

OSK PROPERTY HOLDINGS BERHAD
19901010094 (201666-D)

(Incorporated in Malaysia)

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

31 DECEMBER 2025

199001010094 (201666-D)

OSK PROPERTY HOLDINGS BERHAD
(Incorporated in Malaysia)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Ong Leong Huat @ Wong Joo Hwa
Ong Ju Yan
Ong Ju Xing

COMPANY SECRETARIES

Ong Seow Wuen (MAICSA 7058842) (SSM PC No.: 201908002326)
Yong Suet Yee (MAICSA 7065081) (SSM PC No.: 202008000059)
Ang Yen Pei (MAICSA 7068276) (SSM PC No.: 202108000376)

AUDITORS

BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206)
Level 8, BDO @ Menara CenTARa,
360 Jalan Tuanku Abdul Rahman,
50100 Kuala Lumpur.

PRINCIPAL BANKERS

Malayan Banking Berhad
Public Bank Berhad
RHB Bank Berhad

SOLICITORS

Cheang & Ariff
Lee Hishammuddin Allen & Gledhill
Raslan Loong, Shen & Eow
Rosli Dahlan Saravana Partnership

REGISTERED OFFICE

21st Floor, Plaza OSK,
Jalan Ampang,
50450 Kuala Lumpur.
Tel No.: (603) 2177 1999
Fax No.: (603) 2026 6331

PRINCIPAL BUSINESS ADDRESS

7th Floor, Plaza OSK,
Jalan Ampang,
50450 Kuala Lumpur.
Tel No.: (603) 2177 1999
Fax No.: (603) 2166 6220

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OSK PROPERTY HOLDINGS BERHAD
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CORPORATE INFORMATION (CONT'D)

PRINCIPAL BUSINESS ADDRESSES BY SEGMENT

Property Development

OSK Property Holdings Berhad
Level 7, Plaza OSK,
Jalan Ampang,
50450 Kuala Lumpur.
Tel No.: (603) 2177 1688
Fax No.: (603) 2177 1687
www.oskproperty.com.my

Sales Galleries

Iringan Bayu Sales Gallery @ Seremban
Persiaran Iringan Bayu 3,
Taman Iringan Bayu,
70300 Seremban,
Negeri Sembilan.
Tel No.: (606) 630 4656
www.iringanbayu.com.my

Yarra Park Sales Gallery @
Bandar Puteri Jaya
No. 1A, Jalan Puteri Heights 1/1,
Bandar Puteri Jaya,
08000 Sungai Petani,
Kedah.
Tel No.: (604) 425 1818
Fax No.: (604) 425 8030
www.yarrapark.com.my

LEA by The Hills and Hana Hills
Sales Gallery @ Taman Melawati
G-4, G-5, G-6, Nadayu 63,
Persiaran Nadayu 1,
Taman Nadayu Melawati,
53100 Hulu Kelang,
Selangor.
Tel No.: (6012) 721 3497
www.leabythehills.com.my
www.hanahills.com.my

Shorea Park Sales Gallery @ Puchong
Lot 13992, Jalan Meranti Permai,
Taman Meranti Permai,
47100 Puchong,
Selangor.
Tel No.: (6018) 311 8880
www.shoreapark.com.my

Mori Park Sales Gallery @ Shah Alam
Seksyen 13, 40150 Shah Alam,
Selangor.
Tel No.: (6018) 383 8586
www.moripark.com.my

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CORPORATE INFORMATION (CONT'D)

PRINCIPAL BUSINESS ADDRESSES BY SEGMENT (CONT'D)

Property Development (Cont'd)

Sales Galleries (Cont'd)

Taman Lang Aman Sales Gallery @ Amanjaya
No. 357, Jalan Lang Aman 5,
Taman Lang Aman,
Bandar Amanjaya,
08000 Sungai Petani,
Kedah.
Tel No.: (6013) 360 3818
www.tamanlangaman.com.my

OSK Areca Sales Gallery @ Nilai
No. 16-G& 17-G& 16-1& 17-1
Dataran Universiti 1,
Jalan Ilmu 1 Putra Nilai,
71800 Nilai,
Negeri Sembilan.
Tel No.: (6012) 802 7422
www.oskareca.com.my

Property Investment and Management

Atria Shopping Gallery
Jalan SS 22/23,
Damansara Jaya,
47400 Petaling Jaya, Selangor.
Tel No.: (603) 7733 5156
Fax No.: (603) 7733 5157
www.atria.com.my

OSK PROPERTY HOLDINGS BERHAD
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OSK PROPERTY HOLDINGS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have the pleasure of presenting their report, together with the audited financial statements of OSK Property Holdings Berhad Group ("the Group"), and of OSK Property Holdings Berhad ("the Company") for the year ended 31 December 2025, pursuant to Section 252 of the Companies Act 2016 ("CA2016"). The Group includes the Company and its subsidiaries.

(A) PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Group are organised into two core reportable business segments comprising Property Development, and Property Investment and Management, along with an Investment Holding Segment as described in Note 1.3 to the financial statements. Further details of the principal activities of the subsidiaries are listed in Note 3.3(f) to the financial statements. There have been no significant changes in the nature of these principal activities during the year.

(B) FINANCIAL MATTERS

Profit after tax for the year

	Group RM'000	Company RM'000
Profit after tax attributable to:		
Owners of the Company	43,477	76,111
Non-controlling interests	1,008	-
	<u>44,485</u>	<u>76,111</u>

Dividend

Dividend declared and paid by the Company since the end of the previous year:

	RM'000
A single-tier interim dividend of 3.5 sen per ordinary share in respect of the current year ended 31 December 2025 was paid on 24 September 2025	<u>12,106</u>

The Directors do not recommend any final dividend for the year ended 31 December 2025. Further details of the dividend are disclosed in Note 1.5 to the financial statements.

Reserves and provisions

All material transfers to or from reserves or provisions during the year have been disclosed in the financial statements.

OSK PROPERTY HOLDINGS BERHAD
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DIRECTORS' REPORT (CONT'D)

(B) FINANCIAL MATTERS (CONT'D)

Material events during the year

There were no material events during the year other than the changes in the Group's composition as disclosed in Note 3.3(b) to the financial statements.

Material events after the reporting period

There were no material events after the reporting period.

Issue of shares and debentures

On 11 September 2025, the Company issued 218,500,000 new ordinary shares for cash of RM218,500,000 to its immediate holding company, OSK Holdings Berhad. The issued and fully paid-up ordinary shares of the Company increased from RM359,519,272 to RM578,019,272, and the number of ordinary shares increased from 349,045,165 shares to 567,545,165 shares.

The details of the Company's shares are disclosed in Note 3.21 to the financial statements.

There were no issuance of debentures during the year.

Options to take up unissued shares of the Company

No options were granted to any person to take up unissued shares of the Company during the year.

Treasury shares

There were no share reissuances, cancellations, resales and buybacks for the current year.

Further details of the treasury shares are disclosed in Note 3.22 to the financial statements.

OSK PROPERTY HOLDINGS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONT'D)

(B) FINANCIAL MATTERS (CONT'D)

Bad and doubtful debts

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 allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts in respect of trade receivables, other receivables and amounts due from related companies, as disclosed in Notes 3.8, 3.9 and 3.12 to the financial statements, respectively.

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 allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

Current assets other than debts

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps to ensure that any current assets other than debts, which were unlikely to be realised in the ordinary course of business including the value 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 in respect of inventories and contract assets as disclosed in Notes 3.6 and 3.10 to the financial statements respectively.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets other than debts in the financial statements of the Group and of the Company misleading.

Method of valuation of assets or liabilities

At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate. Assets and liabilities that are measured at fair values, including short-term funds and derivative liability, are disclosed in Notes 3.14 and 3.20 to the financial statements respectively.

OSK PROPERTY HOLDINGS BERHAD
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DIRECTORS' REPORT (CONT'D)

(B) FINANCIAL MATTERS (CONT'D)

Contingent and other liabilities

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the year, other than those arising in the normal course of business of the Group and of the Company.

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve (12) months after the end of the 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.

Change of circumstances

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 of the Group and of the Company which would render any amount stated in the financial statements misleading.

Items of unusual nature

In the opinion of the Directors:

- (a) the results of the operations of the Group and of the Company during the year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the year in which this report is made.

OSK PROPERTY HOLDINGS BERHAD
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DIRECTORS' REPORT (CONT'D)

(C) DIRECTORS MATTERS

Directors of the Company

The Directors of the Company who have held office during the year are:

Tan Sri Ong Leong Huat @ Wong Joo Hwa
Ong Ju Yan
Ong Ju Xing*

* Who is also the Director of the subsidiary(ies)

During the period commencing from the end of the year till the date of this report, there were no changes in the Directors of the Company.

Directors of the subsidiaries

In addition to the Director of the Company who is also a Director of the subsidiaries as disclosed above, the Directors of the subsidiaries who have held office during the year are:

Dato' Saiful Bahri bin Zainuddin
Ong Ghee Bin
Mohamed Nazari bin Noordin
Datuk Hoe Mee Ling - appointed on 27 May 2025
Ng Lai Ping - resigned on 27 May 2025

During the period commencing from the end of the year till the date of this report, there were no changes in the directors of the subsidiaries.

Directors' interests

Neither at the end of the year, nor at any time during the year, did there subsist any arrangement to which the Company was a party, being arrangements with the objects of enabling the 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.

OSK PROPERTY HOLDINGS BERHAD
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DIRECTORS' REPORT (CONT'D)

(C) DIRECTORS MATTERS (CONT'D)

Directors' interests (Cont'd)

According to the Register of Directors' Shareholdings kept by the Company under Section 59 of the CA2016, the Directors in office at the end of the year who have interests in the shares of the Company and of its related corporations during the year are as follows:

(a) The Company

	Number of ordinary shares			As at 31.12.2025
	As at 1.1.2025	Subscribed	Disposed	
Indirect interest:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	345,639,965 ⁽¹⁾	218,500,000	-	564,139,965 ⁽¹⁾

(b) Related corporations

(i) Ultimate holding company, Yellow Rock (L) Foundation

Tan Sri Ong Leong Huat @ Wong Joo Hwa is deemed to have an interest in Yellow Rock (L) Foundation by virtue of his controlling interest in Yellow Rock (L) Foundation.

(ii) Immediate holding company, OSK Holdings Berhad

	Number of ordinary shares			As at 31.12.2025
	As at 1.1.2025	Bonus Issue	Acquired	
Direct interests:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	54,175,861	27,087,930	-	81,263,791
Ong Ju Yan	24,737,550	12,368,775	-	37,106,325
Ong Ju Xing	22,084,395	11,042,197	-	33,126,592
Indirect interests:				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	1,102,953,021 ⁽²⁾	551,476,509	3,198,000	1,657,627,530 ⁽²⁾
Ong Ju Yan	2,667,701 ⁽³⁾	1,333,850	-	4,001,551 ⁽³⁾
Ong Ju Xing	926,600 ⁽³⁾	463,300	-	1,389,900 ⁽³⁾

OSK PROPERTY HOLDINGS BERHAD
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DIRECTORS' REPORT (CONT'D)

(C) DIRECTORS MATTERS (CONT'D)

Directors' interests (Cont'd)

(b) Related corporations (Cont'd)

(iii) Related company, PJ Development Holdings Berhad

	Number of ordinary shares			As at 31.12.2025
	As at 1.1.2025	Acquired	Disposed	
Indirect interest:				
Tan Sri Ong Leong Huat				
@ Wong Joo Hwa	511,431,893 ⁽¹⁾	45,600	-	511,477,493 ⁽¹⁾

Notes:

- (1) Deemed interested pursuant to Section 8 of CA2016 by virtue of his substantial shareholdings in the immediate holding company, OSK Holdings Berhad.
- (2) Deemed interested pursuant to Section 8 of CA2016 by virtue of his controlling interest in Yellow Rock (L) Foundation and OSK Equity Holdings Sdn. Bhd., and disclosure made pursuant to Section 59(11)(c) of CA2016 in relation to interests held by his spouse and children, other than Ong Ju Yan and Ong Ju Xing whose interests have been disclosed herein.
- (3) Disclosure made pursuant to Section 59(11)(c) of CA2016 in relation to interests held by his spouse.

Tan Sri Ong Leong Huat @ Wong Joo Hwa, by virtue of his interest in the Company, is also deemed to have an interest in the shares of all the Company's subsidiaries to the extent the Company has an interest.

Other than as disclosed above, the other Directors in office at the end of the year did not hold any shares of the Company or of its related corporations.

Remuneration and benefits of Directors of the Company

Since the end of the previous year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with any Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except information as disclosed in Notes 4.3(b) and 4.3(c) to the financial statements.

OSK PROPERTY HOLDINGS BERHAD
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DIRECTORS' REPORT (CONT'D)

(C) DIRECTORS MATTERS (CONT'D)

Indemnity and insurance for Directors, officers and auditors

The immediate holding company, OSK Holdings Berhad, provides insurance cover for the Directors and officers of OSK Holdings Berhad and its subsidiaries including the Company. The cost of such insurance thereon is disclosed in the Directors' Report of OSK Holdings Berhad. There was no indemnity given to or insurance cover for the auditors of the Group and of the Company during the year.

(D) AUDITORS AND AUDITORS' REMUNERATION

The auditors of the Company, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration for the year were as follows:

	Group RM'000	Company RM'000
Statutory audit	189	23
Other services	35	2
	<u>224</u>	<u>25</u>

Further details of the auditors' remuneration are disclosed in Note 2.4 to the financial statements.

(E) STRUCTURE OF THE GROUP

(a) Immediate and ultimate holding companies

Yellow Rock (L) Foundation, a Labuan Foundation registered under the Labuan Foundations Act 2010, is regarded by the Directors as the Company's ultimate holding company.

OSK Holdings Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad, represents the Company's immediate holding company.

OSK PROPERTY HOLDINGS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONT'D)

(E) STRUCTURE OF THE GROUP (CONT'D)

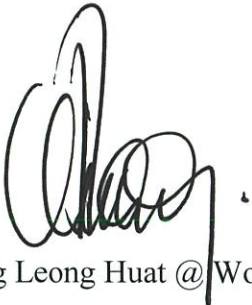
(b) Subsidiaries

The details of subsidiaries are disclosed in Note 3.3 to the financial statements.

For the year ended 31 December 2025, the auditors' report on the financial statements of all the subsidiaries were unqualified.

None of the subsidiaries hold any shares in the holding company or in other related corporations.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 6 March 2026.



Tan Sri Ong Leong Huat @ Wong Joo Hwa



Ong Ju Yan

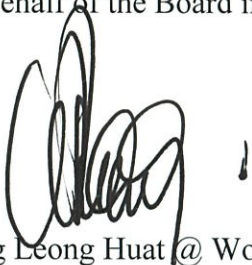
Kuala Lumpur, Malaysia
6 March 2026

OSK PROPERTY HOLDINGS BERHAD
(Incorporated in Malaysia)

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

We, Tan Sri Ong Leong Huat @ Wong Joo Hwa and Ong Ju Yan, being two of the Directors of OSK Property Holdings Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 16 to 155 are drawn up in accordance with MFRS Accounting Standards, which were previously known as Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia 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 of the results and the cash flows of the Group and of the Company for the year ended on that date.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 6 March 2026.



Tan Sri Ong Leong Huat @ Wong Joo Hwa



Ong Ju Yan

Kuala Lumpur, Malaysia
6 March 2026

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

I, Ng Lai Ping (CA 12349), being the officer primarily responsible for the financial management of OSK Property Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 16 to 155 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.

Subscribed and solemnly declared by
the abovenamed Ng Lai Ping
at Kuala Lumpur in the Federal Territory
on 6 March 2026



Ng Lai Ping

Before me,

Commissioner for Oaths
Kuala Lumpur, Malaysia
6 March 2026



SUITE 9.03, TINGKAT 9 10
MENARA RAJA LAUT
NO. 288 JALAN RAJA LAUT
50350 KUALA LUMPUR

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
OSK PROPERTY HOLDINGS BERHAD
(Incorporated in Malaysia)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of OSK Property Holdings Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 16 to 155.

In our opinion, the accompanying financial statements 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 year then ended in accordance with MFRS Accounting Standards, which were previously known as Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

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"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
OSK PROPERTY HOLDINGS BERHAD (CONT'D)
(Incorporated in Malaysia)**

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, 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 financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, which were previously known as Malaysian Financial Reporting Standards, IFRS Accounting 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 ability of the Group and of the Company 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.



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
OSK PROPERTY HOLDINGS BERHAD (CONT'D)
(Incorporated in Malaysia)**

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.
- (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 internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
OSK PROPERTY HOLDINGS BERHAD (CONT'D)
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Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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: (Cont'd)

- (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 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 financial statements of the Group. 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.



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
OSK PROPERTY HOLDINGS BERHAD (CONT'D)
(Incorporated in Malaysia)**

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.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Ng Soe Kei
02982/08/2027 J
Chartered Accountant

Kuala Lumpur
6 March 2026

OSK PROPERTY HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<u>Operating activities:</u>					
Revenue	2.1	647,587	750,737	76,150	30,000
Cost of sales	2.2	(475,554)	(538,371)	-	-
Gross profit		172,033	212,366	76,150	30,000
Selling expenses	2.3	(12,963)	(14,819)	-	-
General and administrative expenses	2.4	(80,858)	(71,537)	(522)	(334)
		78,212	126,010	75,628	29,666
Impairment (loss)/write-back - net	2.5	(231)	409	-	-
Other operating income	2.6	6,841	3,513	1,773	2,052
Other operating expenses	2.7	(2,356)	(1,843)	-	-
Operating profit		82,466	128,089	77,401	31,718
<u>Investing activities:</u>					
Income from cash and cash equivalents	2.9	7,922	6,477	350	392
Profit before financing and income tax		90,388	134,566	77,751	32,110
<u>Financing activities:</u>					
Interest expense on borrowings	2.10	(32,121)	(24,749)	(1,475)	(1,919)
Interest expense on other liabilities	2.11	(7)	(5)	-	-
		(32,128)	(24,754)	(1,475)	(1,919)
Profit before tax		58,260	109,812	76,276	30,191
Tax expense	2.12	(13,775)	(27,550)	(165)	(385)
Profit after tax		44,485	82,262	76,111	29,806
Profit attributable to:					
Owners of the Company		43,477	81,501	76,111	29,806
Non-controlling interests	3.3(e)	1,008	761	-	-
		44,485	82,262	76,111	29,806
Earnings per share (sen):					
Basic/Diluted	1.6	7.7	23.6		

The accompanying notes form an integral part of these financial statements.

OSK PROPERTY HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit after tax		44,485	82,262	76,111	29,806
Other comprehensive expenses for the year					
Items of other comprehensive expenses that are not subject to tax effects:					
Will be reclassified to statement of profit or loss in subsequent periods when specific conditions are met:					
- <i>Fair value loss on cash flow hedge</i>	3.23	(408)	-	-	-
Total other comprehensive expenses for the year		(408)	-	-	-
Total comprehensive income		44,077	82,262	76,111	29,806
Total comprehensive income attributable to:					
Owners of the Company		43,069	81,501	76,111	29,806
Non-controlling interests		1,008	761	-	-
		44,077	82,262	76,111	29,806

The accompanying notes form an integral part of these financial statements.

OSK PROPERTY HOLDINGS BERHAD
(Incorporated in Malaysia)

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					
Property, plant and equipment	3.1	8,973	9,085	-	-
Investment properties	3.2	300,749	307,019	-	-
Investments in subsidiaries	3.3	-	-	938,312	669,562
Intangible assets	3.4	394	396	350	350
Right-of-use asset	3.5	157	-	-	-
Inventories	3.6	1,599,267	1,321,308	-	-
Deferred tax assets	3.7	89,898	74,568	-	-
Trade receivables	3.8	15,001	21,482	-	-
Other assets	3.9	6,157	4,429	-	-
		<u>2,020,596</u>	<u>1,738,287</u>	<u>938,662</u>	<u>669,912</u>
Current					
Inventories	3.6	461,779	331,211	-	-
Trade receivables	3.8	79,022	114,464	-	-
Other assets	3.9	18,156	37,910	97	344
Contract assets	3.10	245,056	207,610	-	-
Amounts due from related companies	3.12	23,919	30,819	8,910	30,800
Tax recoverable		6,028	2,554	37	-
Cash, bank balances and short-term funds	3.14	305,721	281,175	19,578	4,166
		<u>1,139,681</u>	<u>1,005,743</u>	<u>28,622</u>	<u>35,310</u>
TOTAL ASSETS		<u>3,160,277</u>	<u>2,744,030</u>	<u>967,284</u>	<u>705,222</u>

OSK PROPERTY HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025 (CONT'D)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
LIABILITIES:					
Non-current					
Trade payables	3.16	8,274	10,272	-	-
Other liabilities	3.17	2,253	2,170	-	-
Lease liability	3.5	33	-	-	-
Deferred tax liabilities	3.7	6,375	6,627	-	-
		<u>16,935</u>	<u>19,069</u>	<u>-</u>	<u>-</u>
Current					
Borrowings	3.15	71,076	16,373	-	-
Trade payables	3.16	41,735	37,373	-	-
Other liabilities	3.17	353,225	321,519	136	63
Provisions	3.18	118,182	122,767	27	27
Lease liability	3.5	127	-	-	-
Contract liabilities	3.19	5,856	17,957	-	-
Derivative liability	3.20	1,832	-	-	-
Tax payable		7,650	2,806	-	16
Amount due to a subsidiary	3.11	-	-	-	20,500
Amounts due to related companies	3.12	1,432,843	1,346,665	-	-
Amount due to immediate holding company	3.13	844	-	-	-
		<u>2,033,370</u>	<u>1,865,460</u>	<u>163</u>	<u>20,606</u>
TOTAL LIABILITIES		<u>2,050,305</u>	<u>1,884,529</u>	<u>163</u>	<u>20,606</u>
NET ASSETS		<u>1,109,972</u>	<u>859,501</u>	<u>967,121</u>	<u>684,616</u>
EQUITY:					
Share capital	3.21	578,020	359,520	578,020	359,520
Treasury shares, at cost	3.22	(3,244)	(3,244)	(3,244)	(3,244)
		<u>574,776</u>	<u>356,276</u>	<u>574,776</u>	<u>356,276</u>
Reserves	3.23	503,179	472,216	392,345	328,340
Issued capital and reserves attributable to Owners of the Company		1,077,955	828,492	967,121	684,616
Non-controlling interests	3.3(e)	32,017	31,009	-	-
TOTAL EQUITY		<u>1,109,972</u>	<u>859,501</u>	<u>967,121</u>	<u>684,616</u>

The accompanying notes form an integral part of these financial statements.

OSK PROPERTY HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

Group

	Note	Attributable to Owners of the Company				Total issued share capital and reserves	Non-controlling interests [Note 3.3(e)]	Total equity
		Share capital	Treasury shares	Hedging reserve	Retained profits			
		(Note 3.21)	(Note 3.22)	(Note 3.23)	(Note 3.23)			
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As at 1 January 2025		359,520	(3,244)	-	472,216	828,492	31,009	859,501
Profit after tax		-	-	-	43,477	43,477	1,008	44,485
Fair value loss on cash flow hedge/Other comprehensive expense		-	-	(408)	-	(408)	-	(408)
Total comprehensive (expense)/income		-	-	(408)	43,477	43,069	1,008	44,077
Dividends paid to Owners of the Company/Total distributions to Owners	1.5	-	-	-	(12,106)	(12,106)	-	(12,106)
Issuance of ordinary shares		218,500	-	-	-	218,500	-	218,500
Total transactions with Owners in their capacity as Owners		218,500	-	-	(12,106)	206,394	-	206,394
As at 31 December 2025		578,020	(3,244)	(408)	503,587	1,077,955	32,017	1,109,972
As at 1 January 2024		359,520	(3,244)	-	420,114	776,390	30,248	806,638
Profit after tax/Total comprehensive income		-	-	-	81,501	81,501	761	82,262
Dividends paid to Owners of the Company/Total distributions to Owners	1.5	-	-	-	(29,399)	(29,399)	-	(29,399)
As at 31 December 2024		359,520	(3,244)	-	472,216	828,492	31,009	859,501

OSK PROPERTY HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

Company

	Note	Distributable			Total equity
		Share capital	Treasury shares	Retained profits	
		(Note 3.21)	(Note 3.22)	(Note 3.23)	
		RM'000	RM'000	RM'000	RM'000
As at 1 January 2025		359,520	(3,244)	328,340	684,616
Profit after tax/Total comprehensive income		-	-	76,111	76,111
Dividends paid to Owners of the Company/ Total distributions to Owners	1.5	-	-	(12,106)	(12,106)
Issuance of ordinary shares		218,500	-	-	218,500
Total transactions with Owners in their capacity as Owners		218,500	-	(12,106)	206,394
As at 31 December 2025		578,020	(3,244)	392,345	967,121
As at 1 January 2024		359,520	(3,244)	327,933	684,209
Profit after tax/Total comprehensive income		-	-	29,806	29,806
Dividends paid to Owners of the Company/ Total distributions to Owners	1.5	-	-	(29,399)	(29,399)
As at 31 December 2024		359,520	(3,244)	328,340	684,616

The accompanying notes form an integral part of these financial statements.

OSK PROPERTY HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM				
OPERATING ACTIVITIES				
Operating profit	82,466	128,089	77,401	31,718
Non-cash and disclosure items [#]	7,682	7,868	-	-
Operating profit before changes in working capital	90,148	135,957	77,401	31,718
<i>(Increase)/Decrease in:</i>				
Inventories	(146,379)	(37,198)	-	-
Trade receivables	41,894	(44,355)	-	-
Other assets	3,802	(22,903)	247	(308)
Contract assets	(37,446)	4,228	-	-
<i>Increase/(Decrease) in:</i>				
Trade payables	1,975	(5,903)	-	-
Other liabilities	26,974	25,701	73	7
Contract liabilities	(12,101)	17,855	-	-
Related companies	(848)	(13,052)	21,890	-
Immediate holding company	844	-	-	-
<i>Changes in working capital</i>	<i>(121,285)</i>	<i>(75,627)</i>	<i>22,210</i>	<i>(301)</i>
Cash (used in)/ from operations	(31,137)	60,330	99,611	31,417
Income tax paid	(28,310)	(48,266)	(247)	(354)
Income tax refunded	323	4	29	-
Net cash (used in)/from operating activities	(59,124)	12,068	99,393	31,063

OSK PROPERTY HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM					
INVESTING ACTIVITIES					
<i>Investment, divestment and income from investments:</i>					
Funds distribution income received	2.9	4,009	2,307	350	142
Interest received	2.9	3,069	3,286	-	250
Investment properties expenditure	3.2(b)(i)	-	(367)	-	-
Proceeds from disposals of plant and equipment		6	116	-	-
Purchase of:					
- lands for property development	3.6(b)(i)	(212,461)	-	-	-
- property, plant and equipment	3.1(b)(i)	(1,104)	(2,864)	-	-
- software licences	3.4(b)	(23)	(18)	-	-
<i>Net investment, divestment and income from investments</i>		(206,504)	2,460	350	392
<i>Dealing with subsidiaries:</i>					
(Repayment to)/Advance from subsidiaries		-	-	(20,500)	44,701
Subscription of shares in subsidiaries	3.3(d)	-	-	(268,750)	(398)
<i>Net dealings with subsidiaries</i>		-	-	(289,250)	44,303
Net cash (used in)/from investing activities		(206,504)	2,460	(288,900)	44,695
CASH FLOWS FROM					
FINANCING ACTIVITIES					
<i>Fundings in business:</i>					
Expenses incurred on borrowings		(137)	(501)	-	-
Proceeds from drawdowns of revolving credits		72,500	-	-	-
Repayment of:					
- revolving credits	3.15(e)(i)	(16,373)	(13,627)	-	-
- term loans	3.15(e)(i)	-	(25,521)	-	-
<i>Net drawdowns/(repayments)</i>	3.15(e)(i)	56,127	(39,148)	-	-
Interest paid		(66,892)	(60,868)	(1,475)	(1,919)
Payment of lease liability	3.5(c)	(88)	(82)	-	-
Advance from/(Repayment to) related companies	3.15(e)(ii)	93,926	51,257	-	(59,600)
<i>Dividends and shares:</i>					
Dividends paid to Owners of the Company	1.5	(12,106)	(29,399)	(12,106)	(29,399)
Proceeds from issuance of new ordinary shares	3.21	218,500	-	218,500	-
<i>Net dealing with Owners of the Company</i>		206,394	(29,399)	206,394	(29,399)
Net cash from/(used in) financing activities		289,330	(78,741)	204,919	(90,918)

OSK PROPERTY HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net increase/(decrease) in cash and cash equivalents		23,702	(64,213)	15,412	(15,160)
Gain on fair valuation of short-term funds	2.9	844	884	-	-
Cash and cash equivalents at beginning of the year		281,175	344,504	4,166	19,326
Cash and cash equivalents at end of the year	3.14	<u>305,721</u>	<u>281,175</u>	<u>19,578</u>	<u>4,166</u>
# Non-cash and disclosure items					
Depreciation and amortisation	2.8	7,593	7,334	-	-
Gain on disposals of plant and equipment - net	2.6,2.7	(4)	(114)	-	-
(Gain)/Loss on fair valuation of retention sums	2.6,2.7	(243)	176	-	-
Impairment loss/(write-back) - net	2.5	231	(409)	-	-
Modifications of leases		-	(4)	-	-
Write off of trade receivables		105	885	-	-
		<u>7,682</u>	<u>7,868</u>	-	-

The accompanying notes form an integral part of these financial statements.

OSK PROPERTY HOLDINGS BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025

SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT

This section outlines the Group's corporate structure, explains the basis of the preparation of these financial statements, analyses performance by business segment, and details its capital and financial risk management framework.

1.1 AUTHORISATION OF FINANCIAL STATEMENTS FOR USE AND GROUP CORPORATE INFORMATION

The consolidated financial statements of the Group and of the Company for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Board of Directors ("Board") on 6 March 2026.

(a) The Company

The Company is a public company limited by shares, incorporated under the CA2016, domiciled in Malaysia. The registered office of the Company is located at 21st Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur. The principal place of business of the Company is located at 7th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur.

The Company is an investment holding company. The principal activities of the subsidiaries are described in Note 3.3. There have been no significant changes in the nature of these principal activities during the year.

(b) Subsidiaries

For business resource allocation and performance assessment, the Group's principal activities are strategically organised into two core business segments, which include Property Development, and Property Investment and Management, and along with an Investment Holding Segment. Business segment information is disclosed in Note 1.3. The principal activities of the subsidiaries are described in Note 3.3(f). There have been no significant changes in the nature of these principal activities during the year.

Further information on investments in the subsidiaries is disclosed in Note 3.3.

(c) Immediate and ultimate holding companies

Yellow Rock (L) Foundation, a Labuan Foundation registered under the Labuan Foundations Act 2010, is regarded by the Directors as the Company's ultimate holding company. OSK Holdings Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad, represents the immediate holding company of the Company.

OSK PROPERTY HOLDINGS BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D)

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

This note provides the overall basis of preparation that is useful and relevant in understanding these financial statements.

(a) Accounting convention and notes structure to these financial statements

These financial statements of the Group and of the Company have been prepared on a historical cost convention and other than short-term funds, which are measured at their fair values.

The Group and the Company have prepared these financial statements on a going concern basis. In line with IFRS S2 'Climate-related Disclosures' requirements, the going concern assessment included a review of climate-related matters to identify any material uncertainties. This included an assessment of the likelihood of relevant climate risks and their potential effect on future cash flows. Based on this review and in accordance with applicable MFRSs, the Directors have determined that these risks do not create material uncertainty regarding the going concern assumption, nor do they have a material impact on the financial statements. The Group has adopted IFRS S2 'Climate-related Disclosures' during the financial year, and the relevant requirements on going concern are discussed in Note 6.3(a)(i).

The financial statements are presented in Ringgit Malaysia ("RM") which is also the functional currency of the Company and all values are rounded to the nearest thousand (RM'000) unless otherwise indicated.

The notes to the financial statements have been categorised into six sections according to the nature of the transactions. The structure is designed to enhance the understandability and comparability of the financial statements' disclosure for users. The material accounting policies, significant judgements, key estimates and assumptions have also been placed together in the same note as the related qualitative and quantitative disclosures, to provide a more holistic discussion to users of these financial statements.

The Group and the Company have early adopted MFRS 18 'Presentation and Disclosure in Financial Statements' in the financial year ended 31 December 2024 in accordance with MFRS 18. The revised structure of statements of profit or loss, and the consequential changes to the statements of cash flows, are intended to reduce diversity in how the statements of profit or loss is reported. This enhances the ability of users to understand the information and make better comparisons between companies through the required categories - operating, investing, and financing (similar to those in the statements of cash flows) - as well as through the prescribed subtotals and line items.

OSK PROPERTY HOLDINGS BERHAD
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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D)

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

(a) Accounting convention and notes structure to these financial statements (Cont'd)

Entity-specific information including entity-specific accounting policy information has been determined and provided that is generally more useful to users in understanding the related balances, transactions and conditions.

(b) Statement of compliance with financial reporting standards and Companies Act

These financial statements have been prepared in accordance with the applicable approved MFRS Accounting Standards ("MFRS"), which were previously known as Malaysian Financial Reporting Standards issued by Malaysian Accounting Standards Board ("MASB"), IFRS Accounting Standards issued by International Accounting Standards Board ("IASB") and the requirements of Companies Act 2016 in Malaysia.

During the year, the Group and the Company have adopted amendments to MFRS as disclosed in Note 6.1. The standards, amendments to published standards and interpretations to existing MFRS, together with the sustainability disclosure standards issued by the International Sustainability Standards Board ("ISSB") that are applicable to the Group and the Company but not yet effective for the current financial year, are disclosed in Notes 6.2 and 6.3(b), respectively.

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries are aligned with the Group's accounting policies and for the same reporting period. Further information on investments in subsidiaries is disclosed in Note 3.3.

Control is established when the Group has power over an investee, exposure to variable returns, and the ability to affect returns. Majority voting rights usually indicate control, but other factors are also considered. Control reassessment occurs if circumstances change. The effective proportion of ownership interest in subsidiaries is shown in Note 3.3(f).

Assets, liabilities, income, and expenses of subsidiaries are included from the date control is obtained until it ceases. Profits, losses, and comprehensive income are attributed to equity holders (owners) and non-controlling interests. Intra-group transactions including intragroup outstanding balances and unrealised gains/losses are eliminated.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D)

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

(c) Basis of consolidation (Cont'd)

Changes in ownership interest without losing control are treated as equity transactions. If control is lost, related assets, liabilities, and equity components are derecognised, and any gain or loss is recognised in profit or loss. Retained investments at the date when control is lost are measured at fair value.

Non-controlling interests in subsidiaries are initially measured at fair value or their share of net assets and adjusted for subsequent changes in equity.

(d) Climate-related matters

It is required to consider climate-related matters in estimates and assumptions when making judgements where appropriate. This assessment includes potential impacts on the Group due to both physical and transition risks. The Group believes its business model and products and services will still be viable after the transition to a low-carbon economy. The climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. The climate-related risks might not currently have a material impact on measurement, but the Group is closely observing relevant changes and developments, such as new climate-related legislation.

The Group adopted IFRS S2 'Climate-related Disclosures' in the current financial year, and the relevant requirements for each potential item are discussed in Note 6.3(a).

OSK PROPERTY HOLDINGS BERHAD
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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D)

1.3 SEGMENT INFORMATION

This note provides an analysis of performance, assets and liabilities by business and geographical segments. Further information on profit or loss items; and on assets and liabilities items, is disclosed in Sections 2 and 3, respectively.

For management purposes, the Group's business activities are categorised into two core reportable business segments based on the nature of the products and services and along with an Investment Holding Segment. The executive committee is the chief operating decision maker and monitors the operating results of its business units separately to make decisions on resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

The two core business segments and an Investment Holding Segment are described as follows:

(1) Property Development Segment

- Development of residential and commercial properties for sale and provision of project management services.

(2) Property Investment and Management Segment

- Management and letting of properties, contributing rental yield and property appreciation.

(3) Investment Holding Segment

- Investing activities, including investments that contribute dividend income and interest income.

Inter-segment transactions are eliminated upon consolidation.

Business segment revenue and results include items directly attributable to each segment as well as those that can be allocated on a reasonable basis. The inter-segment transactions have been entered into at arm's length with terms mutually agreed between the segments and such transactions have been eliminated to arrive at the Group's results. During the year, there was no single external customer that made up ten percent or more of the Group's revenue.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

**SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION,
GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D)**

1.3 SEGMENT INFORMATION (CONT'D)

(a) Business segments analysis:

Business segment performance analysis:

	Property Development RM'000	Property Investment Management RM'000	Property and Investment Holding RM'000	Consolidated RM'000
2025				
Revenue				
Total revenue	621,374	26,213	76,150	723,737
Elimination of dividend from subsidiary	-	-	(76,150)	(76,150)
Revenue from external parties	<u>621,374</u>	<u>26,213</u>	<u>-</u>	<u>647,587</u>
Results				
Segment profit/(loss)	65,859	(7,527)	124	58,456
Elimination of unrealised profit	-	-	(196)	(196)
Profit/(Loss) before tax	65,859	(7,527)	(72)	58,260
Tax expense	(13,435)	(175)	(165)	(13,775)
Profit/(Loss) after tax	<u>52,424</u>	<u>(7,702)</u>	<u>(237)</u>	<u>44,485</u>
2024				
Revenue				
Total revenue	722,686	28,051	30,000	780,737
Elimination of dividend from subsidiary	-	-	(30,000)	(30,000)
Revenue from external parties	<u>722,686</u>	<u>28,051</u>	<u>-</u>	<u>750,737</u>
Results				
Segment profit/(loss)	115,776	(6,148)	191	109,819
Elimination of unrealised profit	-	-	(7)	(7)
Profit/(Loss) before tax	115,776	(6,148)	184	109,812
Tax expense	(27,061)	(104)	(385)	(27,550)
Profit/(Loss) after tax	<u>88,715</u>	<u>(6,252)</u>	<u>(201)</u>	<u>82,262</u>

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

**SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION,
GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D)**

1.3 SEGMENT INFORMATION (CONT'D)

(a) Business segments analysis: (Cont'd)

Business segment performance analysis: (Cont'd)

Items included in the business segment performance analysis are:

2025	Property Development RM'000	Property Investment and Management RM'000	Investment Holding RM'000	Consolidated RM'000
<u>Revenue (Note 2.1)</u>				
Rental income	3,454	22,761	-	26,215
<u>General and administrative expenses (Note 2.4)</u>				
Depreciation and amortisation	(1,486)	(6,107)	-	(7,593)
<u>Impairment (loss)/ write back - net (Note 2.5)</u>				
Write back of impairment losses on:				
- trade receivables	-	324	-	324
- other receivables	112	23	-	135
Allowance for impairment losses on:				
- trade receivables	-	(245)	-	(245)
- other receivables	(438)	(7)	-	(445)
<u>Other operating income (Note 2.6)</u>				
Fair valuation gain of retention sums	493	372	-	865
Gain on disposals of plant and equipment	6	-	-	6
Interest income	1,690	-	-	1,690

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SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D)

1.3 SEGMENT INFORMATION (CONT'D)

(a) Business segments analysis: (Cont'd)

Business segment performance analysis: (Cont'd)

Items included in the business segment performance analysis are: (Cont'd)

2025	Property Development RM'000	Property Investment and Management RM'000	Investment Holding RM'000	Consolidated RM'000
<u>Other operating expenses</u>				
<u>(Note 2.7)</u>				
Fair valuation loss of retention sum	(392)	(230)	-	(622)
Loss on disposal of plant and equipment	-	(2)	-	(2)
Write off of trade receivables	-	(105)	-	(105)
<u>Income from cash and cash equivalents (Note 2.9)</u>				
Funds distribution income	3,438	221	350	4,009
Interest income	1,834	93	1,142	3,069
<u>Interest expense on borrowings (Note 2.10)</u>				
Finance costs	(23,341)	(8,780)	-	(32,121)

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

**SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION,
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1.3 SEGMENT INFORMATION (CONT'D)

(a) Business segments analysis: (Cont'd)

Business segment performance analysis: (Cont'd)

Items included in the business segment performance analysis are: (Cont'd)

2024	Property Development RM'000	Property Investment and Management RM'000	Investment Holding RM'000	Consolidated RM'000
<u>Revenue (Note 2.1)</u>				
Rental income	3,025	25,026	-	28,051
<u>General and administrative expenses (Note 2.4)</u>				
Depreciation and amortisation	(1,402)	(5,930)	-	(7,332)
<u>Impairment (loss)/ write back - net (Note 2.5)</u>				
Write back of impairment losses on:				
- trade receivables	6	1,187	-	1,193
- other receivables	64	-	-	64
Allowance for impairment losses on:				
- trade receivables	-	(793)	-	(793)
- other receivables	(32)	(23)	-	(55)
<u>Other operating income (Note 2.6)</u>				
Fair valuation gain of retention sums	573	207	-	780
Gain on disposals of plant and equipment	116	-	-	116
Interest income	1,293	-	-	1,293

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SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D)

1.3 SEGMENT INFORMATION (CONT'D)

(a) Business segments analysis: (Cont'd)

Business segment performance analysis: (Cont'd)

Items included in the business segment performance analysis are: (Cont'd)

2024	Property Development RM'000	Property Investment and Management RM'000	Investment Holding RM'000	Consolidated RM'000
<u>Other operating expenses</u>				
<u>(Note 2.7)</u>				
Fair valuation loss of retention sum	(598)	(358)	-	(956)
Loss on disposal of plant and equipment	-	(2)	-	(2)
Write off of trade receivables	(27)	(858)	-	(885)
<u>Income from cash and cash equivalents (Note 2.9)</u>				
Funds distribution income	1,995	170	142	2,307
Interest income	1,606	137	1,543	3,286
<u>Interest expense on borrowings (Note 2.10)</u>				
Finance costs	(16,045)	(8,680)	(24)	(24,749)

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SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D)

1.3 SEGMENT INFORMATION (CONT'D)

(a) Business segments analysis: (Cont'd)

Business segment assets and liabilities analysis:

		Property Development RM'000	Property Investment and Management RM'000	Investment Holding RM'000	Conso- lidated RM'000
2025					
Assets					
Tangible assets		2,743,374	291,999	28,584	3,063,957
Intangible assets	3.4	34	10	350	394
Segment assets		<u>2,743,408</u>	<u>292,009</u>	<u>28,934</u>	<u>3,064,351</u>
Deferred tax assets and tax recoverable		95,857	32	37	95,926
Total assets		<u>2,839,265</u>	<u>292,041</u>	<u>28,971</u>	<u>3,160,277</u>
Liabilities					
Segment liabilities		1,839,023	197,093	164	2,036,280
Deferred tax liabilities and tax payable		14,001	24	-	14,025
Total liabilities		<u>1,853,024</u>	<u>197,117</u>	<u>164</u>	<u>2,050,305</u>
Expenditure capitalised under:					
Property, plant and equipment	3.1(b)(i)	804	300	-	1,104
Intangible assets	3.4(b)	12	11	-	23
		<u>816</u>	<u>311</u>	<u>-</u>	<u>1,127</u>
2024					
Assets					
Tangible assets		2,335,332	295,869	35,311	2,666,512
Intangible assets	3.4	34	12	350	396
Segment assets		<u>2,335,366</u>	<u>295,881</u>	<u>35,661</u>	<u>2,666,908</u>
Deferred tax assets and tax recoverable		76,965	157	-	77,122
Total assets		<u>2,412,331</u>	<u>296,038</u>	<u>35,661</u>	<u>2,744,030</u>
Liabilities					
Segment liabilities		1,689,507	185,498	91	1,875,096
Deferred tax liabilities and tax payable		9,418	-	15	9,433
Total liabilities		<u>1,698,925</u>	<u>185,498</u>	<u>106</u>	<u>1,884,529</u>
Expenditure capitalised under:					
Property, plant and equipment	3.1(b)(i)	528	2,336	-	2,864
Investment properties	3.2(b)(i)	367	-	-	367
Intangible assets	3.4(b)	18	-	-	18
		<u>913</u>	<u>2,336</u>	<u>-</u>	<u>3,249</u>

(b) Geographical segment analysis

The Group only operates domestically in Malaysia, hence no geographical segmental information is presented.

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SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D)

1.4 CAPITAL MANAGEMENT

This note sets out an overview of the Group's capital management policies, objectives and processes.

For capital management purposes, the Group defines capital as the issued share capital, net of the cost of any treasury shares held, together with reserves attributable to the Owners of the Company. This is collectively termed shareholders' funds. Further details of share capital and reserves are disclosed in Notes 3.21 and 3.23, respectively. The primary objectives of the Group's capital management are to maintain an optimal capital base and healthy capital ratios to support future business development, ensuring the Group continues to provide returns and maximise Shareholders' value.

The Group manages its capital structure and makes adjustments in response to changes in economic conditions by meeting internal capital requirements, optimising returns to Shareholders, and maintaining adequate levels and an optimal mix of capital. To achieve these objectives, the Group may adjust dividend payments to Shareholders, return capital to Shareholders, or issue new shares. The Group is not subject to any externally imposed capital requirements. There were no changes in these policies, objectives and processes for managing capital from the preceding year.

The Group monitors capital by actively managing its gearing ratio, which is calculated as net debts divided by Shareholders' funds. The gearing ratio at the end of the year is as follows:

		Group	
	Note	2025	2024
		RM'000	RM'000
Borrowings	3.15	71,076	16,373
Lease liability	3.5	160	-
Derivative liability	3.20	1,832	-
Advances from related companies	3.12	1,403,771	1,309,845
Advance to a related company	3.12	(23,900)	(30,800)
Cash, bank balances and short-term funds	3.14	(305,721)	(281,175)
Net debts		1,147,218	1,014,243
Issued capital and reserves attributable to Owners of the Company/Shareholders' funds		1,077,955	828,492
Gearing ratio (times)		1.06	1.22

The Group sourced its financing from the immediate holding company which has a treasury management centre to allocate cash and financing for business requirements. No changes were made in the objective, policies or processes for managing capital as compared with the previous year.

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1.5 DIVIDENDS

This note provides information on dividends that have been paid by the Company during the year.

	Date of payment	Group and Company	
		Dividend declared and paid for the year ended 31 December	
		2025 RM'000	2024 RM'000
Dividend for the year ended:			
31 December 2024			
8.5 sen single-tier interim dividend	26 April 2024	-	29,399
31 December 2025			
3.5 sen single-tier interim dividend	24 September 2025	12,106	-
		<u>12,106</u>	<u>29,399</u>

The Board of Directors do not recommend any final dividend for the year ended 31 December 2025.

Recognition and measurement

The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Company. Dividend distribution to the Owners of the Company is recognised directly in retained profits under equity in the period in which the dividend is declared and paid.

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SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D)

1.6 EARNINGS PER SHARE ("EPS")

This note discloses the computation of EPS attributable to the Owners of the Company.

	Note	<u>Group</u>	
		2025	2024
Basic			
Profit attributable to Owners of the Company (RM'000)		43,477	81,501
Weighted average number of ordinary shares outstanding ('000)	3.22	564,372	345,872
Basic/Diluted EPS (sen)		7.7	23.6

Measurement

The computation of basic EPS is based on the profit attributable to Owners of the Company divided by the weighted average number of ordinary shares outstanding during the year. For diluted EPS, the weighted average number of ordinary shares outstanding is adjusted to assume the conversion of all dilutive potential ordinary shares.

The weighted average number of shares accounts for changes in treasury shares during the year. No other transactions involving ordinary shares or potential shares occurred between the reporting date and the authorisation date of these financial statements.

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SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D)

1.7 NET ASSETS PER SHARE

This note outlines the computation of net assets per share attributable to the Owners of the Company.

	Note	<u>Group</u>	
		2025	2024
Issued capital and reserves attributable to Owners of the Company (RM'000)		1,077,955	828,492
Number of outstanding ordinary shares in issue ('000)	3.22	564,372	345,872
Net Assets per share attributable to Owners of the Company (RM)		1.91	2.40

Measurement

Net Assets per share attributable to Owners of the Company is calculated by dividing the issued capital and reserves attributable to Owners (ordinary equity holders) of the Company by the number of outstanding ordinary shares in issue at the end of the year.

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SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D)

1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT

This note outlines the objectives and policies governing the Group's management of financial risks and liquidity positions, and provides information on the key types of financial risks associated with its financial instruments. These risks are categorised as follows:

- (i) Financial assets and financial liabilities at fair value through profit or loss ("FVTPL");
- (ii) Financial assets and financial liabilities at amortised costs ("AC"); and
- (iii) Financial liability at fair value through other comprehensive income ("FVTOCI").

	Note	FVTPL RM'000	AC RM'000	FVTOCI RM'000	Total RM'000
Group					
2025					
Financial assets					
Trade receivables	3.8	-	94,023	-	94,023
Other assets excluding prepayments	3.9	-	21,495	-	21,495
Amounts due from related companies	3.12	-	23,919	-	23,919
Cash, bank balances and short-term funds	3.14	121,975	183,746	-	305,721
		<u>121,975</u>	<u>323,183</u>	-	<u>445,158</u>
Financial liabilities					
Lease liability	3.5	-	160	-	160
Amounts due to related companies	3.12	-	1,432,843	-	1,432,843
Amount due to immediate holding company	3.13	-	844	-	844
Borrowings	3.15	-	71,076	-	71,076
Trade payables	3.16	-	50,009	-	50,009
Other liabilities	3.17	-	355,478	-	355,478
Derivative liability	3.20	-	-	1,832	1,832
		-	<u>1,910,410</u>	<u>1,832</u>	<u>1,912,242</u>

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D)

1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D)

	Note	FVTPL RM'000	AC RM'000	Total RM'000
Group (Cont'd)				
2024				
Financial assets				
Trade receivables	3.8	-	135,946	135,946
Other assets excluding prepayments	3.9	-	37,037	37,037
Amounts due from related companies	3.12	-	30,819	30,819
Cash, bank balances and short-term funds	3.14	154,590	126,585	281,175
		<u>154,590</u>	<u>330,387</u>	<u>484,977</u>
Financial liabilities				
Amounts due to related companies	3.12	-	1,346,665	1,346,665
Borrowings	3.15	-	16,373	16,373
Trade payables	3.16	-	47,645	47,645
Other liabilities	3.17	-	323,689	323,689
		<u>-</u>	<u>1,734,372</u>	<u>1,734,372</u>

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SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D)

1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D)

	Note	FVTPL RM'000	AC RM'000	Total RM'000
Company				
2025				
Financial assets				
Other assets excluding prepayments	3.9	-	97	97
Amounts due from related companies	3.12	-	8,910	8,910
Cash, bank balances and short-term funds	3.14	19,394	184	19,578
		<u>19,394</u>	<u>9,191</u>	<u>28,585</u>
Financial liabilities				
Other liabilities	3.17	-	136	136
		<u>-</u>	<u>136</u>	<u>136</u>
2024				
Financial assets				
Other assets excluding prepayments	3.9	-	344	344
Amount due from a related company	3.12	-	30,800	30,800
Cash, bank balances and short-term funds	3.14	3,938	228	4,166
		<u>3,938</u>	<u>31,372</u>	<u>35,310</u>
Financial liabilities				
Amount due to a subsidiary	3.11	-	20,500	20,500
Other liabilities	3.17	-	63	63
		<u>-</u>	<u>20,563</u>	<u>20,563</u>

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SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D)

1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D)

The Group's key financial risks, together with their measurements and respective mitigation strategies, are summarised below:

Types of risks and exposures	Note	Measurement	Mitigation Strategies
(a) Liquidity risk			
Lease liability	3.5	Cash flow forecasts	Right mix of short, medium and long terms fundings
Amounts due to related companies	3.12	analysis	
Amount due to immediate holding company	3.13	Debts maturity analysis	Availability of committed lines and credit facilities
Borrowings	3.15		Monitoring of short-term funds
Trade payables	3.16		
Other liabilities	3.17		
(b) Market risk			
(i) Interest rate risk			
Lease liability	3.5	Funding cost analysis	Diversification of bankers
Amounts due from/(due to) related companies	3.12	Sensitivity analysis	Diversification of borrowings types
Deposits with licensed financial institutions	3.14		Centralisation of treasury management
Housing Development Accounts	3.14		
Borrowings	3.15		
(ii) Currency risk			
Derivative liability	3.20		
(c) Credit risk			
Trade receivables	3.8	Credit ratings	Securing of adequate collaterals
Other assets excluding prepayments	3.9	Ageing analysis	Diversification of deposits with bankers
Contract assets	3.10	Creditworthiness	Guidelines for short-term placements
Amounts due from related companies	3.12	Climate-related rating, if relevant	
Amount due to immediate holding company	3.13		
Bank balances and short-term funds	3.14		

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SECTION 1: INFORMATION ON GROUP CORPORATE, BASIS OF PREPARATION, GROUP BUSINESS AND FINANCIAL MANAGEMENT (CONT'D)

1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D)

The Group's Enterprise Risk Management (ERM) framework establishes a structured approach to governance and the application of risk controls across all business operations and financial processes. The Treasury Management Centre collaborates closely with business units to identify, assess, and proactively manage financial risks, ensuring alignment with the Group's strategic objectives and risk appetite.

The Group's principal financial liabilities consist of borrowings, trade payables, and other payables primarily used to fund its operations. On the other hand, its key financial assets comprise trade receivables, cash, bank balances, and short-term funds, which are generated directly from its business operations. The Group strategically employs derivatives as hedging instruments to manage financial risks where appropriate.

There were no material changes in the exposures to risks and how they arise or its objectives, policies and processes for managing the risks, and the methods used to measure the risks from the previous year.

Objectives and policies

The Group has established financial risk management policies and guidelines to ensure the availability of financial resources for business development while effectively managing exposure to liquidity risk, market risk (including interest rate risk), and credit risk. The Group centrally manages and allocates capital resources to ensure all business units maintain adequate capital levels and prudent liquidity at all times.

The Board embraces effective risk management as an integral part of business, operations and decision-making. The Board acknowledges that the activities of the Group may involve some degree of risks and it is important to note that any system could only provide a reasonable and not absolute assurance against any misstatement or loss.

The Board will continuously identify, assess, and manage key business, operational, and financial risks, while regularly reviewing and strengthening risk mitigation strategies. Key financial risks are elaborated below:

(a) Liquidity risk

Liquidity risk definition and strategy

Liquidity risk is the risk that the Group and the Company will encounter difficulties in maintaining and raising funds to meet its financial commitments and obligations when they fall due at a reasonable cost. The funding needs are primarily met by bank borrowings and internally generated funds.

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1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D)

(a) Liquidity risk (Cont'd)

Liquidity risk definition and strategy (Cont'd)

The Group and the Company seek to achieve a balance between certainty of funding and flexibility through the use of a cost-effective borrowing structure, including short-term revolving credits as disclosed in Note 3.15. All projected net borrowing needs are covered by adequate committed facilities. In addition, debt maturities are the right mix of short, medium and long terms and are closely monitored to ensure that the Group and the Company can meet its refinancing needs and obligations as and when they fall due. The Group and the Company ensure liquidity risk is low by assessing risk concentration for debt financing.

Cash flow forecasts, incorporating all major transactions, are prepared and monitored. Excess funds from operating cash cycles, which are temporary, are invested in short-term instruments with licensed financial institutions at the most favourable interest rates. Funding requirements of all business units shall be maintained at optimal liquidity levels for their operations. The cash flows outlined in the maturity analysis are not expected to occur significantly earlier or in materially different amounts.

Liquidity risk exposures

In respect of the borrowings that are supported by corporate guarantees provided by the Company and its certain subsidiaries as disclosed in Note (c), there was no indication as at 31 December 2025 that any subsidiary would default. In the event of a default by the subsidiaries, the financial guarantees could be called on demand.

The table below analyses the financial liabilities into relevant maturity grouping based on the remaining period at the end of the year to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows, and the balances shown below will not agree to the balances as reported in the statements of financial position as the table incorporates all contractual cash flows on an undiscounted basis, including both principal and interest payments.

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1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D)

(a) Liquidity risk (Cont'd)

Liquidity risk exposures (Cont'd)

Group	On demand or within 1 year RM'000	>1 to 2 years RM'000	>2 to 5 years RM'000	Total contractual undis- counted cash flows RM'000
2025				
Borrowings	71,230	-	-	71,230
Trade payables	41,735	2,041	8,374	52,150
Other liabilities	353,225	1,640	1,252	356,117
Lease liability	132	34	-	166
Amounts due to related companies	1,432,843	-	-	1,432,843
	1,899,165	3,715	9,626	1,912,506
2024				
Borrowings	16,430	-	-	16,430
Trade payables	37,373	8,063	2,910	48,346
Other liabilities	321,519	1,439	978	323,936
Amounts due to related companies	1,346,665	-	-	1,346,665
	1,721,987	9,502	3,888	1,735,377
Company				
2025				
Other liabilities	136	-	-	136
	136	-	-	136
2024				
Other liabilities	63	-	-	63
Amount due to a subsidiary	20,500	-	-	20,500
	20,563	-	-	20,563

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1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D)

(b) Market risk

Market risk arises from fluctuations in the fair value or future cash flows of financial instruments due to changes in market prices. The Group and the Company are exposed to interest rate risk. Management continuously monitors risks from adverse market movements, which can be influenced by unpredictable global and domestic economic conditions. Affected financial instruments include loans, borrowings, deposits, and derivatives.

(i) Interest rate risk

Interest rate risk definition and strategy

Interest rate risk arises from fluctuations in the fair value or yield of financial instruments due to changes in market interest rates. Floating-rate borrowings are managed based on financial institutions' cost of funds or base rates, minimising the impact of rising rates while allowing benefits from rate reductions. These borrowings are actively monitored and renegotiated to secure the lowest possible financing costs.

The Group and the Company manage their interest rate risk by having a balanced portfolio of fixed and variable-rate loans and borrowings. Such borrowings at variable rates were mainly denominated in RM. The borrowings carried at amortised cost are periodically and contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

Interest rate risk exposures

The financial instruments that are exposed to interest rate risk comprise lease liability, amounts due to subsidiaries, amounts due from/to related companies, bank balances and short-term funds, and borrowings and these instruments, as disclosed in Notes 3.5, 3.11, 3.12, 3.14 and 3.15, respectively.

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1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D)

(b) Market risk (Cont'd)

(i) Interest rate risk (Cont'd)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group's and the Company's profit after tax/equity if interest rates had been an average of 25 (2024: 25) basis points higher/lower for the Group and the Company, with all other variables remained constant, arising mainly as a result of higher/lower net interest expense from borrowings.

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Profit after tax/Equity				
Interest rates				
- increased by 0.25%	(2,131)	(1,869)	54	27
- decreased by 0.25%	2,131	1,869	(54)	(27)

(ii) Currency risk

Currency risk definition and strategy

Currency risk arises from fluctuations in the fair value or future cash flows of financial instruments due to changes in foreign exchange rates.

The Group is exposed to foreign currency exchange risk in respect to one of its subsidiary's borrowing denominated in a foreign currency. The Group has entered into cross-currency swap contracts to manage exposures to currency risk of the borrowing which is denominated in a currency other than the functional currencies of the Group.

The Company's financial assets and financial liabilities are denominated in RM. The Company is not exposed to foreign currency exchange risks, hence currency risk disclosure for the Company is not presented.

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1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D)

(b) Market risk (Cont'd)

(ii) Currency risk (Cont'd)

Sensitivity analysis for currency risk

The following table demonstrates the sensitivity analysis of the Group's profit after tax/equity to a reasonably possible change in USD exchange rates against the functional currency of the Group, with all other variables held constant.

	Group	
	2025	2024
	RM'000	RM'000
Profit after tax/Equity		
USD/RM		
- strengthen by 3%	(42)	-
- weaken by 3%	42	-

(c) Credit risk

Credit risk definition, strategy and exposures

Credit risk is the potential financial loss arising from a counterparty's failure to meet its contractual obligations. It includes settlement/clearing risk, concentration risk, credit assessment risk, recovery risk, and credit-related liquidity risk.

The Group is exposed to credit risk from its operating activities, principally arising from trade receivables, other assets, contract assets, amounts due from related companies, bank balances and short-term funds as disclosed in Notes 3.8, 3.9, 3.10, 3.12 and 3.14, respectively. The Company's exposure to credit risk arises principally from other assets, amounts due from subsidiaries, bank balances and short-term funds, and financial guarantees provided to licensed financial institutions for credit facilities granted to the Group, as disclosed in the table below. Their carrying amounts represent the maximum credit risk exposure of the abovementioned assets without taking account of any collateral held or other credit enhancement.

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1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D)

(c) Credit risk (Cont'd)

Credit risk definition, strategy and exposures (Cont'd)

The Group's business activities are guided by internal credit policies and guidelines that are approved by the Board, which have been established to ensure that the overall objectives, particularly in the area of lending are achieved.

The Group conservatively manages its credit risk by controlling the granting of credits, revisions in limits and other monitoring procedures.

The Group is monitoring the economic environment including climate-related matters as discussed in Note 6.3(a), and reviewing its expected credit loss model by reassessing the criteria for significant increases in credit risk. Balances in the statements of financial position are net of credit risk exposure, following impairment assessments.

Trade receivables, contract assets and other assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and controls relating to customer credit risk management. Credit quality of customers is assessed using an extensive rating scorecard, and individual credit limits are set based on this evaluation. In addition, the Group requires customers to provide collateral and/or guarantee in accordance with its business model.

Bank balances, short-term funds and amounts due from related companies

Credit risk from balances with banks and financial institutions is managed by the Group's treasury management centre in line with the Group's policy. Surplus funds are invested only with approved counterparties within set credit limits. These limits, reviewed annually by the Board and updated as needed, aim to minimise risk concentration and mitigate potential losses from counterparty defaults. Amounts due from related companies are reviewed regularly to ensure the repayment plan is adhered to.

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1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D)

(c) Credit risk (Cont'd)

Impairment assessment

The Group and the Company adopt, where applicable, the 'simplified approach' and 'general approach' impairment assessment pursuant to MFRS 9 'Financial Instruments' for impairment assessment and the related assessments are trade receivables, other assets, contract assets, amounts due from related companies, bank balances and short-term funds as disclosed in Notes 3.8, 3.9, 3.10, 3.12 and 3.14, respectively.

An allowance for impairment losses is recognised, and interest income is accounted for in line with applicable accounting policies or when necessary, based on estimates of expected losses arising from the non-recovery of debts. Impairment is assessed individually and recognised only when recovery efforts are exhausted and debts are deemed irrecoverable in the foreseeable future.

Amounts due from related companies are assessed individually for impairment. A significant increase in credit risk is considered to have occurred when there is a substantial deterioration in their financial position. Credit impairment is recognised when there is objective evidence that the counterparty is unable to meet its contractual debt obligations as they fall due and after exhausting efforts to secure new financing. Management exercises significant judgement in assessing default probability, using forward-looking information and evaluating credit risk increases.

The maximum credit risk exposure of the Company arising from the amounts due from related companies are represented by their carrying amounts in the statements of financial position as disclosed in Note 3.12. The bank balances are placed with creditworthy licensed financial institutions. Therefore, both bank balances and short-term funds have low credit risk.

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1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D)

(c) Credit risk (Cont'd)

Financial guarantee contracts

The Group and the Company have provided unsecured corporate guarantees lenders for financing facilities, extended to certain subsidiaries.

The maximum exposure to credit risk relating to these corporate guarantee contracts, which serve as credit enhancements, is represented by the nominal amount of the outstanding banking facilities at the end of the reporting period. The details are as follows:

	<u>Company</u>	
	2025	2024
	RM'000	RM'000
Corporate guarantees provided to licensed financial institutions for credit facilities granted to subsidiaries	71,076	18,030

A financial guarantee contract is an agreement where the issuer commits to make specified payments to reimburse the holder for a loss incurred due to a specified debtor's failure to make payment when due.

Initial recognition and measurement

Financial guarantee contracts are initially recognised at fair value. For guarantees issued on a commercial basis, fair value typically equals the premium received. For guarantees where no premium is charged (including those provided to subsidiaries), fair value is determined using a valuation methodology that quantifies the economic benefit of the guarantee to the holder. Upon initial recognition, the fair value of these guarantees was determined to be immaterial.

Subsequent measurement

Subsequent to initial recognition, financial guarantee contracts are measured at the higher of:

- (a) the amount of the expected credit loss allowance determined in accordance with MFRS 9; and
- (b) the amount initially recognised, less any accumulated amortisation.

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1.8 FINANCIAL INSTRUMENTS RISK MANAGEMENT (CONT'D)

(c) Credit risk (Cont'd)

Financial guarantee contracts (Cont'd)

Expected credit loss assessment

The Group applies the 12-month expected credit loss approach to all financial guarantee contracts unless there has been a significant increase in credit risk since initial recognition. The Group assesses significant increase in credit risk when the financial position of any subsidiary deteriorates significantly. A financial guarantee is considered credit-impaired (Stage 3) when:

- (a) the guaranteed party is unlikely to repay its credit obligation to the bank in full in the foreseeable future; or
- (b) the guaranteed party is continuously loss-making and has a deficit in shareholders' funds.

As at the end of the reporting period, there was no default of any borrowed sum, and the likelihood of the lenders invoking the guarantees was assessed as remote. Accordingly, the expected credit loss allowance for these guarantees was determined to be immaterial to the financial statements.

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SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS

This section provides additional information about individual line items in the statements of profit or loss, including their relevant material accounting policies and significant judgements. Further information relating to business and analyses is disclosed in Note 1.3(a).

2.1 REVENUE

This note provides information on the Group's revenue streams. The Group's revenue is generated from the two core reportable business segments and along with an Investment Holding Segment as disclosed in Note 1.3(a). The Group's business mainly involves developing and selling properties, managing and leasing commercial space and holding investments. The Company's revenue comprises dividend income from its subsidiaries, and these dividends are eliminated at the Group level.

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Sales of goods and services					
Revenue from contracts with customers:					
Progress revenue from					
property development (net)	3.10(b)(i)	611,650	717,554	-	-
Sale of completed properties	3.10(b)(i)	9,009	4,494	-	-
Sale of oil palm fresh fruit bunches		713	638	-	-
		<u>621,372</u>	<u>722,686</u>	<u>-</u>	<u>-</u>
Other revenue:					
Dividend income from subsidiaries		-	-	76,150	30,000
Rental income		26,215	28,051	-	-
		<u>26,215</u>	<u>28,051</u>	<u>76,150</u>	<u>30,000</u>
		<u>647,587</u>	<u>750,737</u>	<u>76,150</u>	<u>30,000</u>
Revenue from contracts with customers is analysed by timing of revenue recognition, where products and services are transferred:					
Over time		611,650	717,554	-	-
At a point in time		9,722	5,132	-	-
		<u>621,372</u>	<u>722,686</u>	<u>-</u>	<u>-</u>

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SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D)

2.1 REVENUE (CONT'D)

Recognition, measurement and significant judgements

(a) Revenue recognition in relation to performance obligation

Revenue is recognised when the Group fulfils performance obligations by transferring control of goods or services to the customer. Control is transferred over time or at a point in time, based on contract terms.

Revenue is recognised when the customer gains control. Any compensation payable to customers reduces revenue. At contract inception, the Group determines if control is transferred over time or at a point in time. Control is transferred over time and revenue is recognised if:

- The customer receives and consumes benefits simultaneously as the Group performs.
- The Group's performance creates or enhances a customer-controlled asset.
- The Group's performance does not create an asset with alternative use, and the Group has enforceable rights to payment for performance to date.

(i) Progress revenue from property development

Progress revenue from property development is recognised upon the occurrence of control transfer of the asset to a purchaser/customer. Based on the terms of the contract and the laws that apply to the contracts in Malaysia, control of the asset is transferred over time to the purchasers/customers. In determining the timing of satisfaction of performance obligation for revenue recognition:

- (1) the property development subsidiaries recognise revenue over the contract period using the input method based on a percentage of completion as disclosed in Note 3.6(a)(ii). The percentage of completion is computed by reference to the property development cost incurred to date as a percentage of the estimated total costs of development of the contract.
- (2) the promised properties are specifically identified in the sale and purchase agreements with their layout plan. The purchaser could enforce its rights to the properties if the property development subsidiaries do not seek to sell such properties to the purchaser. The contractual restriction on the property development subsidiaries' ability to direct the properties for another use is substantive and the properties sold to the purchaser do not have an alternative use. The property development subsidiaries have the legally enforceable rights to payment for performance completed to date. The property development subsidiaries are obligated to complete the construction, transfer to the purchaser the developed properties and enforce their rights to full payment from the purchaser.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D)

2.1 REVENUE (CONT'D)

Recognition, measurement and significant judgements (Cont'd)

(a) Revenue recognition in relation to performance obligation (Cont'd)

(i) Progress revenue from property development (Cont'd)

Contracts with customers may include multiple promises, which are accounted for as separate performance obligations. The transaction price, adjusted for variable consideration and time value of money if applicable, is allocated to each obligation based on stand-alone selling prices. Stand-alone selling prices are estimated using an expected cost-plus margin when observable data is unavailable.

(ii) Sale of completed properties

Proceeds from the sale of completed properties are recognised when the Group satisfies a performance obligation by transferring a promised asset to a purchaser. An asset is transferred when the purchaser obtains control of that asset.

(iii) Sale of oil palm fresh fruit bunches

Sale of oil palm fresh fruit bunches is recognised when goods are delivered to a customer based on invoice value.

(b) Revenue recognition not in relation to performance obligation

(i) Dividend income of the Company

Dividend income is recognised when the rights to receive dividend payments have been established.

(ii) Rental income

As a lessor, the Group recognised lease payments as rental income from operating leases over the lease term evenly (straight-line basis) based on the rental chargeable to tenants.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D)

2.2 COST OF SALES

This note provides a breakdown of the cost of sales, which are directly incurred to generate revenue as disclosed in Note 2.1.

	Group	
	2025	2024
	RM'000	RM'000
Property development costs	455,636	523,707
Property maintenance expenses	14,472	13,552
Cost of completed properties	5,061	779
Plantation expenses	385	333
	475,554	538,371

(a) Recognition and measurement

(i) Property development costs

Recognition and measurement of the property development costs are disclosed in Note 3.6(a)(ii).

(ii) Property maintenance expenses

Property maintenance expenses are recognised upon services rendered to the Group. These expenses are measured at their fair values of services received.

(iii) Cost of completed properties

Cost of completed properties are recognised upon delivery of the completed properties to the purchaser. Measurement of these completed properties disclosed in Note 3.6(a)(iii).

(iv) Plantation expenses

Plantation expenses is recognised upon delivery of goods to customer and measured at the fair value of goods received.

(b) Other information

Included in cost of sales:

	Note	Group	
		2025	2024
		RM'000	RM'000
Depreciation of property, plant and equipment	3.1(b)(ii)	-	2
Staff costs	2.8(iii)	3,824	3,666

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SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D)

2.3 SELLING EXPENSES

This note outlines selling and marketing expenses by nature.

	Group	
	2025	2024
	RM'000	RM'000
Advertisement and promotion	11,358	12,777
Marketing cost	628	1,118
Others	977	924
	12,963	14,819

2.4 GENERAL AND ADMINISTRATIVE EXPENSES

This note outlines administrative expenses by nature.

	Note	Group		Company	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Establishment-related expenses					
Amortisation of software licences	3.4(b)	25	28	-	-
Depreciation of:					
- property, plant and equipment	3.1(b)(ii)	1,214	960	-	-
- investment properties	3.2(b)(iii)	6,270	6,266	-	-
- right-of-use asset	3.5(b)	84	78	-	-
Insurance		375	345	-	-
Quit rent and assessment		2,622	2,866	-	-
Rental expenses for short-term leases	3.5(d)(i)	239	108	-	-
Repair and maintenance		1,208	1,015	-	-
Utility expenses		839	717	-	-
Others		636	573	-	-
		13,512	12,956	-	-

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D)

2.4 GENERAL AND ADMINISTRATIVE EXPENSES (CONT'D)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
General and administrative expenses					
Auditors' remuneration:					
Statutory audit - current year:					
- auditors of the Company		189	166	23	22
Other audit-related service					
- current year:					
- auditors of the Company		35	33	2	2
		224	199	25	24
Bank charges		27	24	1	-
Communication expenses		214	204	-	-
Legal and professional fees		2,667	756	341	188
Management fee		33,079	29,996	75	46
Printing and stationery		194	227	-	-
Repair and maintenance		694	538	-	-
Security services		818	1,034	-	-
Service and registration expenses		16	14	3	2
Transport and travelling		75	80	-	-
Others		2,413	1,614	77	74
		40,421	34,686	522	334
Personnel expenses					
Salaries, allowances and bonuses and other emoluments (net of over provision in prior year)					
		22,591	19,941	-	-
Pension costs - defined contribution plan					
		3,033	2,729	-	-
Others		1,301	1,225	-	-
	2.8(iii)	26,925	23,895	-	-
Total administrative expenses		80,858	71,537	522	334

Recognition and measurement

Administrative expenses are recognised on an accrual basis based on the fair values of services rendered and goods received.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D)

2.5 IMPAIRMENT (LOSS)/WRITE-BACK - NET

This note outlines impairment (loss)/write-back on financial assets measured at amortised cost, including impairment losses made or write-backs.

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Write back of impairment losses on:					
- Individual assessment:					
- trade receivables	3.8(b)(i)	247	1,006	-	-
- other receivables	3.9(c)(i)	135	64		
- Collective assessment:					
- trade receivables	3.8(b)(i)	77	187	-	-
		459	1,257	-	-
Allowance for impairment losses on:					
- Individual assessment:					
- trade receivables	3.8(b)(i)	(245)	(793)	-	-
- other receivables	3.9(c)(i)	(445)	(55)	-	-
		(690)	(848)	-	-
Net impairment (loss)/write-back		(231)	409	-	-

All impairment losses and related write-backs have been recognised in compliance with the relevant accounting standards. The credit risk assessments for trade receivables and other receivables are provided in Notes 3.8(b)(i) and 3.9(c)(i), respectively.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D)

2.6 OTHER OPERATING INCOME

This note outlines other operating income including interest income and gains on fair valuation and writebacks.

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Other income:				
Financial assets measured at amortised cost:				
- Interest income on:				
- amount due from a related company	1,690	1,293	1,143	1,293
- amount due from subsidiaries	-	-	621	755
	1,690	1,293	1,764	2,048
Gains:				
Fair valuation gain of retention sums	865	780	-	-
Gain on disposals of plant and equipment	6	116	-	-
Plantation income	2,397	-	-	-
	3,268	896	-	-
Others	1,883	1,324	9	4
	6,841	3,513	1,773	2,052

Recognition and measurement

Other operating income is recognised when a performance obligation is satisfied by transfer of the asset. Control of the asset is transferred to the customer upon delivery and acceptance of the goods or services. Certain income with the same nature is recognised on the same principles as disclosed in Note 2.1, while others are described below:

- (i) Gain on the disposals of plant and equipment is recognised upon the buyer obtaining control of the asset or completion of the sale and purchase agreement, and is measured based on the difference between disposal proceeds and carrying amounts of the assets.
- (ii) All other income is recognised on an accrual basis, and measured at the fair value of the transaction.
- (iii) Fair valuation gain is recognised using the fair value hierarchy with three levels of inputs for valuation techniques as described in Note 3.14(e). The fair valuation gain is measured based on the difference between the fair value and the carrying amounts of the assets.

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SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D)

2.7 OTHER OPERATING EXPENSES

This note outlines other operating expenses.

	Group	
	2025	2024
	RM'000	RM'000
Losses:		
Fair valuation loss of retention sums	622	956
Loss on disposal of plant and equipment	2	2
Plantation expenses	1,627	-
Write off of financial assets measured at amortised cost:		
- trade receivables	105	885
	<u>2,356</u>	<u>1,843</u>

Recognition and measurement

- (i) Loss on disposal of plant and equipment is recognised upon the buyer obtaining control of the asset or completion of the sale and purchase agreement, and is measured based on the difference between disposal proceeds and carrying amounts of the assets.
- (ii) All other expenses are recognised when the financial obligations of liabilities arise and measured at the fair values of the transactions.
- (iii) Fair valuation loss is recognised using the fair value hierarchy with three levels of inputs for valuation techniques as described in Note 3.14(e). The fair valuation loss is measured based on the difference between the fair value and the carrying amounts of the assets.

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SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D)

2.8 AGGREGATED EXPENSES

This note outlines the aggregation of operating expenses by nature.

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(i) Depreciation					
Cost of sales					
- property, plant and equipment	3.1(b)(ii)	-	2	-	-
General and administrative expenses					
- property, plant and equipment	3.1(b)(ii)	1,214	960	-	-
- investment properties	3.2(b)(iii)	6,270	6,266	-	-
- right-of-use asset	3.5(b)	84	78	-	-
		<u>7,568</u>	<u>7,306</u>	-	-
(ii) Amortisation					
General and administrative expenses					
- software licences	3.4(b)	25	28	-	-
(iii) Employee Benefits					
Cost of sales					
Staff costs:					
- salaries, allowances, bonuses and other emoluments (net of over provision)		3,190	3,097	-	-
- defined contribution plans		376	357	-	-
- social security costs		40	37	-	-
- other staff-related expenses		218	175	-	-
	2.2(b)	<u>3,824</u>	<u>3,666</u>	-	-

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SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D)

2.8 AGGREGATED EXPENSES (CONT'D)

	Note	<u>Group</u>		<u>Company</u>	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
(iii) Employee Benefits (Cont'd)					
General and administrative expenses					
Staff costs:					
- salaries, allowances, bonuses and other emoluments (net of over provision)		22,591	19,941	-	-
- defined contribution plans		3,033	2,729	-	-
- social security costs		283	221	-	-
- other staff-related expenses		1,018	1,004	-	-
	2.4	<u>26,925</u>	<u>23,895</u>	-	-
Total		<u>30,749</u>	<u>27,561</u>	-	-

2.9 INCOME FROM CASH AND CASH EQUIVALENTS

This note outlines the income generated from cash and cash equivalents.

	<u>Group</u>		<u>Company</u>	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Financial assets measured at FVTPL:				
- Fair valuation gain of short-term funds	844	884	-	-
- Funds distribution income	4,009	2,307	350	142
Financial assets measured at amortised cost:				
- Interest income on deposits and placements with licensed financial institutions	3,069	3,286	-	250
	<u>7,922</u>	<u>6,477</u>	<u>350</u>	<u>392</u>

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SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D)

2.9 INCOME FROM CASH AND CASH EQUIVALENTS (CONT'D)

Recognition and measurement

- (i) Fund distribution income is recognised and measured using the effective interest method over tenures of the short-term funds.
- (ii) Interest income on deposits and placements with licensed financial institutions is recognised and measured using the effective interest method over the tenure of placement.
- (iii) Fair valuation is recognised based on the fair value measurement of short-term funds, as described in Note 3.14(a).

2.10 INTEREST EXPENSE ON BORROWINGS

This note outlines the interest expenses incurred, amortisation of finance costs recognised, fees or expenses related to financing and interest capitalised for property development projects.

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest expense of financial liabilities that are measured at amortised cost:					
- amounts due to related companies		66,519	58,864	-	26
- amounts due to subsidiaries		-	-	1,475	1,893
- revolving credits		720	736	-	-
- term loans		380	2,885	-	-
		<u>67,619</u>	<u>62,485</u>	<u>1,475</u>	<u>1,919</u>
Other finance costs of financial liabilities that are measured at amortised cost:					
- facilities fee		136	501	-	-
Interest capitalised under:					
- land held for property development	3.6(b)(i)	(28,395)	(32,583)	-	-
- property development expenditure	3.6(b)(ii)	(7,239)	(5,654)	-	-
		<u>32,121</u>	<u>24,749</u>	<u>1,475</u>	<u>1,919</u>

Recognition and measurement

Finance costs are recognised and measured using the effective interest rate method over the tenure of the respective amortised cost instruments.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D)

2.11 INTEREST EXPENSE ON OTHER LIABILITIES

This note outlines the interest expenses incurred.

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest expense of financial liabilities that are measured at amortised cost:					
- lease liability	3.5(c)	7	5	-	-

2.12 TAX EXPENSE

This note sets out the income tax provision, including the effects of non-taxable and non-deductible items on the tax expense, as well as deferred tax recognised during the year.

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Income tax					
- Current year provision		26,038	35,122	154	351
- Under/(Over) provision in prior years		3,319	(496)	11	34
Deferred income tax:					
- Origination and reversal of temporary differences		(11,288)	(6,698)	-	-
- Over provision in prior years		(4,294)	(378)	-	-
		(15,582)	(7,076)	-	-
		13,775	27,550	165	385

Deferred income tax is analysed
as follows:

Deferred tax assets	3.7(b)(i)	(15,330)	(5,561)	-	-
Deferred tax liabilities	3.7(b)(ii)	(252)	(1,515)	-	-
		(15,582)	(7,076)	-	-

Tax expense analysed by business segments of the Group is disclosed in Note 1.3(a).

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 2: INFORMATION ON STATEMENTS OF PROFIT OR LOSS (CONT'D)

2.12 TAX EXPENSE (CONT'D)

(a) Recognition and measurement

Current income tax expense or income is recognised in the profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity. The tax amount is measured using tax rates and laws enacted at year-end.

(b) Tax rates

Income tax expense is computed using the statutory tax rates of 24% (2024: 24%) on the estimated taxable profits for the year.

(c) Reconciliation between tax expense and accounting profit before tax

The reconciliation of the Malaysian tax expense to the amount computed by applying the statutory corporate tax rate of 24% (2024: 24%) to the accounting profit before tax is set out below:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before tax ("PBT")	58,260	109,812	76,276	30,191
Tax at Malaysian statutory rate on PBT @ 24%	13,982	26,355	18,306	7,246
Tax effects of:				
- non-taxable income	(3,225)	(3,445)	(18,276)	(7,200)
- non-deductible expenses	2,396	4,533	124	305
Utilisation of previously unrecognised deferred tax assets	(128)	(292)	-	-
Deferred tax assets not recognised during the year	1,725	1,273	-	-
Over provision of deferred tax in prior years	(4,294)	(378)	-	-
Under/(Over) provision of income tax in prior years	3,319	(496)	11	34
Tax expense	13,775	27,550	165	385

(d) Other information

The deferred tax assets/(liabilities) are disclosed in Note 3.7.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION

This section details the individual line items in the statements of financial position. It covers assets, liabilities, share capital and reserves, along with the applicable accounting policies for each category.

3.1 PROPERTY, PLANT AND EQUIPMENT

This note provides information on property, plant and equipment (also known as fixed assets) employed in generating business income.

	Group	
	2025	2024
	RM'000	RM'000
Net carrying amount:		
Buildings	3,895	3,998
Plant and machinery	367	181
Motor vehicles	782	1,048
Furniture, fittings, equipment and renovation	3,929	3,858
	<u>8,973</u>	<u>9,085</u>

All property, plant and equipment are utilised for business operations.

(a) Recognition, measurement and significant judgement

Property, plant and equipment are recorded using the following recognition and measurement principles:

Property, plant and equipment are recognised when it is probable that future economic benefits will flow to the Group and the Company. Initially, these assets are measured at cost, which includes the fair value at the date control is obtained and the cost of replacing parts of the plant and equipment. Subsequently, they are carried at cost less accumulated depreciation and any accumulated impairment losses.

When significant components of plant and equipment require replacement at regular intervals, depreciation is calculated separately based on their specific useful lives. If the recognition criteria are met, the cost of major inspections is capitalised in the carrying amount of the plant and equipment as a replacement. All other repair and maintenance costs are expensed in the statement of profit or loss as incurred. It is essential to determine whether these expenditures meet the definition of an asset and are recognised as property, plant and equipment.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.1 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

Climate-related matter

The Group adopted IFRS S2 'Climate-related Disclosures' in 2025. In applying IFRS S2, climate-related considerations were integrated into existing asset management, capital expenditure planning and financial reporting processes, particularly in areas requiring significant judgement under MFRS 116, including the review of useful lives, residual values and the assessment of impairment indicators. The adoption of IFRS S2 did not result in changes to the Group's recognition and measurement principles for property, plant and equipment.

Physical and transition climate-related risks

The Group assessed the exposure of property, plant and equipment to relevant physical and transition climate-related risks, including flooding and extreme weather conditions, potential carbon pricing mechanisms and regulatory requirements under the Energy Efficiency and Conservation Act (EECA). The assessment considered the nature, location and usage of the Group's key asset classes, including buildings, plant and machinery, motor vehicles, and furniture and fittings.

Based on the assessment performed, the Group concluded that climate-related risks did not result in material changes to estimates of useful lives, residual values, depreciation charges or impairment conclusions. Accordingly, the financial impact of climate-related considerations on property, plant and equipment was not material to the Group's financial statements. Further information on climate-related risks is disclosed in Note 6.3.

Capital Expenditure for Climate Resilience

As part of the Group's response to identified physical climate-related risks under IFRS S2, certain expenditures were incurred to enhance the resilience of existing assets against identified physical climate-related risks is capitalised where the recognition criteria under MFRS 116 are met. Such expenditure includes costs to strengthen structural integrity or upgrade drainage and related infrastructure to mitigate flood risk. These capitalised costs are depreciated over the remaining useful life of the related asset.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.1 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

Climate-related matter (Cont'd)

The carrying amount of an item of property, plant and equipment is derecognised upon disposal (i.e., when the recipient gains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount) is included in the statement of profit or loss at the time of derecognition.

Depreciation Policy

Depreciation is calculated on a straight-line basis to write off the cost of each asset to its residual value over its estimated useful life. Depreciation expense for property, plant, and equipment is recognised in the statement of profit or loss within the expense category that aligns with the business activities and function.

The estimated useful lives of assets are based on industry norms for common life expectancies. The principal depreciation periods and annual rates applied are as follows:

	Years	Percentage
		(%)
Buildings	50	2
Plant and machinery	5	20
Motor vehicles	7	15
Furniture, fittings, equipment and renovation	5 - 10	10 - 20

The residual values, useful lives, and depreciation methods of property, plant and equipment are reviewed at least annually. This review ensures that the depreciation amount, method and period remain consistent with previous estimates and align with the expected pattern of consumption of the future economic benefits embodied in these assets. At the end of each year, the residual values, useful lives, and depreciation methods are reassessed and adjusted prospectively, if appropriate.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.1 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

Impairment Assessment

At each reporting date, an assessment is conducted to determine if there is any indication of impairment on an asset. If such an indication exists, or if annual impairment testing is required, an analysis is performed to evaluate whether the carrying amount of such asset is fully recoverable. An impairment loss is recognised if the carrying amount exceeds the recoverable amount, indicating that the asset is impaired and should be written down to its recoverable amount.

For impairment assessment, the recoverable amount of the property, plant and equipment is determined based on either (a) the "value-in-use" of Cash-Generating Units ("CGU"); or (b) the indicative market value of the property, plant and equipment, as appropriate.

The value-in-use of a CGU is determined by discounting the future cash flows expected from its continued use. Significant judgement is required to estimate future results and key assumptions applied to the CGU's cash flow projections. These key assumptions include forecasted growth in future revenues and operating profit margins, as well as determining an appropriate pre-tax discount rate and growth rates, which are, among others, dependent on forecasted economic conditions, among other factors.

At each reporting date, an assessment is conducted to determine whether there is any indication that previously recognised impairment losses no longer exist or have decreased. If such an indication exists, the Group or the Company estimates the recoverable amount of such asset or CGU. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of such asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised in prior years. Such reversals are recognised in the statement of profit or loss.

The impairment assessment for property, plant and equipment of certain subsidiaries was based on the "value-in-use" of CGUs, using the key assumptions detailed above. No impairment was indicated, as the recoverable amounts of these CGUs exceeded their carrying amounts. It is believed that no reasonably possible change in any of the key assumptions would result in the carrying amounts of the CGUs materially exceeding their recoverable amounts.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.1 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

Impairment Assessment (Cont'd)

For certain subsidiaries within the Property Investment Segment, impairment assessments were carried out based on the indicative market values of property, plant and equipment.

Climate-related Risks in Impairment Testing

In performing impairment assessments, the Group considers all relevant and supportable information, including climate-related physical and transition risks identified under IFRS S2 'Climate-related Disclosures'. These risks may affect future cash flow projections through potential operational disruptions, increased regulatory costs or additional capital expenditure requirements.

Climate-related considerations are incorporated into key assumptions used in value-in-use calculations, including projected cash flows, growth rates and capital expenditure assumptions. Based on the assessments performed, no additional impairment indicators were identified, as the recoverable amounts of the relevant CGUs exceeded their carrying amounts. Management concluded that no reasonably possible changes in key assumptions, including climate-related factors, would result in the carrying amounts materially exceeding their recoverable amounts.

The Group has adopted IFRS S2 'Climate-related Disclosures' during the financial year, and the relevant requirements on property, plant and equipment are discussed in Note 6.3(a)(ii).

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.1 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Other information

(i) Movement of property, plant and equipment by classes of assets

Group

2025

Cost	Note	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings, equipment and renovation RM'000	Total RM'000
At the beginning of the year		5,181	458	2,989	13,260	21,888
Additions	1.3(a)	-	303	3	798	1,104
Disposals		-	-	(55)	(162)	(217)
At the end of the year		5,181	761	2,937	13,896	22,775
Accumulated depreciation						
At the beginning of the year		1,183	277	1,941	8,129	11,530
Charge for the year	(b)(ii)	103	117	269	725	1,214
Disposals		-	-	(55)	(160)	(215)
At the end of the year		1,286	394	2,155	8,694	12,529
Accumulated impairment						
At the beginning/end of the year		-	-	-	1,273	1,273
Net carrying amount		3,895	367	782	3,929	8,973

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.1 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Other information (Cont'd)

(i) Movement of property, plant and equipment by classes of assets (Cont'd)

Group (Cont'd)

2024

	Note	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings, equipment and renovation RM'000	Total RM'000
Cost							
At the beginning of the year		1,307	5,181	458	3,647	10,467	21,060
Additions	1.3(a)	-	-	-	63	2,801	2,864
Disposals		-	-	-	(721)	(8)	(729)
Reclassified to inventories	3.6(b)(ii)	(1,307)	-	-	-	-	(1,307)
At the end of the year		-	5,181	458	2,989	13,260	21,888
Accumulated depreciation							
At the beginning of the year		-	1,080	192	2,385	7,638	11,295
Charge for the year	(b)(ii)	-	103	85	277	497	962
Disposals		-	-	-	(721)	(6)	(727)
At the end of the year		-	1,183	277	1,941	8,129	11,530
Accumulated impairment							
At the beginning/end of the year		-	-	-	-	1,273	1,273
Net carrying amount		-	3,998	181	1,048	3,858	9,085

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.1 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Other information (Cont'd)

(i) Movement of property, plant and equipment by classes of assets (Cont'd)

	<u>Company</u>	
	<u>2025</u>	<u>2024</u>
	<u>RM'000</u>	<u>RM'000</u>
Furniture and fittings		
Cost		
At the beginning/end of the year	18	18
Accumulated depreciation		
At the beginning/end of the year	18	18
Net carrying amount	-	-

(ii) Depreciation charge

The total depreciation charge for the year is as follows:

	Note	<u>Group</u>	
		<u>2025</u>	<u>2024</u>
		<u>RM'000</u>	<u>RM'000</u>
Recognised in profit or loss and classified under:			
- Cost of sales	2.2(b), 2.8(i)	-	2
- General and administrative expenses	2.4, 2.8(i)	1,214	960
	(b)(i)	<u>1,214</u>	<u>962</u>

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.2 INVESTMENT PROPERTIES

This note provides information on the Group's investment properties, which mainly comprise shopping mall, retail and hypermarket premises used to generate rental income and benefit from capital appreciation.

	Note	Group	
		2025 RM'000	2024 RM'000
Net carrying amount			
Freehold land		60,290	60,290
Buildings		240,025	246,295
Building under construction		434	434
	(b)(i)	<u>300,749</u>	<u>307,019</u>
Fair value		<u>420,340</u>	<u>420,198</u>

(a) Recognition and measurement

The Group's investment properties comprise a shopping mall, hypermarket premises, and car parks. Management categorised these properties into one class of asset (retail) based on the nature, characteristics and risks. The rental income and related expenses of office buildings are classified under the Property Segment and disclosed in Note 1.3.

Investment properties are capitalised when it is probable that future economic benefits will flow to the Group. They are initially measured at acquisition cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure is capitalised when future economic benefits are probable and costs are reliably measurable. Repairs and maintenance are expensed and replaced parts are derecognised.

Investment properties are derecognised upon disposal or permanent withdrawal from use. Gains or losses are calculated as the difference between net disposal proceeds and carrying amounts.

In line with IFRS S2 'Climate-related Disclosures', the Group considers both physical and transition risks that may affect the valuation of investment properties. Physical risks, such as extreme weather events, and transition risks, including evolving climate-related regulations and tenants' increasing demand for low-emission and energy-efficient buildings, are assessed for their potential impact on cash flows, valuation inputs, and the assumption used by market participants.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.2 INVESTMENT PROPERTIES (CONT'D)

(a) Recognition and measurement (Cont'd)

The Group has adopted IFRS S2 'Climate-related Disclosures' in the current year, and the relevant requirements on investment properties are discussed in Notes 6.3(a)(iii).

Depreciation Policy

Depreciation is calculated on a straight-line basis to write off the cost of each investment property to its residual value over the estimated useful life. Depreciation expense on investment properties is recognised in the statement of profit or loss. The estimated useful life represents common life expectancy within the industry in which the Group operates. The principal depreciation period for buildings is 50 years. Freehold land and buildings under construction are not depreciated.

Impairment Assessment

At each reporting date, impairment assessment is conducted in a similar manner with property, plant and equipment, as disclosed in Note 3.1(a). No impairment was indicated, as the recoverable amounts of these CGUs or properties exceeded their carrying amounts. It is believed that no reasonably possible change in any of the key assumptions would result in the carrying amounts of these CGUs or properties materially exceeding their recoverable amounts.

(b) Other information

(i) Movement of investment properties

Group			Freehold	Buildings	Building	Total
	Note	land	under	construction		Total
2025		RM'000	RM'000	RM'000		RM'000
Cost						
At the beginning/ end of the year		60,290	338,556	434		399,280
Accumulated depreciation						
At the beginning of the year		-	58,188	-		58,188
Charge for the year	(b)(iii)	-	6,270	-		6,270
At the end of the year		-	64,458	-		64,458
Accumulated impairment						
At the beginning/ end of the year		-	34,073	-		34,073
Net carrying amount		60,290	240,025	434		300,749

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.2 INVESTMENT PROPERTIES (CONT'D)

(b) Other information (Cont'd)

(i) Movement of investment properties (Cont'd)

Group (Cont'd)

	Note	Freehold land RM'000	Buildings RM'000	Building under construction RM'000	Total RM'000
2024					
Cost					
At the beginning of the year		60,290	338,189	434	398,913
Expenditure incurred	1.3(a)	-	367	-	367
At the end of the year		60,290	338,556	434	399,280
Accumulated depreciation					
At the beginning of the year		-	51,922	-	51,922
Charge for the year	(b)(iii)	-	6,266	-	6,266
At the end of the year		-	58,188	-	58,188
Accumulated impairment					
At the beginning/ end of the year		-	34,073	-	34,073
Net carrying amount		60,290	246,295	434	307,019

The additional costs incurred were for the existing investment properties.

(ii) Rental income and direct expenses

Rental income and direct expenses arising from investment properties during the year are as follows:

	Group	
	2025	2024
	RM'000	RM'000
Rental income generating	25,409	27,332
Direct expenses incurred to generate the rental income	14,838	13,910

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.2 INVESTMENT PROPERTIES (CONT'D)

(b) Other information (Cont'd)

(iii) Depreciation charge

The total depreciation charge for the year:

	Note	Group	
		2025 RM'000	2024 RM'000
Recognised in profit or loss and classified under:			
- General and administrative expenses	2.4, 2.8(i)	6,270	6,266

(iv) Assets pledged as security

Investment properties with a total carrying amount of RM273.8 million (2024: RM279.6 million) are pledged to licensed financial institutions for the medium-term notes issued by a related company as disclosed in Note 3.12(a)(ii) to refinance the term borrowing of a subsidiary.

(v) Other relevant information

The Group engaged independent valuation specialists to determine the fair values of a shopping mall with an attached car park. The fair value was determined using a comparison method. The fair value of other investment properties is estimated by the Directors by reference to transaction prices for similar properties in the vicinity as well as based on the income capitalisation method taking into account rental receipts, market rental yields and the use of appropriate capitalisation rates.

There are no restrictions on the realisability of investment properties and no contractual obligations to purchase, construct, or develop investment property or to undertake repairs, maintenance, or enhancements.

3.3 INVESTMENTS IN SUBSIDIARIES

This note details the Company's investments in subsidiaries, which generate dividend income.

	Note	Company	
		2025 RM'000	2024 RM'000
Unquoted shares in Malaysia	(d)	938,312	669,562

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.3 INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Recognition, measurement and significant judgement

Subsidiaries are entities controlled by the Group. Investments in subsidiaries are recognised at cost, being the fair value of the consideration paid, when the Group obtains the power to control the entities. These investments are subsequently measured at cost less any impairment losses. Following a similar impairment assessment as disclosed in Note 3.1(a), the Group reviews these investments for impairment each reporting period, based on reasonable assumptions about future economic conditions, using the value-in-use method.

The Group adopted IFRS S2 'Climate-related Disclosures' in the current year. The requirements applicable to investments in subsidiaries, which are similar to those for property, plant and equipment are discussed in Note 3.1(a). The impairment requirements are discussed in Note 6.3(a)(ii).

(b) Changes in Group's composition for the year ended 31 December 2025

(i) Incorporation of a subsidiary

On 14 February 2025, the Company incorporated a wholly-owned subsidiary, Laman Harta Sdn. Bhd. ("LHSB"), with an issued and paid-up capital of RM1 comprising one (1) ordinary share. The principal activity of LHSB is property development.

On 5 May 2025, the Company subscribed for an additional 99,999 new ordinary shares in LHSB for cash of RM99,999. Accordingly, the issued and paid-up ordinary share capital of LHSB increased from RM1 to RM100,000.

Upon completion of the shares subscription, the Company's equity interests in LHSB remained at 100.00%.

(ii) Subscription of new shares in subsidiaries

(1) On 9 April 2025 and 15 July 2025, the Company subscribed for 15,000,000 and 14,760,000 new ordinary shares in OSK Amanjaya Sdn. Bhd. ("OSKAJ") for cash of RM15,000,000 and RM14,760,000, respectively. Accordingly, the issued and paid-up ordinary share capital of OSKAJ increased from RM1,000,000 to RM30,760,000. The principal activity of OSKAJ is property development.

Upon completion of the shares subscription, the Company's equity interests in OSKAJ remained at 100.00%.

(2) On 9 April 2025 and 15 July 2025, the Company subscribed for 15,000,000 and 5,000,000 new ordinary shares in Aspect Vision Sdn. Bhd. ("AVSB") for cash of RM15,000,000 and RM5,000,000, respectively. Accordingly, the issued and paid-up ordinary share capital of AVSB increased from RM100,000 to RM20,100,000. The principal activity of AVSB is property development.

Upon completion of the shares subscription, the Company's equity interests in AVSB remained at 100.00%.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.3 INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Changes in Group's composition for the year ended 31 December 2025 (Cont'd)

(ii) Subscription of new shares in subsidiaries (Cont'd)

- (3) On 15 July 2025, the Company subscribed for 390,000 new ordinary shares in Astana Harmoni Sdn. Bhd. ("AHSB") for cash of RM390,000. Accordingly, the issued and paid-up ordinary share capital of AHSB increased from RM10,000 to RM400,000. The principal activity of AHSB is property development.

Upon completion of the shares subscription, the Company's equity interests in AHSB remained at 100.00%.

- (4) On 11 September 2025, the Company subscribed for 218,500,000 new ordinary shares in Potensi Rajawali Sdn. Bhd. ("PRSB") for cash of RM218,500,000. Accordingly, the issued and paid-up ordinary share capital of PRSB increased from RM110,850,000 to RM329,350,000. The principal activity of PRSB is property development.

Upon completion of the shares subscription, the Company's equity interests in PRSB remained at 100.00%.

(c) Changes in Group's composition for the year ended 31 December 2024

(i) Subscription of new shares in subsidiaries

- (1) On 18 April 2024, the Company subscribed for 79,999 new ordinary shares in Aspect Dynamic Sdn. Bhd. ("ADSB") for cash of RM79,999. Accordingly, the issued and paid-up ordinary share capital of this company increased from RM1 to RM80,000. The principal activity of ADSB is property development.

Upon completion of the shares subscription, the Company's equity interest in ADSB remained at 100%.

- (2) On 27 December 2024, the Company subscribed for 1,500,000 new ordinary shares in OSK Properties Management Sdn. Bhd. ("OSKPM") for cash of RM318,344 and RM1,181,656 by way of capitalisation of the amount due by OSKPM to the Company. Accordingly, the issued and paid-up ordinary share capital of this company increased from RM2 to RM1,500,002. The principal activity of OSKPM is property management.

Upon completion of the shares subscription, the Company's equity interest in OSKPM remained at 100%.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.3 INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) Other information

Movement of investments in subsidiaries

	Note	Company	
		2025 RM'000	2024 RM'000
Unquoted shares in Malaysia			
Cost			
At the beginning of the year		674,708	673,128
Subscription of shares by way of:			
- Cash consideration	(b)(i), (b)(ii)(1),(2),(3),(4), (c)(i)(1),(2)	268,750	398
- Capitalisation of amount due from a subsidiary	(c)(i)(2)	-	1,182
At the end of the year		<u>943,458</u>	<u>674,708</u>
Accumulated impairment losses			
At the beginning of the year		(5,146)	(4,168)
Transferred from amount due from subsidiary upon capitalisation of the amount due from subsidiary	3.11(a)(i)	-	(978)
At the end of the year		<u>(5,146)</u>	<u>(5,146)</u>
		<u>938,312</u>	<u>669,562</u>

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.3 INVESTMENTS IN SUBSIDIARIES (CONT'D)

(e) Subsidiaries with non-controlling interests

Subsidiaries that have non-controlling interests to the Group are set out below:

	Country			
	Wheels	Semponia	Rimulia	
	Sdn. Bhd.	Sdn. Bhd.	Sdn. Bhd.	
	("CW")	("Semponia")	("Rimulia")	Total
	RM'000	RM'000	RM'000	RM'000
2025				
Proportion of ownership interest held by non-controlling interests	49%	49%	45%	
Accumulated non-controlling interests	17,453	13,986	578	32,017
Profit attributable to non-controlling interests	788	212	8	1,008
Dividend paid to non-controlling interests	-	-	-	-
2024				
Proportion of ownership interest held by non-controlling interests	49%	49%	45%	
Accumulated non-controlling interests	16,666	13,774	569	31,009
Profit attributable to non-controlling interests	581	166	14	761
Dividend paid to non-controlling interests	-	-	-	-

The above information is presented based on the financial statements of the subsidiaries before accounting for (i) fair value adjustments upon acquisition of the entities; and (ii) elimination of inter-company transactions.

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.3 INVESTMENTS IN SUBSIDIARIES (CONT'D)

(e) Subsidiaries with non-controlling interests (Cont'd)

The summarised financial information of the material subsidiaries which have non-controlling interests in the Group is set out below:

	2025		2024	
	CW RM'000	Semponia RM'000	CW RM'000	Semponia RM'000
<u>Aggregated assets and liabilities (100%)</u>				
Current assets	86,087	40,780	84,380	40,419
Non-current assets	2,193	2,193	2,194	2,194
Total assets	88,280	42,973	86,574	42,613
Current liabilities/Total liabilities	(52,717)	(14,373)	(52,560)	(14,502)
Net assets	35,563	28,600	34,014	28,111
<u>Aggregated results (100%)</u>				
Profit for the year/ Total comprehensive income	1,607	433	1,186	339
Profit/Total comprehensive income attributable to:				
- owners of CW/Semponia	820	221	605	173
- non-controlling interests of CW/Semponia	787	212	581	166
	1,607	433	1,186	339
<u>Aggregated cash flows (100%)</u>				
Net cash from/(used in):				
- operating activities	958	(683)	1,924	(56)
- investing activities	890	673	1,656	16
Net increase/(decrease) in cash and cash equivalents	1,848	(10)	3,580	(40)

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.3 INVESTMENTS IN SUBSIDIARIES (CONT'D)

(f) List of subsidiaries

Listed below are the subsidiaries with their principal activities. The principal place of business of the subsidiaries is in Malaysia and incorporated in Malaysia.

Name of companies	Principal activities	Effective proportion of ownership interest	
		2025 %	2024 %
Aspect Dynamic Sdn. Bhd.	Property development	100	100 (c)(i)(1)
Aspect Potential Sdn. Bhd.	Property development	100	100
Aspect Synergy Sdn. Bhd.	Property development	100	100
Aspect Vision Sdn. Bhd.	Property development	100 (b)(ii)(2)	100
Astana Harmoni Sdn. Bhd.	Property development	100 (b)(ii)(3)	100
Atria Damansara Sdn. Bhd.	Property investment and development	100	100
Atria Parking Management Sdn. Bhd.	Car park management and operations	100	100
Atria Shopping Gallery Sdn. Bhd.	Mall management and operations	100	100
Country Wheels Sdn. Bhd.	Property development	51	51
Harta Harmoni Sdn. Bhd.	Property development	100	100
Jelang Vista Sdn. Bhd.	Property development	100	100
Laman Harta Sdn. Bhd.	Property development	100 (b)(i)	-
Mori Park Sdn. Bhd.	Property development	100	100
OSK Amanjaya Sdn. Bhd.	Property development	100 (b)(ii)(1)	100

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.3 INVESTMENTS IN SUBSIDIARIES (CONT'D)

(f) List of subsidiaries (Cont'd)

Listed below are the subsidiaries with their principal activities. The principal place of business of the subsidiaries is in Malaysia and incorporated in Malaysia. (Cont'd)

Name of companies	Principal activities	Effective proportion of ownership interest	
		2025 %	2024 %
OSK Properties Sdn. Bhd.	Property development, investment and sale of oil palm fresh fruit bunches	100	100
OSK Properties Management Sdn. Bhd.	Property management	100	100 (c)(i)(2)
OSK Properties (Seremban) Sdn. Bhd.	Property development	100	100
OSKP Facilities Management Sdn. Bhd.	Property management	100	100
Perspektif Vista Sdn. Bhd.	Property development	100	100
Pine Avenue Sdn. Bhd.	Property development	100	100
Potensi Rajawali Sdn. Bhd.	Property development	100 (b)(ii)(4)	100
Ribuan Ekuiti Sdn. Bhd.	Property development	100	100
Rimulia Sdn. Bhd.	Property development	55	55
Semponia Sdn. Bhd.	Property development	51	51
Warisan Rajawali Sdn. Bhd.	Property development	100	100
Wawasan Rajawali Sdn. Bhd.	Property development	100	100

For the purpose of consolidation, the financial statements of all subsidiaries are prepared for the financial year ended 31 December.

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.4 INTANGIBLE ASSETS

This note provides information on the software licences and club membership classified as intangible assets.

	Note	Group		Company	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Software licences	(b)	44	46	-	-
Club membership		350	350	350	350
		<u>394</u>	<u>396</u>	<u>350</u>	<u>350</u>

(a) Recognition, measurement and significant judgement

Intangible assets are recognised in the statement of financial position when it is probable that future economic benefits will flow to the Group and the Company. These assets, which include software licences, club membership, and separately acquired trademarks, are initially measured at cost, representing the fair value of the consideration paid. Subsequently, they are carried at cost less accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

(i) Software licences

Software licences are capitalised based on the costs incurred to acquire and implement the specific software. These costs are amortised on a straight-line basis over their estimated useful life of 6 to 7 years. Amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss within the expense category that aligns with the function of the intangible assets. The estimated useful life represents the common life expectancy applied in the industry within which the Group and the Company operate. The residual value, useful life and amortisation method for an intangible asset with a finite useful life are reviewed at least annually to ensure that the amount, method and period of amortisation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied.

(ii) Club membership

Club membership is not amortised, but is tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether it is supportable. If not, the change in useful life from indefinite to finite is made prospectively.

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.4 INTANGIBLE ASSETS (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

An intangible asset is derecognised upon disposal (i.e. when the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

The Group adopted IFRS S2 'Climate-related Disclosures' in the current year. Impairment requirements applicable to intangible assets, which are similar to those for property, plant and equipment, are discussed in Note 3.1(a). The climate-related impairment requirements are discussed in Note 6.3(a)(ii).

(b) Other information

Software licences

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cost					
At the beginning of the year		1,413	1,395	9	9
Additions	1.3(a)	23	18	-	-
At the end of the year		<u>1,436</u>	<u>1,413</u>	<u>9</u>	<u>9</u>
Accumulated amortisation					
At the beginning of the year		(1,367)	(1,339)	(9)	(9)
Amortisation		(25)	(28)	-	-
At the end of the year		<u>(1,392)</u>	<u>(1,367)</u>	<u>(9)</u>	<u>(9)</u>
Carrying amount		<u>44</u>	<u>46</u>	<u>-</u>	<u>-</u>
Recognised in profit or loss and classified under:					
Amortisation of software licences:					
- General and administrative expenses	2.4, 2.8(ii)	25	28	-	-

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.5 RIGHT-OF-USE ASSET/(LEASE LIABILITY)

This note details the leases in which the Group acts as lessee, covering lease contract for spaces such as sales galleries based on business needs. Lease contracts are generally established for fixed periods. Leases where the Group is a lessor are disclosed under lease receivables and operating lease commitments in Notes 3.8 and 5.1(a), respectively.

	Note	Group	
		2025 RM'000	2024 RM'000
Right-of-use asset			
Non-current			
Lease of premise	(b)	157	-
Lease liability			
Non-current		33	-
Current		127	-
	(c), 1.4, 1.8, 3.15(e)(iii)	160	-

(a) Recognition, measurement and significant judgement

Lease is recognised as a right-of-use asset and corresponding lease liability when they are made available for use. Lease contracts include lease and non-lease components, which are allocated based on their relative stand-alone prices. For real estate lease, the Group applies the practical expedient in MFRS 16 'Leases' to account for each lease and its associated non-lease components as a single lease component. Lease terms vary and may contain security interests in leased assets. In determining the lease term, all relevant factors that create an economic incentive to exercise an extension or termination option are considered. Any revision to the lease term results in the remeasurement of the corresponding lease liability. Leases with a term of 12 months or less (short-term leases) and leases of low-value assets (RM20,000 or below) are recognised as an expense on a straight-line basis over the lease term.

(i) Right-of-use asset

Right-of-use asset is recognised in the statement of financial position when future economic benefits are probable. Right-of-use asset is initially measured at cost, including the lease liability, advance payments, direct costs, and restoration estimates. Subsequently, they are measured at cost less accumulated depreciation and any accumulated impairment losses.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.5 RIGHT-OF-USE ASSET/(LEASE LIABILITY) (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

(i) Right-of-use asset (Cont'd)

Depreciation is calculated on a straight-line basis to write off the cost of each asset from the commencement date to the earlier of the estimated useful life or the end of the lease term. The estimated useful life and the lease term are as follows:

	Years	Percentage (%)
Lease of premise	2	50

Following a similar impairment assessment as discussed in Note 3.1(a), the recoverable amount of right-of-use asset is determined based on the value-in-use of the Cash-Generating Unit (CGU), by discounting future cash flow projections. Significant judgement is required in estimating future results, key assumptions, growth rates, and discount rates.

The Group has adopted IFRS S2 'Climate-related Disclosures' in the current year. The impairment requirements applicable to right-of-use assets, which are similar to those for property, plant and equipment, are discussed in Note 3.1(a). The climate-related impairment requirements are discussed in Notes 6.3(a)(ii) and (v).

Any gain or loss arising from the derecognition of a right-of-use asset is recognised in the statement of profit or loss as other operating income or loss, except where such derecognition occurs as part of a sale and leaseback transaction within the scope of MFRS 16.

(ii) Lease liability

Lease liability is classified as financial liability measured at amortised cost and is recognised when the related financial obligation arises. It is initially measured at fair value, being the present value of the unpaid lease payments at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.5 RIGHT-OF-USE ASSET/(LEASE LIABILITY) (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

(ii) Lease liability (Cont'd)

The measurement of lease liability includes the following components:

- Fixed payments (less any lease incentives receivable)
- Variable payments based on an index/rate
- Expected payments under residual value guarantees
- Purchase option prices (if likely to be exercised)
- Penalties for early termination

After initial recognition, lease liability is measured at amortised cost as described in Note 3.15(a)(ii). Lease payments are divided into principal and finance costs, with finance costs charged to the statement of profit or loss over the lease period as interest expense on lease liability. Lease liability is presented as a separate item in the statement of financial position.

Adjustments to the carrying amount of lease liability is made against the related right-of-use asset if there are modifications, changes in lease term or payments, or changes in purchase option assessments.

The Group has adopted IFRS S2 'Climate-related Disclosures' in the current year, and the relevant requirements on lease liability is discussed in Note 6.3(a)(v).

(b) Movement of right-of-use asset

Lease of premise

	Note	Group	
		2025 RM'000	2024 RM'000
Cost			
At the beginning of the year		-	269
Additions		241	-
Reassessments and modifications of leases		-	(269)
At the end of the year		241	-
Accumulated depreciation			
At the beginning of the year		-	57
Charge for the year	2.4, 2.8(i)	84	78
Reassessments and modifications of leases		-	(135)
At the end of the year		84	-
Net carrying amount		157	-
Recognised in profit or loss and classified under:			
Depreciation of right-of-use asset			
- General and administrative expenses	2.4, 2.8(i)	84	78

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.5 RIGHT-OF-USE ASSET/(LEASE LIABILITY) (CONT'D)

(c) Movement of lease liability

	Note	Group	
		2025 RM'000	2024 RM'000
At the beginning of the year		-	215
Additions		241	-
Interest charged	2.11	7	5
Reassessments and modifications of leases		-	(138)
Payment of:			
- principal		(81)	(77)
- interest		(7)	(5)
	3.15(e)(iii)	(88)	(82)
At the end of the year	3.15(e)(iii)	160	-
Recognised in profit or loss and classified under:			
Interest expense on lease liability			
- finance cost	2.11	7	5

(d) Other information

	Note	Group	
		2025 RM'000	2024 RM'000
(i) Recognised in profit or loss and classified under:			
Rental expenses for short-term leases			
- General and administrative expenses	2.4	239	108

(ii) The liquidity risk of the lease liability is disclosed in Note 1.8(a).

(iii) The weighted average incremental borrowing rates of the lease liability of the Group is 4.99% (2024: 4.77%).

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.6 INVENTORIES

This note provides information about the inventories held by the Group, which consist of land banks, stocks for ongoing and completed projects under the Property Development Segment.

	Note	Group	
		2025 RM'000	2024 RM'000
Non-current			
Land held for property development	(b)(i)	1,599,267	1,321,308
Current			
Property development expenditure	(b)(ii)	440,100	307,323
Completed properties held for sale	(b)(iii)	21,679	23,888
Total current		461,779	331,211
Total		2,061,046	1,652,519

During the year, Aspect Dynamic Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement with a vendor to acquire 14.4 acres of land located in Mukim Rawang in Bandar Kundang, Daerah Gombak, Selangor, for a total purchase consideration of RM58.0 million.

In the previous year, OSK Amanjaya Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement with various vendors to acquire 686.1 acres of land located in Bandar Sungai Petani and Mukim Sungai Petani, Daerah Kuala Muda, Kedah for a total purchase consideration of RM147.8 million.

(a) Recognition, measurement and significant judgement

(i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is recognised in the statement of financial position when expenditure is incurred and is measured at the lower of cost and net realisable value. Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is reclassified as property development expenditure when development activities have commenced and where it can be demonstrated that the development activities are expected to be completed within the normal operating cycle.

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.6 INVENTORIES (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

(ii) Property development expenditure

Property development expenditures that are incurred but not recognised as an expense in the statement of profit or loss are recognised as an asset measured at the lower of cost and net realisable value.

Property development expenditure comprises all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities. Such development expenditure comprises the costs of land under development, construction costs and other related development costs common to the whole project, including professional fees, stamp duties, commissions, conversion fees and other relevant levies, as well as borrowing costs.

Property development revenue and costs, as disclosed in Notes 2.1(a)(i)(1) and 2.2(a)(i) respectively, are recognised in the statement of profit or loss by reference to the progress towards complete satisfaction of that performance obligation at the reporting period, generally known as the percentage of completion method. Progress is measured based on direct measurements of the value transferred to the purchasers and the inputs applied towards satisfying the performance obligation.

Significant judgement is required in determining the completeness and accuracy of the budgets and the extent of the costs incurred. Substantial changes in cost estimates may have a material effect on profitability in future periods. In making this judgement, it relies on experience and the work of specialists.

(iii) Completed properties held for sale

The completed properties held for sale are recognised in the statement of financial position when such properties are completed with certificates of completion and compliance and are measured at the lower of cost and net realisable value.

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.6 INVENTORIES (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

Cost consists of the costs associated with the acquisition of land, direct costs and appropriate proportions of common costs attributable to developing the properties until completion.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The estimate of net realisable value is based on the most reliable evidence available at the time of assessment regarding the amount the inventories are expected to realise.

The Group adopted of IFRS S2 'Climate-related Disclosures' in the current year, and relevant impairment requirements on inventories are discussed in Note 6.3(a)(vi) and hereinafter. In line with the Group's adoption of IFRS S2 'Climate-related Disclosures', the Group also considers the potential impact of climate-related risks and uncertainties when assessing the recoverability of inventories measured at the lower of cost and net realisable value. Such considerations include both physical climate-related risks, such as damage to inventories arising from extreme weather events, and transition climate-related risks, including changes in customer demand, raw material sourcing constraints, increased costs of completion, or regulatory and policy changes that may affect the usability, marketability or obsolescence of inventories.

For property development inventories, the Group assesses climate-related factors such as changes in customer preferences, regulatory or planning requirements, and prolonged adverse weather conditions that may disrupt construction activities. In response, management considers the impact of such factors on project timelines, expected selling prices, sales velocity and costs of completion when estimating net realisable value, including through regular project cost reviews and updates to sales and construction forecasts.

Where climate-related factors indicate that the cost of inventories may no longer be recoverable, inventories are written down to their net realisable value in accordance with MFRS 102 'Inventories', with any write-down recognised in the statement of profit or loss. Management applies judgement in assessing the extent to which climate-related risks affect net realisable value, taking into account conditions and information available. Based on the assessment performed, the Group evaluates whether climate-related factors have a material impact on the measurement of inventories for the reporting period.

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.6 INVENTORIES (CONT'D)

(b) Other information

(i) Land held for property development

	Note	Group	
		2025 RM'000	2024 RM'000
<u>Freehold land</u>			
At the beginning of the year		923,634	975,811
Costs incurred		67,487	6,192
Purchase of lands		212,461	-
Reclassified to property development expenditure	(b)(ii)	(57,880)	(58,369)
At the end of the year		<u>1,145,702</u>	<u>923,634</u>
<u>Development expenditure</u>			
At the beginning of the year		397,674	343,222
Costs incurred		102,509	122,850
Reclassified to property development expenditure	(b)(ii)	(46,618)	(68,398)
At the end of the year		<u>453,565</u>	<u>397,674</u>
Total non-current		<u>1,599,267</u>	<u>1,321,308</u>

As disclosed in Note 2.10, interest of RM28.4 million (2024: RM32.6 million) was capitalised during the year, which was calculated based on interest rates ranging from 2.33% to 4.92% (2024: 2.47% to 4.96%).

The land held for property development with a total carrying amount of RM355.0 million (2024: RM623.6 million) are pledged as security to secure medium-term notes and Sukuk issued by a related company and term borrowings of the subsidiary as disclosed in Notes 3.12(a)(ii) and 3.15(c), respectively.

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.6 INVENTORIES (CONT'D)

(b) Other information (Cont'd)

(ii) Property development expenditure

	Note	Group	
		2025 RM'000	2024 RM'000
<u>Freehold land</u>			
At the beginning of the year		288,942	288,370
Costs refunded		-	(201)
Reclassified from:			
- land held for property development	(b)(i)	57,880	58,369
- property, plant and equipment	3.1(b)(i)	-	1,307
Reclassified to completed properties held for sale		(987)	(100)
Reversal of development expenditure for completed projects		(41,733)	(58,803)
At the end of the year		<u>304,102</u>	<u>288,942</u>
<u>Development expenditure</u>			
At the beginning of the year		675,722	645,698
Costs incurred		493,731	472,538
Reclassified from land held for property development	(b)(i)	46,618	68,398
Reclassified to completed properties held for sale		(8,829)	(23,026)
Reversal of development expenditure for completed projects		(318,397)	(487,886)
At the end of the year		<u>888,845</u>	<u>675,722</u>
Total property development expenditure incurred		<u>1,192,947</u>	<u>964,664</u>
<u>Costs recognised in profit or loss</u>			
At the beginning of the year		(657,341)	(678,001)
Recognised in profit or loss		(455,636)	(526,029)
Reversal of costs arising from completed projects		360,130	546,689
At the end of the year		<u>(752,847)</u>	<u>(657,341)</u>
Net carrying amount of property development expenditure		<u>440,100</u>	<u>307,323</u>

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.6 INVENTORIES (CONT'D)

(b) Other information (Cont'd)

(ii) Property development expenditure (Cont'd)

As disclosed in Note 2.10, interest of RM7.2 million (2024: RM5.7 million) was capitalised during the year, calculated based on interest rates ranging from 2.33% to 4.92% (2024: 2.47% to 4.96%).

The following carrying amounts of property development expenditure that are pledged as security to secure:

	Note	Group	
		2025 RM'000	2024 RM'000
Advances granted by a related company	3.12(a)(ii)	204,632	146,152
Term loans	3.15(c)	-	95,990
		<u>204,632</u>	<u>242,142</u>

(iii) Completed properties held for sale

	Group	
	2025 RM'000	2024 RM'000
At cost	<u>21,679</u>	<u>23,888</u>

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.7 DEFERRED TAX ASSETS/(LIABILITIES)

This note provides information on the recognition of deferred tax assets and liabilities.

	Note	Group	
		2025 RM'000	2024 RM'000
Deferred tax assets	(b)(i)	89,898	74,568
Deferred tax liabilities	(b)(ii)	(6,375)	(6,627)

(a) Recognition and measurement

Deferred tax is calculated on temporary differences between the tax base and the carrying amount of assets and liabilities. It is recognised using enacted tax rates. Deferred tax assets are recognised when it is probable there will be future taxable profit to use them. Judgement is needed to estimate the amount of deferred tax assets. Deferred tax assets and liabilities can be offset if they are from the same tax authority on the same company.

In applying MFRS 112 'Income Taxes', the Group recognises deferred tax assets for deductible temporary differences, including unused tax losses to the extent that it is probable that future taxable profits will be available against which such amounts can be utilised. The assessment of recoverability requires significant judgement and estimates of future taxable profits.

In line with the Group's adoption of IFRS S2 'Climate-related Disclosures', the Group also considers the potential impact of climate-related risks and uncertainties when estimating future taxable profits used to support the recognition of deferred tax assets. Such considerations may include both physical and transition climate-related risks that could affect the Group's operating performance, cost structure, demand for products and services, regulatory compliance requirements or capital expenditure plans, and consequently its future profitability.

The assumptions applied in forecasting future taxable profits, including those affected by climate-related factors, are consistent with the assumptions used in other forward-looking information prepared for financial reporting purposes and with those disclosed in the Group's climate-related narrative disclosures, where applicable. Where changes in climate-related assumptions indicate that sufficient future taxable profits may no longer be probable, deferred tax assets are not recognised or are derecognised in accordance with MFRS 112.

Based on the assessment performed, the Group evaluates at each reporting date whether climate-related factors have a material impact on the recoverability of deferred tax assets and updates its estimates and disclosures as appropriate.

The Group adopted IFRS S2 'Climate-related Disclosures' in the current year, and the relevant requirements on deferred tax are discussed in Note 6.3(a)(vii).

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.7 DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

(b) The components and movements of deferred tax assets and liabilities:

Group	Deferred tax recognised in profit or loss		Deferred tax recognised in profit or loss		As at 31.12.2025
	As at 1.1.2024	for 2024	As at /1.1.2025	for 2025	
	(Note 2.12)	(Note 2.12)	(Note 2.12)	(Note 2.12)	
	RM'000	RM'000	RM'000	RM'000	RM'000
(i) Deferred tax assets					
Excess of depreciation over capital allowances	8	2	10	(8)	2
Interest capitalised in inventories	773	(70)	703	593	1,296
Unused tax losses and unabsorbed capital allowances	4,369	(2,985)	1,384	(841)	543
Provisions	64,328	8,588	72,916	15,704	88,620
Total deferred tax assets	69,478	5,535	75,013	15,448	90,461
Offset in DTL [Note b(ii)]	(471)	26	(445)	(118)	(563)
Net deferred tax assets	69,007	5,561	74,568	15,330	89,898
(ii) Deferred tax liabilities					
Excess of capital allowances over depreciation	(575)	28	(547)	(118)	(665)
Fair value on inventories	(8,038)	1,513	(6,525)	252	(6,273)
Total deferred tax liabilities	(8,613)	1,541	(7,072)	134	(6,938)
Offset in DTA [Note b(i)]	471	(26)	445	118	563
Net deferred tax liabilities	(8,142)	1,515	(6,627)	252	(6,375)

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.7 DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

(c) Other information

The temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	2025	2024
	RM'000	RM'000
Deductible temporary differences	69,032	68,917
Taxable temporary differences	(97,000)	(99,465)
Unused tax losses	72,682	67,462
Unutilised capital allowances	140,095	141,241
	<u>184,809</u>	<u>178,155</u>

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items, as it is not probable that taxable profits of the subsidiaries will be available against which the deductible temporary differences can be utilised. The amount and the availability of these items to be carried forward are subject to the agreement of the relevant tax authorities.

The unused tax losses are analysed by the expiry year of assessment:

	Group	
	2025	2024
	RM'000	RM'000
Year of assessment 2028	12,510	12,713
Year of assessment 2029	7,684	7,684
Year of assessment 2030	14,874	14,874
Year of assessment 2031	2,011	2,011
Year of assessment 2032	21,548	21,548
Year of assessment 2033	5,242	5,242
Year of assessment 2034	3,390	3,390
Year of assessment 2035	5,423	-
	<u>72,682</u>	<u>67,462</u>

In Malaysia, with effect from 1 January 2022, any unused tax losses from the year of assessment 2019 are available for deduction for a maximum period of ten consecutive years of assessment immediately following that year of assessment. Any amount remaining unutilised at the end of the ten-year assessment period shall be disregarded.

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.8 TRADE RECEIVABLES

This note outlines the Group's trade receivables including the relevant measurement and recognition treatment, as well as its credit risk management practices.

	Note	Group	
		2025 RM'000	2024 RM'000
Non-current			
Property progress billings receivables		15,001	21,482
Current			
Property progress billings receivables		78,519	113,944
Lease receivables		7,206	7,302
		85,725	121,246
Allowances for impairment losses:			
- Collective assessment	(b)(i)	(47)	(124)
- Individual assessment	(b)(i)	(6,656)	(6,658)
Total current		79,022	114,464
Total		94,023	135,946

(a) Recognition, measurement and significant judgement

The Group's business mainly involves developing and selling properties, leasing commercial space, and holdings investment. The related revenue recognition is disclosed in Note 2.1.

Trade receivables are financial assets with fixed or determinable collections (repayments) and are classified as amortised cost assets. These trade receivables are recognised in the statement of financial position upon issuance of billing to customers. Trade receivables are initially measured at fair value, representing the amount of goods and services provided based on invoice amounts. Subsequently, they are measured at amortised cost as described in Note (a)(v) below. Revenue (Note 2.1), allowance for impairment losses (Note 2.5) and any gain or loss arising from derecognition of trade receivables are recognised in the statement of profit or loss.

The Group adopted IFRS S2 'Climate-related Disclosures' in the current year, and the relevant requirements on trade receivables are discussed in Note 6.3(a)(viii).

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.8 TRADE RECEIVABLES (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

(i) Credit risk management practices

Assessment is carried out to determine whether the credit risk of a customer has increased significantly since initial recognition. This assessment considers certain criteria, including the ageing of days past due, collateral values where applicable and the latest customer financial standing. The Group compares the risk of a default occurring in the portfolio as at the end of the year with the risk of a default occurring in the portfolio as at the date when such customer was initially recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and observable forward-looking information without undue cost or effort.

In relation to the rebuttable presumption, the credit risk on a financial asset is considered to have increased significantly since initial recognition when contractual payments are more than 30 days past due. The clients' repayment behaviour is reviewed and compared it with the industry's normal credit period and supply chain cycle and determined that payments take longer than 30 days.

A receivable is considered to be in default when such a customer fails to perform its obligation to make payment within the period granted.

The expected credit loss is recognised from the date of initial recognition of a receivable using a single-stage lifetime expected credit loss. This represents a 'simplified approach' under MFRS 9. Under this approach, there is no requirement to monitor changes in the credit risk of financial assets as described in the 'general approach' in Note 3.9(b). The simplified approach is mandatory for trade receivables or contract assets resulting from transactions that fall within the scope of MFRS 15 'Revenue from Contracts with Customers' and do not contain a significant financing component. This simplified approach may also apply to trade receivables and contract assets with a significant financing component under MFRS 15; and to lease receivables accounted for under MFRS 16, where the accounting policy to measure the loss allowance at an amount equal to lifetime expected credit losses. Receivables are assessed individually for impairment loss at the end of each reporting period.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.8 TRADE RECEIVABLES (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

(i) Credit risk management practices (Cont'd)

Assessment is carried out on expected credit losses on a collective basis of receivables, that are not being impaired individually, and such receivables are grouped based on the following factors for monitoring:

- Business activities: Property Development, Property Investment and Management businesses are each assessed in separate groups;
- Products or services: different types of products or services are each assessed in separate groups;
- Receivables ageing status;
- Nature, size and industry of receivables;
- Collaterals provided by the receivables; and
- External/Internal credit ratings where applicable.

Trade receivables are considered credit-impaired when one or more events have occurred that have a detrimental impact on the recoverable amounts, based on the estimated future cash flows of the receivable that can be reliably measured. A receivable is written off from its books only when all avenues of recovery have been exhausted and there is no expectation of recovery in the foreseeable future. For receivables that are written off, the Group's internal legal unit will follow up on enforcement activities.

To determine whether there is objective evidence that trade receivables are credit-impaired, the following inputs and assumptions are being used to assess whether there has been a significant increase in credit risk since initial recognition:

- Significant financial difficulty of the customer;
- A breach of contract, such as a default of payment; or
- Observation of current and forward-looking data indicating that there is a measurable decrease in the estimated future cash flows from the customer since initial recognition, including:
 - (i) adverse changes in the payment status of the customer; and
 - (ii) national or local economic conditions that correlate with the customer's ability to pay.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.8 TRADE RECEIVABLES (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

(i) Credit risk management practices (Cont'd)

Reviews of expected credit losses are carried out at each reporting period to assess the reasonableness of the assumptions relating to the risk of default and expected loss rates. In assessing the impairment of a receivable, the possibility of default is assumed based on historical behaviour, including the past five years' monthly data of each customer from the end of the reporting date. In addition, business units observe current market conditions concerning each customer's exposure and any related collateral risk exposure.

In incorporating forward-looking information into the determination of expected credit losses, general macroeconomic indicators such as projected GDP, lending interest rates, unemployment rates, manufacturing production, industrial production, housing price index and inflation rates are used as broad guidance in assessing credit risk and are applied together with experienced credit judgement.

In addition, industry-specific factors are considered in determining expected credit losses, including information relating to the nature of collateral, conditions in the property market, the marketability of underlying assets and other relevant sectoral developments that may affect borrowers' repayment capacity.

Based on historical data and the forward-looking information described above, business units apply the probability of default (PD) and loss given default (LGD) methodology in assessing lifetime expected credit losses.

(ii) Quantitative and qualitative information about amounts arising from expected credit losses

Gross carrying amount being allocated for impairment:

	Group			
	2025		2024	
	Collectively assessed RM'000	Individually assessed RM'000	Collectively assessed RM'000	Individually assessed RM'000
At the beginning of the year	136,070	6,658	92,385	6,871
Originate	598,040	245	772,821	793
Derecognise	(640,040)	(247)	(729,136)	(1,006)
At the end of the year	94,070	6,656	136,070	6,658

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.8 TRADE RECEIVABLES (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

(ii) Quantitative and qualitative information about amounts arising from expected credit losses (Cont'd)

There were no modifications of contractual cash flows on trade receivables during the year.

No contractual amounts were written off during the year, which are still subject to enforcement activities.

(iii) Credit risk exposure

The Group assesses the credit quality of trade receivables using the ageing of past due days for the lifetime impairment of the trade receivables as follows:

Group

	Expected loss rate %	Gross carrying amount/ Maximum exposure RM'000	Collateral value held RM'000	Expected loss provision RM'000
2025				
Current	0.0	66,804	194	2
Past due:				
1 to 30 days	0.1	15,131	182	9
31 to 90 days	0.3	7,785	86	22
More than 90 days	60.6	11,006	1,938	6,670
		<u>100,726</u>	<u>2,400</u>	<u>6,703</u>
2024				
Current	0.0	91,057	166	9
Past due:				
1 to 30 days	0.1	22,535	39	14
31 to 90 days	0.2	17,666	38	38
More than 90 days	58.6	11,470	1,694	6,721
		<u>142,728</u>	<u>1,937</u>	<u>6,782</u>

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.8 TRADE RECEIVABLES (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

(iv) Significant estimates and judgements

Impairment allowances for trade receivables are determined based on assumptions regarding the risk of default and expected credit loss rates. Significant judgement is used in making these assumptions and selecting appropriate inputs for computing such impairment loss. These assessments are broadly based on the available customers' historical data, past collection experience and prevailing market conditions, including relevant forward-looking information as at the end of the reporting period.

(v) Financial assets measured at amortised cost and effective interest method

The amortised cost of a financial asset is the amount measured at initial recognition, adjusted for subsequent recognition of interest income using the effective interest method on any difference between that initial amount and the maturity amount, and reduced by repayments and any impairment or credit losses.

The effective interest rate is the rate that discounts estimated future cash inflows through the expected life of the financial asset to the gross carrying amount of the financial asset. The gross carrying amount is the amortised cost of a financial asset before adjusting for any loss allowance. The effective interest method is the method that is used in the calculation of the amortised cost of a financial asset and the allocation and recognition of the interest income in the statement of profit or loss over the relevant period.

Therefore, the carrying amount of the financial asset is a reasonable approximation of its fair value.

The above amortised costs measurement is also adopted in other assets excluding prepayments, amounts due from related companies, and cash and bank balances, as disclosed in Notes 3.9(a), and 3.14(a), respectively.

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.8 TRADE RECEIVABLES (CONT'D)

(b) Other information

(i) Movement of allowance for impairment losses on trade receivables is as follows:

	Note	Group	
		2025 RM'000	2024 RM'000
Collective assessment			
At the beginning of the year		124	311
Write back of allowance	2.5	(77)	(187)
At the end of the year		47	124
Individual assessment			
At the beginning of the year		6,658	6,871
Allowance made	2.5	245	793
Write back of allowance	2.5	(247)	(1,006)
At the end of the year		6,656	6,658
Total collective and individual impairment losses		6,703	6,782

There was no significant concentration of credit risks at the end of the year.

(ii) Trade receivables are non-interest bearing unless overdue and generally on terms of 7 to 90 days (2024: 7 to 90 days).

3.9 OTHER ASSETS

This note provides information on other receivables, deposits paid and prepayment of expenses.

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current					
Deposits		6,157	4,429	-	-
Current					
Other receivables		6,240	6,040	93	40
Deposits		11,086	28,246	4	304
Allowance for impairment	(c)(i)	(1,988)	(1,678)	-	-
		15,338	32,608	97	344
Prepayments		2,818	5,302	-	-
Total current		18,156	37,910	97	344
Total		24,313	42,339	97	344

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.9 OTHER ASSETS (CONT'D)

(a) Recognition, measurement and significant judgement

Other assets, excluding prepayments, are financial assets with fixed or determinable payments and are classified as amortised cost assets. These assets are recognised in the statement of financial position when goods and/or services are provided to the Group. Initially, such goods and/or services are measured at the fair value, equivalent to the transaction amounts and subsequently are measured at amortised cost as described in Note 3.8(a)(v). Gains or losses, including impairment, are recognised in the statement of profit or loss.

The 'general approach' under MFRS 9 as described in Note (b) below is adopted to provide for the expected credit loss of the above receivables.

The Group assesses whether the credit risk of a receivable has significantly increased since initial recognition by considering various criteria, including whether the receivable is more than 90 days past due, the nature of the transaction, and by comparing the risk of a default at the end of the year with the risk of initial recognition. This assessment involves the use of both quantitative and qualitative information that is reasonable and supportable, including historical experience and observable forward-looking data, without undue cost or effort.

The Group adopted IFRS S2 'Climate-related Disclosures' in the current year, and the relevant requirements on other assets are discussed in Note 6.3(a)(viii).

(b) Impairment assessment - 'General Approach' under MFRS 9

The 'general approach' under MFRS 9 uses the forward-looking expected credit loss model, which includes a three-stage impairment model based on changes in credit quality since initial recognition. Assets move through the three stages as credit quality changes, and the stages dictate the measurement of impairment losses at each reporting date. Impairment losses will be reversed if the credit quality improves. In respect of the receivables where credit risk has not increased significantly since the initial recognition of the financial assets, the 12-month expected credit losses are recognised. Otherwise, lifetime expected credit losses are recognised. For credit-impaired receivables, lifetime expected credit losses are recognised on a net basis.

In making this impairment assessment, both quantitative and qualitative information that is reasonable and supportable shall be considered, including historical experience and observable forward-looking information without undue cost or effort. The probability of default and loss given default methodology have been used to assess the expected credit loss, and significant judgement is exercised in determining the probability of default on the receivables, appropriate forward-looking information and a significant increase in credit risk since the inception of such receivable.

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.9 OTHER ASSETS (CONT'D)

(b) Impairment assessment - 'General Approach' under MFRS 9 (Cont'd)

For the incorporation of forward-looking information into the determination of expected credit losses, the Group uses general macroeconomic indicators such as projected gross domestic product ("GDP"), lending interest rate, unemployment rate and inflation rate as broad guidance of credit. In addition, industry-specific factors are considered in determining expected credit loss, such as information on the share market, including investable counters, collateral nature, property market and its marketability.

The Group uses the probability of default and loss given default methodology to assess expected credit loss based on the historical data and the forward-looking information stated above.

There were no significant changes in the estimation techniques or assumptions made during the year.

The above 'general approach' under MFRS 9 is also adopted in amounts due from related companies, as disclosed in Note 3.12(a)(i).

(c) Other information

(i) Movement of allowance for impairment losses on other receivables is as follows:

	Note	Group	
		2025 RM'000	2024 RM'000
Individual assessment			
At the beginning of the year		1,678	1,687
Allowance made	2.5	445	55
Write back of allowance	2.5	(135)	(64)
At the end of the year		<u>1,988</u>	<u>1,678</u>

(ii) Other receivables were non-interest bearing and normally settled in 30 to 90 days (2024: 30 to 90 days).

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.10 CONTRACT ASSETS

This note provides information about the contract assets representing the Group's rights to consideration for goods sold and services rendered to customers before being recognised as trade receivables.

	Note	Group	
		2025 RM'000	2024 RM'000
Contract assets arising from the excess of revenue recognised over progress billings to property purchasers	(b)(i)	245,056	207,610

The carrying amount is classified under the Property Development Segment.

Contract assets reflect revenue that has been earned on development projects currently in progress, but for which an invoice has not yet been issued to the customers.

(a) Recognition, measurement and significant judgement

A contract asset is a right to consideration, the fair values at initial recognition, in exchange for goods or services that the Group has transferred to a customer before the customer pays consideration or before payment is due.

Contract assets (accrued billings to be billed to purchasers) are recognised in the statement of financial position as an excess of cumulative revenue recognised over the progress billings to purchasers. Revenue is measured at the transaction price based on a contract with a purchaser/customer.

Contract assets will be reclassified to trade receivables when the rights to economic benefits become unconditional. This usually occurs when billings are issued to the purchaser/customer. For determining the transaction price of the contract, the Group assumed that the goods or services would be transferred to the purchaser/customer as promised following the existing contract and that the contract would not be amended, renewed or modified.

Contract assets are subject to impairment assessment under MFRS 9. The expected credit loss is recognised from the date of initial recognition of a contract asset using a single-stage lifetime expected credit loss, the 'simplified approach' as described under Note 3.8(a)(i). No expected credit loss is recognised from contract assets as it was negligible.

The Group adopted IFRS S2 'Climate-related Disclosures' in the current year, and the relevant requirements on contract assets are discussed in Note 6.3(a)(viii).

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.10 CONTRACT ASSETS (CONT'D)

(b) Other information

(i) Contract assets and liabilities in respect of property development activities:

	Note	Group	
		2025 RM'000	2024 RM'000
At the beginning of the year		189,653	211,737
Net progress revenue recognised in profit or loss	2.1	611,650	717,554
Sale of completed properties recognised in profit or loss	2.1	9,009	4,494
Progress billings issued		(571,112)	(744,132)
At the end of the year		<u>239,200</u>	<u>189,653</u>
Carrying amount at the end of the year are analysed as follows:			
- Contract assets		245,056	207,610
- Contract liabilities	3.19	<u>(5,856)</u>	<u>(17,957)</u>
		<u>239,200</u>	<u>189,653</u>

(ii) Transaction price allocated to the remaining performance obligations

The aggregate amount of the transaction price allocated to the property development contracts that are fully or partially to be fulfilled (unsatisfied) and expected to be recognised as revenue in the future are as follows:

	Group			
	2025		2024	
	RM'000	%	RM'000	%
Within 1 year	515,728	71	330,714	64
1 to 4 years	<u>208,908</u>	29	<u>188,726</u>	36
	<u>724,636</u>		<u>519,440</u>	

Contract assets and liabilities under property development activities contracts are denominated in RM. The above contract assets and liabilities are not impacted by any significant changes in the contract terms.

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.11 AMOUNTS DUE FROM/(TO) SUBSIDIARIES

This note details the advances made between the Company and its subsidiaries.

	Note	Company	
		2025 RM'000	2024 RM'000
Amount due to a subsidiary	(a)(ii), 1.8	-	(20,500)

(a) Recognition, measurement and significant judgement

(i) Amounts due from subsidiaries

Amounts due from subsidiaries are financial assets with fixed or determinable repayments and are classified as amortised cost assets. These amounts are recorded in the statement of financial position when advanced to the subsidiary. Initially, they are recognised at fair value based on the amounts advanced and subsequently measured at amortised cost as described in Note 3.8(a)(v).

The Company adopts the 'general approach' under MFRS 9 in providing the expected credit loss. The 'general approach' is described in Note 3.9(b).

The movement of allowance for impairment loss is as follows:

	Note	Company	
		2025 RM'000	2024 RM'000
Individual assessment			
At the beginning of the year		-	978
Transferred to investment in subsidiary upon capitalisation of the amount due from subsidiary	3.3(d)	-	(978)
At the end of the year		-	-

(ii) Amount due to a subsidiary

Amount due to a subsidiary is financial liability with fixed or determinable payments, classified as amortised cost liability. This amount is recorded in the statement of financial position when the financial obligation arises. Initially, it is recognised at the fair value of the advances received and subsequently, it is measured at amortised cost as described in Note 3.15(a)(ii).

The Group adopted IFRS S2 'Climate-related Disclosures' in the current year, and the relevant requirements on amounts due from/(to) subsidiaries are discussed in Note 6.3(a)(viii).

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.11 AMOUNTS DUE FROM/(TO) SUBSIDIARIES (CONT'D)

(b) Interest rates

Amounts due from/(to) subsidiaries are non-trade, unsecured and bear interest rates ranging from 2.33% to 2.47% (2024: 2.37% to 2.47%) per annum. At the end of the year, such amounts including interest therein are due and to be received/paid.

3.12 AMOUNTS DUE FROM/(TO) RELATED COMPANIES

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Amounts due from related companies					
Current					
Advance to a related company	1.4	23,900	30,800	8,910	30,800
Amounts due from related companies		19	19	-	-
Total current		<u>23,919</u>	<u>30,819</u>	<u>8,910</u>	<u>30,800</u>
Amounts due to related companies					
Current					
Advances from related companies	1.4	(1,403,771)	(1,309,845)	-	-
Trade		(28,568)	(36,782)	-	-
Amounts due to related companies		(504)	(38)	-	-
Total current	1.8(a)	<u>(1,432,843)</u>	<u>(1,346,665)</u>	<u>-</u>	<u>-</u>

(a) Recognition, measurement and significant judgement

(i) Amounts due from related companies

Amounts due from related companies are financial assets with fixed or determinable repayments and are classified as amortised cost assets. These amounts are recorded in the statement of financial position when advanced to the related companies. Initially, they are recognised at fair value based on the amounts advanced and subsequently measured at amortised cost as described in Note 3.8(a)(v).

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3.12 AMOUNTS DUE FROM/(TO) RELATED COMPANIES (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

(i) Amounts due from related companies (Cont'd)

The Company adopts the 'general approach' under MFRS 9 in providing the expected credit loss. The 'general approach' is described in Note 3.9(b). Based on the assessment, the amounts due from related companies have low credit risk and it was negligible, hence no expected credit loss is recognised thereof.

(ii) Amounts due to related companies

Amounts due to related companies are financial liabilities with fixed or determinable payments, classified as amortised cost liabilities. These amounts are recorded in the statement of financial position when the financial obligation arises. Initially, they are recognised at the fair value of the advances received and subsequently, they are measured at amortised cost as described in Note 3.15(a)(ii).

The advance from the related companies have been granted by pledging the following assets of the Group as security to secure medium-term notes ("MTNs") and Sukuk issued by the related companies for funding the Group's operations:

	Note	Group	
		2025 RM'000	2024 RM'000
Investment properties	3.2(b)(iv)	273,814	279,583
Inventories:			
- Land held for property development	3.6(b)(i)	200,834	432,324
- Property development expenditure	3.6(b)(ii)	204,632	146,152
Cash, bank balances and short-term funds	3.14(d)	2,200	2,135
Total		<u>681,480</u>	<u>860,194</u>

The Group adopted IFRS S2 'Climate-related Disclosures' in the current year, and the relevant requirements on amounts due from/(to) related companies are discussed in Note 6.3(a)(viii).

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.12 AMOUNTS DUE FROM/(TO) RELATED COMPANIES (CONT'D)

(b) Interest rates

Non-trade amounts due from/(to) related companies are unsecured and interest-free except for advance to/(from) related companies which bear interest rates ranging from 4.70% to 4.84% (2024: 4.70% to 4.84%) per annum. At the end of the year, such amounts including interest therein are due and to be received/paid.

(c) Other information

(i) The advances from related companies represent financing provided to the Group for its operations including funding of land acquisition and progress work. These financing are governed under conventional agreements or Islamic arrangements.

(ii) The liquidity risk of the amounts due to related companies are disclosed in Note 1.8(a).

3.13 AMOUNT DUE TO IMMEDIATE HOLDING COMPANY

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Amount due to immediate holding company				
Current				
Amount due to immediate holding company	844	-	-	-
Total current	844	-	-	-

(a) Recognition, measurement and significant judgement

Amount due to immediate holding company is a financial liability with fixed or determinable payments, classified as amortised cost liability. This amount is recorded in the statement of financial position when advanced from immediate holding company. Initially, it is recognised at the fair value based on amounts advanced and subsequently measured at amortised cost as described in Note 3.15(a)(ii).

(b) Interest rates

Non-trade amount due to the immediate holding company is denominated in RM, unsecured, and interest-free. At the end of the year, such an amount is due and to be received.

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.14 CASH, BANK BALANCES AND SHORT-TERM FUNDS

This note outlines the liquidity position, which forms part of the capital management as disclosed in Note 1.4.

Cash, bank balances and short-term funds comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of one year or less, that are held to meet short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances		9,612	15,711	184	228
Deposits with licensed financial institutions		61,493	61,671	-	-
Short-term funds		121,975	154,590	19,394	3,938
		193,080	231,972	19,578	4,166
Housing development accounts		112,641	49,203	-	-
	1.4, 1.8	305,721	281,175	19,578	4,166

(a) Recognition and measurement

Cash and bank balances, deposits with licensed financial institutions and housing development accounts are financial assets with fixed and determinable sums that are classified as amortised cost assets. Such sums are recognised initially at fair value in the statement of financial position and subsequently measured at amortised cost as described in Note 3.8(a)(v).

Short-term funds are financial assets recognised initially at fair value based on contracts entered in the statement of financial position. Subsequent to the initial recognition, such funds are measured at FVTPL.

The fair value measurement of the short-term funds is categorised within Level 1 of the fair value hierarchy, using the unadjusted active market price of the identified assets, according to MFRS 13 'Fair Value Measurement', as disclosed in Note (e)(i).

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.14 CASH, BANK BALANCES AND SHORT-TERM FUNDS (CONT'D)

(b) Cash and cash equivalents

For the purpose of the statements of cash flows, the cash and cash equivalents comprise cash on hand and at banks, deposits with licensed financial institutions and short-term funds with short-term maturities and highly liquid investments which have an insignificant risk of changes in value net of bank overdrafts, if any. Statements of cash flows are prepared using an indirect method and changes in cash and cash equivalents are classified into operating, investing and financing activities.

Bank accounts held under housing development accounts, forming part of bank balances, are maintained pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 in Malaysia. The utilisation of this balance is restricted to property development activities under the said section.

The Group's practice of using a 12-month operating cycle for liquidity management ensures consistency, accuracy, and financial stability, laying the foundation for sustained business success. This means that the Group uses a 12-month period to plan, execute, and evaluate its business activities. By maintaining this consistent timeframe, the Group ensures accurate assessment and effective management of its financial performance.

In this context, the Group treats its cash and cash equivalents as liquidity, specifically within this 12-month operating cycle, and such cash and cash equivalents are highly liquid and readily convertible to known amount of cash which is subject to an insignificant of risk of change in value, and held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. This practice allows the Group to maintain a clear and precise view of its financial condition and health, ensuring that sufficient funds are available to meet short-term obligations and invest in future growth opportunities.

By adhering to this 12-month operating cycle, the Group can effectively manage its working capital, optimise cash flow, and make informed financial decisions. This approach supports the Group's overall business strategy, contributing to its long-term growth, stability, and ability to maximise shareholder value.

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.14 CASH, BANK BALANCES AND SHORT-TERM FUNDS (CONT'D)

(c) Interest rates

The interest rates at the end of the year of:

- (i) bank balances under housing development accounts ranging from 0.75% to 1.30% (2024: 1.10% to 1.60%) per annum.
- (ii) bank balances under current accounts ranging from 1.75% to 2.25% (2024: 1.25% to 2.25%) per annum.

(d) Bank balances and short-term funds pledged as security

Included in the cash, bank balances and short-term funds with a total amount of RM2.2 million (2024: RM2.1 million) are pledged as security to secure MTNs and Sukuk issued by a related company in Note 3.12(a)(ii) for the purpose of land acquisition and working capital.

(e) Fair value measurement

Pursuant to MFRS 13 'Fair Value Measurement', fair value hierarchy has been established and is categorised into three levels of inputs for valuation techniques, which are used to measure fair value.

The carrying amount of the assets can be categorised into the fair value hierarchy as follows:

- (i) Level 1, using unadjusted active market price of identified assets. The fair value measurement of the short-term funds is categorised within Level 1 of the fair value hierarchy, using unadjusted active market price of the identified assets.
- (ii) Level 2, valuation techniques which all inputs that have a significant effect on the recorded fair values are observable for the asset, using the market approach (comparison method) which uses observable inputs (including prices and other relevant information generated by market transactions involving identical or comparable/similar assets).

The fair value of derivative liability is measured using Level 2 inputs, as disclosed in Note 3.20(b).

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.14 CASH, BANK BALANCES AND SHORT-TERM FUNDS (CONT'D)

(e) Fair value measurement (Cont'd)

The carrying amount of the assets can be categorised into the fair value hierarchy as follows:
(Cont'd)

- (iii) Level 3, valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data for the asset, using investment, residual, income capitalisation, cost and comparison methods based on inputs which are not observable market data.

Market participants' views of potential climate-related matters, including legislation, may affect the fair value measurement of assets in the financial statements. Unobservable inputs used in fair value measurements reflect the assumptions that market participants would use, including assumptions about climate-related risk, where applicable.

(f) Other information

As the 31 December 2025, the Group had available RM39.5 million (2024: RM39.0 million) of undrawn committed borrowing facilities that may be available for future operating activities and to settle capital commitments. As the 31 December 2025, the deposits with the licensed financial institutions will be matured within 365 days (2024: 365 days).

Short-term funds aim to invest in highly liquid instruments which are investing its assets in Ringgit Malaysia deposits with licensed financial institutions in Malaysia and are redeemable with one to five days' notice. These funds are subject to an insignificant risk of changes in value and form part of cash and cash equivalents. Funds distribution income is calculated daily and distributed every month. No expected credit loss is recognised from the bank balances as the probability of default by these licensed financial institutions was negligible.

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.15 BORROWINGS

This note provides details of the borrowings, which represent a key component of its capital management framework as disclosed in Note 1.4. These borrowings are utilised to finance business operations and meet corporate funding requirements, ensuring sufficient liquidity to support the Group's strategic initiatives and long-term growth objectives.

	Note	Group	
		2025 RM'000	2024 RM'000
Current Secured			
Revolving credits	1.4, 1.8	71,076	16,373
The carrying amount analysed by maturity:			
On demand or within 1 year		71,076	16,373

(a) Recognition and measurement

(i) Borrowings

Borrowings are financial liabilities which are classified as amortised cost liabilities.

Borrowings are initially recognised when financial obligations arise at fair value (net of transaction costs) of borrowed sums and subsequently measured at amortised cost as described in Note (a)(ii). They are derecognised when financial obligations are extinguished. Gains or losses, including interest, fees, discounts, rebates, and amortisation of transaction costs, are recognised in profit or loss.

If borrowings are replaced or modified on substantially different terms, the original liability is derecognised, and a new liability is recognised, with the difference recognised in statement of profit or loss.

(ii) Financial liabilities measured at amortised cost and effective interest method

The amortised cost of a financial liability is the initial amount adjusted for interest expenses using the effective interest method, accounting for differences between the initial and maturity amounts minus repayments.

The effective interest rate is used to discount future cash outflows over the financial liability's life to its amortised cost. This method calculates the amortised cost, allocates and recognises interest expense over the relevant period.

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.15 BORROWINGS (CONT'D)

(a) Recognition and measurement (Cont'd)

(ii) Financial liabilities measured at amortised cost and effective interest method (Cont'd)

Therefore, the carrying amount of the financial liability is a reasonable approximation of its fair value.

The amortised costs measurement is also adopted in lease liability, amount due to a subsidiary, amounts due to related companies, amount due to immediate holding company, trade payables and other liabilities as disclosed in Notes 3.5(a)(ii), 3.11(a)(ii), 3.12(a)(ii), 3.13(a), 3.16(a) and 3.17(a), respectively.

(iii) Climate-related features in borrowings

The Group measures its borrowings and other financial liabilities at amortised cost in accordance with MFRS 9 'Financial Instruments'. In this regard, the Group has assessed its financial liabilities to determine whether any borrowings contain climate-related features that may affect the contractual cash flows of the liabilities, such as interest rate adjustments or other payment terms linked to the achievement of specified sustainability or climate-related metrics, if any.

As of 31 December 2025, the Group has yet to issue financial liabilities with Environmental, Social, and Governance ("ESG") features. Upon issuance of any financial liabilities with ESG features, the Group will be required to assess the accounting treatment of such contracts, particularly as financial liabilities with ESG features that impact the cash flows of the liability may contain embedded derivatives. An embedded derivative in an amortised-cost liability must be bifurcated if it is not closely related to the host contract; if an embedded derivative is not bifurcated, its estimated cash flows are included in determining the effective interest rate. Any future revisions to these estimates are accounted for directly in statement of profit or loss.

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.15 BORROWINGS (CONT'D)

(b) Interest rates

	Group	
	2025	2024
	%	%
Borrowings	4.15 - 4.92	4.92 - 4.95

(c) Secured borrowings

The Group has pledged the following assets as security for the secured borrowings.

	Note	Group	
		2025	2024
		RM'000	RM'000
Carrying amounts of the assets pledged for credit facilities			
Inventories:			
- Land held for property development	3.6(b)(i)	154,164	191,271
- Property development expenditure	3.6(b)(ii)	-	95,990
		<u>154,164</u>	<u>287,261</u>

(d) Other information

(i) All covenants of the borrowings are met at all times during the year.

(ii) The liquidity risk of the borrowings is disclosed in Note 1.8(a).

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.15 BORROWINGS (CONT'D)

(e) Reconciliation of liabilities arising from financing activities

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(i) Borrowings					
At the beginning of the year		16,373	55,521	-	-
Cash inflows/(outflows)		56,127	(39,148)	-	-
Non-cash:					
- Exchange differences		(1,424)	-	-	-
At the end of the year		71,076	16,373	-	-
(ii) Advance from related companies					
At the beginning of the year		1,309,845	1,258,588	-	59,600
Cash inflows/(outflows)		93,926	51,257	-	(59,600)
At the end of the year		1,403,771	1,309,845	-	-
(iii) Lease liability					
At the beginning of the year		-	215	-	-
Cash outflows	3.5(c)	(88)	(82)	-	-
Non-cash:					
- New lease		241	-	-	-
- Interest charged		7	5	-	-
- Reassessments and modifications of leases		-	(138)	-	-
		248	(133)	-	-
At the end of the year	3.5(c)	160	-	-	-
Total liabilities from financing activities		1,475,007	1,326,218	-	-

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3.16 TRADE PAYABLES

This note provides information on amounts payable to contractors and suppliers that facilitate the Group's business operations. These payables include amounts due for services rendered, supplies provided, and other contractual obligations that are necessary to the seamless functioning of the business.

	Note	Group	
		2025 RM'000	2024 RM'000
Non-current			
Property development payables		8,274	10,272
Current			
Property development payables		41,735	37,373
Total	1.8	50,009	47,645

(a) Recognition and measurement

Trade payables are financial liabilities classified as amortised cost liabilities. They are recognised in the statement of financial position when the financial obligation to pay arises and are initially measured at the fair value of the goods and services received. After initial recognition, trade payables are subsequently measured at amortised cost, as described in Note 3.15(a)(ii). These liabilities are derecognised when the related financial obligations are settled or extinguished.

The Group adopted IFRS S2 'Climate-related Disclosures' in the financial year, and the relevant requirements on trade payables are discussed in Note 6.3(a)(viii).

(b) Other information

- (i) Trade payables are non-interest bearing and normally settled in of 30 to 90 days (2024: 30 to 90 days).
- (ii) The liquidity risk of the trade payables is disclosed in Note 1.8(a).

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3.17 OTHER LIABILITIES

This note provides details on financial liabilities, excluding trade payables and provisions. It includes accruals for which outflows of economic resources are probable, as well as deposits received from tenants and other arrangements.

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current					
Deposits received	(b)(i)	2,253	2,170	-	-
Total non-current		2,253	2,170	-	-
Current					
Other payables	(b)(ii)	30,286	25,891	136	63
Accruals	(b)(iii)	316,604	288,520	-	-
Deposits received		6,335	7,108	-	-
Total current		353,225	321,519	136	63
Total	1.8	355,478	323,689	136	63

(a) Recognition, measurement and significant judgement

Other payables, accruals and deposit received are financial liabilities classified as amortised cost liabilities. The recognition of these liabilities is as described in Note 3.15(a)(ii).

The Group adopted IFRS S2 'Climate-related Disclosures' in the current year. The financial instruments measurement applicable to other payables are discussed in Note 6.3(a)(viii).

(b) Other information

- (i) The non-current deposits received represent amounts due to tenants for the rental of premises of a subsidiary, and such deposits are refunded following the tenancy agreements.
- (ii) Included in current other payables is an amount due to a joint venture partner of RM212,000 (2024: RM212,000). This amount is unsecured and is repayable following the terms of the joint venture, subject to the consent of both parties to the joint venture.
- (iii) Accruals are mainly consist of accrued property development costs.
- (iv) The liquidity risk of the other liabilities is disclosed in Note 1.8(a).

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.18 PROVISIONS

This note provides information on the provisions for expenses, which are recognised when probable outflows of economic resources are expected.

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Provisions	118,182	122,767	27	27

(a) Recognition, measurement and significant judgement

Provisions are recognised when a present obligation (legal or constructive) arises from a past event, it is probable that an outflow of economic resources will be required to settle the obligation, and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of the year and adjusted to reflect the current best estimate. A provision is reversed if it is no longer probable that an outflow of economic resources will be required to settle the obligation. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

In determining the recognition, measurement and disclosure of provisions, the Group also considers the potential impact of climate-related risks and uncertainties, in line with the Group's adoption of IFRS S2 'Climate-related Disclosures'. This assessment includes consideration of both physical and transition climate-related risks that could reasonably be expected to affect the nature, timing or amount of the Group's obligations.

Environmental remediation and restoration provisions

Where applicable, provisions for environmental remediation, restoration, or site rehabilitation are measured by considering current and anticipated future regulatory requirements, remediation standards, and climate-related factors, such as the increased frequency or severity of extreme weather events that may affect the scope, timing, or cost of remediation activities.

Regulatory compliance, penalties and legal provisions

Provisions arising from regulatory compliance obligations, penalties or legal claims consider the potential impact of climate-related transition risks. This includes changes in environmental laws, regulations, enforcement practices, or compliance thresholds that may result from climate change policies and commitments.

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.18 PROVISIONS (CONT'D)

(a) Recognition, measurement and significant judgement (Cont'd)

Onerous contracts

In assessing whether contracts are onerous, the Group considers whether climate-related factors, such as increased operating or compliance costs, supply chain disruptions, or changes in market conditions, that may cause the unavoidable costs of fulfilling contractual obligations to exceed the expected economic benefits from the contracts.

Where climate-related risks are relevant, they are incorporated into the Group's best estimate of provisions through management judgement. This includes consideration of the probability, timing, and magnitude of expected outflows of economic resources. Key assumptions applied in measuring provisions, including those affected by climate-related uncertainties, are reviewed at each reporting date and disclosed where necessary to enable users of the financial statements to understand the nature and potential financial effects of such uncertainties.

The Group adopted IFRS S2 'Climate-related Disclosures' in the current year, and the relevant requirements on environment and decommissioning provisions are discussed in Note 6.3(a)(ix).

(b) Other information

The reconciliation shown below provides how the obligations have changed over the reporting period for each class of provision:

Group	Provision		Total
	for low-cost housing	Other provisions	
	[Note (i)]	[Note (ii)]	
	RM'000	RM'000	RM'000
As at 1.1.2025	116,468	6,299	122,767
Additional provisions made for the year	1,136	6,892	8,028
Amounts used	(5,471)	(4,457)	(9,928)
Unused amounts reversed	(844)	(1,841)	(2,685)
As at 31.12.2025	111,289	6,893	118,182
As at 1.1.2024	111,325	4,458	115,783
Additional provisions made for the year	17,494	6,300	23,794
Amounts used	(12,351)	(4,259)	(16,610)
Unused amounts reversed	-	(200)	(200)
As at 31.12.2024	116,468	6,299	122,767

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.18 PROVISIONS (CONT'D)

(b) Other information (Cont'd)

(i) Provision for low-cost housing

The Group recognises a provision for low-cost housing in respect of anticipated losses arising from the development of low-cost housing units required by the local Government as part of premium housing projects. This provision represents the shortfall between the cost of constructing affordable housing and the economic benefits expected to be received from the sale of such units, where selling prices are controlled by the authorities.

(ii) Other Provisions

The Group recognises other provisions in respect of provisions for employee bonuses, representing the estimated obligation payable to staff. Provisions are also recognised for other estimated present obligations arising from specific business activities, where the amount can be reliably estimated. The carrying amount of the other provisions represents management's best estimate of the expenditure required to settle the obligations at the end of the reporting period.

All provisions are reviewed at each reporting date to ensure they remain adequate and appropriate.

3.19 CONTRACT LIABILITIES

This note provides information on the outstanding contract liabilities to be recognised. The contract liabilities arising from property development activities should be read in conjunction with Note 3.10, which provides details on the related disclosures.

	Note	Group	
		2025	2024
		RM'000	RM'000
Current			
Contract liabilities in relation to excess of progress billings to property purchasers over revenue recognised	3.10(b)(i)	5,856	17,957

Recognition and measurement

A contract liability represents the obligation to transfer goods or services to a customer for which the consideration has been received, or is due, from the customer. Such consideration is measured at its fair value at initial recognition. A contract liability is recognised when a payment is received or becomes due (whichever occurs first) before the related goods or services are transferred to the customer.

For the property development business, contract liabilities are recognised in the statement of financial position as the excess of progress billings to purchasers over the cumulative revenue recognised.

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.20 DERIVATIVE LIABILITY

This note describes the derivative transactions.

	Note	Group	
		2025 RM'000	2024 RM'000
(a) <u>Contract/Notional amount</u>			
Cross-currency swap ("CCS")		57,500	-
(b) <u>At fair value</u>			
Cross-currency swap			
Current			
- Derivative liability	1.4	1,832	-
(c) <u>Carrying amounts analysed by maturity:</u>			
- Less than 1 year		1,832	-

The Group has entered into CCS contracts (over-the-counter instruments) with financial institutions to manage its exposure to foreign currency risk arising from borrowings denominated in USD. The corresponding notional amounts are denominated in USD and MYR, and are exchanged on both the effective date and termination date of each contract. The rate applicable for the exchange of notional amounts is the spot rate on the trade date.

The CCS contracts are designated for hedging purposes. The USD/MYR CCS is used to hedge USD-denominated revolving credit facilities into MYR liabilities, with interest payments exchanged at agreed floating rates throughout the tenure. The interest payments are based on a principal amount for the respective currency and calculated using the applicable rate against the days between each interest payment date.

(a) Recognition and measurement

A derivative liability designated in a cash flow hedge is initially recognised at fair value on the contract entered into. Subsequent changes in the fair value of the hedging instrument are recorded in other comprehensive income.

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.20 DERIVATIVE LIABILITY (CONT'D)

(a) Recognition and measurement (Cont'd)

A cash flow hedge protects against variability in cash flows attributable to a specific risk associated with a recognised liability or a highly probable forecast transaction. If the hedged item is a non-financial liability, the cumulative gains or losses previously recognised in equity are reclassified from equity and included in the initial cost of the liability. However, any portion losses that are not expected to be recoverable in future periods are reclassified immediately from equity to the statement of profit or loss.

Cash flow hedge accounting ceases if the hedging instrument expires, is terminated, or the hedge becomes ineffective, the forecast transaction is no longer highly probable, or the hedge designation is revoked. Where the hedge relates to a forecast transaction, the cumulative gains or losses recognised in other comprehensive income remain in equity until the transaction occurs. If the forecast transaction is no longer expected to occur, the cumulative gains or losses recognised in equity are reclassified to the statement of profit or loss.

The Group adopted IFRS S2 'Climate-related Disclosures' in the current year. The fair value measurement applicable to derivative liability is discussed in Note 6.3(a)(iv).

(b) Fair value measurement

Fair value measurement of the derivative liability was categorised within Level 2 of the fair value hierarchy, according to MFRS 13, as disclosed in Note 3.14(e)(ii), using valuation techniques for which all inputs that had a significant effect on the recorded fair values were observable for the asset.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.21 SHARE CAPITAL

This note provides information on the issued and fully-paid share capital of the Company. The Group's capital management policies, objectives, and processes are disclosed in Note 1.4.

	Note	Group and Company			
		2025		2024	
		Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Issued and fully-paid ordinary shares					
At the beginning of the year		349,045	359,520	349,045	359,520
Issued during the year	(b)	218,500	218,500	-	-
At the end of the year	3.22	567,545	578,020	349,045	359,520

(a) Recognition and measurement

Ordinary shares are recognised in the statement of financial position when issued and are classified as equity. They are valued at the fair value of the consideration received. These shares have no par value. Treasury shares held by the Company are disclosed in Note 3.22.

(b) Share capital information

Shareholders are entitled to receive dividends as and when declared and are entitled to one vote per ordinary share at general meeting of the Company. All ordinary shares rank equally with respect to the Company's residual assets.

On 11 September 2025, the Company issued 218,500,000 new ordinary shares for cash of RM218,500,000 to its immediate holding company, OSK Holdings Berhad. The issued and fully paid-up ordinary shares of the Company increased from RM359,519,272 to RM578,019,272, and the number of ordinary shares increased from 349,045,165 shares to 567,545,165 shares.

The newly issued ordinary shares rank pari-passu in all respects with the existing ordinary shares of the Company.

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SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.22 TREASURY SHARES

This note provides information on the Company's share buyback activities.

	Note	Group and Company			
		2025		2024	
		Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
At cost					
At the beginning/end of the year		3,173	3,244	3,173	3,244
Total number of outstanding ordinary shares in issue	1.6, 1.7	<u>564,372</u>		<u>345,872</u>	
Total number of issued and fully-paid ordinary shares	3.21	<u>567,545</u>		<u>349,045</u>	

The Company was delisted from the Official List of Bursa Malaysia Securities Berhad on 12 November 2015. As a result, the Shareholders' mandate previously obtained for the purchase of its own shares has ceased, and the Company is no longer permitted to conduct further share buybacks. The treasury shares remaining are held and will be dealt with in accordance with the provisions of the Companies Act 2016.

(a) Recognition and measurement

When the Company repurchases its own equity share capital, the shares are measured at cost, including any directly attributable incremental external costs. These costs are recorded in the statement of financial position and deducted from equity attributable to the Company's owner. Repurchased shares are classified as treasury shares until they are cancelled, reissued, or disposed of.

Shares repurchased are held as treasury shares in accordance with Section 127 of CA2016. The Company may distribute treasury shares as dividends to its Shareholders, resell the treasury shares in the market in compliance with the Rules of Bursa Securities, or cancel the shares under Section 127 of CA2016.

No gain or loss is recognised in the statement of profit or loss from the purchase, sale, issuance, or cancellation of the Company's own equity instruments. When treasury shares are distributed as dividends, their cost is deducted from distributable retained profits. If repurchased shares are subsequently resold in the open market, any difference between the resale price and the carrying amount of the repurchased shares is recorded as a movement in reserves in the statement of changes in equity.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 3: INFORMATION ON STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.22 TREASURY SHARES (CONT'D)

(b) Summary of the share buybacks

	Number of shares '000	Highest price RM	Lowest price RM	Average cost including transaction costs RM	Total amount paid RM'000
2025 and 2024					
At the beginning/ end of the year	3,173	1.90	0.54	1.02	3,244

There were no share re-issuance, cancellations, resale and buybacks for the current and previous years.

3.23 RESERVES

This note explains the nature and composition of each item within the reserves.

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Hedging reserves	(a)	(408)	-	-	-
Retained profits	(b)	503,587	472,216	392,345	328,340
		503,179	472,216	392,345	328,340

Each component of equity is disclosed in the statement of changes in equity, including the movement analysis of items in the statement of other comprehensive income. The nature, purpose, and other relevant details of each reserve are described in the following notes:

(a) Hedging reserves

Hedging reserves represent the cumulative net change in the fair value of the cash flow hedging instruments. When the hedging instrument expires, the related balance in the hedging reserve is reclassified to the statement of profit or loss, as further described in Note 3.20.

(b) Retained profits

The Company's retained profits are available for distribution to its Shareholders in future periods.

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SECTION 4: MATERIAL EVENTS AND RELATED PARTY DISCLOSURES

This section outlines material events affecting the Group during and after the financial year, as well as disclosures of related party transactions.

Information relating to conditions that existed at the reporting date, if received before the financial statements are authorised for issue, is evaluated to determine whether adjustments are required. Material events that provide evidence of conditions existing at the reporting date are reflected through adjustments to the financial statements. For events occurring after the reporting date that do not relate to conditions existing at that date, no adjustments are made; however, disclosure is provided regarding the nature of the event and an estimate of its financial effect, where practicable.

4.1 MATERIAL EVENTS DURING THE YEAR

Material events include changes in the Group's composition during the year, as disclosed in Note 3.3(b).

4.2 EVENTS AFTER THE REPORTING PERIOD

Subsequent events from the end of the year up to the date of this report are as follows:

On 5 February 2026, the Company incorporated OSK Real Estate Management Services Sdn. Bhd. ("OSKREMS") as a wholly-owned subsidiary with an issued and paid-up capital of RM1 comprising one (1) ordinary share. The principal activity of OSKREMS is the provision of property management and facilities services.

4.3 RELATED PARTY DISCLOSURES

This note provides information on related party disclosures, including the basis for identifying related parties and the amounts of transactions entered into with related parties during the financial year.

(a) Identification of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party, or to exercise significant influence over the party in making financial and operating decisions, or vice versa or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties include the Group's subsidiaries (Note 3.3), the immediate holding company, OSK Holdings Berhad, the ultimate holding company, Yellow Rock (L) Foundation and companies related to Directors and major Shareholders of the Company. Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities either directly or indirectly and an entity that provides key management personnel services to the Group. The key management personnel include all Directors and senior personnel of the Group.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 4: MATERIAL EVENTS AND RELATED PARTY DISCLOSURES (CONT'D)

4.3 RELATED PARTY DISCLOSURES (CONT'D)

(b) Material transactions and balances with immediate holding company, subsidiaries and related companies

The relationship between the Company and its subsidiaries is disclosed in Note 3.3. The following table provides the transactions and outstanding balances entered into between the Company, immediate holding company, subsidiaries and related companies during the year.

Transactions and balances with OSK Holdings Berhad group of companies	Group			
	(Expenses)/Income		Amount due from/(to)	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Immediate holding company				
<u>OSK Holdings Berhad</u>				
Dividend paid	(12,097)	(29,379)	-	-
Management fee expenses	(10,498)	(11,115)	-	-
<u>OSK Capital Management Sdn. Bhd.</u>				
Facilities fee expenses	(49)	(109)	-	-
Interest expense	(57,565)	(47,945)	-	-
Interest income	1,690	1,293	-	-
Amount due from a related company	-	-	23,900	30,800
Amount due to a related company	-	-	(1,198,071)	(1,116,069)
<u>OSK ICM Sdn. Bhd.</u>				
Interest expense	(8,878)	(10,919)	-	-
Amount due to a related company	-	-	(205,700)	(193,776)
<u>OSK Management Services Sdn. Bhd.</u>				
Management fee expense	(4,425)	(3,821)	-	-
Transactions and balances with PJ Development Holdings Berhad group of companies				
<u>OSK Construction Sdn. Bhd.</u>				
Construction costs	(334,787)	(286,675)	-	-
Amount due to a related company	-	-	(28,569)	(36,782)
<u>PJD Management Services Sdn. Bhd.</u>				
Management fee expense	(18,157)	(15,060)	-	-

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 4: MATERIAL EVENTS AND RELATED PARTY DISCLOSURES (CONT'D)

4.3 RELATED PARTY DISCLOSURES (CONT'D)

(b) Material transactions and balances with immediate holding company, subsidiaries and related companies (Cont'd)

The relationship between the Company and its subsidiaries is disclosed in Note 3.3. The following table provides the transactions and outstanding balances entered into between the Company, immediate holding company, subsidiaries and related companies during the year. (Cont'd)

Transactions and balances with	Company			
	(Expenses)/Income		Amount due from/(to)	
	2025	2024	2025	2024
OSK Holdings Berhad group of companies	RM'000	RM'000	RM'000	RM'000
<u>OSK Holdings Berhad</u>				
Dividend paid	(12,097)	(29,379)	-	-
<u>OSK Capital Management Sdn. Bhd.</u>				
Interest income	1,143	1,293	-	-
Amount due from a related company	-	-	8,900	30,800
Transactions and balances with subsidiaries				
<u>Aspect Synergy Sdn. Bhd.</u>				
Interest income	621	728	-	-
<u>Atria Damansara Sdn. Bhd.</u>				
Interest expense	(113)	(489)	-	-
Amount due to a subsidiary	-	-	-	(20,500)
Dividend income	10,000	-	-	-
<u>Country Wheels Sdn. Bhd.</u>				
Interest expense	(670)	(690)	-	-
<u>OSK Properties Sdn. Bhd.</u>				
Dividend income	66,150	30,000	-	-
<u>Semponia Sdn. Bhd.</u>				
Interest expense	(670)	(690)	-	-

As disclosed in Note 3.21(b), the immediate holding company, OSK Holdings Berhad, subscribed for shares in the Company.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 4: MATERIAL EVENTS AND RELATED PARTY DISCLOSURES (CONT'D)

4.3 RELATED PARTY DISCLOSURES (CONT'D)

(c) Material transactions and balances with other related parties

Other related parties are the companies related to Directors or major Shareholders of the Company:

	Group			
	Expenses		Amount due from/(to)	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
(i) <u>Dindings Consolidated Sdn. Bhd.</u> <u>("DCSB")</u>				
The spouse and daughter of Tan Sri Ong Leong Huat @ Wong Joo Hwa are directors of DCSB. Tan Sri Ong Leong Huat @ Wong Joo Hwa, his spouse and children collectively owned 100% of DCSB.				
Dindings Consolidated Sdn. Bhd. group of companies				
<u>Sincere Source Sdn. Bhd.</u> Insurance premium expense	(584)	(507)	-	-
(ii) <u>Raslan Loong, Shen & Eow ("RLSE")</u>				
The son-in-law of Tan Sri Ong Leong Huat @ Wong Joo Hwa is a partner of RLSE.				
Legal fee expenses	(1,447)	(4,858)	-	-

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 4: MATERIAL EVENTS AND RELATED PARTY DISCLOSURES (CONT'D)

4.3 RELATED PARTY DISCLOSURES (CONT'D)

(c) Material transactions and balances with other related parties (Cont'd)

Other related parties are the companies related to Directors or major Shareholders of the Company: (Cont'd)

	Group			
	Income		Amount due from	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
(iii) <u>RHB Bank Berhad</u>				
An associate of the immediate holding company, OSK Holdings Berhad.				
RHB Bank Berhad group of companies				
<u>RHB Bank Berhad</u>				
Interest income	61	792	-	-
Bank balances and short-term funds	-	-	8,161	92,915
<u>RHB Asset Management Sdn. Bhd.</u>				
Funds distribution income	3,480	2,265	-	-
Short-term funds	-	-	121,844	152,375
Company				
Income		Amount due from		
2025	2024	2025	2024	
RM'000	RM'000	RM'000	RM'000	
<u>RHB Bank Berhad</u>				
Bank balances	-	-	183	227
<u>RHB Asset Management Sdn. Bhd.</u>				
Funds distribution income	350	142	-	-
Short-term funds	-	-	19,394	3,938

(d) Ultimate holding company

The Company does not have any related party transactions or outstanding balances with Yellow Rock (L) Foundation, the Company's ultimate holding company.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 5: COMMITMENTS, CONTINGENCIES AND LITIGATIONS

This section provides additional information about items not recognised in the financial statements.

5.1 COMMITMENTS

This note outlines the Group's exposure to financial commitments.

(a) Operating lease commitments

This note provides information on operating lease commitments for leases where the Group is a lessor. The information for leases where the Group is a lessee is disclosed in Note 3.5.

For the non-cancellable lease arrangements on certain properties classified under (i) property, plant and equipment, and (ii) investment properties with third parties. The aggregated future minimum lease receivables (undiscounted lease payments to be received) are as follows:

	Group	
	2025	2024
	RM'000	RM'000
Up to 1 year	10,266	9,854
Later than 1 year and not later than 5 years	14,193	15,277
More than 5 years	49,737	52,265
	<u>74,196</u>	<u>77,396</u>

(b) Capital Commitments

Contracted but not provided for:

Acquisition of:

- land held for property development
- office equipment and software

8,298	133,009
12	-
<u>8,310</u>	<u>133,009</u>

5.2 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and liabilities at the end of the year.

Recognition and measurement

A contingent liability is a potential obligation from past events, confirmed by future uncertain events, or a present obligation not recognised due to an unlikely resource outflow. A contingent asset is a possible asset from past events, confirmed by future uncertain events. Both are disclosed in financial statements if economic benefits are probable, but not certain, and commitments are measured at the transacted price minus any amounts already provided.

5.3 MATERIAL LITIGATIONS

Since the date of the last annual report, the Group and the Company were not involved in any material litigation, claims or arbitration either as plaintiff or defendant and the Directors are not aware of any proceedings pending or threatened against the Group and the Company or of any facts likely to give rise to any proceeding which might materially and adversely affect the financial position or business operations.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 6: FINANCIAL REPORTING AND SUSTAINABILITY DISCLOSURE STANDARDS

This section summarises the key accounting policies adopted by the Group, including the adoption of amendments to existing MFRSs and sustainability disclosure standards issued by the ISSB that are applicable during the financial year. It also outlines standards and amendments that have been issued but are not yet effective and have not been adopted by the Group. The accounting policies and significant judgements disclosed in the respective notes form the overall basis of preparation of these financial statements, which the Directors consider essential for a proper understanding of the Group's financial position and performance.

6.1 FINANCIAL REPORTING STANDARDS ADOPTED DURING THE YEAR

The following amendments to published standards to the existing MFRS issued by MASB that are applicable and effective for the Group's financial year beginning on 1 January 2025:

Amendments to MFRS 121 'The Effects of Changes in Foreign Exchange Rates' (Lack Of Exchangeability)

These amendments provide guidance on the spot exchange rate to use when a currency is not exchangeable into another currency, and the disclosures entities need to provide to enable users of financial statements to understand the impact on the entities' financial performance, financial position and cash flows as a result of a currency not being exchangeable into another currency.

The adoption of these amendments has no significant financial impact on the Group.

6.2 FINANCIAL REPORTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following are standards, amendments to published standards and interpretations to existing MFRS issued by MASB that apply to the Group but are not yet effective for the current financial year:

(a) For the financial year beginning on/after 1 January 2026

(i) Amendments to MFRS 9 'Financial Instruments' and MFRS 7 'Financial Instruments: Disclosures' (Classification and Measurement of Financial Instruments)

The amendments:

- (1) Clarify that financial liabilities are derecognised on the 'settlement date'- when the obligation is discharged, cancelled, expires or otherwise qualifies for derecognition. Also, allow an accounting policy option to derecognise financial liabilities settled through electronic payment systems before the settlement date under certain conditions.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 6: FINANCIAL REPORTING AND SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D)

6.2 FINANCIAL REPORTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

The following are standards, amendments to published standards and interpretations to existing MFRS issued by MASB that apply to the Group but are not yet effective for the current financial year: (Cont'd)

(a) For the financial year beginning on/after 1 January 2026 (Cont'd)

(i) Amendments to MFRS 9 'Financial Instruments' and MFRS 7 'Financial Instruments: Disclosures' (Classification and Measurement of Financial Instruments) (Cont'd)

The amendments: (Cont'd)

- (2) Guide on assessing the contractual cash flow characteristics of financial assets with ESG-linked or similar contingent features.
- (3) Explain the treatment of non-recourse assets and contractually linked instruments.
- (4) Require additional disclosures in MFRS 7 for financial assets and liabilities tied to contingent events (including ESG-linked terms) and for equity instruments classified at fair value through other comprehensive income.

(ii) Amendments to MFRS 9 'Financial Instruments' and MFRS 7 'Financial Instruments: Disclosures' (Contracts Referencing Nature-dependent Electricity)

The amendments to MFRS 9 apply to contracts tied to nature-dependent electricity, such as energy generated by renewable sources like solar and wind. These contracts expose entities to changes in electricity amounts due to uncontrollable natural conditions ("in-scope contracts"). MFRS 9 treats in-scope contracts for buying or selling non-financial items - if they can be settled in cash or financial instruments - as though they are financial instruments (following own-use requirements).

The amendments now allow entities to use contracts referencing nature-dependent electricity as hedging instruments for future electricity transactions. They can designate a variable amount of forecast electricity transactions as the hedged item, aligning this amount with the variable electricity expected to be generated as specified in the hedging instrument.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 6: FINANCIAL REPORTING AND SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D)

6.2 FINANCIAL REPORTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

The following are standards, amendments to published standards and interpretations to existing MFRS issued by MASB that apply to the Group but are not yet effective for the current financial year: (Cont'd)

(a) For the financial year beginning on/after 1 January 2026 (Cont'd)

(ii) Amendments to MFRS 9 'Financial Instruments' and MFRS 7 'Financial Instruments: Disclosures' (Contracts Referencing Nature-dependent Electricity) (Cont'd)

Amendment to MFRS 7 adds new disclosures in a single note for:

- (1) Information about contractual features that expose:
 - i. variability in the underlying amount of electricity; and
 - ii. the risk that the entity would be required to buy electricity during a delivery interval in which the entity cannot use the electricity.
- (2) Information about unrecognised commitments arising from such contracts as at the reporting date, including:
 - i. the estimated future cash flows from buying electricity under these contracts. The entity shall apply its judgement when identifying the appropriate time bands within which to disclose the estimated future cash flows; and
 - ii. qualitative information about how the entity assesses whether a contract might become onerous, including the assumptions the entity uses in making this assessment.
- (3) Qualitative and quantitative information about the effects on the entity's financial performance for the reporting period. The disclosure is based on the information that is applicable to the reporting period that the entity used to assess whether it has been a net purchaser of electricity. An entity shall disclose information for the reporting period about:
 - i. the costs arising from purchases of electricity made under the contracts, disclosing separately how much of the purchased electricity was unused at the time of delivery;
 - ii. the proceeds arising from sales of unused electricity; and
 - iii. the cost arising from purchases of electricity is made to offset sales of unused electricity.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 6: FINANCIAL REPORTING AND SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D)

6.2 FINANCIAL REPORTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

The following are standards, amendments to published standards and interpretations to existing MFRS issued by MASB that apply to the Group but are not yet effective for the current financial year: (Cont'd)

(a) For the financial year beginning on/after 1 January 2026 (Cont'd)

(iii) Amendments to MFRSs (Annual improvements to MFRS Accounting Standards - Volume 11)

These amendments are designed to enhance the clarity of the wording in MFRS Accounting Standards, or correct relatively minor unintended consequences, oversights or conflicts between requirements of the Accounting Standards. These proposed improvements are issued together in a single document. The amendments included in the annual improvements to MFRS Accounting Standards relate to MFRS 1 'First-time Adoption of Malaysian Financial Reporting Standards', MFRS 7 'Financial Instruments: Disclosures', MFRS 9 'Financial Instruments', MFRS 10 'Consolidated Financial Statements', MFRS 107 'Statement of Cash Flows' and MFRS 141 'Agriculture'.

The adoption of these amendments is not expected to have a material financial impact on the Group.

(b) For the financial year beginning on/after 1 January 2027

(i) Amendments to MFRS 19 'Subsidiaries Without Public Accountability: Disclosures'

These amendments permit eligible subsidiaries to provide reduced disclosures when applying MFRS Accounting Standards in their financial statements. Subsidiaries may apply MFRS 19 if they have no public accountability and their parent company applies MFRSs or IFRS Accounting Standards in its consolidated financial statements. A subsidiary has no public accountability if it does not have equities or debt listed in a public market (or is in the process of issuing such instruments for trading in a public market) or does not hold assets in a fiduciary capacity for a broad group of outsiders.

The adoption of these amendments is applicable only to subsidiaries and has no financial impact on the Group.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 6: FINANCIAL REPORTING AND SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D)

6.2 FINANCIAL REPORTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

The following are standards, amendments to published standards and interpretations to existing MFRS issued by MASB that apply to the Group but are not yet effective for the current financial year: (Cont'd)

(b) For the financial year beginning on/after 1 January 2027 (Cont'd)

(ii) Amendments to MFRS 121 'The Effects of Changes in Foreign Exchange Rates' (Translation to a Hyperinflationary Presentation Currency)

These amendments clarify the translation requirements when an entity's presentation currency is the currency of a hyperinflationary economy. The amendments require all amounts, including assets, liabilities, equity items, income and expenses and, in certain cases, comparatives, to be translated at the closing rate at the date of the most recent statement of financial position. The amendments also address the accounting requirements when a presentation currency ceases to be hyperinflationary and introduce additional disclosure requirements when applying the revised translation approach.

The adoption of these amendments is not expected to have a material financial impact on the Group.

(c) Standard deferred to a date to be determined by MASB

Amendments to MFRS 10 'Consolidated Financial Statements' and MFRS 128 'Investments in Associates and Joint Ventures' (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

If a parent loses control of a subsidiary that does not contain a business, as defined in MFRS 3 'Business Combinations', as a result of a transaction involving an associate or a joint venture that is accounted for using the equity method, the gain or loss resulting from the transaction (including the amounts previously recognised in the statement of comprehensive income that would be reclassified to the statement of profit or loss) is recognised in the parent's statement of profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. The remaining part of the gain is eliminated against the carrying amount of the investment in that associate or joint venture.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 6: FINANCIAL REPORTING AND SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D)

6.2 FINANCIAL REPORTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

(c) Standard deferred to a date to be determined by MASB (Cont'd)

Amendments to MFRS 10 'Consolidated Financial Statements' and MFRS 128 'Investments in Associates and Joint Ventures' (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture) (Cont'd)

In addition, if the parent retains an investment in the former subsidiary and is treated as an associate or a joint venture under the equity method, the parent recognises the portion of the gain or loss resulting from the remeasurement of the retained investment at fair value in its statement of profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The remaining portion of that gain is eliminated against the carrying amount of the retained investment in the former subsidiary.

If the parent retains an investment in the former subsidiary that is accounted for under MFRS 9 as an investment, the part of the gain or loss resulting from the remeasurement at the fair value of the retained investment in the former subsidiary is recognised in full in the parent's statement of profit or loss.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not), as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

These amendments apply prospectively, but the effective date has been deferred.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (CONT'D)

SECTION 6: FINANCIAL REPORTING AND SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D)

6.3 SUSTAINABILITY DISCLOSURE STANDARDS

ISSB issued two new Sustainability Disclosure Standards on 26 June 2023 to guide the disclosures of sustainability-related financial information as follows:

IFRS S1 General Requirements for 'Disclosure of Sustainability-related Financial Information'
IFRS S2 'Climate-related Disclosures'

Based on the provided criteria, Main Market listed issuers with a market capitalisation of MYR 2 billion and above as of 31 December 2024 are subject to a phased implementation of sustainability standards. The Group is required to adopt climate-first reporting for annual reporting periods beginning on or after 1 January 2025. Subsequently, the full application of all requirements under both IFRS S1 and IFRS S2 will become mandatory for annual reporting periods beginning on or after 1 January 2027. Below are summarised disclosure requirements of IFRS S1 and IFRS S2 relating to the Group:

(a) Adoption of IFRS S2 'Climate-related Disclosures'

IFRS S2 establishes a global disclosure framework for climate-related financial information. The objective of IFRS S2 is to mandate disclosures on climate-related risks and opportunities that could reasonably be expected to influence cash flows, access to finance, or cost of capital, thereby affecting the entity's prospects and informing users' resource allocation decisions. Aligned with the core content of IFRS S1 — Governance, Strategy, Risk Management, and Metrics and Targets — the standard requires qualitative and quantitative information on both physical risks (such as extreme weather and long-term climatic shifts) and transition risks (arising from the shift to a lower-carbon economy), as well as climate-related opportunities. Disclosures are a mix of qualitative narrative and quantitative greenhouse gas emissions data categorised into Scope 1 (direct emissions), Scope 2 (indirect emissions from purchased energy), and Scope 3 (indirect emissions across the value chain).

The Group has adopted IFRS S2 'Climate-related Disclosures' for the first time for the financial year beginning on or after 1 January 2025. IFRS S2 requires disclosure of climate-related risks and opportunities that could reasonably be expected to affect the Group's cash flows, access to finance or cost of capital over the short, medium and long term. This adoption enhances transparency on how climate-related considerations are reflected in the Group's financial reporting estimates, assumptions and judgements.

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SECTION 6: FINANCIAL REPORTING AND SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D)

6.3 SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D)

(a) Adoption of IFRS S2 'Climate-related Disclosures' (Cont'd)

The key financial statement areas impacted by the adoption of IFRS S2 are summarised below:

(i) Going Concern Assessment

In accordance with IFRS S2's requirement to disclose climate-related risks that could reasonably be expected to affect the Group's financial position, performance and future prospects, management assessed the potential impacts of climate-related physical and transition risks on the Group's ability to continue as a going concern. This assessment incorporated climate-related scenarios reflecting key risk drivers, including potential supply chain disruptions, evolving regulatory and policy requirements, and the financial effects of extreme weather events, with a focus on the Group's liquidity, operational resilience and access to financing over the assessment period.

Based on this evaluation, and having considered climate-related uncertainties in line with regulatory and sustainability reporting expectations, management concluded that no material uncertainties exist that would cast significant doubt on the Group's ability to continue as a going concern for at least 12 months from the reporting date. The relevant disclosures are presented in Note 1.2(a).

(ii) Impairment of Non-financial Assets

In line with MFRS 136 'Impairment of Assets' and IFRS S2's requirement to assess climate-related risks that may affect the Group's resilience and future cash flows, management evaluated whether climate-related physical and transition risks could give rise to impairment indicators for its non-financial assets and CGUs.

Cash-flow projections used in impairment testing incorporate climate-related assumptions, including the potential effects of exposure to flood-prone locations, regulatory changes, carbon-pricing mechanisms, evolving customer demand, and increased exposure to extreme weather events. Consistent with IFRS S2 requirements, these factors were reflected in key valuation inputs including discount rates, operating costs, capital expenditure and long-term growth assumptions.

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SECTION 6: FINANCIAL REPORTING AND SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D)

6.3 SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D)

(a) Adoption of IFRS S2 'Climate-related Disclosures' (Cont'd)

The key financial statement areas impacted by the adoption of IFRS S2 are summarised below: (Cont'd)

(ii) Impairment of Non-financial Assets (Cont'd)

Based on the Group's assessments, no impairment losses were recognised during the financial year. Nevertheless, sensitivity analyses indicate that more accelerated climate transition pathways could materially reduce the recoverable amounts of certain CGUs.

The Group reassessed the estimated useful lives and residual values of assets to assess potential impacts arising from both physical climate risks (such as heatwaves, water scarcity and flooding) and transition risks (including climate-related policies, regulatory developments, and technological changes). Climate-related matters may shorten asset lives, reduce residual values, or restrict asset use due to legal, environmental or market changes, including shifts in customer preferences and decarbonisation pathways.

For the current financial year, the assessments did not result in changes to depreciation or amortisation schedules; however, assets with higher carbon intensity or exposure to physical climate risks have been identified for enhanced monitoring. The relevant assets, assumptions and disclosures are presented in property, plant and equipment [Note 3.1(a)], investments in subsidiaries [Note 3.3(a)], intangible assets [Note 3.4(a)] and right-of-use assets [Note 3.5(a)(i)].

(iii) Investment Properties

In accordance with MFRS 140 'Investment Property', MFRS 13 'Fair Value Measurement' and IFRS S2, the Group has assessed the potential impact of climate-related physical and transition risks on the valuation of its investment property portfolio. These risks include exposure to flood-prone locations, evolving regulatory requirements for energy efficiency, and shifts in tenant demand towards more sustainable and lower-emission buildings.

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SECTION 6: FINANCIAL REPORTING AND SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D)

6.3 SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D)

(a) Adoption of IFRS S2 'Climate-related Disclosures' (Cont'd)

The key financial statement areas impacted by the adoption of IFRS S2 are summarised below: (Cont'd)

(iii) Investment Properties (Cont'd)

Where relevant, climate-related considerations were incorporated into the Group's market-based valuation assessments, including building energy performance and planned sustainability enhancements such as solar installations, LED lighting upgrades and motion-sensor systems. Based on the Group's assessment, no material fair value adjustments were recognised in the current financial year. The relevant disclosures are provided in Note 3.2(a).

(iv) Fair Value Measurement

In accordance with MFRS 13 'Fair Value Measurement' and IFRS S2's requirements to disclose climate-related risks that could reasonably be expected to affect the Group's financial position and prospects, the Group considered whether climate-related factors influence the fair value of its assets and liabilities. Such factors may affect market participants' assumptions, projected cash flows, and discount rates, including the incorporation of transition and physical climate risk premiums.

Where material, climate-related uncertainties were reflected in the valuation models used for fair value measurements, particularly for assets classified as Level 3 within the fair value hierarchy. The Group ensured that unobservable inputs were consistent with assumptions that market participants would use when pricing climate-related risks. The relevant disclosures are provided in derivative liability [Note 3.20(b)].

(v) Leases

In accordance with MFRS 16 'Leases' and IFRS S2's requirements, the Group assessed whether climate-related physical and transition risks could affect key lease assumptions. Such factors may influence lease term estimates, including renewal and termination options, variable lease payments linked to energy usage or emissions, and the recoverability of right-of-use assets due to climate-related operational or regulatory changes.

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SECTION 6: FINANCIAL REPORTING AND SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D)

6.3 SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D)

(a) Adoption of IFRS S2 'Climate-related Disclosures' (Cont'd)

The key financial statement areas impacted by the adoption of IFRS S2 are summarised below: (Cont'd)

(v) Leases (Cont'd)

As at 31 December 2025, no impairment of right-of-use assets was identified. However, the Group updated its lease term assessments to reflect climate-related considerations where relevant. The related disclosures are presented in Note 3.5(a)(ii).

(vi) Inventories

In accordance with MFRS 102 'Inventories' and IFRS S2's requirements, the Group assessed whether climate-related physical and transition risks could affect the measurement of its inventories, including net realisable value and costs of completion. Climate-related matters may influence construction and production costs, development timelines, supply chain stability, regulatory compliance requirements and market demand.

For land held for development and property development expenditure, the Group incorporated climate-related considerations into its net realisable value and impairment assessments. Key factors considered included stricter building energy-efficiency regulations, higher costs associated with green building compliance and climate-resilient infrastructure, potential obsolescence of less energy-efficient designs, and increased exposure to physical risks such as flooding, stormwater runoff and erosion. The Group also considered the impact of climate risk zoning on achievable selling prices and the potential for delays in development approvals arising from sustainability-related regulatory requirements. These factors may increase development costs or reduce market demand for non-compliant properties.

Based on the Group's assessment for the current financial year, no further write-downs were recognised. However, climate-related cost, regulatory and demand factors have been incorporated into the Group's impairment triggers and net realisable value assessment models [Note 3.6(a)].

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SECTION 6: FINANCIAL REPORTING AND SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D)

6.3 SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D)

(a) Adoption of IFRS S2 'Climate-related Disclosures' (Cont'd)

The key financial statement areas impacted by the adoption of IFRS S2 are summarised below: (Cont'd)

(vii) Deferred Tax

In accordance with MFRS 112 'Income Taxes' and IFRS S2's requirements, the Group assessed whether climate-related physical and transition risks could affect the recognition and measurement of deferred tax assets and liabilities. Climate-related impacts on key accounting estimates, including impairment assessments, fair value measurements, decommissioning provisions and inventory net realisable value, may give rise to changes in temporary differences and influence the recoverability of deferred tax balances.

The Group also reassessed forecasts of future taxable profits under climate-related transition scenarios to evaluate the continued recognition of deferred tax assets. Based on this assessment, no material adjustments to the Group's deferred tax balances were required for the current financial year [Note 3.7(a)].

(viii) Measurement of Financial Instruments

In applying MFRS 9 'Financial Instruments', the Group considered whether climate-related factors could reasonably be expected to affect the measurement and classification of its financial assets and financial liabilities, including the estimation of expected credit losses. Climate-related risks, such as counterparties' exposure to transition risks, carbon-intensive activities (where applicable), regulatory changes and physical climate hazards, may affect borrowers' ability to meet their contractual obligations and, consequently, the Group's credit risk exposure, as well as the valuation and risk profile of its financial liabilities.

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SECTION 6: FINANCIAL REPORTING AND SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D)

6.3 SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D)

(a) Adoption of IFRS S2 'Climate-related Disclosures' (Cont'd)

The key financial statement areas impacted by the adoption of IFRS S2 are summarised below: (Cont'd)

(viii) Measurement of Financial Instruments (Cont'd)

Based on the Group impairment assessment in accordance with the relevant requirements, no material adjustments to expected credit losses were required in the current year; however, climate-risk indicators have been incorporated into the Group's forward-looking macroeconomic overlays and considered, where relevant, in assessing the measurement and risk exposure of financial liabilities. The relevant details are disclosed in right-of-use asset/lease liability [Note 3.5(a)], trade receivables [Note 3.8(a)], other receivables [Note 3.9(a)], contract assets [Note 3.10(a)], amounts due from/to subsidiaries [Note 3.11(a)], trade payables [Note 3.16(a)] and other payables [Note 3.17(a)].

(ix) Environmental and Decommissioning Provisions

In adopting IFRS S2, the Group reassessed whether all environmental, restoration and decommissioning obligations have been appropriately identified and measured. Climate-related physical and transition risks, including changes in environmental regulations, increased frequency of extreme weather events, and evolving decarbonisation requirements, may give rise to new or expanded obligations over the life of certain assets.

Based on the Group's assessment for the current financial year, no new environmental or decommissioning provisions were recognised, as the Group's key assets are not currently subject to material climate-related regulatory changes or significant physical climate risks. Nevertheless, enhanced disclosures have been provided to explain the key assumptions, estimation uncertainties and potential climate-related triggers that could give rise to future obligations. The relevant details are disclosed in Note 3.18(a).

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6.3 SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D)

(a) Adoption of IFRS S2 'Climate-related Disclosures' (Cont'd)

In summary, the adoption of IFRS S2 has enhanced the Group's identification, assessment and disclosure of climate-related risks and opportunities and their potential financial impacts across the financial statements. While no material adjustments to carrying amounts were required in the current year, IFRS S2 has strengthened the integration of climate-related considerations into key accounting estimates, assumptions and judgements, improved the transparency and consistency of related disclosures, and reinforced the alignment between the Group's sustainability reporting and financial information provided to stakeholders.

(b) IFRS S1 General Requirements for 'Disclosure of Sustainability-related Financial Information'

IFRS S1 provides a set of disclosure requirements designed to communicate to investors about the sustainability-related risks and opportunities that the entity faces over the short, medium and long term. IFRS S2 sets out specific climate-related disclosures and is designed to be used with IFRS S1. Both fully incorporate the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The objective of IFRS S1 is to disclose information about its sustainability-related risks and opportunities that are useful to users of general-purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S1 requires disclosure of information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or the cost of capital over the short, medium or long term (collectively referred to as 'sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects').

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6.3 SUSTAINABILITY DISCLOSURE STANDARDS (CONT'D)

(b) IFRS S1 General Requirements for 'Disclosure of Sustainability-related Financial Information' (Cont'd)

IFRS S1 prescribes how an entity prepares and reports its sustainability-related financial disclosures. It sets out general requirements for the content and presentation of those disclosures so that the information disclosed is useful to users in making decisions relating to providing resources to the entity.

IFRS S1 sets out the requirements for disclosing information about sustainability-related risks and opportunities, such as disclosures about:

- (i) Governance - the governance processes, controls and procedures the entity uses to monitor, manage and oversee sustainability-related risks and opportunities;
- (ii) Strategy - the entity's strategy for managing sustainability-related risks and opportunities;
- (iii) Risk Management - the processes the entity uses to identify, assess, prioritise and monitor sustainability-related risks and opportunities; and
- (iv) Metrics and Targets - the entity's performance in relation to sustainability-related risks and opportunities, including progress towards any targets the entity has set or is required to meet by law or regulation.