



BINASTRA

Binastra Corporation Berhad

Registration No.: 200301027648 (630068-T)

ANNUAL REPORT 2026

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CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SRI DATO' SAMSHURI BIN ARSHAD

Non-Independent Non-Executive Chairman

DATUK TAN KAK SENG

Managing Director

Members	Executives' Share Scheme Committee
---------	------------------------------------

MR LEE SENG YONG

Executive Director

Members	Sustainability Committee
	Executives' Share Scheme Committee

MR TEH SOON HIN

Independent Non-Executive Director

Chairman	Audit and Risk Management Committee
Members	Nomination Committee
	Remuneration Committee
	Sustainability Committee

MS TAN MAI YEAN

Independent Non-Executive Director

Chairperson	Remuneration Committee
	Sustainability Committee
	Executives' Share Scheme Committee
Members	Audit and Risk Management Committee
	Nomination Committee

MR LOW TUAN LEE

Independent Non-Executive Director

Chairman	Nomination Committee
Members	Audit and Risk Management Committee
	Remuneration Committee
	Sustainability Committee

COMPANY SECRETARY

Seow Fei San
(MAICSA 7009732)
(SSM Practicing Certificate No.
201908002299)

Mok Mee Kee
(MAICSA 7029343)
(SSM Practicing Certificate No.
201908002288)

REGISTERED OFFICE

802, 8th Floor, Block C
Kelana Square 17 Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : +603 7803 1126
Fax : +603 7806 1387
Email : eadvisory@epsilonas.com

BUSINESS ADDRESS

No. 1 & 3, Jalan Jalil Jaya 3
Jalil Link, Bukit Jalil
57000 Kuala Lumpur
Malaysia
Tel : +603 8998 7555
Fax : +603 8998 7788
Email : general@binastracorp.com.my

WEBSITE

www.binastracorp.com.my

DATE OF INCORPORATION

2 October 2003

SHARE REGISTRAR

Tricor Investor & Issuing House
Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia
Tel : +603 2783 9299
Fax : +603 2783 9222
Email : is.enquiry@my.tricorglobal.com

AUDITORS

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) &
AF 0117
Chartered Accountants
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Malaysia
Tel : +603 2297 1000
Fax : +603 2282 9980

STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad

STOCK NAME & CODE

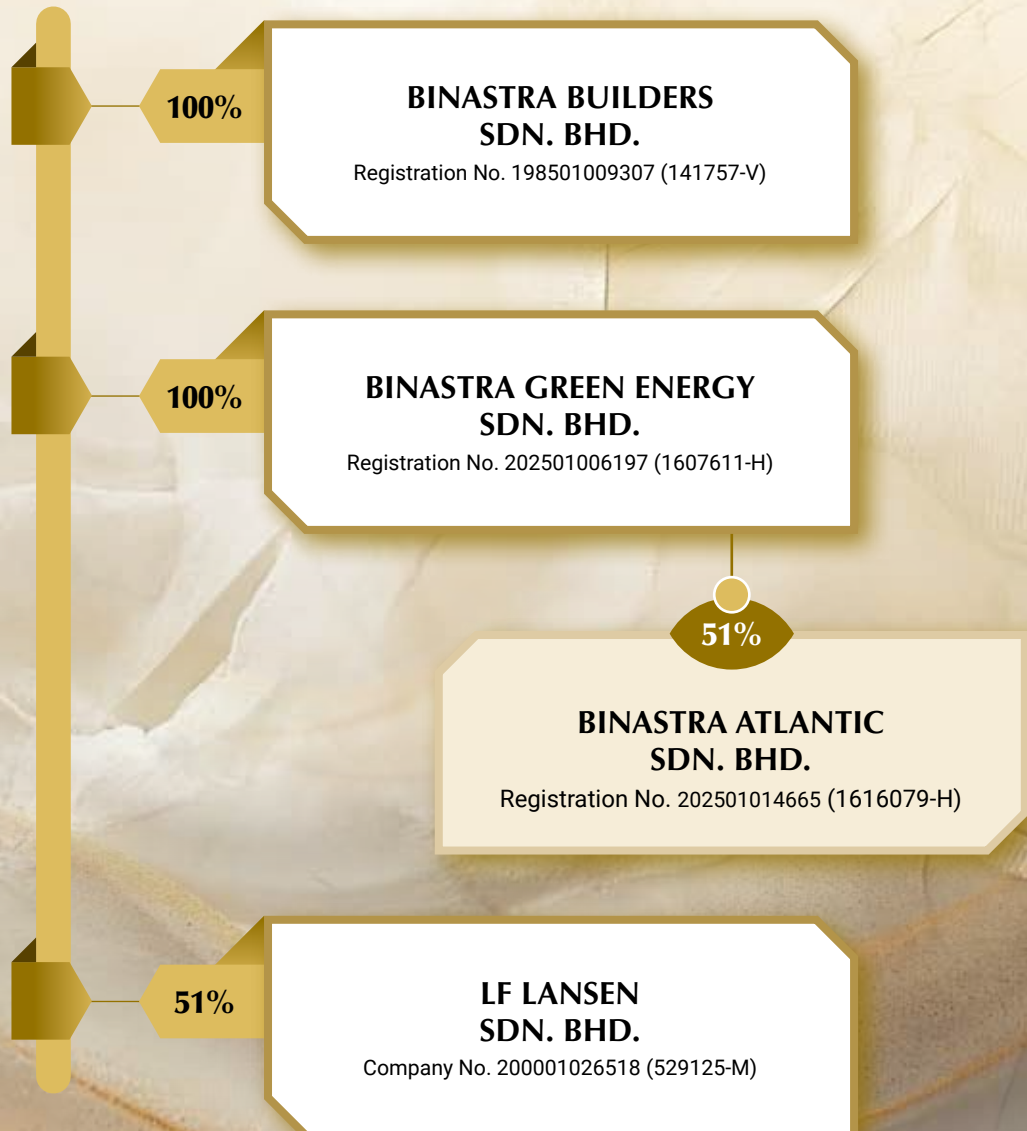
BNASTR 7195

CORPORATE STRUCTURE

As at 30 April 2026



BINASTRA
CORPORATION BERHAD
Registration No. 200301027648
(630068-T)





GROUP PROFILE



Binastra Corporation Berhad was incorporated on 2 October 2003 as a private limited company under the name Comintel Corporation Sdn Bhd and was subsequently converted into a public limited company under the name Comintel Corporation Bhd on 10 November 2003 and was listed on the Second Board of Bursa Malaysia Securities Berhad ("Bursa Securities") on 16 August 2004. Following the merger of the Main and Second Boards into a unified Main Market on 3 August 2009, Binastra was subsequently listed on the Main Market of Bursa Securities.

As part of branding exercise, Binastra changed its name to Binastra Corporation Berhad (Stock Code: BNASTR 7195) on 8 March 2024.

Binastra is an Investment Holding Company whereas its subsidiaries' principal activities are disclosed below.

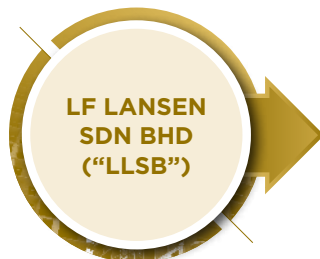


BBSB was incorporated on 6 July 1985. Its principal activities are general contractor, property developer, building and civil engineering works in turnkey projects, design and build, engineering, procurement and construction and commissioning ("EPCC") works, and transportation and logistic industry.

BBSB obtained a Grade 7 licence issued by the Construction Industry Development Board ("CIDB") which it can tender and undertake large construction contracts of unlimited value. BBSB has the capability to act as a sub-contractor to manage and/or undertake specific construction services. In addition, BBSB also has the capability to act as a main construction company to plan, manage, supervise and monitor the entire construction project by leveraging on the experience, expertise and knowledge of its key and senior management. In year 2025, it has expanded its scope to undertake EPCC projects.



BGESB was incorporated on 14 February 2025. Its principal activities are investment holding and provision of EPCC for renewable energy projects. It commenced business during financial year ended 31 January 2026 ("FY2026") by undertaking a development of a large-scale solar and battery storage facility.



LLSB became a subsidiary of Binastra in August 2025 following its acquisition. The company's principal activities include construction and mechanical works. LLSB holds a CIDB Grade G7 contractor certification and has an established track record in delivering thermal energy storage systems and buffer tanks. It also has strong exposure to data centre projects across Malaysia, Singapore, Thailand, Indonesia, Vietnam and the Philippines.



BASB was incorporated on 8 April 2025. Its principal activity is provision of EPCC for renewable energy projects. It commenced business during FY2026 with the acceptance of three letters of award for the development of solar photovoltaic plants and interconnection facilities.

PROFILE OF DIRECTORS



TAN SRI DATO' SAMSHURI BIN ARSHAD

Non-Independent
Non-Executive Chairman

Nationality

Malaysian

Gender

Male

Aged

84

Tan Sri Dato' Samshuri bin Arshad, a Malaysian, Male, aged 84, was appointed as Chairman of the Company on 28 June 2004 and re-designated as Independent Non-Executive Chairman on 28 February 2013. After serving the Board for 12 years as Independent Non-Executive Chairman, he was re-designated as Non-Independent Non-Executive Chairman on 28 February 2025. He was a police officer with the Royal Malaysian Police force, which he served for 34 years. He retired from the police force upon reaching the compulsory retirement age of 55 years on 5 May 1997. His last appointment was as Deputy Inspector General of Police, a post he held for 3.5 years. He has considerable experience in police operations, management, command and control, criminal investigations and also served as the Chief Police Officer in Selangor, Sabah and Perak.

Tan Sri Dato' Samshuri has benefited from wide regional and international exposures and networking when he served as the head of missions for Interpol, the Association of Asean Police Forces and the United Nations Crime Prevention Commission (Vienna). He had undergone international police training in Japan, Australia and United Kingdom ("UK"). He also attended the leadership and management programmes conducted by Harvard Business School in United States of America, National Training Institute in South Korea and the Imperial Defence College in UK.

Tan Sri Dato' Samshuri is also an Independent Non-Executive Chairman of Ambest Group Berhad, a company listed on the ACE Market of Bursa Malaysia Securities Berhad.

Tan Sri Dato' Samshuri attended five (5) out of five (5) Board Meetings of Binastra held during the financial year ended 31 January 2026. He has no family relationship with the other directors or major shareholder of Binastra, no conflict of interest with Binastra and has no conviction for offences other than traffic offences within the past five (5) years and any public sanctions or penalty imposed by the relevant regulatory bodies during the financial year.

His interest in shares of the Company is disclosed in the Analysis of Shareholding in this Annual Report.

PROFILE OF DIRECTORS (CONT'D)



DATUK TAN KAK SENG

Managing Director

Nationality

Malaysian

Gender

Male

Aged

51

Datuk Tan Kak Seng, a Malaysian, Male, aged 51, was appointed as the Managing Director of the Company on 17 January 2023. He holds a Bachelor of Engineering with First Class Honours from the University of Melbourne.

Datuk Tan Kak Seng began his career in 1997 by joining H S Liao Consulting Engineer Sdn Bhd as Civil and Structural Design Engineer where his responsibilities include structural designing, project supervising, and coordinating. Subsequently, he joined Binastra Construction (M) Sdn Bhd ("Binastra Construction") in 2000, which is principally involved in building construction where it undertakes various construction projects including, inter-alia, construction works for residential, commercial, and mixed developments. He is the director and major shareholder of Binastra Construction, where he oversees the implementation and completion of the construction projects undertaken by Binastra Construction. His responsibilities include, amongst others, contract bidding and negotiations, progress monitoring, project costing monitoring and overseeing and managing all major aspects of construction projects.

Currently, Datuk Tan Kak Seng is responsible for the overall day-to-day management and formulation of the Group's business plans and strategies.

Datuk Tan Kak Seng attended five (5) out of five (5) Board Meetings of Binastra held during the financial year ended 31 January 2026. He is a major shareholder of Binastra by virtue of his direct interest in the Company and his interest in JT Conglomerate Sdn Bhd, also a major shareholder of Binastra, pursuant to Section 8(4) of the Companies Act 2016.

Save for the above, Datuk Tan Kak Seng has no family relationship with other directors and major shareholders of Binastra and has no conflict of interest with Binastra other than the recurrent related party transactions disclosed in Note 29 – Related Parties of the Notes to the Financial Statements as set out in this Annual Report. He has no conviction for offences other than traffic offences within the past five (5) years and any public sanctions or penalty imposed by the relevant regulatory bodies during the financial year.

His interest in shares of the Company is disclosed in the Analysis of Shareholding in this Annual Report.

PROFILE OF DIRECTORS (CONT'D)



MR LEE SENG YONG

Executive Director

Nationality

Malaysian

Gender

Male

Aged

42

Mr Lee Seng Yong, a Malaysian, Male, aged 42, was appointed to the Board as Executive Director on 17 January 2023. He was also appointed as one of the members of Sustainability Committee upon the formation of committee on 21 December 2023. He pursued his tertiary education at Curtin University in the field of Business Commerce. Mr Lee has more than fourteen (14) years of experience developing strategies to promote mission of organisation and building strong team of leaders.

He started his career in 2008 by founding Luzzone Concept which involved in wallpaper business until 2011. Mr Lee is the Executive Director of Ideal Workz Sdn Bhd with principal activities as builders and contractors for building completion and finishing work, a position which he held since 2012. He is also the Executive Director of Totalbuildz Sdn Bhd which principally engaged as builders and contractors for construction work since 2018.

Currently, Mr Lee is assisting the Managing Director in the overall day-to-day management and formulation of the Group's business plans and strategies.

Mr Lee attended five (5) out of five (5) Board Meetings of Binastra held during the financial year ended 31 January 2026. He is a major shareholder of Binastra.

Save for the above, Mr. Lee has no family relationship with the other directors or major shareholders of Binastra, no conflict of interest with Binastra and has no conviction for offences other than traffic offences within the past five (5) years and any public sanctions or penalty imposed by the relevant regulatory bodies during the financial year.

His interest in shares of the Company is disclosed in the Analysis of Shareholding in this Annual Report.



PROFILE OF DIRECTORS (CONT'D)



MR TEH SOON HIN

Independent
Non-Executive Director

Nationality

Malaysian

Gender

Male

Aged

49

Mr Teh Soon Hin, a Malaysian, Male, aged 49, was appointed to the Board as Independent Non-Executive Director and as Chairman of the Audit and Risk Management Committee on 17 January 2023. He was also appointed as a member of Nomination Committee and Remuneration Committee on even date. Mr Teh was appointed as one of the members of the Sustainability Committee upon the formation of committee on 21 December 2023.

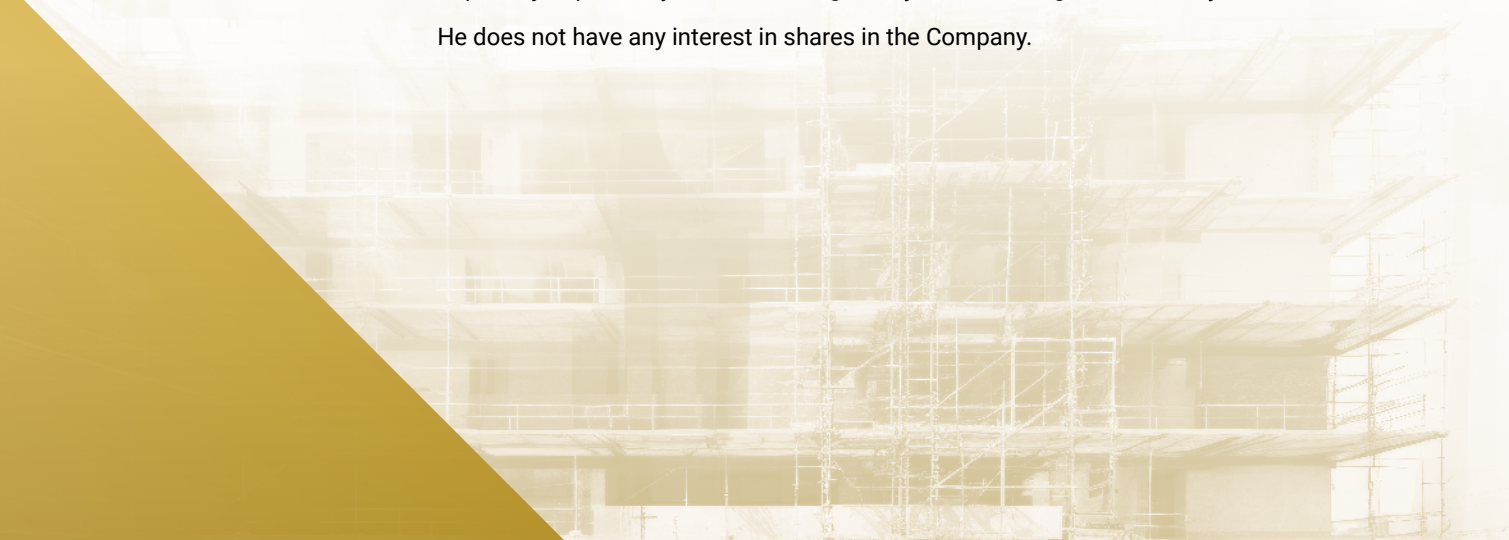
Mr Teh is a Certified Practising Accountant of the CPA Australia, a Chartered Accountant of the Malaysian Institute of Accountants, a Chartered Professional Accountant of the ASEAN Chartered Professional Accountant, a Chartered Tax Practitioner of the Chartered Tax Institute of Malaysia and a Certified Public Accountant of the Malaysian Institute of Certified Public Accountants. He holds a Bachelor of Accountancy (Hons) from the Universiti Utara Malaysia.

Mr Teh has more than eighteen (18) years of accounting and tax experience in public practice and also public listed companies. He is currently a partner of Imran Teh and Associates PLT, an accounting firm. He is also a Chartered Tax Practitioner of JS Taxation and Consultancy Sdn Bhd. He also acts as an advisor for Fair Consulting (M) Sdn Bhd, a consulting firm with headquarters in Japan that specialises in business process outsourcing services.

Mr Teh is also an Independent Non-Executive Director of Tafi Industries Berhad, a company listed on the Bursa Malaysia Securities Berhad.

Mr Teh attended five (5) out of five (5) Board Meetings of Binastra held during the financial year ended 31 January 2026. He has no family relationship with the other directors or major shareholder of Binastra, no conflict of interest with Binastra and has no conviction for offences other than traffic offences within the past five (5) years and any public sanctions or penalty imposed by the relevant regulatory bodies during the financial year.

He does not have any interest in shares in the Company.



PROFILE OF DIRECTORS (CONT'D)



MR LOW TUAN LEE

Independent
Non-Executive Director

Nationality

Malaysian

Gender

Male

Aged

47

Mr Low Tuan Lee, a Malaysian, Male, aged 47, was appointed as Independent Non-Executive Director and a member of the Audit and Risk Management Committee on 11 November 2021. He was also appointed as Chairman of Nomination Committee and a member of Remuneration Committee on 17 January 2023. He was appointed as a member of Sustainability Committee on 25 March 2024.

Mr Low has more than twenty (20) years of financial industry experience, covering diverse areas including banking products development, structured investment & foreign exchange products, financial modelling and valuation, cross border trade and cash asset management and risk governance. His core expertise is on the provision of products and solutions to commercial clients that operates in different regions. He has executed various financial exercise entities in mainland China, Hong Kong and off-shore multilateral.

Mr Low started off his career as audit trainee in Ernst & Young and subsequently joined AIG Malaysia as an actuarial analyst focusing on product pricing and development before he relocated to Singapore MetLife as actuarial manager in 2006. Mr Low then continues his overseas career in Standard Chartered Bank Shanghai China as Director covers various roles including cross border client coverage, product design development, derivative products solutions, offering relative value trade and cash structured ideas, market information and performance strategies. In addition to Mr Low's banking experience, he continues to venture into financial consultancy focusing on private and corporate fundraising, pre-IPO preparatory as well as strategy advisor for mergers and acquisitions opportunities for Greater China clientele.

Mr Low holds a Bachelor of Commerce major in Actuarial Studies from The University of Melbourne. He received distinction performance ratings throughout his banking career and had various recognition from the bank with Best Performance award and Best Product Manager in his sector.

Mr Low attended five (5) out of five (5) Board Meetings of Binastra held during the financial year ended 31 January 2026. He has no family relationship with the other directors or major shareholder of Binastra, no conflict of interest with Binastra and has no conviction for offences other than traffic offences within the past five (5) years and any public sanctions or penalty imposed by the relevant regulatory bodies during the financial year.

He does not have any interest in shares in the Company.

PROFILE OF DIRECTORS (CONT'D)



MS TAN MAI YEAN

Independent
Non-Executive Director

Nationality

Malaysian

Gender

Female

Aged

52

Ms Tan Mai Yeon, a Malaysian, Female, aged 52, was appointed to the Board as Independent Non-Executive Director on 17 January 2023. She was also appointed as a member of Audit and Risk Management Committee and Nomination Committee as well as the Chairperson of Remuneration Committee on even date and Chairperson of Sustainability Committee upon the formation of the committee on 21 December 2023.

Ms Tan holds a LLB (Hons) in Law from the University of Wales, Swansea and was admitted to the English Bar as a Barrister-at-Law from Lincoln's Inn in year 1997. She returned to Malaysia to complete her pupillage and was called to the Malaysian Bar in 1998.

Ms Tan started her career in a legal firm in Kuala Lumpur, handling corporate and project conveyancing work. In 2000, she left practice to join the corporate sector overseeing all areas of compliance on the rules, regulations and laws of a public listed entity. She was also involved in the corporate restructuring and fund raising exercise of the company.

In 2008, Ms Tan set up her own practice in Kuala Lumpur. Having been in practice for more than twenty (20) years, Ms Tan has extensive legal experience in corporate and commercial matters mainly listings and restructurings, due diligence and mergers and acquisitions.

Ms Tan attended five (5) out of five (5) Board Meetings of Binastra held during the financial year ended 31 January 2026. She has no family relationship with the other directors or major shareholder of Binastra, no conflict of interest with Binastra and has no conviction for offences other than traffic offences within the past five (5) years and any public sanctions or penalty imposed by the relevant regulatory bodies during the financial year.

She does not have any interest in shares in the Company.

PROFILE OF KEY MANAGEMENT TEAM

DATUK TAN KAK SENG

Managing Director

Nationality	Gender	Aged
Malaysian	Male	51

Datuk Tan Kak Seng, a Malaysian, Male, aged 51, was appointed as the Managing Director of the Company on 17 January 2023. He holds a Bachelor of Engineering with First Class Honours from the University of Melbourne.

Datuk Tan Kak Seng began his career in 1997 by joining H S Liao Consulting Engineer Sdn Bhd as Civil and Structural Design Engineer where his responsibilities include structural designing, project supervising, and coordinating. Subsequently, he joined Binastra Construction (M) Sdn Bhd ("Binastra Construction") in 2000, which is principally involved in building construction where it undertakes various construction projects including, inter-alia, construction works for residential, commercial, and mixed developments. He is the director and major shareholder of Binastra Construction, where he oversees the implementation and completion of the construction projects undertaken by Binastra Construction. His responsibilities include, amongst others, contract bidding and negotiations, progress monitoring, project costing monitoring and overseeing and managing all major aspects of construction projects.

Currently, Datuk Tan Kak Seng is responsible for the overall day-to-day management and formulation of the Group's business plans and strategies.

His interest in shares of the Company is disclosed in the Analysis of Shareholding in this Annual Report.

MR LEE SENG YONG

Executive Director

Nationality	Gender	Aged
Malaysian	Male	42

Mr Lee Seng Yong, a Malaysian, Male, aged 42, was appointed to the Board as Executive Director on 17 January 2023. He was also appointed as one of the members of Sustainability Committee upon the formation of committee on 21 December 2023. He pursued his tertiary education at Curtin University in the field of Business Commerce. Mr. Lee has more than fourteen (14) years of experience developing strategies to promote mission of organisation and building strong team of leaders.

He started his career in 2008 by founding Luzzone Concept which involved in wallpaper business until 2011. Mr Lee is the Executive Director of Ideal Workz Sdn Bhd with principal activities as builders and contractors for building completion and finishing work, a position which he held since 2012. He is also the Executive Director of Totalbuildz Sdn Bhd which principally engaged as builders and contractors for construction work since 2018.

Currently, Mr Lee is assisting the Managing Director in the overall day-to-day management and formulation of the Group's business plans and strategies.

His interest in shares of the Company is disclosed in the Analysis of Shareholding in this Annual Report.

PROFILE OF KEY MANAGEMENT TEAM (CONT'D)



MS LIONG CHAI PHENG

Chief Financial Officer

Nationality	Gender	Aged
Malaysian	Female	52

Ms Liong Chai Pheng, a Malaysian, Female, aged 52, was appointed as the Chief Financial Officer of the Company on 23 September 2021. She has been a member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants since 2002. She obtained a Master of Business Administration from De Montfort University, United Kingdom in 2003.

She began her career in 1999 with a medium size audit firm as an Audit Officer. Subsequently, she joined one of the Big Four accounting firms as an Audit Associate in 2000. After several years of assuming an audit role, she decided to embark in an accounting and finance role and joined a chemical company as an Accounts Executive where she was mainly involved in the preparation of final accounts, management reports and annual budget. She was also responsible for obtaining ISO 14001 and OHSAS 18001 certifications for the company. She then joined a consultancy firm as an Assistant Manager where she was involved in conducting internal audit and quarterly reporting for several public listed companies in Malaysia.

In 2006, she joined a company listed on the New Zealand's Exchange as the Group Audit Manager where she was responsible for setting-up the internal audit department and strengthening the corporate governance and internal control system for the group. She then assumed the role of Head of Tax for the group in 2008 where she was mainly involved in the group's tax planning across various countries. In 2010, her engagement with the company was converted to freelance consultancy basis and the service was continued until 2013. In 2010, she also joined a company listed on the London Stock Exchange on a freelance consultancy basis as the Group Accountant. During her tenure with the company, she oversees the group finance department.

In 2017, she joined MTD Project Management Services Sdn Bhd as Head of Finance & Treasury where she was leading and managing the finance and tax functions of MTD Capital Bhd group of companies. In 2019, she joined Kerjaya Prospek Group Berhad as Financial Controller and subsequently, she joined Tekmark Sdn Bhd in 2020 as Senior Finance Manager. She was mainly in the management role leading the accounting and finance department of the respective companies.

In September 2021, she joined Binastra Group as the Chief Financial Officer and is responsible for overseeing the overall accounting and finance functions of Binastra Group including accounting, taxation and treasury matters.

She holds 250,000 shares in the Company.

ADDITIONAL INFORMATION ON THE KEY MANAGEMENT TEAM

- None of the Key Management personnel has any family relationship with any Director and/or major shareholder of the Company except as disclosed above for Datuk Tan Kak Seng.
- None of the Key Management personnel has any conviction for offences other than traffic offences within the past 5 years and none of them has any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.
- None of the Key Management personnel has any conflict of interest with the Company.

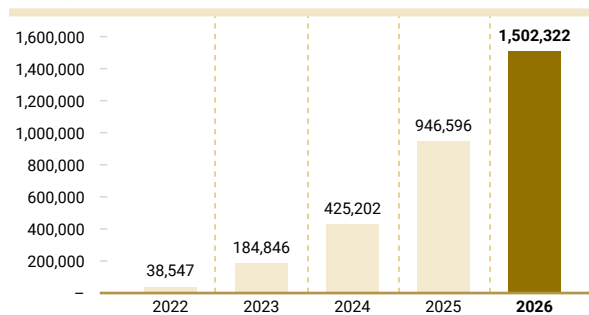
FINANCIAL HIGHLIGHTS

FINANCIAL YEAR	2026 RM'000	2025 RM'000	2024 RM'000	2023 RM'000	2022 RM'000
Turnover	1,502,322	946,596	425,202	184,846	38,547
Profit before taxation	180,806	124,486	55,142	23,545	4,920
Profit/(Loss) for the financial Year	136,859	90,255	40,773	16,523	(8,665)
Profit/(Loss) attributable to owners of the Company	133,488	90,255	40,773	16,523	(8,133)
Total assets	1,303,952	730,958	295,908	137,632	30,307
Shareholders' funds	352,153	282,446	83,211	42,438	1,851
Earnings/(Loss) per share (in sen)	12.24	10.44	10.19	9.16	(5.81)
Net tangible assets per share (in RM)	0.32	0.26	0.18	0.11	0.01

* Restated

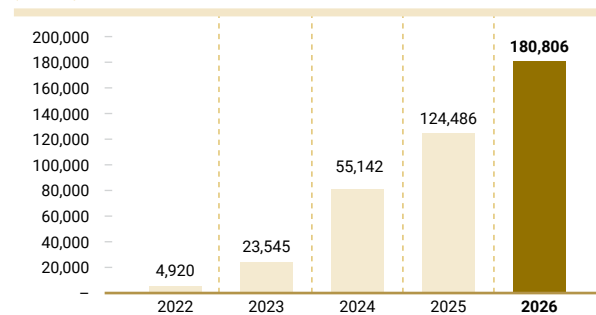
TURNOVER

(RM'000)



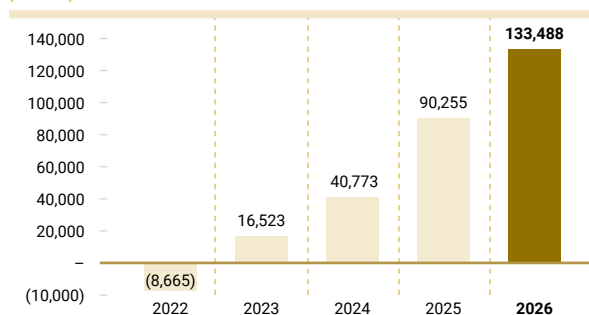
PROFIT BEFORE TAXATION

(RM'000)



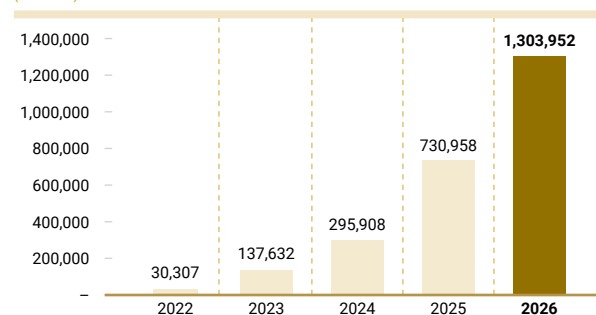
PROFIT/(LOSS) FOR THE FINANCIAL YEAR

(RM'000)



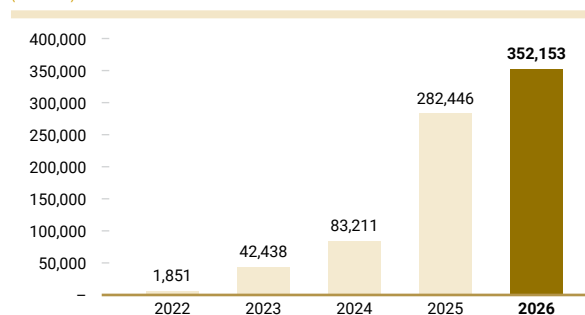
TOTAL ASSETS

(RM'000)



SHAREHOLDERS' FUNDS

(RM'000)





CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Binastra Corporation Berhad ("Binastra", or "the Group") for the financial year ended 31 January 2026 ("FY2026").

The year in review was one of continued progress and strategic development for the Group. Despite an operating environment characterised by evolving economic conditions and heightened industry competition, Binastra remained focused on disciplined project execution, operational efficiency, and long-term value creation. We strengthened our operational capabilities, expanded our project portfolio, and reinforced our position within Malaysia's construction sector.

The year also saw the Group take strategic steps to enhance its capabilities and broaden its engineering expertise, positioning Binastra for sustained growth in an evolving industry landscape.

CAPTURING OPPORTUNITIES IN AN EVOLVING LANDSCAPE



The Malaysian economy continued to demonstrate resilience throughout the year despite global uncertainties arising from geopolitical tensions, supply chain adjustments, and moderating global growth. Domestic economic activity remained supported by robust consumer spending, investment activity and sustained public sector development expenditure. Government initiatives aimed at strengthening industrial capabilities and infrastructure development, including the New Industrial Master Plan 2030 (NIMP 2030) and the National Energy Transition Roadmap (NETR), continued to drive investment momentum across several sectors of the economy.

These initiatives have helped sustain demand across industrial, commercial and infrastructure developments, providing a supportive backdrop for Malaysia's construction industry. At the same time, the country's stable financial system and resilient domestic demand helped cushion the economy against external volatility.

Against this backdrop, the construction sector remained an important contributor to national development and economic growth. Demand for logistics hubs, industrial parks and digital infrastructure has continued to accelerate, particularly in high-growth regions such as Selangor, Johor, and Penang. The expansion of data centre infrastructure and manufacturing facilities has further contributed to increased demand for specialised construction capabilities.

Meanwhile, public infrastructure projects, transportation upgrades and utilities development remain key drivers of industry activity. These initiatives form part of Malaysia's broader effort to strengthen economic connectivity, enhance productivity, and support long-term national development objectives.

At the same time, the industry continues to face structural challenges including fluctuations in material prices, labour availability, and increasingly stringent regulatory requirements. In response, construction companies are focusing on improving operational efficiency, strengthening project governance, and adopting technology-driven solutions to enhance productivity.

Within this evolving landscape, Binastra's strong execution capabilities, technical expertise and disciplined financial management meant we were well-positioned to capture emerging opportunities.

CHAIRMAN'S STATEMENT (CONT'D)

REACHING NEW HEIGHTS



Guided by a clear strategic direction and supported by the dedication of our management team and employees, the Group continued to expand its capabilities while pursuing opportunities that support sustainable growth.

FY2026 was the fourth consecutive record-setting year for the Group, with a revenue of RM1.5 billion, representing an 58.7% increase from RM946.6 million in FY2025. Profit before taxation (PBT) for the year stood at RM180.8 million, compared with RM124.5 million in FY2025.

Binastra's performance reflects continued progress in project execution, supported by strong demand across the construction segment and contributions from newly secured contracts. During the year, we maintained a disciplined approach to project management, procurement, and cost control, allowing us to deliver projects efficiently while preserving operational margins.

The Group's financial position remains healthy, underpinned by a robust order book and prudent capital management. As of 31 January 2026, Binastra's outstanding order book stood at RM6.5 billion (FY2025: RM3.6 billion), providing clear earnings visibility over the next four financial years. I'm extremely pleased to note that this is another record achievement for the Group, reinforcing our long-term growth trajectory.

We discuss the Group's financial and operational performance in the Management Discussion and Analysis section on pages 18 to 26.

EXPANDING OUR HORIZONS



Binastra expanded into green energy solutions during FY2026 through the consolidation of LF Lansen Sdn. Bhd., which became a 51%-owned subsidiary. This acquisition strengthens the Group's capabilities in providing energy-efficient engineering solutions and supports long-term revenue growth.

In addition, the Group established two new subsidiaries during the year, namely Binastra Green Energy Sdn. Bhd. ("**BGESB**") and Binastra Atlantic Sdn. Bhd. ("**BASB**"), with BASB being 51%-owned.

These newly established subsidiaries have already made a mark. BGESB secured a RM305.0 million contract for the design and build of a 65MWp solar photovoltaic system and 200MWh battery energy storage system in Pasir Gudang, Johor, while BASB was awarded three engineering, procurement, construction, and commissioning (EPCC) contracts totalling RM171.7 million for 56.5MWac solar facilities in Kuala Langat, Selangor and Sungai Lalang, Kedah. These wins underscore Binastra's successful entry into renewable energy infrastructure and reinforce its strategy to diversify earnings through high-growth, future-focused sectors.

At the same time, the Group reinforced its order book with several notable wins, including a RM1.18 billion high-rise residential development and a RM742.9 million serviced apartment project, both located in Johor Bahru with close proximity to Johor-Singapore Causeway, as well as RM438.9 million data centre development and mechanical and electrical (M&E) fit-out projects in Kuala Lumpur.

CHAIRMAN'S STATEMENT (CONT'D)

UPHOLDING ACCOUNTABILITY AND TRANSPARENCY



The Board remains committed to maintaining high standards of corporate governance, transparency, and accountability across the Group's operations. Through robust governance structures and internal controls, we ensure that our business activities are conducted ethically and in compliance with regulatory requirements.

During the year in review, we achieved 100% employee participation in anti-corruption training, with no recorded incidents of corruption, whistleblowing cases, or data privacy breaches, reflecting the strength of our governance practices and commitment to responsible business conduct.

Kindly refer to the Corporate Governance Statement section of this Report on pages 27 to 38 for more information.

SAFEGUARDING OUR PEOPLE AND THE ENVIRONMENT



Workplace safety remains a fundamental priority for the Group. Construction activities inherently involve operational risks, and we continued to emphasise strict adherence to safety procedures across all project sites to safeguard the well-being of our employees and contractors.

In FY2026, we maintained a strong safety record across our operations, with zero fatalities reported at all project sites, while continuing to foster a safe, inclusive, and supportive workplace. We also invested in the development of our workforce through structured training and upskilling initiatives, reinforcing our commitment to building a resilient and capable organisation.

In addition, we recognise the growing importance of environmental and social considerations within the construction industry. We continued to strengthen our resource management practices, including waste segregation and recycling initiatives that enabled the diversion of 418.5 tonnes of waste from landfills. The Group has also begun strengthening its climate-related capabilities through the measurement of greenhouse gas emissions and initial alignment with recognised disclosure frameworks, providing a foundation for future decarbonisation efforts. Together, these initiatives reflect our commitment to responsible growth and long-term value creation for our stakeholders.

Binastra remains committed to engaging responsibly with its stakeholders and ensuring that the projects contribute positively to the communities in which we operate.

For more information on our sustainability initiatives, please refer to the Sustainability Report on pages 60 to 106 of this Report.

OUTLOOK



Looking ahead, the Board remains cautiously optimistic about the Group's prospects. Malaysia's long-term infrastructure and development agenda continues to provide significant opportunities for capable construction companies.

Binastra's strong order book, expanding technical capabilities and growing industry reputation place the Group in a favourable position to capture emerging opportunities. The integration of LF Lansen is expected to further enhance our ability to undertake specialised construction and engineering projects, while supporting greater diversification of the Group's project portfolio.

At the same time, we remain mindful of external uncertainties, including ongoing geopolitical tensions such as the conflict involving Iran, which could contribute to volatility in global energy prices, supply chains, and overall market sentiment. Any prolonged escalation may place upward pressure on construction input costs, logistics expenses, and financing conditions. The Group will continue to monitor these developments closely and respond with prudent cost management and disciplined project execution.

Moving forward, the Group will continue to focus on strengthening its order book, maintaining operational discipline, and pursuing strategic opportunities that leverage our strengths and support sustainable growth.

CHAIRMAN'S STATEMENT (CONT'D)

APPRECIATION



On behalf of the Board, I would like to express our sincere appreciation to our shareholders for their continued trust and support.

I would also like to extend my gratitude to our management team and employees for their dedication and professionalism throughout the year. Their efforts have been instrumental in driving the Group's achievements.

Finally, we thank our clients, business partners, regulators and stakeholders for their continued cooperation and support. We look forward to strengthening these relationships as we continue building a stronger future for Binastra.

Thank you.

Tan Sri Dato' Samshuri bin Arshad
Non-Independent Non-Executive Chairman



MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis section provides an overview of Binastra Corporation Berhad's ("Binastra", or "the Group") financial and operational performance for the financial year ended 31 January 2026 ("FY2026"), together with key developments during the year and the outlook for the Group's business.

This section should be read in conjunction with the Group's audited financial statements and accompanying notes.

OUR BUSINESS



Binastra is a leading construction company in Malaysia specialising in residential, commercial, and industrial developments, supported by strong project management capabilities and a proven track record of delivering high-quality projects on time and within budget.

The Group operates through two principal segments: Investment Holding and Construction. The Construction segment remains the Group's primary revenue driver, encompassing building construction, specialised engineering, and green projects.

Binastra's business model is anchored on strategic alliance with clients, operational efficiency, expansion of projects portfolio and disciplined financial management. The Group leverages value engineering, in-house project management expertise, and long-standing supplier relationships to maintain competitive costs while ensuring quality project delivery.

With a growing order book, an expanding portfolio of complex projects and increasing participation in digital infrastructure developments and green projects, the Group continues to strengthen its position within Malaysia's construction industry.

INDUSTRY AND MARKET DYNAMICS



Malaysia's construction sector continued to demonstrate resilience and growth during FY2026, supported by sustained infrastructure development and investment activity.

Public sector spending on transportation infrastructure, utilities and regional development projects remained a key driver of construction demand. At the same time, private sector investments continued to accelerate across industrial developments, logistics facilities, and digital infrastructure.

Demand for data centre infrastructure, in particular, has expanded rapidly as Malaysia positions itself as a regional digital hub. This trend has created new opportunities for construction companies with specialised technical capabilities.

Meanwhile, industrial expansion driven by initiatives such as the New Industrial Master Plan 2030 (NIMP 2030) and the National Energy Transition Roadmap (NETR) is expected to support continued demand for manufacturing facilities, logistics hubs, and energy-related infrastructure.

Despite these positive drivers, the industry continued to face structural challenges including fluctuations in material prices, labour shortages and increasing regulatory requirements. In response, construction companies are increasingly focusing on improving productivity, strengthening project governance, and adopting technology-enabled solutions to enhance operational efficiency.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

INDUSTRY AND MARKET DYNAMICS (CONT'D)

Recent geopolitical tensions, including the conflict involving Iran, have also introduced additional uncertainty to the global operating environment.

Within this evolving landscape, Binastra continued to leverage its project execution capabilities, technical expertise, and disciplined financial management to capture opportunities arising from Malaysia's infrastructure and development pipeline.

REVIEW OF OPERATING ENVIRONMENT



Despite ongoing global uncertainties, Malaysia's economy remained resilient. Domestic economic activity continued to be supported by strong consumer demand, stable financial conditions, and sustained development spending. Infrastructure investments, commercial developments, and industrial expansion continued to drive activity across the construction sector.

The Malaysian property market also remained active during the period, with continued demand across residential, commercial, and industrial segments. Growth was particularly evident in industrial and commercial developments in high-growth regions such as Johor and Selangor, supported by increased investment activity and the expansion of logistics and digital infrastructure facilities.

Subsequent to FY2026, geopolitical tensions including the conflict involving Iran added further uncertainty to the external environment, particularly through the risk of higher global energy prices, supply chain disruptions, and increased market volatility. While the direct impact on Malaysia remained manageable, prolonged escalation could place upward pressure on fuel, transport, and construction input costs.

Against this backdrop, Binastra continued to adapt to industry challenges through prudent financial management, operational efficiency, and careful selection of projects, enabling the Group to sustain momentum in a competitive environment.

REVIEW OF FINANCIAL PERFORMANCE



	FY2026 RM'000	FY2025 RM'000	Variance (%)
Revenue	1,502,322	946,596	▲ 58.7
Cost of Sales	1,311,278	812,458	▲ 61.4
Profit Before Taxation (PBT)	180,806	124,486	▲ 45.2
Net Profit	136,859	90,255	▲ 51.6
Earnings Per Share (sen)	12.24	10.44	▲ 17.2
Total Assets	1,303,952	730,958	▲ 78.4
Total Liabilities	932,261	448,512	▲ 107.9
Cash and Cash Equivalents	81,405	71,541	▲ 13.8

In FY2026, the Group delivered a strong set of results, with revenue increasing by 58.7% to RM1.5 billion (FY2025: RM946.6 million), driven by higher project execution and improved work progress across its construction segment. Profit before taxation (PBT) rose by 45.2% to RM180.8 million, while net profit grew by 51.6% to RM136.9 million, reflecting sustained operational momentum despite a faster increase in cost of sales in line with project scale. Earnings per share improved to 12.24 sen (FY2025: 10.44 sen).

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

REVIEW OF FINANCIAL PERFORMANCE (CONT'D)

The Group's financial position strengthened alongside its expansion, with total assets rising to RM1.3 billion, supported by higher receivables and contract assets, while total liabilities increased to RM932.3 million, largely attributable to working capital requirements. Cash and cash equivalents remained healthy at RM81.4 million, providing adequate liquidity to support ongoing operations and future growth.

Operationally, the Group maintained strict cost discipline through proactive procurement strategies, value engineering initiatives, and improved project coordination. These measures helped mitigate cost pressures while preserving operational efficiency across project sites.

DIVIDENDS



In FY2026, Binastra declared and paid an interim dividend of 3.0 sen per ordinary share, amounting to RM32.7 million, consistent with the previous financial year. In addition, the Board proposed second interim dividend of 3.5 sen per ordinary share, amounting to RM38.2 million, paid on 24 April 2026.

The total dividend declared in FY2026 amounts to 6.5 sen per ordinary share, representing a generous payout ratio of 53.1% of FY2026's profit after tax and minority interest. This reflects the Board's commitment to delivering sustainable returns to shareholders while balancing the need to retain capital to support ongoing project execution and business expansion.

The Group does not currently maintain a formal dividend policy. Nevertheless, the Board remains committed to rewarding shareholders through dividends where appropriate, taking into consideration the Group's financial performance, cash flow requirements, capital commitments, and long-term growth objectives.

OPERATIONAL HIGHLIGHTS



FY2026 saw Binastra continue to strengthen its operational capabilities while expanding its project portfolio across multiple construction segments.

Acquisition

During FY2026, the Group strengthened its technical capabilities through the acquisition of a 51% equity interest in LF Lansen Sdn. Bhd., which was consolidated during the financial year. This strategic move enhances the Group's ability to undertake specialised engineering and mechanical works, supporting its expansion into more complex infrastructure and industrial projects. The integration of LF Lansen also enables Binastra to broaden its service offerings and capture a wider range of project opportunities across the construction value chain.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OPERATIONAL HIGHLIGHTS (CONT'D)

Acquisition (Cont'd)



Largest buffer tanks in Malaysia (300m³) built by LF Lansen

Operational Execution and Scale

The Group continued to deliver strong operational performance during the year, supported by steady progress across multiple large-scale projects. Construction activities accelerated in line with the Group's expanding order book, contributing to higher work recognition and improved project throughput. Leveraging in-house project management expertise, disciplined cost control and strong supplier coordination, the Group maintained efficient execution across its project sites.

Expansion Into High-Growth Segments

Binastra continued to strengthen its presence in high-growth construction segments, including industrial developments and data centre infrastructure, where demand remains robust. These wins effectively position the Group to benefit from Malaysia's increasing role as a regional investment and digital infrastructure hub.

During the year, the Group also advanced its renewable energy expansion through newly incorporated subsidiaries Binastra Green Energy Sdn. Bhd. ("**BGESB**") and Binastra Atlantic Sdn. Bhd. ("**BASB**"), which secured contracts with a combined value of RM476.7 million. These wins marked an important milestone in diversifying the Group's earnings base into future-focused infrastructure sectors.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OPERATIONAL HIGHLIGHTS (CONT'D)

Expansion Into High-Growth Segments (Cont'd)



Installation of solar panels for one of our green projects

Geographic Expansion

Binastra continued to strengthen its geographical footprint during FY2026 through a growing presence in Johor Bahru, one of Malaysia's most dynamic development corridors. This expansion supports the Group's strategy to diversify its revenue base and participate in opportunities arising from increasing cross-border connectivity, urban redevelopment, and investment activity in the southern region.

During the year, the Group secured multiple new contract wins in Johor Bahru across residential and mixed-use developments totalling RM2.6 billion, reinforcing Binastra's position as a trusted contractor in the market and establishing a stronger platform for future growth in the region.

Key Projects and Milestones

During FY2026, the Group achieved significant milestones across a diversified portfolio of residential, commercial, industrial, and specialised infrastructure developments, reflecting its ability to execute projects of varying scale and complexity.

Among the notable project wins during the year was the RM1.18 billion Causewayz Square development in Johor Bahru, involving the construction of a landmark high-rise residential development comprising multiple towers. The Group also secured the RM742.9 million The Address @ Taman Pelangi project in Johor Bahru, further strengthening its presence in the southern region.

In the Klang Valley, Binastra continued to expand its high-rise residential portfolio through projects such as The Queenswoodz @ Bukit Jalil, valued at RM405.0 million, and Tuan Heritag3 @ Segambut, Kuala Lumpur, valued at RM268.0 million.

The Group also strengthened its position in specialised construction through a RM250.4 million data centre project for AIMS Group in Cyberjaya, followed by a RM188.5 million mechanical and electrical (M&E) fit-out package for the same facility, demonstrating its growing credentials in mission-critical infrastructure.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OPERATIONAL HIGHLIGHTS (CONT'D)

Key Projects and Milestones (Cont'd)

Beyond traditional construction, the Group marked an important milestone in renewable energy by securing RM476.7 million in solar and battery storage contracts through BGESB and BASB.

The steady progression of ongoing projects and successful commencement of newly secured contracts further strengthened the Group's order book and enhanced earnings visibility for the years ahead.

RISK MANAGEMENT



Binastra recognises that operating in a dynamic business environment exposes the Group to various risks that must be managed proactively to support sustainable growth, resilience, and long-term value creation. Our risk management approach focuses on identifying, assessing, and mitigating key risks that may affect our operations, financial performance, reputation, and strategic objectives.

Key risk areas monitored by the Group include project execution, cost inflation, labour availability, supply chain disruptions, cybersecurity, liquidity management, and health and safety performance. In addition, the Group continues to monitor governance and compliance risks, including evolving laws, regulations and regulatory requirements that may affect construction operations, corporate reporting, and business conduct standards.

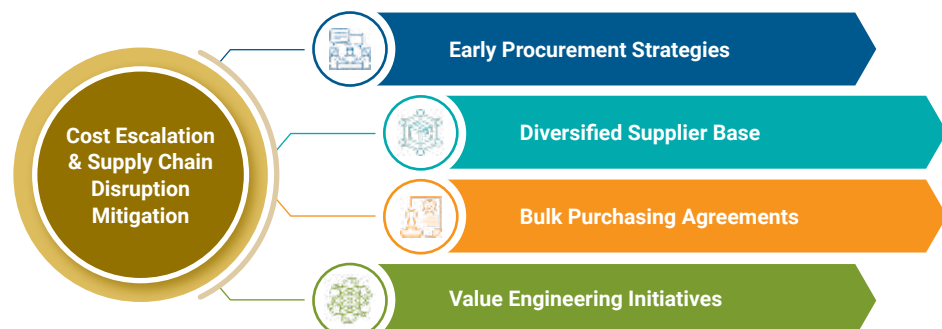
As the Group expands its operational footprint and corporate structure, risk oversight has also been strengthened to cover the additional operating subsidiaries within the Group. During the year, Binastra engaged an outsourced internal auditor to undertake risk assessments and review internal control processes across the Group, supporting continuous improvement in governance, accountability, and risk management practices.

The Board and Management remain committed to maintaining an effective risk management framework that enables timely decision-making and supports the Group's ability to respond to changing business conditions.

Further details are set out in the Statement on Risk Management and Internal Control section on pages 39 to 41.

Cost Escalation & Supply Chain Disruption

One of the primary risks facing the construction industry is cost escalation and supply chain disruptions. To mitigate this, we have implemented early procurement strategies, diversified our supplier base, and engaged in bulk purchasing agreements to secure stable pricing and supply continuity. Additionally, our value engineering initiatives enable us to optimise material usage without compromising on quality.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

RISK MANAGEMENT (CONT'D)

Health and Safety

Ensuring a safe working environment for employees and subcontractors remains a key priority for Binastra. The Group maintains strict health and safety protocols and recorded zero workplace fatalities in FY2026. Regular safety audits, continuous employee training, and adherence to recognised occupational safety standards support the Group's commitment to maintaining high workplace safety standards. In addition, our employment policies promote ethical labour practices across our workforce, helping to mitigate risks associated with social compliance.

Labour Shortages

Labour availability remains a key industry concern, particularly as the construction sector continues to recover in the post-pandemic environment. In response, the Group is strengthening workforce training and retention programmes, leveraging technology to reduce reliance on manual labour, and collaborating with skilled subcontractors to ensure the seamless delivery of projects.

Financial Risk

Financial risks, including cash flow management and credit exposure, are closely monitored through prudent financial planning and disciplined liquidity management. Supported by a robust balance sheet and sound capital management practices, the Group maintains the financial flexibility required to navigate economic uncertainties. Our structured risk assessment framework enables us to respond effectively to market fluctuations and evolving regulatory requirements.

NAVIGATING FINANCIAL RISKS



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

RISK MANAGEMENT (CONT'D)

Cybersecurity

Cybersecurity threats have become increasingly prevalent in today's digital environment. To safeguard sensitive data and maintain operational integrity, the Group has strengthened its cybersecurity infrastructure and implemented robust data protection policies to reinforce its digital defences.

Through these proactive risk management measures, Binastra remains resilient in an evolving business landscape, supporting sustainable growth while safeguarding the interests of shareholders and stakeholders.

SUSTAINABILITY AND ESG COMMITMENTS



The Group continued to strengthen its sustainability and environmental, social, and governance ("ESG") practices as part of its approach to enhancing long-term value creation, operational resilience, and disciplined risk management. Governance remained a key priority, supported by Board oversight, a structured sustainability governance framework and internal review processes over selected ESG disclosures.

From an environmental perspective, the Group continued to monitor climate-related risks, resource efficiency and regulatory developments that may affect operating costs and project execution. During FY2026, the Group recorded total greenhouse gas emissions of 97,675 tCO₂e and Scope 1 & 2 emissions intensity of 3.4 tCO₂e per RM million of revenue, reflecting ongoing efforts to improve operational efficiency and strengthen environmental accountability.

Operationally, the Group maintained a strong focus on responsible procurement, with 99.9% of procurement spend directed to local suppliers, supporting supply chain resilience and execution reliability. At the same time, continued investments in workforce capability, safety and employee development included 3,289.0 total training hours and zero workplace fatalities during the year.

Collectively, these initiatives will further strengthen the Group's ability to manage emerging and operational risks, improve productivity, support sustainable earnings visibility, and reinforce investor confidence over the long term.

More details are available in the Sustainability Report on pages 60 to 106.

PROSPECTS AND OUTLOOK



Malaysia's construction sector is expected to remain on a positive growth trajectory in the near to medium term, supported by continued infrastructure investments, industrial expansion and sustained private sector development activity.

Government initiatives under national development programmes such as the NIMP2030 and NETR are expected to drive investments across manufacturing, energy, and logistics infrastructure. Continued expansion of transportation networks, utilities infrastructure and regional development corridors is also expected to sustain construction demand across the country.

Private sector investments are expected to remain an important growth driver. Demand for industrial facilities, logistics hubs and data centre developments has increased as Malaysia strengthens its position as a regional investment and digital infrastructure hub. High-growth regions such as Johor and Selangor continue to attract both domestic and foreign investments, further supporting construction activity in these areas.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

PROSPECTS AND OUTLOOK (CONT'D)

Nevertheless, the operating environment remains challenging. The industry continues to face fluctuations in construction material prices, labour shortages and evolving regulatory requirements. In addition, ongoing geopolitical tensions, including the conflict involving Iran, may contribute to volatility in global energy prices, supply chain disruptions, inflationary pressures, and weaker business sentiment if prolonged. These developments could indirectly affect construction costs, project timelines, and investment decisions across the sector.

In response, industry players are increasingly prioritising operational efficiency, stronger project governance, and the adoption of technology-driven solutions to improve productivity and manage costs.

Against this backdrop, the Group remains well positioned to capitalise on opportunities arising from Malaysia's infrastructure and development pipeline. Our strong order book, together with a diversified portfolio of residential, commercial, infrastructure and specialised construction projects, positions us to benefit from sustained demand across multiple segments.

Key Strategic Priorities

Moving into FY2027, Binastra will focus on executing its expanded order book to sustain revenue growth and strengthen earnings visibility. At the same time, priority will be placed on enhancing cost discipline through proactive procurement strategies and value engineering initiatives to mitigate margin pressures arising from rising input costs.

The Group will also focus on integrating and scaling its newly acquired subsidiary, LF Lansen Sdn. Bhd., to expand its capabilities in specialised engineering and infrastructure works. In parallel, efforts will be directed towards strengthening working capital management and cash flow discipline to support operational scale while maintaining financial flexibility.

Strategically, the Group aims to deepen its presence in the high-growth data centre segment. The Group will also continue to enhance its technical capabilities and project execution capacity to support the delivery of larger and more complex projects, while remaining selective in project acceptance to safeguard execution quality and operational standards.

Through these strategic priorities, we remain focused on delivering sustainable growth, strengthening operational resilience, and advancing our ESG commitments in creating long-term value for our stakeholders.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("**Board**") of Binastra Corporation Berhad ("**Binastra**" or the "**Company**") together with its subsidiaries (the "**Group**") are dedicated in their commitment towards the Group's long-term strategy and consistent growth through the highest standards of corporate governance practices as guided by the Malaysian Code on Corporate Governance 2021 (the "**Code**") and Paragraph 15.25(1) of the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). The Board firmly believes that its implementation of the Code and the Listing Requirement's corporate governance practices channels greater transparency and ethics in corporate accountability, which in turn facilitates optimal achievement of the Group's strategic goals.

The Board is pleased to report that, throughout the financial year ended 31 January 2026 ("**FY2026**"), the integration of corporate governance into the Group's culture and business practices has proven to be a significant contributor to its overall performance. This is evidenced by the successful securing of new and revised contracts during FY2026, which has increased the Company's order book to RM6.5 billion.

Despite a challenging year, the Group maintained its dedication in upholding the principles and practices prescribed by the Code. Detailed descriptions of how the Code has been applied throughout the Group are outlined in the Corporate Governance Report ("**CG Report**"). Shareholders are encouraged to read this overview statement together with the CG Report, copy of which is available to download from the Company's website at www.binastracorp.com.my.

A. BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

The Board heads the Company to provide effective leadership and sets strategic direction and works with Management to enhance the long-term success of the Group. In addition, the Board is also accountable for instilling good corporate governance practices in the Company which plays a pivotal role in fostering transparency, accountability and long-term success within the Group's businesses as well as establishing and maintaining a sound risk management framework for the Group to effectively monitor and manage risks, and to achieve an appropriate balance between risk and Company's performance.

The Board is also entrusted with responsibilities to exercise reasonable care and having the Group's best interests in mind when employing the Company's resources and safeguarding the Company's assets. Through set values and high standards, the Board ensures that its obligations towards shareholders and all stakeholders are met.

The Board together with the Management take responsibilities for governance of sustainability in the Company. Further information on sustainability matters of the Group are discussed in the Sustainability Report contained in this Annual Report 2026.

The Board is made up of executive and non-executive Directors and led by a Chairman who oversees the effectiveness of the Board. As recommended by the Code, the roles of Chairman and Managing Director are separately held by Tan Sri Dato' Samshuri Bin Arshad ("**Tan Sri Dato' Samshuri**") and Datuk Tan Kak Seng, respectively, making sure there is a clear distinction between the responsibilities of both positions and to prevent any undue overlap in oversight. Essentially, Tan Sri Dato' Samshuri leads the Board while Datuk Tan Kak Seng, assisted by the Executive Director and Senior Management, leads the Management and overseeing the day-to-day operations of the Group. This ensures an instillation of good governance in addition to a balance in authority through restricted powers in decision making with the respective role.

The Board is assisted by five (5) main board committees, namely the Audit and Risk Management Committee ("**ARMC**"), the Nomination Committee ("**NC**"), the Remuneration Committee ("**RC**"), the Sustainability Committee ("**SC**") and the Executives' Share Scheme Committee ("**ESSC**") (collectively referred to as the "**Board Committees**").



CORPORATE GOVERNANCE STATEMENT (CONT'D)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. Board Responsibilities (Cont'd)

As entrusted by the Board, these Board Committees deliberate relevant issues within their respective functions and terms of reference, after which they report to the Board with their recommendations. However, this does not absolve the Board's ultimate responsibility in decision-making.

Save for the SC and ESSC, members of the Board Committees consist of wholly independent non-executive Directors of the Company but excludes the Chairman of the Board because the Board is of the view that the Chairman of the Board should not be involved in these Board Committees to ensure that there is check and balance as well as objective review by the Chairman of the Board when the Board is deliberating on the observations and recommendations put forth by the Board Committees.

To uphold the Board effectiveness, the Board is supported by two (2) qualified and competent Companies Secretaries who are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). The Company Secretaries support the Board in carrying out its fiduciary duties and stewardship role, and play an advisory role to the Board, particularly with regard to compliance with regulatory requirements, guidelines, legislations, corporate disclosures and governance related practices. All Directors have unrestricted access to the advice and services of the Company Secretaries on matters regarding compliance with applicable laws and regulations as well as corporate governance. Further information of the roles and responsibilities carried out by the Company Secretaries during the FY2026 are set out in Practice 1.5 of the Company's CG Report.

In discharging the Board's duties, the Board is guided by its Board Charter. To instil an ethical corporate culture and ensuring that the Company's values, standards, policies and practices are consistent with the culture, the Board has in place a Code of Ethics and Conduct. Through discussions and reviews with the Management, the Board has also established, inter-alia, the following policies and terms of reference of its Board Committees, for the purposes of aiding the Board, the Board Committees and the Management in carrying out their duties through clear demarcation of responsibilities:-

- Anti-Corruption and Bribery Policy
- Whistleblowing Policy
- Director's Fit and Proper Policy
- Remuneration Policy and Procedures
- Stakeholders Communications Policy
- Conflict of Interest Policy
- Terms of Reference of the ARMC
- Terms of Reference of the NC
- Terms of Reference of the RC
- Terms of Reference of the SC
- Terms of Reference of the ESSC

The relevant policies and Terms of Reference of the Board Committees are published on the Company's website at www.binastracorp.com.my as required under the Listing Requirements and the Code.

The Board and the Board Committees meet regularly on scheduled dates throughout the year to consider pre-set agenda items and additionally as and when required for specific purpose, with a formal schedule of matters specifically reserved for the Board for its deliberation and decision. To assist Directors in planning their attendance, meeting dates for each new calendar are discussed and notified to all Directors before the start of that calendar year.

To enable the Board to make informed decisions and fulfill their duties and responsibilities, Management recognises its role in providing the Board with complete, adequate and timely information both prior to Board meetings and on an on-going basis.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. Board Responsibilities (Cont'd)

Notice for each Board meeting together with the meeting papers relating to the agenda items thereto are sent out to all Directors seven (7) days beforehand. Sufficient time is allocated for discussion of the issues tabled under the agenda and for the Management to response to additional request of information which Directors may make during meetings. Personnel from the Management, the Company's auditors and other professionals, when necessary, are invited to be present at these meetings to provide additional insights into the matters to be discussed at Board meetings and Board Committees meetings. If required, the Board may also seek independent professional advice at the Company's expense to assist them with any decision making in relation to the fulfilment of their duties and responsibilities. Upon conclusion of meetings, the minutes are prepared and circulated to the Board in a timely manner.

During FY2026, the Board met five (5) times whilst the Board Committees met a total of twelve (12) times to deliberate and consider a variety of matters affecting the Company's corporate and operations matters, which includes the Group's financial results, audit findings and issues, risk management and sustainability matters, ESS matters, corporate proposals, policies matter, regulatory compliance update, etc.

Attendance record of the Directors at Board and Board Committees meetings held in the FY2026, is as follows:

Name of Director	Total Meetings Attended						Total Attendance
	Board Meeting	ARMC Meeting	NC Meeting	RC Meeting	SC Meeting	ESSC Meeting	
Tan Sri Dato' Samshuri	5/5	-	-	-	-	-	5/5
Datuk Tan Kak Seng	5/5	-	-	-	-	1/1	6/6
Lee Seng Yong	5/5	-	-	-	4/4	1/1	10/10
Teh Soon Hin	5/5	5/5	1/1	1/1	4/4	-	16/16
Tan Mai Yean	5/5	5/5	1/1	1/1	4/4	1/1	17/17
Low Tuan Lee	5/5	5/5	1/1	1/1	4/4	-	16/16
Number of meetings held	5	5	1	1	4	1	17

The Company ensures that Directors are provided with opportunities to develop and maintain their skills and knowledge through trainings at the Company's expense. In this regard, the Company often assists in arranging and facilitate trainings for the Directors. However, majority of the Directors proactively attend training sessions to enhance their knowledge and skills.



CORPORATE GOVERNANCE STATEMENT (CONT'D)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. Board Responsibilities (Cont'd)

Throughout the FY2026, the Directors of the Company have attended various conferences and seminars organised by external organisers not only to keep abreast of industry developments and trends, but also to assist them to effectively discharge of their duties. Conferences, seminars and training programmes attended by the Directors in the FY2026 are as follows:-

Name of Director	Title of Conferences, Seminars and Training Programmes	Date of Conferences, Seminars and Training Programmes	Conducted by
Tan Sri Dato' Samshuri	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	20 to 21 May 2025	Institute of Corporate Directors of Malaysia
	Zooming into ISSB Training	1 November 2025	Deloitte Malaysia PLT
	Anti-Bribery & Corruption S17A Corporate Liability Perspective	19 January 2026	JBravoLow & Co.
Datuk Tan Kak Seng	Zooming into ISSB Training	1 November 2025	Deloitte Malaysia PLT
	Anti-Bribery & Corruption S17A Corporate Liability Perspective	19 January 2026	JBravoLow & Co.
Lee Seng Yong	Zooming into ISSB Training	1 November 2025	Deloitte Malaysia PLT
	Anti-Bribery & Corruption S17A Corporate Liability Perspective	19 January 2026	JBravoLow & Co.
Teh Soon Hin	National Tax Conference 2025	5 to 6 August 2025	Lembaga Hasil Dalam Negeri Malaysia & Chartered Tax Institute of Malaysia
	Zooming into ISSB Training	1 November 2025	Deloitte Malaysia PLT
	The Audit Oversight Board's conversation with audit committees	25 November 2025	The Securities Commission Malaysia
	Anti-Bribery & Corruption S17A Corporate Liability Perspective	19 January 2026	BravoLow & Co.
Tan Mai Yean	Zooming into ISSB Training	1 November 2025	Deloitte Malaysia PLT
	Anti-Bribery & Corruption S17A Corporate Liability Perspective	19 January 2026	JBravoLow & Co.
Low Tuan Lee	Zooming into ISSB Training	1 November 2025	Deloitte Malaysia PLT
	Anti-Bribery & Corruption S17A Corporate Liability Perspective	19 January 2026	JBravoLow & Co.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. Board Composition

The Board recognises that composition of the board is crucial as it directly impacts the effectiveness, governance, and success of an organisation. A diverse and well-balanced board can provide strategic guidance, effective oversight, and drive the Company towards achieving its objectives and fulfilling its responsibilities to all stakeholders.

The NC is entrusted with duties in assisting the Board to implement procedures for selection of directors, identifying qualified individuals to serve as members of the Board and recommending such candidates for appointment to the Board and Board Committees and assessing the effectiveness of the Board as a whole, the Board Committees and contributions and performance of individual Director. The NC is chaired by an Independent Director of the Company.

In support of the principles of good corporate governance, the Board has adopted a Director's Fit and Proper Policy to ensure that the Directors and Key Management of the Group appointed have the character, experience, integrity, competence and time to effectively discharge their respective role and responsibilities pursuant to paragraph 2.20A of the Listing Requirements. The said policy serves as a guideline to the NC and the Board in the review and assessment of candidates at the time of appointment or re-appointment of Directors as well as the appointment of Key Management.

Presently, the Board is comprised of six (6) Directors. A brief profile of each Director is set out on pages 5 to 10 of this Annual Report. Their other position(s) in the Company, membership on the Board Committees and directorship role are shown below:-

Name	Position(s)	Executive/Independent and Non-Independent Director
Tan Sri Dato' Samshuri	• Chairman of the Board	Non-Independent Non-Executive Director
Datuk Tan Kak Seng	• Managing Director • Member of ESSC	Executive Director
Lee Seng Yong	• Executive Director • Member of SC and ESSC	Executive Director
Teh Soon Hin	• Chairman of ARMC • Member of NC, RC and SC	Independent Non-Executive Director
Tan Mai Yean	• Chairperson of RC, SC and ESSC • Member of ARMC and NC	Independent Non-Executive Director
Low Tuan Lee	• Chairman of NC • Member of ARMC, RC and SC	Independent Non-Executive Director

In terms of tenure and Board refreshment, the Board reflects a relatively recent composition. As at 31 January 2026, with the exception of Tan Sri Dato' Samshuri, the Directors have served between three (3) to four (4) years, supporting a balanced mix of continuity and fresh perspective. The tenure of each Director is reviewed by the NC and annual re-election of the Director is contingent on satisfactory evaluation of the Director's performance at financial year end. During the FY2026, there was no new appointment to the Board.

The NC is involved in all appointments or re-elections of directors. Firstly, for a new appointment, a potential candidate may be proposed by existing Board members, the Management, major shareholders, third-party referral or independent sources. Guided by the Company's Fit and Proper Policy for Directors, the NC then assesses the suitability of the candidate by taking into account his or her merits which include the required mix of skills, knowledge, areas of expertise and years of experience among other qualities before recommending their appointments to the Board for approval.



CORPORATE GOVERNANCE STATEMENT (CONT'D)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. Board Composition (Cont'd)

To further step up the practice of good governance, the NC also takes into account the age, cultural background and gender of each candidate as a measure of promoting inclusivity and diversity in the Boardroom. The current diversity in the ethnicity, age distribution and skillsets of the existing Board members are as follows:-

	Race/Ethnicity			Gender		Skill
	Malay	Chinese	Indian	Male	Female	
Executive Director	–	2	–	2	–	<ul style="list-style-type: none"> • Engineering • Business Management
Independent Non-Executive Director	–	3	–	2	1	<ul style="list-style-type: none"> • Accounting • Business Management • Finance Management • Legal
Non-Independent Non-Executive Director	1	–	–	1	–	

Age Group	40–49 years	50–59 years	60 and above
Executive Director	1	1	–
Independent Non-Executive Director	2	1	–
Non-Independent Non-Executive Director	–	–	1

Presently, there is one female director on the Board, equating to 16.67% of female representation on the Board. While the Board acknowledges the Code's recommendation of having at least 30% female boardroom representation, the Board would like to address its lower female representation in the overall board composition. Within the list of candidates considered during the selection of board members, priority was still given to core competencies, particularly their relevant skills and experience as the Board is of the view that suitability for the role should take precedence. Nevertheless, the Board places great importance on inclusivity and strives for adequate gender diversity as part of its overall strategy to achieve the Group's long-term goals and objectives. With this in mind, the Board has adopted the Gender Diversity Policy and Target for the purposes of promoting improved employment and career development opportunities for women. The Board through its NC will continue to take necessary measures to increase female representation on the Board and Key Management during the selection/appointment processes.

Another key factor taken into account when deliberating the suitability of candidates is the ability to devote time and commitment to serve as a Board member by considering any external obligations a candidate may have including other management roles or existing board positions across listed and non-listed entities. Existing Directors are also obligated to notify the Chairman of the Board of any impending new directorship and the amount of time that will be dedicated towards the new appointment. In doing so, the NC ensures that the integrity of the Board's diversity matrix and commitment towards the Group is upheld while adhering to the recommendations of the Code.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. Board Composition (Cont'd)

The Board adopted the Code's recommendation that half of the Board comprises independent directors. In line with this recommendation and recognising the importance and indispensable contributions of independent directors, three (3) out of six (6) of the Board members are Independent Non-Executive Directors, showing a strong independent element on the Board, which is fundamental to good corporate governance as it facilitates the exercise of independent and objective judgement on corporate affairs. It also ensures discussion and review of key issues and strategies in a critical yet constructive manner. When determining a Director's independence, the NC and Board considers the following:-

- the requirements and definition of "independent director" as set out in the Listing Requirements;
- the Code;
- whether the Independent Director is able to act independently of management and free from any business or other relationship;
- the Director's annual confirmation of their independence.

The Board also observes the recommendation of the Code that any intention to retain an independent director beyond a cumulative term of nine (9) years from the date of his or her first appointment will require valid justifications and the shareholders' approval through a two-tier voting process. However, before seeking the shareholders' approval for the aforementioned retention, for the purposes of justification, the independent director intended for retention will be subject to an assessment by the NC to determine if his or her performance and contribution to the Board have thus far been satisfactory, along with his or her status of independence. Retentions of independent directors beyond the tenure limit of nine (9) years are fairly assessed by the Board while assisted by the NC as the Board is of the view that the status of independence should not be determined solely or arbitrarily by his/her length of service, but rather by a more holistic range of factors. Notwithstanding the above, all independent directors who served on the Board for a cumulative term of beyond twelve (12) years must be re-designated to non-independent director.

Tan Sri Dato' Samshuri, whose 12-year term as an Independent Non-Executive Director concluded on 27 February 2025, was redesignated to Non-Independent Non-Executive Director on 28 February 2025, in line with the principles of the Code and criteria set out in the Listing Requirements regarding the tenure of Independent Directors.

Annually, the Board through its NC undertakes a formal evaluation to determine the effectiveness of the Board, its Board Committees and each individual Director as well as the independence of the Independent Directors. The Company has in place a system to assess the foregoing evaluation internally, hence, it did not engage independent expert to conduct the board evaluation. During the board evaluation process, each Director is required to complete the relevant forms for self-assessment as well as for assessment of the performance of the Board and Board Committees, based on the pre-determined performance criteria, such as, board structure/size, director's strength and skill sets, decision making and boardroom participation, meeting administration and conduct, peers' interaction and communication, etc.



CORPORATE GOVERNANCE STATEMENT (CONT'D)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. Board Composition (Cont'd)

During the FY2026, Board performance evaluation was conducted on the following to assess its effectiveness in respect of FY2025:-

- (a) the Board;
- (b) Directors;
- (c) the Board Committees, i.e. ARMC, NC, RC and SC;
- (d) NC's evaluation on the ARMC and its members.

For FY2026 annual Board performance evaluation, the assessment was conducted in FY2027. Both the results of the assessment for FY2025 and FY2026 were satisfactory. It was unanimously agreed, taking into account the scope and nature of operations of the Group, the current Board's composition mix and size is appropriate to facilitate decision making at meetings of the Board and Board Committees. Further, the NC and Board are of the view that the Board is functioning effectively with strong leadership as demonstrated by the Group's steady improvement in operational performance as well as its consistency practice of good governance. The Board is led by a highly competent and experienced Chairman who facilitates constructive discussions. Additionally, the Directors leverage their skills and experience in the Company's affairs and decision-making processes effectively.

As regards the director annual independence review, as at financial year end of FY2025 and FY2026, all the Independent Directors of the Company have provided their independence confirmation to the Board and declared nil relationship with Binastra Group, its major shareholders, their officers and the family members of its major shareholders and/or their officers.

In addition, annually, the Board through its NC would review the list of directors seeking for re-election at the coming annual general meeting ("**AGM**"). Article 119 of the Company's Constitution ("**Constitution**"), requires at least one-third of the directors to retire from office at each AGM, provided always that all directors shall retire from the office at least once every three (3) years. A retiring director shall be eligible for re-election and shall retain office until the close of the meeting at which he retires.

During the FY2026, the NC deliberated on the proposed re-election of Mr. Lee Seng Yong and Mr. Low Tuan Lee, who were subject to re-election at the 22nd AGM. Following a satisfactory evaluation of their performance and effectiveness, the NC recommended to the Board that the said Directors be re-elected at the 22nd AGM held on 3 July 2025.

Meanwhile, the Directors seeking for re-election by rotation at the coming 23rd AGM pursuant to Article 119 are Datuk Tan Kak Seng and Mr. Teh Soon Hin, who, being eligible, have each offered themselves for re-election as Director at the 23rd AGM. The NC has deliberated on the re-election of Directors and on satisfactory evaluation of each of the above Director's performance took into consideration the Directors' attendance, participation and contribution, recommended that the retiring Directors be re-elected as Director at 23rd AGM.

3. Remuneration Matters

The Board is assisted by the RC to establish a formal and transparent procedure for developing policy on the remuneration to attract and retain the Directors and Key Management personnel to run the Company successfully. In designing the compensation structure, the Board seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate.

The RC comprises three (3) Independent Non-Executive Directors. While the RC is heavily involved in the deliberation of the directors' remuneration, the ultimate responsibility for determining the remuneration of all Directors lies with the Board, with the respective Director abstaining from deliberation and decision regarding the remuneration to be accorded to their own selves.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

3. Remuneration Matters (Cont'd)

When implementing the remuneration policies and deliberating related matters, the RC is guided by the Company's Remuneration Policy and Procedures, which are periodically reviewed and the Terms of Reference of the RC which can be found on the Company's website.

The remuneration structure of Executive Directors and Key Management personnel consists of fixed remuneration, bonus and other benefits whilst the Non-Executive Directors received Directors' fees and Directors benefits (essentially meeting allowances for attendance of Board/Board Committee/general meetings). The remuneration of the Directors and Key Management personnel are reviewed annually by the RC and/or the Board, taking into consideration, inter-alia, individual's contribution, responsibilities, market benchmarks, industry practices and Group's performance.

Details of the remunerations paid to the Directors and Senior Management are as follows:-

3.1 Remuneration of Directors

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. At the 22nd AGM held on 3 July 2025, the Board with the recommendation of the RC had sought shareholders' mandate, of which approvals have been granted thereat, for (a) payment of Directors' fees to the Non-Executive Directors of up to RM250,000 for their services as Directors from 4 July 2025 until the next AGM ("**2025 Mandated Period**"); and (b) payment of directors' benefits of not more than RM60,000 per annum for the 2025 Mandated Period. To-date, total amount of Directors' fee and benefits paid to the Non-Executive Directors up to the current date of the 2025 Mandated Period is within the shareholders' approved limits.

The total remuneration paid to the Non-Executive Directors for FY2026 is set out in the table below:-

Name of Director	Received from the Company			Total RM
	Director's Fee RM	Directors' Benefits (Meeting Allowance) RM	Directors' Benefits (Benefits-in- kind) RM	
Tan Sri Dato' Samshuri	47,500	3,000	14,200	64,700
Datuk Tan Kak Seng	-	-	-	-
Lee Seng Yong	-	-	-	-
Teh Soon Hin	47,500	8,500	-	56,000
Tan Mai Yean	47,500	9,000	-	56,500
Low Tuan Lee	47,500	8,500	-	56,000
Total	190,000	29,000	14,200	233,200

At the coming 23rd AGM, the Board on recommendation of the RC, would be seeking shareholders' approval for (a) payment of Directors' fees to the Non-Executive Directors of up to RM300,000 for their services as Directors from 3 July 2026 until the next AGM in 2027 ("**2026 Mandated Period**"); and (b) payment of directors' benefits of not more than RM60,000 per annum for the 2026 Mandated Period.

As for the Executive Directors, both the Executive Directors have opted not to receive any remuneration for FY2026 to ensure the Company's survival and well-being.



CORPORATE GOVERNANCE STATEMENT (CONT'D)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

3. Remuneration Matters (Cont'd)

3.1 Remuneration of Directors (Cont'd)

The number of Directors whose total remuneration for the FY2026 falls within the required disclosure bands is set out in the table below:-

Remuneration Band	Executive Directors	Non-Executive Directors
RM50,001 to RM100,000	–	4

3.2 Remuneration of Senior Management

The Company practices disclosure on a named basis the remuneration of its senior management, whom are Executive Directors. However, as the Executive Directors have opted not to receive any remunerations in the FY2026, there are no amount to be disclosed. For senior management who are not director or chief executive of the Company, the Company decided not to publicly disclose their remuneration on a named basis. Nonetheless, the amount of remuneration paid to the senior management of the Group and the Company (who are not director or chief executive) for FY2026 were disclosed in the notes to the financial statements of the Company as contained in this Annual Report 2026.

B. EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit and Risk Management Committee

The Board is ultimately responsible for the governance and oversight of risk by ensuring that Management maintains a sound system of risk management and internal controls, to safeguard shareholders' interests and the Group's assets, and determines the nature and extent of the significant risks which the Board is willing to take in achieving strategic objectives. The ARMC assists the Board in carrying out its responsibility for risk management and internal controls.

The ARMC comprises solely of Independent Directors, where the Chairman of the ARMC is not the Chairman of the Board. The composition of the ARMC is as follows:-

- Mr Teh Soon Hin (Chairman) (Independent Non-Executive Director)
- Mr Low Tuan Lee (Independent Non-Executive Director)
- Ms Tan Mai Yean (Independent Non-Executive Director)

The ARMC's terms of reference set out its roles and responsibilities. In discharging its duties, beside making reference to its terms of reference, the ARMC also make reference to other policies adopted by the Board, such as Policy on Evaluation of External Auditors and Related Party Transaction Policy and Procedures. As governed under its terms of reference, a former partner of the external audit firm is required to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC. This applies to all former partners of the audit firm and/or the affiliates firm (including those providing advisory services, tax consultancy, etc). Presently, none of the present members of the ARMC were former audit partners of the Company's auditors.

Members of the ARMC majority are financially literate, competent and possesses wide range of skills. The ARMC Chairman, Mr Teh Soon Hin, is a member of the Malaysian Institute of Accountants whilst Mr Low Tuan Lee majoring in Actuarial Studies has vast experience in the financial industry. Ms Tan Mai Yean is formerly a legal practitioner.

To keep themselves abreast of relevant developments in accounting and auditing standards, the ARMC members undertake continuous professional development by attending relevant trainings and seek regulatory updates from the Company Secretary, the external auditors and internal auditors of the Company.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

B. EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

1. Audit and Risk Management Committee (Cont'd)

The ARMC meets quarterly on scheduled dates throughout the year to consider pre-set agenda items and additionally as and when required for specific purpose. Details on the meeting conduct and administration are similar to the conduct of Board meeting as discussed in Section A1 above, except that the ARMC has private sessions with the External Auditors of the Company without the presence of the Management, as and when required by the ARMC. In between the quarterly meetings, matters that require the ARMC approval are circulated to the ARMC members, for their consideration by way of circular resolution. During the FY2026, the ARMC meets 5 times. The ARMC members' attendance record is shown in the table provided in Section A1 above.

As part of the ARMC's duties, the ARMC assessed and discussed the performance and effectiveness of the External Auditors, including the independence, capability, reliability and clientele, reputation, resources and fees.

The Company, through the ARMC has maintained an appropriate and transparent relationship with the External Auditors. The ARMC takes into consideration the External Auditors' quality of performance via its contribution and reports and independence as well any non-audit services undertaken before recommending their appointment to the Board.

Further details on the ARMC and its activities for FY2026 are set out in the ARMC Report contained in this Annual Report, which is prepared in accordance with paragraph 15.15 of the Main Market Listing Requirements.

2. Risk Management and Internal Control Framework

The Statement on Risk Management and Internal Control is set out on pages 39 to 41 of this Annual Report provides an overview of the state of internal controls within the Group.

3. Disclosure of Audit and Non-Audit Fees

The ARMC has reviewed the independence and objectivity of the external auditors, Messrs Baker Tilly Monteiro Heng PLT ("BTMH"), including the services rendered to the Group and the Company by BTMH and its affiliated firms, as well as the nature and extent of the non-audit services ("NAS") provided during the financial year.

The details of audit and non-audit fees paid and/or payable to BTMH and its affiliated firms for FY2026 are as follows:-

	Group RM'000	Company RM'000
Audit Fees paid/payable to BTMH	341.0	161.0
Non-Audit Fees paid/payable to BTMH for NAS		
(a) Review of the Statement on Risk Management and Internal Control	7.0	7.0
Non-Audit Fees paid/payable to the affiliated firms of BTMH for NAS		
(a) Provision of tax compliance services to the Group	22.5	7.0
(b) Provision of tax advisory services in relation to the issuance of Employee Share Option Scheme	15.0	15.0
(c) Transfer pricing	10.9	10.9
(d) Due diligence for the acquisition of LF Lansen Sdn. Bhd.	90.0	90.0
(e) Stamp duty matter	9.5	-
TOTAL	495.9	290.9

The ARMC is satisfied that the provision of these NAS did not impair the independence and objectivity of BTMH.



CORPORATE GOVERNANCE STATEMENT (CONT'D)

C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. Engagement with Stakeholders

The Board places emphasis on timely and equitable dissemination of information to stakeholders on Binastra and the Group's activities and performance. The Company undertake a proactive and formal stakeholder engagement exercise to build our stakeholders' understanding of our business. This can be seen through the timely announcements made to the public in regard to the Group's corporate proposals, financial results, material transactions and other requisite matters from time to time in accordance with the requirements provided for in the Listing Requirements.

The Company maintains a corporate website at www.binastracorp.com.my where shareholders and investors may access the Company or Group's information in relation to Financial Reports, Meeting Outcomes, Company Announcements released to Bursa Securities and Corporate Governance policies adopted under the "Investor Relations" section. Additionally, the Company's contact details can also be found on the same website to facilitate communication should any stakeholder require additional information or would like to enquire.

2. Conduct of General Meetings

The Company's Annual and Extraordinary General Meetings serve as forums for dialogues with shareholders. The Company fulfils the recommendation of the Code for the notice of general meetings to be given to shareholders at least 28 days prior to the meetings. To assist the shareholders in making well-informed decisions, the notice of any general meeting will contain details of all resolutions proposed along with background information and explanatory notes that are relevant.

The Board is also mindful of facilitating equal opportunities for every shareholder to exercise their voting rights no matter their location as seen from the decision to convene general meetings virtually. Not only can this increase the shareholders' attendance and participation, it also allows for voting in absentia via proxies. The Board ensures that every virtual meeting convened is broadcasted smoothly so as to support meaningful engagement between the Board, Key Management and the shareholders.

All Directors, Chairs and Members of the Board Committees will attend all general meetings so that they are able to provide responses to any questions addressed to them. The Chairman ensures that the shareholders are able to participate in meaningful and robust discussions regarding the Group's financial and non-financial performance via the question and answer session, where shareholders are able to pose questions both before and during the meeting. Only shareholders whose names appear in the Record of Depositors as at the date determined are entitled to attend and vote at general meetings. The results of all resolutions proposed at general meeting are submitted to Bursa Securities at the end of the day of the meeting while minutes of general meetings will be circulated no later than 30 days.

This Statement is made in accordance with the resolution of the Board dated 14 May 2026.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (the “**Board**”) of Binastra Corporation Berhad (“**Binastra**” or the “**Company**”) is committed to nurture and preserve, throughout the Company and its subsidiary (the “**Group**”), a sound risk management and internal control system and good corporate governance practices as set out in this Statement on Risk Management and Internal Control (the “**Statement**”), made in compliance with Paragraph 15.26(b) of the Main Market Listing Requirements (“**LR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies (“**SORMIC Guide 2025**”).

THE BOARD’S RESPONSIBILITIES

The Board is fully committed to discharging its responsibilities by establishing a sound risk management and internal control system to safeguard shareholders’ investment and the Group’s assets.

The Board continually reviews the risk management process which include identifying, evaluating and managing business risks with the intention to effectively mitigating the risks that may impede the achievement of the Group’s business and corporate objectives.

The duty of reviewing the adequacy and effectiveness of the internal control system has been assigned to the Audit and Risk Management Committee (“**ARMC**”), to seek assurance on the adequacy and effectiveness of the internal control system through reports it received from independent reviews conducted by the Internal Audit function.

The risk management and internal control system is designed to manage rather than eliminate the significant business risks, hence it can only provide reasonable but not absolute assurance against material misstatement, fraud or loss.

THE RISK MANAGEMENT PROCESS

The Board is responsible for the overall risk management in the Group while the key management personnel and senior management led by Managing Director are primarily responsible for managing risks identified within the Group.

The Group maintains Group Risk Registers which documented all significant risks identified to assist key management personnel and senior management in managing the risks. The risk assessment exercise of the Group is undertaken in accordance with their business segments, namely Investment Holding and Construction.

For the financial year ended 31 January 2026 (“**FY2026**”), the Group has engaged Whitesleeves Advisory Sdn Bhd (“**WASB**”), our out-sourced internal auditor to facilitate the Group’s risk review process and to assist management in updating the Group’s Risk Registers. The review was conducted in January 2026 and the scope of work WASB carried out includes:

- interview the key management and senior management on their view over new and existing risks (on consequence and likelihood of the identified risk) and the controls within the business units;
- review the Company’s existing documentation to validate the transaction and internal control process; and
- review the existing risks and its exposure as a result of changing circumstances that may alter these risks priorities as well as identify any new risk or any changes to the level of risk.

Upon completion of the risk review, WASB issued Risk Review Report on 17 March 2026 and tabled to the ARMC thereafter to the Board at their scheduled meetings for review and deliberation.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

THE INTERNAL CONTROL PROCESS

The key aspects of the internal control process that have been put in place in the Group are as follows:

- Delegation and separation of responsibilities between the Board and management and the establishment of various committees namely, ARMC, Nomination Committee, Remuneration Committee, Sustainability Committee and Executives' Share Scheme Committee to assist the Board in discharging its duties;
- Documented internal procedures and policies are in place to guide employees in their day-to-day work, which are regularly reviewed and updated to meet changing business, operational requirements and statutory reporting needs;
- Structured organisational chart and clear line of reporting to align and relate each individual employee for better planning, executing and monitoring the business operations to achieve Group's objectives;
- The Board and the ARMC meet at least every quarter to discuss matters raised by management, internal auditors and the external auditors on business and operational matters including potential risks and control issues as well as financial results;
- Project budget and cash flows projection are prepared, reviewed and monitored at regular interval to avoid cost overrun and ensure sufficient cash flows is available for the ongoing projects;
- Regular meetings between key management personnel, senior management and Managing Director to discuss operational issues and challenges, tracking progress of projects and monitor business performance;
- Internal control review is carried out at least twice a year by an outsourced internal auditor to identify operational weaknesses and areas for improvement;
- Related party transactions are reviewed quarterly to ensure the transactions are at arm's length and within the approved limit as well as in compliance with the LR; and
- The Company's subsidiary, Binastra Builders Sdn Bhd has obtained certification of Integrated Management System ("IMS") comprises Quality Management (ISO 9001), Environmental Management (ISO 14001) and Occupational Health & Safety Management (ISO 45001) systems in FY2025. The Group implemented the IMS policies and procedures which the strict adherence to IMS policies and procedures will result in increased business efficiency and customer satisfaction.

THE INTERNAL AUDIT FUNCTION

The internal audit function is outsourced to an independent professional services firm to assist the ARMC to review the control processes implemented by the management from time to time and reports on its findings and recommendations to the ARMC. The duties and responsibilities of the ARMC are detailed in the Terms of Reference of the ARMC. The ARMC, by consideration of both internal and external audit reports, review the effectiveness and adequacy of the internal control system, thereafter present the findings to the Board for deliberation.

For the FY2026, the outsourced internal audit function has carried out the following audits based on the internal audit plan approved by the ARMC:-

- Project management
- Sourcing and Procurement

There were no material or significant losses incurred during the financial year as a result of weakness in internal control. The Board and management continue to take appropriate measures to improve and strengthen the internal control environment.

The costs incurred in carrying out the approved internal audit plan for the FY2026 amounted to RM46,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance with the SORMIC Guide 2025, Management is responsible for identifying risks; implementing and maintaining sound systems of risk management and internal control; and monitoring and reporting to the Board of significant control deficiencies and changes in risks that could significantly affect the Group achievement of its objectives and performance.

The Board has received assurance from the Managing Director and the Chief Financial Officer that, to the best of their knowledge that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the LR of the Bursa Securities, the External Auditors have reviewed this Statement. The External Auditors have performed limited assurance procedures on this Statement in accordance with Malaysian Approved Standard on Assurance Engagements ISAE 3000 (Revised), Assurance Engagement Other Than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 ("AAPG 3") - Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report as issued by the Malaysia Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

The External Auditors reported to the Board that nothing has come to their attention that caused them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by Section 7 of the SORMIC Guide 2025, nor is factually inaccurate.

BOARD ASSURANCE AND LIMITATION

During the FY2026 under review, there were no material or significant losses incurred as a result of weakness in internal control that would require disclosure in this Annual Report.

The Board is satisfied that the Group's existing level of risk management and internal control system is fairly effective and adequate to enable the Group to achieve its business objectives.

Nevertheless, the Board wishes to reiterate that the Group's risk management and internal control system is designed to manage rather than eliminate risks of failure to achieve business objectives. Therefore, the system can only provide reasonable but not absolute assurance against material misstatements, fraud and losses.

This Statement is made in accordance with the resolution of the Board dated 14 May 2026.



AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Audit and Risk Management Committee (“**ARMC**”) of Binastra Corporation Berhad (“**Company**”) is delighted to present the ARMC report for the financial year ended 31 January 2026 (“**FY2026**”).

The ARMC was established as a Committee of the Board of Directors (“**Board**”) with the primary objective of providing additional assurance through an objective and independent review of the Group’s financial, operational and administrative controls and procedures. It’s primary responsibilities include the establishment and maintenance of internal controls, as well as reinforcing the independence of the external auditors to ensure they have free reign throughout the audit process. Additionally, the ARMC assists the Board by overseeing risk management matters relating to the Company and its subsidiaries (“**Group**”) by adhering to governing policies aimed at minimising the overall risk exposure of the Group.

MEMBERS

The ARMC comprises three (3) members appointed by the Board. The details of the ARMC members served during the FY2026 are as follows:-

1. Mr Teh Soon Hin (Chairman) – *Independent Non-Executive Director*
2. Mr Low Tuan Lee – *Independent Non-Executive Director*
3. Ms Tan Mai Yean – *Independent Non-Executive Director*

In line with the Malaysian Code of Corporate Governance (“**Code**”) and in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Listing Requirements**”), all three (3) members of the ARMC are Independent Directors.

Mr Teh Soon Hin, the ARMC Chairman, is a Certified Practising Accountant of the CPA Australia, a Chartered Accountant of the Malaysian Institute of Accountants, a Chartered Professional Accountant of the ASEAN Chartered Professional Accountant, a Chartered Tax Practitioner of the Chartered Tax Institute of Malaysia and a Certified Public Accountant of the Malaysian Institute of Certified Public Accountants. In this respect, the Company is in compliance with paragraph 15.09(1)(c)(i) of the Listing Requirements.

MEETINGS

The ARMC convened five (5) meetings for the FY2026. The details of their attendance are as follows:-

ARMC Members	No. of Meetings Attended
Mr Teh Soon Hin (Chairman)	5/5
Mr Low Tuan Lee	5/5
Ms Tan Mai Yean	5/5

The ARMC had met twice with the external auditor during the FY2026 without the presence of the Executive Directors and the management.

TERMS OF REFERENCE

The Terms of Reference of the ARMC is available on the Company’s website www.binastracorp.com.my.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

SUMMARY OF WORKS PERFORMED BY THE ARMC FOR FY2026

The ARMC had carried out the following during the FY2026:

- Reviewed the quarterly financial result announcements, discussed with the management, highlighted issues where appropriate and recommended the quarterly financial results to the Board for approval;
- Reviewed the external auditors' audit planning memorandum which covered, inter-alia, the scope of work, tentative timeline, audit materiality, proposed audit fees and audit plan for the year;
- Reviewed the Group's annual audited financial statements and the accompanying notes, auditors' report and their audit findings together with management's responses to the findings, discussed with external auditors without the present of Executive Directors and management, and recommended the audited financial statements to the Board for approval;
- Reviewed the Corporate Governance Statement, Statement on Risk Management and Internal Control, ARMC Report for inclusion in the Annual Report as well as the Corporate Governance Report pursuant to the requirement of paragraph 15.25 of the Listing Requirements and recommended these reports to the Board for approval;
- Considered and reviewed the performance, experience and independence of the external auditors, including the non-audit services rendered or to be rendered by the external auditors and recommended their appointment and re-appointment to the Board;
- Reviewed the related party transactions within the Group and ensure the transactions entered are at arm's length and complied to the Listing Requirements;
- Reviewed the Circular to Shareholders in relation to the renewal of and new mandate for recurrent related party transactions and recommended that to the Board seek shareholders' approval for the said mandate;
- Reviewed and deliberated on the internal audit plan, including its scope of work to ensure it provides a reasonable level of assurance that the Group's internal controls are adequate, effective and efficient;
- Reviewed and deliberated on the findings raised in the internal audit reports, including identified weaknesses in internal controls, recommendations made by the internal auditors and Management's responses and reported the findings to the Board;
- Assessed the impact of the non-assurance services engagements on the independence of the external auditors in relation to the Group and the Company and recommended the engagements to the Board for approval; and
- Reviewed the Group's Risk Review Report.

SUMMARY OF ACTIVITIES OF INTERNAL AUDIT

The Board recognised the importance of the internal audit function and the independent status required for it to carry out its functions effectively. In compliance with paragraph 15.27 of the Listing Requirements, the internal audit function has been outsourced to a professional services firm, which is tasked with the aim of assisting the ARMC in assessing risks, recommend measures to mitigate risks, review the adequacy of internal controls and assess proper governance process. The internal audit function reports directly to ARMC.

The internal audit function is headed by Mr Khor Ben Jin and assisted by two to three internal audit personnel for each internal audit review cycle. Mr Khor is a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom, a Certified Internal Auditor, United States of America as well as a member of the Malaysian Institute of Accountants. He is a practicing internal auditor with over 20 years of experience. The internal audit personnel involved in the internal audit reviews possess professional qualification and/or a university degree.

The fundamental role of internal audit is to provide the Group with independent assurance on the adequacy, effectiveness and efficiency of the system of internal control, and to report any major weaknesses together with recommendations for improvement. This role is fulfilled by carrying out appropriate audit work in accordance with an annual internal audit plan. At the beginning of FY2026, the Internal Auditors, after discussion with the management, tabled the annual internal audit plan to ARMC for deliberation and approval.



AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

SUMMARY OF ACTIVITIES OF INTERNAL AUDIT (CONT'D)

During the FY2026, the Internal Auditors have performed two (2) internal audit cycles covering one (1) subsidiary, which include reviewing the project management as well as the sourcing and procurement for the construction segment. The Internal Auditors also have carried out follow up review on previous internal audit findings to ensure recommendations are implemented, appropriate and effective.

In addition, for FY2026, the Internal Auditors were engaged to facilitate the Group's risk review process and to assist management in updating the Group's Risk Registers.

The Internal Auditors attended three (3) ARMC meetings during the FY2026 to present the internal audit plan, internal audit reports and findings including the management's responses to the findings and Risk Review Report.

The costs incurred in carrying out the approved internal audit plan for the FY2026 amounted to RM46,000.

NOMINATION COMMITTEE REPORT

The Board of Directors (“**Board**”) is pleased to present the report of its Nomination Committee (“**NC**”) (“**NC Report**”) for financial year ended 31 January 2026 (“**FY2026**”) pursuant to paragraph 15.08A(3) of the Listing Requirements providing details about the activities of the NC in discharging its duties during the FY2026.

The NC is delegated with the authority from the Board to formulate and implement the policy and procedures for selection and nomination of Board candidates for appointment, overseeing the succession planning for the Board and undertaking a formal annual assessment of the effectiveness of the Board, the Board Committees and individual Directors of the Company.

1. COMPOSITION OF THE NC AND TERMS OF REFERENCE OF THE NC

The present NC comprises three (3) Directors, all of whom are Independent Non-Executive Directors:-

Name of Director	Membership
Low Tuan Lee (Independent Non-Executive Director)	Chairman
Teh Soon Hin (Independent Non-Executive Director)	Member
Tan Mai Yeap (Independent Non-Executive Director)	Member

The NC’s terms of reference set out its roles and responsibilities. A copy of the NC’s terms of reference is made available at the Company’s website at www.binastracorp.com.my.

2. ACTIVITIES OF THE NC

The NC meets once in the FY2026. Members’ attendance records at meeting(s) are disclosed in the Corporate Governance Statement contained in this Annual Report.

The principal activities carried out by the NC during the FY2026 were:-

(a) Review of the Performance and Effectiveness of the Board, Board Committees and Individual Directors for FY2026

The NC undertook a formal annual assessment of the effectiveness of the Board, the Board Committees and individual Directors of the Company. During the process, the following assessment forms were distributed to the Directors for completion:-

- (i) Board’s Evaluation Form
- (ii) Directors’ Self & Peer Evaluation Form
- (iii) Audit and Risk Management Committee’s (“**ARMC**”) Evaluation Form
- (iv) Remuneration Committee’s Evaluation Form
- (v) NC’s Evaluation Form
- (vi) Sustainability Committee’s (“**SC**”) Evaluation Form
- (vii) Evaluation Form for assessment by the NC on the ARMC
- (viii) Evaluation Form for assessment by the NC on the ARMC members
- (ix) Evaluation Form on Board Independence

The effectiveness of the Board and Board Committees were assessed in the areas of:

- board structure/mix;
- decision making and boardroom participation and activities;
- meeting administration and conducts;
- skill and competencies;
- role and responsibilities,



NOMINATION COMMITTEE REPORT (CONT'D)

2. ACTIVITIES OF THE NC (CONT'D)

(a) Review of the Performance and Effectiveness of the Board, Board Committees and Individual Directors for FY2026 (Cont'd)

whilst the performance of the individual Directors were assessed in the areas of:

- contribution and interaction with peers;
- quality of the input of the Directors; and
- their understanding of their respective roles.

Based on the assessment results, it was unanimously agreed that, considering the scope and nature of the Group's operations, the current Board's composition, mix and size of the Board are suitable for supporting effective decision-making during Board and Board Committee meetings. Furthermore, the NC concluded that the Board is operating efficiently, with strong leadership evident in the Group's consistent improvement in operational performance and its adherence to sound governance practices. The Board is led by a highly skilled and experienced Chairman who fosters constructive discussions. In addition, the Directors effectively apply their skills and experience in the Company's decision-making processes and operations.

(b) Annual Independence Assessment

On an annual basis, the NC reviewed the independence of the Independent Directors. Criteria for assessment of independence are primarily based on the requirements and definition of "independent director" as set out in the Listing Requirements and the integrity and objectivity of the independent director in discharging his/her duties.

As at FY2026, all the Independent Directors of the Company have provided their independence confirmation to the Board and declared nil relationship with the Binastra Group, its major shareholders, their officers and the family members of its major shareholders and/or their officers.

When determining a Director's independence, the NC and Board considers the following:-

- the requirements and definition of "independent director" as set out in the Listing Requirements;
- the Malaysian Code on Corporate Governance;
- whether the Independent Director is able to act independently on management and free from any business or other relationship; and
- the Director's annual confirmation of their independence.

Tan Sri Dato' Samshuri, who 12-year term as an Independent Non-Executive Director concluded on 27 February 2025 was redesignated to Non-Independent Non-Executive Director on 28 February 2025, in line with the principles of the Code and criteria set out in the Listing Requirements regarding the tenure of Independent Directors.

NOMINATION COMMITTEE REPORT (CONT'D)

2. ACTIVITIES OF THE NC (CONT'D)

(c) Evaluation of Directors Standing for Re-Election at the Annual General Meeting

In addition, annually, the Board through its NC would review the list of directors seeking for re-election at the annual general meeting ("**AGM**"). Article 119 of the Company's Constitution, requires at least one-third of the directors to retire from office at each AGM, provided always that all directors shall retire from the office at least once every three (3) years. A retiring director shall be eligible for re-election and shall retain office until the close of the meeting at which he retires.

In recommending the Directors for re-election to the Board, of which resolutions pertaining to the re-election of Directors standing for retirement at the Company's 22nd AGM held on 3 July 2025, the NC had considered and assessed the individual Directors' annual assessment results to ensure that feedback received and the scores achieved by the Directors concerned were satisfactory, including the Directors' attendance, participation and overall contribution.

(d) Review of the NC Report for Inclusion in the Company's 2025 Annual Report

The NC at the Board level had reviewed, considered and approved the NC Report for inclusion in the Company's 2025 Annual Report.



DIRECTORS' RESPONSIBILITIES STATEMENT

As required by the Companies Act 2016, the Directors are responsible to ensure the financial statements are prepared for each financial year to give a true and fair view of the state of affairs of the Group and of the Company and of the results and cash flows of the Group and of the Company for the financial year then ended.

In preparing the Group and the Company's financial statements, the Directors have:

- ensured compliance with applicable approved accounting standards;
- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- prepared the financial statements on going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for ensuring that proper accounting and other records are kept which disclose with reasonable accuracy at any time the financial position of the Group and the Company and that the underlying financial statements are prepared in compliance with the provisions of the Companies Act 2016. 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.

MATERIALITY AND STAKEHOLDERS

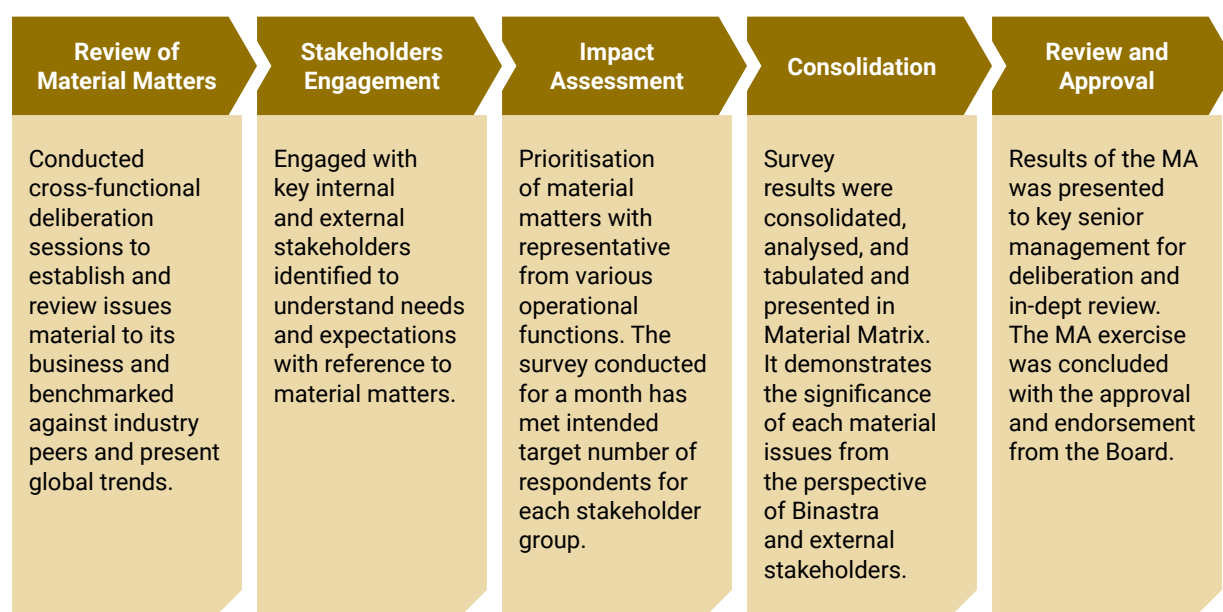
MATERIALITY

Binastra recognises that its material issues may directly and indirectly impact its ability to generate long-term value for its stakeholders. These matters are integral to the Group's strategic priorities and guide decision making, including allocation of resources to address key economic, environment, social and governance ("ESG") considerations.

In FY2025, the Group conducted a comprehensive Materiality Assessment ("MA") to identify and prioritise material ESG topics relevant to its operations. During the current financial year, the Group undertook a review of the relevancy of the previously identified material matters to ensure alignment with evolving business conditions and stakeholder expectations. Following discussions with the Sustainability Working Group, the Sustainability Committee ("SC") concluded that the MA remains appropriate, with no significant changes required. The outcome of this review was subsequently endorsed by the Board of Directors ("Board").

The Group performs a full MA at least once every three (3) years, or more frequently where there are significant changes in business operations, regulatory requirements or stakeholder expectations.

The MA process is illustrated as below:



MATERIAL MATRIX

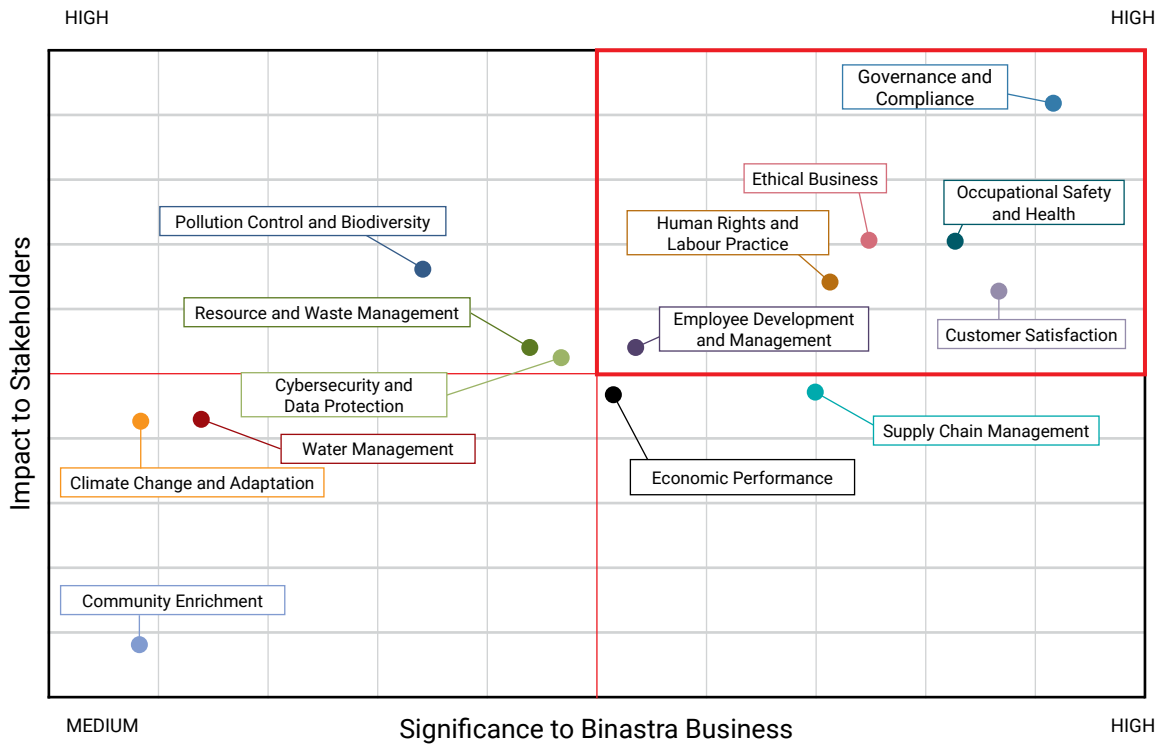
The Group continually monitors and reviews the relevance and adequacy of these material issues and keep abreast of the emerging global trends, regulatory developments and industry practices. This ensures the Group remains prepared for impending sustainability risks and opportunities, minimising any disruption, mitigating potential adverse impacts, and strengthen long-term resilience.

Through the assessment, the 14 material matters were mapped onto a materiality matrix. This matrix highlights the Group's prioritisation of key matters based on their impact on stakeholders and significance to business performance. The top right quadrant represents matters of the high impact and high significance, which are considered most critical to the Group. These priorities ensure the sustainability efforts remain focus and aligned.



MATERIALITY AND STAKEHOLDERS (CONT'D)

MATERIAL MATRIX (CONT'D)



STAKEHOLDER ENGAGEMENT

Stakeholders are integral to Binastra’s ongoing growth and long-term sustainability. The Group actively engages stakeholders, both internal and external, to comprehend and address their issues and concerns, understand their expectations, and foster long-term relationships. Engagement is conducted through various formal and informal platforms, including meetings, consultations, surveys, workshops, and other engagements. Insights gathered are incorporated into the Group’s strategic planning and operational practices to ensure alignment with stakeholder priorities while minimising adverse impacts arising from business activities.

MATERIALITY AND STAKEHOLDERS (CONT'D)

STAKEHOLDER ENGAGEMENT (CONT'D)

The table below lists key stakeholder groups and their respective areas of interest and the engagement methods.

STAKEHOLDERS	ENGAGEMENT PLATFORMS	AREA OF INTEREST OR CONCERNS	RESPONSE	MATERIAL MATTERS RELATED
Investors, Financiers and Analyst	<ul style="list-style-type: none"> Financial reports and announcements Annual report General meetings Press releases Meetings 	<ul style="list-style-type: none"> Business strategies and future plans Return on investments Financial and operational performance Good management and corporate governance Sustainability risk management 	<ul style="list-style-type: none"> Timely updates on the Group's strategy and financial performance Uphold good governance practices Sustainability disclosures Continuous improvement in sustainability performance Bursa Malaysia Quality 50 Index/ Bursa Malaysia Quality 50 Shariah Index 	<ul style="list-style-type: none"> Economic Performance Governance and Compliance Ethical Business Cybersecurity and Data Protection Human Rights and Labour Practice Climate Change and Adaptation
Government Agencies, Regulators and Local Authorities	<ul style="list-style-type: none"> Site visits and meetings Government, regulatory and industry events 	<ul style="list-style-type: none"> Regulatory compliance Corporate governance practices Community investments ESG integration 	<ul style="list-style-type: none"> Regular review and monitoring to ensure full compliance with regulatory requirements Adoption of practices outlined in the Malaysian Code on Corporate Governance Partnership in events Embed ESG into business operations 	<ul style="list-style-type: none"> Governance and Compliance Ethical Business Occupational Safety and Health Cybersecurity and Data Protection Resource and Waste Management Pollution Control and Biodiversity



MATERIALITY AND STAKEHOLDERS (CONT'D)

STAKEHOLDER ENGAGEMENT (CONT'D)

The table below lists key stakeholder groups and their respective areas of interest and the engagement methods. (Cont'd)

STAKEHOLDERS	ENGAGEMENT PLATFORMS	AREA OF INTEREST OR CONCERNS	RESPONSE	MATERIAL MATTERS RELATED
Employees	<ul style="list-style-type: none"> Internal communications (i.e. emails, messenger, etc.) Workshops and trainings Employee engagement survey Team-building and recreational events Performance appraisals 	<ul style="list-style-type: none"> Corporate vision, mission and core values Business growth and strategic direction Diverse & inclusive workplace Remuneration and benefits Rewards, recognition, leadership and talent development Workplace safety and health 	<ul style="list-style-type: none"> Promote transparent communication with employees Provide equal employment opportunities without discrimination Offer industry-competitive benefits and remuneration packages Employee benefits, upskilling and development opportunities Compliance with Occupational Safety and Health Act 	<ul style="list-style-type: none"> Human Rights and Labour Practice Employee Development and Management Occupational Safety and Health
Clients	<ul style="list-style-type: none"> Customer support channels (i.e. website, email) Regular meetings and visits Customer feedback survey form 	<ul style="list-style-type: none"> Customer satisfaction (i.e. high-quality products and services with minimal defects) Customer experience (i.e. speed of customer service response) Innovation in enhancing the quality of deliverables Safety and security Consumer data privacy 	<ul style="list-style-type: none"> Adhere to quality standards Adhere to the Personal Data Protection Act 2010 Reliable customer service Deliver quality product 	<ul style="list-style-type: none"> Customer Satisfaction Economic Performance Governance and Compliance Ethical Business Occupational Safety and Health Climate Change and Adaptation

MATERIALITY AND STAKEHOLDERS (CONT'D)

STAKEHOLDER ENGAGEMENT (CONT'D)

The table below lists key stakeholder groups and their respective areas of interest and the engagement methods. (Cont'd)

STAKEHOLDERS	ENGAGEMENT PLATFORMS	AREA OF INTEREST OR CONCERNS	RESPONSE	MATERIAL MATTERS RELATED
Suppliers and Subcontractors	<ul style="list-style-type: none"> Regular meetings Quality audit on products and services Contract negotiation Supplier and Subcontractor performance assessment 	<ul style="list-style-type: none"> Transparency in procurement processes Integrity and responsible conduct Business growth and timely payment ESG awareness and compliance 	<ul style="list-style-type: none"> Emphasis on provision of transparent procurement processes Timely payment based on credit term ESG screening 	<ul style="list-style-type: none"> Supply Chain Management Human Rights and Labour Practice Occupational Safety and Health
Media and Civil Society Organisations	<ul style="list-style-type: none"> Media coverage Official reports and announcements Community impacts programmes Charitable contributions 	<ul style="list-style-type: none"> Economic performance and company expansion Community welfare investments and initiatives 	<ul style="list-style-type: none"> Announcements of reports through transparent communication platforms Corporate social responsibility initiatives Volunteering programmes Donations and fundraising 	<ul style="list-style-type: none"> Governance and Compliance Ethical Business Community Enrichment Climate Change and Adaptation Pollution Control and Biodiversity

RISK MANAGEMENT

A sound risk management and internal control system is implemented, which includes identifying, evaluating, and managing risks to effectively mitigate the risks that may impact the business resilience. To ensure risks are effectively managed, the Group assesses risks extending financial oversight to include operational, strategic and compliance risks. The overview of risk management and internal control is set out on pages 39 to 41 of the Statement on Risk Management and Internal Control (SORMIC), ensuring transparency, accountability and consistency across the Group, with clear oversight and accountability at both the Board and management levels.

MATERIAL MATTERS	RISKS	OPPORTUNITIES	PAGE NO
Governance and Compliance	Non-compliance with evolving laws, regulations and guidelines may result in legal penalties, fines, or even lawsuits, which could significantly impact the financial performance and reputation. Changes in corporate structure, including expansion of subsidiaries, may give rise to contractual disputes, governance inconsistencies and increased legal and operational risks.	Maintaining strong corporate governance, strengthening regulatory monitoring processes and compliance frameworks and streamlining governance structure within the Group enable timely adaptation to regulatory changes, thereby enhancing governance resilience, minimising operational disruptions and strengthening stakeholder confidence	65



MATERIALITY AND STAKEHOLDERS (CONT'D)

RISK MANAGEMENT (CONT'D)

MATERIAL MATTERS	RISKS	OPPORTUNITIES	PAGE NO
Occupational Safety and Health	Failure to address health and safety hazards leads to workplace accidents, injuries, or fatalities as well as non-compliance with regulatory requirements set by relevant authorities, resulting in legal liabilities, project delays and reputational damage.	Implementing a comprehensive safety management system fosters a strong safety culture, enhances employee well-being and improves operational efficiency. This contributes to higher workforce morale and reduces incident rates.	92
Customer Satisfaction	Failure to meet customer expectations due to project delays, quality issues, cost escalations, or disputes with developers may undermine customer confidence, resulting in reduced revenue, reputational damage and loss of future business opportunities.	Consistently delivering quality projects within agreed timelines enhances reputation and strengthens market positioning. Satisfied customers foster long-term relationships, repeat business and new project opportunities.	69
Ethical Business	Engaging in bribery, corruption and fraudulent practices to secure, retain or influence favourable business decisions may tarnish the Group's reputation, result in financial losses, legal consequences, and reduce competitiveness.	Strong governance and anti-corruption practices, including reinforced internal controls, policies, and whistleblowing mechanisms, enhance transparency and accountability. This strengthens credibility and fosters a culture of integrity across the Group and provides a competitive advantage in securing business opportunities.	66
Human Rights and Labour Practice	Violations of human rights, including labour exploitation, discrimination, or unsafe working conditions, may result in legal liabilities, regulatory action, and reputational damage. Non-compliance with labour laws, including wage regulation, may further impact employee trust and stakeholder perception	Upholding strong human rights principles and fair labour practices enhances the Group's reputation, strengthens stakeholder relationships, and supports the attraction and retention of a diverse and committed workforce	81
Employee Development and Management	Challenges in attracting and retaining skilled employees and manpower shortages may hinder project delivery, reduce productivity and impact the Group's ability to sustain business growth. Dependence on foreign labour and a competitive labour market may further exacerbate these risks.	Investing in recruitment and selection process, talent development, employee engagement and upskilling initiatives enhances workforce capability and resilience. Fostering a diversity, equity and inclusion and supportive work environment improves workforce retention, supports innovation, and drives sustainable business performance	84
Supply Chain Management	Dependence on a limited number of suppliers or subcontractors may increase the risk of supply disruptions, quality issues, and price volatility. External factors such as economic uncertainty may further impact supply chain stability and performance.	Building collaborative relationships with suppliers and subcontractors promotes reliability, innovation and cost efficiency, and leads to consistent project delivery	72

MATERIALITY AND STAKEHOLDERS (CONT'D)

RISK MANAGEMENT (CONT'D)

MATERIAL MATTERS	RISKS	OPPORTUNITIES	PAGE NO
Cybersecurity and Data Protection	Cybersecurity threats, including cyberattacks, system breaches, unauthorised access, and the loss, leakage or theft of sensitive data and intellectual property may result in financial losses, legal liabilities and reputational damage	Implementing robust cybersecurity, strengthening data protection frameworks, and promoting employee awareness on information security enhance the Group's digital resilience. This builds trust and confidence among customers, investors, and business partners, while safeguarding critical business information	68
Economic Performance	Poor financial performance driven by cost overruns, rising material prices and economic slowdowns may jeopardise business continuity and investment opportunity. In addition, political instability and economic uncertainty may contribute to market volatility, increased operational costs and disruptions to project execution	Strong and sustainable financial management, coupled with risk planning and portfolio diversification, enhances resilience against economic fluctuations. This positions the Group to capture growth opportunities, attract investors, and generate long-term value	69
Resource and Waste Management	Inefficient waste management practices and non-compliance with environmental regulations may result in legal liabilities, increased operational costs, and reputational damage. Rising landfill costs may further impact financial performance.	Implementing waste reduction, recycling, and proper waste disposal practices improves resource efficiency and reduces costs. This supports environmental sustainability and promotes circular economy principles	76
Pollution Control and Biodiversity	Construction activities may result in water, air and noise pollution, as well as adverse impacts on surrounding ecosystems and biodiversity, potentially leading to regulatory non-compliance and community complaints.	Adopting proactive pollution control measures and responsible environmental management practices minimises habitat disruption and ensures regulatory compliance.	80
Water Management	Water disruptions and shortages due to dry season and water pollutions may affect construction activities and operational efficiency, leading to project delays and increased costs.	Implementing water conservation measures and sustainable water management practices reduces dependency on water resources, enhances operational resilience, and minimises water-related costs and risks.	79
Climate Change and Adaptation	Extreme weather events (heatwaves, floods, and inclement weather), impending climate related regulations, carbon tax and potential resource shortages may increase construction costs, disrupt supply chains and impact project timelines and profitability	Integrating sustainable practices into business strategies enhances resilience to climate-related risks. This strengthens the Group's market position, supports compliance with regulatory requirements, and creates long-term value through environmentally responsible operations.	73



MATERIALITY AND STAKEHOLDERS (CONT'D)

RISK MANAGEMENT (CONT'D)

MATERIAL MATTERS	RISKS	OPPORTUNITIES	PAGE NO
Community Enrichment	Failure to address community concerns, social issues, or project related impacts may lead to community grievances and reputational damage, potentially disrupting operations.	Proactive community engagement and investment initiatives foster positive stakeholder relationships, create meaningful social impact, enhance social value and contribute to sustainable community development.	96

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (“TCFD”)

Binastra recognises that climate change presents both transition and physical risks and opportunities that may affect the Group’s business, operations, financial performance and long-term sustainability.

The Group has initiated alignment with the recommendations of the TCFD, with progressive enhancements planned in line with evolving regulatory expectations, including the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and International Financial Reporting Standards Sustainability Disclosure Standards (“IFRS S1 and S2”).

Recommended Disclosure	Description	Page reference
Governance		
Board oversight of climate-related risks and opportunities	<p>The Board is supported by the Sustainability Committee, which regularly oversees and reports on sustainability and climate-related matters. Climate-related risks are integrated into the Group’s broader risk management process, considering both financial and non-financial impacts. This approach ensures that ESG considerations are embedded in decision-making, including the evaluation of alternative sustainable or lower-carbon building materials.</p> <p>The Board has completed the mandatory training on Malaysian Code on Corporate Governance (MCCG). They also committed to participating in ESG-related training. Training on IFRS S1 and S2 and the National Sustainability Reporting Framework (NSRF) has been conducted for the Board and senior management to strengthen understanding of climate-related disclosures and emerging assurance requirements.</p>	Sustainability Governance, page 64
Management’s role in assessing and managing climate-related risks	<p>Management is responsible for integrating climate considerations into operations and sustainability initiatives. It assesses and manages climate-related risks that could affect the operations, including potential financial and non-financial impacts.</p> <p>In terms of opportunities, management supports innovation and investment in sustainable technologies to reduce environmental impact and explore new revenue streams.</p>	

MATERIALITY AND STAKEHOLDERS (CONT'D)

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD") (CONT'D)

Recommended Disclosure	Description	Page reference												
Strategy														
Identification of climate-related risks and opportunities	<p>The Group has begun identifying key physical and transition climate-related risks relevant to its construction operations.</p> <p>Physical Risk</p> <table border="1" data-bbox="427 768 1165 1684"> <thead> <tr> <th data-bbox="427 768 608 808">Risk</th> <th data-bbox="608 768 887 808">Impact</th> <th data-bbox="887 768 1165 808">Opportunities</th> </tr> </thead> <tbody> <tr> <td data-bbox="427 808 608 1093"> Flooding, rainstorms, Flash floods </td> <td data-bbox="608 808 887 1093"> <ul style="list-style-type: none"> Project delays Cost overruns Occupational safety and health risk </td> <td data-bbox="887 808 1165 1093"> <ul style="list-style-type: none"> Floods are identified as hazards in emergency response plan Initiates climate-related risk assessments Enhances site planning </td> </tr> <tr> <td data-bbox="427 1093 608 1400"> Water stress/ heat waves </td> <td data-bbox="608 1093 887 1400"> <ul style="list-style-type: none"> Project delays Cost overruns Reduced labour productivity and Occupational safety and health risk Material performance and quality issues Increased operational costs </td> <td data-bbox="887 1093 1165 1400"> <ul style="list-style-type: none"> Rainwater harvesting Water recycling for wash troughs Enhances project planning and design </td> </tr> <tr> <td data-bbox="427 1400 608 1684"> Extreme Weather (Temperature rise, sea level rise, precipitation change, inclement weather) </td> <td data-bbox="608 1400 887 1684"> <ul style="list-style-type: none"> Impact on operations which leads to higher operational costs Occupational safety and health risks Supply chain disruptions </td> <td data-bbox="887 1400 1165 1684"> <ul style="list-style-type: none"> Adopts technologies such as solar energy, recycling systems, rainwater harvesting Integrates climate risk assessments into project planning </td> </tr> </tbody> </table>	Risk	Impact	Opportunities	Flooding, rainstorms, Flash floods	<ul style="list-style-type: none"> Project delays Cost overruns Occupational safety and health risk 	<ul style="list-style-type: none"> Floods are identified as hazards in emergency response plan Initiates climate-related risk assessments Enhances site planning 	Water stress/ heat waves	<ul style="list-style-type: none"> Project delays Cost overruns Reduced labour productivity and Occupational safety and health risk Material performance and quality issues Increased operational costs 	<ul style="list-style-type: none"> Rainwater harvesting Water recycling for wash troughs Enhances project planning and design 	Extreme Weather (Temperature rise, sea level rise, precipitation change, inclement weather)	<ul style="list-style-type: none"> Impact on operations which leads to higher operational costs Occupational safety and health risks Supply chain disruptions 	<ul style="list-style-type: none"> Adopts technologies such as solar energy, recycling systems, rainwater harvesting Integrates climate risk assessments into project planning 	
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MATERIALITY AND STAKEHOLDERS (CONT'D)

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD") (CONT'D)

Recommended Disclosure	Description	Page reference									
Strategy											
Identification of climate-related risks and opportunities (Cont'd)	Transition Risks										
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Impact of climate-related risks and opportunities on business, strategy and financial planning	Climate-related risks and opportunities may have potential implications on the Group's business operations, project delivery, financial planning and long-term business resilience. The Group intends to progressively develop its approach towards assessing climate-related risks and opportunities in line with evolving regulatory and industry practices.										
Climate resilience under different climate scenarios	Scenario analysis has not yet been conducted. The Group recognises the importance of climate scenario analysis and may consider incorporating such analysis in the future.										

MATERIALITY AND STAKEHOLDERS (CONT'D)

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD") (CONT'D)

Recommended Disclosure	Description	Page reference
Risk Management		
Processes for identifying and assessing climate-related risks	Climate-related risks are integrated into the Group's risk management framework and are assessed based on likelihood and impact across financial, regulatory/legal, human capital, reputational and business continuity dimensions. The identified risks are updated in the Group's risk profile.	
Processes for managing climate-related risks	A business risk matrix, combining likelihood and impact, informs management of the potential significance of each risk. Appropriate mitigation measures, monitoring mechanisms and reporting processes are implemented to ensure effective risk management and continuous improvement. These are comprehensively documented in the Group's risk profile.	
Integration into overall risk management	The Group's risk profile supports management in making informed decisions and is intended to guide strategic planning. Climate-related risk, included in the Group's risk profile, are continually monitored to assess changes in their severity or likelihood, ensuring that appropriate responses are maintained over time.	
Metrics & Targets		
Metrics used to assess climate-related risks and opportunities	The Group is refining climate-related metrics relevant to its construction activities. Carbon emissions are measured in metric tonnes of CO ₂ e with data collected on electricity consumption (megawatt-hour), fuel utilisation (litres), water consumption (megalitre), and waste and recyclables (metric tonnes).	Environmental, page 73
Scope 1 and Scope 2 GHG emissions Scope 3 GHG emissions	Scope 1 and Scope 2 emissions data are being collected to establish a baseline, in accordance with the GHG Protocol and guidance from DESNZ (UK) and Malaysia's Energy Commission. Scope 3 emissions are being assessed, with initial focus on Category 1 (Purchased Goods and Services), Category 6 (Business Travel), and Category 7 (Employee Commuting), with plans to expand coverage to additional categories in the future.	Carbon Emission, page 73
Climate-related targets	Formal emissions reduction targets have not yet been established. The Group intends to develop short-, medium-, and long-term targets upon completion of baseline data collection. The Group is exploring opportunities to reduce emissions under its control, including the adoption of green energy technologies and other sustainable operational practices.	