") - the percentage of contractual cash flows that will not be collected if default happens; and
- EAD ("exposure at default") - the outstanding amount that is exposed to default risk.

In deriving the PD and LGD, the Group and the Company consider historical data by each debtor by category. The Group and the Company have identified the industry and geographical area which the debtor operates in, to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period. Refer to Note 25(ii) for further credit risk analysis.

All financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowance was identified based on 24 months ECL. The Group is exposed to credit risk of financial guarantee contracts amounting to RM523,002,000 (2024: RM447,506,000).

NOTES TO THE FINANCIAL STATEMENTS

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4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) (iv) Capital risk

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

As part of its capital management plan, the Group and the Company may adjust the amount of dividends paid to the shareholder, return capital to shareholder or sell assets to reduce debt.

Management monitors capital based on the Group's gearing ratio. The gearing ratio is calculated as total debt divided by total equity. Total debts is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statements of financial position).

The Group and the Company consider that the capital of the Group and of the Company relate to the total equity in the statement of financial position.

The gearing ratios as at 31 December 2025 and 31 December 2024 were as follows:

	Group	
	2025 RM'000	2024 RM'000
Total debt	2,548,853	2,258,989
Total equity	4,621,237	4,620,168
Total capital	7,170,090	6,879,157
Gearing ratio	0.55	0.49

(b) Fair values

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Fair values (continued)

The following table presents the Group's and the Company's assets and liabilities that are measured at fair value at 31 December 2025 and 31 December 2024.

	Group and Company	
	2025 RM'000	2024 RM'000
Assets		
Level 1		
Financial assets at fair value through profit or loss	2,531	3,149

The carrying amounts of the financial assets and liabilities approximate their fair values of these financial instruments.

(c) Financial instruments by category

Financial assets and liabilities are recognised and measured based on the following categories:

	2025 RM'000	2024 RM'000
Group		
Financial assets at amortised cost		
Non-current asset		
Amounts due from joint ventures	-	1,368
	-	1,368
Current assets		
Trade and other receivables (excluding prepayments)	1,346,977	1,199,864
Amounts due from associates and joint ventures	39,369	111,448
Deposit, cash and bank balances	657,548	999,226
	2,043,894	2,310,538
Financial assets at fair value through profit or loss	2,531	3,149
Total financial assets	2,046,425	2,315,055

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Financial instruments by category (continued)

Financial assets and liabilities are recognised and measured based on the following categories: (continued)

	2025 RM'000	2024 RM'000
Group		
Financial liabilities at amortised cost		
Non-current liabilities		
Lease liabilities	27,595	33,719
Borrowings	1,521,785	1,678,321
Long term liabilities	421,154	430,699
	1,970,534	2,142,739
Current liabilities		
Lease liabilities	8,431	4,173
Trade and other payables	1,477,068	1,412,116
Borrowings	1,027,068	580,668
	2,512,567	1,996,957
Total financial liabilities	4,483,101	4,139,696

	2025 RM'000	2024 RM'000
Company		
Financial assets at amortised cost		
Non-current asset		
Amounts due from subsidiaries	1,846,728	1,548,425
Current assets		
Trade and other receivables	64,642	69,512
Amounts due from subsidiaries	1,041,136	913,409
Amounts due from associates and joint ventures	16,800	16,800
Deposit, cash and bank balances	158,824	174,655
	1,281,402	1,174,376
Financial assets at fair value through profit or loss	2,531	3,149
Total financial assets	3,130,661	2,725,950

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Financial instruments by category (continued)

Financial assets and liabilities are recognised and measured based on the following categories: (continued)

	2025 RM'000	2024 RM'000
Company		
Financial liabilities at amortised cost		
Non-current liability		
Borrowings	1,424,272	1,591,385
Current liabilities		
Trade and other payables	41,519	181,246
Amounts due to subsidiaries	354,232	152,970
Borrowings	642,991	220,613
	1,038,742	554,829
Total financial liabilities	2,463,014	2,146,214

5 ACQUISITION OF SIGNIFICANT SUBSIDIARY

Financial year ended 31 December 2024

(i) Projekmaju Sdn Bhd

On 8 November 2024, the Company's wholly owned subsidiary, MRCB Land Sdn. Bhd. ("MLSB") entered into a Sale and Purchase Agreement with Nusa Gapurna Development Sdn. Bhd. for the acquisition of 1,000,000 ordinary shares, representing 100% equity interest in Projekmaju Sdn Bhd ("Projekmaju") for a cash consideration of RM1,000,000.

The acquisition completed on 8 November 2024 and Projekmaju became the Company's wholly owned subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

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5 ACQUISITION OF SIGNIFICANT SUBSIDIARY (CONTINUED)

Financial year ended 31 December 2024 (continued)

(i) Projekmaju Sdn Bhd (continued)

The effects of the above acquisition to the financial position of the Group as at the date of acquisition were as follows:

	As at 8.11.2024 RM'000
Prepayment of leasehold land	13,130
Deposits, cash and bank balances	28
Other payables and accrual	(3)
Amount due to a related company	(17,902)
Total net liability acquired	(4,747)
Fair value of assets on acquisition	5,747
Purchase consideration	1,000
Less:	
Cash and cash equivalents of the subsidiary acquired	(28)
Net cash outflow on acquisition	972

The effect of the above acquisition to the financial results of the Group from the date of the acquisition are as follows:

	2024 RM'000
Administrative expenses	(2)
Finance income	0
Loss before tax	(2)
Tax	-
Net loss attributable to shareholders	(2)

* RM0 represents value less than RM1,000

Had Projekmaju been consolidated from 1 January 2024, the consolidated statement of comprehensive income would show a pro-forma revenue of RM Nil and loss after taxation of RM504,000.

NOTES TO THE FINANCIAL STATEMENTS

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6 REVENUE

Revenue comprises the following:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue from contracts with customers				
Sale of development properties	127,516	253,519	-	-
Construction contracts	930,057	1,269,867	111,794	114,505
Sale of services	90,899	83,583	-	-
Hotel operations	15,157	15,001	-	-
Sale of construction materials	-	3	-	-
Management services	15,672	13,969	65,496	81,405
	1,179,301	1,635,942	177,290	195,910
Revenue from other sources				
Rental income	18,378	9,381	1,702	2,341
Dividend income (gross)				
- subsidiaries	-	-	150,410	91,817
- associates	-	-	24,428	18,844
- quoted marketable securities	102	92	102	92
	1,197,781	1,645,415	353,932	309,004

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

6 REVENUE (CONTINUED)

Disaggregation of the Group's revenue:

	Property development and investment RM'000	Engineering, construction and environment RM'000	Facilities management and parking RM'000	Others RM'000	Total RM'000
2025					
Contracts with customers					
Sale of development properties	127,516	-	-	-	127,516
Construction contracts	-	930,057	-	-	930,057
Sale of services	9,423	-	61,512	19,964	90,899
Hotel operation	15,157	-	-	-	15,157
Management services	927	14,745	-	-	15,672
	153,023	944,802	61,512	19,964	1,179,301
Timing of revenue recognition					
At point in time	78,083	-	-	-	78,083
Over time	74,940	944,802	61,512	19,964	1,101,218
	153,023	944,802	61,512	19,964	1,179,301
Other sources					
Rental income	18,055	-	312	11	18,378
Dividend income	-	-	-	102	102
	171,078	944,802	61,824	20,077	1,197,781

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

6 REVENUE (CONTINUED)

Disaggregation of the Group's revenue: (continued)

	Property development and investment RM'000	Engineering, construction and environment RM'000	Facilities management and parking RM'000	Others RM'000	Total RM'000
2024					
Contracts with customers					
Sale of development properties	253,519	-	-	-	253,519
Construction contracts	-	1,269,867	-	-	1,269,867
Sale of services	9,501	-	56,080	18,002	83,583
Hotel operation	15,001	-	-	-	15,001
Sale of construction materials	-	-	-	3	3
Management services	1,082	12,887	-	-	13,969
	279,103	1,282,754	56,080	18,005	1,635,942
Timing of revenue recognition					
At point in time	211,566	-	-	3	211,569
Over time	67,537	1,282,754	56,080	18,002	1,424,373
	279,103	1,282,754	56,080	18,005	1,635,942
Other sources					
Rental income	9,157	-	224	-	9,381
Dividend income	-	-	-	92	92
	288,260	1,282,754	56,304	18,097	1,645,415

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

6 REVENUE (CONTINUED)

Disaggregation of the Company's revenue:

	Company	
	2025 RM'000	2024 RM'000
Contracts with customers		
Construction contracts	111,794	114,505
Management services	65,496	81,405
	177,290	195,910
Timing of revenue recognition		
Over time	177,290	195,910
Other sources		
Rental income	1,702	2,341
Dividend income	174,940	110,753
	353,932	309,004

7 COST OF SALES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Sale of development properties	57,331	161,154	-	-
Construction contracts	721,010	1,122,453	95,439	111,299
Sale of services	88,926	64,101	-	-
Hotel operations	7,861	7,765	-	-
Rental	23,572	19,617	-	57
	898,700	1,375,090	95,439	111,356

NOTES TO THE FINANCIAL STATEMENTS

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8 OTHER INCOME AND FINANCE INCOME

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Building maintenance services	4,241	4,550	-	-
Rental income from land and buildings	7,359	4,334	1,025	950
Write back of accrual no longer required	1,521	6,855	-	-
Forfeiture income	7,989	5,144	-	-
Gain on disposal of a joint venture	22,639	-	-	-
Fair value gain of financial assets at fair value through profit or loss				
- unit trusts	23	440	23	440
Capital repayment of investment in associate	-	807	-	807
Surplus from capital distribution received from a subsidiary	-	-	3,684	-
Liquidated ascertained damages recovered	7,140	-	7,140	-
Others	7,238	11,498	92	83
	58,150	33,628	11,964	2,280
Finance income from				
- fixed deposits	18,347	17,873	2,597	5,142
- advances granted to:				
- a jointly controlled entity	-	4,097	-	-
- late payment charges	7,954	3,245	-	-
- unwinding of discount for financial assets	45,689	656	-	-
- others	390	814	-	-
	72,380	26,685	2,597	5,142

NOTES TO THE FINANCIAL STATEMENTS

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9 PROFIT BEFORE INCOME TAX

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before income tax is arrived at after charging/ (crediting):				
Auditors' remuneration				
- statutory audit				
- PricewaterhouseCoopers PLT	1,419	1,313	290	202
- other firm	132	119	-	-
- other services				
- audit related	175	82	20	40
- non audit related	663	1,054	184	199
Staff costs (including remuneration of Executive Directors) (Note 10)	196,907	175,423	66,858	63,513
Investment properties (Note 16)				
- depreciation	6,056	7,958	-	-
Property, plant and equipment (Note 15)				
- depreciation	19,315	21,758	1,013	915
- net gain on disposal	(83)	(225)	-	-
Right-of-use assets (Note 17)				
- depreciation	14,098	16,527	-	-
Amortisation of:				
- construction rights (Note 23)	876	1,531	-	-
- computer software (Note 23)	3,126	-	876	-
- contract cost asset (Note 26)	2,082	2,629	-	-
- government grant (Note 34)	(2,019)	(1,717)	-	-
(Reversal)/provision for impairment on investment in				
- subsidiaries (Note 19)	-	-	1,806	7,959
- associate (Note 20)	-	(807)	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

9 PROFIT BEFORE INCOME TAX (CONTINUED)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before income tax is arrived at after charging/ (crediting): (continued)				
Provision/(reversal) for impairment on:				
- contract assets (Note 27)	10,933	(62,179)	11,135	(61,315)
- investment properties	-	(2,993)	-	-
- receivables (Note 25)	3,342	(38,109)	-	(30,800)
- amount due from subsidiaries	-	-	5,844	10,103
- inventories	(34,134)	-	-	-
Fair value loss/(gain) of financial assets at fair value through profit or loss				
- shares in corporations, quoted in Malaysia	641	(12)	641	(12)
Low value and short term rental of:				
- premises	6,575	8,032	4,969	5,568
- office equipment	493	633	534	130
- plant and machinery	164	53	-	-
Gain on derecognition of lease liabilities	(1,199)	-	-	-
Loss on derecognition of right-of-use assets	1,093	-	-	-
Gain on lease modification	-	(3,080)	-	-
Reversal of provision for restoration cost (Note 36)	-	(964)	-	-
Reversal of provision for liquidated ascertained damages	-	(7,041)	-	-
Realised loss on foreign exchange	5	44	-	-
Unrealised loss on foreign exchange	15,410	25,499	1,144	5,850
Legal and professional fees	24,223	27,306	5,047	9,065

NOTES TO THE FINANCIAL STATEMENTS

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10 STAFF COSTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Wages, salaries and bonus	161,621	138,975	52,436	48,001
Defined contribution plan	18,456	18,606	6,017	7,616
Defined benefit plan (Note 31)	892	923	327	347
Termination benefits	-	89	-	55
Other employee benefits	15,938	16,830	8,078	7,494
	196,907	175,423	66,858	63,513

11 DIRECTORS' REMUNERATION

The Directors of the Company in office during the financial year are as follows:

Non-executive Directors

Dato' Mohamad Nasir Ab. Latif (Chairman)
Dato' Wan Kamaruzaman Wan Ahmad
Dato' Dr. Junaidah Kamarruddin
Mohamad Hafiz Kassim
Lim Fen Nee
Datuk Rashidah Mohd Sies

Executive Director

Tan Sri Mohamad Salim Fateh Din (Executive Vice Chairman)
Dato' Mohd Imran Mohamad Salim (Group Managing Director)

NOTES TO THE FINANCIAL STATEMENTS

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11 DIRECTORS' REMUNERATION (CONTINUED)

The aggregate amounts of remuneration received/receivable by Directors of the Company from the Company and its subsidiaries for the financial year were as follows:

	Group and Company	
	2025 RM'000	2024 RM'000
Non-executive Directors		
Directors' fees	950	883
Other emoluments	638	526
	1,588	1,409
Executive Directors		
Salaries	3,782	4,413
Defined contribution plan	458	524
Other employee benefits	328	272
	4,568	5,209
	6,156	6,618
Benefits-in-kind		
Non-executive Directors	12	21
Executive Directors	104	96
	116	117

Included in the analysis above is remuneration for Directors of the Company and its subsidiaries in accordance with the requirement of the Companies Act 2016. Expenses incurred on the indemnity given or insurance effected for any Director and the officer of the Company and its subsidiaries during the financial year amounted to RM129,544 (2024: RM107,360).

12 FINANCE COSTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Term loans (Note 32)	41,565	33,447	10,640	10,528
Sukuk Murabahah (Note 32(a))	69,816	68,871	49,629	48,217
Lease liabilities (Note 17)	1,831	2,111	-	-
Provision for restoration costs (Note 36)	43	44	-	-
Amortisation of loan issuance costs (Note 32)	1,291	565	663	448
Arrangement fees for borrowings	124	1,684	124	153
Others	90	2,095	-	-
	114,760	108,817	61,056	59,346

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13 INCOME TAX EXPENSE

(a) Tax charged for the financial year

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
In Malaysia				
Current tax	29,858	24,139	1,684	-
Real property gains tax	711	-	701	-
Capital gains tax	105	16	105	16
(Over)/under provision in prior financial years	(5,875)	(1,327)	-	3
	24,799	22,828	2,490	19
Deferred tax (Note 24)	6,189	(2,050)	-	50
	30,988	20,778	2,490	69
Foreign				
Over provision in prior financial years	-	(81)	-	-
	-	(81)	-	-
Deferred tax (Note 24)	(4,858)	(9,204)	-	-
	(4,858)	(9,285)	-	-
Income tax expense	26,130	11,493	2,490	69
Current tax:				
- income tax	29,858	24,139	1,684	-
- real property gains tax	711	-	701	-
- capital gains tax	105	16	105	16
(Over)/under provision in prior financial years	(5,875)	(1,408)	-	3
	24,799	22,747	2,490	19
Deferred tax:				
Origination net of reversal of temporary differences (Note 24)	1,331	(11,254)	-	50
Income tax expense	26,130	11,493	2,490	69

NOTES TO THE FINANCIAL STATEMENTS

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13 INCOME TAX EXPENSE (CONTINUED)

(b) Numerical reconciliation of taxation and the product of accounting profit multiplied by the Malaysia tax rate.

The explanation of the relationship between income tax expense and profit before income tax is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before income tax (excluding share of results of associates and joint ventures)	58,381	64,221	84,619	113,267
Tax calculated at the Malaysian tax rate of 24% (2024: 24%)	14,011	15,413	20,309	27,184
Tax effects of:				
- Income not subject to tax	(3,563)	(3,070)	(38,322)	(23,121)
- Expenses not deductible for tax purposes	49,449	23,877	19,922	22,846
- Deductible temporary differences and tax losses not recognised	3,379	2,567	2,360	-
- Income subject to different tax rate	(2,951)	(831)	(1,779)	(178)
- Taxable dividend from associate	5,863	4,522	-	-
- Recognition of deferred tax previously not recognised	(30,279)	(32,920)	-	(26,665)
- (Over)/under provision of tax in prior financial years	(9,779)	1,935	-	3
Income tax expense	26,130	11,493	2,490	69

NOTES TO THE FINANCIAL STATEMENTS

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14 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the profit attributable to equity holders of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2025	2024
Profit for the financial year attributable to the equity holders of the Company (RM'000)	47,319	63,670
Weighted average number of ordinary shares in issue ('000)	4,467,510	4,467,510
Basic earnings per share (sen)	1.06	1.43

(b) Diluted earnings per share

Profit for the financial year attributable to the equity holders of the Company (RM'000)	47,319	63,670
Weighted average number of ordinary shares in issue ('000)	4,467,510	4,467,510
Adjusted weighted average number of ordinary shares in issue ('000)	4,467,510	4,467,510
Diluted earnings per share (sen)	1.06	1.43

Warrants B was not included in the calculation for the financial year because the fair value of the issued ordinary shares as at 31 December 2025 was lower than warrant B's exercise price. Accordingly, there is no bonus element in the outstanding shares for the purpose of computing the dilution.

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15 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land and buildings RM'000	Plant and machinery RM'000	Furniture, fittings, office equipment and computers RM'000	Motor vehicles RM'000	Construction in progress RM'000	Total RM'000
2025						
Cost						
As at 1 January 2025	534,191	199,754	88,469	8,956	125,481	956,851
Additions	2,347	630	1,371	289	4,682	9,319
Disposals	-	-	-	(118)	-	(118)
Reclassification to intangible assets (Note 23)	-	-	(9,451)	-	-	(9,451)
Reversal of cost previously accrued	-	(4,169)	-	-	-	(4,169)
Written off	-	-	(90)	-	-	(90)
Reclassification	-	-	5,737	-	(5,737)	-
Exchange differences	(402)	-	(39)	-	-	(441)
As at 31 December 2025	536,136	196,215	85,997	9,127	124,426	951,901
Accumulated depreciation						
As at 1 January 2025	81,939	80,321	72,429	8,950	-	243,639
Charge for the financial year	6,928	8,879	3,499	9	-	19,315
Disposals	-	-	-	(118)	-	(118)
Written off	-	-	(90)	-	-	(90)
Exchange differences	(15)	-	(14)	-	-	(29)
As at 31 December 2025	88,852	89,200	75,824	8,841	-	262,717

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land and buildings RM'000	Plant and machinery RM'000	Furniture, fittings, office equipment and computers RM'000	Motor vehicles RM'000	Construction in progress RM'000	Total RM'000
2024						
Cost						
As at 1 January 2024	537,917	152,982	78,031	10,949	125,202	905,081
Additions	96	46,772	10,731	10	279	57,888
Disposals	(451)	-	(36)	(2,003)	-	(2,490)
Reversal of cost previously accrued	(3,072)	-	-	-	-	(3,072)
Written off	-	-	(187)	-	-	(187)
Exchange differences	(299)	-	(70)	-	-	(369)
As at 31 December 2024	534,191	199,754	88,469	8,956	125,481	956,851
Accumulated depreciation						
As at 1 January 2024	72,599	70,658	70,031	10,857	-	224,145
Charge for the financial year	9,360	9,663	2,639	96	-	21,758
Disposals	-	-	(30)	(2,003)	-	(2,033)
Written off	-	-	(187)	-	-	(187)
Exchange differences	(20)	-	(24)	-	-	(44)
As at 31 December 2024	81,939	80,321	72,429	8,950	-	243,639
Net book value						
As at 31 December 2025	447,284	107,015	10,173	286	124,426	689,184
As at 31 December 2024	452,252	119,433	16,040	6	125,481	713,212

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Details of the freehold land and buildings of the Group are as follows:

Group	Freehold land RM'000	Buildings RM'000	Total RM'000
2025			
Cost			
As at 1 January 2025	205,420	328,771	534,191
Additions	-	2,347	2,347
Exchange differences	-	(402)	(402)
As at 31 December 2025	205,420	330,716	536,136
Accumulated depreciation			
As at 1 January 2025	-	81,939	81,939
Charge for the financial year	-	6,928	6,928
Exchange differences	-	(15)	(15)
As at 31 December 2025	-	88,852	88,852
2024			
Cost			
As at 1 January 2024	205,420	332,497	537,917
Additions	-	96	96
Disposal	-	(451)	(451)
Reversal of cost previously accrued	-	(3,072)	(3,072)
Exchange differences	-	(299)	(299)
As at 31 December 2024	205,420	328,771	534,191
Accumulated depreciation			
As at 1 January 2024	-	72,599	72,599
Charge for the financial year	-	9,360	9,360
Exchange differences	-	(20)	(20)
As at 31 December 2024	-	81,939	81,939
Net book value			
As at 31 December 2025	205,420	241,864	447,284
As at 31 December 2024	205,420	246,832	452,252

The hotel of the Group with net book value of RM67,740,000 (2024: RM69,182,000) has been charged as security for term loan facilities of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

15 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Details of the freehold land and buildings of the Group are as follows: (continued)

Company	Furniture, fittings, office equipment and computers RM'000	Motor vehicles RM'000	Total RM'000
2025			
Cost			
As at 1 January 2025	22,335	172	22,507
Additions	393	-	393
Reclassification to intangible asset (Note 23)	(9,451)	-	(9,451)
As at 31 December 2025	13,277	172	13,449
Accumulated depreciation			
As at 1 January 2025	11,576	172	11,748
Charge for the financial year	1,013	-	1,013
As at 31 December 2025	12,589	172	12,761
2024			
Cost			
As at 1 January 2024	18,819	172	18,991
Additions	3,516	-	3,516
As at 31 December 2024	22,335	172	22,507
Accumulated depreciation			
As at 1 January 2024	10,661	172	10,833
Charge for the financial year	915	-	915
As at 31 December 2024	11,576	172	11,748
Net book value			
As at 31 December 2025	688	-	688
As at 31 December 2024	10,759	-	10,759

NOTES TO THE FINANCIAL STATEMENTS

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16 INVESTMENT PROPERTIES

Group	Land and building RM'000	Construction in progress RM'000	Total RM'000
2025			
Cost			
As at 1 January 2025	1,001,602	313,573	1,315,175
Additions	19,702	17,765	37,467
Reclassification	96,508	(96,508)	-
Transfer from property development cost (Note 18(b))	(985)	-	(985)
As at 31 December 2025	1,116,827	234,830	1,351,657
Accumulated depreciation			
As at 1 January 2025	62,443	-	62,443
Charge for the financial year	6,056	-	6,056
As at 31 December 2025	68,499	-	68,499
2024			
Cost			
As at 1 January 2024	905,156	260,226	1,165,382
Additions	18,395	131,398	149,793
Reclassification	78,051	(78,051)	-
As at 31 December 2024	1,001,602	313,573	1,315,175
Accumulated depreciation			
As at 1 January 2024	54,485	-	54,485
Charge for the financial year	7,958	-	7,958
As at 31 December 2024	62,443	-	62,443
Accumulated impairment loss			
As at 1 January 2024	2,993	-	2,993
Reversal of impairment	(2,993)	-	(2,993)
As at 31 December 2024	-	-	-
Net book value			
As at 31 December 2025	1,048,328	234,830	1,283,158
As at 31 December 2024	939,159	313,573	1,252,732

NOTES TO THE FINANCIAL STATEMENTS

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16 INVESTMENT PROPERTIES (CONTINUED)

The investment properties of the Group with net book value of RM78,198,758 (2024: RM78,263,561) has been charged as security for term loan facilities of the Group and of the Company (Note 32).

Borrowings costs of RM18,028,000 (2024: RM17,088,000) for the Group has been capitalised in investment properties during the financial year, by applying an interest capitalisation rate of 4.81% (2024: 5.24%) per annum.

Fair value information

Fair value of the investment properties as at the financial year end are categorised as follows:

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2025				
Land and building	-	1,730,709	-	1,730,709
2024				
Land and building	-	1,540,060	-	1,540,060

Level 2 fair value

Level 2 fair value is measured by reference either to the valuation by independent professionally qualified valuers or the open market value of properties in the vicinity. The key input under this approach is the price per square foot from the sale of comparable properties.

(i) Amounts recognised in profit or loss for investment properties.

Rental income generated and direct operating expenses incurred on investment properties are as follows:

Group	2025 RM'000	2024 RM'000
Rental income	17,394	8,360
Direct operating expenses	(6,359)	(3,176)

NOTES TO THE FINANCIAL STATEMENTS

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16 INVESTMENT PROPERTIES (CONTINUED)

(ii) Leasing arrangements

The investment properties are leased to tenants under operating lease with rental receivable monthly. The Group classified these leases as operating leases because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The following table sets out the maturity analysis of lease payments from the tenants, showing the undiscounted lease payments to be received after the reporting date.

Group	2025 RM'000	2024 RM'000
Within 1 year	15,332	14,038
In the 2 nd year	11,280	11,061
In the 3 rd year	9,749	9,142
In the 4 th year	8,498	8,471
In the 5 th year	10,389	8,493
Later than 5 years	38,087	48,528
Total undiscounted lease payments	93,335	99,733

17 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The statements of financial position show the following amounts relating to leases:

Group	Land and building RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings, office equipment and computers RM'000	Total RM'000
Right-of-use assets					
2025					
Cost					
As at 1 January 2025	137,966	8,205	783	578	147,532
Additions for the financial year	1,760	1,227	-	229	3,216
Derecognition of right-of-use assets	(1,223)	-	-	-	(1,223)
Lease remeasurement	951	-	-	-	951
Exchange differences	(36)	-	-	-	(36)
As at 31 December 2025	139,418	9,432	783	807	150,440

NOTES TO THE FINANCIAL STATEMENTS

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17 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

The statements of financial position show the following amounts relating to leases: (continued)

Group	Land and building RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings, office equipment and computers RM'000	Total RM'000
Right-of-use assets					
Accumulated depreciation					
As at 1 January 2025	93,294	7,083	762	455	101,594
Charge for the financial year	12,947	1,012	21	118	14,098
Derecognition of right-of-use assets	(130)	-	-	-	(130)
Exchange differences	(27)	-	-	-	(27)
As at 31 December 2025	106,084	8,095	783	573	115,535
2024					
Cost					
As at 1 January 2024	128,176	8,009	783	514	137,482
Additions for the financial year	12,119	196	-	64	12,379
Lease modification	(2,182)	-	-	-	(2,182)
Exchange differences	(147)	-	-	-	(147)
As at 31 December 2024	137,966	8,205	783	578	147,532
Accumulated depreciation					
As at 1 January 2024	77,068	6,388	663	354	84,473
Charge for the financial year	15,632	695	99	101	16,527
Lease modification	688	-	-	-	688
Exchange differences	(94)	-	-	-	(94)
As at 31 December 2024	93,294	7,083	762	455	101,594
Net book value					
As at 31 December 2025	33,334	1,337	-	234	34,905
As at 31 December 2024	44,672	1,122	21	123	45,938

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17 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Lease liabilities				
As at 1 January	37,892	33,757	-	-
Additions	3,216	11,592	-	-
Finance costs (Note 12)	1,831	2,111	-	-
Lease payments	(6,655)	(3,546)	-	-
Derecognition	(1,199)	-	-	-
Lease remeasurement/modification	951	(5,950)	-	-
Exchange differences	(10)	(72)	-	-
As at 31 December	36,026	37,892	-	-
Current	8,431	4,173	-	-
Non-current	27,595	33,719	-	-
	36,026	37,892	-	-
Cash outflow during the financial year				
- long term leases	6,655	3,546	-	-
- low value and short term leases (Note 9)	7,232	8,718	5,503	5,698
	13,887	12,264	5,503	5,698

The Group and the Company lease various buildings, plant and machinery, furniture and fittings, office equipment and computers and motor vehicles. Rental contracts are typically made for fixed period of 2 to 5 years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease agreements do not impose any covenants and leased assets may not be used as security for borrowings purpose.

Extension options and termination options

Extension options and termination options are included in the leases. Extension and termination options are included, when possible, to provide management with greater flexibility to align its needs. The majority of extension and termination options held are exercisable by both parties.

In cases in which the Group and the Company are not reasonably certain to exercise an optional extended lease term, payments associated with the optional period are not included within lease liabilities. There is no optional extension option which has not been included by management in deriving the lease liabilities.

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18 INVENTORIES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current				
Land held for property development (Note 18(a))	2,845,863	2,379,664	-	-
Current				
Property development costs (Note 18(b))	152,818	86,828	-	-
Inventories (Note 18(c))	247,701	295,040	10,095	10,095
	400,519	381,868	10,095	10,095
Total	3,246,382	2,761,532	10,095	10,095

18(a) Land held for property development

	Group	
	2025 RM'000	2024 RM'000
At cost	2,845,863	2,379,664
At start of the financial year	2,379,664	2,317,846
Acquisition of land	377,242	22,914
Development expenditure incurred	80,310	62,310
Transfer from/(to) property development cost (Note 18(b))		
- leasehold land, at cost	(13,883)	(16,557)
- development costs	24,709	-
- exchange differences	(2,179)	(6,849)
At end of the financial year	2,845,863	2,379,664

Included in land held for property development are the following charges made during the financial year:

	Group	
	2025 RM'000	2024 RM'000
Interest capitalised	10,015	5,366

Freehold and leasehold land of certain subsidiaries are pledged as security for term loan facilities (Note 32).

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18 INVENTORIES (CONTINUED)

18(b) Property development costs

	Group	
	2025 RM'000	2024 RM'000
At start of the financial year		
- land, at cost	17,785	204,077
- development costs	504,925	1,632,320
- accumulated costs charged to profit or loss	(435,882)	(1,755,387)
	86,828	81,010
Costs incurred during the financial year		
- development costs	84,782	61,998
Transfer from/(to) land held for property development (Note 18(a))		
- land, at cost	13,883	16,557
- development costs	(24,709)	-
	(10,826)	16,557
Transfer from investment properties (Note 16)	985	-
Transfer to completed properties for sale (Note 18(c))		
- development costs	-	(40,628)
Costs charged to profit or loss	(43,085)	(32,109)
Reversal of impairment	34,134	-
Reversal upon completion of project		
- land, at cost	-	(202,849)
- development costs	-	(1,148,764)
- accumulated costs charged to profit or loss	-	1,351,613
At end of the financial year	152,818	86,828
Analysed as follows:		
- land, at cost	31,668	17,785
- development costs	565,983	504,926
- accumulated costs charged to profit or loss	(444,833)	(435,883)
	152,818	86,828

Freehold and leasehold land of certain subsidiaries are pledged as security for term loan facilities (Note 32).

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18 INVENTORIES (CONTINUED)

18(c) Inventories

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Completed properties for sale	230,540	288,242	10,095	10,095
Construction materials	17,161	6,798	-	-
	247,701	295,040	10,095	10,095

Inventories charged out to costs of sales amounted to RM70.0 million (2024: RM160.0 million).

19 SUBSIDIARIES

	Company	
	2025 RM'000	2024 RM'000
Cost of investment	3,684,560	3,684,560
Less: Capital reduction	(1,572)	-
	3,682,988	3,684,560
Less: Dividend as a recovery of investment	(117,336)	(117,336)
Less: Accumulated impairment losses		
- At start of the financial year	(337,085)	(329,126)
- Charge for the financial year (Note 9)	(1,806)	(7,959)
	(338,891)	(337,085)
As at 31 December	3,226,761	3,230,139

On 10 January 2025, the Company received capital distribution of RM5,256,000 from its subsidiary, Cosy Bonanza Sdn. Bhd. comprising recovery of investment of RM1,572,000 and the remaining capital reduction being accounted for as other operating income.

In the previous financial year, the Company subscribed 19,000,000 ordinary shares for RM19,000,000 in the capital of Transmission Technology Sdn. Bhd. ("TTSB") by way of capitalisation of the amount owing by TTSB to the Company.

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19 SUBSIDIARIES (CONTINUED)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

Group	Cosy Bonanza Sdn Bhd RM'000	ZM Property Management Sdn Bhd RM'000	Other individual immaterial subsidiary RM'000	Total RM'000
2025				
NCI percentage of ownership interest and voting interest	34.3%	51.0%		
Accumulated NCI as at 31 December	357	1,422	666	2,445
(Loss)/profit allocated to NCI during the financial year	(179)	1	(103)	(281)
Summarised financial information before intra-group elimination				
As at 31 December				
Non-current assets	-	1	1,378,692	1,378,693
Current assets	1,084	4,503	169,025	174,612
Current liabilities	(43)	(1,715)	(258,534)	(260,292)
Net assets	1,041	2,789	1,289,183	1,293,013
Year ended 31 December				
Revenue	-	927	36,635	37,562
Profit for the financial year	116	2	1,967	2,085
Total comprehensive income	116	2	1,967	2,085
Net cash (used in)/generated from operating activities	(10)	172	(1,271)	(1,109)
Net cash used in investing activities	-	-	(1,191)	(1,191)
Net cash (used in)/generated from financing activities	(8,000)	-	1,408	(6,592)
Net (decrease)/increase in cash a cash equivalents	(8,010)	172	(1,054)	(8,892)
Cash and cash equivalents				
- at beginning of the financial year	9,036	2,942	4,210	16,188
- at end of the financial year	1,026	3,114	3,156	7,296

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19 SUBSIDIARIES (CONTINUED)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows: (continued)

Group	Cosy Bonanza Sdn Bhd RM'000	ZM Property Management Sdn Bhd RM'000	Other individual immaterial subsidiary RM'000	Total RM'000
2024				
NCI percentage of ownership interest and voting interest	34.3%	51.0%		
Accumulated NCI as at 31 December	3,280	1,421	769	5,470
Profit/(loss) allocated to NCI during the financial year	89	(212)	(1)	(124)
Summarised financial information before intra-group elimination				
As at 31 December				
Non-current assets	-	1	1,357,304	1,357,305
Current assets	9,696	5,385	74,678	89,759
Current liabilities	(132)	(2,600)	(154,764)	(157,496)
Net assets	9,564	2,786	1,277,218	1,289,568
Year ended 31 December				
Revenue	-	1,082	4,502	5,584
Profit/(loss) for the financial year	335	(417)	(7,278)	(7,360)
Total comprehensive income/(loss)	335	(417)	(7,278)	(7,360)
Net cash generated from/(used in) operating activities	335	(3,655)	2,248	(1,072)
Net cash generated from investing activities	-	-	5,354	5,354
Net cash used in financing activities	-	-	(3,777)	(3,777)
Net increase/(decrease) in cash a cash equivalents	335	(3,655)	3,825	505
Cash and cash equivalents				
- at beginning of the financial year	8,701	6,597	385	15,683
- at end of the financial year	9,036	2,942	4,210	16,188

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20 ASSOCIATES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
In Malaysia				
Quoted investments at cost	389,116	389,116	389,116	389,116
Unquoted investments at cost	314,372	314,372	29,138	29,138
Share of post-acquisition reserves	(72,474)	(63,172)	-	-
Unrealised gains *	(171,852)	(171,640)	-	-
	459,162	468,676	418,254	418,254
Less: Accumulated impairment losses	(255)	(1,062)	(255)	(255)
- Charge for the financial year (Note 9)	-	807	-	-
At end of financial year	(255)	(255)	(255)	(255)
	458,907	468,421	417,999	417,999
Analysis of associates are as follows:				
Group's share of net tangible assets	434,207	443,721		
Goodwill of acquisition	24,700	24,700		
	458,907	468,421		

- Unrealised gains comprise unrealised profits mainly arising from the disposal of assets to an associate company.

The fair value of quoted investments as at 31 December 2025 is RM265,559,177 (2024: RM265,559,177), based on quoted market prices at the reporting date, which are within Level 1 of the fair value hierarchy. The recoverability of the quoted investments have been assessed based on the value-in-use method.

Impairment assessment of Sentral REIT and Sentral REIT Management Sdn. Bhd.

The recoverable amount from the investment was determined to be higher than its carrying amount.

The following key assumptions have been applied in the calculation:

- Cash flow projections were based on approved three-year financial budget;
- Discount rate of 6.46% (2024: 6.71%); and
- Terminal growth rate of 2%.

A reasonable possible change in the key assumptions in respect of gross margin, discount rate and terminal growth rate would not result in any impairment.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

20 ASSOCIATES (CONTINUED)

The following table summarises the information of the Group's material associates and reconciliation of the information to the carrying amount of the Group's interest in the associates.

Group	Sentral REIT RM'000	Sentral REIT Management Sdn Bhd RM'000	Bukit Jalil Sentral Property Sdn Bhd RM'000	Other individually immaterial associates RM'000	Total RM'000
2025					
Summarised financial information					
Percentage of ownership interest and voting interest	27.94%	80.00%	20.00%		
As at 31 December					
Non-current assets	2,401,744	2,197	1,488,864	-	3,892,805
Current assets	103,514	11,697	541	4	115,756
Non-current liabilities	(861,045)	(1,183)	-	-	(862,228)
Current liabilities	(444,810)	(3,987)	(90,013)	(81)	(538,891)
Net assets	1,199,403	8,724	1,399,392	(77)	2,607,442
Year ended 31 December					
Profit/(loss) after taxation	41,865	5,269	(2,645)	(4)	44,485
Other comprehensive loss	(919)	-	-	-	(919)
Total comprehensive income/(loss)	40,946	5,269	(2,645)	(4)	43,566
Included in total comprehensive income is:					
Revenue	190,757	15,833	-	-	206,590

NOTES TO THE FINANCIAL STATEMENTS

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20 ASSOCIATES (CONTINUED)

The following table summarises the information of the Group's material associates and reconciliation of the information to the carrying amount of the Group's interest in the associates. (continued)

Group	Sentral REIT RM'000	Sentral REIT Management Sdn Bhd RM'000	Bukit Jalil Sentral Property Sdn Bhd RM'000	Other individually immaterial associates RM'000	Total RM'000
2025					
Reconciliation of net assets to carrying amount					
As at 31 December					
Group's share of net assets	319,477	6,980	279,879	(23)	606,313
Goodwill	-	24,700	-	-	24,700
Elimination of unrealised profit	(171,631)	-	(221)	-	(171,852)
Impairment loss	-	-	-	(254)	(254)
Carrying amount in the statement of financial position	147,846	31,680	279,658	(277)	458,907
Group's share of results					
Year ended 31 December					
Group's share of profit/(loss) after taxation					
- current financial year	11,697	4,215	(529)	(1)	15,382
Group's share of associate's other comprehensive loss	(257)	-	-	-	(257)
Group's share of total comprehensive income/(loss)	11,440	4,215	(529)	(1)	15,125

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

20 ASSOCIATES (CONTINUED)

The following table summarises the information of the Group's material associates and reconciliation of the information to the carrying amount of the Group's interest in the associates. (continued)

Group	Sentral REIT RM'000	Sentral REIT Management Sdn Bhd RM'000	Bukit Jalil Sentral Property Sdn Bhd RM'000	Other individually immaterial associates RM'000	Total RM'000
2024					
Summarised financial information					
Percentage of ownership interest and voting interest	27.94%	80.00%	20.00%		
As at 31 December					
Non-current assets	2,360,748	2,328	1,485,177	-	3,848,253
Current assets	93,239	9,501	876	7	103,623
Non-current liabilities	(856,984)	(2,928)	-	-	(859,912)
Current liabilities	(363,110)	(1,259)	(84,016)	(80)	(448,465)
Net assets	1,233,893	7,642	1,402,037	(73)	2,643,499
Year ended 31 December					
Profit/(loss) after taxation	44,393	4,661	(4,434)	(4)	44,616
Under recognition of profit after taxation in prior financial year	-	116	-	-	116
Total comprehensive income/(loss)	44,393	4,777	(4,434)	(4)	44,732
Included in total comprehensive income is:					
Revenue	194,820	15,163	-	-	209,983

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

20 ASSOCIATES (CONTINUED)

The following table summarises the information of the Group's material associates and reconciliation of the information to the carrying amount of the Group's interest in the associates. (continued)

Group	Sentral REIT RM'000	Sentral REIT Management Sdn Bhd RM'000	Bukit Jalil Sentral Property Sdn Bhd RM'000	Other individually immaterial associates RM'000	Total RM'000
2024					
Reconciliation of net assets to carrying amount					
As at 31 December					
Group's share of net assets	329,115	6,114	280,408	(22)	615,615
Goodwill	-	24,700	-	-	24,700
Elimination of unrealised profit	(171,631)	-	(9)	-	(171,640)
Impairment loss	-	-	-	(254)	(254)
Carrying amount in the statement of financial position	157,484	30,814	280,399	(276)	468,421
Group's share of results					
Year ended 31 December					
Group's share of profit/(loss) after taxation					
- current financial year	12,403	3,729	(887)	(1)	15,244
- under recognition of profit after taxation in prior financial year	-	93	-	-	93
	12,403	3,822	(887)	(1)	15,337
Group's share of associate's other comprehensive gain/(loss)	-	-	-	-	-
Group's share of total comprehensive income/(loss)	12,403	3,822	(887)	(1)	15,337

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

20 ASSOCIATES (CONTINUED)

Sentral REIT is a real estate investment trust listed on the Main Market of Bursa Malaysia Securities Berhad. The principal activity of Sentral REIT includes the acquisition of and investment in commercial properties, primarily in Malaysia. The Group's 80% equity interest associate, Sentral REIT Management Sdn Bhd is the Manager of Sentral REIT. It is accounted as an associate with 80% shareholding as no control could be established by virtue of the shareholders agreement.

UEMB-MRCB JV Sdn. Bhd. is a strategic partnership for the Group to undertake the RM1.4 billion PLUS contract awarded to construct a fourth lane from Shah Alam to Rawang/Jalan Duta Toll Plaza interchanges and from Nilai Utara to Seremban, enhancing the Group's involvement in the construction of highway. In the previous financial year, the Company was liquidated resulting in capital repayment of RM807,000.

Bukit Jalil Sentral Property Sdn. Bhd. is the property developer for three (3) parcels of leasehold land located in Bukit Jalil, Kuala Lumpur measuring approximately 76.14 acres. The development will be carried out with the Employee Provident Fund, the Company's shareholder. Refer to Note 43 for the significant transaction during the year.

The results of associates are accounted for using the equity method.

The Group and the Company had the following dividend from associates recognised during the financial year:

	Group and Company	
	2025 RM'000	2024 RM'000
Sentral REIT	21,078	12,994
Sentral REIT Management	3,350	5,850
	24,428	18,844

The Group and the Company do not have any capital commitments or contingent liabilities in relation to its interest in the associates as at 31 December 2025 (2024: Nil).

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31 DECEMBER 2025

21 JOINT VENTURES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
In Malaysia				
Unquoted investments at cost	82,117	311,017	60,990	60,990
Share of post-acquisition reserves	(7,098)	(39,005)	-	-
	75,019	272,012	60,990	60,990

The following table summarises the information of the Group's joint ventures and reconcile the information to the carrying amount of the Group's interest in the joint ventures.

Summarised financial information

	MRCB Gamuda Sdn Bhd RM'000	CSB Development Sdn Bhd RM'000	59 INC Sdn Bhd RM'000	Total RM'000
2025				
Percentage of ownership interest and voting interest	50%	70%	30%	
As at 31 December				
Non-current assets	-	-	168,031	168,031
Current assets				
- cash and cash equivalents	2	-	698	700
- other current assets	-	-	242,808	242,808
Non-current liabilities				
- financial liabilities (excluding trade payables)	-	-	(77,810)	(77,810)
Current liabilities				
- financial liabilities (excluding trade payables)	(14)	-	-	(14)
- other current liabilities	(8)	-	(81,214)	(81,222)
Net (liabilities)/assets	(20)	-	252,513	252,493
Year ended 31 December				
Loss after taxation	(4)	(104)	(1,826)	(1,934)
Over recognition of loss after taxation in prior financial year	-	-	92	92
Total comprehensive loss	(4)	(104)	(1,734)	(1,842)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

21 JOINT VENTURES (CONTINUED)

Summarised financial information (continued)

	MRCB Gamuda Sdn Bhd RM'000	CSB Development Sdn Bhd RM'000	59 INC Sdn Bhd RM'000	Total RM'000
2025				
Percentage of ownership interest and voting interest	50%	70%	30%	
Included in total comprehensive income are as follows:				
Revenue	-	-	6,796	6,796
Depreciation	-	-	(219)	(219)
Interest income	-	2	2	4
Income tax expenses	-	(1)	-	(1)
Reconciliation of net assets to carrying amount				
As at 31 December				
Group's share of net assets	(11)	-	75,754	75,743
Elimination of unrealised profit	-	-	(735)	(735)
Others	11	-	-	11
Carrying amount in statements of financial position	-	-	75,019	75,019
Group's share of results				
Year ended 31 December				
Group's share of loss after taxation	(2)	(73)	(548)	(623)
Over recognition of loss after taxation in prior financial year	-	-	28	28
Group's share of total comprehensive loss	(2)	(73)	(520)	(595)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

21 JOINT VENTURES (CONTINUED)

Summarised financial information (continued)

	MRCB Gamuda Sdn Bhd RM'000	CSB Development Sdn Bhd RM'000	59 INC Sdn Bhd RM'000	Total RM'000
2024				
Percentage of ownership interest and voting interest	50%	70%	30%	
As at 31 December				
Non-current assets	-	391,975	168,760	560,735
Current assets				
- cash and cash equivalents	-	1,047	1,616	2,663
- other current assets	-	4,453	173,749	178,202
Non-current liabilities				
- financial liabilities (excluding trade payables)	-	-	(54,349)	(54,349)
Current liabilities				
- financial liabilities (excluding trade payables)	(14)	(80,315)	-	(80,329)
- other current liabilities	(4)	(36,812)	(35,528)	(72,344)
Net (liabilities)/assets	(18)	280,348	254,248	534,578
Year ended 31 December				
Loss after taxation	(3)	(5,210)	(2,898)	(8,111)
Under recognition of loss after taxation in prior financial year	-	(2)	-	(2)
Total comprehensive loss	(3)	(5,212)	(2,898)	(8,113)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

21 JOINT VENTURES (CONTINUED)

Summarised financial information (continued)

	MRCB Gamuda Sdn Bhd RM'000	CSB Development Sdn Bhd RM'000	59 INC Sdn Bhd RM'000	Total RM'000
2024				
Percentage of ownership interest and voting interest	50%	70%	30%	
Included in total comprehensive income are as follows:				
Revenue	-	-	9,900	9,900
Depreciation	-	-	(725)	(725)
Interest income	-	13	12	25
Interest expense	-	(5,011)	(2)	(5,013)
Income tax expenses	-	(3)	-	(3)

Reconciliation of net assets to carrying amount

As at 31 December

Group's share of net assets	(9)	196,244	76,274	272,509
Goodwill	-	229	-	229
Elimination of unrealised profit	-	-	(735)	(735)
Others	9	-	-	9
Carrying amount in statements of financial position	-	196,473	75,539	272,012

Group's share of results

Year ended 31 December

Group's share of loss after taxation	(2)	(3,647)	(869)	(4,518)
Under recognition of loss after taxation in prior financial year	-	(1)	-	(1)
Group's share of total comprehensive loss	(2)	(3,648)	(869)	(4,519)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

21 JOINT VENTURES (CONTINUED)

CSB Development Sdn. Bhd. ("CSBD") was a 70% equity interest owned joint venture between MRCB Land Sdn. Bhd. ("MLSB"), a wholly owned subsidiary of the Company and Cyberview Sdn. Bhd. ("CSB"). The purpose of setting up the joint venture was to undertake the development of Cyberjaya City Centre. CSBD was treated as a joint venture as all substantive matters concerning the development of Cyberjaya City Centre require unanimous approval by both shareholders.

On 17 March 2025, MLSB entered into a share sale agreement with CSB to dispose 700,000 ordinary shares and 2,282,000 redeemable preference shares in CSBD representing 70% of the issued and paid-up share capital of CSBD, to CSB for a total cash consideration of RM219.0 million, resulting in a gain of disposal of RM22.6 million.

59 INC Sdn. Bhd. ("59 INC") is a 30% equity interest owned joint venture between the Company and TH Properties Sdn. Bhd.. The purpose of the setting up of the joint venture is to undertake the development of Semarak City. 59 INC has been treated as a joint venture as all the substantive matters concerning the development of Semarak City require unanimous approval by both shareholders.

The results of joint ventures are accounted for by using equity method.

There were no dividend received from joint ventures during the financial year ended 31 December 2025 (2024: Nil).

22 LONG TERM RECEIVABLES AND PREPAYMENT

	Group	
	2025 RM'000	2024 RM'000
Receivables		
Trade receivables	-	1,045
Less: Loss allowances	-	(1,045)
	-	-
Prepayment		
Infrastructure cost prepayment	111,504	122,426
Prepayment of leasehold land	72,167	71,625
Others	20,753	20,289
	204,424	214,340

Prepayment for infrastructure cost is in relation to Kwasa Sentral development of investment properties and inventories paid to Kwasa Land Sdn Bhd.

Prepayment of leasehold land is in relation to costs incurred to reserve the rights, ownership and title of leasehold land which will be transferred to Projekmaju Sdn. Bhd. upon fulfilment of its obligations under a Privatisation Agreement of which Projekmaju Sdn. Bhd. is presuming to sign with the government.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

23 INTANGIBLE ASSETS AND CONSTRUCTION RIGHTS

The carrying amounts of goodwill, computer software and contract assets arising from construction rights are as follows:

Group	Goodwill RM'000	Computer software RM'000	Contract assets arising from construction rights RM'000	Total RM'000
2025				
Costs				
At 1 January	154,101	-	100,083	254,184
Additions	-	3,034	-	3,034
Reclassification from property, plant and equipment (Note 15)	-	9,451	-	9,451
At 31 December	154,101	12,485	100,083	266,669
Accumulated amortisation				
At 1 January	-	-	55,804	55,804
Amortisation during the year	-	3,126	876	4,002
At 31 December	-	3,126	56,680	59,806
Accumulated impairment				
At 1 January/31 December	74,628	-	-	74,628
Net book value	79,473	9,359	43,403	132,235

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

23 INTANGIBLE ASSETS AND CONSTRUCTION RIGHTS (CONTINUED)

The carrying amounts of goodwill, computer software and contract assets arising from construction rights are as follows:
(continued)

Group	Goodwill RM'000	Contract assets arising from construction rights RM'000	Total RM'000
2024			
Costs			
At 1 January	154,101	151,766	305,867
Reclassification to long term receivables and prepayment	-	(51,683)	(51,683)
At 31 December	154,101	100,083	254,184
Accumulated amortisation			
At 1 January	-	54,273	54,273
Amortisation during the year	-	1,531	1,531
At 31 December	-	55,804	55,804
Accumulated impairment			
At 1 January/31 December	74,628	-	74,628
Net book value	79,473	44,279	123,752

The carrying amounts of computer software of the Company is as follows:

Company	2025 RM'000
At 1 January	-
Additions	2,063
Reclassification from property, plant and equipment (Note 15)	9,451
Transfer to related companies	(8,008)
Amortisation	(876)
At 31 December	2,630

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

23 INTANGIBLE ASSETS AND CONSTRUCTION RIGHTS (CONTINUED)

Goodwill - Gapurna group of companies (RM79,473,000)

Goodwill mainly comprises of RM71,949,000 arising from the acquisition of Gapurna group of companies on 27 August 2013. The goodwill was allocated to the engineering and construction business segment (i.e. Cash Generating Units ("CGU")) and is tested for impairment using the value in use ("VIU") method.

Based on the impairment assessment performed by the Group, no impairment is required for goodwill.

Cash flow projections used in these calculations were based on financial budgets approved by the Board of Directors covering a three (3) year period.

Key assumptions used in the VIU calculations for the goodwill impairment assessment are as follows:

	2025	2024
Average gross margin	5%	8%
Discount rate (pre-tax)	10.00%	9.34%
Terminal growth rate	2.00%	2.00%

A reasonable possible change in the key assumptions in respect of gross margin, discount rate and terminal growth rate would not result in any impairment.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

24 DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax assets	154,594	126,649	134	134
Deferred tax liabilities	(85,087)	(55,454)	-	-
	69,507	71,195	134	134
The movements during the financial year relating to deferred tax are as follows:				
At start of the financial year	71,195	61,164	134	184
Credited/(charged) to statements of comprehensive income (Note 13)				
Property, plant and equipment	(10,123)	(3,350)	-	-
Investment properties	1,004	(40)	-	-
Right-of-use assets	(955)	(477)	-	-
Contract assets	(22,626)	(12,255)	-	-
Receivables	3,243	2,970	-	-
Provisions	489	11,461	-	-
Lease liabilities	1,065	265	-	-
Payables	2,714	(2,277)	-	-
Construction rights	215	373	-	-
Tax losses	23,804	16,691	-	-
Others	(161)	(2,107)	-	(50)
	(1,331)	11,254	-	(50)
Exchange differences	(357)	(1,223)	-	-
At end of the financial year	69,507	71,195	134	134

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

24 DEFERRED TAX (CONTINUED)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Subject to income tax				
Deferred tax assets (before offsetting)				
Property, plant and equipment	13,099	6,044	-	-
Contract assets	19,853	23,572	-	-
Receivables	1,359	1,889	-	-
Provisions	42,129	41,640	-	-
Payables	11,411	8,697	-	-
Lease liabilities	10,771	9,706	-	-
Tax losses	69,474	46,027	-	-
Investment properties	10,114	8,283	-	-
Others	1,602	1,638	134	134
	179,812	147,496	134	134
Offsetting	(25,218)	(20,847)	-	-
Deferred tax assets (after offsetting)	154,594	126,649	134	134
Deferred tax liabilities (before offsetting)				
Property, plant and equipment	(26,266)	(9,088)	-	-
Investment properties	(9,537)	(8,710)	-	-
Right-of-use assets	(10,227)	(9,272)	-	-
Contract assets	(35,206)	(16,299)	-	-
Receivables	(12,398)	(16,171)	-	-
Construction rights	(12,068)	(12,283)	-	-
Others	(4,603)	(4,478)	-	-
	(110,305)	(76,301)	-	-
Offsetting	25,218	20,847	-	-
Deferred tax liabilities (after offsetting)	(85,087)	(55,454)	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

24 DEFERRED TAX (CONTINUED)

The amounts of deductible temporary differences and unused tax losses for which no deferred tax assets are recognised in the statements of financial position are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deductible temporary differences	217,353	244,214	75,886	65,714
Tax losses	199,612	284,836	39,473	40,042
Unutilised tax losses				
- expiring in 2025	-	229	-	229
- expiring in 2028	89,815	121,401	-	-
- expiring in 2029	4,868	15,179	-	-
- expiring in 2030	24,654	34,022	10,056	10,056
- expiring in 2031	10,841	15,494	-	-
- expiring in 2032	7,618	39,162	-	-
- expiring in 2033	10,109	15,403	-	-
- expiring in 2034	40,601	43,946	29,417	29,757
- expiring in 2035	11,106	-	-	-
	199,612	284,836	39,473	40,042
Deductible temporary differences				
- no expiry period	217,353	244,214	75,886	65,714
	416,965	529,050	115,359	105,756

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

25 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade receivables	776,474	873,602	31,298	40,481
Less: Loss allowance	(39,189)	(28,804)	-	-
	737,285	844,798	31,298	40,481
Contract cost assets (Note 26)	52,538	36,533	-	-
Amounts due from related parties	11,566	16,123	-	-
Deposits*	249,689	28,613	3,115	643
Prepayments	23,073	12,349	-	-
Other receivables**	312,223	297,164	31,217	29,376
Less: Loss allowance	(16,324)	(23,367)	(988)	(988)
	568,661	314,759	33,344	29,031
	1,370,050	1,212,213	64,642	69,512

* Includes deposit paid of RM157,878,000 to Tanjung Wibawa Sdn. Bhd. for proposed acquisition of 80% equity interest in Bukit Jalil Sentral Property Sdn. Bhd. (Note 43)

** Includes an amount to be billed to a related party of RM3,752,000 (2024: RM14,665,000).

(i) Trade receivables

Exposure to credit risk, credit quality and collateral

Given the varied nature of the Group and of the Company's customer base, the following analysis of trade receivables by type of customer is considered the most appropriate disclosure of credit concentration.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Property development	21,137	135,624	-	-
Property investment	60,186	15,840	-	-
Engineering, construction and environment	685,999	715,985	31,298	40,481
Facilities management and parking	2,480	3,705	-	-
Others	6,672	2,448	-	-
	776,474	873,602	31,298	40,481
Retention sum included in trade receivables under engineering, construction and environment	610,996	631,100	25,874	34,029

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

25 TRADE AND OTHER RECEIVABLES (CONTINUED)

(i) Trade receivables (continued)

Exposure to credit risk, credit quality and collateral (continued)

(a) Property development and investment

The Group experiences a low risk of default from its property development activities as sale of development units are made to large number of property purchasers with end financing facilities from reputable end-financiers, and the ownership and rights to the properties revert to the Group in the event of default.

As at 31 December 2025, an accumulated loss allowance of RM1.0 million (2024: RM0.7 million) had been recorded at the Group level.

(b) Property investment

Property investment relates to the rental property sub-segment which poses a certain degree of collection risk. The segment also includes the hospitality sub-segment for which sales are generally cash settled.

Credit risk arising from the Group's rental property sub-segment is limited as all tenants of its investment properties are subjected to a deposit requirement averaging three (3) months rental.

Credit granted for corporate clients in the hospitality sub-segment are duly assessed and selectively approved with established limits. Credit risk arising from the Group's hospitality sub-segment is limited and are subjected to the collateral of cash deposits/advances.

(c) Engineering, construction and environment

The Group and the Company are exposed to significant concentration of credit risk to a few customers, mainly consisting of Government-linked Companies ("GLCs"). The expected credit loss rate on amounts outstanding from GLCs are determined subsequent to considering the capacity of the GLCs in meeting their contractual cash flow obligations in the near term and the economic and business conditions in the longer term.

During the financial year ended 31 December 2025, after the Group and the Company had assessed the economic and business conditions of certain of the engineering, construction and environment employers, an accumulated impairment loss of RM22.9 million (2024: RM13.3 million) had been recorded at the Group level.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

25 TRADE AND OTHER RECEIVABLES (CONTINUED)

(i) Trade receivables (continued)

(c) Engineering, construction and environment (continued)

The allowances for trade receivables of engineering, construction and environment segment as at 31 December 2025 and 31 December 2024 are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
As at 1 January	13,255	44,055	-	30,800
Impairment loss recognised	9,653	-	-	-
Writeback of impairment loss	-	(30,800)	-	(30,800)
As at 31 December	22,908	13,255	-	-

(d) Facilities management and parking

Credit risk with respect to trade receivables of this segment is also limited as a result of the nature of business, as it is primarily rental related and cash-based. Historically, the Group's experience in the collection of trade receivables falls within the recorded allowances and are subjected to the collateral of cash deposits/advances.

The Group and the Company apply MFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for trade receivables of property investment, facilities management and parking segments.

To measure expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of revenue earned over a period of 24 months before reporting date and the corresponding historical credit losses experienced within this period. In arriving at the expected loss rates, forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables have been considered.

On that basis, the loss allowance at the end of the reporting date was determined as follows for trade receivables of property investment, facilities management and parking segments are reflected in the table below.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

25 TRADE AND OTHER RECEIVABLES (CONTINUED)

(i) Trade receivables (continued)

Impairment losses

The ageing of trade receivables arising from property investment, facilities management and parking segments as at the end of the financial year were as follows:

Group	Gross RM'000	Individual impairment RM'000	Expected loss rate %	Collective impairment RM'000	Net RM'000
2025					
Not past due	43,351	-	-	-	43,351
Past due					
- less than three months	1,023	-	-	-	1,023
- between three to six months	67	-	-	-	67
- between six months and one year	329	-	-	-	329
- more than one year	17,896	(10,835)	-	-	7,061
	62,666	(10,835)	-	-	51,831
2024					
Not past due	3,399	-	-	-	3,399
Past due					
- less than three months	1,742	-	-	-	1,742
- between three to six months	138	-	-	-	138
- between six months and one year	263	-	-	-	263
- more than one year	14,003	(12,757)	-	-	1,246
	19,545	(12,757)	-	-	6,788

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

25 TRADE AND OTHER RECEIVABLES (CONTINUED)

(i) Trade receivables (continued)

Impairment losses (continued)

The closing allowances for trade receivables of property investment, facilities management and parking segments as at 31 December 2025 reconcile to the opening loss allowances as follows:

	Group	
	2025 RM'000	2024 RM'000
As at 1 January	12,757	17,014
Impairment loss recognised	4,221	1,235
Impairment loss reversed	(6,143)	(5,492)
As at 31 December	10,835	12,757

(ii) Other receivables

Exposure to credit risk, credit quality and collateral

Credit risk on non-trade receivables are mainly arising from amounts recoverable from subcontractors for back charges or liquidated ascertained damages claimable from subcontractors for specific construction and engineering contracts. The expected credit loss rate is expected to be low in connection to these amounts as the amounts are owed by existing subcontractors which are managed on a regular basis.

The amounts due from related parties relate to amounts outstanding from subsidiaries of the Employee Provident Fund for construction and engineering contracts for which credit risk is considered low.

As at 31 December 2025, an accumulated loss allowance of RM16.3 million (2024: RM23.4 million) and RM1.0 million (2024: RM1.0 million) had been recorded at the Group level and the Company level respectively. Reversal of loss allowance of RM2.7 million (2024: RM0.5 million) have been recognised in the statement of comprehensive income of the Group in the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

25 TRADE AND OTHER RECEIVABLES (CONTINUED)

(iii) Amounts due from subsidiaries

The Company provides interest-free, unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

As at the end of the financial year, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Advances are only provided to subsidiaries by the Company.

The total amounts due from subsidiaries and impairment provided are as follows:

	Company	
	2025 RM'000	2024 RM'000
Non-current		
Amounts due from subsidiaries	1,882,419	1,575,091
Less: Provision for impairment of amounts due from subsidiaries	(35,691)	(26,666)
	1,846,728	1,548,425
Current		
Amounts due from subsidiaries	1,049,073	924,527
Less: Provision for impairment of amounts due from subsidiaries	(7,937)	(11,118)
	1,041,136	913,409

(iv) Amounts due from joint ventures and associates

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current				
Amounts due from joint ventures	-	1,368	-	-
Current				
Amounts due from joint ventures	18,182	94,855	16,800	16,800
Amounts due from associates	21,187	16,593	-	-
	39,369	111,448	16,800	16,800

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

25 TRADE AND OTHER RECEIVABLES (CONTINUED)

(iv) Amounts due from joint ventures and associates (continued)

Included in the previous financial year was an amount due from a joint venture of RM78,044,000 which was unsecured and carried interest as a rate of 7% per annum. The amount was settled during the current year. The remaining amounts due from joint ventures and amounts due from associates are unsecured and interest free. The amounts due from joint ventures and associates in the current financial year are unsecured and interest free.

Impairment losses - amounts due from subsidiaries

As the Company is able to determine the timing of payments of the subsidiaries' advances when they are payable, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's advances to be impaired when:

- The subsidiary is unlikely to repay its advances to the Company in full;
- The subsidiary is in a net tangible liabilities position; or
- The subsidiary is a dormant entity or has a history of default.

As at the end of the financial year, there was no indication that the advances to the subsidiaries are not recoverable other than those which have already been impaired. The Company does not specifically monitor the ageing of current advances to the subsidiaries.

The loss allowance for related company balances as at 31 December 2025 as follows:

	Company	
	2025 RM'000	2024 RM'000
As at 1 January	37,784	27,681
Impairment loss recognised	13,599	13,474
Impairment loss reversed	(7,755)	(3,371)
As at 31 December	43,628	37,784
Non-current	32,076	26,666
Current	11,552	11,118
As at 31 December	43,628	37,784

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

25 TRADE AND OTHER RECEIVABLES (CONTINUED)

Impairment losses - amounts due from subsidiaries (continued)

The loss allowance for related company advances using the general 3-stage approach as at 31 December 2025 reconciles to the opening loss allowance for that provision as follows:

	Performing Stage 1 RM'000	Under performing Stage 2 RM'000	Not performing Stage 3 RM'000	Total RM'000
As at 1 January 2025	-	36,232	1,552	37,784
Current year movements	-	1,033	4,811	5,844
As at 31 December 2025	-	37,265	6,363	43,628
As at 1 January 2024	-	26,830	851	27,681
Current year movements	-	9,402	701	10,103
As at 31 December 2024	-	36,232	1,552	37,784

The impact on the carrying value of the related company advances presented by the stages are as follows:

	Performing Stage 1 RM'000	Under performing Stage 2 RM'000	Not performing Stage 3 RM'000	Total RM'000
As at 31 December 2025				
Gross carrying amount	2,793,627	131,502	6,363	2,931,492
Less: Loss allowance	-	(37,265)	(6,363)	(43,628)
Net carrying amount	2,793,627	94,237	-	2,887,864
As at 31 December 2024				
Gross carrying amount	2,454,137	43,929	1,552	2,499,618
Less: Loss allowance	-	(36,232)	(1,552)	(37,784)
Net carrying amount	2,454,137	7,697	-	2,461,834

Impairment losses - amounts due from joint ventures and associates

The credit risk on amounts due from joint ventures and associates are mainly arising from amounts recoverable from 59 INC Sdn. Bhd.. The expected credit loss rate is expected to be low after considering the quality of assets being owned by these companies.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

26 CONTRACT COST ASSETS

	Agent fee and sales commission RM'000	Stamp duty RM'000	Total RM'000
Group			
2025			
As at 1 January 2025	19,233	17,300	36,533
Additions during the financial year	18,515	-	18,515
Amortised during the financial year	(2,076)	(6)	(2,082)
Exchange differences	(428)	-	(428)
As at 31 December 2025	35,244	17,294	52,538
2024			
As at 1 January 2024	6,640	17,351	23,991
Additions during the financial year	15,171	-	15,171
Amortised during the financial year	(2,578)	(51)	(2,629)
As at 31 December 2024	19,233	17,300	36,533

27 CONTRACT ASSETS AND CONTRACT LIABILITIES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Contract assets				
Property development contracts (a)	46,088	2,489	-	-
Construction contracts (b)	1,022,074	693,846	161,381	194,247
	1,068,162	696,335	161,381	194,247
Contract liabilities				
Property development contract (a)	5,111	3,253	-	-
Construction contracts (b)	39,796	31,524	8,484	4,731
Collection not probable (c)	88,484	44,101	-	-
	133,391	78,878	8,484	4,731

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

27 CONTRACT ASSETS AND LIABILITIES (CONTINUED)

Property development and construction contracts

The Group and the Company are entitled to a percentage of payment over the sale price based on the construction milestones stipulated in the sale and purchase agreements and issue of progress billings to purchasers when the construction milestones are satisfied.

The aggregate of costs incurred and attributable profit or loss recognised over property development and construction contracts are compared against progress billings up to the end of the financial year. Where revenue recognised in profit or loss exceeds billings to purchasers, the balance is presented as contract assets. Where billings to purchasers exceed revenue recognised in profit or loss, the balance is presented as contract liabilities.

(a) Property development contracts

The movement of contract assets and contract liabilities in relation to property development contracts are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
As at 1 January	(764)	78,037	-	-
Property development revenue recognised during the financial year	44,909	44,746	-	-
Progress billings during the financial year	(1,310)	(121,689)	-	-
Provision for liquidated ascertained and charges	(1,858)	(1,858)	-	-
As at 31 December	40,977	(764)	-	-
Represented by:				
Contract assets	46,088	2,489	-	-
Contract liabilities	(5,111)	(3,253)	-	-
	40,977	(764)	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

27 CONTRACT ASSETS AND LIABILITIES (CONTINUED)

(b) Construction contracts

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Aggregate costs incurred to date	14,520,552	14,060,834	2,543,077	2,434,955
Attributable profits on contract works performed to date	1,441,244	1,436,020	42,551	39,207
	15,961,796	15,496,854	2,585,628	2,474,162
Less: Progress billings	(14,951,734)	(14,817,681)	(2,411,344)	(2,274,394)
Less: Loss allowance	(25,422)	(14,489)	(21,387)	(10,252)
Less: Provision for liquidated ascertained and charges	(2,362)	(2,362)	-	-
	982,278	662,322	152,897	189,516
Represented by:				
Contract assets	1,022,074	693,846	161,381	194,247
Contract liabilities	(39,796)	(31,524)	(8,484)	(4,731)
	982,278	662,322	152,897	189,516

(c) Contract liabilities-collection not probable

This represents partial cash consideration received from customer. No revenue is recognised as the Group has determined that the collection of full consideration is not probable.

The increase is mainly due to additional collection from the customers, for which no revenue was recognised.

(d) Unsatisfied long-term contracts

The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially satisfied as at the reporting date was approximately RM3.62 billion (2024: RM1.54 billion), of which the Group expects to recognise as revenue from FY2026 to FY2031 (2024: FY2025 to FY2031). The Company's unsatisfied performance obligations as at the reporting date was RM203 million (2024: RM175 million) which is expected to be recognised as revenue from FY2026 to FY2029 (2024: FY2025 to FY2027).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

27 CONTRACT ASSETS AND LIABILITIES (CONTINUED)

Impairment losses of contract assets

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
As at 1 January	14,489	143,449	10,252	138,349
Impairment loss recognised	10,933	-	11,135	-
Impairment loss reversed	-	(62,179)	-	(61,316)
Impairment loss written off	-	(66,781)	-	(66,781)
As at 31 December	25,422	14,489	21,387	10,252

28 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Company	
	2025 RM'000	2024 RM'000
Unit trusts	812	789
Shares in corporations, quoted in Malaysia	1,719	2,360
	2,531	3,149

Changes in fair values of financial assets at fair value through profit or loss are recorded in 'other income' or 'other operating expenses' in the profit or loss.

Level 1 fair value

The fair value of all equity securities is based on their current bid prices in an active market.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

29 DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deposits with licensed banks	120,144	27,467	116,793	17,184
Cash held under Housing Development Accounts	129,806	161,378	-	-
Cash and bank balances	407,598	810,381	42,031	157,471
	657,548	999,226	158,824	174,655

Included in the Group's cash and bank balances and deposits with licensed banks are restricted monies amounting to RM82,308,000 (2024: RM124,597,000), representing collateral pledged with licensed banks and/or licensed financial institutions by the Group for credit facilities granted and bank guarantee facilities issued to third parties.

Cash held under Housing Development Accounts represents receipts from purchasers of residential properties less payments or withdrawals provided under the Housing Developers (Control and Licensing) Act, 1966.

Cash and cash equivalents of the Group and of the Company comprise:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deposits, cash and bank balances	657,548	999,226	158,824	174,655
Less:				
Cash and bank balances and fixed deposits held as security value	(82,308)	(124,597)	-	-
	575,240	874,629	158,824	174,655

The currency denomination of the deposits, cash and bank balances of the Group and the Company are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia	609,810	970,338	158,824	174,655
Australian Dollar	37,784	25,350	-	-
Thai Baht	921	933	-	-
Hong Kong Dollar	112	136	-	-
United States Dollar	1,425	1,572	-	-
New Zealand Dollar	7,496	897	-	-
	657,548	999,226	158,824	174,655

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

29 DEPOSITS, CASH AND BANK BALANCES (CONTINUED)

The weighted average period effective interest rates per annum of deposits with licensed banks that are effective at the end of the financial year are as follows:

	Group		Company	
	2025 %	2024 %	2025 %	2024 %
Deposits with licensed banks	2.55	2.46	2.46	2.49

The maturity periods of deposits with licensed banks as at the financial year end were as follows:

	Group		Company	
	2025 days	2024 days	2025 days	2024 days
Deposits with licensed banks	30 - 120	1 - 120	30 - 90	30 - 90

Bank balances are held at call except for restricted monies.

Impairment losses

For deposits and bank balances, the Group and the Company seek to ensure that cash assets are invested safely and profitably by assessing counterparty risks and allocating placement limits for various creditworthy financial institutions.

While deposits and bank balances are also subject to the impairment requirements of MFRS 9, the identified impairment loss is immaterial.

30 SHARE CAPITAL

Issued and fully paid at no par value:

	Group and Company	
	Number of shares Units ('000)	Amount RM'000
2025		
As at 1 January / 31 December	4,467,509	4,356,106
2024		
As at 1 January / 31 December	4,467,509	4,356,106

The issued ordinary shares of the Company as at 31 December 2025 is 4,467,509,508 units (31 December 2024: 4,467,509,508 units).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

30 SHARE CAPITAL (CONTINUED)

Long-Term Incentive Plan

The Group implemented a Long-Term Incentive Plan ("LTIP or the Plan") of up to 10% of the issue and paid-up share capital of the Company (excluding treasury shares), to eligible employees of the Group and eligible executive directors of the Company who fulfil the eligibility criteria. The LTIP was approved by the shareholders at an Extraordinary General Meeting held on 30 November 2016.

The LTIP is intended to allow the Group and the Company to attract, motivate, reward and/or retain the eligible persons through the grant/award of the Company ordinary shares as determined by the LTIP committee in accordance with the by-laws. The LTIP committee shall have the discretion to determine and change any criteria or basis of making the offers of share awards from time to time.

The LTIP will allow the Company to award ordinary shares to eligible persons by means of a Restricted Share Plan ("RSP") and a Performance Share Plan ("PSP") as follows;

- (i) RSP - a restricted share plan designed to reward selected employees of the Group; and
- (ii) PSP - a performance share plan designed to reward selected senior management employees of the Group and the Executive Directors of the Company.

The share awards to the eligible persons will not require any payment to the Company by the eligible persons.

Details of the LTIP are contained in the by-laws and the salient features thereof are as follows:

- (a) The aggregate maximum number of ordinary shares made available under the LTIP shall not exceed ten percent (10%) of the issued and paid-up shares (excluding treasury shares) of the Company at any point of time during the duration of the LTIP, which shall be in force for a period of five (5) years commencing 28 November 2017. The LTIP was further extended for a period of five (5) years on 8 November 2022.
- (b) Eligible employees (including Executive Directors) are those who are confirmed full time employees within our Group.
- (c) The LTIP is administered by a LTIP committee which consists of such persons duly appointed by the Board from time to time.
- (d) The LTIP may be terminated by the Board at any time before the date of expiry provided that the Company makes an announcement to Bursa Malaysia Securities Berhad.
- (e) The LTIP committee may (but shall not be obliged) establish a trust to be administered by the Trustee(s), if required, to enable the Trustee to subscribe for new ordinary shares and/or acquire existing ordinary shares for the purpose of the LTIP and to pay expenses in relation to the administration of the Trust.
- (f) All new ordinary shares, upon allotment and issue, shall rank pari passu in all respects with the existing ordinary shares of the Company.

There was no new grant upon the expiry of the 2019 Tranche during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

30 SHARE CAPITAL (CONTINUED)

Warrants B

Pursuant to a renounceable right issue undertaken by the Company during the financial year ended 31 December 2017, 438,518,657 warrants B of the Company were issued. On 3 November 2017, the Company listed and quoted the warrants B. The warrants B are constituted by a deed poll dated 19 September 2017.

At the financial year end, the outstanding warrants B included 438,518,157 units which are exercisable. No warrants B were exercised during the financial year (2024: Nil) and the warrants outstanding at the financial year end have a remaining contractual life until 29 October 2027.

The salient terms of the warrant B are as follows:

- (a) Each warrant B entitles the registered holder to subscribe for one (1) new ordinary share of the Company at any time during the ten (10) years period commencing on and including 30 October 2017 ("First Issue Date"), to 29 October 2027 ("Exercise Period") at RM1.25 per new share of the Company ("Exercise Price") subject to adjustments in accordance with the provisions of the deed poll dated 19 September 2017 constituting the warrants;
- (b) Any warrants B not exercised during the Exercise Period shall thereafter lapse and cease to be valid for any purpose; and
- (c) The new shares of the Company allotted and issued upon exercise of the warrants B shall rank equally in all aspects with the existing shares of the Company, and shall be entitled to any dividends, rights, allotments and/or other distributions after the issue and allotment thereof.

The movement of the warrants B are as follows:

	Number of ordinary shares covered under warrants B			
	As at 1.1.2025	Granted	Exercised	As at 31.12.2025
Number of unexercised warrants B	438,518,157	-	-	438,518,157

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

31 POST-EMPLOYMENT BENEFIT OBLIGATIONS

The Group and the Company provide for unfunded retirement benefits to eligible employees, those permanent employees who joined before 1 September 2002, and have been in the service of the Group and of the Company for a continuous period of at least ten (10) years.

The liability in respect of the defined benefit plan is the present value of the defined benefit obligation at the statements of financial position. The defined benefit obligation, calculated using the projected unit credit method, is determined by a qualified actuary on the basis of a triennial valuation and after considering the estimated future cash outflows using the market yields at the valuation date of high quality corporate bonds. The latest actuarial valuation was carried out on 18 December 2023.

The defined benefit plan exposes the Group and the Company to actuarial risk such as interest rate risk and salary inflation risk.

Defined benefit plan

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
As at 1 January	11,912	11,086	4,452	4,105
Charged to profit or loss (Note 10)	892	923	327	347
Utilised during the financial year	(3,032)	(97)	(448)	-
As at 31 December	9,772	11,912	4,331	4,452
Non-current	9,772	11,912	4,331	4,452

The amounts recognised in the Group's and the Company's statements of financial position are analysed as follows based on the valuation carried out on 18 December 2023:

	Group RM'000	Company RM'000
Present value of unfunded obligations		
As at 31 December 2025	9,772	4,331
As at 31 December 2024	11,912	4,452

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

31 POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

The expenses recognised in the Group's and the Company's profit or loss are analysed as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current service cost	402	429	142	157
Interest cost	490	494	185	190
As at 31 December	892	923	327	347

The above charge to the profit or loss was included in administrative expenses in the statement of comprehensive income.

As at 31 December 2025, the weighted average duration of the defined benefit obligation was 5.6 years (2024: 5.6 years).

The principal actuarial assumptions used by the valuer in the valuation carried out on 18 December 2023 in respect of the Group's and the Company's defined benefit plan is as follows:

	Group and Company	
	2025 %	2024 %
Discount rate	4.5	4.5
Expected rate of salary increases	6.0	6.0

There is no material effect to defined benefit obligations should there be a 1% (2024: 1%) movement in the above assumed discounted rate and expected rate of salary increases.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

32 BORROWINGS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current				
Sukuk Murabahah (a)	1,208,796	1,411,252	1,208,796	1,411,252
Secured term loans due after 12 months (b)	312,989	267,069	215,476	180,133
Total non-current	1,521,785	1,678,321	1,424,272	1,591,385
Current				
Sukuk Murabahah (a)	403,362	-	403,362	-
Secured term loans due within 12 months (b)	58,275	45,380	53,500	31,500
Secured short term borrowings and other credit facilities	206,707	81,988	-	-
Unsecured short term borrowings	358,724	453,300	186,129	189,113
Total current	1,027,068	580,668	642,991	220,613
Total borrowings	2,548,853	2,258,989	2,067,263	1,811,998

(a) Sukuk Murabahah

The reconciliation of movement of Sukuk to cash flows arising from financing activities are as follows:

	2025 RM'000	2024 RM'000
Group		
As at 1 January	1,411,252	1,411,234
Nominal amount drawdown (net of transaction cost)	200,000	-
Finance costs (Note 12)	69,816	68,871
Repayment of interest	(68,910)	(68,853)
As at 31 December	1,612,158	1,411,252
Company		
As at 1 January	1,411,252	1,411,234
Nominal amount drawdown (net of transaction cost)	200,000	-
Finance costs (Note 12)	49,629	48,217
Finance costs recharged to subsidiaries	20,187	20,654
Repayment of interest	(68,910)	(68,853)
As at 31 December	1,612,158	1,411,252

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32 BORROWINGS (CONTINUED)

(a) Sukuk Murabahah (continued)

The Company established a Perpetual Islamic Medium Term Note programme of up to RM5,000,000,000 in nominal value under the Shariah principle of Murabahah (via a Tawarruq arrangement) ("Sukuk Murabahah Programme") based on the terms and conditions in the Programme Agreement dated 22 July 2020.

The Sukuk Murabahah Programme was accorded with a preliminary credit rating of AA-IS by the Credit Rating Agency and constituted by a Sukuk Musharakah Trust Deed dated 22 July 2020.

The Sukuk Murabahah Programme serves as a funding platform for the Group and the Company to fund business growth and to meet future funding requirements including working capital, capital expenditure and other general corporate expenses, as and when required.

The Sukuk Murabahah is secured by the following:

- a first party assignment and charge over the Finance Service Reserve Account ("FSRA") which shall include the monies standing to the credit of the FSRA, in favour of the Sukuk Trustee (for the benefit of the Sukukholders); and
- such other security as may be required by the Joint Lead Arrangers and acceptable to the Joint Shariah Advisers.

The Group and the Company have issued the following Sukuk Murabahah in nominal value:

The Group and the Company - Non-current

Issuance no.	Series no.	Nominal amount drawdown	Issuance date	Maturity date	Coupon rate (%)	Effective interest rate (%)
1	2	RM200,000,000	14.08.2020	13.08.2027	4.25	4.29
1	3	RM150,000,000	14.08.2020	14.08.2030	4.45	4.48
3	1	RM200,000,000	18.10.2021	16.10.2026	4.66	4.81
3	2	RM300,000,000	18.10.2021	18.10.2028	5.09	5.24
3	3	RM100,000,000	18.10.2021	17.10.2031	5.20	5.35
5	1	RM200,000,000	28.02.2024	28.02.2026	5.19	5.32
5	2	RM150,000,000	28.02.2024	28.02.2027	5.26	5.39
5	3	RM100,000,000	28.02.2024	28.02.2029	5.43	5.56
6	1	RM100,000,000	28.11.2025	28.11.2030	4.02	4.02
6	2	RM100,000,000	28.11.2025	28.11.2035	4.22	4.22

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32 BORROWINGS (CONTINUED)

(b) Secured term loans

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Term loans	373,501	315,331	270,680	214,000
Less: Unamortised cost of issue	(2,237)	(2,882)	(1,704)	(2,367)
	371,264	312,449	268,976	211,633
Less: Due within 12 months	(58,275)	(45,380)	(53,500)	(31,500)
	312,989	267,069	215,476	180,133
Term loans	373,501	315,331	270,680	214,000
Less: Issuance expenses	(5,266)	(4,286)	(4,681)	(3,317)
Net proceeds	368,235	311,045	265,999	210,683
Accumulated amortisation of issuance expenses	3,029	1,404	2,977	950
	371,264	312,449	268,976	211,633
Less: Due within 12 months	(58,275)	(45,380)	(53,500)	(31,500)
	312,989	267,069	215,476	180,133

The repayment period of the secured term loans (before issuance cost) are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Analysis of term loans:				
Payable within one year	58,275	45,380	53,500	31,500
Payable between one and two years	128,254	188,944	119,500	173,000
Payable between two and five years	166,464	58,775	97,680	9,500
Payable after five years	20,508	22,232	-	-
	373,501	315,331	270,680	214,000
Representing term loans:				
Due within 12 months	58,275	45,380	53,500	31,500
Due after 12 months	315,226	269,951	217,180	182,500
	373,501	315,331	270,680	214,000

NOTES TO THE FINANCIAL STATEMENTS

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32 BORROWINGS (CONTINUED)

(b) Secured term loans (continued)

As at the reporting date, the weighted average year end effective interest rates per annum for the bank borrowings, other than the Sukuk Murabahah disclosed above, of the Group and of the Company are as follows:

	Group		Company	
	2025 %	2024 %	2025 %	2024 %
Secured term loans	4.94	5.03	4.52	5.14
Secured short term borrowings and other credit facilities	5.03	5.01	-	-
Unsecured short term borrowings	4.77	5.42	4.65	5.62

The borrowings are denominated in Ringgit Malaysia.

A. Effective interest rate and maturity profile of borrowings

The exposure of borrowings to interest rate and cash flow risk and the periods in which the borrowings mature are as follows:

	Effective interest rate as at year end % p.a	Total carrying amount RM'000	< 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	> 5 years RM'000
Group						
2025						
Secured						
Revolving credit 3	5.03	206,707	206,707	-	-	-
Unsecured						
Revolving credit 1	4.85	124,495	124,495	-	-	-
Revolving credit 2	5.01	48,100	48,100	-	-	-
Revolving credit and short term credit facilities 3	4.51	186,129	186,129	-	-	-
		565,431	565,431	-	-	-

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31 DECEMBER 2025

32 BORROWINGS (CONTINUED)

A. Effective interest rate and maturity profile of borrowings (continued)

The exposure of borrowings to interest rate and cash flow risk and the periods in which the borrowings mature are as follows: (continued)

	Effective interest rate as at year end % p.a	Total carrying amount RM'000	< 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	> 5 years RM'000
			Floating interest rate			
Group						
2025						
Secured						
Term loan 1	4.77	145,373	40,000	105,373	-	-
Term loan 2	5.03	8,778	3,275	5,503	-	-
Term loan 4	5.44	57,475	1,500	3,173	32,518	20,284
Term loan 5	7.21	36,035	-	-	36,035	-
Term loan 6	4.23	123,603	13,500	13,231	96,872	-
		371,264	58,275	127,280	165,425	20,284
		936,695	623,706	127,280	165,425	20,284

The effective interest rate and maturity periods of Sukuk Murabahah are as disclosed in Note 32(a).

	Effective interest rate as at year end % p.a	Total carrying amount RM'000	< 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	> 5 years RM'000
			Floating interest rate			
Group						
2024						
Secured						
Revolving credit 3	5.03	78,988	78,988	-	-	-
Revolving credit 5	4.61	3,000	3,000	-	-	-
Unsecured						
Revolving credit 1	5.70	177,003	177,003	-	-	-
Revolving credit 2	5.35	48,100	48,100	-	-	-
Revolving credit and short term credit facilities 3	4.95	189,113	189,113	-	-	-
Revolving credit 4	4.94	39,084	39,084	-	-	-
		535,288	535,288	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

32 BORROWINGS (CONTINUED)

A. Effective interest rate and maturity profile of borrowings (continued)

The exposure of borrowings to interest rate and cash flow risk and the periods in which the borrowings mature are as follows: (continued)

	Effective interest rate as at year end % p.a	Total carrying amount RM'000	< 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	> 5 years RM'000
			Floating interest rate			
Group						
2024						
Secured						
Term loan 1	5.10	162,997	18,000	135,562	9,435	-
Term loan 2	5.17	11,658	2,880	6,944	1,834	-
Term loan 3	4.61	20,000	11,000	9,000	-	-
Term loan 4	5.45	32,217	-	-	10,335	21,882
Term loan 5	7.25	36,941	-	-	36,941	-
Term loan 6	5.26	48,636	13,500	35,136	-	-
		312,449	45,380	186,642	58,545	21,882
		847,737	580,668	186,642	58,545	21,882

The effective interest rate and maturity periods of Sukuk Murabahah are as disclosed in Note 32(a).

	Effective interest rate as at year end % p.a	Total carrying amount RM'000	<1 years RM'000	1 - 2 years RM'000	2 - 5 years RM'000
			Floating interest rate		
Company					
2025					
Unsecured					
Revolving credit and short term credit facilities 3	4.51	186,129	186,129	-	-
Secured					
Term loan 1	4.77	145,373	40,000	105,373	-
Term loan 6	4.23	123,603	13,500	13,231	96,872
		455,105	239,629	118,604	96,872

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

32 BORROWINGS (CONTINUED)

A. Effective interest rate and maturity profile of borrowings (continued)

The exposure of borrowings to interest rate and cash flow risk and the periods in which the borrowings mature are as follows: (continued)

	Effective interest rate as at year end % p.a	Total carrying amount RM'000	<1 years RM'000	1 - 2 years RM'000	2 - 5 years RM'000
			Floating interest rate		
Company					
2024					
Unsecured					
Revolving credit and short term credit facilities 3	4.95	189,113	189,113	-	-
Secured					
Term loan 1	5.10	162,997	18,000	135,562	9,435
Term loan 6	5.26	48,636	13,500	35,136	-
		400,746	220,613	170,698	9,435

The effective interest rate and maturity periods of Sukuk Murabahah are as disclosed in Note 32(a).

B. Principal features of borrowings

Revolving Credit 3

Revolving credit 3 of RM206,707,000 (2024: RM78,988,000) is secured by way of:

- (i) Open all monies third party legal charge over a piece of freehold land and a hotel with total carrying amount of RM226,123,000 (2024: RM234,887,000);
- (ii) Open all monies first party legal charge over units in an associate ("the Pledged Shares");
- (iii) Assignment of all dividends and distributions from the Pledged Shares;
- (iv) Charge and assignment over Designated Accounts; and
- (v) Corporate guarantee of the Company.

Revolving Credit 5

Revolving credit 5 of RM Nil (2024: RM3,000,000) is secured by way of:

- (i) Third party legal charge over a piece of vacant commercial land with a carrying value of RM Nil (2024: RM45,314,000);
- (ii) Fixed and floating charges over existing and future assets of the subsidiary;
- (iii) Corporate guarantee of the Company;
- (iv) Assignment over sales proceeds of the Housing Development Accounts (to the extent where legally and practically possible);
- (v) Assignment over Designated Accounts;
- (vi) Assignment over the construction contract with the main contractor and its related takaful plan/insurance policies;

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32 BORROWINGS (CONTINUED)

B. Principal features of borrowings (continued)

Revolving Credit 5 (continued)

Revolving credit 5 of RM Nil (2024: RM3,000,000) is secured by way of: (continued)

- (vii) Irrevocable Letter of Undertaking from the Company to:
 - (a) fund any cost overrun during the construction, development and until completion of the project;
 - (b) to meet any financial obligations during the Grace Period of Principal and throughout the tenure of the loan; and
 - (c) to complete the project.
- and
- (viii) Letter of Undertaking from the subsidiary to forward the subdivided titles and strata titles for the project for safe keeping by the Bank upon its issuance.

The revolving credit was fully settled during the financial year.

Term Loan 1

Term loan 1 of RM145,373,000 (2024: RM162,997,000) is secured by way of:

- (i) Open all monies third party legal charge over a piece of freehold land and a hotel with total carrying amount of RM226,123,000 (2024: RM234,887,000);
- (ii) Open all monies first party legal charge over units in an associate ("the Pledged Shares");
- (iii) Assignment of all dividends and distributions from the Pledged Shares; and
- (iv) Charge and assignment over Designated Accounts;

Term Loan 2

Term loan 2 of RM8,778,000 (2024: RM11,658,000) is secured by way of:

- (i) First party legal charge over the Proceed Account opened by the subsidiary;

A minimum balance of 3 months of profit payment (on the amount disbursed) and the next principal payment ("Minimum Required Balance") due shall be maintained at all times during the entire tenure of the facility; In the event there is a shortfall from the Minimum Required Balance, the subsidiary must top up within 10 business days of the shortfall to maintain the Minimum Required Balance;
- (ii) First party legal charge over the Operating Account open by the subsidiary;
- (iii) Third party legal charge over the Operating Account opened by another subsidiary; and
- (iv) Corporate guarantee of the Company.

Term Loan 3

Term loan 3 of RM Nil (2024: RM20,000,000) is secured by way of:

- (i) Third party legal charge over a piece of vacant commercial land with a carrying value of RM Nil (2024: RM45,314,000);
- (ii) Fixed and floating charges over existing and future assets of the subsidiary;
- (iii) Corporate guarantee of the Company;
- (iv) Assignment over sales proceeds of the Housing Development Accounts (to the extent where legally and practically possible);
- (v) Assignment over Designated Accounts;
- (vi) Assignment over the construction contract with the main contractor and its related takaful plan/insurance policies;

NOTES TO THE FINANCIAL STATEMENTS

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32 BORROWINGS (CONTINUED)

B. Principal features of borrowings (continued)

Term Loan 3 (continued)

Term loan 3 of RM Nil (2024: RM20,000,000) is secured by way of: (continued)

- (vii) Irrevocable Letter of Undertaking from the Company to:
 - (a) fund any cost overrun during the construction, development and until completion of the project;
 - (b) to meet any financial obligations during the Grace Period of Principal and throughout the tenure of the loan; and
 - (c) to complete the project.
- and
- (viii) Letter of Undertaking from the subsidiary to forward the subdivided titles and strata titles for the project for safe keeping by the Bank upon its issuance.

The term loan was fully settled during the financial year.

Term Loan 4

Term loan 4 of RM57,475,000 (2024: RM32,217,000) was secured by way of:

- (i) First party legal charge over the leasehold land with a carrying value of RM78,629,000 (2024: RM79,507,000);
- (ii) Fixed and floating charges over existing and future assets of the subsidiary;
- (iii) A corporate guarantee from the Company;
- (iv) Assignment over rental proceeds under the lease agreement;
- (v) Assignment over Designated Accounts;
- (vi) Assignment over all takaful plan/insurance policies; and
- (vii) Assignment over any guarantees, bonds, and/or security deposits issued under the lease agreement.

Term Loan 5

Term loan 5 of RM36,035,000 (2024: RM36,941,000) was secured by way of:

- (i) First party legal charge over the freehold land with a carrying amount of RM46,187,000 (2024: RM47,349,000) with conditions subsequent;
- (ii) Fixed and floating charges over existing and future assets of the subsidiary;
- (iii) A corporate guarantee from the Company;
- (iv) Assignment over rental proceeds under the lease agreement;
- (v) Assignment over Designated Accounts;
- (vi) Assignment over all takaful plan/insurance policies; and
- (vii) Assignment over contractor's performances bonds.

Term Loan 6

Term loan 6 of RM123,603,000 (2024: RM48,636,000) was secured by way of:

- (i) Open all monies third party legal charge over a piece of freehold land and a hotel with total carrying amount of RM226,123,000 (2024: RM234,887,000);
- (ii) Open all monies third party legal charge over units in an associate ("The Pledged Shares");
- (iii) Assignment of all dividends and distributions from the Pledged Shares;
- (iv) Charge and assignment over Designated Accounts; and
- (v) Letter of Undertaking from the subsidiary to open all monies third party legal charge over a piece of leasehold land upon its issuance.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

32 BORROWINGS (CONTINUED)

B. Principal features of borrowings (continued)

The reconciliation of movement of liabilities to cash flows arising from financing activities are as follows:

	Borrowings RM'000
Group	
Balance as at 1 January 2025	847,737
Finance costs charged (Note 12)	41,565
Changes from financing cash flows	
Proceed from borrowings	638,322
Repayment of borrowings	(550,655)
Finance costs paid	(41,565)
Total changes from financing cash flows	46,102
Other changes of liabilities - related	
Amortisation of issuance cost (Note 12)	1,291
Balance as at 31 December 2025	936,695
Company	
Balance as at 1 January 2025	400,746
Finance costs charged	10,640
Changes from financing cash flows	
Proceed from borrowings	146,886
Repayment of borrowings	(93,190)
Finance costs paid	(10,640)
Total changes from financing cash flows	43,056
Other changes of liabilities - related	
Amortisation of issuance cost (Note 12)	663
Balance as at 31 December 2025	455,105

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

32 BORROWINGS (CONTINUED)

The reconciliation of movement of liabilities to cash flows arising from financing activities are as follows: (continued)

	Borrowings RM'000
Group	
Balance as at 1 January 2024	390,281
Finance costs charged	33,447
Changes from financing cash flows	
Proceed from borrowings	963,165
Repayment of borrowings	(503,928)
Issuance cost paid	(2,346)
Finance costs paid	(33,447)
Total changes from financing cash flows	423,444
Other changes of liabilities - related	
Amortisation of issuance cost (Note 12)	565
Balance as at 31 December 2024	847,737
Company	
Balance as at 1 January 2024	208,231
Finance costs charged	10,528
Changes from financing cash flows	
Proceed from borrowings	304,113
Repayment of borrowings	(110,611)
Issuance cost paid	(1,435)
Finance costs paid	(10,528)
Total changes from financing cash flows	181,539
Other changes of liabilities - related	
Amortisation of issuance cost (Note 12)	448
Balance as at 31 December 2024	400,746

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33 LONG TERM LIABILITIES

	Group	
	2025 RM'000	2024 RM'000
Non-current		
Guaranteed return to a non-controlling interest	349,387	430,699
Trade payables*	71,767	-
	421,154	430,699
Current		
Guaranteed return to a non-controlling interest (Note 35)	150,000	45,000
	571,154	475,699

* Non-current payable relates to purchase consideration for acquisition of Ipoh Sentral land based on an agreed contractual instalment schedule over 20 years.

The guaranteed return is a contractual obligation made by the Company to a non-controlling interest in Kwasa Sentral Sdn. Bhd. ("KSSB"), a 70% owned subsidiary of the Company to guarantee the minimum return to their investment in the development project undertaken by KSSB which is payable based on certain milestones of the development project. As at the financial year end, the net present value of this guaranteed sum is RM499,387,000 (2024: RM475,699,000). The repayment period of the guaranteed return is as follows:

	Group	
	2025 RM'000	2024 RM'000
Payable within one year	150,000	45,000
Payable between two and five years	153,290	99,526
Payable after five years	196,097	331,173
	499,387	475,699

34 GOVERNMENT GRANT

	Group	
	2025 RM'000	2024 RM'000
Facilitation fund		
As at 1 January	125,787	127,504
Amortised during the financial year (Note 9)	(2,019)	(1,717)
As at 31 December	123,768	125,787

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34 GOVERNMENT GRANT (CONTINUED)

The facilitation fund represents grant received from the Malaysian Government for the planning, designing, financing, development, construction, equipping, installation, completion, testing and commissioning of the Penang Sentral transport terminal currently being constructed by a subsidiary of the Company.

The Group did not receive any disbursement of the grant during the current financial year (2024: RM Nil). The remaining balance of RM104.2 million would be received over the construction period of Phase 2 of the Penang Sentral Development. The amount received is classified as non-current and will be amortised or credited to profit or loss over 50 years based on the useful life of the transport terminal.

35 TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade payables	950,226	1,042,208	3,512	172,268
Amounts due to related parties	10,200	10,200	-	-
Other payables	79,304	78,190	3,503	6,369
Accruals	287,338	236,518	34,504	2,609
	1,327,068	1,367,116	41,519	181,246
Guaranteed return to a non-controlling interest (Note 33)	150,000	45,000	-	-
	1,477,068	1,412,116	41,519	181,246

	Company	
	2025 RM'000	2024 RM'000
Amounts due to subsidiaries	354,232	152,970

The amounts due to related parties are unsecured, interest free and have no fixed terms of repayment.

Credit terms of the trade and other payables for the Group and the Company range from 14 days to 90 days (2024: 14 days to 90 days) as at 31 December 2025.

Credit terms of the amounts due to subsidiaries for the Company range was 30 days (2024: 30 days) as at 31 December 2025.

Included in accruals balance as at 31 December 2025 is interest payable of RM1,833,000 (2024: RM1,729,000) and RM451,000 (2024: RM239,000) in respect of the term loans of the Group and the Company, respectively.

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35 TRADE AND OTHER PAYABLES (CONTINUED)

The currency exposure profile of the trade and other payables is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia	1,325,157	1,362,050	41,519	181,246
Australian Dollar	1,889	3,786	-	-
New Zealand Dollar	11	1,270	-	-
Thai Baht	10	10	-	-
Hong Kong Dollar	1	-	-	-
	1,327,068	1,367,116	41,519	181,246

36 PROVISION FOR RESTORATION COSTS

	Group	
	2025 RM'000	2024 RM'000
At 1 January	827	960
Additions	-	787
Reversal	-	(964)
Finance costs (Note 12)	43	44
At 31 December	870	827

Provision for restoration costs:		
Non-current	870	827

NOTES TO THE FINANCIAL STATEMENTS

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37 SIGNIFICANT RELATED PARTY DISCLOSURES

Related parties with whom the Group and the Company transacted with during the financial year include the following:

Related parties	Nature of relationship
Kumpulan Wang Simpanan Berhad ("KWSP")	KWSP has significant influence over the Company. Significant shareholder of the Company and related by virtue of Dato' Mohamad Nasir Ab Latif and Mohamad Hafiz Kassim, the Directors of the Company being the nominees of KWSP. KWSP is also an Agency of the Government of Malaysia.
59 INC Sdn. Bhd. ("59 INC")	Related by virtue of the Company owning 30.00% equity interest in 59 INC.
Sentral REIT	Related by virtue of the Company owning 27.94% equity interest in Sentral REIT.
Kwasa Land Sdn. Bhd.	Related by virtue of the Company owning 70.00% equity interest in Kwasa Sentral Sdn. Bhd. It is also subsidiary of KWSP.
Tanjung Wibawa Sdn. Bhd.	Related by virtue the Company wholly-owned subsidiary, MRCB Land Sdn. Bhd., which holds a 100% equity interest in Rukun Juang Sdn. Bhd. is owning 20.00% equity interest in Bukit Jalil Sentral Property Sdn. Bhd. It is also subsidiary of KWSP.

The Audit Committee has reviewed the related party transactions between the Group and related parties outside of the Group to ensure that the transactions were fair and reasonable, not detrimental to the minority shareholders and were in the best interests of the Group.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

37 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

Related party transactions were carried out based on terms and conditions negotiated and agreed upon between parties. Significant related party transactions and balances other than mentioned elsewhere in the financial statements are as follows:

(a) Transactions with related parties

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Management fees charged to subsidiaries	-	-	65,496	81,405
Management fees charged to Sentral REIT	6,369	6,382	-	-
Car park rental and revenue sharing charged by Sentral REIT	9,426	8,682	-	-
Supply of chilled water charged to Sentral REIT	4,024	3,112	-	-
Deposit paid to Tanjung Wibawa Sdn. Bhd. for proposed acquisition of 80% equity interest in Bukit Jalil Sentral Property Sdn. Bhd.	157,879	-	-	-
Progress billings charged by a subsidiary	-	-	126,905	19,803
- MRCB Builders Sdn. Bhd.	-	-	113,169	113,230
- MRCB Environmental Services Sdn. Bhd.	-	-	121,001	288,784
Repayment of advances by subsidiaries	-	-	(461,295)	(611,230)
Advances to subsidiaries	-	-	(20,187)	(24,954)
Payment of interest expenses on behalf of subsidiaries	-	-	-	-

(b) Key management compensation (including Executive Directors)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Salaries and other short term employee benefits	24,552	27,333	17,206	21,494
Post-employment benefits	4,824	3,470	2,075	2,723

Key management personnel consist of Directors and senior management of the Group and of the Company.

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37 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(c) The Group's and the Company's significant transactions with the government and government-related entities based on terms and conditions negotiated and agreed upon between the parties are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Progress billings charged to/(from) customers on contracts:				
- Tenaga Nasional Berhad	12,074	433	-	-
- Turnpike Synergy Sdn. Bhd.	4,522	4,576	4,522	4,576
- Kwasa Utama Sdn. Bhd.	464	47,653	-	-
- Kwasa Land Sdn. Bhd.	9,722	9,502	-	-
- Prasarana Malaysia Berhad	427,607	827,598	-	-
- Jabatan Pengaliran dan Saliran Malaysia	125,047	112,532	125,047	112,532
Project management and building maintenance service fees received from:				
- Keretapi Tanah Melayu Berhad	3,796	4,621	-	-
Project management fee charged to:				
- Kwasa Utama	(723)	5,195	-	-
Rental received from:				
- Small and Medium Enterprises Corporation Malaysia	164	682	-	-
Rental charged by:				
- Lembaga Tabung Haji	645	635	-	-
- Pertubuhan Keselamatan Sosial	1,146	1,758	-	-
- Suruhanjaya Komunikasi dan Multimedia Malaysia	1,522	1,439	-	-

38 CONTINGENT LIABILITIES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Performance guarantees extended to third parties	713,956	746,993	96,625	136,435

Certain entities within the Group have normal contractor's liability in relation to construction contracts. This liability may include litigation by or against the Group and/or joint arrangements in which the Group has an interest.

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39 CAPITAL COMMITMENT

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Authorised capital expenditure for property, plant and equipment				
- contracted for	5,332	26,722	5,332	26,722
- not contracted for	40,549	33,448	4,132	10,493
	45,881	60,170	9,464	37,215

40 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

The Group's effective equity interest in the subsidiaries, joint ventures and associates as at 31 December 2025, their respective principal activities and country of incorporation are as follows:

Name of enterprise	Principal activities	Place of business/ Country of incorporation	Effective equity interest	
			2025 %	2024 %
SUBSIDIARIES:				
348 Sentral Sdn. Bhd.	Operation of service residence units	Malaysia	100.00	100.00
Country Annexe Sdn. Bhd.	Construction and property development	Malaysia	100.00	100.00
Cosy Bonanza Sdn. Bhd.	Property development	Malaysia	65.70	65.70
Excellent Bonanza Sdn. Bhd.	Property development, leasing of office space and provision of interior design fit out consultancy work and services	Malaysia	100.00	100.00
MRCB Spectrum Sdn. Bhd.	Construction and development of property	Malaysia	100.00	100.00
MRCB Seputeh Land Sdn. Bhd.	Property development	Malaysia	100.00	100.00
Kuala Lumpur Sentral Sdn. Bhd.	Sale of land, property development and property management	Malaysia	100.00	100.00
Held through 100% ownership by Kuala Lumpur Sentral Sdn. Bhd.				
- Unity Portfolio Sdn. Bhd.	Provision of management and maintenance services	Malaysia	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS

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40 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Name of enterprise	Principal activities	Place of business/ Country of incorporation	Effective equity interest	
			2025 %	2024 %
Kwasa Sentral Sdn. Bhd.	Property development and investment holding	Malaysia	70.00	70.00
MRCB Arabia Company ^{S*}	Engineering and construction services	Saudi Arabia	100.00	-
MRCB Builders Sdn. Bhd.	Engineering, construction services and investment holding	Malaysia	100.00	100.00
Held through 100% ownership by MRCB Builders Sdn. Bhd.				
- Setia Utama LRT 3 Sdn. Bhd.	Engineering and construction services	Malaysia	100.00	100.00
- Milmix Sdn. Bhd.	Engineering and construction services	Malaysia	100.00	100.00
- Region Resources Sdn. Bhd.	Engineering and construction services	Malaysia	100.00	100.00
- Sanjung Sepang Sdn. Bhd.	Trading in construction material	Malaysia	100.00	100.00
- Transmission Technology Sdn. Bhd.	Engineering, construction and commissioning of transmission lines and substations	Malaysia	100.00	100.00
- MRCB Environmental Service Sdn. Bhd.	Provision of project management and consultancy services and engaged in the design, construction, operation, management and maintenance of beaches and rivers for rehabilitation and improvement purposes	Malaysia	100.00	100.00
- MRCB Engineering Sdn. Bhd.	Engineering and construction services	Malaysia	100.00	100.00
Held through 65% ownership by MRCB Builders Sdn. Bhd.				
- Arah Rekajaya Sdn. Bhd. *	Infrastructure works and project management services	Malaysia	65.00	65.00

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

40 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Name of enterprise	Principal activities	Place of business/ Country of incorporation	Effective equity interest	
			2025 %	2024 %
Held through 100% ownership by MRCB Environmental Services Sdn. Bhd.				
MRCB Environment Sdn. Bhd.	Infrastructure and environmental engineering	Malaysia	100.00	100.00
Held through 100% ownership by MRCB Engineering Sdn. Bhd.				
- MRCB (Thailand) Co.,Ltd. ^β	Pre-operating	Thailand	100.00	100.00
MRCB Land Sdn. Bhd.	Investment holding	Malaysia	100.00	100.00
Held through 100% ownership by MRCB Land Sdn. Bhd.				
- Rukun Juang Sdn. Bhd.	Construction and property development	Malaysia	100.00	100.00
- Efficient Class Sdn. Bhd.	Property development	Malaysia	100.00	100.00
- Esquire Moments Sdn. Bhd.	Property development	Malaysia	100.00	100.00
- Crystal Hallmark Sdn. Bhd.	Property development	Malaysia	100.00	100.00
- Legasi Azam Sdn. Bhd.	Property development	Malaysia	100.00	100.00
- Nilaitera Sdn. Bhd.	Property development	Malaysia	100.00	100.00
- Pinnacle Paradise Sdn. Bhd.	Property development	Malaysia	100.00	100.00
- Subang Sentral Sdn. Bhd.	Property development and constructions services	Malaysia	100.00	100.00
- Stigma Tiara Sdn. Bhd. *	Pre-operating	Malaysia	100.00	100.00
- Ipoh Sentral Development Sdn. Bhd. *	Pre-operating	Malaysia	100.00	100.00
- MRCB Ventures Sdn. Bhd. *	Pre-operating	Malaysia	100.00	100.00
- Metro Spectacular Sdn. Bhd.	Property development	Malaysia	100.00	100.00
- MRCB Global Solutions Sdn. Bhd.	Property and investment holding	Malaysia	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

40 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Name of enterprise	Principal activities	Place of business/ Country of incorporation	Effective equity interest	
			2025 %	2024 %
Held through 100% ownership by MRCB Land Sdn. Bhd. (continued)				
- Lembaran Prospek Sdn. Bhd.	Construction and property development	Malaysia	100.00	100.00
- Projekmaju Sdn. Bhd.	Acquiring, dealing and trading in leases, landed immovable or real property of all description and tenure	Malaysia	100.00	100.00
- Majestic Quest Sdn. Bhd.*	Investment holding	Malaysia	70.00	100.00
Held through 49% ownership by MRCB Land Sdn. Bhd.				
- ZM Property Management Sdn. Bhd.	Property management	Malaysia	49.00	49.00
MRCB Prasarana Sdn. Bhd.	Operation, management and maintenance of the EDL Expressway and investment holding	Malaysia	100.00	100.00
Held through 100% ownership by MRCB Prasarana Sdn. Bhd.				
- MRCB Lingkaran Selatan Sdn. Bhd. *	Design, development, construction, project management, operations and maintenance of EDL Expressway	Malaysia	100.00	100.00
Held through 100% ownership by MRCB Lingkaran Selatan Sdn. Bhd.				
- MRCB Southern Link Berhad *	Design, development, construction, project management and financing of expressway and infrastructure related project	Malaysia	100.00	100.00
MRCB Putra Sdn. Bhd.	Property development, property management and investment holding	Malaysia	100.00	100.00
Malaysian Resources Development Sdn. Bhd.	Property development and investment holding	Malaysia	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

40 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Name of enterprise	Principal activities	Place of business/ Country of incorporation	Effective equity interest	
			2025 %	2024 %
Held through 100% ownership by Malaysian Resources Development Sdn. Bhd.				
- MRCB International Sdn. Bhd.	Investment holding	Malaysia	100.00	100.00
Held through 100% ownership by MRCB International Sdn. Bhd.				
- MRCB Australia Holding Company Pty. Ltd. ^β	Investment holding	Australia	100.00	100.00
Held through 100% ownership by MRCB Australia Holding Company Pty. Ltd.				
- MRCB Project Carnegie Pty. Ltd. ^β	Property development	Australia	100.00	100.00
- MRCB Land (Australia) Pty. Ltd. ^{β^}	Property development	Australia	100.00	100.00
- MRCB Project Queen Street Pty. Ltd. ^{β *}	Property development	Australia	100.00	100.00
- MRCB Project Vista Pty. Ltd. ^{β *}	Property development	Australia	100.00	100.00
- MRCB New Zealand Holdings Ltd. ^{β *}	Investment holding	New Zealand	100.00	100.00
Held through 100% ownership by MRCB New Zealand Holdings Ltd.				
- MRCB Aotea Central Limited ^{β *}	Property development	New Zealand	100.00	100.00
- MRCB Bledisloe House Limited ^{β *}	Property development	New Zealand	100.00	100.00
Held through 100% ownership by Malaysian Resources Development Sdn. Bhd.				
- Golden East Corporation Sdn. Bhd.*	Property development and management	Malaysia	100.00	100.00
- Sunrise Properties Sdn. Bhd.*	Property development	Malaysia	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

40 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Name of enterprise	Principal activities	Place of business/ Country of incorporation	Effective equity interest	
			2025 %	2024 %
Held through 100% ownership by Malaysian Resources Development Sdn. Bhd. (continued)				
- MRCB Property Development Sdn. Bhd. *	Investment holding	Malaysia	100.00	100.00
- Seri Iskandar Development Corporation Sdn. Bhd.	Property development	Malaysia	100.00	100.00
Malaysian Resources Sentral Sdn. Bhd.	Provision of facility management	Malaysia	100.00	100.00
MRCB Sentral Properties Sdn. Bhd.	Property development and property management	Malaysia	100.00	100.00
MRCB Utama Sdn. Bhd.	Property development	Malaysia	100.00	100.00
Onesentral Park Sdn. Bhd.*	Property development	Malaysia	100.00	100.00
Penang Sentral Sdn. Bhd.	Property development and management of a transport terminal	Malaysia	100.00	100.00
P.J Sentral Development Sdn. Bhd.	Construction and property development	Malaysia	100.00	100.00
Puncak Wangi Sdn. Bhd.	Property investment and property management	Malaysia	100.00	100.00
Semasa Sentral Sdn. Bhd.	Operation, management and maintenance of the Kuala Lumpur Sentral Station	Malaysia	100.00	100.00
Semasa Parking Sdn. Bhd.	Operation and management of car park and parking areas	Malaysia	100.00	100.00
MRCB Sentral Securities Sdn. Bhd.	Provision of auxiliary police and related services	Malaysia	100.00	100.00
Sooka Sentral Sdn. Bhd.	Provision of management services	Malaysia	100.00	100.00
Synargym Sdn. Bhd.	Leasing of office space and sub-lease to tenants and also leasing of machinery	Malaysia	100.00	100.00
Landas Utama Sdn. Bhd.*	Investment holding	Malaysia	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

40 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Name of enterprise	Principal activities	Place of business/ Country of incorporation	Effective equity interest	
			2025 %	2024 %
Mafira Holdings Sdn. Bhd.	Trading and property management services	Malaysia	100.00	100.00
MRCB Services Sdn. Bhd.*	Manufacturing, distribution and sale of ceramic tiles	Malaysia	100.00	100.00
MRCB Green Energy Sdn. Bhd. *	Pre-operating	Malaysia	100.00	100.00
Held through 100% ownership by MRCB Green Energy Sdn. Bhd.				
- Mighty Light Sdn. Bhd. [§]	Investment holding and wholesale of a variety of goods without particular specialisation	Malaysia	100.00	-
Platinum Property (MM2H) Sdn. Bhd. *	Promoting Malaysia my Second Home ("MM2H") programme and providing related services in relation to MM2H programme	Malaysia	100.00	100.00
MR Securities Sdn. Bhd.*	Investment holding	Malaysia	100.00	100.00
Held through 100% ownership by MR Securities Sdn. Bhd.				
- Semasa Security Sdn. Bhd.	Security guard services	Malaysia	100.00	100.00
Seleksi Untung Sdn. Bhd.	Modular building design system	Malaysia	100.00	100.00
Malaysian Resources Construction System Sdn. Bhd.*	Develop modular construction system	Malaysia	100.00	100.00
Held through 100% ownership by Malaysian Resources Construction System Sdn. Bhd.				
- MRCS (Singapore) Pte. Ltd. ^β	Pre-operating	Singapore	100.00	100.00
MRCB Innovations Sdn. Bhd.*	Investment holding	Malaysia	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

40 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Name of enterprise	Principal activities	Place of business/ Country of incorporation	Effective equity interest	
			2025 %	2024 %
Held through 100% ownership by MRCB Innovations Sdn. Bhd.				
- MRCB Innovations (HK) Pte Limited ^β	Investment holding	Hong Kong	100.00	100.00
MRCB DCS Holding Sdn. Bhd.	Investment holding	Malaysia	100.00	100.00
Held through 100% ownership by MRCB DCS Holding Sdn. Bhd.				
- Semasa District Cooling Sdn. Bhd.	Supply chilled water	Malaysia	100.00	100.00
- PJ Sentral DCS Sdn. Bhd.	Provision of cooling system services	Malaysia	100.00	100.00
- Penang Sentral DCS Sdn. Bhd.	Pre-operating	Malaysia	100.00	100.00
- KD District Cooling System Sdn. Bhd.	Provision of district cooling system services	Malaysia	100.00	100.00
Geometrik Dinamik Sdn. Bhd.	Pre-operating	Malaysia	100.00	100.00
Inovasi Kristal Sdn. Bhd.	Turnkey, construction related design and build, civil engineering and building works, modular construction and industrialised building system works	Malaysia	100.00	100.00
Superview Development Sdn. Bhd. ^α	Property development, management and share trading	Malaysia	100.00	100.00
ASSOCIATES:				
Sentral REIT ^β	Acquisition of land investment in commercial properties	Malaysia	27.94	27.94
Sentral REIT Management Sdn. Bhd. ^β	Manage real estate investment trust	Malaysia	80.00	80.00
Suasana Sentral Two Sdn. Bhd.	Property development	Malaysia	30.00	30.00
Held through 20% ownership by Rukun Juang Sdn. Bhd.				
- Bukit Jalil Sentral Property Sdn. Bhd.	Property development and property investment	Malaysia	20.00	20.00

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

40 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Name of enterprise	Principal activities	Place of business/ Country of incorporation	Effective equity interest	
			2025 %	2024 %
JOINT VENTURES:				
Held through 70% ownership by MRCB Land Sdn. Bhd.				
- CSB Development Sdn. Bhd. [@]	Property development	Malaysia	-	70.00
59 INC Sdn. Bhd. ^β	Property development	Malaysia	30.00	30.00
MRCB Gamuda Sdn. Bhd. [*]	Pre-operating	Malaysia	50.00	50.00

* Dormant

[^] The subsidiaries are under members' voluntary liquidation/strike off^α The subsidiary is under creditors' voluntary liquidation^β Companies not audited by PricewaterhouseCoopers PLT[@] Disposed during the financial year^{\$} The subsidiary was acquired during the financial year

41 SEGMENT REPORTING

Management has determined the operating segments based on the various reports prepared for the Board of Directors that are used to make strategic decisions.

The reportable operating segments derive their revenue primarily from the property development and investment, engineering, construction and environment, facilities management and parking and others.

Segment results are defined as operating income before unallocated corporate expenses, finance income, finance cost and share of results from joint ventures and associates.

Segment assets consist primarily of current and non-current assets.

Segment liabilities comprise of current and non-current liabilities.

The Group is domiciled in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

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41 SEGMENT REPORTING (CONTINUED)

Geographical information:

	Revenue from external customers RM'000	Non-current assets* RM'000
31.12.2025		
Malaysia	1,197,781	5,013,003
Australia	-	121,843
New Zealand	-	96,679
	1,197,781	5,231,525
31.12.2024		
Malaysia	1,615,415	5,094,233
Australia	-	88,889
New Zealand	-	72,609
	1,615,415	5,255,731

* Excluding deferred tax assets and financial instruments

Revenue is based on the country in which the customers are located. Non-current assets are determined according to the country where these assets are located.

Revenue of RM502,928,000 (2024: RM914,859,000) was derived from transactions with a single external customer that amounted to 10% or more of the Group's revenue for the financial year. This revenue was derived from the engineering, construction and environment segment.

NOTES TO THE FINANCIAL STATEMENTS

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41 SEGMENT REPORTING (CONTINUED)

	Property development and investment RM'000	Engineering, construction and environment RM'000	Facilities management and parking RM'000	Others RM'000	Group RM'000
Year ended 31 December 2025					
Revenue					
Total revenue	195,833	1,059,879	74,414	269,262	1,599,388
Inter-segment revenue	(24,755)	(115,077)	(12,590)	(249,185)	(401,607)
External revenue	171,078	944,802	61,824	20,077	1,197,781
Results					
Segment results	(11,548)	113,079	(360)	40,920	142,091
Unallocated corporate expenses					(41,330)
Finance income					72,380
Finance costs					(114,760)
Share of results of joint ventures and associates	14,788	(1)	-	-	14,787
Profit before income tax					73,168
Income tax expense					(26,130)
Profit after tax					47,038
Non-controlling interests					281
Net profit for the financial year attributable to the equity holders of the Company					47,319

NOTES TO THE FINANCIAL STATEMENTS

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41 SEGMENT REPORTING (CONTINUED)

	Property development and investment RM'000	Engineering, construction and environment RM'000	Facilities management and parking RM'000	Others RM'000	Total RM'000
As at 31 December 2025					
Assets					
Segment assets	6,268,065	1,956,960	220,395	282,528	8,727,948
Joint ventures and associates	533,926	-	-	-	533,926
Tax recoverable and deferred tax assets					196,475
Total assets					9,458,349
Liabilities					
Segment liabilities	1,060,382	1,077,833	19,569	44,265	2,202,049
Interest bearing instruments					2,548,853
Current and deferred tax liabilities					86,210
Total liabilities					4,837,112
Other disclosures					
Capital expenditure	47,535	1,091	1,582	2,828	53,036
Depreciation and amortisation	18,591	9,431	5,406	10,106	43,534
(Reversal)/provision for impairment	(40,615)	20,135	(396)	1,017	(19,859)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

41 SEGMENT REPORTING (CONTINUED)

	Property development and investment RM'000	Engineering, construction and environment RM'000	Facilities management and parking RM'000	Others RM'000	Group RM'000
Year ended 31 December 2024					
Revenue					
Total revenue	291,425	1,447,109	70,867	219,588	2,028,989
Inter-segment revenue	(3,165)	(164,355)	(14,563)	(201,491)	(383,574)
External revenue	288,260	1,282,754	56,304	18,097	1,645,415
Results					
Segment results	(17,636)	166,394	9,033	25,718	183,509
Unallocated corporate expenses					(37,156)
Finance income					26,685
Finance costs					(108,817)
Share of results of joint ventures and associates	10,819	(1)	-	-	10,818
Profit before income tax					75,039
Income tax expense					(11,493)
Profit after tax					63,546
Non-controlling interests					124
Net profit for the financial year attributable to the equity holders of the Company					63,670

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

41 SEGMENT REPORTING (CONTINUED)

	Property development and investment RM'000	Engineering, construction and environment RM'000	Facilities management and parking RM'000	Others RM'000	Total RM'000
As at 31 December 2024					
Assets					
Segment assets	5,762,902	1,846,064	218,053	308,226	8,135,245
Joint ventures and associates	740,433	-	-	-	740,433
Tax recoverable and deferred tax assets					158,300
Total assets					9,033,978
Liabilities					
Segment liabilities	872,878	1,157,957	20,524	46,752	2,098,111
Interest bearing instruments					2,258,989
Current and deferred tax liabilities					56,710
Total liabilities					4,413,810
Other disclosures					
Capital expenditure	162,915	53,266	334	3,545	220,060
Depreciation and amortisation	26,136	6,928	3,928	11,694	48,686
Reversal of provision for impairment	(10,435)	(92,116)	(433)	(1,104)	(104,088)

42 DIVIDENDS

	2025		2024	
	Dividend per share sen	Amount of dividend RM'000	Dividend per share sen	Amount of dividend RM'000
First and final single tier dividend	1.00	44,675	1.00	44,675

The Directors recommend the payment of a first and final single tier dividend in respect of the financial year ended 31 December 2025 of 1.0 sen per ordinary share, amounting to approximately RM44,675,095. The payment will be made on 20 May 2026.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

43 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- a) On 17 March 2025, the Company's wholly owned subsidiary, Subang Sentral Sdn Bhd entered into a sale and purchase agreement with Cyberjaya City Centre Land Sdn Bhd ("CCCL"), a wholly owned subsidiary of CSB, to acquire 7 parcels of land held under (1) GRN 453427 Lot No. 10078; (2) GRN 453428 Lot No. 10079; (3) H.S.(D) 42238 PT No. 57733; (4) GRN 453431 Lot No. 10074; (5) GRN 453429 Lot No. 10073; (6) H.S.(D) 36050 PT No. 50070; and (7) H.S.(D) 42239 PT No. 57734 from CCCL (being the beneficial owner) for a total cash consideration of RM287.7 million.
- b) On 8 September 2025, Rukun Juang Sdn Bhd, a wholly-owned subsidiary of MRCB Land Sdn Bhd, which in turn is a wholly-owned subsidiary of MRCB, entered into a share sale agreement ("SSA") with Tanjung Wibawa Sdn Bhd ("Vendor"), a wholly-owned subsidiary of the Employees Provident Fund Board, to acquire 8,000,000 ordinary shares in Bukit Jalil Sentral Property Sdn Bhd ("BJSP"), representing 80.0% equity interest in BJSP, and 1,132,930,490 redeemable preference shares – class A in BJSP, from the Vendor for a total purchase consideration of RM1,578,785,023, which will be satisfied entirely in cash ("Proposed Acquisition"), upon terms and conditions set out in the SSA.

The Ordinary Resolution pertaining to the Proposed Acquisition as set out in the Notice of Extraordinary General Meeting ("EGM") dated 25 November 2025 was duly approved by the shareholders of MRCB at the EGM held on 18 December 2025.

The SSA became unconditional in accordance with its terms and conditions on 18 December 2025 following the fulfilment of all the conditions precedent as set out in the SSA. The completion of the transaction is subject to full settlement of the consideration. Deposit amounting to RM157.9 million was paid as at 31 December 2025.

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