



KIMLUN

KIMLUN CORPORATION BERHAD

Registration No.: 200901023978 (867077-X)

(Incorporated in Malaysia under the Companies Act, 1965)

BUILDING MORE THAN STRUCTURES

Annual Report 2025





Kimlun Group is an engineering and construction services provider specialising in infrastructure and building construction, project management, industrial building systems (IBS) and manufacture of concrete products.

CORPORATE VALUES



Ancillary to our core business, we also involve in property development and trading in construction and building materials.

We have the ability to act as a one-stop engineering services provider, capable of providing a comprehensive and integrated range of concrete products and engineering and construction services to our customers.

OUR VISION

"We aspire to be a reliable, innovative and profitable provider of full range construction services and products in the South East Asia region".

OUR MISSION

"We aim to continuously improve, promote and provide construction activities and services to the society in which we operate. By providing one stop construction design and build services, we aim to add value to our clients that in turn will be beneficial to the society at large. We will treat all partners including suppliers, subcontractors and consultants with trust, honesty and fairness in all business dealings.

Towards our employees, we balance our focus on their personal skills development while taking care of their welfare.

While seeking to maximise shareholders' wealth, we strive to maintain harmony with the interest of the society to enhance our corporation's sustainability".

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Pang Tin @ Pang Yon Tin
Executive Chairman
Sim Tian Liang
Executive Director
Anita Chew Cheng Im
Independent Non-Executive Director
Pang Khang Hau
Chief Executive Officer and Executive Director
Datuk Woon See Chin
Independent Non-Executive Director
Bhupendar Singh A/L Sewa Singh
Independent Non-Executive Director
Chin Lian Hing
Executive Director
Johar Salim Bin Yahaya
Independent Non-Executive Director
Dato' Ir. Fong Tian Yong
Independent Non-Executive Director
Yam Tai Fong
Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairperson

- Anita Chew Cheng Im
Independent Non-Executive Director

Members

- Datuk Woon See Chin
Independent Non-Executive Director
- Bhupendar Singh A/L Sewa Singh
Independent Non-Executive Director
- Dato' Ir. Fong Tian Yong
Independent Non-Executive Director

REMUNERATION COMMITTEE

Chairman

- Datuk Woon See Chin
Independent Non-Executive Director

Members

- Johar Salim Bin Yahaya
Independent Non-Executive Director
- Dato' Ir. Fong Tian Yong
Independent Non-Executive Director

NOMINATION COMMITTEE

Chairman

- Johar Salim Bin Yahaya
Independent Non-Executive Director

Members

- Anita Chew Cheng Im
Independent Non-Executive Director
- Bhupendar Singh A/L Sewa Singh
Independent Non-Executive Director

COMPANY SECRETARIES

Yeng Shi Mei

(MAICSA 7059759)
(SSM PC No. 202008001282)

Tay Lee Shya

(MIA 16982)
(SSM PC No. 202008002274)

Rebecca Kong Say Tsui

(MAICSA 7039304)
(SSM PC No. 202008001003)

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AUDITOR

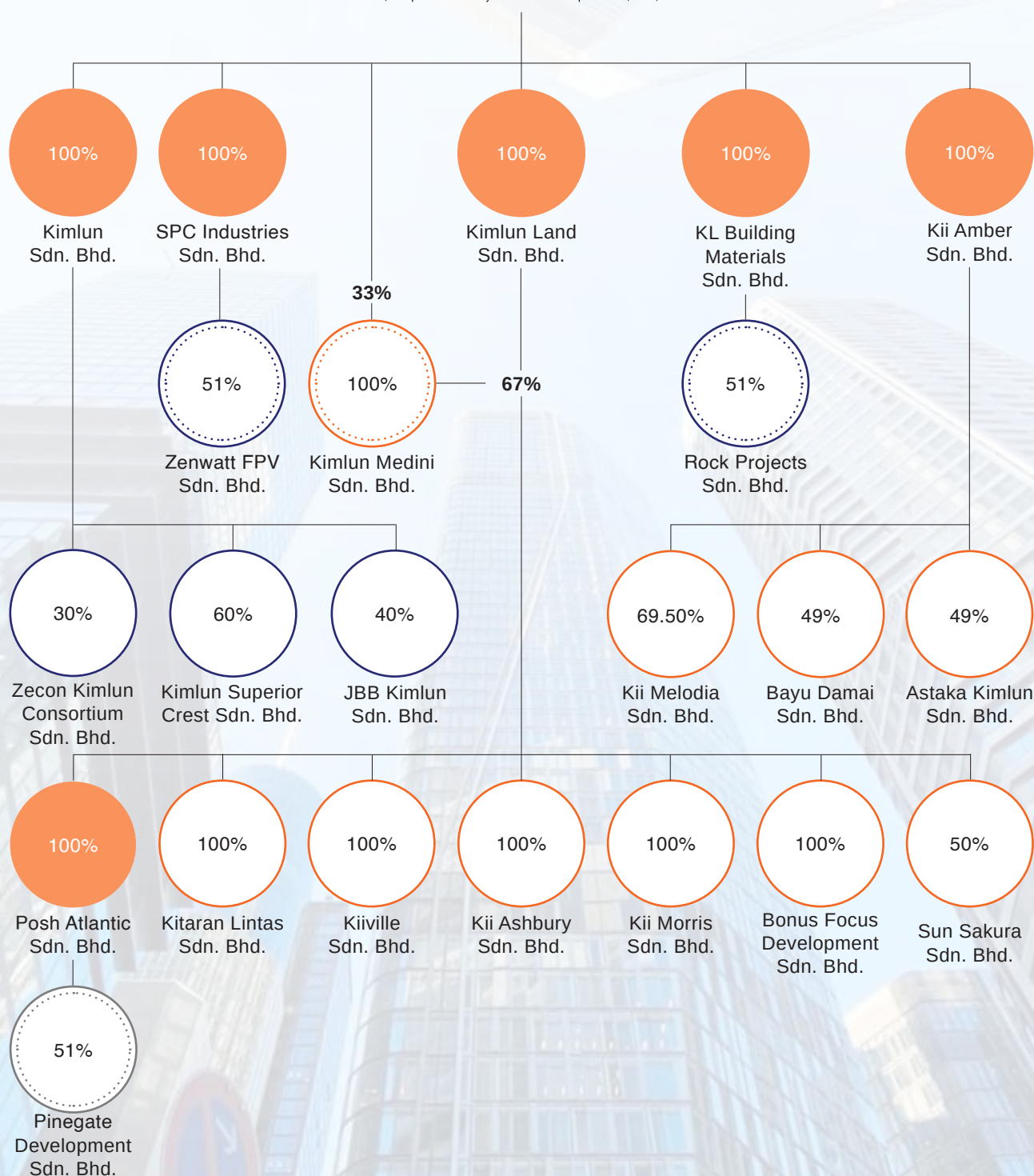
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Registration No. 200901023978 (867077-X)
(Incorporated in Malaysia under the Companies Act, 1965)



CORPORATE MILESTONES

1977 TO 2003

1977

- Our humble beginnings started when Kimlun Earthworks Sdn. Bhd. was incorporated.

1994

- Kimlun Earthworks Sdn. Bhd. changed its name to Kimlun Sdn. Bhd. ("KLSB").

1997 - 2002

- KLSB involved in building construction and infrastructure projects with contract value less than RM20.0 million each in Johor, Malaysia.

2002

- SPC Industries Sdn. Bhd. ("SPC") commenced its pre-cast concrete business.

2003

- KLSB secured its first contract with a value exceeding RM20.0 million for the construction of apartments and townhouses.
- SPC was accredited with ISO 9001:2000 Quality Management.

2004 TO 2008

2004

- SPC supplied concrete sewerage tunnel segments to Pantai Trunk Sewerage Bored Tunnel project in Kuala Lumpur.

2005

- KLSB ventured into specialised infrastructure construction by constructing the Tanjung Puteri flyover in Johor Bahru.
- KLSB ventured into Klang Valley with the construction of 70 units of semi detached houses.
- SPC secured its first sales contract for the supply of concrete tunnel lining segments to Singapore MRT project.

2006

- KLSB secured specialised infrastructure construction project for the upgrading works of the Perling Interchange in Johor Bahru.

2007

- KLSB was accredited the "ISO 9001:2000, Quality Management System" certification.

2008

- KLSB secured the project for the construction of the elevated interchange along Johor Bahru Inner Ring Road – Package 3B Jalan Abu Bakar Interchange with a contract value exceeding RM100 million.
- KLSB formed IBS Department to promote IBS construction methods.

2009 TO 2012

2009

- KLSB secured its first Industrial Building System ("IBS") building project from Iskandar Regional Development Authority at a contract value of RM142.81 million.
- Kimlun Corporation Berhad was incorporated as an investment holding company.

2010

- Kimlun Corporation Berhad acquired KLSB, SPC and IBT in conjunction with its proposed initial public offering exercise.
- Kimlun Corporation Berhad was successfully listed on the Main Market of Bursa Malaysia Securities Berhad on 29 June 2010.
- Kimlun Corporation Berhad incorporated a subsidiary namely, Kimlun Land Sdn. Bhd. ("KLBSB").

2011

- Kimlun Group ventured into property development with its first development land in Cyberjaya, Selangor.

2012

- SPC was appointed by Mass Rapid Transit Corporation Sdn. Bhd. as the designated supplier for the supply of segmental box girders ("SBG") to certain packages of the Projek Mass Rapid Transit Lembah Kelang: Jajaran Sungai Buloh-Kajang for RM223.18 million.
- KLSB secured more than RM400 million worth of IBS projects during 2012.

CORPORATE MILESTONES

2013 TO 2016

2013

- Kimlun Group launched its first property development project, the Hyve SOHO and Offices in Cyberjaya, Selangor.
- KLSB secured its first contract with a value exceeding RM290 million for the construction of service apartments and ancillary buildings.
- SPC set up a new precast concrete products manufacturing plant on a piece of land measuring approximately 130 acres in Negeri Sembilan, and commenced production during the year.

2015

- Kimlun Corporation Berhad incorporated a subsidiary, KL Building Materials Sdn. Bhd. ("KBMSB"). The principal activities of KBMSB are manufacturing and trading of building and construction materials, and provision of quarry services and machinery rental services.

2016

- Kimlun Group's joint venture company, Zecon Kimlun Consortium Sdn. Bhd., was awarded a work package contract for the Proposed Development and Upgrading of the Pan Borneo Highway in Sarawak for a contract sum of RM1.46 billion. This signifies the Group's geographical diversification to East Malaysia, and expansion of its construction services to highway project. The Project is the single largest contract which the Group won in its history.
- SPC won SBG and tunnel lining segments supply contracts in relation to Projek Mass Rapid Transit Lembah Kelang: Jajaran Sungai Buloh-Putrajaya Line, with aggregate contract value of RM252 million.

2017 TO 2020

2017

- KLSB subscribed for equity interest in JBB Kimlun Sdn. Bhd. ("JKSB"), thereby JKSB became a joint venture company of KLSB. The principal activity of JKSB is building and infrastructure contractor.

- KLLSB incorporated three subsidiaries, Kiiville Sdn. Bhd. ("KVSb"), Kii Ashbury Sdn. Bhd. ("KASB") and Kii Morris Sdn. Bhd. ("KMSB"). The principal activities of KVSb, KASB and KMSB are property investment and property development.

- Kimlun Group commenced premix production in Sarawak and Johor.

2020

- KLSB successfully registered with CIDB for additional specialisation to construct hospital building.
- Kimlun Corporation Berhad incorporated a subsidiary, Kii Amber Sdn. Bhd. ("KASB"). The principal activities of KASB are investment holding, property investment and development.
- KASB subscribed for equity interest in Bayu Damai Sdn. Bhd. ("BDSB"), thereby BDSB became a subsidiary of KASB. The principal activity of BDSB is property development.
- KASB incorporated a subsidiary, Kii Melodia Sdn. Bhd. ("KMLDSB"). The principal activities of KMLDSB are property investment and property development.

2021 TO 2025

2024

- KLLSB acquired equity interest in Posh Atlantic Sdn. Bhd. ("PASB") and Bonus Focus Development Sdn. Bhd. ("BFDSB"), thereby PASB and BFDSB became subsidiaries of KLLSB. The principal activities of PASB and BFDSB are property investment and property development.
- KASB subscribed for equity interest in Astaka Kimlun Sdn. Bhd. ("AKSB"), thereby AKSB became an associate company of KASB. The principal activities of AKSB are property investment and property development.

2025

- KLLSB acquired equity interest in Sun Sakura Sdn. Bhd. ("SSSB"), thereby SSSB became subsidiary of KLLSB. The principal activity of SSSB is property development.

PROFILE OF DIRECTORS

PANG TIN @ PANG YON TIN

Executive Chairman

Date of Appointment
24 October 2009

 Gender : Male

 Nationality : Malaysian

 Age : 78 years

Pang Tin @ Pang Yon Tin (“Mr Pang Tin”), a Malaysian aged 78, male, was appointed to the Board as Executive Chairman of Kimlun Corporation Berhad on 24 October 2009 and is responsible for overseeing the management of our Group.

Mr Pang Tin completed Senior Middle Three at Foon Yew High School in Johor Bahru, Johor, in 1966. He commenced his career in the construction industry in 1966 by assisting his late father in his construction business. He, together with Phang Piow @ Pang Choo Ing, incorporated Kimlun Sdn. Bhd. in 1977 to continue their venture in the construction industry. With the experience gained in the construction industry, he ventured into quarry business in 1970s and into property development in 1980s.

Mr Pang Tin has more than 46 years of experience in various sectors, encompassing property development, property investment, construction, quarrying, manufacturing and hotel management. He also sits on the Board of several private limited companies.

PANG KHANG HAU

*Chief Executive Officer &
Executive Director*

Date of Appointment
24 October 2009

 Gender : Male

 Nationality : Malaysian

 Age : 44 years

Pang Khang Hau (“Mr Pang”), a Malaysian aged 44, male, was appointed to the Board as Executive Director of Kimlun Corporation Berhad on 24 October 2009. Mr Pang was appointed as Chief Executive Officer of Kimlun Corporation Berhad on 1 May 2025 and is responsible for strategic planning and the overall management of the Group.

Mr Pang graduated from the University of Western Australia in 2005, obtaining a Bachelor’s Degree in Civil Engineering. He completed a Master of Business Administration degree at the University of Liverpool, UK, in 2010. He commenced his career in the construction industry in 2006 with his appointment as a Director of Kimlun Sdn. Bhd. where he is responsible for business development activities, human resource, administration and management of our Group.

PROFILE OF DIRECTORS

SIM TIAN LIANG

Executive Director

Date of Appointment
24 October 2009

 Gender : **Male**

 Nationality : **Malaysian**

 Age : **71 years**

Sim Tian Liang ("Mr Sim"), a Malaysian aged 71, male, was appointed to the Board as Chief Executive Officer of Kimlun Corporation Berhad on 24 October 2009. As part of succession planning, Mr Sim relinquished his position as Chief Executive Officer with effect from 1 May 2025, while retaining his position as an Executive Director of the Company. Following his relinquishment of the Chief Executive Officer position, he is responsible for the corporate affairs of our Group, including business development activities, strategic planning and for the overall management of the Group.

Mr Sim graduated from Universiti Teknologi Malaysia in 1978, obtaining a Bachelor's Degree (Honours) in Engineering. He is the past Chairman of the Institution of Engineers Malaysia Southern Branch and past President of Johor Master Builders Association. He is also a member of the Chartered Institution of Highway and Transportations of the UK, a Honorary Member of Asean Federation of Engineering Organisation and a Fellow of Construction Industry Development Board Malaysia.

Mr Sim is a professional engineer registered with the Board of Engineers Malaysia, and has been in the construction industry since 1978 where he commenced work as a civil engineer with the Malaysian Government. He joined Pang Hock Constructions Sdn. Bhd. (now known as Tebrau Bay Constructions Sdn. Bhd.) towards the end of 1996 and was appointed as its Project Director in 1997 where his responsibilities included overseeing, monitoring and management of building and infrastructure construction projects. In 2003, he left Pang Hock Constructions Sdn. Bhd. and joined Kimlun Sdn. Bhd. as Chief Executive Officer. His primary role is to oversee to the execution of corporate objectives, as well as to provide the strategic direction of the company.

CHIN LIAN HING

Executive Director

Date of Appointment
24 October 2009

 Gender : **Male**

 Nationality : **Malaysian**

 Age : **61 years**

Chin Lian Hing ("Mr Chin"), a Malaysian aged 61, male, was appointed to the Board as Executive Director of Kimlun Corporation Berhad on 24 October 2009 and is responsible for the operations and business development activities of our construction business.

Mr Chin graduated from Tunku Abdul Rahman College, Malaysia, in 1988, obtaining a Diploma in Technology (Building). He holds a Bachelor's Degree of Applied Science (Constructions Management and Economics) from Curtin University of Technology, Australia.

Mr Chin has been in the construction industry since 1988 where he commenced work as an Assistant Quantity Surveyor in Rukumas Sdn. Bhd., leaving in 1989 to join AJ Construction Sdn. Bhd. as a Quantity Surveyor. In 1990, he joined Hoon Lay Kien Construction, also as a Quantity Surveyor. Thereafter, he joined Chin Kek Ling Transport in mid-1990 before leaving to join Pang Hock Constructions Sdn. Bhd. (now known as Tebrau Bay Constructions Sdn. Bhd.) in January 1992. During his time at Pang Hock Constructions Sdn. Bhd., his last held position was General Manager (Operations and Contracts) and he was responsible for overseeing the tendering of building and infrastructure construction projects, and project implementation. He left Pang Hock Constructions Sdn. Bhd. in 2002 to join Kimlun Sdn. Bhd., where he is responsible for the operations and business development activities of the company.

PROFILE OF DIRECTORS

YAM TAI FONG

Executive Director

Date of Appointment
24 October 2009

 Gender : **Female**

 Nationality : **Malaysian**

 Age : **58 years**

Yam Tai Fong (“Ms Yam”), a Malaysian aged 58, female, was appointed to the Board as Executive Director of Kimlun Corporation Berhad on 24 October 2009 and is responsible for all financial matters concerning our Group.

Ms Yam graduated from Monash University, Australia, in 1990, obtaining a Bachelor’s Degree in Economics. Since 1994, she has been a member of the Malaysian Institute of Accountants.

Ms Yam commenced her career at Ernst & Young, Malaysia, in 1991, with responsibilities for audit, taxation and corporate advisory matters, leaving in 1994 to join Pang Hock Constructions Sdn. Bhd. (now known as Tebrau Bay Constructions Sdn. Bhd.). Whilst at Pang Hock Constructions Sdn. Bhd., she was responsible for the financial management and management reporting of its affairs. She left Pang Hock Constructions Sdn. Bhd. in 2003 to join Kimlun Sdn. Bhd. to assume similar responsibilities.

DATUK WOON SEE CHIN

Independent Non-Executive Director

Date of Appointment
1 October 2020

 Gender : **Male**

 Nationality : **Malaysian**

 Age : **82 years**

Datuk Woon See Chin (“Datuk Woon”), a Malaysian aged 82, male, was appointed to the Board as Independent Non-Executive Director of Kimlun Corporation Berhad on 1 October 2020. He is the Chairperson of the Remuneration Committee and a member of the Audit and Risk Management Committee.

Datuk Woon graduated from the law school of University of Singapore and is an advocate and solicitor by profession and has been in legal practice in Johor Bahru for more than 50 years.

Datuk Woon was an Independent Non-Executive Director of Focal Aims Holdings Bhd (now known as Eco World Development Group Bhd) for more than 9 years until his resignation on 28 November 2013. He was a Johor State Assembly member in 1982 and was elected as a Member of Parliament of Malaysia from 1986 to 1995. He served as a Deputy Minister of Education of Malaysia for 4 years from 1986 to 1990.

JOHAR SALIM BIN YAHAYA

Independent Non-Executive Director

Date of Appointment
1 December 2021

 Gender : **Male**

 Nationality : **Malaysian**

 Age : **72 years**

Johar Salim Bin Yahaya (“Encik Johar”), a Malaysian aged 72, male, was appointed to the Board as Independent Non-Executive Director of Kimlun Corporation Berhad on 1 December 2021. He is the Chairperson of the Nomination Committee and a member of the Remuneration Committee.

Encik Johar graduated with a Bachelor of Economics (Hons.) Degree from University of Malaya. He started his career with Bank of America in 1974 and later moved to Malaysian French Bank in 1983. He joined Kumpulan Prasarana Rakyat Johor as Chief Operating Officer from 1997 to 2003 and rose to become the Chief Executive Officer until 2013. He was also the Chief Executive Officer of Tebrau Teguh Berhad from 2004 to 2012 and Executive Chairman of PLS Plantation Bhd from 2000 to 2013.

Encik Johar is currently the Chairman of Selia Ekuiti Sdn. Bhd.

PROFILE OF DIRECTORS

ANITA CHEW CHENG IM

Independent Non-Executive Director

Date of Appointment
1 December 2021

 Gender : **Female**

 Nationality : **Malaysian**

 Age : **59 years**

Anita Chew Cheng Im (“Anita”), a Malaysian aged 59, female, was appointed to the Board as an Independent Non-Executive Director of Kimlun Corporation Berhad on 1 December 2021. She is the Chairperson of the Audit and Risk Management Committee and a member of the Nomination Committee.

Anita graduated from Monash University, Australia with a Bachelor of Economics Degree, majoring in Accounting in April 1990.

Anita started her career as an audit assistant at KPMG, Melbourne in 1990. She left KPMG in September 1991 to return to Malaysia. While in KPMG, she was engaged in the audit of the media, retail and mining industries.

In 1992, Anita joined the Corporate Finance department of Bumiputra Merchant Bankers Berhad (now known as Alliance Investment Bank Berhad after merging with Amanah Investment Bank Berhad) and was with the investment bank for approximately 5 years. From 2003 to 2007, she worked at Hwang DBS Investment Bank Berhad as Senior Vice President, Equity Capital Market. Prior to that, she was a Director, Corporate Finance at Alliance Investment Bank Berhad from 1997 to 2003.

Anita was involved in most related areas of corporate finance work during her tenure in the various investment banks, having advised clients on numerous IPO, fund raising, both equity and debt, mergers and acquisitions; and corporate and debt restructuring exercises.

Since Anita left the investment banking industry in 2007, she has been sitting on various corporate boards. She is currently an Independent Non-Executive Director of Plytec Holding Berhad and SKP Resources Berhad, companies listed on Bursa Securities Malaysia Berhad. She also sits on Fortress Minerals Ltd, a company listed on the Singapore Exchange (SGX) as an Independent Non-Executive Director.

BHUPENDAR SINGH A/L SEWA SINGH

Independent Non-Executive Director

Date of Appointment
1 December 2021

 Gender : **Male**

 Nationality : **Malaysian**

 Age : **68 years**

Bhupendar Singh A/L Sewa Singh (“Mr Bhupendar”), a Malaysian aged 68, male, was appointed to the Board as Independent Non-Executive Director of Kimlun Corporation Berhad on 1 December 2021. He is a member of the Audit and Risk Management Committee and Nomination Committee.

Mr Bhupendar holds a Bachelor’s Degree (Honours) in Accounting from Universiti Malaya. He is a member of the Malaysian Institute of Accountants and an Associate Member of the Chartered Tax Institute of Malaysia.

Mr Bhupendar commenced his career with Hanafiah, Raslan & Mohammad in 1983 with the taxation unit and the firm merged with Arthur Andersen & Co in April 1990. He became a Tax Partner in 1996 and moved to the firm of Ernst & Young in 2002. He was a senior tax partner with the firm until October 2010 when he left to join Petronas as the Head of Group Tax Department. He became a Vice President in 2016 and retired from Petronas in March 2020. He was responsible for setting up and growing the Tax Department of Petronas to be able to manage all the tax affairs of the Group in an effective manner.

Mr Bhupendar is currently running his own tax consultancy and advisory firm providing such services to clients in various industries.

PROFILE OF DIRECTORS

DATO' IR. FONG TIAN YONG

Independent Non-Executive Director

Date of Appointment
1 December 2021

 Gender : Male

 Nationality : Malaysian

 Age : 77 years

Dato' Ir. Fong Tian Yong ("Dato' Ir. Fong"), a Malaysian aged 77, male, was appointed to the Board as Independent Non-Executive Director of Kimlun Corporation Berhad on 1 December 2021. He is a member of the Audit and Risk Management Committee and the Remuneration Committee.

Dato' Ir. Fong holds a Bachelor's Degree in Civil Engineering from Singapore University. Upon graduation in 1974, he joined the Public Works Department as Executive Engineer and rose to become the Deputy Director General of Local Government Department of the Ministry of Housing & Local Government (KPKT) until his retirement from government service in 2007. He was thereafter appointed to serve as Technical Advisor to four Ministers of KPKT until 2012 when he joined Malaysia-China Business Council as its Executive Director until 2021.

In KPKT, Dato' Ir. Fong oversaw the development of Chinese New Village Master Plan, the amendments of Street, Drainage and Building Act, Uniform Building Bylaws and several policy matters. He co-authored the Book, Malaysian Chinese New Villages.

On the corporate side, Dato' Ir Fong is a director of Malaysia-China Business Council, a not-for-profit company limited by guarantee as well as the Editor of the Board of Engineers Malaysia. He was the past President of the Technological Association Malaysia.

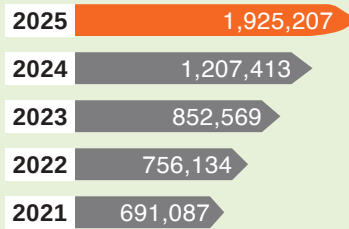
Notes to the Profile of Directors:

1. Pang Tin @ Pang Yon Tin is the father of Pang Khang Hau. Save as disclosed, none of the directors have any family relationship with any other director and/or major shareholder of the Company.
2. Save for Pang Tin @ Pang Yon Tin and Pang Khang Hau, who have interest in the recurrent related party transactions as disclosed under Note 32 to the financial statements contained in this Annual Report, as well as their conflict of interest or potential conflict of interest as disclosed under the Audit and Risk Management Committee Report contained in this Annual Report, none of the remaining directors have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.
3. None of the directors have convicted of any offences within the past five (5) years and being imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2025, other than traffic offences, if any.

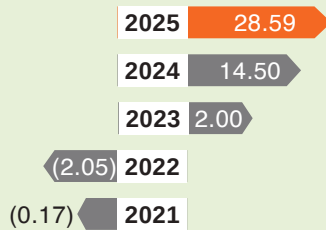


GROUP FINANCIAL HIGHLIGHTS

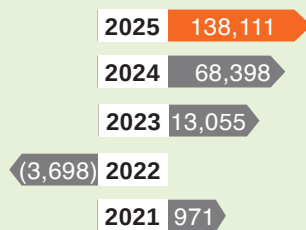
REVENUE (RM'000)



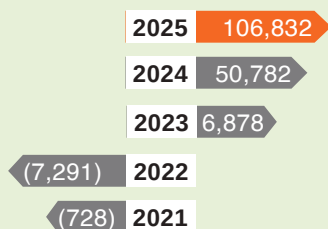
BASIC EARNINGS/ (LOSS) PER SHARE (SEN)



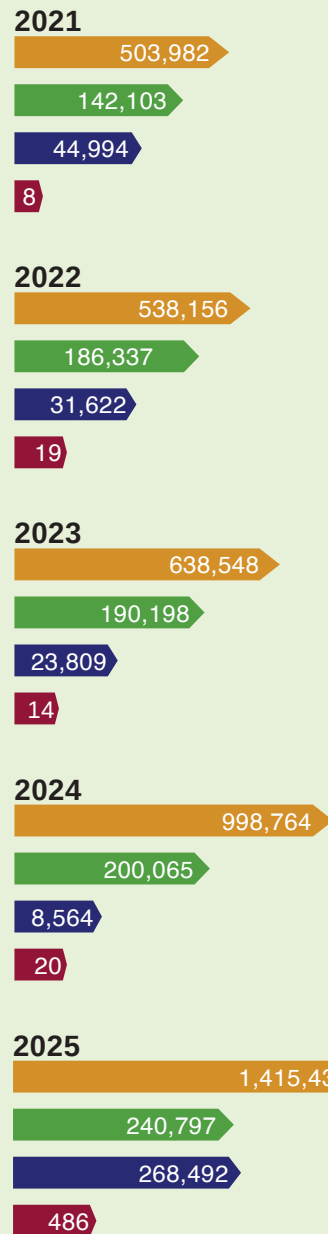
PROFIT/(LOSS) BEFORE TAX (PBT) (RM'000)



PROFIT/(LOSS) AFTER TAX (PAT) (RM'000)

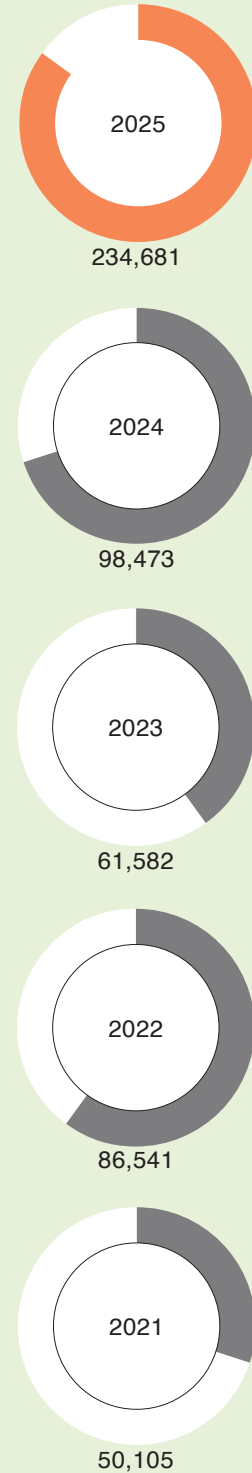


REVENUE BY SEGMENT (RM'000)



- Construction
- Manufacturing
- Property Development
- Investment

GROSS PROFIT (RM'000)



CHAIRMAN'S STATEMENT



DEAR SHAREHOLDERS,

ON BEHALF OF THE BOARD OF DIRECTORS ("THE BOARD"), I AM PLEASED TO PRESENT THE ANNUAL REPORT OF KIMLUN CORPORATION BERHAD ("THE COMPANY") FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 ("FY2025").



OUR OPERATING ENVIRONMENT

Malaysia's construction industry demonstrated strong resilience in 2025, sustaining momentum from a robust 2024. Double-digit growth in 2025 was driven by infrastructure projects, property market recovery, and foreign investment.

In Johor, our home base, the property sector experienced a significant resurgence, driven by the upcoming RTS link, the Johor-Singapore Special Economic Zone (JS-SEZ), and substantial foreign direct investment. Johor had established itself as Malaysia's second-largest residential market, while industrial properties registered robust expansion.

Capitalizing on this favourable environment, the Group secured a record RM2.8 billion worth of new construction projects in FY2025, surpassing the previous record of RM2.17 billion in FY2024.

In addition, our subsidiaries and associate company launched three developments in Johor Bahru—Pinegate Residency, Taman Nusa Melati and Arden Residence, with a combined estimated gross development value of RM1.7 billion. All three projects have achieved encouraging take-up rates.

In Singapore, construction demand strengthened further in 2025. Our Pre-Cast Concrete Products Division ("PCPD") capitalized on opportunities from public sector projects, securing multiple sales orders related to the Singapore MRT. Total new PCPD sales orders from Malaysia and Singapore amounted to RM0.11 billion in FY2025.



CHAIRMAN'S STATEMENT

OUR BUSINESS PERFORMANCE

With the record revenue across all the active business divisions, the Group achieved a record high revenue and profit in FY2025.

The Group recorded revenue of RM1.93 billion in FY2025, an increase of 59.5% compared to FY2024.

Gross profit ("GP") more than doubled of FY2024, at RM234.68 million, supported by higher revenue and better GP margin.

Other operating income was lower compared to FY2024, as FY2024 recorded gains from remeasurement of financial liabilities, write-back of land held for development and reversal of impairment allowances.

Administration and finance costs rose in line with expanded operations and property development activities.

Overall, the Group achieved a record high profit before tax and profit after tax of RM138.11 million and RM106.83 million respectively in FY2025.

Please refer to the Financial Review section under the Management Discussion and Analysis for further details on our performance.

OUTLOOK

We have an estimated construction and manufacturing balance order book of approximately RM4.47 billion and RM0.26 billion respectively as at 31 December 2025, from a diversified clientele. This sizeable balance orders, together with unbilled property sales of RM692 million, provides strong earnings visibility for the next few years.

Nevertheless, challenges remain. Geopolitical tensions, particularly the ongoing Middle East conflict, have disrupted global crude oil supply, driving energy prices higher and cascading into transport, logistics, and manufacturing costs.

Construction material costs are also escalating. If this trend continues, margins are expected to come under pressure, and some developers may defer new projects. As the conflict continues to evolve, the extent and duration of its impact on our businesses remain difficult to predict.

In response, the Group will adopt a cautious approach to bidding and new launches, while leveraging its strong track record, extensive industry experience, and continued support from bankers to navigate uncertainties.

REWARD TO SHAREHOLDERS – DIVIDEND

While we do not adopt a formal dividend policy, we have consistently declared dividends every year since our listing on the Main Market of Bursa Malaysia Securities Berhad in 2010. For FY2025, the Board recommends a single tier dividend of 4.0 sen per share, subject to shareholders' approval at the forthcoming Annual General Meeting.

We remain committed to rewarding loyal shareholders while balancing funding needs of our business operation and expansion.

ACKNOWLEDGEMENT

On behalf of the Board, I extend heartfelt gratitude to our shareholders, bankers, customers, business partners and regulatory authorities for their continued support. We also express deep appreciation to our management team and employees for their dedication and hard work.

Pang Tin @ Pang Yon Tin
Chairman



主席文告



敬爱的股东，

本人谨代表董事局提呈金轮企业有限公司（“本公司”）截至2025年12月31日财年（“2025财政年”）的年度报告。



我们的运营环境

马来西亚建筑业在2025年展现了强大的韧性，延续了2024年的强劲增长势头。在基础设施项目、房地产市场复苏以及外来投资的推动下，该行业在2025年实现了双位数的增长。

在我们的基地—柔佛州，受柔新捷运（RTS Link）、柔佛-新加坡经济特区（JS-SEZ）以及大量外国直接投资的带动，房地产行业显著回升。在2025年，柔佛成为马来西亚第二大住宅市场，同时工业地产也呈现高速增长。

在这有利的市场环境下，我们在2025财年成功获得28亿令吉的新建筑合同，刷新了2024财年21.7亿令吉的历史纪录。

此外，我们的子公司和联营公司在新山推出了三个发展项目—Pinegate Residency、Taman Nusa Melati 和 Arden Residence，总估算发展价值达17亿令吉。上述三个项目均取得了令人鼓舞的认购率。

新加坡建筑业在2025年的建筑需求也进一步增强。我们的预制混凝土产品制造部门（“PCPD”）在该年获得了与新加坡捷运项目相关的多项销售订单。PCPD从新加坡和马来西亚市场获得的新销售订单总额为1.1亿令吉。



主席文告

我们的业务表现

由于各活跃业务部门的收入均创下纪录，我们在2025财年的营业额与利润双双刷新历史高位。

我们在2025财年录得19.3亿令吉的营业额，比2024财年增长59.5%。

在营业额增长及毛利率改善的支撑下，毛利达2.35亿令吉，较2024财年翻倍有余。

其他经营收入较2024财年有所减少，主要2024财年得利于金融负债重估收益、发展用地与应收账款减值回拨。

行政与财务开支的增加，则与业务规模的扩张及房地产开发活动的活跃程度相符。

总体而言，我们在2025财年录得税前利润1.38亿令吉，税后利润1.07亿令吉，均创历史新高。

有关业绩表现的更多详情，请参阅2025财年年度报告的第21至22页。

展望

截至2025年12月31日，我们拥有来自多元化客户群的建筑与制造业务的未完成订单，估算分别约为44.7亿令吉和2.6亿令吉。这些数额庞大的未完成订单，连同6.92亿令吉的未入账房产销售，为未来几年的盈利前景提供了极高的可见度。

尽管如此，挑战依然存在。地缘政治局势紧张，特别是中东冲突，干扰了全球原油供应，推高了能源价格，并连锁波及运输、物流及制造成本。

建筑材料成本已开始上涨。若此趋势持续，利润空间预计将面临压力，部分开发商可能会推迟新项目。随着冲突不断演变，其对我们业务的影响难以预测。

针对上述情况，我们将对竞标和新项目启动采取谨慎态度，同时利用自身强大的品牌实力、丰富的行业经验以及银行机构的持续支持，以应对不确定性。

股东回馈一股息

虽然我们未设立正式的股息政策，但自2010年在马来西亚证券交易所主板上市以来，我们每年均派股息回馈股东。

针对2025财年，董事局建议派发每股4仙的终期单层股息，此项建议尚需在即将举行的年度股东大会上寻求股东批准。

我们将继续致力在运营及业务扩张的资金需求与派息之间保持平衡。



致谢

我谨代表董事局，衷心感谢各位股东、银行机构、客户、商业伙伴以及监管机构一直以来的支持。我们也对管理团队及全体员工的敬业精神和辛勤付出表示深切谢意。

彭廷
主席

MANAGEMENT DISCUSSION AND ANALYSIS

CORPORATE VALUES



VISION



We aspire to be a reliable, innovative and profitable provider of full range construction services and products in the South East Asia region.

MISSION



We aim to continuously improve, promote and provide construction activities and services to the society in which we operate. By providing one stop construction design and build services, we aim to add value to our clients that in turn will be beneficial to the society at large. We will treat all partners including suppliers, subcontractors and consultants with trust, honesty and fairness in all business dealings.

Towards our employees, we balance our focus on their personal skills development while taking care of their welfare.

While seeking to maximise shareholders' wealth, we strive to maintain harmony with the interest of the society to enhance our corporation's sustainability.

K **I** **M** **L** **U** **N**

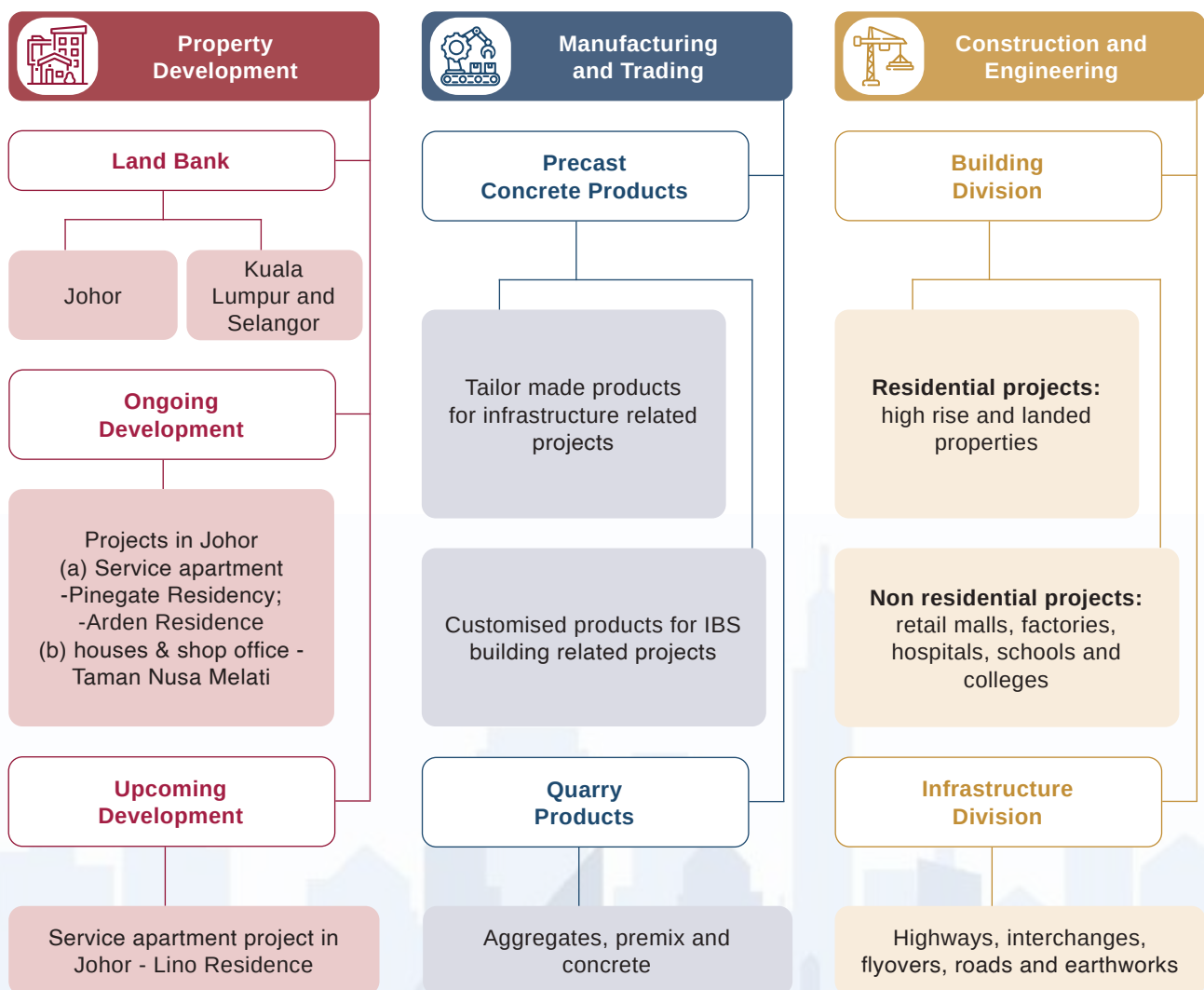
KNOWLEDGE INTEGRITY MORAL LEADERSHIP UNITY INNOVATION



MANAGEMENT DISCUSSION AND ANALYSIS

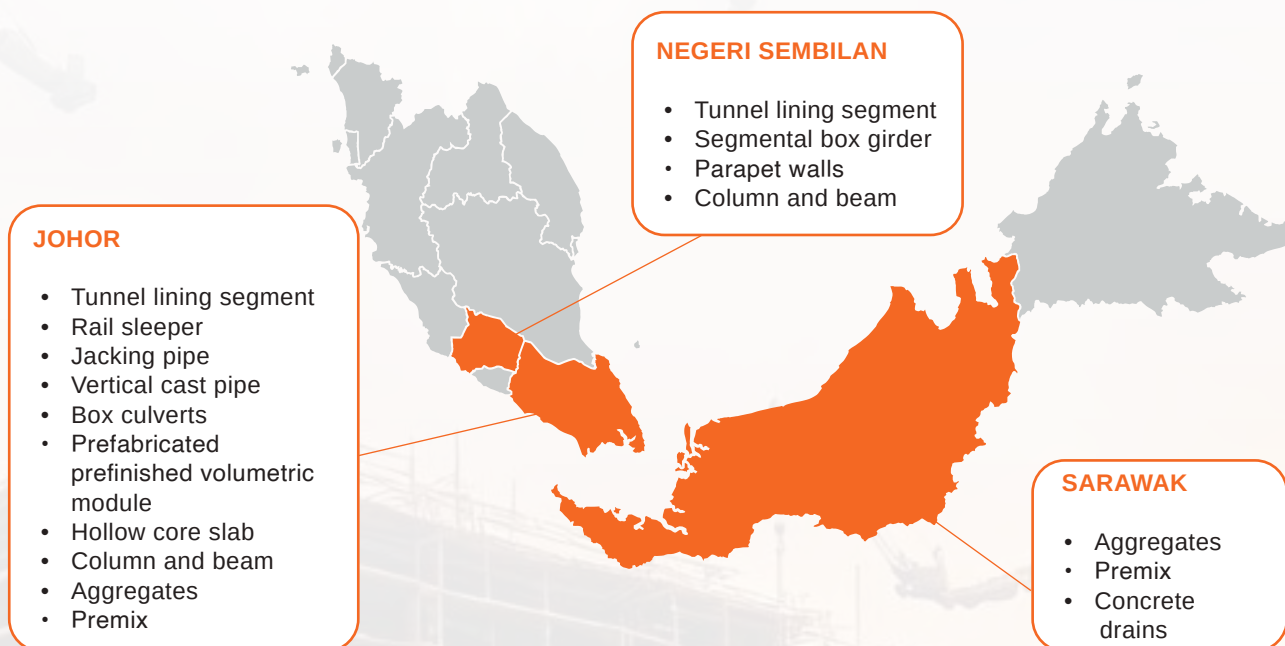
OVERVIEW OF OUR BUSINESSES AND OPERATIONS

KIMLUN GROUP'S CORE BUSINESSES



MANAGEMENT DISCUSSION AND ANALYSIS

PRODUCTION PLANT AND PRODUCTS

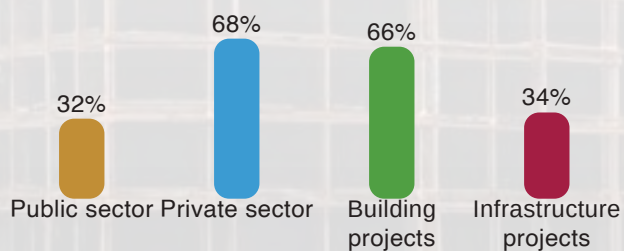


Construction Projects

Balance order book as at 31 Dec 2025:

RM4.47 billion

All projects in Malaysia



Notable completed projects include:

- Main building works for Marlborough College East, Johor
- Mall of Medini, Johor
- Granada Hotel, Johor
- Gleneagle Medini Hospital, Johor
- Pan Borneo Highway Sarawak

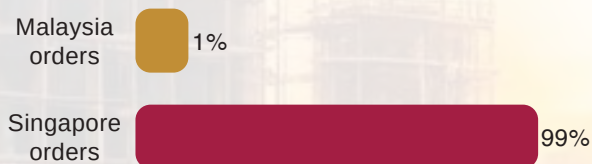
On-going projects include:

- Sarawak-Sabah Link Road
- Various apartment and landed properties projects in Selangor and Johor

Manufacturing Order

Balance order book as at 31 Dec 2025:

RM0.26 billion



Completed sales orders include:

- Segmental box girder ("SBG") and tunnel lining segment ("TLS") to Klang Valley MRT ("KVMRT") Line 1 and Line 2
- TLS to Singapore MRT Circle Line, Downtown Line and Thomson Line
- Precast Bathroom to Michael and Festival Hotel, Singapore

On-going sales orders include:

- TLS, rail sleepers and IBS for Singapore MRT projects
- Jacking pipes for Singapore Deep Tunnel Sewerage project
- IBS for Singapore Integrated Waste Management Facility

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY DEVELOPMENT

Location / Land Area	Type of Land Usage / Plan Development
Selective Land Bank in Hand	
Bandar Seri Alam, Johor Bahru, Johor / 11.11 acres	Freehold commercial land / commercial development
Within Meridin East Township, Mukim Plentong Johor Bahru, Johor / 17.90 acres	Freehold commercial land / commercial development
Medini Iskandar Malaysia, Johor / 5.31 acres	99-years lease on freehold commercial land / A combination of SOHO and retails properties
Iskandar Puteri, Johor Bahru, Johor / 19.84 acres	Freehold agriculture land / mixed development
Iskandar Puteri, Johor Bahru, Johor / 29.00 acres	Freehold agriculture land / commercial development
Mukim Pulau, Johor Bahru, Johor / 5.15 acres	Freehold agriculture land / commercial development
Situated next to Alam Damai, Cheras, Kuala Lumpur / 43.87 acres	10 pieces of freehold agriculture land / mixed development
Seksyen U10 Shah Alam, Selangor / 19.10 acres	72 units of 99-years leasehold vacant detached lots approved for bungalow development

Location	Gross Development Value (RM)	Launched Development / Planned Development
On-going Projects		
Pinegate Residency, Masai, Johor	650 million	1,792 service apartment units
Arden Residence, Johor Bahru, Johor	810 million	618 service apartment units and 4 commercial lots
Taman Nusa Melati, Iskandar Puteri, Johor	235 million	158 units of terrace house and 42 units of shop office
Total	1.695 billion	
Upcoming Project		
Lino Residence, Johor Bahru, Johor	205 million	364 service apartment units

DIVERSIFIED CLIENTELE

We are not materially dependent on any single customer for business. We have been securing projects from different clients. Our diversified clientele include:

Private Sector	Government and Government Link Companies	International Contractors
- Eco World Development Group Bhd - Gamuda Bhd - Mah Sing Group Bhd - Saraworks Sdn. Bhd. - Sunway Construction Group Bhd	- Mass Rapid Transit Corporation Sdn. Bhd. - UEM Sunrise Bhd - S P Setia Bhd - JLG Land Bhd	- Taisei-Cscec JV - Shanghai Tunnel Engineering Ltd - SK Engineering & Construction - Penta-Ocean Construction Co Ltd - M+W Singapore Pte Ltd

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP FINANCIAL HIGHLIGHTS

Year ended / As at 31 December		2021	2022	2023	2024	2025
FINANCIAL RESULTS (RM' mil)						
Revenue		691.09	756.13	852.57	1,207.41	1,925.21
Gross Profit		50.10	86.54	61.58	98.47	234.68
Profit/(Loss) Before Taxation		0.97	(3.70)	13.06	68.40	138.11
Profit/(Loss) After Taxation		(0.73)	(7.29)	6.88	50.78	106.83
Profit/(Loss) Attributable to Owners of the Company		(0.59)	(7.23)	7.05	51.24	104.50
FINANCIAL POSITION (RM' mil)						
Cash and Bank Balances		69.54	72.23	63.26	69.67	121.62
Total Assets		1,326.44	1,300.77	1,532.81	2,064.58	2,506.10
Total Borrowings		307.06	307.64	413.37	671.54	777.30
Shareholders' Equity		721.28	710.40	713.84	761.60	911.84
FINANCIAL RATIOS						
Gross Profit Margin	%	7.3	11.5	7.2	8.2	12.2
Basic Earnings per Share ("EPS")/Loss per Share	Sen	(0.17)	(2.05)	2.00	14.50	28.59
Dividend per Share	Sen	1.00	1.00	1.00	2.00	4.00
Dividend Yield (Note 1)	%	1.2	1.3	1.3	1.7	3.1
Net Assets per Share	RM	2.07	2.05	2.10	2.23	2.42
Net Gearing Ratio (Note 2)	times	0.25	0.25	0.32	0.43	0.41
CASH FLOW (RM' mil)						
Net cash flows generated from/(used in) operating activities		117.57	52.02	89.26	(29.59)	133.83
Net cash flows used in investing activities		(2.60)	(20.83)	(180.33)	(152.82)	(83.22)
Net cash flows generated from/(used in) financing activities		(103.44)	(17.16)	85.64	181.69	(2.06)
SHARES PERFORMANCE						
Share Price – Year Close	RM	0.81	0.77	0.78	1.20	1.31
Share Price – Year High	RM	1.01	0.835	0.865	1.77	1.52
Share Price – Year Low	RM	0.74	0.63	0.70	0.78	0.805
Trading volume (no of shares)	Mil	76	12	15	118	114
Market Capitalisation (Note 3)	RM' mil	286	272	276	424	509
Price Earnings Ratio (Note 4)	times	-	-	39.0	8.27	4.47

Note 1: Being dividend per share/share price – year close

Note 2: Being net debt/total equity plus net debt

Note 3: Market capitalisation as at the financial year end

Note 4: Being year close share price/EPS for the financial year

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Group Revenue and Profitability

The Group recorded revenue of RM1.93 billion in FY2025, an increase of RM0.72 billion (59.5%) compared to RM1.21 billion in FY2024. The revenue growth was primarily driven by stronger external sales across all active business divisions.

Gross profit ("GP") rose significantly to RM234.68 million, up RM136.21 million (138.3%) from RM98.47 million in FY2024. The improvement in GP was attributable to stronger contributions from all the business divisions, underpinned by higher revenue.

Other operating income declined to RM4.50 million, from RM52.06 million in FY2024, as FY2024 recorded gains from remeasurement of financial liabilities and write-back of land held for development, totaling RM2.51 million, and reversal of impairment allowances in relation to trade receivable and contract asset, totaling RM43.52 million.

Administration expenses increased to RM63.42 million, from RM57.13 million in FY2024, driven by higher human resource costs and provision for doubtful debts.

Finance costs rose to RM38.65 million, from RM25.32 million in FY2024, in line with greater utilization of bank facilities to support the Group's expanded operations.

The Group's share of profit from joint ventures improved, reflecting stronger contributions from the quarry business.

The effective tax rate of FY2025 was higher than the statutory rate applicable to the Group as certain expenses were disallowed for tax deduction under tax regulations and reversal of deferred tax assets on unutilised tax losses of a subsidiary.

Overall, the Group recorded profit before tax of RM138.11 million and profit after tax of RM106.83 million in FY2025 against profit before tax of RM68.40 million and profit after tax of RM50.78 million in FY2024.



MANAGEMENT DISCUSSION AND ANALYSIS

Segmental Revenue and Gross Profit*

*: The segmental revenue and gross profit stated in the commentary in relation to the respective segment were inclusive of inter-segment transactions.

	FY2025 RM'000	FY2024 RM'000	Changes RM'000	%
Revenue				
Construction	1,560,274	1,104,477	455,797	41.3
Manufacturing and Trading	331,508	279,424	52,084	18.6
Property Development	268,492	8,565	256,036	2989.3
Investment	40,090	9,957	30,133	302.6
Elimination	(275,157)	(195,010)	(76,256)	39.1
Consolidated revenue	1,925,207	1,207,413	717,794	59.4
GP				
Construction	111,134	62,909	48,225	76.7
Manufacturing and Trading	70,448	56,520	13,928	24.6
Property Development	68,047	(125)	68,172	-54537.6
Investment	40,090	9,957	30,133	302.6
Elimination	(55,038)	(30,788)	(24,250)	78.8
Consolidated GP	234,681	98,473	136,208	138.3

GP margin	FY2025	FY2024
Construction	7.1%	5.7%
Manufacturing and Trading	21.3%	20.2%
Property Development	25.7%	-1.5%
Investment	100.0%	100.0%
Consolidated GP margin	12.2%	8.2%

- Construction Division: Revenue rose on the back of a sizable carried-forward order book of RM3.1 billion as at 31 December 2024, complemented by record-high new project wins totaling RM2.8 billion during FY2025.
- Manufacturing & Trading Division: Higher revenue was achieved through accelerated production and fulfillment of existing orders, underpinned by expanded manufacturing capacity.
- Property Development Division: Revenue growth was supported by the successful launch and sales of the Pinegate Residency serviced apartment project in Johor Bahru.
- Investment Division: Revenue was largely contributed by interest income received from companies within the Group.

GP across all business divisions improved in FY2025, supported by higher revenue and enhanced margins arising from economies of scale at increased levels of operation.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Position

Shareholders' equity increased from RM761.60 million as at 31 December 2024 to RM911.84 million as at 31 December 2025, mainly contributed by total comprehensive income attributable to owners of the Company of RM104.47 million, and proceeds from issuance of shares of RM42.05 million.

Non-current assets increased from RM651.06 million as at 31 December 2024 to RM760.121 million as at 31 December 2025, mainly due to the acquisition of properties, plant and equipment ("PPE") to meet the requirements of higher scale of operation, and increase in land bank for future property development.

Current assets increased from RM1.41 billion as at 31 December 2024 to RM1.75 billion as at 31 December 2025, mainly due to the increase in trade and other receivables and contract assets, in line with higher scale of operation.

Current liabilities increased from RM996.52 million as at 31 December 2024 to RM1.26 billion as at 31 December 2025, mainly due to higher trade and other payables, and loans and borrowings, in line with higher scale of operation.

Non-current liabilities increased from RM280.14 million as at 31 December 2024 to RM305.94 million as at 31 December 2025 mainly due to higher loans and borrowings.

Net gearing ratio as at 31 December 2025 was at 0.41 times.

Cash Flow

For FY2025, net cash generated from operating activities amounted to RM133.83 million, reflecting higher profit achieved during the year. Net cash used in investing activities totalled RM83.22 million, primarily attributable to acquisitions of PPE and advances to associate. Net cash used in financing activities stood at RM2.06 million.



MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS AND OUTLOOK

Focus and Strategies for 2026		
Construction Division:	Manufacturing Division:	Property Development Division:
- Focus in timely execution of projects in hand - Adopt selective and cautious bidding for new projects, mindful of geopolitical uncertainties in the Middle East - Continue undertaking in-house projects	Bid for precast products orders in Singapore and Malaysia, with emphasis on MRT and rail line projects	- Progress ongoing developments: Arden Residence, Pinegate Residency, and Taman Nusa Melati (Total GDV: RM1.695 billion) - Launch Lino Residence (GDV: RM205 million), subject to market sentiment - Advance development planning for existing land bank assets

Construction and Manufacturing Divisions

As at 31 December 2025, the Group's outstanding order book stood at approximately RM4.47 billion for construction and RM0.26 billion for manufacturing, contributed by numerous construction and supply contracts.

Our on-going projects and sales orders comprise contracts secured from, amongst other, Samling Resources Sdn. Bhd., Eco World Development Group Berhad group, UEM Sunrise Bhd Group, S P Setia Bhd Group and China Communications Construction Company Ltd. Our on-going projects and sales orders include the following:

- the Sarawak-Sabah Link Road Project for a contract sum of RM0.78 billion. The estimated completion period of the project is year 2026;
- Main building works for 2 blocks of serviced apartments and ancillary buildings in Mukim of Pulai, Daerah Johor Bahru, Johor for a contract sum of RM271.55 million. The estimated completion period of the project is year 2028; and
- Few sales orders for the supply of IBS components, tunnel lining segments ("TLS") and rail sleepers to Singapore MRT project. The estimated completion period of these sales orders is up to year 2028.



Property Development Division

In 2025,

- the Group launched the Pinegate Residency and Taman Nusa Melati, with a combined estimated gross development value ("GDV") of approximately RM890 million. As at 31 December 2025, future gross revenue to be recognised from secured sales amounted to RM142 million.
- The Group's associate company, Astaka Kimlun Sdn. Bhd. ("AKSB"), launched a service apartment development in Johor Bahru, Johor, known as Arden Residence, with an estimated GDV of approximately RM810 million. As at 31 December 2025, future gross revenue to be recognised by AKSB from secured sales stood at RM550 million.

Subject to market sentiment and barring unforeseen circumstances, the Group expects to launch Lino Residence in the last quarter of 2026, with an estimated GDV of approximately RM205 million.

Barring unforeseen circumstances, the sizeable construction and manufacturing balance orders, together with unbilled property sales, provides strong earnings visibility and is expected to sustain the Group's activities over the next few years.



MANAGEMENT DISCUSSION AND ANALYSIS

Challenges and Risks

As in any business, the Group is subject to various challenges and risks. Please refer to pages 98 to 99 of this Annual Report for nature of the key risks and the Group's control measures to mitigate them.

In addition, the Group is exposed to challenges arising from geopolitical tensions. The ongoing Middle East conflict has disrupted global crude oil supply, driving energy prices higher and cascading into transport, logistics, and manufacturing sectors.

Construction material costs are also escalating. If this trend continues, margins are expected to come under pressure, and some developers may defer new projects. As the conflict continues to evolve, the extent and duration of its impact on our businesses remain difficult to predict.

In response, the Group will adopt a cautious approach to bidding and new launches, while leveraging its strong track record, extensive industry experience, and continued support from bankers to navigate uncertainties.

DIVIDEND POLICY

While we do not adopt a formal dividend policy, our Company has been declaring dividends every year since its listing on the Main Market of Bursa Malaysia Securities Berhad in 2010. In respect of FY2025, the Board recommends a final single tier dividend of 4.0 sen per ordinary share. The recommended final dividend is subject to the shareholders' approval at the forthcoming Annual General Meeting.

Our Company is always mindful to reward our loyal shareholders who have supported our growth over the years while trying to strike a balance with the funding needs of our business operation and expansion.



SUSTAINABILITY STATEMENT



ABOUT THE STATEMENT

The Board of Directors (“the Board”) of Kimlun Corporation Berhad (“Kimlun” or “the Company”) recognises the importance of embedding sustainability principles encompassing economic, environmental, social and governance factors into the long-term strategy and business direction of Kimlun and its subsidiaries (“Kimlun Group” or “the Group”). In line with this commitment, the Group is pleased to present its Annual Sustainability Statement (“SS 2025” or “this Statement”) for the financial year ended 31 December 2025 (“FY2025”).



SUSTAINABILITY STATEMENT

Reporting Period

This Statement covers the period from 1 January 2025 to 31 December 2025 (the Reporting Period). To complete the comprehensive suite of data contained in this statement, some content considers previous years information and data.

Scope of Report

This Statement outlines Kimlun's strategies, performance, priorities, and targets in addressing sustainability matters across the economic, environmental, social, and governance ("EESG") dimensions for the financial year under review.

Unless otherwise stated, the reporting scope covers Kimlun Sdn. Bhd. ("KLSB") and SPC Industries Sdn. Bhd. ("SPC"), which represent the Group's Construction and Engineering division and precast concrete manufacturing business, respectively. Collectively, these two (2) entities contribute more than 95% of the Kimlun Group's total revenue and therefore represent the Group's most significant operational activities.

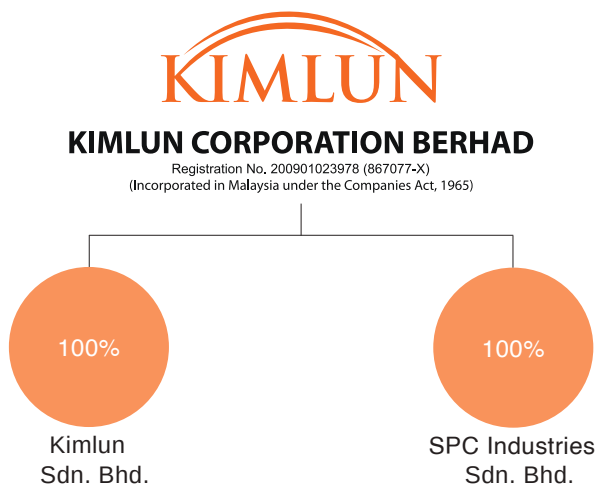
Construction projects with a contract value below RM20 million or with a completion rate of 90% or above as at 31 December 2025 are excluded from the reporting boundary, as data collection efforts are focused on projects with more significant scale and operational activities. Operations within the reporting scope are conducted at the Group's headquarters in Johor Bahru, two (2) precast manufacturing plants, four (4) offices, and various construction project sites. For community contributions and employee-related performance data, including employee training, employee turnover, workforce profile, and diversity, the reporting coverage extends to the entire Kimlun Group, unless otherwise stated.

This Sustainability Statement contains forward-looking statements. Information presented in SS 2025 regarding plans, targets, and expectations is based on reasonable assumptions and current business conditions. Actual outcomes may differ as the Group continues to adapt its strategies and operational decisions in response to evolving risks, opportunities, and changing circumstances.

Reporting Frameworks and Standards

This Statement has been prepared in accordance with the latest amendments released by Bursa Malaysia's Main Market Listing Requirements ("MMLR") under Practice Note 9A, Part A of Annexure Practice Note 9A-A and relevant sustainability reporting best practices. Where appropriate, the Group has also considered elements of the IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2) issued by the International Sustainability Standards Board (ISSB) in shaping its sustainability disclosures and approach to managing sustainability-related risks and opportunities.

The Company measures its greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. To identify and categorise value chain emissions, the GHG Protocol Corporate Value Chain (Scope 3) Standard (2011), which defines two (2) out of the fifteen (15) categories of Scope 3 emissions, has been applied. The reporting boundary for GHG emissions encompasses both the organisational and operational boundaries of the Company, ensuring consistency with its financial reporting boundary.



SUSTAINABILITY STATEMENT

Data Measurement and Methodology

The sustainability data and performance indicators presented in this Statement are derived from internal records and information provided by the respective operating entities within the reporting scope. The Group has implemented internal processes to collect, validate, and consolidate the relevant sustainability data to ensure reasonable accuracy and reliability. We use emission factors (EF) from the UK Department for Energy Security and Net Zero (DESNZ) or colloquially known as DEFRA UK in the absence of local EFs for the calculation of Scope 1, Scope 2 and Scope 3 emissions. Where estimates or assumptions are required, they are based on reasonable methodologies and the best available information at the time of reporting.

Restatement of Data

Where relevant, previously reported sustainability data may be restated to reflect improvements in data collection processes, updates in calculation methodologies, or corrections to previously reported information. Such restatements are undertaken to enhance the accuracy, consistency, and comparability of the Group's sustainability performance data. Any material restatements are disclosed and explained within the relevant sections of the Sustainability Statement.

Statement of Assurance

This Sustainability Statement has not undergone external or internal assurance. The information and data disclosed have been reviewed by the respective data owners and business divisions to ensure that SS 2025 provides a fair and accurate account of the Kimlun Group's sustainability performance, initiatives, and outcomes.

This Sustainability Statement has been prepared and approved in accordance with the resolution of the Board of Directors dated 8 April 2026.

Report Access and Feedback

The online version of this Statement is available for download on the website of Bursa Securities Malaysia ("Bursa Malaysia") (<https://www.bursamalaysia.com/>) and that of Kimlun Corporation Berhad (<https://www.kimlun.com>).

For feedback or inquiries related to this Sustainability Statement, please contact our Investor Relations team at info@kimlun.com.

SUSTAINABILITY STRATEGY STATEMENT

At Kimlun, our sustainability strategy focuses on delivering integrated construction services and solutions that create long-term value for our clients, employees, shareholders, and the communities in which we operate. Guided by our core values of Knowledge, Integrity, Moral Responsibility, Leadership, Unity, and Innovation, we strive to embed safe, environmentally responsible, and socially conscious practices across all our business segments, including Construction & Engineering, Industrialised Building Systems ("IBS"), Precast Concrete, Property Development, and Quarry Products.

Aligned with Kimlun's Vision, we aim to compete and lead not only in terms of quality and profitability, but also in advancing sustainable and innovative construction practices. Through our IBS and Precast Concrete capabilities, the Group is well positioned to promote more efficient and lower-carbon construction methods that support the evolving needs of the built environment in Southeast Asia.

We remain committed to fostering a safe and inclusive workplace, supporting employee development and well-being, and maintaining trust, integrity, and fairness in all our business relationships. By integrating sustainability considerations into our operations and decision-making processes, the Group seeks to balance business growth with environmental stewardship and social responsibility.

Through this approach, Kimlun aims to create long-term value for stakeholders while contributing to the sustainable development of the communities and markets in which we operate.

SUSTAINABILITY STATEMENT

ESG PERFORMANCE AND SUSTAINABILITY COMMITMENTS

The Group remains committed to strengthening its environmental, social and governance (“ESG”) performance as part of its long-term business strategy and value creation for stakeholders. In line with this commitment, the Board of Directors provides oversight on the Group’s sustainability agenda and has approved a set of ESG targets for the FY2025.

The following table outlines the Group’s ESG targets for the FY2025, which have been established to support the effective management of our key Sustainability Material Matters. These targets reflect the Group’s commitment to strengthening environmental stewardship, promoting responsible social practices, and maintaining strong governance standards across our operations. Progress against these targets will be monitored throughout the year and reviewed periodically to ensure alignment with the Group’s sustainability priorities and continuous improvement in ESG performance.

	Topics	Indicators	Our Targets	2025 Progress
Governance	Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category	100% of new hires attended ABC training	Achieved , 100% of new hires attended ABC training On going : 93% of local employees participated in annual training on ethical standards and anti-corruption
		Percentage of operations assessed for corruption-related risks	Maintain 100% assessment for all operations	Achieved , 100% operations assessed for corruption-related risks
		Confirmed incidents of corruption and action taken	Maintain zero corruption incidences	Achieved , Zero corruption incidences
	Data Privacy and Security	Number of confirmed incidents of breaches of customer privacy and loss of customer data	Maintain zero incidences of data privacy and security breaches	Achieved , Zero confirmed incidents
Social Well-being	Health and Safety	Number of work-related fatalities	Maintain zero work-related fatalities	Safety work-in-progress : Three (3) fatal accidents were recorded. Immediate mitigation and corrective actions have been taken to enhance safety management and prevent recurrence.
		Lost time incident rate (“LTIR”)	Maintain Zero (0) LTIR for FY2025	Work-in-progress : LTIR for FY2025 is 0.06
		Number of employees trained on health and safety standards	Ensure 100% of new hires are trained on health and safety standard	Achieved , 100% new hires trained

SUSTAINABILITY STATEMENT

	Topics	Indicators	Our Targets	2025 Progress
Social Well-being	Labour Practices and Standards	Total hours of training by employee category	To achieve an average of 6 hours per eligible employees (Kimlun's Executives and above) for external training	Achieved , 8,523.5 hours training achieved – an average 16.49 hours per employees based on 517 employees
		Number of substantiated complaints concerning human rights violations	Zero substantiated complaints on human rights violations	Achieved , Zero complaints on human rights violations
	Impact on Local Community (Local Procurement)	Proportion of spending on local suppliers	At least 90% spending on local suppliers	Achieved , 98% spending on local suppliers
Environmental Stewardship	Resource Management	Quality and Cost Management of precast manufacturing operations	Product rejection rate of no more than 1%	Achieved , FY2025 and FY2024 rejection rate was 0.19% and 0.66%, respectively.

SUSTAINABILITY GOVERNANCE

Why It Matters

Oversight and management of ESG issues from the Board level ensures that Kimlun's management procedures are effective and that adequate resources are allocated to improve our ESG performance. By virtue of the ongoing attention of the Board and the active executive engagement in ESG topics, we strengthen the integrity of our corporate governance structure and enhance the Company's global competitiveness.

Sustainability Governance Structure

Kimlun is committed to embedding sustainability into its business strategies and governance framework. The Board of Kimlun holds ultimate responsibility for ensuring the integration of sustainability considerations across the Group's operations, including the management of climate-related risks and opportunities.

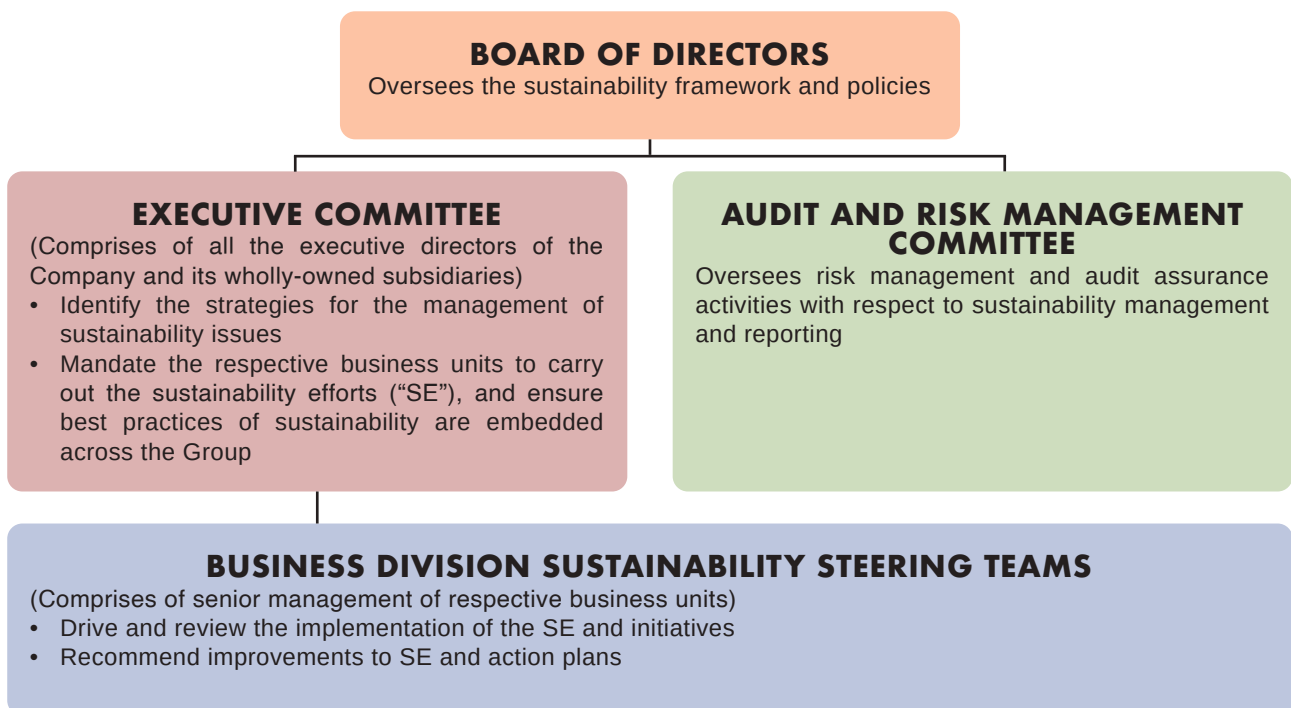
The Audit and Risk Management Committee ("ARMC") plays a crucial role in providing oversight for sustainability-related risk management activities. The ARMC also supports the Board in evaluating the adequacy and effectiveness of the Group's risk management and internal control systems, including sustainability assurance and reporting.

The Executive Committee, comprising all Executive Directors of the Company and its wholly owned subsidiaries, leads the development and execution of sustainability strategies. The Committee plays a pivotal role in driving the Group's sustainability initiatives by setting and pursuing sustainability targets, overseeing the implementation of strategies, and measuring progress.

SUSTAINABILITY STATEMENT

In addition to the leadership provided by the Executive Committee, in-scope businesses such as the Construction and Engineering segment, as well as the pre-cast concrete manufacturing business, have proactively established dedicated Business Division Sustainability Steering Teams. These teams, consisting of senior management from various business units, are responsible for driving and overseeing the implementation of sustainability initiatives. The teams are also tasked with monitoring progress and ensuring continuous improvement.

The roles and responsibilities for the Board of Kimlun, Executive Committee, ARMC and Business Division Sustainability Steering Teams can be summarised as follows:



STAKEHOLDER ENGAGEMENT

Why It Matters

The Group is committed to creating long-term value for all our stakeholders. The Group strives to foster closer relationships with our diverse stakeholders, ensuring their needs and concerns are incorporated into the development of Kimlun's sustainability initiatives and strategies.

Our Approach

Stakeholder engagement takes place through a range of communication methods, including online platforms, meetings, seminars and face-to-face interactions. Details of our key stakeholders and their engagement activities are presented in the stakeholder engagement table below. The table below outlines key engagement activities, expectations and their concerns for each group of stakeholders.

SUSTAINABILITY STATEMENT

Stakeholders	Mode of Engagement	Frequency of Engagement	Key Sustainability Issues or Areas of Interest
Shareholders/ Investors 	• General Meeting	• Annually • Ad hoc	• Company performance • Dividends • Business strategy and plans • Corporate governance • Internal control and risk management
	• Annual report	• Annually	
	• Quarterly results announcement	• Quarterly	
	• Website with a dedicated investor relations section	• Updated on a timely basis for announcements/ regularly for other sections	
	• Analyst briefings	• Ad hoc	
	• Media interviews and releases	• Ad hoc	
Customers 	• Technical presentation	• Ad hoc	• Increase visibility • Relationship management • Quality and reliability of products and services • Project management • Pricing • On-time delivery of projects
	• Direct engagements	• Regularly	
	• On-site meetings	• Regularly	
	• Quality management	• Regularly	
	• Participation in the bidding process	• Regularly	
Suppliers/ Contractors/ Consultants 	• Direct engagements	• Regularly	• Relationship management • Quality of products and services • Project management • Cost control • Occupational health and safety
	• On-site meetings and/or inspections	• Regularly	
	• Suppliers and contractors' performance evaluation	• Upon project completion (subcontractor performance evaluation) • Annually (Supplier Performance evaluation)	
Government and regulatory authorities 	• Meetings and consultations	• Ad hoc	• Regulatory compliance • Approvals, permits or licences • Standard and certification
	• Training	• Periodically	
	• Standard operating procedures	• Daily	
Employees 	• Employee induction training	• Upon commencement of employment - induction programme conducted on the first day of reporting duty for all new hires.	• Career development and enhancement • Fair employment practices • Workplace conduciveness • Safety, health and welfare
	• Training and development programmes	• Regularly	
	• Performance appraisals	• Annually	
	• Safety briefings	• Regularly	
	• Company activities	• Regularly	
Local Community 	• Corporate social responsibility initiatives	• Regularly	• Corporate citizenship • Contribution to the community
	• Local hiring and sourcing	• Regularly	

SUSTAINABILITY STATEMENT

MATERIAL SUSTAINABILITY MATTERS

Why It Matters

At Kimlun Group, we recognise that our material ESG matters significantly influence our ability to create sustainable and long-term value for our stakeholders. The Group identifies and prioritises these matters through a structured materiality assessment process conducted at least once every two to three years.

Our Approach

Based on the results of the materiality assessment conducted in FY2023, the Management decided to consolidate several related matters to enable a more integrated and effective management approach. These include Industrialised Building System, Sustainable Materials, Quality and Cost Management, Energy Management, and Water Management.

The assessment process initially identified 20 ESG issues relevant to the Group, each were then evaluated for their impact materiality perspective. Following this evaluation, the Group streamlined its sustainability focus to these 10 key material matters. The refreshed material matters were reviewed and approved by the Board of Directors.

As there have been no significant changes to our business model, stakeholder expectations, operating environment, or risk landscape since the FY2024 validation exercise, we have determined that the previously identified material ESG matters remain relevant and valid for FY2025. Accordingly, a new materiality assessment was not conducted during this reporting period.

In 2025, the Group's materiality assessment metrics and the materiality matrix have been reviewed and approved by the Board of Directors for guiding the Company's sustainability strategies and actions.

Kimlun Group remains committed to managing these material ESG matters through a structured sustainability framework. We continue to monitor emerging developments, assess potential risks and opportunities, and strengthen our management approaches to support sustainable business growth and long-term value creation.

Materiality Assessment Process

Kimlun Group's materiality assessment process consists of three key phases:

PHASE 1: Identification of Material Matters

Based on the features of the industry, an initial issue pool that is material to the company was created.

- Review internal data
- Conduct internal survey through questionnaire
- Analyse current ESG status and trends
- Research internationally recognised standard requirements
- Understand industry issues and trends

The Group reviewed the identified Material Sustainability Matters and subsequently consolidated to provide a more comprehensive and streamlined approach.

PHASE 2: Assessment and Prioritisation of Key Material Matters

Each identified issue was evaluated to determine its significance to the Group and its stakeholders.

- Evaluate the environmental and social impact from our business operations
- Review internal data
- Conduct internal and external stakeholder survey online to gather insights and perspectives
- Analyse industry common key issues
- Assess the impact types of issues (actual or potential, severity and likelihood of the impact).

This process enabled the Group to prioritise ESG matters that are most significant to both stakeholders and the business.

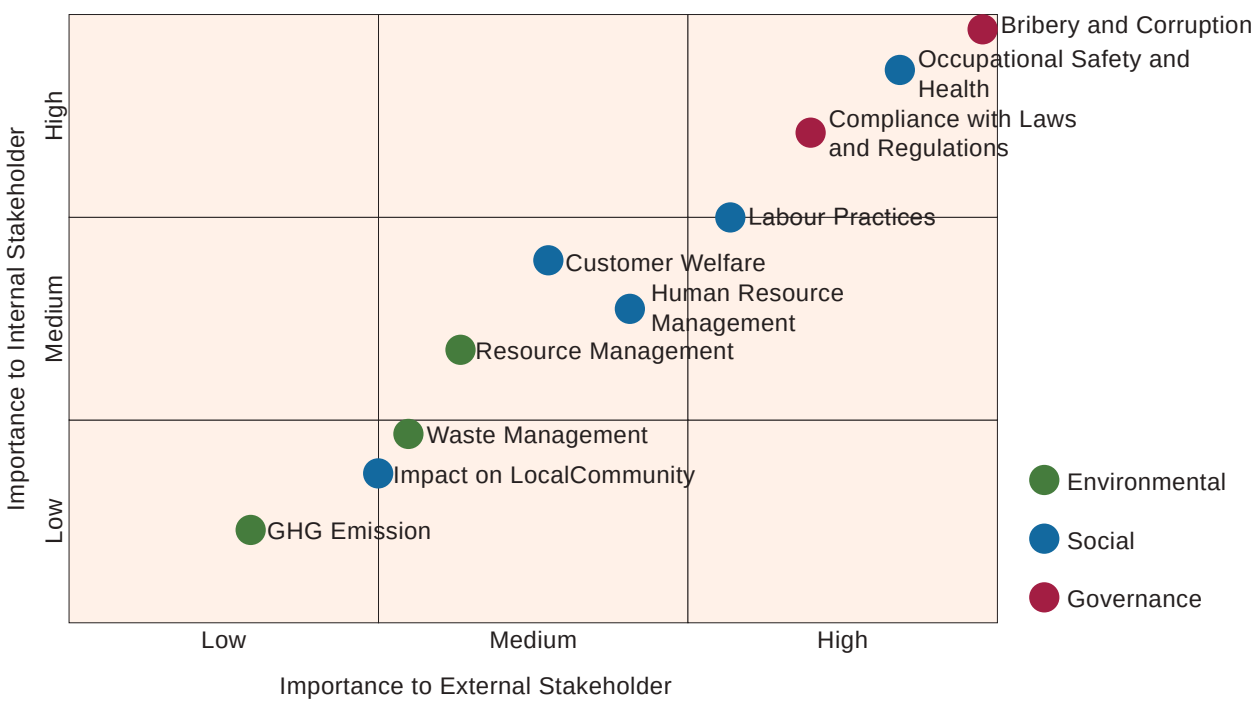
SUSTAINABILITY STATEMENT

PHASE 3: Review and Validation of Material Matters

The prioritised ESG issues were then reviewed and validated through the following steps:

- Review and prioritize material issues
- Conduct in-depth evaluation based on their environmental, social and governance impact
- Select 10 material issues, and develop corresponding strategies aligned with ESG goals for each issue.
- The results of the survey were then used to derive a refreshed Materiality Matrix, aligning Kimlun's sustainability strategy with evolving stakeholder expectations, industry developments and business requirements.
- The Materiality Matrix was reviewed by the various Sustainability Steering teams and Executive Committee and subsequently tabled to the Board for approval.
- The Board of Directors has reviewed the refreshed material topics and subsequently approved the changes.

MATERIALITY MATRIX



Below illustrates Group's Materiality Sustainability Matters:

ENVIRONMENT

1. Resource Management
2. Greenhouse Gas Emissions
3. Waste Management

SOCIAL

4. Occupational Safety and Health
5. Labour Practices
6. Human Resource Management
7. Customer Welfare
8. Impact on Local Communities

GOVERNANCE

9. Bribery and Corruption
10. Compliance with Laws and Regulations

SUSTAINABILITY STATEMENT

GOVERNANCE



The Board recognises that good governance in its business conduct is fundamental to the protection and enhancement of shareholders' value. Accordingly, the Board is committed to ensuring that high standards of corporate governance are maintained across Kimlun Corporation Berhad and its subsidiaries.

BRIBERY AND CORRUPTION

Anti-Bribery and Anti-Corruption

Why It Matters

Operating in a highly regulated environment, Kimlun Group faces risks of non-compliance with evolving laws and regulations, including those relating to anti-bribery and corruption, anti-money laundering, counter-terrorism financing, competition laws, data protection, economic sanctions, as well as environmental and safety standards. Increasing regulatory scrutiny and enforcement actions further heighten the potential legal, financial and reputational risks associated with unethical business conduct.

The Group is committed to conducting its business with the highest standards of integrity, transparency and accountability. We adopt a zero-tolerance approach towards all forms of bribery and corruption such as bribes, kickbacks, or improper payments, facilitation payments, money laundering, obstruction of justice etc., and are committed to acting professionally, fairly and ethically in all our business dealings and relationships.

To support this commitment, the Group implements and enforces appropriate policies, procedures and internal controls designed to prevent, detect and address bribery and corruption risks across our operations. These measures aim to promote a strong culture of ethical conduct while safeguarding the Group's reputation and maintaining the trust of our stakeholders.

Management Structure and Policies

As part of this ongoing commitment, the Board has established a robust Anti-Bribery and Anti-Corruption Policy ("ABAC Policy"), which continues to apply to all Directors and employees, as well as to our business associates, including contractors, suppliers, consultants, agents, representatives, and service providers engaged to perform work for or on behalf of the Group.

The ABAC Policy, accessible on Kimlun's corporate website at <https://www.kimlun.com>, underscores the Group's zero-tolerance approach towards bribery and corruption. It sets out clear expectations and guidance on managing high-risk areas, including:

- Gifts, entertainment, and hospitality
- Donations and sponsorships
- Facilitation payments
- Interactions with public officials
- Conflict of interest situations

The performance of our anti-bribery and anti-corruption framework is oversight by The Board and Audit and Risk Management Committee's on the progress of implementation, actions taken to maintain a zero-corruption workplace.

In line with our commitment to strengthening governance practices, KLSB plans to obtain certification under the ISO 37001 Anti-Bribery Management Systems by 2027, which will further enhance the Group's anti-bribery and anti-corruption management framework.

SUSTAINABILITY STATEMENT

Risks	Opportunities
- Exposure to corruption risks within the Group and across our supply chain. - Legal, regulatory and reputational risks from incidents of bribery or corruption may result in loss of project bidding opportunities.	- Companies known for ethical behaviour are more likely to attract skilled employees and responsible investors who want to be associated with trustworthy and value-driven organisations. - Becoming a preferred business partner among reputable suppliers, clients and collaborators.

Our Approach

Regular Risk Assessment

We continue to apply a risk-based approach by conducting periodic corruption risk assessments to identify, evaluate, and prioritise potential risk areas. These assessments are integrated into the Group's annual enterprise risk management process. All business divisions across the Group undergo corruption risk assessments, and appropriate mitigation controls are implemented based on the level of exposure identified.

Communication and Training

The ABAC Policy is communicated regularly to the Board of Directors, employees, and selected business associates operating in higher-risk areas. Furthermore, targeted anti-bribery and anti-corruption training is provided to individuals in roles with elevated exposure to corruption risks, ensuring they remain equipped to uphold the Group's ethical standards and responsible business conduct.

Kimlun remains committed to ethical business practices by mandating anti-bribery and corruption training for all new employees, as well as conducting refresher training whenever there are updates to Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009.

Indicator	Percentage of Employees Who Have Received Training on Anti-Bribery and Anti-Corruption by Employee Category ¹			
Employee Category	Unit	FY2023	FY2024	FY2025
Senior Management	%	100.00	3.70	82.05
Management	%	83.93	20.69	87.88
Executive	%	95.71	0.29	98.68
Non-Executive	%	18.23	13.39	91.73
Total Employees Received ABAC Training	%	44.61	10.05	93.23
Total New Hires Received ABAC Training	%	-	-	100

Note: 1. Only local employees of Kimlun Group are accounted for.

Indicator	Unit	FY2023	FY2024	FY2025
Percentage of operations assessed for corruption-related risks	%	100	100	100
Number of confirmed incidents of Corruption and Action Taken	Number	0	0	0

SUSTAINABILITY STATEMENT

Whistleblowing

Why It Matters

The Group is committed to achieving and maintaining the highest standards of integrity, openness, probity and accountability in the conduct of its businesses and operations. We aspire to conduct our affairs in an ethical, responsible and transparent manner.

Management Policies

The Group has implemented a whistleblowing mechanism, formalised under the Whistle Blowing Policy and Procedures ("WBPP"), to support the reporting of unethical conduct, malpractice, bullying or harassment, unlawful activities, all form of bribery and corruption or non-compliance with regulatory requirements. The mechanism is designed to promote a culture of transparency and accountability, providing both employees and external stakeholders with a safe avenue to raise legitimate concerns without fear of retaliation, victimisation, or discrimination.

Our Approach

Reporting and Incident Investigation Procedures

To ensure independence and impartiality, the WBPP includes a dedicated reporting channel that allows disclosures to be made directly to the Chairman of the ARMC for objective review and appropriate follow-up. For the reporting period of FY2025, zero incidents of corruption were reported through the Group's whistleblowing channels.

The Group's WBPP is accessible on our corporate website at <https://www.kimlun.com>.

COMPLIANCE WITH LAWS AND REGULATIONS

Data Privacy and Security

Why It Matters

In today's rapidly evolving digital environment, cybersecurity threats, data breaches and technology-related vulnerabilities continue to increase in both sophistication and frequency. The global rise in ransomware attacks, phishing attempts, system intrusions and the misuse of personal data underscore the growing importance of effective cybersecurity and data protection practices.

As a Group, we recognise the critical importance of safeguarding our information technology ("IT") infrastructure, business systems and sensitive information, including personal data entrusted to us by our stakeholders. Robust data privacy and security practices are essential to maintaining stakeholder trust, ensuring regulatory compliance and protecting the integrity of our operations.

In addition, weaknesses in IT governance, internal process inefficiencies, system failures or evolving digital risks could disrupt operations and negatively impact project execution, product quality, timelines and cost management. As our business continues to adopt digital tools and technologies, strengthening cybersecurity resilience and protecting data assets remain key priorities for the Group.

Management Policies

Disclosure Policy and Shareholder Communication: Kimlun emphasizes high standards of transparency through timely announcements to Bursa Securities, investor relations programs, and maintaining an updated corporate website.

SUSTAINABILITY STATEMENT

Our Board of Directors and employees are required to adhere to corporate disclosure guidelines in compliance with the Main Market Listing Requirements and Personal Data Protection Act 2010 (“PDPA”), ensuring strict control over sensitive information and preventing the misuse of insider information for personal gain, such as insider trading. Employees are also guided by the KLSB’s Information Technology Policy, which outlines protocols for handling customer and personal data, responsible usage of IT systems, maintaining cyber hygiene and reduce exposure to digital threats.

Risks	Opportunities
- Data loss or corruption resulting from system failures or unsuccessful system recovery processes may disrupt business operations, potentially leading to project delays, operational inefficiencies, revenue loss and the risk of delays in obtaining or renewing regulatory permits. - Weak cybersecurity practices or data handling controls among third parties could expose the Group to indirect data breaches or unauthorised data disclosures beyond the Group’s direct control leading to reputational damage, reduced customer trust and legal implications - Non-compliance with data protection and cybersecurity regulations may expose the Group to legal action, financial penalties, and increased scrutiny from regulators.	- Building stakeholder and employee awareness on data protection and accountability - The Group can strengthen business continuity and operational resilience - Strong data privacy and security practices enhances stakeholder trust and confidence

Our Approach

Information Security

To address these risks proactively, we engage qualified third-party professional service providers to manage and strengthen our IT systems, security controls, and network resilience in alignment with Kimlun’s internal IT security requirements. This partnership ensures continuous monitoring, timely threat response, and adherence to industry-relevant best practices.

All Board members and employees are required to comply with corporate disclosure guidelines in line with the Main Market Listing Requirements and PDPA, ensuring strict management of sensitive information and preventing misuse such as insider trading. Through these measures, we aim to prevent IT-related incidents through structured policies and continuous awareness.

Data Privacy Risk Assessment

The Group has also conducted thorough assessments across all operations to identify corruption-related risks as part of our ongoing risk management practices. The Group remained committed to maintaining full (100%) operational assessment throughout FY2025. To date, the Group is pleased to report zero data privacy breaches, reflecting the effectiveness of our controls and our commitment to maintaining a secure and trusted digital environment.

Indicator	Unit	FY2023	FY2024	FY2025
Number of Confirmed Incidents of Breaches of Customer Privacy and Loss of Customer Data	Number	0	0	0

SUSTAINABILITY STATEMENT

Compliance

Why It Matters

Operating in the construction and built environment sector exposes Kimlun to a broad regulatory landscape spanning environmental protection, workplace health and safety, labour practices, and corporate governance. Non-compliance carries direct financial consequences such as fines, project stoppages, and reputational damage, as well as indirect risks to client relationships, contract eligibility, and our social licence to operate. Conversely, a demonstrable culture of compliance strengthens stakeholder trust, supports access to quality contracts and partnerships, and underpins the long-term resilience of our business.

Our Approach in Compliance with Laws and Regulations

Kimlun conducts its business in full accordance with applicable laws, regulations, and industry standards. We maintain robust corporate governance practices and continuously review our internal controls, policies, and procedures to keep pace with evolving regulatory requirements and emerging best practices.

Regulatory Compliance Monitoring

KLSB and SPC maintains a Health, Safety and Environment (“HS&E”) legal register to track applicable regulatory requirements, reviewed and updated annually to reflect legislative changes. The Group also monitors and records any notices, warnings, or compounds issued by regulatory authorities as part of its ongoing compliance management process.

Compliance with HS&E regulatory requirements is further supported through KLSB and SPC’s certified management systems under ISO 45001 (Occupational Health and Safety Management System) and ISO 14001 (Environmental Management System), which provide a structured framework for monitoring, managing and improving regulatory compliance across operations. Internal audits are conducted at least once annually under each certified system, complemented by independent external audits performed by accredited certification bodies.

Progress

In FY2025, the Group recorded 44 cases of non-compliance with applicable laws and regulations, resulting in fines and penalties. These cases related primarily to health and safety offences i.e. mosquito larva breeding and housekeeping. In response, the Group conducted safety and health inspections across all affected sites and areas, and all compounds and penalties have been duly settled.

Kimlun views each instance of non-compliance as an opportunity to strengthen its systems and prevent recurrence. Through rigorous governance, proactive monitoring, and a commitment to continuous improvement, we reinforce a culture of ethical conduct, transparency, and accountability across all operations.

Ethical Business Practices

Why It Matters

We recognise the potential harm that unethical practices can cause to our operations, reputation, and stakeholder trust. To protect our Company and stakeholders against unethical practices, we are committed to ensuring that our people, processes and operations comply with all applicable laws, regulations and policies, including the MACC Act 2009.

Management Structure and Policies

The Board plays a central role in defining, promoting, and upholding the ethical standards that guide the Group’s business conduct and operational practices.

SUSTAINABILITY STATEMENT

To support this commitment, the Board has established a comprehensive Corporate Code of Conduct (“the Code”). This policy establishes the ethical principles, standards and expectations for all Directors and employees required to maintain a culture of integrity, professionalism, and accountability. It covers core areas such as compliance with laws, fair dealing, safeguarding confidential information, and reporting illegal or unethical behaviour. Key areas covered include:

- Avoiding or declaring conflicts of interest
- Safeguarding and responsibly managing confidential information
- Ensuring fair, honest, objective, and integrity-driven dealings with stakeholders
- Upholding anti-corruption and anti-bribery principles
- Maintaining good employment practices, including:
 - o Non-discrimination
 - o Zero tolerance for harassment
 - o Respect for personal data and privacy rights

Our Approach

All Directors and employees receive an introduction to the Code upon their appointment or commencement of employment, ensuring alignment with the ethical culture and corporate values that the Group is committed to upholding.

The Code is publicly available on Kimlun’s corporate website at <https://www.kimlun.com>, reinforcing the Group’s commitment to transparency, accountability, and strong corporate governance.



SUSTAINABILITY STATEMENT

SOCIAL WELL-BEING



We remain committed to strengthening our social impact by fostering a safe, inclusive, and supportive workplace, deepening meaningful community engagement, and upholding the highest standards of ethical and responsible business conduct. As a Group, we recognise that sustainability goes beyond environmental responsibility and extends to the well-being of our stakeholders.

OCCUPATIONAL SAFETY AND HEALTH

Why It Matters

Occupational safety and health are a critical priority in our business and integral to our sustainable growth. Aligned with ISO 45001 standard and local regulations, our Occupational Safety and Health (“OSH”) policies span all operational scenarios, establishing closed-loop processes from risk assessment and safety training to emergency response. By continuously refining practices, empowering employees, and collaborating with partners, we embed health and safety into every facet of operations and safeguard lives.

Management Structure and Policies

The Group is committed to maintaining a safe and healthy workplace through structured policies, rigorous monitoring, and continuous improvement of our safety, health, and environmental (“SHE”/ “HSE”) management practices across all business operations.

The Group has maintained ISO 45001:2018 – Occupational Health and Safety Management System certification for both KLSB and SPC to ensure effective occupational health and safety management systems through a structured framework for hazard identification, risk assessment, and workplace safety management. All project sites and factories of KLSB & SPC is covered by ISO 45001:2018.

We continually strive to improve the performance of our OSH management system, in compliance with the Occupational Safety and Health Act (Amendment 2022). The OSH performance is oversight by Board to manage health and safety risk. Accident cases will be reported and discussed during Board meeting. The Group has established Occupational Safety and Health (“OSH”) Committees to provide oversight of safety and health matters across our operations. These committees are responsible for enforcing safety policies, recommending continuous improvements, and fostering effective communication between management and employees at all levels. Regular meetings are convened to monitor safety performance, review incidents and near-misses, and ensure timely implementation of corrective and preventive actions.

The OSH Committees play a vital roles and responsibilities in maintaining workplace safety, include:

- Identifying and assessing potential workplace hazards, summarized in a risk assessment report.
- Formulating emergency response plans.
- Recommending enhancements to safety practices and protection equipment when necessary.
- Conducting induction training for contractors entering project sites.
- Holding periodic toolbox briefings to reinforce safety procedures and PPE compliance.
- Performing workplace audits to ensure compliance, recording non-conformances, and following up on corrective actions.

Our Approach

Risk Assessment

We adopt a structured risk management approach to occupational safety and health. Hazards and risks are systematically identified, assessed, and mitigated through established controls. Our safety and health policies are embedded within the Group's standard operating procedures, ensuring compliance and consistency across operations.

SUSTAINABILITY STATEMENT

Safety Gear and Measures

To safeguard our workforce, we provide appropriate personal protective equipment (“PPE”) based on job requirements. Every construction site is equipped with essential safety measures such as safety nets to prevent falling or flying objects, ensuring the safety of people below or beyond the work area, as well as fire extinguishers for firefighting purposes.

Safety First Culture

Both KLSB and SPC implement a reward and penalty system to encourage compliance and proactive safety behaviour. Employees demonstrating a strong safety culture and proactive engagement in safety matters receive tokens of appreciation during safety campaigns whereas employees failing to comply with safety requirements face penalties to reinforce accountability.

Supplier and Contractor Safety

We also mandate all our contractors and sub-contractors comply with common workplace safety and health practices for their workers to align with Kimlun Group’s standards.

FY2025 HSE Awareness Program

- Conducted emergency drills and HSE briefings at project sites to strengthen emergency preparedness.
- Implemented weekly toolbox meetings to enhance workers’ safety awareness and hazard identification.
- Organised quarterly HSE training covering working at height, moving machinery awareness, tagline usage, and emergency response training.
- Launched “No Plastic Campaign” at KLSB project sites in September 2025 to reduce plastic usage.
- Introduced Recycling Campaign at SPC project sites in November 2025 to encourage responsible waste management practices.

Incident Response and Safety Improvements

We compiled and analysed safety incidents that occurred at Kimlun, creating a historical record of all such incidents. This document which includes accident categorization, statistical analysis, root cause summaries, and preventive measures serves as a reference tool for employees and the OHS Committees across all sites.

During the reporting year, the Group recorded three (3) fatal accidents and two accidents with injuries. The Group treats all safety incidents with the utmost seriousness and has implemented comprehensive corrective and preventive measures to strengthen occupational health and safety across all project sites.

Key actions include:

- Revision of Hazard Identification, Risk Assessment and Risk Control (“HIRARC”) and Standard Operating Procedures (“SOPs”), enhanced supervision during high-risk activities, and the implementation of stricter operational controls at project sites, including working at heights (“WAH”), concreting, material unloading, backhoe operations, and hardened concrete hacking.
- Enhanced supervision and enforcement to ensure real-time compliance with safety procedures, and proper use of personal protective equipment.
- Certain high-risk activities have now been classified under a stricter control framework, requiring Permit-to-Work (“PTW”) approval prior to commencement, along with the enforcement of lockout/tagout (“LOTO”) procedures for machinery. These improvements aim to strengthen risk management, reinforce safety awareness and prevent similar incidents from recurring.
- Additional safety measures, including improved machinery inspection, worksite barricading, pre-task safety briefings and specialised training for workers and operators, were also introduced.
- Targeted training and awareness programmes, including refresher toolbox meetings, safety briefings, and dedicated sessions on revised SOPs, fall protection, and hazard handling.
- Strengthened machinery and equipment safety, including thorough inspections, elimination of unsafe operational practices, and ensuring operators possess valid licences and certified training.
- Promotion of a proactive safety culture, prioritizing behaviour-based safety over documentation alone and reinforcing accountability at all levels.

SUSTAINABILITY STATEMENT

The Group takes all safety incidents seriously and is committed to implementing immediate corrective and preventive actions to prevent recurrence. Following the incidents recorded during the reporting year, detailed investigations were conducted to identify root causes and contributing factors.

The Group remains steadfast in its commitment to achieving a zero work-related fatality goal for employees and contractors each year. To support this objective, we continuously review our safety and health management systems and carry out updates and enhancements when required, adopting industry best practices and aligning them with the ISO 45001 Occupational Safety and Health Management System framework.

Safety and Health Training

The OSH Committees regularly organises in-person training sessions to continually strengthen employees' safety awareness, with a variety of safety-related topics including electrical safety, chemical safety, traffic safety, fire safety, work permits, OHS laws and regulations, occupational hazard protection, ergonomics, incidents sharing, personal protective equipment and special equipment safety.

In FY2025, a total of 293 employees were trained on health and safety standards. In addition, all 391 new hires of the Company were trained on health and safety standards. This is part of Kimlun Group's mandatory initiative to create a safer work environment, requires all new employees to attend a mandatory health and safety training as part of their orientation. The list of occupational safety and health trainings for the year are as follows:

KIMLUN SDN. BHD.
Expressway Operations Safety Passport
MiCOSH 2025: New Requirements of OSHA 1994 and its Impact to the Industries in Managing Risks Based on OSHPoP
Taklimat Pencegahan Kebakaran
Rigging & Slinging Awareness - Regulation & Its Safety
SHASSIC Awareness Course
World OSH Day 2025 Seminar: The Impacts of Digitalization and Artificial Intelligence (AI) on Workers Safety and Health
Program Keselamatan Pencegahan Kebakaran 1 RAPI
Health & Wellness Awareness Program
Understanding and Implementing OSHA (Amendment) 2022
Safety and Health Officer Enrichment Programme (SHEP)
Safety Matter 2025 Navigating Regulation, Strengthening Compliance
OSH Revolution in Construction 2025 (OSHREC'25)
Excavation Supervisor and Trenching Safety Course
The 11th MBAM Seminar on Occupational Safety & Health (OSH) & Workshop on Practical Guide for Safety Professionals' Roles & Responsibilities in Construction Design and Management (CDM)
Bengkel Penyelia Tapak Pembinaan (CSS)
Designated Person for Excavation Safety and Excavation Inspector Training
Expressway Operations Safety Passport (EOSP)
The 10th MBAM Seminar on OSH Kuching, Sarawak & Workshop on Practical Guide for Safety Professionals Roles & Responsibilities on Construction Design and Management (CDM)
Chemical Health Risk Assessment course
Lifting Supervisor, Safety and Its Regulation
Basic Occupational First Aid, CPR & AED Training
OSH National Convention and Exhibition 2025

SUSTAINABILITY STATEMENT

KIMLUN SDN. BHD.
Industrial Hygiene Seminar 2025: Enhancing Excellence in Workers' Protection
Scaffolding Safety Protocol & Inspection for Construction Site
SPC INDUSTRIES SDN. BHD.
Safe Handling of Forklift Truck Training
Hazard Identification, Risk Assessment, Risk Control (HIRARC)
Noise Management Training
Working At Height
Emergency Response Plan Training
Occupational Health Conference 2025
Overhead Crane Safety and Lifting Course
Kursus Kesedaran Awam/Kursus Pasukan Keselamatan Kebakaran (PKK)

Progress

We consistently monitor and record progress of key OSH performance indicators in its work environment to identify areas for improvement. The safety performance in FY2025 is as follows:

Indicator	Unit	FY2023	FY2024	FY2025
Number of employees who attended health and safety training ²	Number	266	248	293
Number of work-related fatalities ²	Number	0	1	3
Number of work-related lost-time incidents ²	Number	8	5	5
Lost-time incident rate ("LTIR") ³	Rate	0.23	0.10	0.06

Notes:

2. The safety performance indicators apply to all employees and subcontractor personnel of Kimlun Group;

3. Lost Time Incident Rate ("LTIR") = Number of lost time injuries in the reporting period *200,000/ Total number of hours worked in the reporting period.

* The value of 200,000 represents a standardised value of the total amount of hours that 100 employees work weekly for 40 hours for a duration of 50 weeks (100 x 40 x 50 = 200,000).

LABOUR PRACTICES

Complying with labour standards and practices is vital to safeguarding the rights and safety of all workers. The Group is committed to cultivating a fair, inclusive, and respectful workplace where all employees are treated with dignity and equality, free from discrimination and harassment. We value diversity and recognise that varied cultural backgrounds, experiences, perspectives, and age groups strengthen our workforce and enhance organisational performance.

This commitment is embedded in our Corporate Code of Conduct, which sets out clear standards of behaviour and reinforces our zero-tolerance approach to discrimination, harassment, and unethical conduct. The Code is publicly accessible on Kimlun's corporate website at <https://www.kimlun.com>.

SUSTAINABILITY STATEMENT

Employee Welfare

Why It Matters

Respecting human rights is fundamental to ethical business conduct and sustainable growth. As a responsible employer and corporate citizen, we must ensure dignity, safety and equal opportunity for all individuals connected to our business including employees, contractors and communities while managing legal, reputational and operational risks.

Management Structure and Policies

Kimlun is dedicated to upholding human rights and fair labour standards, aligned with the United Nations Global Compact's Ten Principles and all relevant legal requirements. The Company complies with applicable labour laws and regulations, including working hours, overtime regulations, living conditions, Employment Act and minimum wage requirements. An Employee Handbook guides employment practices and workplace conduct, and the Company respects employees' rights to freedom of association and collective bargaining.

Risks	Opportunities
- Forced labour - Unfair wages - Non-compliance with labour laws - Risk of project halt - Reputational damage	- Strong employee retention - Brand value

Our Approach

The Company strictly prohibits child and forced labour and ensures that children are not exposed to exploitation, unsafe environments, or harmful situations arising from its operations. All workers entering project sites must possess a valid work permit and a CIDB Green Card, both of which require age verification. Identity checks, including passport or identity card verification, are conducted to prevent child labour. We support children's rights across our operations by ensuring areas around our project sites are safe for children (traffic control, barriers, signage). We respect fundamental human rights and adhere to ethical labour practices in compliance with applicable laws and regulations, including providing proper accommodation for workers.

Grievance Mechanism

The Company maintains a transparent grievance mechanism that enables employees to report concerns related to human rights or labour practices. Reports may be submitted anonymously through a whistleblowing email channel, which is overseen by the Group CEO and the Chairman of the Audit and Risk Management Committee. We commit to providing or cooperating in remedy where it has been identified that we have caused or contributed to human rights impacts. This includes taking timely corrective actions, engaging directly with affected parties, and ensuring fair and transparent resolution processes. All grievances are assessed, documented, investigated, and closed with appropriate follow-up to prevent recurrence.

Employee Benefits

Kimlun supports employee well-being through comprehensive insurance and medical benefits. All employees are covered under Group Personal Accident (GPA) and Group Hospitalization & Surgical (GHS) insurance plans, providing financial protection in the event of unforeseen medical emergencies. Local employees receive hospital, surgical, and personal accident coverage, while foreign employees are provided with workmen's compensation insurance to ensure timely medical treatment.

To strengthen the management of labour and human rights risks, the Company is exploring the formalisation of Human Resources policies covering human rights, the prevention of forced and child labour, and workforce diversity and inclusion.

SUSTAINABILITY STATEMENT

Progress

Indicator	Unit	FY2023	FY2024	FY2025
Substantiated complaints concerning human rights violations	Number	0	0	0

HUMAN RESOURCE MANAGEMENT

Why It Matters

The construction industry is a key driver of Malaysia's economic growth, creating employment for both skilled and unskilled workers. As a Group, Kimlun Corporation Berhad contributes to national development by delivering critical infrastructure projects including roads, tunnels, railway networks that enhance connectivity, access to economic opportunities, and community well-being.

Beyond project delivery, we are committed to nurturing local talent, promoting supply chain participation, and generating long-term socio-economic value in the communities where we operate.

Risks	Opportunities
- Employee turnover can impact productivity, operational efficiency, and knowledge retention - Difficulty in attracting and retaining skilled employees may affect project delivery and business growth. - Insufficient or outdated employee skills can limit performance, innovation, and quality outcomes. - Poor HR practices or employee dissatisfaction can negatively affect the Group's reputation. - Low engagement or high attrition can weaken teamwork and cross-functional collaboration. - Potential stagnation or gaps in leadership may hinder succession planning and long-term organizational stability.	Workforce development: Implement structured training, upskilling, and career development programs to enhance employee capabilities, bridge skills gaps, and boost productivity and innovation. Succession Planning: Establish a robust leadership pipeline through mentorship, talent identification, and planned career progression, ensuring continuity and reducing risks from leadership gaps or high turnover.

Management Policies

Kimlun has established formal policies and practices to govern human resources, emphasizing ethical conduct, fair treatment, and professional development. These policies are embedded within the Group's broader governance framework. Key HR policies include:

Policy	Purpose
Corporate Code of Conduct	Guides employee behaviour, emphasizing a workplace free from discrimination and harassment, while respecting privacy rights.
Remuneration Policy for Directors and Key Senior Management	Ensures fair, performance-based compensation aligned with responsibilities and market benchmarks.
Directors' Fit and Proper Policy	Governs the appointment and re-election of Directors to ensure integrity, experience, and character.
Whistleblowing Policy & Procedure	Provides a protected channel for employees to report unethical behaviour without fear of reprisal.

SUSTAINABILITY STATEMENT

Our Approach

To manage risks and opportunities in human resources, Kimlun focuses on:

- Workforce diversity and inclusion initiatives.
- Upskilling through targeted training programs.
- Attractive benefits, including medical, dental, and insurance coverage.
- Employee engagement via events like annual dinners and team-building activities.

Highlights from FY2025 includes Annual Dinner, Long Service Awards, upskilling training programs, Bowling Tournament, Futsal Tournament, continuous upskilling workshops, refresher courses, departmental team bonding retreats (badminton, futsal, pickleball) to strengthen team cohesion and communication.

Actions to manage the risk and opportunities include implement regular performance reviews to guide career growth and to curate well-being programs focused on wellness and mental health.

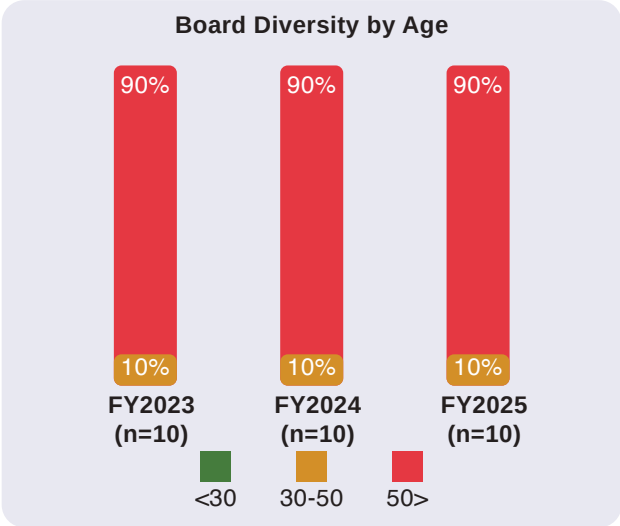
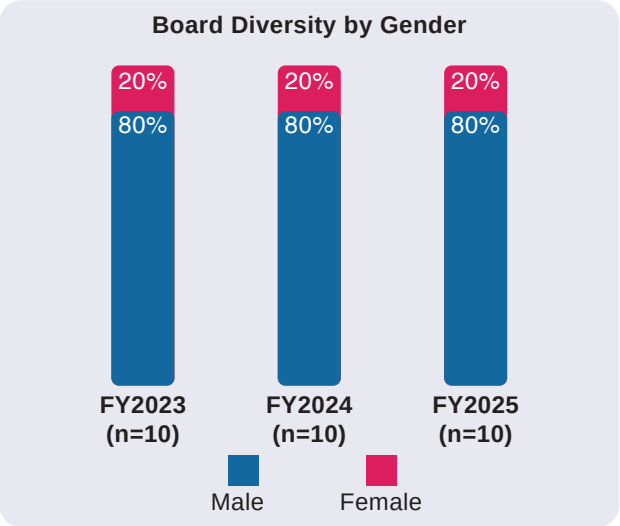
Diversity

Kimlun Group values diversity and inclusion and is committed to providing equal opportunities for all employees, regardless of gender, background, or experience. Employment decisions, including hiring and promotions, are based solely on merit, skills, and business needs, with strict prohibition of discrimination based on race, religion, gender, age, sexual orientation, disabilities, or nationality.

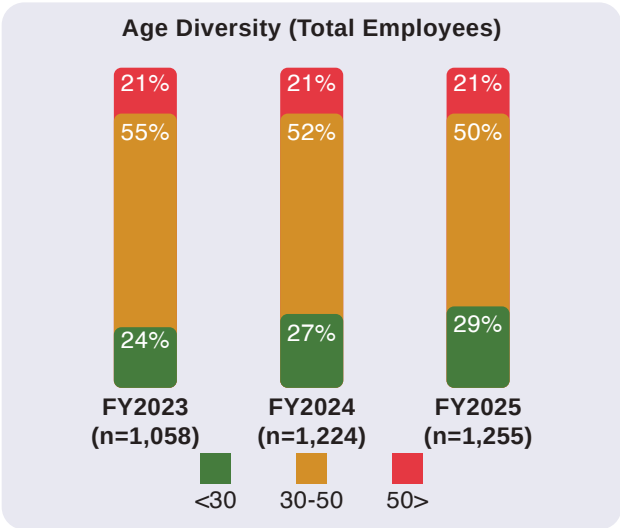
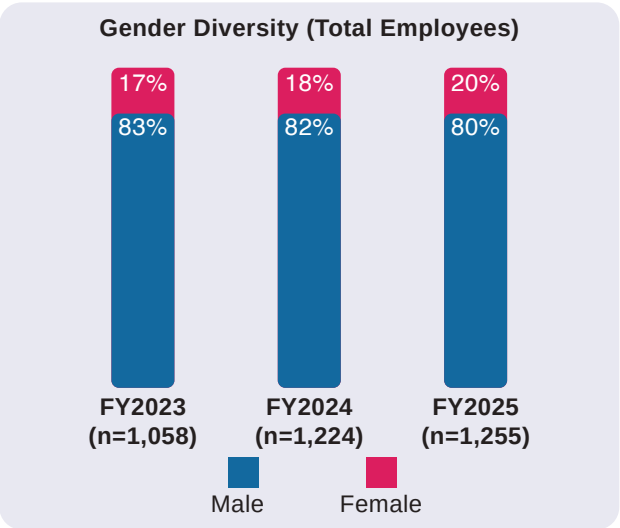
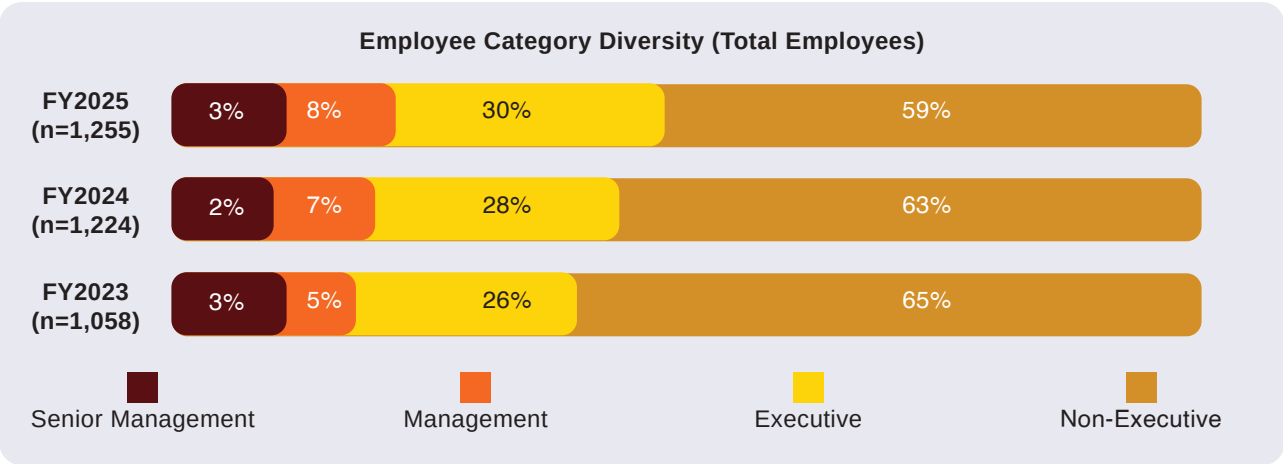
In alignment with Kimlun's non-discriminatory commitment, the Group's talent selection criteria are exclusively governed by professional qualifications, relevant experience, candidate aptitude, and specific organisational requirements. Human Resources team employs diverse communication channels for candidate sourcing, with all recruitment communications undergoing rigorous review to eliminate potential bias. The Group prioritises local recruitment, professional development, and an inclusive work culture to build a diverse workforce. This commitment extends to all employees, contractors, suppliers, and stakeholders, ensuring a workplace free from discrimination, harassment, and bias.

Kimlun Corporation Berhad
Directors

SUSTAINABILITY STATEMENT



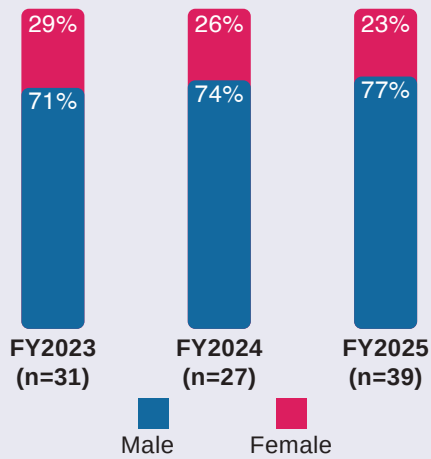
Workforce breakdown⁴



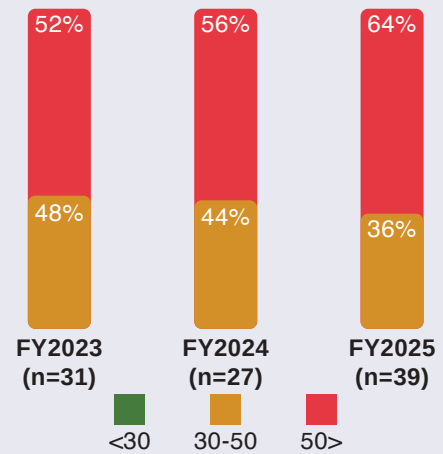
SUSTAINABILITY STATEMENT

Senior Management⁵

Gender Diversity (Senior Management)

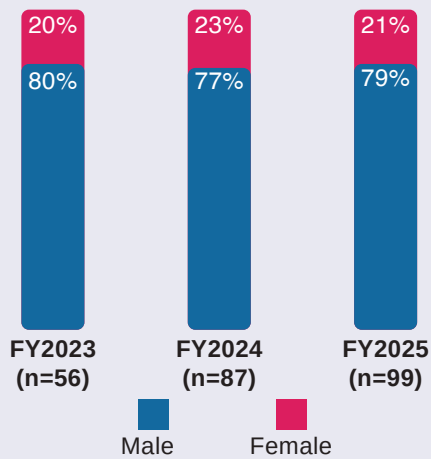


Age Diversity (Senior Management)

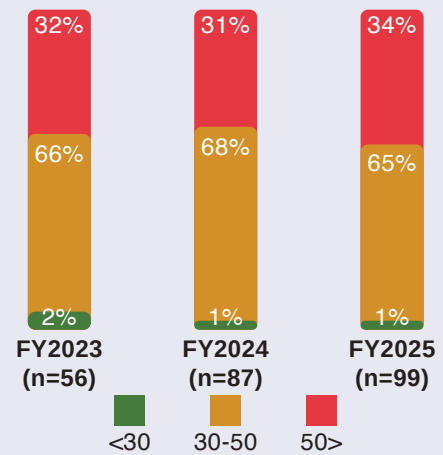


Management⁶

Gender Diversity (Management)

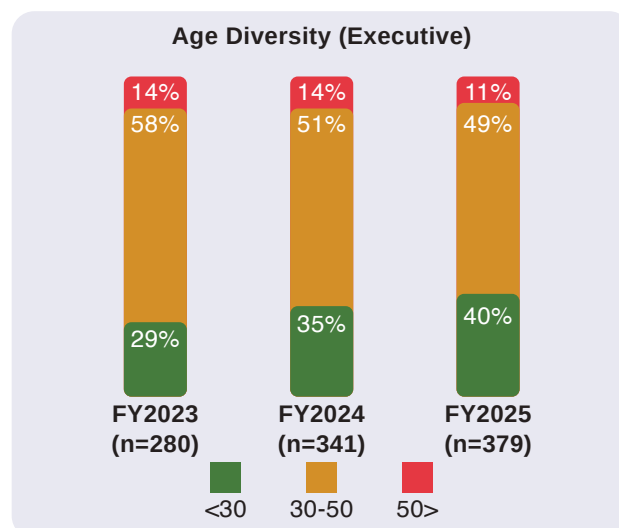
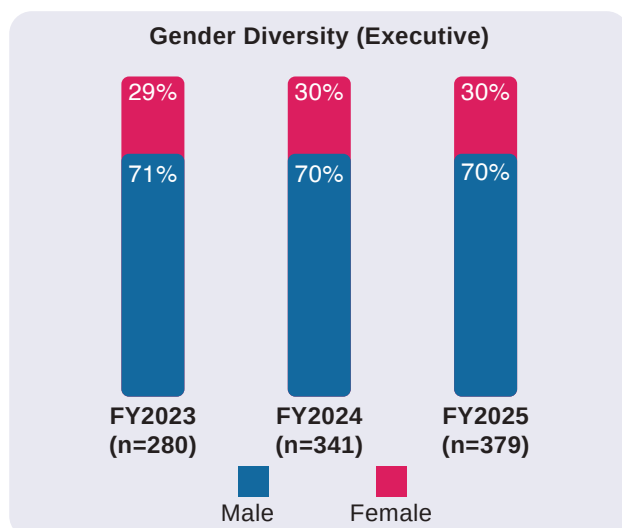


Age Diversity (Management)

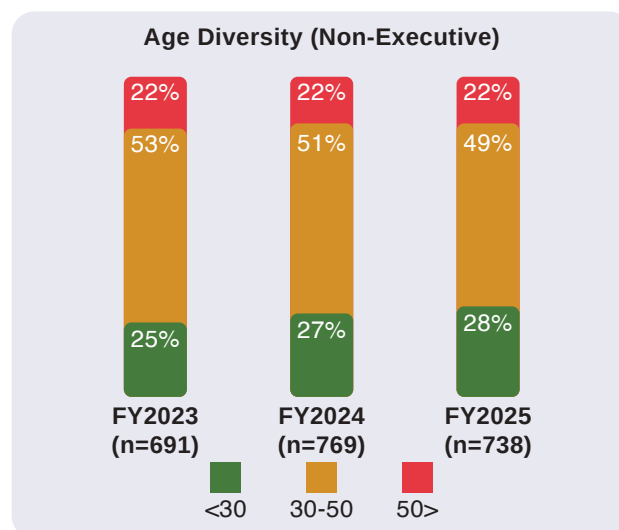
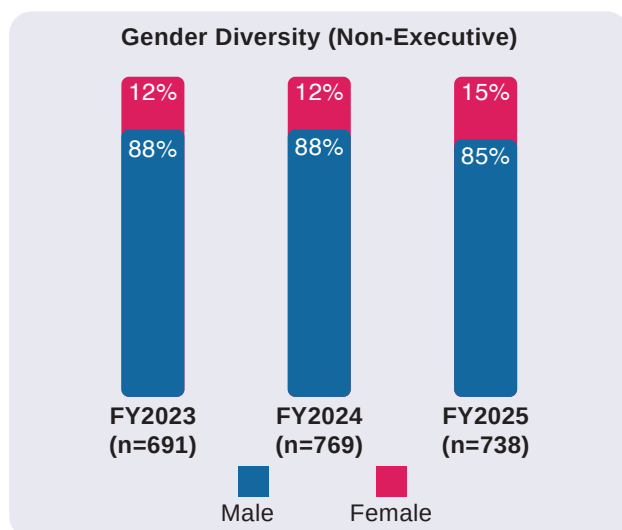


SUSTAINABILITY STATEMENT

Executive



Non-Executive



Notes:

- Workforce breakdowns consist of local employees only. Age categories are defined as follows: Below 30 refers to employees aged 29 and below; 30 to 50 refers to employees aged 30 to 50 (inclusive); and Above 50 refers to employees aged 51 and above. Each employee is classified under one category only, with no overlap between categories.
- Senior Management includes General Managers, Senior Managers and Head of Department in key departments.
- Management includes managerial position excluded from the Senior Management category and Assistant Managers.

Indicator	Unit	FY2023	FY2024	FY2025
Percentage of employees that are contractors or temporary staff	%	66.64	69.28	70.12

SUSTAINABILITY STATEMENT

Employee Training and Development

Kimlun acknowledges that training and development are central to managing human capital and supporting employees' personal and professional growth. Beyond equipping employees with the necessary skills and expertise to drive the Group's business strategies, we actively support their personal and professional growth.

All employees undergo annual performance appraisals, where their performance is evaluated, and their training needs are identified. Additionally, our Human Resources Department conducts a training needs analysis to assess and determine relevant training programs for employees. The Group sets specific annual targets for training hours and conducts mandatory orientation for new hires, including health and safety standards.

Training is delivered through internal programs and external courses, covering key topics such as:

- Occupational Health and Safety
- Procurement & Contract Management
- HR & Payroll Administration
- IBS for Sustainable Construction
- ESG Awareness
- Orientation Program for New Recruits

The Group set a target of 6 hours of external training per eligible employee at the executive level and above. In FY2024, this amounted to 2,730 hours, and in FY2025, with 517 employees, the target was 3,102 hours. The Group exceeded these targets in both years, achieving 8,539 hours in FY2024 and 8,523 hours in FY2025, translating to an average of 16.49 hours per eligible employee in FY2025. Employees below the executive level continued to receive role-specific on-the-job training to support their development. The details of this achievement are summarized as follows:

Indicator	Total Hours of Training by Employee Category (External Training Only)			
	Unit	FY2023	FY2024	FY2025
Senior Management	Hours	671	565	924
Management	Hours	835	2,055	2,044
Executive	Hours	4351	5,919	5,555
Total	Hours	5,855	8,539	8,523

Note: Figures are rounded to the nearest whole hour.

Turnover

Recognising that employee turnover can impact productivity, operational efficiency, and knowledge retention, Kimlun Group is always taking proactive measures to address these challenges.

To mitigate the impact of employee turnover, we have implemented strategic hiring efforts, including:

- Targeted recruitment initiatives to attract skilled talent aligned with our business needs.
- Employee engagement programs to enhance job satisfaction and reduce voluntary turnover.
- Training and career development opportunities to foster growth and progression within the company.
- Compensation and benefits packages to retain key employees.

SUSTAINABILITY STATEMENT

The employee turnover rate for Kimlun Group in FY2025 is summarized as follows:

Indicator	Unit	Total Number of Employee Turnover		
		FY2023	FY2024	FY2025
Senior Management	Number	3	1	3
Management	Number	13	8	10
Executive	Number	33	60	97
Non-executive	Number	228	210	208
Total	Number	277	279	318

CUSTOMER WELFARE

Customer Satisfaction

Why It Matters

Kimlun strive to enhance the well-being, growth and resilience of these communities by delivering quality products and services. By actively engaging with stakeholders and collaborating with partners, we aim to create a thriving environment that benefits present and future generations.

Risks	Opportunities
- Non-compliance with local regulations and international standards on specifications and building defects leading to legal, operational and reputational risks - Delays in project completion and property handovers affecting customer satisfaction, trust and our financial performance - Negative customer experiences, poor service quality and public perception affecting our brand credibility, sales and investor confidence	- Strengthened customer satisfaction, loyalty and advocacy enhance our reputation, business growth, profitability and competitive advantage - Repeat contracts

Our Approach

Customer Satisfaction Survey

For FY2025, KLSB's customer satisfaction survey achieved an average satisfaction rate of 80% as compared with 83% FY 2024. Surveys are conducted at project completion. We will continue to engage with our customers to further improve satisfaction levels and ensure that our services meet industry standards and expectations.

Continuous improvement measures include to collaborate closely with Project Planning and Design and Project Management teams to ensure compliance with specifications from the start. Monitor and track Service Level Agreement (SLA) performance for defect management. Implement corrective actions to enhance service quality and improve customer satisfaction.

IMPACT ON LOCAL COMMUNITY

Why It Matters

At Kimlun Group, we are committed to making a meaningful impact beyond our business operations by actively contributing to the well-being of local communities. Through our initiatives, we strive to enhance the well-being, growth and resilience of these communities by supporting education, social welfare, sustainability and economic empowerment. By actively engaging with stakeholders and collaborating with partners, we aim to create a thriving environment that benefits present and future generations.

SUSTAINABILITY STATEMENT

Risks	Opportunities
- Lack of environmental and social awareness among internal and external stakeholders, which may result in spot checks, notices, or fines from regulatory authorities. - Insufficient engagement with local communities, potentially leading to complaints or disputes that could affect the Group's license to operate.	- Implement high-impact CSR programs that directly benefit local communities, such as sponsoring school facilities (e.g., computers), donating medical equipment (e.g., infant incubators), or organizing environmental initiatives like beach clean-ups. - Monitor community feedback trends to identify both positive and negative perceptions, enabling proactive engagement and improvement. - Track participation and engagement of customers and local communities in Kimlun's CSR activities to measure impact and foster stronger relationships. - Support local entrepreneurship and small businesses by creating partnership opportunities and integrating them into project supply chains.

Our Approach

Contribution to Society

At Kimlun Group, we are committed to making a meaningful impact beyond our business operations by actively contributing to the well-being of local communities. Before commencing new developments, by our property division, Kimlun Land, we conduct Environmental Impact Assessments (EIA) and engage stakeholders to understand potential impacts on the community, enabling us to proactively mitigate risks and ensure responsible development.

Our corporate social responsibility ("CSR") initiatives include:

- Donations to charitable foundations, including contributions to cancer foundations and financial aid for terminally ill and underprivileged patients.
- Provision of financial contributions to universities, religious institutions, local sports clubs, welfare societies and other fundraising events.
- Contributions to neighbouring villages as well as professional conferences.

Progress

In FY2025, Kimlun contributed a total of RM243,851 to non-governmental organizations, foundations, and local initiatives with no political contribution made, an approximately 102% increase in contribution from FY2024. During the same year, we hosted 48 interns within our organization from January to December, providing hands-on experience and career development opportunities.

While the exact number of individual beneficiaries remains difficult to determine given that some donations were made through foundations and fundraising organisations, we directly supported 16 various organizations through monetary or asset contributions.

Moving forward, the Group will continuously seek out and support meaningful charitable initiatives to create a lasting and positive impact on the communities we serve.

Indicator	Unit	FY2023	FY2024	FY2025
Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	198,000	120,900	243,851
Total number of beneficiaries of the investment in communities	Number	16	10	16

SUSTAINABILITY STATEMENT

Local Procurement

As a Group, we recognise the importance of advancing sustainability across the construction industry and throughout our value chain. As part of our commitment to responsible and ethical business practices, we actively collaborate with business partners, contractors, and subcontractors who uphold comparable standards in environmental stewardship, social responsibility, and corporate governance. Through these partnerships, we aim to strengthen sustainable practices, manage shared risks, and drive long-term value creation across our ecosystem.

Management Practices

In the selection of key service providers, we undertake a comprehensive evaluation process that assesses not only their operational capabilities, including experience, technical expertise, pricing competitiveness, and delivery performance, but also their track record in regulatory compliance, particularly in environmental and social matters.

Progress

Kimlun Group prioritise local procurement, supporting local suppliers and vendors to contribute to the growth and advancement of the regional construction sector, where feasible. By sourcing locally, we help drive the adoption of innovative construction approaches and technologies within the industry. We are committed to at least 90% spending on local suppliers. In FY2025, we contributed 98% spending of our procurement expenditure for goods and services was directed towards local suppliers or vendors, reinforcing our commitment to sustainable and community-driven business practices, an increase of 3% from FY2024.

Indicator	Unit	FY2023	FY2024	FY2025
Percentage of spending on local suppliers	%	96	95	98

Note: Figures are rounded to the nearest whole number.



SUSTAINABILITY STATEMENT

ENVIRONMENTAL STEWARDSHIP



Kimlun Group aspires to be the leading one-stop provider of sustainable construction design and build services. We recognise our responsibility in shaping the built environment and take deliberate steps to deliver outcomes that promote long-term ecological balance and enhance community well-being.

Kimlun recognises that climate change, pollution, waste generation, water consumption and the use of natural resources are interrelated environmental considerations arising from its construction activities. The Group is committed to managing these environmental and climate-related risks responsibly, in compliance with applicable laws and regulations, while progressively improving environmental performance and resource efficiency across its operations.

Sustainability is embedded at the core of our operations. Across our construction, engineering, and building materials businesses, we pursue eco-friendly solutions that minimise environmental impact through reducing pollution, managing raw materials, water, and energy responsibly, and integrating circular economy principles into our project delivery.

A significant milestone in this journey was the accreditation of our Construction and Engineering Division (KLSB) with ISO 14001:2015 Environmental Management System certification in December 2024. This complements the ISO 14001 certification already held by our precast concrete and manufacturing arm, SPC, affirming Group-wide environmental management rigour across both construction and manufacturing operations. All project sites and factories for KLSB & SPC are covered by ISO 14001:2015 Environmental Management System.

RESOURCE MANAGEMENT

Why It Matters

Construction and manufacturing are inherently resource intensive. The extraction, processing, and use of raw materials including cement, aggregates, steel, and water carry significant environmental cost in terms of energy consumption, carbon emissions, and ecosystem disruption. For Kimlun, responsible resource stewardship is not only an environmental imperative, but a strategic business priority as optimising resource use directly reduces project costs, improves quality, and strengthens our competitiveness.

Risks	Opportunities
• Use of non-sustainable materials increasing our carbon footprint and resource depletion, undermining our long-term sustainability goals. • Vulnerability to supply chain disruptions such as material shortages, delays or price fluctuations, which may impact project viability and increase costs. • Affects cost structure, Supply chain resilience, green branding, and the quality of product due to low product rejection rate	• Promoting efficient use of resources and materials that can be reused, repurposed or recycled to minimise waste, to explore the reuse of waste concrete. • Driving innovation using IBS to increase efficiency and reduce wastage • Ensure quality of resources used, benchmark against Quality Assessment System in Construction ("QLASSIC") in Malaysia and Construction Quality Assessment System ("CONQUAS") in Singapore.

Management Policies

Kimlun's environmental management is governed by its ISO 14001:2015-certified Environmental Management System, which establishes the policies, objectives, and controls applicable to both KLSB and SPC. Resource consumption targets, supplier assessments, and procurement standards form an integral part of project planning and execution, overseen by dedicated quality control and procurement teams benchmarked against QLASSIC (Malaysia) and CONQUAS (Singapore) standards.

SUSTAINABILITY STATEMENT

Our Approach

Kimlun advances resource efficiency through three principal strategies: industrialised construction, sustainable materials sourcing, and rigorous quality management.

Industrialised Building System (IBS)

IBS is central to Kimlun's resource efficiency model. By manufacturing structural components in a controlled factory environment before on-site assembly, IBS delivers measurable advantages over conventional construction:

- Precision fabrication reduces material wastage relative to traditional site-based methods.
- Standardised manufacturing processes lower resource intensity and pollution.
- Shorter on-site construction durations reduce disruption to surrounding communities and lower site-related resource consumption.
- Reduced dependence on manual labour mitigates workforce-related risks and social impacts.

Sustainable Materials

Kimlun incorporates sustainable concrete mixes across its projects where client specifications permit, for example, utilising Pulverised Fuel Ash ("PFA") or Ground Granulated Blast Furnace Slag (GGBS) play important roles on green building certification. At SPC's Precast Manufacturing Plant, PFA and Ground Granulated Blast-Furnace Slag ("GGBS") are used as partial cement replacements for precast products supplied to Singapore clients. Both materials are repurposed industrial by-products, reducing embodied energy and carbon in our manufacturing processes. SPC holds certification from the Singapore Green Building Council for its Ready-Mix Concrete in precast production.

Quality and Cost Management

Kimlun maintains a rigorous quality management framework to minimise material rejection, rework, and waste. Pre-production planning and quality controls at SPC's precast manufacturing operations target a product rejection rate of no more than 1%. Our FY2025 and FY2024 rejection rate was 0.19% and 0.66%, respectively, reflecting increased effectiveness in process discipline. We apply a structured supplier and subcontractor assessment process to ensure high-quality partnerships that uphold both our performance standards and resource efficiency objectives.

Progress

Energy Management

Kimlun's energy consumption spans vehicle fuel (diesel and petrol), diesel for construction equipment and site generators, and electricity procured from Tenaga Nasional Berhad (TNB) and Sarawak Energy Berhad (SEB). Systematic energy tracking commenced in FY2023 based on fuel purchases and electricity consumption data.

To reduce the reliance of grid energy, solar panels were installed at SPC Industries Ulu Choh in October 2024, while solar powered lighting for external area at project sites and the Company is replacing old lighting system with LED lights in phases at Kimlun's office.

SUSTAINABILITY STATEMENT

Risks	Opportunities
• Energy inefficiency • Impacts of broader Climate Change crisis on operations (i.e. failure to meet Malaysia's National emissions reduction targets - as energy consumption is a major driver of greenhouse gas emissions and climate crisis) • Increased regulatory scrutiny, legal actions and penalties that may damage reputation	• Monitoring and reporting total energy consumption and performance. • Cost savings from efficiency; • Achieving green building certifications through strategic sourcing of low-carbon materials in our property division • Integrating green building practices and energy-efficient solutions across all new developments, while retrofitting existing developments with energy-efficient technologies to reduce emissions and lower long-term costs • Invest in energy-saving equipment and slowly replacing old machinery to new machinery • The ability to ensure quality of product and the product rejection rate to be below 1%. • Preserving a reputation of compliance with energy and carbon regulations set by the government and relevant authorities.

Indicator Category	Unit	Energy Consumed		
		FY2023	FY2024	FY2025
Petrol	GJ	6,918	7,164	7,057
Diesel	GJ	109,397	169,985	239,386
Purchased Electricity	GJ	11,432	18,211	16,478
Total Renewable Energy (Solar) Consumed	GJ	-	-	2,892
Total Energy Consumed	GJ	127,746	195,360	265,813

Note: Total energy consumption is calculated using Methodology from Malaysia Energy Statistics Handbook 2022 ("MESH") (Diesel: 1 Litre = 0.035 GJ), (Petrol: 1 Litre = 0.031 GJ) and total electricity consumption (1MWh = 1,000kWh; 1kWh = 0.0036 GJ)

Water Management

Water is a material resource for Kimlun's precast concrete manufacturing operations in Negeri Sembilan and Johor, and we are committed to water efficiency across all our in-scope premises including headquarters, factories, and offices, notwithstanding that none are situated in water-stressed areas.

Risks	Opportunities
• Non-compliance with water regulations leading to penalties and reputational damage • Pollution from improper effluent management harming ecosystems and community well-being	• Embedding water-efficient technologies in our developments to support affordability and environmental goals • Enhancing climate change resilience across operations • Enabling green building certification through sustainable water practices

SUSTAINABILITY STATEMENT

Water Conservation and Alternative Sources

Kimlun actively pursues alternative water sources and harvesting measures to reduce reliance on municipal supply across its construction sites and manufacturing operations.

In FY2025, two rainwater collection pools with a combined capacity of approximately 42 m³ were constructed at the workers' quarters of Project P796 (RMMJ Gelang Patah) for non-potable uses i.e toilet flushing and cleaning and reduce surface runoff. At Project P763, surface water was utilised as an alternative to treated municipal water (SAJ) for lorry tyre washing and road cleaning, with total consumption recorded at 939 m³ for the full year. Plans are also underway to extend surface water runoff utilisation at SPC's Ulu Choh manufacturing facility, pending regulatory permit approval.

To minimise the environmental impact of wastewater discharge, all sites implement on-site treatment measures including sediment basins and silt traps prior to any discharge. We continue to implement robust and effective control measures to ensure strict compliance with all water quality and quantity permits, regulatory standards and environmental requirements. There is zero non-compliance with water quality were recorded FY 2025. The Group is concurrently strengthening its data collection procedures for rainwater harvesting and alternative water source tracking to improve the completeness and accuracy of future reporting.

Indicator	Unit	Water Management		
		FY2023	FY2024	FY2025
Total Water Consumption	Megalitres	264.96	477.74	597.26

Waste Management

Why It Matters

Construction activities generate significant volumes of waste from concrete, steel, and timber offcuts to silt, sediment, and chemical run-off. Poorly managed waste contributes to land and water pollution, imposes regulatory risk, and undermines the social licence of construction sites within surrounding communities. Effective waste management enables Kimlun to reduce environmental harm, lower disposal costs, and recover value from materials that would otherwise be discarded.

Risks	Opportunities
- Potential non-compliance with waste management regulations. - Higher disposal costs and inability to execute effective waste initiatives	- Collaborating across the supply chain to reduce waste and associated costs. - Potential of turning waste into value and creating new revenue streams. - Potential revenue from recycled materials - Reduced disposal cost

Management Policies

Waste management at Kimlun is governed by the Group's ISO 14001:2015 Environmental Management System. Hazardous waste, which is minimal in volume, is managed exclusively through licensed contractors approved by Malaysia's Department of Environment (DOE). Non-hazardous waste is segregated at source across construction sites for reuse, recycling, or sale to registered waste contractors. Kimlun collaborates closely with its contractors and subcontractors to ensure compliance with internal waste management standards and is actively developing formalised data collection procedures to strengthen waste reporting.

SUSTAINABILITY STATEMENT

Our Approach

Kimlun applies a multi-layered approach to waste reduction and site pollution control across its construction operations:

- Waste segregation — construction and non-construction waste are separated at site for appropriate handling and recovery. Launching of 3R Campaign at project site starting December 2025.
- Silt traps — installed to capture sediment and prevent discharge into drainage systems and public roads.
- Wash troughs — deployed for vehicle tyre cleaning, trapping soil, sediment, and preventing chemical or hazardous material run-off.
- High-pressure road cleaning — water jet systems remove hardened deposits, debris, dust, and contaminants from adjacent road surfaces.
- Temporary earth drains — prevent pooling and contain loose materials such as gravel, sand, and silt from entering municipal drainage infrastructure.
- Sustainable Urban Drainage Systems (“SUDS”) — implemented where relevant to manage stormwater and improve run-off water quality.

IBS is also a key enabler of waste minimisation. Prefabrication in a controlled factory environment allows precise material measurement and cutting, significantly reducing offcuts and scrap. Standardised production processes lower the incidence of errors and rework, further reducing material waste. By completing a greater share of construction activity off-site, IBS also reduces on-site dust, noise, and debris generation, diminishing pollution impacts on surrounding communities.

Progress

FY2025 marks the first year the Company tracked and disclosed waste generation and management data, following the identification of waste management as a material sustainability topic for Kimlun.

Indicator	Unit	Waste Management		
		FY2023	FY2024	FY2025
Total amount of waste generated	MT	-	-	30,119.14
Total waste diverted from disposal	MT	-	-	401.89
Total waste directed to disposal	MT	-	-	29,717.25

Greenhouse Gas (“GHG”) Emissions

Why It Matters

Climate change poses systemic risks to the construction and built environment sector from physical risks such as extreme weather events disrupting project delivery, to transition risks arising from tightening carbon regulations and evolving client and investor expectations. At the same time, the transition to a low-carbon economy presents strategic opportunities: demand for green-certified buildings, lower-carbon construction methodologies, and sustainable materials is growing rapidly. Proactive GHG measurement and management positions Kimlun to manage regulatory exposure, respond to client requirements, and contribute meaningfully to Malaysia’s national climate commitments.

SUSTAINABILITY STATEMENT

Risks	Opportunities
- High operational emissions arising from construction activities, heavy machinery, transportation, and logistics may increase the Group's overall carbon footprint. - Potential carbon pricing mechanisms, such as carbon taxes or emissions trading schemes, could increase operational costs and impact the Group's profitability. - Rising costs of compliance with climate-related regulations and standards. - Failure to meet Malaysia's national climate commitments, including Malaysia's emissions reduction targets, which may expose the Group to regulatory scrutiny, reputational risks, and stakeholder expectations.	- Gaining operational savings from energy and carbon management solutions (e.g. smart metering, real time monitoring and energy efficiency audit). - Reducing carbon footprint through effective carbon avoidance strategies. - Preserving a reputation of compliance with energy and carbon regulations set by the government and relevant authorities.

Management Policies

The Board of Directors oversees climate-related matters, supported by Management, and recognises climate change as a material risk to the Group's operations. Kimlun is committed in managing greenhouse gas emissions, improving energy efficiency and mitigating climate-related risks. We support strong national climate policies and regulations aimed at reducing greenhouse gas emissions and advancing Malaysia's transition toward a low-carbon, climate-resilient economy. Our company aligns with the Paris Agreement, Malaysia's Net Zero 2050 aspiration, and emerging requirements for green construction, energy efficiency, and climate-related disclosures.

Kimlun's GHG inventory is prepared in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and the GHG Protocol Corporate Value Chain (Scope 3) Standard. Emissions are currently estimated and reported for Scope 1 (direct emissions from fossil fuel combustion), Scope 2 (indirect emissions from purchased electricity) and Scope 3 (all other indirect emissions resulting from business activities across the value chain) for Category 6, Business travel and Category 7, Employee Commuting only. The Group is committed to expanding the completeness and accuracy of its inventory and intends to extend reporting to Scope 3 categories following a structured assessment of material upstream and downstream emission sources. Emissions data is reviewed internally and disclosed in this Sustainability Statement.

Our Approach

In the near term, Kimlun's approach to GHG management focuses on building a robust measurement foundation, while pursuing emissions reduction through operational efficiency. Key levers include:

- Energy efficiency improvements across construction sites, factories, and offices.
- Continued adoption of IBS to reduce on-site energy and fuel consumption.
- Substitution of carbon-intensive materials with lower-emission alternatives such as PFA and GGBS in concrete production.
- Progressive expansion of GHG reporting boundaries to include Scope 3 as data quality and coverage improve.

The increase in GHG emissions in FY2025 reflects higher operational activity during the year, including increased number of projects in operations, use of construction machinery, vehicles, and electricity across project sites.

SUSTAINABILITY STATEMENT

Progress

GHG Emissions Scopes	Unit	Emissions Management ⁷						FY2025
		Before	After	Variance	Before	After	Variance	
Total Scope 1 ⁸ – Direct GHG Emissions	tCO ₂ e	8,809	8,782	-27 (-0.3%)	13,316	13,375	59 (0.4%)	18,603
Total Scope 2 ⁹ – Indirect GHG Emissions	tCO ₂ e	2,386	2,458	72 (3%)	3,915	3,915	-	3,387
Purchased electricity (location-based)	tCO ₂ e	2,386	2,458		3,915	3,915	-	3,387
Purchased electricity (market-based)	tCO ₂ e	0	0	-	0	0	-	0
Total Scope 3 ¹⁰ – Other Indirect GHG Emissions	tCO ₂ e	-	-	-	-	-	-	4,467
Category 6 – Business Travel	tCO ₂ e	-	-	-	-	-	-	24.23
Category 7 – Employee Commuting ¹¹	tCO ₂ e	-	-	-	-	-	-	4,442.43
Total GHG Emissions	tCO ₂ e	11,195	11,240	45 (0.4%)	17,231	17,290	59 (0.3%)	26,457
Total Emissions Avoidance	tCO ₂ e	-	-	-	-	-	-	594

Notes:

7. Pursuant to a review of our GHG inventories, restatements have been performed for the following Scope 1 and Scope 2 disclosures that were disclosed in our past Sustainability Reports (FY2023 and FY2024) due to errors and incomplete disclosures discovered. In particular, the restated disclosures cover all our material categories.

8. Scope 1 emissions includes emissions from petrol and diesel. Emission factors for 2023 and 2024 were based on DEFRA/DESNZ UK, 2024, while 2025 emissions were calculated using DEFRA/DESNZ UK, 2025. Past emissions were not recalculated to maintain consistency with previously reported data.

9. Scope 2 emissions includes emissions from purchased electricity. Scope 2 emissions for FY2023 and FY2024 were calculated using the Peninsular Malaysia grid emission factor (GEF) of 0.774 kgCO₂/kWh from the Malaysian Grid Emission Factor (2017–2022) dataset, which was the latest available at the time of reporting and were not restated following the release of updated factors. FY2025 emissions were calculated using the provisional Peninsular Malaysia GEF (2022–2024) reported by MyEnergyStats.

10. Scope 3 emissions include emissions from two (2) out of the fifteen (15) categories of Scope 3 emissions: Category 6, Business travel and Category 7, Employee commuting only – rounded to the nearest absolute number. Emissions calculated for air travel uses the ICAO Carbon Emissions Calculator Methodology (Version 13.1), using distance-based method. Emission factor for business travel and other employee commuting is sourced from UK Department for Energy Security and Net Zero (DESNZ) or also known as DEFRA factors, 2025.

11. For Mode of transport that uses electricity from the grid, its emissions are calculated using the Grid Emission Factor (GEF) for Peninsular Malaysia (2022–2024) (Provisional) of 0.740 kgCO₂e/kWh for the year 2024, as reported by MyEnergyStats and sourced from the Malaysia Energy Information Hub (MEIH), managed by the Energy Commission of Malaysia.

SUSTAINABILITY STATEMENT

MOVING FORWARD

Kimlun Group remains steadfast in our commitment to sustainability as we continue to integrate ESG principles into our business operations. Moving forward, we will enhance our efforts to minimize our environmental footprint through responsible resource management, waste management and carbon emission management. Our focus on workplace operational health and safety, employee well-being and training will further strengthen our social impact, while strong corporate governance and ethical business practices will guide our long-term success.

In preparation for the International Sustainability Standards Board (“ISSB”) Standards, specifically IFRS S1 and S2 under Malaysia’s National Sustainability Reporting Framework (“NSRF”), we are working to enhance our data collection processes and building the necessary capabilities to meet future reporting requirements and industry best practices.



SUSTAINABILITY STATEMENT

Performance Data Table

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Resource Management	Total Energy Consumption	Gigajoules	265813	—	No assurance	Energy Management; Scope : Kimlun Sdn. Bhd & SPC Industries Sdn. Bhd.
Resource Management	Total volume of water used	Megalitre	59726	—	No assurance	Water Management; Scope : Kimlun Sdn. Bhd & SPC Industries Sdn. Bhd.
Resource Management	Percentage of Product rejection rate	Percentage (%)	0.19	Product rejection rate of not more than 1%	No assurance	Quality and Cost Management of precast manufacturing operations ; Scope : SPC Industries Sdn. Bhd.
Waste Management	Total waste diverted from disposal	Metric Tonnes	401.89	—	No assurance	Scope : Kimlun Sdn. Bhd & SPC Industries Sdn. Bhd.
Waste Management	Total waste directed to disposal	Metric Tonnes	297725	—	No assurance	Scope : Kimlun Sdn. Bhd & SPC Industries Sdn. Bhd.
Waste Management	Total waste generated	Metric Tonnes	3011914	—	No assurance	Scope : Kimlun Sdn. Bhd & SPC Industries Sdn. Bhd.
GHG Emission	Scope 1	tCO ₂ e	18603	—	No assurance	Scope : Kimlun Sdn. Bhd & SPC Industries Sdn. Bhd.
GHG Emission	Scope 2	tCO ₂ e	3387	—	No assurance	Scope : Kimlun Sdn. Bhd & SPC Industries Sdn. Bhd.
GHG Emission	Total Scope 3	tCO ₂ e	4467	—	No assurance	Scope : Kimlun Sdn. Bhd & SPC Industries Sdn. Bhd.
GHG Emission	Scope 3 - Category 6: Business Travel	tCO ₂ e	24.23	—	No assurance	Scope : Kimlun Sdn. Bhd & SPC Industries Sdn. Bhd.
GHG Emission	Scope 3 - Category 7: Employee Commuting	tCO ₂ e	4442.43	—	No assurance	Scope : Kimlun Sdn. Bhd & SPC Industries Sdn. Bhd.
Occupational Health and Safety	Number of work-related fatalities	Number	3	0 work-related fatalities	No assurance	Scope : Kimlun Sdn. Bhd & SPC Industries Sdn. Bhd.

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Occupational Health and Safety	Lost time incident rate	Rate	0.06	0 Lost time incident rate	No assurance	Scope : Kimlun Sdn. Bhd & SPC Industries Sdn. Bhd.
Occupational Health and Safety	Number of employees trained on health and safety standards	Number	293	—	No assurance	The data consist of local employees (executive level and above) who attended external health and safety training. Scope : Kimlun Group
Occupational Health and Safety	Percentage of new hires trained on health and safety standard	Percentage (%)	100	100% of new hires trained on health and safety standard	No assurance	The data consist of new hires (local employees) who attended internal health and safety induction training/briefing. Scope : Kimlun Group
Labour Practices	Number of substantiated complaints concerning human rights violations	Number	0	0 substantiated complaints on human rights violations	No assurance	Scope : Kimlun Sdn. Bhd & SPC Industries Sdn. Bhd.
Human Resource Management	Percentage of total employees by Gender Group : Male	Percentage (%)	80	—	No assurance	Diversity: The data consist of local employees only. Scope : Kimlun Group
Human Resource Management	Percentage of total employees by Gender Group : Female	Percentage (%)	20	—	No assurance	Diversity: The data consist of local employees only. Scope : Kimlun Group
Human Resource Management	Percentage of total employees by Age Group : Under 30	Percentage (%)	29	—	No assurance	Diversity: The data consist of local employees only. Scope : Kimlun Group
Human Resource Management	Percentage of total employees by Age Group : Between 30-50	Percentage (%)	50	—	No assurance	Diversity: The data consist of local employees only. Scope : Kimlun Group
Human Resource Management	Percentage of total employees by Age Group : Above 50	Percentage (%)	21	—	No assurance	Diversity: The data consist of local employees only. Scope : Kimlun Group
Human Resource Management	Percentage of total employees by Employee Category : Senior Management	Percentage (%)	3	—	No assurance	Diversity: The data consist of local employees only. Scope : Kimlun Group

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Human Resource Management	Percentage of total employees by Employee Category : Management	Percentage (%)	8	—	No assurance	Diversity: The data consist of local employees only; Scope : Kimlun Group
Human Resource Management	Percentage of total employees by Employee Category : Executive	Percentage (%)	30	—	No assurance	Diversity: The data consist of local employees only; Scope : Kimlun Group
Human Resource Management	Percentage of total employees by Employee Category : Non-Executive	Percentage (%)	59	—	No assurance	Diversity: The data consist of local employees only; Scope : Kimlun Group
Human Resource Management	Percentage of employees by age group, for each employee category : Senior Management under 30	Percentage (%)	0	—	No assurance	Diversity: The data consist of local employees only; Scope : Kimlun Group
Human Resource Management	Percentage of employees by age group, for each employee category : Senior Management between 30 -50	Percentage (%)	36	—	No assurance	Diversity: The data consist of local employees only; Scope : Kimlun Group
Human Resource Management	Percentage of employees by age group, for each employee category : Senior Management above 50	Percentage (%)	64	—	No assurance	Diversity: The data consist of local employees only; Scope : Kimlun Group
Human Resource Management	Percentage of employees by age group, for each employee category : Management under 30	Percentage (%)	1	—	No assurance	Diversity: The data consist of local employees only; Scope : Kimlun Group
Human Resource Management	Percentage of employees by age group, for each employee category : Management between 30-50	Percentage (%)	65	—	No assurance	Diversity: The data consist of local employees only; Scope : Kimlun Group
Human Resource Management	Percentage of employees by age group, for each employee category : Management above 50	Percentage (%)	34	—	No assurance	Diversity: The data consist of local employees only; Scope : Kimlun Group

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Human Resource Management	Percentage of employees by age group, for each employee category : Executive under 30	Percentage (%)	40	—	No assurance	Diversity, The data consist of local employees only; Scope : Kimlun Group
Human Resource Management	Percentage of employees by age group, for each employee category : Executive between 30 – 50	Percentage (%)	49	—	No assurance	Diversity, The data consist of local employees only; Scope : Kimlun Group
Human Resource Management	Percentage of employees by age group, for each employee category : Executive above 50	Percentage (%)	11	—	No assurance	Diversity, The data consist of local employees only; Scope : Kimlun Group
Human Resource Management	Percentage of employees by age group, for each employee category : Non-Executive under 30	Percentage (%)	28	—	No assurance	Diversity, The data consist of local employees only; Scope : Kimlun Group
Human Resource Management	Percentage of employees by age group, for each employee category : Non-Executive between 30 – 50	Percentage (%)	49	—	No assurance	Diversity, The data consist of local employees only; Scope : Kimlun Group
Human Resource Management	Percentage of employees by age group, for each employee category : Non-Executive above 50	Percentage (%)	22	—	No assurance	Diversity, The data consist of local employees only; Scope : Kimlun Group
Human Resource Management	Percentage of employees by gender group, for each employee category : Senior Management Male	Percentage (%)	77	—	No assurance	Diversity, The data consist of local employees only; Scope : Kimlun Group
Human Resource Management	Percentage of employees by gender group, for each employee category : Senior Management Female	Percentage (%)	23	—	No assurance	Diversity, The data consist of local employees only; Scope : Kimlun Group
Human Resource Management	Percentage of employees by gender group, for each employee category : Management Male	Percentage (%)	79	—	No assurance	Diversity, The data consist of local employees only; Scope : Kimlun Group

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Human Resource Management	Percentage of employees by gender group, for each employee category : Management Female	Percentage (%)	21	—	No assurance	Diversity; The data consist of local employees only; Scope : Kimlun Group
Human Resource Management	Percentage of employees by gender group, for each employee category : Executive Male	Percentage (%)	70	—	No assurance	Diversity; The data consist of local employees only; Scope : Kimlun Group
Human Resource Management	Percentage of employees by gender group, for each employee category : Executive Female	Percentage (%)	30	—	No assurance	Diversity; The data consist of local employees only; Scope : Kimlun Group
Human Resource Management	Percentage of employees by gender group, for each employee category : Non-Executive Male	Percentage (%)	85	—	No assurance	Diversity; The data consist of local employees only; Scope : Kimlun Group
Human Resource Management	Percentage of employees by gender group, for each employee category : Non-Executive Female	Percentage (%)	15	—	No assurance	Diversity; The data consist of local employees only; Scope : Kimlun Group
Human Resource Management	Percentage of directors by gender group : Male	Percentage (%)	80	—	No assurance	Board Diversity; Scope : Kimlun Group
Human Resource Management	Percentage of directors by gender group : Female	Percentage (%)	20	—	No assurance	Board Diversity; Scope : Kimlun Group
Human Resource Management	Percentage of directors by age group : Under 30	Percentage (%)	0	—	No assurance	Board Diversity; Scope : Kimlun Group
Human Resource Management	Percentage of directors by age group : Between 30-50	Percentage (%)	10	—	No assurance	Board Diversity; Scope : Kimlun Group
Human Resource Management	Percentage of directors by age group : Above 50	Percentage (%)	90	—	No assurance	Board Diversity; Scope : Kimlun Group
Human Resource Management	Percentage of employees that are contractors or temporary staff	Percentage (%)	70.12	—	No assurance	The data consist of local employees under contract only; Scope : Kimlun Group

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Human Resource Management	Total number of employee turnover by employee category : Senior Management	Number	3	—	No assurance	The data consist of local employees only; Scope : Kimlun Group
Human Resource Management	Total number of employee turnover by employee category : Management	Number	10	—	No assurance	The data consist of local employees only; Scope : Kimlun Group
Human Resource Management	Total number of employee turnover by employee category : Executive	Number	97	—	No assurance	The data consist of local employees only; Scope : Kimlun Group
Human Resource Management	Total number of employee turnover by employee category : Non-Executive	Number	208	—	No assurance	The data consist of local employees only; Scope : Kimlun Group
Human Resource Management	Total hours of training by employee category : Total	hours	8523	—	No assurance	Employee Training and Development; The data consist of External Training attended by eligible employees at executive level and above; Scope : Kimlun Group
Human Resource Management	Total hours of training by employee category : Senior Management	hours	924	—	No assurance	Employee Training and Development; The data consist of External Training only; Scope : Kimlun Group
Human Resource Management	Total hours of training by employee category : Management	hours	2044	—	No assurance	Employee Training and Development; The data consist of External Training only; Scope : Kimlun Group
Human Resource Management	Total hours of training by employee category : Executive	hours	5555	—	No assurance	Employee Training and Development; The data consist of External Training only; Scope : Kimlun Group

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Human Resource Management	Average training hours per eligible employees (Kimlun's Executives and above) for external training	hours	16.49	To achieve an average of 6 hours per eligible employees (Kimlun's Executives and above) for external training	No assurance	Employee Training and Development; The data consist of External Training only; Scope : Kimlun Group; 8,523.5 hours training achieved – an average 16.49 hours per employees based on 517 employees
Impact on Local Community	Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	243851	—	No assurance	Contribution to Society; Scope : Kimlun Group
Impact on Local Community	Total number of beneficiaries (entities) of the investment in communities	Number	16	—	No assurance	Contribution to Society; Scope : Kimlun Group
Impact on Local Community	Proportion of spending on local suppliers	Percentage (%)	98	At least 90% spending on local suppliers	No assurance	Local Procurement; Scope : Kimlun Sdn. Bhd & SPC Industries Sdn. Bhd.
Bribery and Corruption	Percentage of employees who have received training on anti-corruption by employee category : Senior Management	Percentage (%)	82.05	—	No assurance	The data consist of local employees only; Scope : Kimlun Group
Bribery and Corruption	Percentage of employees who have received training on anti-corruption by employee category : Management	Percentage (%)	8788	—	No assurance	The data consist of local employees only; Scope : Kimlun Group
Bribery and Corruption	Percentage of employees who have received training on anti-corruption by employee category : Executive	Percentage (%)	98.68	—	No assurance	The data consist of local employees only; Scope : Kimlun Group
Bribery and Corruption	Percentage of employees who have received training on anti-corruption by employee category : Non-Executive	Percentage (%)	91.73	—	No assurance	The data consist of local employees only; Scope : Kimlun Group

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bribery and Corruption	Percentage of total employees who have received training on anti-corruption	Percentage (%)	93.23	—	No assurance	The data consist of local employees only; Scope : Kimlun Group
Bribery and Corruption	Percentage of new hires attended ABC Training	Percentage (%)	100	100% of new hires attended ABC Training	No assurance	The data consist of local employees only; Scope : Kimlun Group
Bribery and Corruption	Percentage of operations assessed for corruption-related risks	Percentage (%)	100	100% operations assessed for corruption-related risks	No assurance	Scope : Kimlun Sdn. Bhd & SPC Industries Sdn. Bhd.
Bribery and Corruption	Confirmed incidents of corruption and action taken	Number	0	0 corruption incidences	No assurance	Scope : Kimlun Sdn. Bhd & SPC Industries Sdn. Bhd.
Compliance with Law and Regulations	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0 incidences of data privacy and security breaches	No assurance	Scope : Kimlun Sdn. Bhd & SPC Industries Sdn. Bhd.
Compliance with Law and Regulations	Number of non-compliance with applicable laws and regulations, resulting in fines and penalties	Number	44	—	No assurance	Scope : Kimlun Sdn. Bhd & SPC Industries Sdn. Bhd.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board of Directors (“the Board”) is accountable and responsible for the performance and affairs of Kimlun Corporation Berhad (“the Company”), including practising a high level of good governance. All Board members are expected to show good stewardship and act in a professional manner, as well as upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities. To this end, the Board implements the principles and practices of the Malaysian Code on Corporate Governance (“MCCG”) updated and issued by the Securities Commission Malaysia (“SC”) on 28 April 2021 towards achieving corporate excellence.

This Corporate Governance Overview Statement sets out the principal features of the Company and its subsidiaries’ (collectively referred to as “the Group”) corporate governance approach, summary of corporate governance practices during the financial year as well as key focus areas in relation to corporate governance for the financial year ended 31 December 2025 (“FY2025”). The detailed application for each practice as set out in the MCCG is disclosed in the Corporate Governance Report (“CG Report”) which is available on the Company’s website at <https://www.kimlun.com> and via an announcement on the website of Bursa Malaysia Securities Berhad (“Bursa Securities”).

A. BOARD LEADERSHIP AND EFFECTIVENESS

The Board adopted a Board Charter which sets out the authority, role and responsibilities of the Board, Board Committees, individual Directors and Senior Management. The Board Charter also sets out the membership and operation of the Board, and issues and decisions reserved for the Board. The Board reviews the Board Charter from time to time and makes any necessary amendments to ensure it complies with relevant laws, regulations and practices, and remain relevant and effective in the light of the Board’s objectives. The last review of the Board Charter in FY2025 was on 27 November 2025.

The Board Charter is accessible at <https://www.kimlun.com>.

Authority

The Board’s roles and responsibilities are governed by the Constitution of the Company and also in accordance with the Companies Act 2016 (“CA 2016”), the Main Market Listing Requirements of Bursa Securities (“MMLR”), the MCCG of SC, the Capital Markets and Services Act 2007 (“CMSA”) and any other prevailing regulatory corporate governance practices and laws or regulatory requirements.

Board Composition

The Constitution of the Company provides that the Company shall have a minimum of three (3) directors and a maximum of ten (10) directors. In compliance with Paragraph 15.02 of the MMLR, there shall be at least two (2) directors or one-third (1/3) of the Board, whichever is higher, who are Independent Directors and at least one (1) Director is a woman.

The Board consists of ten (10) qualified individuals with diverse set of skills, experience and knowledge necessary to govern the Company. None of the Board members is person linked directly with the executive powers such as heads of state, heads of government and ministers and none of the Board members is an active politician.

Five (5) of the Directors are Independent Non-Executive Directors (“Independent Directors”), thus the Company complied with Paragraph 15.02 of the MMLR as well as Practice 5.2 of MCCG which stipulates that at least half of the Board comprises Independent Directors.

The composition and size of the Board is such that it facilitates the decision making of the Company.

The Independent Directors provide objective and independent views and judgement in decision-making processes of the Board covering issues of strategy, performance and risks. The presence of the Independent Directors fulfills a pivotal role in corporate governance accountability and ensures the interests of all shareholders are indeed taken into account by the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Pursuant to Practice 5.3 of the MCCG, the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the Independent Director may continue to serve the Board as a Non-Independent Director. If the Board intends to retain an Independent Director beyond nine years, it shall provide justification and seek annual shareholders' approval through a two-tier voting process. The tenure of all the current Independent Directors did not exceed a cumulative term of nine (9) years, thus the Company complied with Practice 5.3 of the MCCG.

The size and composition of the current Board is well balanced with a good and appropriate mix of knowledge, skills, attributes and core competencies. The Board, which currently comprises of five (5) Independent Directors and five (5) Executive Directors, is able to discharge its duties professionally and effectively, uphold good governance standards in their conduct and that of the Board.

The Independent Directors are able to exercise strong independent judgement and provide balance to the Board with their unbiased and independent views, advice and judgement to all Board deliberations. All the Independent Directors fulfill the criteria of independence as defined in the MMLR and they impartially provide check and balance to the Board.

The Executive Chairman has demonstrated strong commitment and judgement in overseeing the management function, looking after the best interest of all shareholders and ensuring that contributions by all Directors were forthcoming on matters being deliberated and that no particular Board member dominated in any of the discussions. This ensures the balance of power and authority within the Board.

The Executive Chairman is not a member of the Audit and Risk Management Committee ("ARMC"), Nomination Committee ("NC") and Remuneration Committee ("RC") of the Company.

The Board does not have a formal policy on boardroom and senior management diversity, nevertheless the Board is committed to ensuring directors and senior management of the Company possess diverse sets of skills, knowledge and experience. In addition, the directors of the Company must have the ability to devote sufficient time and attention to the Company, and are independent taking into account the candidate's character, integrity and professionalism.

On boardroom diversity, the current composition of the Board is diverse in terms of skills, experiences, gender, age and race. The background of each Director can be found on pages 6 to 10 of this Annual Report. Despite the Group is operating mainly in the construction industry which is male-dominant whereby males made up of 80% of the Group's work force (excluding foreign labour), the Board is supportive of the boardroom gender diversity recommended by MCCG as the Board has two (2) female members (i.e. 20% of the Board). Pursuant to the Company's gender diversity policy and the Board Charter, and in compliance with MMLR, the Board shall have at least one (1) female Director on the Board. Underpinning the Company's boardroom gender diversity is the commitment to ensure that all Directors are appointed on merit, in line with the standards as set out in Paragraph 2.20A of the MMLR. The Board through the NC will review the proportion of the female to male board members during the annual assessment of the Directors' performance taking into consideration the appropriate skills, experience and characteristics required in the context of the needs of the Group. At the subsidiary companies' level, more than 30% of the directors (other than those Director(s) who also serve on the board of subsidiary companies) appointed by the Company to represent its interest in these subsidiary companies are female.

The Group practices equal employment opportunity, there are no barriers to employment or development in our Group by reason of an individual's gender. Pursuant to the Group's gender diversity policy, the percentage of senior management positions filled by female shall not be less than the percentage of female employees to the total workforce of the Group. Notwithstanding, the recruitment or promotion of a candidate to the position of senior management is dependent on our organisational needs, the candidate's skills, experience, core competencies and other qualities. As at 31 December 2025, approximately 22% of the senior management is female, which is higher than the percentage of female employees to total workforce.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is satisfied with the level of time committed by its members in discharging their duties and roles as Directors of the Company. All the Directors have high attendance at the Board meetings or committee meetings (where applicable) held during FY2025, and complied with Paragraph 15.06 of the MMLR on the restriction of five directorships in public listed companies.

The Board does not consider that it is necessary to nominate a Senior Independent Director to whom concerns may be conveyed. All members of the Board have demonstrated that they are always available to members and stakeholders whereby all issues can be openly discussed during Board meetings.

The composition and size of the Board are reviewed from time to time to ensure its appropriateness.

Appointment

The NC is responsible for making recommendations to the Board for the appointment of new Directors. All nomination to the Board shall first be considered by the NC, taking into consideration inter-alia the current and future needs of the Group, the Corporate Governance Guide issued by Bursa Securities and the credential of the potential Directors.

The NC shall meet with the shortlisted candidates and conduct the fit and proper assessment to assess their suitability before formally considering and recommending them for appointment to the Board. In assessing the suitability of candidates, the NC shall consider the fit and proper criteria in accordance with the Directors' Fit and Proper Policy, which include the candidates' characters, experiences, competencies, integrity and time commitment. In its assessment, the NC shall take into consideration board diversity including gender diversity and the mix of skills, qualifications, expertise and experience, knowledge, professionalism and integrity which would contribute to the overall desired composition of the Board.

The Director's Fit and Proper Policy serves as a guide to the NC and the Board in their review and assessment of the appointment and re-election of Directors, and to enhance the governance in relation to the Board's quality and integrity. The Director's Fit and Proper Policy is accessible at <https://www.kimlun.com>.

Based on the NC's recommendation, the Board will evaluate and decide on the appointment of the proposed candidates. Prior to such appointment, the selected candidate will be briefed on the Company's vision and mission, its philosophy and nature of business, the corporate strategy and the expectations of the Company concerning input from Directors.

In FY2025, as part of the Group's succession planning, Sim Tian Liang proposed to relinquish his position as Chief Executive Officer ("CEO") while retaining his position as an Executive Director of the Company, with the intention to hand over the CEO role to a younger leader. NC assessed the suitability of the younger Director, Pang Khang Hau, and concluded that Pang Khang Hau's skill, experience, long tenure and in-depth knowledge of the Group's business make him well-suited to assume the CEO role at the age of 43. The NC informed the Board on their findings and recommended the relinquishment of Sim Tian Liang's position as CEO and the appointment of Pang Khang Hau as the new CEO of the Company. The Board concurred with the findings of the NC and approved the recommendation of the NC.

Election and Re-Election

Pursuant to Clause 78 of the Company's Constitution, Directors appointed during the year by the Board shall hold office until the next Annual General Meeting ("AGM") and shall then be eligible for re-election. In accordance with Clause 76(3) of the Constitution, at least one-third (1/3) of the Directors shall retire from office at every AGM. All Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. Retiring Directors who are seeking re-election are subject to Directors' assessment by the NC.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

In FY2025, the NC had conducted the fit and proper assessment and reviewed all Directors who are standing for re-election at the Company's forthcoming Seventeenth AGM. The NC has determined and informed the Board that they met the criteria of character, experience, integrity, competence and time to effectively discharge their respective roles as Directors as prescribed by the MMLR. The Board concurred with the findings of the NC, recommends and supports the re-election of Pang Khang Hau, Yam Tai Fong and Datuk Woon See Chin (collectively "Retiring Directors"), who are seeking for re-election pursuant to Clause 76(3) of the Company's Constitution at the forthcoming Seventeenth AGM. The Retiring Directors had also provided their respective fit and proper declarations in accordance with the Directors' Fit and Proper Policy to the Company.

Independence of Director

The Board only considers Directors to be independent where they are independent of management and free from any business or other relationship that could materially interfere with or could reasonably be perceived to interfere with the exercise of their unfettered and independent judgement.

The NC reviews the independence of each Independent Director annually or whenever necessary, in light of information relevant to this assessment as disclosed by each Independent Director to the Board.

The NC has assessed the independence of all Independent Directors during FY2025 and has determined and informed the Board that all Independent Directors remain objective and met the criteria of independence as prescribed in the MMLR. The Board concurred with the findings of the NC, and considered the suitability of each of the Independent Directors to continue to act as independent directors of the Company.

New Directorship

While the Board allows its Directors to accept appointments to other boards, the Directors are required to discuss with the Chairman and the CEO before accepting the new appointment and to indicate the time expected to be spent on the new appointment.

Role of Board

The Board's role is to represent and serve the interests of the shareholders. It is primarily responsible for setting the appropriate tone at the top, overseeing and supervising the management of the business affairs of the Group towards realising the long-term success and delivery of sustainable value to its stakeholders.

The responsibilities of the Board include:-

- (a) Formulating the Group's strategic plans and strategies with economic, environmental and social considerations in line with sustainability practices for the Group;
- (b) Reviewing, challenging and deciding on corporate proposals for the Group, and monitoring its implementation by Management;
- (c) Overseeing the conduct of the Group's business to ensure the business is being properly managed with good corporate governance, high standard of ethics and corporate behaviour;
- (d) Establishing an effective risk management and internal control framework which includes identifying the principal risks and ensuring the implementation of appropriate internal controls and mitigation measures to achieve a proper balance between risks incurred and potential returns to the shareholders;
- (e) Setting the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- (f) Ensuring Senior Management has the necessary skills and experience, and there are measures for orderly succession planning for the Company's Board and Senior Management which are reviewed on an annual basis, and to ensure that there are appropriate policies for training, appointment and performance monitoring of Senior Management;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

- (g) Developing and implementing an investor relation programme or shareholder communication policy for the Company to enable effective communication with stakeholders;
- (h) Together with Senior Management, promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour; and
- (i) Ensuring the integrity of the Company's financial and non-financial reporting.

Matters which shall be reserved for decision by the Board, supported by any recommendation as may be made from time to time by the Board Committees (as appropriate) include:-

- (a) Strategic issues and planning, including sustainability;
- (b) Corporate plans and programmes;
- (c) Budget and performance reviews;
- (d) Dividend policy or declaration of dividends;
- (e) Material borrowings;
- (f) Treasury policies;
- (g) Key human resources issues;
- (h) New ventures;
- (i) Material acquisitions and disposals of undertakings, assets and properties;
- (j) Quarterly financial results and annual financial statements; and
- (k) Any matters or transactions that fall within the ambit of the Board pursuant to the CA 2016, MMLR, the Company's Constitution or any other applicable laws and regulations.

The Board delegates responsibility for the day-to-day operation of the Group's business to the Executive Directors and recognises its responsibility for ensuring that the Group operates within a framework of prudent and effective control.

Chairman and Chief Executive Officer

The roles and responsibilities of the Chairman and the CEO are clearly defined and segregated to ensure a balance of power and authority such that no one individual has unfettered power of decision. The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role.

The responsibilities of the Chairman include:-

- (a) Leading the Board in its responsibilities for the business and affairs of the Company and its oversight of management;
- (b) Overseeing the Board in the effective discharge of its supervisory role;
- (c) Ensuring the integrity and effectiveness of the governance process of the Board and leading the Board in the adoption and implementation of good corporate governance practice in the Group;
- (d) Setting the agenda for Board Meetings with the assistance of the Company Secretary and ensuring all Board members receive complete and accurate information in a timely manner;
- (e) Leading Board discussion, encourage active participation and allowing dissenting views to be freely expressed;
- (f) Facilitating the effective contribution of all Directors and ensuring constructive relations be maintained between the Board and Management;
- (g) Ensuring that there is regular and effective evaluation of the Board's performance; and
- (h) Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.

The CEO is responsible for implementing the policies and decisions of the Board, overseeing day-to-day operations as well as development and implementation of business and corporate strategies and plans. All Board's authorities conferred on the management is delegated through the CEO and this will be considered as the CEO's authority and accountability.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Committees

The Board, in discharging its fiduciary duties, may from time to time establish Committees as it considers necessary to assist it in carrying out its responsibilities.

The Board has established three (3) Board Committees, namely ARMC, NC and RC, each entrusted with specific tasks and operates within clearly defined terms of reference approved by the Board. The Chairperson of the respective Committee reports to the Board on the outcome of the Committee meetings and such reports or minutes will be included in the Board papers.

The last review of terms of reference of ARMC, NC and RC was on 27 November 2025. The respective Board Committees' terms of reference are available at the Company's website at <https://www.kimlun.com>.

a. Audit and Risk Management Committee

Please refer to pages 90 to 95 of this Annual Report for composition of the ARMC, ARMC meetings held and the activities undertaken by the ARMC in the discharge of its duties during FY2025.

b. Remuneration Committee

The current composition of the RC is as follows:-

Name	Designation	Directorship
Datuk Woon See Chin	Chairperson	Independent Non-Executive Director
Dato' Ir. Fong Tian Yong	Member	Independent Non-Executive Director
Johar Salim Bin Yahaya	Member	Independent Non-Executive Director

During FY2025, one (1) meeting was held and attended by all the members.

The RC reviewed and recommended to the Board the remuneration of the Executive Directors and Senior Management. Please refer to the ensuing section on Directors' remuneration for further details.

The RC has also reviewed and recommended to the Board, the remuneration packages of Non-Executive Directors for shareholders' approval at the forthcoming Seventeenth AGM.

The Director concerned abstained from any discussion on his/her individual remuneration.

c. Nomination Committee

The current composition of the NC is as follows:-

Name	Designation	Directorship
Johar Salim Bin Yahaya	Chairperson	Independent Non-Executive Director
Anita Chew Cheng Im	Member	Independent Non-Executive Director
Bhupendar Singh A/L Sewa Singh	Member	Independent Non-Executive Director

During FY2025, two (2) meetings were held and attended by all the members. Please refer to the sections on Appointment, Election and Re-election, Independence of Director and Board Evaluation and Performance for further details on activities undertaken by the NC in the discharge of its duties during FY2025.

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Board Meetings and Attendance

The Board shall meet at least five (5) times a year. Directors are informed at the end of each year about the number and the tentative dates of Board meeting and Board committee meetings in the following year. In exceptional circumstances, additional meetings may be convened. During Board meetings, the CEO and members of the Management team, will table and present reports for the Board's consideration, deliberation and direction.

Directors are required to inform the Board of conflicts of interest or potential conflicts of interest they may have in relation to particular items of business transacted by the Group or the Company as soon as practicable after the relevant facts have come to his/her knowledge. The interested Directors should abstain themselves from discussion or decisions on matters in which they have conflicting interest.

The Chairperson of the ARMC, RC and NC would report to the Directors at Board meetings of any salient matters noted by the Committees and which require the Board's notice, direction or approval.

The Chairperson shall ensure that Board Committee meetings are not combined with the main Board meeting to enable objective and independent discussion during the meetings.

Agenda, board papers and any other documents are made available at least five (5) business days in advance to the Board to facilitate well-informed Board deliberation and decision-making. In addition, members of the Management are frequently invited to the Board meetings to explain and clarify the items tabled to the Board.

Agenda shall be prepared taking into account the formal schedule of matters reserved for the Board's decision.

All proceedings of the Board meetings are minuted. All Board members ensure that the minutes of meetings accurately reflect the deliberations and decisions of the Board, including any dissenting views and whether any Director abstain from voting or deliberating on a particular manner.

During FY2025, five (5) Board meetings were held. Details of attendance at the Board meeting are as follows:-

Name of Directors	Number of Meetings Held During Director's Tenure In Office	Number of Meetings Attended	Percentage of Attendance
Pang Tin @ Pang Yon Tin	5	5	100%
Pang Khang Hau	5	5	100%
Sim Tian Liang	5	5	100%
Chin Lian Hing	5	5	100%
Yam Tai Fong	5	5	100%
Datuk Woon See Chin	5	5	100%
Dato' Ir. Fong Tian Yong	5	5	100%
Anita Chew Cheng Im	5	4	80%
Johar Salim Bin Yahaya	5	5	100%
Bhupendar Singh A/L Sewa Singh	5	5	100%

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Access to Information and Independent Professional Advice

All Directors, whether as a full Board or in their individual capacity have unrestricted access to Management and all information of the Group on a timely basis in an appropriate form and quality necessary to enable them to discharge their duties and responsibilities. In exercising their duties, the Directors have unrestricted access to the advice and services of the Company's Auditors and Company Secretary and are also entitled to obtain independent professional opinions or advice from external consultants at the Company's expenses, when the need arises. Any request for professional opinions or advice from external consultants shall be raised for the consideration and consent of the Chairman. Upon his consent of the request, the Chairman shall authorise a Director or a member of the Senior Management to source for the advice of a suitable professional advisers or external consultants, based on the requirements of the Board.

Directors' Remuneration

The Board has adopted a remuneration policy for Directors and key senior management ("Remuneration Policy") that sets out the manner in which the remuneration of Directors and key senior management are determined. The Remuneration Policy is subject to regular review by the RC and will be amended as appropriate to align with market practices and requirements of the MCGG and any other new requirements. Amendment to this policy must be tabled to the Board for approval. The Remuneration Policy which was reviewed on 27 November 2025 is accessible at <https://www.kimlun.com>.

On an annual basis, the RC considers the market competitiveness, complexities and performance of the Group as well as skills, experience required and individual performance in evaluating the Executive Directors' remuneration. The RC will then recommend to the Board, the remuneration package for the Directors. The Board, as a whole, will determine the level of remuneration paid to its Directors, taking into consideration the recommendation of the RC.

The level and make-up of remuneration should be effective and sufficient enough to:-

- attract and retain the Directors needed to run the Group successfully; and
- motivate and create incentives for Directors to perform at their best.

Pursuant to the Remuneration Policy, the remuneration package for Executive Directors comprises of a number of separate elements such as basic salary, allowances (where applicable), performance-based bonuses and benefit-in-kind. The level of remuneration of the Executive Directors takes into consideration the Directors' experience, responsibilities, qualifications, level of skills, contribution and commitment to the Group and the performance of the Group. The remuneration package is also compared to the compensation levels for comparable positions among other similar Malaysian public listed companies that are in the construction industry and prevailing economic and market conditions. Executive Directors who are full time employees of the Group receive no additional compensation for services as a Director.

In the case of Non-Executive Directors, the level of remuneration should reflect the experience and level of responsibilities undertaken by the particular Non-Executive Director concerned. Non-Executive Directors will be paid a fixed basic fee as ordinary remuneration, a sum based on their responsibilities in Board committees and travelling allowances for their attendances at the meetings. The quantum of Non-Executive Directors' remuneration shall not be based on commission, percentage of profits and/or turnover of the Group. The fee and allowance to the Non-Executive Directors are subject to the approval of the shareholders.

No Board member, whether executive or non-executive, will be involved in deciding his own remuneration.

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The breakdown of remuneration received or receivable by the Directors for FY2025 are as follows:-

Name of Directors	Fee [∞] (RM)	Travelling allowance [∞] (RM)	Salaries and other allowances [^] (RM)	Bonus [^] (RM)	EPF [^] (RM)	Benefits-in-kind [^] (RM)	Total (RM)
Independent Director							
Datuk Woon See Chin	84,600	5,950					90,550
Dato' Ir. Fong Tian Yong	78,000	5,950					83,950
Anita Chew Cheng Im	96,000	5,950					101,950
Johar Salim Bin Yahaya	84,600	5,950					90,550
Bhupendar Singh A/L Sewa Singh	78,000	5,950					83,950
Total	421,200	29,750					450,950
Executive Director							
Pang Tin @ Pang Yon Tin			912,480	849,299		20,808	1,782,587
Pang Khang Hau			1,005,117	758,700	188,820	23,950	1,976,587
Sim Tian Liang			766,680	713,670	281,278	14,362	1,775,990
Chin Lian Hing			766,680	713,670	281,278	14,362	1,775,990
Yam Tai Fong			766,680	713,670	281,278	12,030	1,773,658
Total			4,217,637	3,749,009	1,032,654	85,512	9,084,812

[^]: received and receivable on group basis. None of the amount was received from the Company.

[∞]: received and receivable from the Company.

During FY2025, the RC had reviewed the remuneration of the Directors taken into consideration the respective Director's experience, level of responsibility, contribution and commitment to the Company, the performance of the Group, the compensation levels for comparable positions among other similar Malaysian public listed companies and market condition. Based on the result of its review, the RC made recommendation to the Board on the remuneration package for the Directors for financial year ending 31 December 2026. The Board concurred with the recommendation of the RC, and that shareholders' approval would be sought at the Seventeenth AGM on the payment of Directors' fees and benefits up to an amount of RM530,000 to the Independent Directors for the period commencing from the date of the forthcoming Seventeenth AGM until the next AGM of the Company.

The Group's top five (5) senior management are the five (5) Executive Directors of the Company. Their respective remuneration is as disclosed above.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Evaluation and Performance

The NC evaluates the effectiveness and performance of the Board as a whole, the Board Committees and the individual Directors on an annual basis. The process is internally facilitated and conducted through the following questionnaires covering a variety of assessment criteria:-

- (a) ARMC Evaluation Form;
- (b) Independent Directors' Self-Assessment Checklist;
- (c) Directors' Self and Peer Evaluation Form;
- (d) Directors' Declaration of Fit and Proper Assessment Form; and
- (e) Board and Board Committee Evaluation Form.

The criteria on which assessment is made is developed, maintained and reviewed by the NC taking into consideration the Corporate Governance Guide issued by Bursa Securities. The assessment criteria include the mix of skills, experience, competency, time commitment, character, integrity, independence, ability to constructively challenge and contribute to the development of strategy, diversity and other qualities required to meet the needs of the Group and to comply with the provisions of the MMLR. The NC, upon discussion of the results, will present the findings to the Board.

Based on the evaluation conducted in FY2025, the NC found that the Board as a whole, the Board Committees and the individual Directors are effective and possess the criteria required to discharge their duties professionally and effectively, and uphold good governance standards in their conduct. The NC presented their findings to the Board, and the Board concurred with the findings of the NC.

Directors' Training

All Directors of the Company have attended the Mandatory Accreditation Programme as required by Bursa Securities. The Directors continue to update their knowledge and enhance their skills through appropriate continuing education programmes and life-long learning. This will enable Directors to effectively discharge duties and sustain active participation in the Board deliberations.

The Board is notified of training programmes or workshops conducted by Bursa Securities for its consideration of participation and the Board receives updates of the MMLR from the Company Secretary from time to time. The external auditors also briefed the Directors on any changes to the Malaysian Financial Reporting Standards that would affect the Group's financial statements during the financial year under review. All the current Directors, after assessing their own training needs, had attended the following training/seminar/conference:-

Director	Training/Seminar/Conference	Date
Pang Tin @ Pang Yon Tin	• E-Invoicing Workshop and Service Tax Update 2025	12 August 2025
Pang Khang Hau	• E-Invoicing Workshop and Service Tax Update 2025	25 August 2025
Sim Tian Liang	• E-Invoicing Workshop and Service Tax Update 2025	12 August 2025
Chin Lian Hing	• E-Invoicing Workshop and Service Tax Update 2025	25 August 2025
Yam Tai Fong	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	30-31 July 2025
Datuk Woon See Chin	• E-Invoicing Workshop and Service Tax Update 2025	25 August 2025
Dato' Ir. Fong Tian Yong	• E-Invoicing Workshop and Service Tax Update 2025	25 August 2025
Anita Chew Cheng Im	• E-Invoicing Workshop and Service Tax Update 2025 • AOB Conversation with Audit Committee Members	25 August 2025 25 November 2025
Bhupendar Singh A/L Sewa Singh	• E-Invoicing Workshop and Service Tax Update 2025	25 August 2025
Johar Salim Bin Yahaya	• E-Invoicing Workshop and Service Tax Update 2025	25 August 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Corporate Code of Conduct

The Directors, officers and employees of the Group are required to observe the Company's Corporate Code of Conduct. The core areas of conduct under the Corporate Code of Conduct include the following:-

- (a) compliance;
- (b) conflicts of interest;
- (c) confidential information;
- (d) fair dealing;
- (e) company assets and property;
- (f) knowledge and information;
- (g) preventing corruption and unethical practices;
- (h) employment practices; and
- (i) reporting of illegal or unethical behavior.

The Board will review the Corporate Code of Conduct regularly to ensure that it continues to remain relevant and appropriate. The Corporate Code of Conduct was last reviewed on 27 November 2025.

In addition, the Company has developed an Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") to set out the responsibilities of the Group to comply with laws against bribery and corruption and provide guidance to the Directors, employees and business associates on standard of behaviour to which they must adhere to and how to recognise and deal with bribery and corruption issues, to ensure that the Group's business is conducted in an ethical manner with integrity and honesty. The effectiveness of the ABAC Policy will be reviewed periodically by the Board, and in any event, at least once in every three (3) years. The ABAC Policy was last reviewed on 27 November 2025.

The Corporate Code of Conduct and ABAC Policy are made available for reference on the Company's website at <https://www.kimlun.com>.

Whistle Blowing Policy & Procedure

The Board is committed to achieving and maintaining the highest standards of integrity, openness, probity and accountability in the conduct of its businesses and operations. It aspires to conduct its affairs in an ethical, responsible and transparent manner.

Whistleblowing is a specific means by which an individual, whether employee or otherwise, can report or disclose through established channels, concerns about unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements that is taking place/has taken place/may take place in the future, without fear of reprisal or victimisation, in a responsible and effective manner.

The Whistle Blowing Policy & Procedure addresses the following areas:-

- Policy Statement;
- Scope of Policy;
- Reporting Procedure;
- Investigation Procedure;
- Protection and Confidentiality; and
- Acknowledgement and Recognition.

The Whistle Blowing Policy & Procedure also provides the contact details of the Chairperson of ARMC, should the reporting individual is in doubt of the Management's independence and objectivity on the concerns raised. The last review of the Whistle Blowing Policy & Procedure was on 27 November 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Conflict of Interest Policy

Proper identification and management of conflicts of interest ensures that interests of the Group are safeguarded.

The Board has established a Conflict of Interest (“COI”) Policy which serves as a comprehensive framework for identifying, addressing, managing and reporting actual, potential, and perceived COI arising from the interest of Directors and key senior management. Proper identification and management of conflicts of interest ensures that interests of the Group are safeguarded.

The last review of the COI Policy was on 27 November 2025 and is made available on the Company’s website at <https://www.kimlun.com>.

COMPANY SECRETARIES

All the Company Secretaries of the Company are qualified to act as Company Secretary under Section 235(2) of the CA 2016. The Company Secretary plays an important advisory role and is a source of information and advice to the Board and Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company and Group.

The Board shall ensure that the Company Secretaries remain competent to fulfill the function for which they have been appointed. In this respect, the appointment and removal of the Company Secretaries are matters for the Board to consider as a whole.

The specific responsibilities of the Company Secretaries include, but are not limited to the following:-

- (a) Manage all Board and Board Committee meeting logistics, attend and record minutes of all Board and Committee meetings and facilitate Board communication;
- (b) Advise the Board on its roles and responsibilities;
- (c) Facilitate the orientation of new Directors and assists in Directors’ training and development;
- (d) Advise the Board on corporate disclosures and compliance with company and securities regulations and listing requirements;
- (e) Manage processes pertaining to the annual shareholders’ meeting;
- (f) Monitor corporate governance developments and assist the Board in applying governance practices to meet the Board’s needs and stakeholders’ expectation; and
- (g) Serve as a focal point for stakeholders’ communication and engagement on corporate governance issues.

B. EFFECTIVE AUDIT AND RISK MANAGEMENT

Financial Reporting

The Board aims to present a balanced, clear and meaningful assessment of the Group’s financial performance and position, and prospects in presenting the annual financial statements and quarterly reports as well as announcements to Bursa Securities. The Board is assisted by the ARMC in reviewing the Group’s financial reporting processes and accuracy of its financial results, and scrutinising information for disclosure to ensure compliance with applicable approved accounting standards in Malaysia and the provisions of the CA 2016.

Internal Control

The Board acknowledges its overall responsibility for maintaining a sound system of internal controls to safeguard shareholders’ investment and the Group’s assets. However, the Board recognises that such system is structured to manage rather than eliminate the possibility of encountering risk of failure to achieve corporate objectives.

The Statement on Risk Management and Internal Control is set out on pages 96 to 101 of the Annual Report 2025 providing an overview of the state of internal controls, risk management framework and internal audit function within the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Relationship with Auditors

The Company has established a formal, transparent and appropriate relationship with the Company's auditors, both internal and external. The internal auditors and the external auditors have direct access to the ARMC at all times. From time to time, the auditors will highlight to the ARMC and the Board matters that require the ARMC's and the Board's attention.

The ARMC meets with the external auditors at least twice a year without the presence of Executive Directors and Management to discuss their audit plan and audit findings. The ARMC reviews with the external auditors the annual audited financial statements before recommending them to the Board for its approval.

The ARMC assesses the effectiveness of both internal and external audit as well as the suitability, independence and objectivity of the external auditors. In its assessment, the ARMC considered several factors, which included adequacy of experience and resources of the firm and the professional staff assigned to the audit as well as the effectiveness of the audit process. Written assurance shall be obtained from the external auditors yearly, confirming their independence in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Code of Ethics for Professional Accountants (including International Independence Standards).

Being satisfied with the external auditors, Ernst & Young PLT's ("EY") technical competency and audit independence, the ARMC recommended the appointment of EY as external auditors for FY2025. The Board at its meeting held on 8 April 2026 approved the ARMC's recommendation for the shareholders' approval to be sought at the Seventeenth AGM on the re-appointment of EY as external auditors of the Company for FY2026.

C. APPROACH TO SUSTAINABILITY

The Board is responsible for the governance of sustainability in the Group including setting the Group's sustainability strategies, priorities and targets. The Board also ensures the adequacy of the Group's framework for risk management and internal controls which are crucial to the Group's sustainability.

The Group's sustainability framework is disclosed in page 31 of the Annual Report 2025.

The Board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Assessing the issues that are most material to us and our stakeholders in the environmental, social and governance contexts will enable us to continue to operate effectively and sustainably. The Group's sustainability measures, framework for risk management, material sustainability matters ("MSM"), and controls measures are disclosed in pages 33 to 34 of the Annual Report 2025.

The Group is committed to being accountable and responsive to the expectations and interests of its stakeholders. The Group identified the key stakeholder groups, the corresponding sustainability focus areas and the mode of engagement with such stakeholders as disclosed in page 32 of the Annual Report 2025. The Group ensures that its communication with the internal and external stakeholders are transparent and timely.

The Group stays abreast with and understands the sustainability issues by way of regular engagement with the various stakeholders to gain insight as to their concern, attending seminar/training, engagement of consultant to advise the Group on environmental matters in the Group's conduct of business, participation in Request of Information exercise of large project to gain early insight as to the likely expectation of the project owner as to the technical, financial resources and other aspects in relation to the project, and the trend of future demand.

The Management updates the Board on sustainability matters quarterly.

The performance evaluations of the Board and Senior Management includes review of their performance in addressing the company's material sustainability risks and opportunities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

D. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

DISCLOSURE POLICY, INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

The Board shall place great importance in ensuring the high standards of transparency and accountability in its communication to shareholders, analysts and the public. The shareholders shall be informed of all material matters affecting the Company and Group.

The channels of communication, amongst others, are as follows:-

- (a) timely announcements made to Bursa Securities, which includes quarterly financial results, material contracts awarded, changes in the composition of the Group and any other material information that may affect investors' decision making;
- (b) conducts dialogues with financial analysts from time to time as a means of effective communication that enables the Board and Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests; and
- (c) the Company's website which provides easy access to corporate information pertaining to the Company and its activities and is continuously updated. All announcements made to Bursa Securities are updated on the Company's website as soon as practical. Further, the stakeholders may at any time contact the Company on the investor relations queries via the contact details published on the Company's website.

The AGM is the principal forum for dialogue with shareholders. Please refer to the ensuing section on the conduct of AGM.

Key investor relation activities during FY2025 include the followings:-

- Semi-annually investors and financial analysts briefings; and
- Private meetings with fund managers, investors and financial analysts.

The Board is mindful on the importance of maintaining proper corporate disclosure procedures with the aim to provide shareholders and investors with comprehensive, accurate and quality information on a timely basis. Personnel and working team preparing the disclosure will conduct due diligence and proper verification, as well as coordinate the efficient disclosure of material information to the investing public. The Company also ensures that confidential information is handled properly by Directors, employees and relevant parties to avoid leakage and improper use of such information.

STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

The Company dispatches its notice of AGM to shareholders at least 28 days before the AGM, in advance of the notice period as required under the CA 2016 and MMLR. The additional time given to shareholders allows them to go through the Annual Report and Circular to shareholders, and make the necessary attendance and voting arrangements.

The Company allows a member to appoint a proxy who may be a member of the Company. If the proxy is not a member of the Company, he/she need not be an advocate, an approved company auditor or a person approved by the Companies Commission of Malaysia. The Company has also removed the limit on the number of proxies to be appointed by an exempt authorised nominee with shares in the Company for Omnibus account to allow greater participation of beneficial owners of shares at general meetings of the Company. The Constitution of the Company further accord proxies the same rights as members to attend, participate, speak and vote at the general meeting. Essentially, a corporate representative, proxy or attorney is entitled to attend, speak and vote as if they were a member of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The AGM is the principal forum for dialogue with individual shareholders, as it provides shareholders the opportunity to ask questions about the resolutions being proposed or about the Group's operations in general. At each AGM, a presentation is given by the Company to explain the Group's strategy, performance and major developments to shareholders ("Presentation"). The Board encourages shareholders to participate in the question and answer session at the AGM. The responses to these questions are provided during the AGM to enable all meeting participants to stay informed. Any unresolved questions and comments by shareholders during the AGM are compiled and answered post-AGM. The Directors, Company Secretaries and the Company's external auditors are available to respond to the queries raised. The Share Registrar is also available to attend to matters relating to shareholders' interests. The minutes and summary of key matters discussed at the AGM shall be published on the Company's website within 30 business days from the date of AGM.

The Company conducted its 16th AGM physically at a venue which is easily accessible to shareholders in Malaysia, in accordance with paragraph 8.27A of the MMLR.

For shareholders who were unable to attend the 16th AGM in person, they were encouraged and allowed to appoint proxies to attend, speak and vote in their stead at the 16th AGM.

During the 16th AGM, Presentation was made, and shareholders were given ample opportunity and time to raise questions and seek clarifications, to which the Board, provided informative answers to all questions raised.

Extraordinary General Meetings ("EGM") are held as and when required.

The Company conducted a virtual EGM on 15 January 2025. Comprehensive circulars were sent to shareholders within prescribed deadlines in accordance with regulatory and statutory provisions. During the EGM, a presentation was conducted in relation to the agenda items of the EGM, and shareholders were given ample opportunity and time to raise questions and seek clarifications, to which the Board, provided informative answers to all questions raised.

The Board put all resolutions to vote by poll and make an announcement of the detailed results, verified by independent scrutineer, showing the number of votes cast for and against each resolution.

This statement is made in accordance with the resolution of the Board of Directors dated 8 April 2026.

FUTURE PRIORITIES

During FY2025, the Group had taken steps to strategically handling of vital sustainability issues and incorporation of sustainability principles into the Company's operations.

Looking ahead to financial year ending 31 December 2026, the priorities of the Board is the adoption of IFRS S1 and IFRS S2 for sustainability reporting.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

Utilisation of Proceeds Raised From Corporate Proposal

- (a) During FY2025, the Company issued 10 tranches of Sukuk with tenure of 3 months to 12 months under its Islamic commercial papers programme based on the Shariah principle of Murabahah (via Tawarruq arrangement). Net total proceeds of RM88.21 million raised from the issuance of the Sukuk had been fully utilised to fund general working capital, capital expenditures and refinancing of existing financing of the Group.
- (b) During FY2025, the Company issued 35,336,200 new ordinary shares in the Company ("Placement Shares") for cash pursuant to a private placement exercise ("Private Placement"). The Private Placement was completed on 29 August 2025, following the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities, raising gross proceeds of RM42,050,078 ("Gross Proceeds").

The status of utilisation of the Gross Proceeds is as follows:

Purpose	Intended timeframe for utilisation from the date of listing of the Placement Shares	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance		Explanation (if the deviation is 5% or more)
				RM'000	%	
Property development expenditure for the Group's property development projects	Within 12 months	30,000	26,758	3,242	10.8%	(1)
Staff costs		7,000	7,000	0	0.0%	
Marketing and general operating expenses		4,430	2,954	1,476	33.3%	
Estimated expenses in relation to the Private Placement	Within 1 month	620	494	126	20.3%	(2)
Total Proceeds		42,050	37,206	4,844		

Note:-

- (1) Private Placement proceeds will be utilised within the estimated timeframe. The Group does not expect any material deviation.
- (2) The deviation is due to the actual professional fees is lesser than the estimated fees. The difference will be utilised for working capital.

Non-Audit Fees

During FY2025, non-audit fees incurred for services rendered to the Company and/or its subsidiaries by the Company's current external auditors, or a firm affiliated to the current external auditors were as follows:-

	Audit Fee	Non-audit Fee
Company	RM80,000	RM31,000
Group	RM584,000	RM106,000

Material Contracts

Save as disclosed under Note 32 to the financial statements contained in this Annual Report, there were no material contracts including contracts relating to any loans entered into by the Company and its subsidiaries involving Directors and major shareholders' interest, either still subsisting at the end of FY2025 or entered into since the end of the previous financial year.

Employee Share Scheme

The Company did not establish any Employee Share Scheme and does not have any subsisting Employee Share Scheme during the FY2025.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

Recurrent Related Party Transactions of Revenue and Trading Nature

The details of the recurrent related party transactions are disclosed in Note 32 to the Financial Statements.

Disclosure of Financial Data for Shariah Screening

Pursuant to Paragraph 9.25A of the Main Market Listing Requirement, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

	Group 2025 RM	Group 2024 RM
Revenue	1,925,207,440	1,207,412,571
Other operating income	4,501,429	52,060,216
Share of profit of joint ventures*	2,374,950	644,142
Total income	1,932,083,819	1,260,116,929
Total assets	2,506,103,480	2,064,578,856

* Share of loss of associates and joint ventures are excluded

(b) Business Activities

	Group 2025 RM	Group 2024 RM
Shariah Non-Compliant Activities		
Shariah Non-Compliant Activities:		
Interest income	3,004,408	2,122,890

* The amount disclosed represents the Shariah non-permissible income that can be reasonably ascertained based on information presently available

(c) Component of Financial Position

(i) Cash Component

	Group 2025 RM	Group 2024 RM
Islamic Account / Instruments		
Cash and bank balances (exclude cash in hand)	1,502,251	3,884,998
Short term deposits with licensed banks	693,156	675,024
Cash held under Housing Development Accounts	27,231	154,174
Total cash	2,222,638	4,714,195

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

Conventional Account / Instruments	Group 2025 RM	Group 2024 RM
Cash and bank balances (exclude cash in hand)	93,637,389	58,982,654
Short term deposits with licensed banks	11,002,578	5,018,766
Cash held under Housing Development Accounts	14,453,655	641,608
Total cash	119,093,622	64,643,028

(ii) Debt Component

Islamic Financing	Group 2025 RM	Group 2024 RM
Current		
Cash Line-i	2,244,473	-
Accepted Bills-i	-	5,865,000
Term loans	14,630,315	3,597,766
Hire purchase payables	14,957,234	11,826,799
Invoice financing	31,008,277	18,422,217
Revolving credit	10,000,000	-
Sukuk Murabahah		
- Islamic commercial papers	45,660,000	25,000,000
- Islamic medium term notes	30,000,000	60,310,000
Non-current		
Term loans	60,143,617	74,417,780
Hire purchase payables	17,243,450	22,276,069
Revolving credit	15,250,000	25,250,000
Sukuk Murabahah		
- Islamic medium term notes	-	30,000,000
Total Financing	241,137,366	276,965,631

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

Conventional Borrowing	Group 2025 RM	Group 2024 RM
Current		
Bank overdrafts	2,490,720	6,062,589
Bankers' acceptances	73,466,000	76,026,000
Term loans	26,174,386	12,371,271
Hire purchase payables	8,109,233	4,938,042
Invoice financing	213,558,248	179,818,761
Revolving credit	18,999,901	18,999,901
Non-current		
Term loans	133,526,685	82,858,017
Hire purchase payables	21,840,229	13,495,820
Revolving credit	38,000,000	-
Total Debt	536,165,402	394,570,401

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

AUDIT AND RISK MANAGEMENT COMMITTEE COMPOSITION AND MEETINGS

The members of the Audit and Risk Management Committee (“ARMC”) comprise of:-

1. **Anita Chew Cheng Im**
Chairperson / Independent Non-Executive Director
2. **Datuk Woon See Chin**
Member / Independent Non-Executive Director
3. **Dato’ Ir. Fong Tian Yong**
Member / Independent Non-Executive Director
4. **Bhupendar Singh A/L Sewa Singh**
Member / Independent Non-Executive Director

The ARMC, which consists solely of Independent Non-Executive Directors, comprise qualified individuals with the required skills and expertise to discharge the committee’s functions and duties. All members of the ARMC, including the Chairperson, will hold office only so long as they serve as Directors of the Company. The members of the ARMC are financially literate and have contributed to meaningful discussions in overseeing the integrity of the financial reporting processes and financial statements. Further, the members have experience/sufficient understanding that is relevant to the businesses and the industries the Group operates in.

Two of the ARMC members, Ms Anita Chew Cheng Im and Mr Bhupendar Singh A/L Sewa Singh, fulfilled the accounting qualification and experience criteria specified under paragraph 15.09(1)(c) of Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

Accordingly, the Company complies with paragraph 15.09 of MMLR of Bursa Securities.

The term of office, independence and performance of the ARMC and each of its members are assessed by the Nomination Committee (“NC”) annually. Based on the said assessment, the ARMC and its members are found to have effectively discharged its duties in accordance with its terms of reference. The Board and the NC were of the view that the ARMC has provided valuable recommendations to assist the Board in making informed decisions. The Board is kept informed of the ARMC’s deliberations through its minutes and report, which is a standing agenda item in the scheduled meetings of the Board.

During the financial year ended 31 December 2025 (“FY2025”), the ARMC met five (5) times. The ARMC meetings were appropriately structured through the use of agendas, which were distributed to the ARMC members prior to the meeting. The meeting attendance of the ARMC members is as follows:-

Name of Directors	Number of Meetings Held During Director’s Tenure in Office	Attendance	Percentage of Attendance
Anita Chew Cheng Im	5	5	100%
Datuk Woon See Chin	5	5	100%
Dato’ Ir. Fong Tian Yong	5	5	100%
Bhupendar Singh A/L Sewa Singh	5	5	100%

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

TERMS OF REFERENCE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The information on the terms of reference of the ARMC is available on the Company's website at <https://www.kimlun.com>.

SUMMARY OF ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

During the financial year, the ARMC met five times. In line with the terms of reference of the ARMC, the following activities were carried out by the ARMC during FY2025 in discharging its functions:-

(1) External Audit

- (a) Met with the external auditors, Ernst & Young PLT ("EY") three (3) times during FY2025 on 27 February 2025, 3 April 2025 and 27 November 2025 respectively on matters relating to the audit and financial statements without the presence of Management and Executive Directors. No major concerns were highlighted by EY during the private sessions and they had been receiving full co-operation from Management during the course of audit;
- (b) Reviewed and discussed with EY on their scope of work, engagement team, audit timeline, areas of audit emphasis, key audit matters, accounting standards updates that affected financial reporting, the responsibilities of Directors and Management, and the FY2025 audit planning memorandum;
- (c) Reviewed and discussed with EY the results of their audit, their comments and conclusions on the significant audit findings, the audit report and their evaluation of the internal controls;
- (d) Sought clarification from the Management on significant financial reporting matters, judgments made by the Management and matters highlighted by EY. The ARMC was satisfied with the clarification from the Management and the actions taken by the Management to address the matters highlighted;
- (e) Reviewed the audit fees proposed by EY and recommended the said fees to the Board of Directors for approval; and
- (f) Assessed the suitability, objectivity and independence of EY. In its assessment, the ARMC considered, amongst others, the information presented in EY's annual transparency report, competency and adequacy of resource, the professional staff assigned to the audit and the level of non-audit services to be rendered by EY. Written assurance was received from EY confirming their independence in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Code of Ethics for Professional Accountants (including International Independence Standards). Being satisfied with EY's technical competency, resources and audit independence, the ARMC recommended the re-appointment of EY as external auditors for FY2025.

(2) Financial Reporting

- (a) Reviewed the quarterly unaudited financial results, audited financial statements and Annual Report before recommending for the Board's approval, focusing particularly on:-
 - (i) changes in or implementation of major accounting policy changes;
 - (ii) significant matters highlighted including financial reporting issues, significant judgments made by Management, significant and unusual events or transactions, and how these matters are addressed;
 - (iii) compliance with accounting standards, regulatory and other legal requirements;
 - (iv) the going concern assumption; and
 - (v) significant adjustment arising from the audit.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The ARMC obtained the advice of the Company Secretaries and external auditors on compliance with the MMLR of Bursa Securities, the applicable approved Financial Reporting Standards issued by the Malaysian Accounting Standards Board, and other legal requirements applicable to financial reporting.

- (b) Invited the Finance Director to all ARMC meetings to facilitate direct communication as well as to provide clarification on the financial results of the Group, the changes in or implementation of major accounting policy changes.

(3) Internal Audit

- (a) Met with the internal auditors two (2) times during the year without the presence of any Executive Directors or Management of the Group;
- (b) Reviewed the internal audit plan, the adequacy of the scope and coverage of internal audit activities of the Group, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- (c) Reviewed and deliberated on the audit findings in the internal audit reports tabled during the year, the audit recommendations made and Management's responses and/or actions taken to these recommendations. The ARMC briefed the Board on audit findings, sought clarifications from the Executive Directors on internal control matters and provided its views and recommendations on areas where improvements could be made; and
- (d) Reviewed the performance of the internal audit function by assessing the competency, experience, independency and resources of Axcelasia Sdn. Bhd.

(4) Related Party Transactions and Conflict of Interest

- (a) Reviewed related party transactions ("RPTs") on a quarterly basis and also the internal audit report on RPTs to ascertain that the review procedures established to monitor the RPTs have been complied with. The Management presented the RPTs reports detailing the parties to the RPTs, the nature and quantum of the RPTs to the ARMC quarterly for their review;
- (b) Reviewed and considered any conflict of interest ("COI") and potential COI situations that may arise within the Company and the Group on a quarterly basis, including any transactions, procedure or course of conduct that may raise questions of Management integrity and the measures taken to resolve, eliminate or mitigate such conflicts; and
- (c) Reviewed the 2025 Circular to Shareholders in relation to the renewal of shareholders' mandate for Recurrent RPT, prior to its recommendation to the Board of Directors for approval.

(5) Risk Management and Internal Control

- (a) Reviewed the risk management and internal control framework, policies and process, and recommended for approval by the Board;
- (b) Discussed with the Management, the material key risks affecting the Group, the mitigation plans and strategies implemented by Management and the residual risk scores of these risks; and
- (c) Reviewed the adequacy and effectiveness of risk management, internal control and governance systems put in place in the Group.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(6) Others

- (a) Reviewed the following statements/reports and recommended the same to the Board for inclusion in the Annual Report:
 - (i) Statement on Risk Management and Internal Control; and
 - (ii) Audit and Risk Management Committee Report.
- (b) Reviewed the Conflict of Interest Policy, External Auditor Policy and Terms of Reference of the ARMC.

SUMMARY OF ACTIVITIES OF INTERNAL AUDIT FUNCTION

The Company has outsourced its internal audit function to external professional service firm. The internal audit function has been mandated to continually assess and monitor the Group's system of internal control.

During the financial year, the internal auditors carried out internal audit reviews to assess the adequacy and integrity of the system of internal control as established by the Management, so as to provide reasonable assurance that:-

- the system of internal control continues to operate satisfactorily and effectively;
- assets and resources are safeguarded;
- integrity of records and information is protected;
- internal policies, procedures and standards are adhered to; and
- applicable rules and regulations are complied with.

The scope of work, as approved by the ARMC, was essentially based on the risk profiles of individual business units in the Group, where areas of higher risk were included for internal audit. The internal audit covered key operational, financial and compliance controls, including the risk management process deployed by Management. The scopes of coverage during the financial year were safety and health management, related party transactions, procurement management and property, plant and equipment management.

The internal audit reports ("IA Reports") with details on audit scope and methodology, process flow, critical process risks and relevant control activities, audit findings, areas of concern that require improvements, and audit recommendations were presented to the ARMC for its review and deliberation. The results of the audits in the IA Reports and the recommended corrective actions on reported weaknesses to be undertaken by the relevant Management team members within the required timeframes would be discussed at the Board meetings. The IA Reports were also forwarded to the Management for the necessary corrective actions. The internal auditors also conducted follow-up audits on key engagements to ensure that the corrective actions were implemented appropriately.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF CONFLICT OF INTEREST OR POTENTIAL CONFLICT OF INTEREST SITUATION

Details of new conflict of interest (“COI”) situations involving Directors and key senior management of the Company in FY2025, and the measures taken to resolve, eliminate, or mitigate such conflicts, are set out below:

1. Potential Business Competition

Nature

A property development company (“PD Co”) in which the Company’s Directors, namely, Mr. Pang Tin @ Pang Yon Tin and Mr. Pang Khang Hau (collectively “the Declarants”), together with their immediate family members have 95% shareholding (“Company A”), acquired 2 parcels of land (“PD Land”) situated about 3 kilometers from 3 parcels of adjacent land owned by the Group (“KCB Land”) in Johor Bahru, Johor.

Given the geographical proximity, future development on the PD Land may potentially compete with the Group’s development on the KCB Land.

Factors Considered by the ARMC and the Mitigation Plan

(i) Right of First Refusal

- The Declarants granted the Group the first right to consider acquiring the PD Land.
- Management declined the acquisition due to:
 - (a) Recent acquisitions of several parcels of land since 2024;
 - (b) Planned rollout of at least three new development projects, including the KCB Land, in 2025 and 2026;
 - (c) Significant construction and manufacturing orders in hand, all of which require substantial working capital and resources.

(ii) Assessment of Potential COI

After review, the ARMC concluded that the perceived COI was unlikely to expose the Group to significant risks, based on the following:

Factors	KCB Land	PD Land
Product differential	Serviced apartment for sale	Intended to build commercial properties for rental income
Timing of development	Advanced stage of planning; launch expected in third quarter of 2026	Development planning and approvals expected to take at least 2 years post-acquisition

(iii) Mitigation Measures

- (a) The Declarants will abstain from all deliberations and decisions relating to the KCB Land development; and
- (b) The Declarants will notify the Group of PD Land’s development details once finalised.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

2. Acquisition of Land

Nature

Kimlun Sdn. Bhd., a wholly-owned subsidiary of the Company, proposed to acquire 2 parcels of land in the township and district of Kulai, State of Johor ("Acquisition") ("Kulai Land") from Mr Pang Tin @ Pang Yon Tin, for a total cash consideration of RM3,650,000 ("Purchase Price").

Factors Considered by the ARMC

To safeguard the Group's interests, the ARMC considered the following:

- (i) The Group requires vacant land for additional storage of construction materials and machinery;
- (ii) The Kulai Land is suitable for the intended use and strategically located;
- (iii) The Kulai Land is free from all encumbrances and comes with vacant possession;
- (iv) The Purchase Price was determined based on an independent professional valuation.

Outcome

After review, the ARMC concluded that the Acquisition is not detrimental to the Group. The Acquisition was completed in December 2025.

This statement is made in accordance with the resolution of the Board of Directors dated 8 April 2026.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is committed to maintaining a sound system of risk management and internal control in the Group to safeguard shareholders' investments and the Group's assets. The Board is pleased to provide the Statement on Risk Management and Internal Control which outlines the nature and scope of risk management and internal control of the Group for the financial year ended 31 December 2025 ("FY2025") under review, in accordance with paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. For the purpose of this Statement, the Group comprises the holding company and its subsidiaries.

RESPONSIBILITIES OF THE BOARD

The Board acknowledges the importance of maintaining an effective and sound system of risk management and internal control, covering all its financial and operating activities, to safeguard shareholders' investments and the Group's assets. Notwithstanding this, due to the limitations that are inherent in any system of internal control, the Group's internal control system is designed to identify and manage, rather than to eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss. Accordingly, the Board affirms its responsibility for the Group's system of risk management and internal control and its commitment to review its effectiveness, adequacy and integrity to ensure implementation of an appropriate system to effectively and continuously identify, evaluate and manage principal risks of the Group and to mitigate the effects of the principal risks on achieving the Group's business objectives.

The Group's system of internal control covers risk management on financial, operational and compliance controls. The Board continually reviews the system of internal control to ensure that it provides a reasonable but not absolute assurance against material misstatement of financial information and records, and against financial losses or fraud.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group. The Management assists the Board in the implementation of the Board's policies and procedures on risks management and internal controls by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

The Board has received assurance from the Chief Executive Officer and the Finance Director that the Group's risk management and internal control system is operating adequately and effectively in all material aspects.

The Board has taken the necessary steps to ensure that appropriate systems are in place for the assets of the Group to be adequately safeguarded through the prevention and detection of fraud and other irregularities and material misstatements. The Board is of the view that the risk management and internal control system in place for the year under review and up to the date of issuance of the financial statements is adequate and effective.

RISK MANAGEMENT FRAMEWORK

The Board has overall accountability for ensuring that risks are effectively managed across the Group, and the Board has delegated and empowered the Audit and Risk Management Committee ("ARMC") to oversee internal control and risk management of the Group. The review mechanism applied by the ARMC in deriving its comfort on the state of the internal control and risk management of the Group includes:-

- (i) Assessing the adequacy and effectiveness of internal controls based on the internal audit findings presented by the Internal Auditors. These reviews are done at least twice a year where the Internal Auditors report their internal audit findings to the ARMC;
- (ii) Understanding the Group's performance and effectiveness of management in managing the Group's operations when reviewing the Group's quarterly financial performance and results and the ongoing development; and
- (iii) Obtaining feedback from External Auditors on risk and control issues noted by them during their statutory audit concerning the integrity of the accounting system and results generated by the system thereof annually.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

During FY2025, the Group operates within an enterprise risk management framework, of which environmental, social and governance (“ESG”) risks have been embedded with the framework. An Executive Committee (“EC”) that comprises Executive Directors of the Company and appointed key management personnel has been established to assume the following functions:-

- a) To support the Board in fulfilling its responsibility for identifying significant risks and ensuring the implementation of appropriate systems to manage the overall risk exposure of the Group; and
- b) To review and recommend the Group’s risk management policies and strategies for the ARMC’s consideration and recommendation for the Board’s approval.

The main functions and duties of the EC include, but are not limited to:-

- (i) Provides oversight and direction to the Group risk management process which includes:-
 - Evaluating and identifying new risks, and ensuring that significant risks are being responded to appropriately; and
 - Monitoring the Group’s risk exposures and ensuring the implementation of management action plans to mitigate significant risks identified;
- (ii) Evaluates the effectiveness of the risk management processes and support system to identify, assess, monitor and manage the Group’s key risks;
- (iii) Meets with senior management on a semi-annual basis to discuss and deliberate on the significant risks affecting the Group within the context of the business objectives and strategy;
- (iv) Establish Group risk management guidelines and policies and ensure implementation of the objectives outlined therein and compliance thereto;
- (v) Recommends for the Board’s approval, the Group risk management policies, strategies and risk tolerance levels, and any proposed changes thereto; and
- (vi) Reviews significant investment proposals.

A risk management report is tabled for review and acceptance by the ARMC and Board annually or at shorter intervals where necessary. The report identifies principal risks affecting or are likely to affect the Group, and the appropriate systems and/or actions to manage the risks.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The key risks and some of the control measures taken to mitigate the risks for FY2025 are set out below:-

Risk area	Control measures taken to mitigate the risks
Operational risks As in any business, the Group is subject to operational risks which are inherent in the industry which the Group is operating such as delay in progress of construction leading to Liquidated Ascertained Damages, cost overrun, etc.	- Organisation structure outlining the lines of responsibilities and authorities for planning, executing, controlling and monitoring the business operations. - Periodic operational review meetings attended by the Executive Directors, heads of departments and key management staff to consider financial and operational risks and issues of the Group as well as any management proposal. - Monitoring of actual performance against annual budget by the Board. - Placement of trusted and experienced employees to lead the operations of branches. - Engagement of specialist to provide consultancy services for technically complicated works. - Formalised Whistle Blowing Policy & Procedure (“Whistle Blowing Policy”), Corporate Code of Conduct (“Code”) and written policies and procedures on major processes to ensure compliance with internal control systems and relevant laws and regulations. - Appointment of staff based on the required level of qualification, experience and competency.
ESG risks The Group faces a variety of ESG-related issues and some of them are potential to be material and might cause financial or reputational damage.	- Implement the guidance under Environment Management System Certification – ISO 14000:2000 in the Group’s pre-cast operations to minimise the environmental impact. - Continuous monitoring and producing quarterly reports of environment impact of quarry operations. - Conduct social impact assessment of property development projects in compliance with the applicable rules and regulations. - Appointment of consultants to advise on material ESG topics and development of materiality matrix. - Implement standard policies and procedures on key operational processes. - Implement Anti-Bribery and Anti-Corruption Policy (“ABAC Policy”) and internal guidelines thereunder to ensure that the Group’s business is conducted in an ethical manner with integrity and honesty. - Implement the Code which sets out the standards which the directors, officers and employees (“Personnel”) of the Group are expected to comply in relation to the affairs of the Group’s businesses when dealing with each other, shareholders and the broader community. This Code focuses on areas of ethical risk, provide guidance to Personnel to help them recognise and deal with ethical issues, provides mechanisms to report unethical conduct, and helps to foster a culture of honesty, integrity and accountability. - Implement Whistle Blowing Policy which provides means by which an individual can report internally through established channels, concerns about unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements that is taking place/has taken place/may take place in the future, without fear of reprisal or victimisation. - Implement Conflict of Interest (“COI”) Policy and maintain a robust framework consisting of well-defined processes and procedures to ensure that the Group’s interests are safeguarded in a situation involving COI. - Engage an independent internal audit function to provide reasonable assurance on the effectiveness of the system of internal control within the Group. The risk management process is also audited to provide assurance on the management of risks.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk area	Control measures taken to mitigate the risks
Credit and liquidity risks The Group faces the threat of delays in payment by customers for work done which will eventually affect the Group's cash flow, and heighten the risks of debts becoming unrecoverable.	- Background check of prospective customers prior to accepting any engagement from such parties. - Close monitoring of collections by the finance department with weekly updates to the senior management as to collections received and incidences of delay. - Timely follow up with the customers on overdue payments and retention sums. - In situations where customers are unable to adhere to the agreed credit terms, reasons for the delay will be considered. If there are sufficient commercial justifications, negotiated settlements which include extensions of time for payments or accepting tangible assets such as properties in lieu of cash payment will be considered when the chances of cash recovery is remote. - Avoid over concentration of sales and credit exposure to any customer to prevent over-dependence on any customer. - Actively monitor the Group's banking facilities to ensure the facilities are sufficient to meet the Group's working capital and capital expenditure requirements, and negotiate with bankers for credit facilities which enable greater flexibility in the Group's management of financial resources. - Issuance of Sukuk, where necessary, to meet the Group's funding needs. - Monetisation of assets of slow return, where necessary, in situation where there is good quick turnaround alternative business opportunity.
Market risks The Group operates in a competitive environment and failure to compete effectively against its existing competitors and new market entrants will affect its performance.	- Establish quality control procedures and project tendering guidelines to ensure both quality and cost efficiencies are maintained. - Nurture close relationships with customers, sub-contractors and suppliers. - Establish wide range of services and products to diversify product risks and reduce reliance on any particular service or product. - Focus more on technical demanding products and services to create a market niche or speciality. - Pursue joint ventures and development projects with partners whose strengths complement the Group's capabilities. - Diversify base of customers, sub-contractors and suppliers. - Maintain an in-house IBS design team with the ability to advise and work with clients from the early stage of their projects, i.e. design stage. - Maintain a well-equipped lab to perform the necessary test on raw materials on a timely manner and perform incidental lab test required by clients at minimal charges.
Corruption risks Corruption risks exist across all business sectors, in one form or another, from bribery to extortion and embezzlement to cronyism. Corruption can have serious consequences for businesses' financial health and reputations, impact the quality of goods and services and it can prevent businesses from achieving maximum efficiency and profitability. The Group is not spared from corruption risks.	- Implemented ABAC Policy which sets out the responsibilities of the Group to comply with laws on bribery and corruption and provide guidance to the Directors, employees and business associates on the standard of behaviour to which they must adhere and how to recognise and deal with bribery and corruption issues. - Implemented the Code and Whistle Blowing Policy. - Declaration of actual or potential conflict of interest situations by key senior management and tender award committee. Such personnel shall abstain from decision making where there is actual or potential conflict of interest. - Adopts segregation of duties for job functions. Designated personnel for preparing, verifying and approving each transaction/activity is documented in written procedures. - Provide training on anti-bribery and anti-corruption to Personnel and conduct due diligence procedures on customers, vendors, and employees.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL

The Group has established an organisation structure outlining the lines of responsibilities and authorities for planning, executing, controlling and monitoring the business operations aligned to business and operations requirements which supports the maintenance of a strong control environment. It has extended the responsibilities of the ARMC and of the Board to include the assessment of internal controls through the internal audit function.

Other key elements of the system of internal control of the Group are as follows:-

- The Board established a hierarchical organisation structure with proper segregation of duties for key functions of the Group's operations;
- Delegation of authority including authorisation limits at various levels of management and those requiring the Board's approval are clearly defined to ensure accountability and responsibility;
- Standard operating procedure manuals set out the policies and procedures for day-to-day operations. Reviews are performed to ensure that the manuals remain current, relevant and aligned with evolving business and operational needs;
- Formation of committee to evaluate and approve related party project tenders;
- Appointment of staff based on the required level of qualification, experience and competency of the relevant position. Training and development programmes are carried out to ensure that staff are kept up to date with the necessary competencies and knowledge to carry out their responsibilities towards achieving the Group's objectives;
- Review of actual performance against annual budget by the Board;
- Regular provision of comprehensive information to the Board for monitoring and tracking of performance of the Group;
- Periodic operational review meetings are held and attended by the Executive Directors, heads of departments and key management staff to consider financial and operational issues of the Group as well as any management proposal;
- Active involvement of Directors in the operation and management of branch and subsidiary companies;
- Centralised control of financial resources by head office of respective subsidiary companies;
- Whistle Blowing Policy and Code are established to ensure high standards of conduct and ethics in the business operations;
- Set out policies and procedures for anti-bribery and corruption and develop internal guidelines to ensure that the Group's business is conducted in an ethical manner with integrity and honesty;
- Establish COI Policy for identifying, addressing, managing and reporting actual, potential, and perceived COI, and to provide guidance on how to deal with situations involving COI as and when they arise;
- Implement ISO 9001:2015 Quality Management System for certain subsidiaries of the Company. Annual surveillance audits are conducted by a certification body to provide assurance of compliance with ISO 9001:2015;
- Adequate insurance coverage and physical safeguarding of major assets are in place to guard against any mishap that may result in material losses to the Group;
- The internal audit function provides reasonable assurance on the effectiveness of the system of internal control within the Group. Internal audits are conducted to review the effectiveness of the control procedures and are directed towards areas with significant risks as identified by the ARMC and Management, and the risk management process is also audited to provide assurance on the management of risks; and
- Review of internal audit reports and follow-up on audit findings by the ARMC. The internal audit reports are deliberated by the ARMC and are subsequently presented to the Board on a quarterly basis where the ARMC seeks clarifications from the Executive Directors on internal control matters and provides its views and recommendations on areas where improvements can be made.

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent professional service firm, Axcelasia Sdn. Bhd. The firm and its assigned personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence. The internal audit function has been mandated to continually assess and monitor the Group's system of internal control. The total cost paid or payable by the Group for the internal audit services amounted to RM52,000 for FY2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The internal audit function adopts a risk-based approach and prepares its audit strategy and plans based on the risk profiles of individual business units of the Group. These plans are updated periodically and approved by the ARMC. The internal audit function employs the widely used internal control guidance, the Internal Control - Integrated Framework issued by the Committee of Sponsoring Organisations ("COSO") of the Treadway Commission in assessing and monitoring the effectiveness of the Group's internal control. The monitoring, review and reporting arrangements undertaken by the Internal Auditor gives reasonable assurance that the internal controls embedded within the major business processes of the Group are appropriate to the Group's operations to adequately manage the key risks of the Group.

The key elements of the Group's internal audit function are described below:-

1. Prepare a detailed Internal Audit Plan based on a risk-based methodology with the scope and frequency of the internal audit activities for the ARMC's approval.
2. Carry out internal audit activities on business units of the Group to ascertain the adequacy and integrity of their system of internal controls, governance, risk management capability and adequacy of the Management team. The assessment on recurrent related party transaction procedures is carried out annually.
3. Report to the Management upon completion of each audit on any significant control lapses and/or deficiencies noted from the reviews and the root-cause analysis results (where applicable), for their verification and corrective action plan.
4. Report to the ARMC on all significant non-compliance, internal control weaknesses, root-cause analysis results (where applicable), and agreed actions taken by Management to resolve the audit issues identified.
5. The internal audit results are communicated with ratings on the overall adequacy and effectiveness of Management's risk management and internal control in relation to the approved internal audit focus (coverage) areas. This rating reflects the internal audit conclusion or opinion. Each internal audit finding is assigned an implementation priority rating, indicating the urgency of the corrective action.
6. Follow-up on internal audit issues identified to ascertain whether the agreed corrective action plan has been carried out by the Management and provide updates to the ARMC.

During the financial year, the internal auditors carried out internal audit reviews on safety and health management, related party transactions, procurement management and property, plant and equipment management, to assess the adequacy and integrity of the system of internal control as established by the Management.

There were no significant failings or weaknesses in internal controls which resulted in material losses during the financial year under review until the date of approval of this Statement. Corrective actions on any weaknesses or non-compliance matters have been taken by Management as stated in the scheduled deadline.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors, Messrs. Ernst & Young PLT have performed limited assurance procedures on the 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 ("AAPG") 3 - Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control as issued by the Malaysia Institute of Accountants, included in this Annual Report of the Group for the year ended 31 December 2025.

Messrs. Ernst & Young PLT have reported to the Board that nothing has come to their attention that causes them to believe the Statement on Risk Management and Internal Control included in this Annual Report is not prepared, in all material respects, in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control ("SORMIC"): Guidelines for Directors of Listed Companies ("SORMIC Guide 2025"), nor is the SORMIC factually inaccurate. Principles of AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment conducted by the Directors and management thereon.

This statement is made in accordance with the resolution of the Board of Directors dated 8 April 2026.

STATEMENT ON DIRECTORS' RESPONSIBILITY FOR THE AUDITED FINANCIAL STATEMENTS

The Directors acknowledged their responsibilities as required by the Companies Act 2016 to prepare the financial statements for each financial year so as to give a true and fair view of the state of affairs of the Group and the Company as at end of the financial year and of the results and cash flow of the Group and the Company for the financial year then ended.

In the preparation of the financial statements, the Directors have:-

- adopted appropriate accounting policies and apply them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensured that applicable approved accounting standards have been complied with; and
- ensured the financial statements have been prepared on a going concern basis.

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 to enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

This statement on Directors' responsibility is made in accordance with the resolution of the Board of Directors dated 8 April 2026.

ANALYSIS OF SHAREHOLDINGS

AS AT 30 MARCH 2026

Number of issued shares	: 388,718,916
Number of treasury shares	: 20,000
Number of shareholders	: 3,455
Class of shares	: Ordinary shares
Voting rights	: One vote per ordinary share

Distribution of Shareholdings (As per Record of Depositors)

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% [#]
1 - 99	304	8.798	10,817	0.002
100 - 1,000	524	15.166	280,116	0.072
1,001 - 10,000	1,578	45.672	7,428,975	1.911
10,001 - 100,000	825	23.878	25,268,162	6.500
100,001 - 19,434,944 *	222	6.425	231,076,551	59.448
19,434,945 and above **	2	0.057	124,634,295	32.064
Total	3,455	100.000	388,698,916	100.000

* less than 5% of issued shares

** 5% and above of issued shares

Based on the total number of issued shares in the Company excluding 20,000 treasury shares as at 30 March 2026.

Substantial Shareholders (As per Register of Substantial Shareholders)

Name of Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	% [#]
1. Phin Sdn. Bhd.	110,584,336	28.450	-	-
2. Pang Khang Hau	21,279,570	5.474	-	-
3. Pang Tin @ Pang Yon Tin	34,865,800	8.970	110,584,336	28.450

Based on the total number of issued shares in the Company excluding 20,000 treasury shares as at 30 March 2026

ANALYSIS OF SHAREHOLDINGS

AS AT 30 MARCH 2026

Directors' Shareholdings (As per Register of Directors' Shareholdings)

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	% [#]
1. Pang Khang Hau	21,279,570	5.474	-	-
2. Pang Tin @ Pang Yon Tin	34,865,800 [^]	8.970	128,920,850 [*]	33.167
3. Sim Tian Liang	8,814,670 [@]	2.268	1,000,000	0.257
4. Chin Lian Hing	9,586,144 ⁺	2.466	-	-
5. Yam Tai Fong	9,827,148	2.528	-	-
6. Anita Chew Cheng Im	-	-	-	-
7. Bhupendar Singh A/L Sewa Singh	-	-	-	-
8. Dato' Ir. Fong Tian Yong	-	-	-	-
9. Johar Salim Bin Yahaya	-	-	-	-
10. Datuk Woon See Chin	-	-	-	-

Note :-

[^] Includes 18,654,659 shares held in bare trust by HLB Nominees (Tempatan) Sdn Bhd.

^{*} Includes 7,229,611 shares held in bare trust by CIMSEC Nominees (Tempatan) Sdn Bhd.

[@] Includes 6,028,711 and 2,785,959 shares held in bare trust by Maybank Nominees (Tempatan) Sdn Bhd and Alliancegroup Nominees (Tempatan) Sdn Bhd respectively.

⁺ Includes 3,712,196 shares held in bare trust by Alliancegroup Nominees (Tempatan) Sdn Bhd.

[#] Based on the total number of issued shares in the Company excluding 20,000 treasury shares as at 30 March 2026

Thirty Largest Shareholders (As per Record of Depositors)

Name of Shareholders	No. of Shares Held	% [#]
1. Phin Sdn. Bhd.	103,354,725	26.589
2. Pang Khang Hau	21,279,570	5.474
3. HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Pang Tin @ Pang Yon Tin (JBU 13629)	18,654,659	4.799
4. Phang Piow @ Pang Choo Ing	17,644,500	4.539
5. Pang Tin @ Pang Yon Tin	16,211,141	4.170
6. Pang Yili	7,774,000	2.000
7. Citigroup Nominees (Asing) Sdn Bhd Exempt an For Citibank New York (Norges Bank 14)	7,539,200	1.939
8. CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Phin Sdn Bhd (PB)	7,229,611	1.859
9. Yam Tai Fong	6,797,548	1.748
10. Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sim Tian Liang	6,028,711	1.550

ANALYSIS OF SHAREHOLDINGS

AS AT 30 MARCH 2026

Thirty Largest Shareholders (As per Record of Depositors)

Name of Shareholders	No. of Shares Held	% [#]
11. Chin Lian Hing	5,873,948	1.511
12. Loh Oi Yoke	4,341,300	1.116
13. Sunny Pang Yi Lin	4,115,877	1.058
14. DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Hong Leong Dana Makmur	3,775,500	0.971
15. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chin Lian Hing (8122003)	3,712,196	0.955
16. DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Hong Leong Growth Fund	3,700,000	0.951
17. Wang Ah Yu	3,667,878	0.943
18. Leong Choon Thye	3,605,007	0.927
19. Goh Ngee Tee	3,202,200	0.823
20. Yam Tai Fong	3,029,600	0.779
21. Lew Kim Bock	2,923,658	0.752
22. Maybank Nominees (Tempatan) Sdn Bhd Etiqa Life Insurance Berhad (Dana EKT Prima)	2,887,300	0.742
23. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sim Tian Liang (8122016)	2,785,959	0.716
24. Pang Yi Shia	2,778,759	0.714
25. UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An For UOB Kay Hian Pte Ltd (A/C Clients)	2,492,843	0.641
26. Maybank Nominees (Tempatan) Sdn Bhd Exempt An for Maybank Islamic Asset Management Sdn Bhd (Omnibus Trust Account for Clients)	2,485,000	0.639
27. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Am Inv)	2,273,100	0.584
28. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (PHEIM)	2,266,700	0.583
29. Pang Chew Ngo	2,035,763	0.523
30. Maybank Nominees (Tempatan) Sdn Bhd National Trust Fund ESG (IFM Kenanga) (447645)	2,016,800	0.518
Total	276,483,053	71.130

The thirty largest shareholders refer to the thirty securities account holders having the largest number of securities according to the Record of Depositors (without aggregating the shares from different securities accounts belonging to the same depositor).

[#] Based on the total number of issued shares in the Company excluding 20,000 treasury shares as at 30 March 2026.

LIST OF PROPERTIES HELD BY THE GROUP AS AT 31 DECEMBER 2025

No	Address/Location	Description and Existing Use	Date of Acquisition (a)	Tenure of Land (years)	Land Area (sq. ft.)	Built-up Area (sq. ft.)	Age of Building	Net Book Value (RM)
1.	PN45839 Lot No.2, Pekan Sungai Gadut, District of Seremban, Negeri Sembilan	Factory and office buildings	26/01/2012	Leasehold (99 years expiring on 08/12/2091)	5,665,041	284,538	13	41,562,215
2.	HS(M)3416 to HS(M)3423 (PT7109 to PT7116) and HS(M)3539 to HS(M)3571 (PT7232 to PT7264), Seksyen U10 Shah Alam, Mukim Bukit Raja, Daerah Petaling, Negeri Selangor	Vacant bungalow land held for development	05/03/2014	Leasehold (99 years expiring on 27/01/2103)	386,499	Not Applicable	Not Applicable	37,490,673
3.	HS(M)3412 to HS(M)3415 (PT7105 to PT7108), HS(M)3424 to HS(M)3439 (PT7117 to PT7132), HS(M)3509 to HS(M)3525 (PT7202 to PT7218), HS(M)3528 to HS(M)3534 (PT7221 to PT7227) and HS(M)3536 to HS(M)3538 (PT7229 to PT7231), Seksyen U10 Shah Alam, Mukim Bukit Raja, Daerah Petaling, Negeri Selangor	Vacant bungalow land held for development	26/01/2018	Leasehold (99 years expiring on 27/01/2103)	589,539	Not Applicable	Not Applicable	48,203,097
4.	HS(D)458296 PTD166915, Mukim Pulau, Daerah Johor Bahru, Negeri Johor	Agriculture land held for development	20/12/2017	Freehold	1,263,037	Not Applicable	Not Applicable	87,515,552
5.	HS(D)606468 PTD244133 and HS(D) 606467 PTD244132, Mukim Plentong, District of Johor Bahru, Johor	Commercial land held for development	04/01/2021	Freehold	484,088	Not Applicable	Not Applicable	55,142,277

LIST OF PROPERTIES

HELD BY THE GROUP AS AT 31 DECEMBER 2025

No	Address/Location	Description and Existing Use	Date of Acquisition (a)	Tenure of Land (years)	Land Area (sq. ft.)	Built-up Area (sq. ft.)	Age of Building	Net Book Value (RM)
6.	Lot 7582, Lot 7583, Lot 7584, Lot 103987, Lot 103988, Lot 7603, Lot 103989, Lot 103990, Lot 103991 and PT14985 (Lot 101257) at Mukim Petaling, Wilayah Persekutuan Kuala Lumpur	Vacant land held for development	10/10/2017	Freehold	1,911,688	Not Applicable	Not Applicable	141,351,266
7.	GRN 353408, Lot 68324, Mukim Plentong, Daerah Johor Bahru, Negeri Johor	Land under development	29/09/2014	Freehold	347,523	Not Applicable	Not Applicable	149,450,061
8.	HS(D) 503871 PTD 183087, Mukim Pulau, Daerah Johor Bahru, Negeri Johor	Agriculture land held for development	16/8/2023	Freehold	864,234	Not Applicable	Not Applicable	48,868,615
9.	HS(D)611999 PTD245453, Mukim Plentong, Daerah Johor Bahru, Negeri Johor	Commercial Land held for development	27/12/2017	Freehold	779,724	Not Applicable	Not Applicable	24,277,850
10.	Taman Nusa Melati, Mukim Pulau, Daerah Johor Bahru, Negeri Johor	Residential and commercial land held for development	19/05/2023	Freehold	1,147,937	Not Applicable	Not Applicable	99,429,938

Note :

- (a) Date of acquisition stated herein refers to the date of the respective sale & purchase agreement.

NOTICE OF SEVENTEENTH (17TH) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 17th Annual General Meeting (“AGM”) of the Company will be held at Maharani Hall, Level 1, Impiana Hotel Senai, Jalan Impian Senai Utama 2, Taman Impian Senai, 81400 Senai, Johor on Friday, 5 June 2026 at 2.30 p.m. to transact the following businesses:-

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon. (Please refer to Note 1 of the Explanatory Notes on Ordinary Business)
2. To re-elect the following Directors who retire pursuant to Clause 76(3) of the Company’s Constitution, as Directors of the Company:-
 - (i) Pang Khang Hau (Resolution 1)
 - (ii) Yam Tai Fong (Resolution 2)
 - (iii) Datuk Woon See Chin (Resolution 3)
3. To declare a single tier final dividend of 4.0 sen per Ordinary Share for the financial year ended 31 December 2025. (Resolution 4)
4. To approve the payment of Directors’ fees and benefits up to an amount of RM550,000.00 to the Non-Executive Directors for the period from the 17th AGM until the next AGM of the Company. (Resolution 5)
5. To re-appoint Messrs Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 6)

Special Business

To consider and if thought fit, to pass the following resolutions, with or without modifications:-

6. **ORDINARY RESOLUTION**
AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 (Resolution 7)

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company (“**New Shares**”) (including rights or options over subscription of such New Shares) from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being (“**Proposed General Mandate**”).

NOTICE OF SEVENTEENTH (17TH) ANNUAL GENERAL MEETING

THAT such approval on the Proposed General Mandate shall continue to be in force until:

- i. the conclusion of the next Annual General Meeting (“AGM”) of the Company held after the approval was given;
- ii. the expiration of the period within which the next AGM of the Company is required to be held after the approval was given; or
- iii. revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.”

7. ORDINARY RESOLUTION

(Resolution 8)

PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR THE COMPANY AND/OR ITS SUBSIDIARIES TO ENTER INTO RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE WITH RELATED PARTIES (“PROPOSED RRPT MANDATE”)

“THAT pursuant to Part E Paragraph 10.09 of the Bursa Malaysia Securities Berhad’s Main Market Listing Requirements, the Company and/or its subsidiaries (“**KLCB Group**”) be and are hereby authorised to enter into any of the recurrent related party transactions of a revenue or trading nature as set out in Section 2.2 of the Circular to Shareholders of the Company dated 29 April 2026 with the related parties mentioned therein which are necessary for the KLCB Group’s day-to-day operations, provided that the transactions are in the ordinary course of business and are on terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company;

THAT such approval shall continue to be in force until:-

- i. the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting at which such resolution was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
- ii. the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (“**the Act**”) (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- iii. revoked or varied by resolution passed by the shareholders of the Company in general meeting;

NOTICE OF SEVENTEENTH (17TH) ANNUAL GENERAL MEETING

whichever is the earlier;

AND THAT the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things as they may deemed fit and expedient in the interest of the Company to give full effect to the Proposed RRPT Mandate.”

8. ORDINARY RESOLUTION

(Resolution 9)

PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PER CENT (10%) OF THE TOTAL NUMBER OF ISSUED SHARES (“PROPOSED RENEWAL OF SHARE BUY-BACK”)

“THAT subject to the Companies Act 2016 (“the Act”), the Constitution of the Company, the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

- i. the aggregate number of issued shares in the Company (“Shares”) purchased (“Purchased Shares”) and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per cent (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
- ii. the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

(“Proposed Share Buy-Back”).

THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:-

- a. the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting at which such resolution was passed, at which time it will lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- b. the expiration of the period within which the next AGM of the Company is required by law to be held; or
- c. revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

NOTICE OF SEVENTEENTH (17TH) ANNUAL GENERAL MEETING

THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:-

- i. To cancel all or part of the Purchased Shares;
- ii. To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- iii. To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- iv. To resell all or part of the treasury shares;
- v. To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- vi. To transfer all or part of the treasury shares as purchase consideration;
- vii. To sell, transfer or otherwise use the treasury shares for such other purposes as the Minister charged with responsibility for companies may by order prescribe; and/or
- viii. To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities."

9. To consider any other business of which due notice shall be given in accordance with the Companies Act 2016.

By Order of the Board
TAY LEE SHYA (MIA 16982)
(SSM PC No. 202008002274)
YENG SHI MEI (MAICSA 7059759)
(SSM PC No. 202008001282)
REBECCA KONG SAY TSUI (MAICSA 7039304)
(SSM PC No. 202008001003)
 Company Secretaries
 Selangor Darul Ehsan

29 April 2026

NOTICE OF SEVENTEENTH (17TH) ANNUAL GENERAL MEETING

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT subject to the approval of the shareholders at the 17th AGM of the Company, a single tier final dividend of 4.0 sen per ordinary share in respect of the financial year ended 31 December 2025 will be payable to shareholders of the Company on 30 July 2026. The entitlement date for the said dividend shall be 3 July 2026.

A depositor shall qualify for entitlement to the dividend only in respect of:-

- a) shares transferred to the depositor's securities account before 4.30 p.m. on 3 July 2026 in respect of transfers; and
- b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

TAY LEE SHYA (MIA 16982)

(SSM PC No. 202008002274)

YENG SHI MEI (MAICSA 7059759)

(SSM PC No. 202008001282)

REBECCA KONG SAY TSUI (MAICSA 7039304)

(SSM PC No. 202008001003)

Company Secretaries

Selangor Darul Ehsan

29 April 2026

NOTES:-

1. For the purpose of determining who shall be entitled to participate this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a **Record of Depositors as at 28 May 2026**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM or appoint a proxy to attend, speak and vote (collectively "participate") on his/her/its behalf.
2. A member who is entitled to participate in this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her/its place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM.
4. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.

NOTICE OF SEVENTEENTH (17TH) ANNUAL GENERAL MEETING

7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the persons named in the appointment proposes to vote:-
 - (i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
 - (ii) By electronic means

The proxy form can be electronically lodged with the Share Registrar of the Company via the Vistra Share Registry and IPO (MY) Portal ("**the Portal**") at <https://srmy.vistra.com>. Please refer to the Administrative Guide for the 17th AGM on the procedures for electronic lodgement of Proxy Form via the Portal.
9. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
10. Last date and time for lodging the proxy form is on Wednesday, 3 June 2026 at 2.30 p.m.
11. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the persons named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
12. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The certificate of appointment of authorised representative should be executed in the following manner:-
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:-
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

NOTICE OF SEVENTEENTH (17TH) ANNUAL GENERAL MEETING

EXPLANATORY NOTES ON ORDINARY BUSINESS

1. Audited Financial Statements for the financial year ended 31 December 2025

This agenda item is meant for discussion only as the provisions of Sections 248(2) and 340(1)(a) of the Companies Act 2016 (“**the Act**”) do not require a formal approval of shareholders for the Audited Financial Statements. Hence, this agenda item is not put forward for voting by shareholders.

2. Resolutions 1 to 3 – Re-election of Directors

Pang Khang Hau, Yam Tai Fong and Datuk Woon See Chin (“**Retiring Directors**”) are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 17th AGM.

Save as disclosed in the Annual Report 2025, the Retiring Directors have no conflict of interest or potential conflict of interest with the Company or its subsidiaries and have no family relationship with any Director and/or major shareholder of the Company.

The Retiring Directors had provided the fit and proper declarations and the Board had through the Nomination Committee (“**NC**”) carried out assessment on the Retiring Directors and agreed that they met the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) on character, experience, integrity, competence and time to effectively discharge their role as Directors of the Company.

The Board had also through the NC evaluated the independence of Datuk Woon See Chin and agreed that he met the criteria of independence as prescribed in the Listing Requirements of Bursa Securities.

The Board (save for the Retiring Directors who have abstained from deliberation on discussions relating to their own re-election) believes that the contribution, commitment, and performance of the Retiring Directors continue to be invaluable and relevant to the long-term sustainable goals and success of the Company and supports their re-election as Directors.

3. Resolution 4 – Declaration of a Single Tier Final Dividend

Pursuant to Paragraph 8.26(2) of the Listing Requirements of Bursa Securities, the single tier final dividend, if approved, will be paid no later than three (3) months from the date of shareholders’ approval.

4. Resolution 5 – Non-Executive Directors’ Fees and Benefits

Pursuant to Section 230(1) of the Act, the fees of Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The proposed Directors’ fees and benefits for the period from the 17th AGM until the date of next AGM under Resolution 5 are calculated based on the current Board composition and the estimated number of Board and Committee meetings from the 17th AGM until the date of next AGM. The said Resolution is to allow the Company to make payment of Directors’ fees and benefits to the Non-Executive Directors up till the next AGM of the Company.

In the event the proposed amount is insufficient (e.g. due to more meetings or appointment of additional Independent Directors), approval will be sought at the next AGM for the shortfall.

5. Resolution 6 – Re-appointment of Auditors

The Board had on 8 April 2026, through the Audit and Risk Management Committee (“**ARMC**”), assessed the suitability, objectivity and independence of the External Auditors, Messrs Ernst & Young PLT and considered the re-appointment of Messrs Ernst & Young PLT as Auditors of the Company in accordance with the External Auditor Policy of the Company. The Board and the ARMC collectively agreed and satisfied that Messrs Ernst & Young PLT has the relevant criteria prescribed by Paragraph 15.21 of the Listing Requirements of Bursa Securities.

NOTICE OF SEVENTEENTH (17TH) ANNUAL GENERAL MEETING

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. Resolution 7 – Authority to Allot Shares

The resolution is proposed for the purpose of granting a renewed general mandate (“**General Mandate**”) and empowering the Directors to allot shares in the Company up to an amount not exceeding in total ten per cent (10%) of the total number of issued shares (excluding treasury shares) of the Company for such purposes as the Directors consider would be in the interest of the Company.

This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or at the expiration of the period within which the next AGM is required to be held, whichever is earlier.

The renewed General Mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this renewed General Mandate is for possible fund raising activities including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings and acquisition.

As at the date of this notice, the Company has issued and allotted 35,336,200 new ordinary shares at an issue price of RM1.19 each under a private placement made pursuant to the authority granted to the Directors at the 16th AGM held on 3 June 2025 which will lapse at the conclusion of this forthcoming AGM (“**Private Placement**”). Details and status of the utilisation of proceeds from the Private Placement are set out in the “Additional Compliance Information Disclosures” in page 86 of the Annual Report 2025.

2. Resolution 8 – Proposed RRPT Mandate

The proposed resolution, if passed, will authorise the Company and each of its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature in the ordinary course of business. For further information on the recurrent related party transactions, please refer to the Circular to Shareholders dated 29 April 2026.

3. Resolution 9 – Proposed Renewal of Share Buy-Back

The proposed resolution, if passed, will give the Company the authority to purchase its own ordinary shares of up to ten per cent (10%) of the number of issued shares of the Company. For further information on Proposed Renewal of Share Buy-Back, please refer to the Statement to Shareholders dated 29 April 2026.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Details of Individuals who are Standing for Election as Directors (excluding Directors standing for Re-election)

There are no individuals who are standing for election as Directors at the Seventeenth Annual General Meeting of the Company.

2. General Mandate for Issue of Securities in accordance with Paragraph 6.03(3) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Details of Authority For Directors to Allot Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in item (1) of Explanatory Notes on Special Business at page 115.

ADMINISTRATIVE GUIDE

FOR THE SEVENTEENTH ANNUAL GENERAL MEETING (“17TH AGM”)

Day, Date : Friday, 5 June 2026
 Time : 2.30 p.m.
 Venue : Maharani Hall, Level 1
 Impiana Hotel Senai
 Jalan Impian Senai Utama 2
 Taman Impian Senai
 81400 Senai, Johor

GENERAL MEETING RECORD OF DEPOSITORS (“ROD”)

- Only a member whose name appears on the ROD as at **28 May 2026** shall be entitled to attend, speak and vote (collectively “participate”) at the 17th AGM or appoint proxy(ies) to participate on his/her behalf.

REGISTRATION ON THE DAY OF THE 17TH AGM

- Registration will commence at 1.30 p.m. on Friday, 5 June 2026 and will remain open until the conclusion of the 17th AGM or such time as may be determined by the Chairman of the meeting.
- Please present your original National Registration Identity Card (NRIC) or Passport (for non-Malaysian) to the registration staff for verification.
- Upon verification, an identification wristband will be given to you for voting purposes. No one will be allowed to enter the meeting hall without an identification wristband. There will be no replacement for the identification wristband if it is lost or misplaced.
- Registration must be done in person. No person is allowed to register on behalf of another even with the original NRIC or Passport of the other person.
- The registration counter will handle verification of identity, registration and revocation of proxy/proxies.

CORPORATE MEMBERS

- Corporate members who wish to appoint corporate representatives instead of proxy(ies), must deposit their original certificate of appointment of corporate representative to Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”) before the 17th AGM or bring the original certificate of appointment of corporate representative to the 17th AGM.
- Attorneys appointed by power of attorney are required to deposit their power of attorney with Tricor not later than Wednesday, 3 June 2026 at 2.30 p.m. to attend and vote at the 17th AGM.

PROXY

The appointment of proxy(ies) may be made in hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 17th AGM or adjourned general meeting at which the person named in the appointment proposes to vote, otherwise the Proxy Form shall not be treated as valid:-

- In hard copy form
 In case of an appointment made in hard copy form, the Proxy Form must be deposited with the Company’s Share Registrar, Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
- By electronic means
 You may also submit the Proxy Form electronically via the Vistra Share Registry and IPO (MY) Portal (“the Portal”) at <https://srmy.vistra.com>. Please read and follow the procedures below for electronic lodgement of Proxy Form.

ADMINISTRATIVE GUIDE

FOR THE SEVENTEENTH ANNUAL GENERAL MEETING (“17TH AGM”)

ELECTRONIC LODGEMENT OF PROXY FORM

The procedures to lodge your Proxy Form electronically via the Portal are summarised below:

Procedure	Action
i. Steps for Individual Members	
Register as a User at the Portal	1. Visit the website at https://srmy.vistra.com 2. Click “Register” and select “Individual Holder” and complete the New User Registration Form. 3. For guidance, you may refer to the tutorial guide available on the homepage. 4. Once registration is completed, you will receive an email notification to verify your registered email address. 5. After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by creating your own password. <i>If you are an existing user with the Portal or our TIIH Online portal previously, you are not required to register again.</i>
Proceed with submission of Proxy Form	1. After the release of the Notice of Meeting by the Company, login to https://srmy.vistra.com with your email address and password. 2. Select the corporate event: “KIMLUN CORPORATION BERHAD 17TH AGM”. 3. Navigate to the 3 dots at the end of the corporate event and choose “SUBMISSION OF PROXY FORM”. 4. Read and agree to the Terms & Conditions and confirm the Declaration. 5. Indicate the number of shares assigned to your proxy(ies) to vote on your behalf. 6. Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint Chairman as your proxy. 7. Indicate your voting instructions – FOR or AGAINST or ABSTAIN. 8. Print the Proxy Form for your record.
ii. Steps for Corporation or Institutional Members	
Register as a User at the Portal	1. Visit the website at https://srmy.vistra.com 2. Click “Register” and select “Representative of Corporate Holder” and complete the New User Registration Form. 3. Complete the registration form with your personal details. 4. For guidance, you may refer to the tutorial guide available on the homepage. 5. Once registration is completed, you will receive an email notification to verify your registered email address. 6. After verification, your registration will be reviewed and approved within two (2) working days. A confirmation email will be sent once approved. 7. Once you receive the confirmation, activate your account by creating your own password. <i>Note: The representative of a corporate or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</i>
Proceed with submission of form of proxy	1. Login to https://srmy.vistra.com with your email address and password. 2. Select the corporate event: “KIMLUN CORPORATION BERHAD 17TH AGM” 3. Navigate to the icon “>” at the end of the corporate event. 4. Read and agree to the Terms and Conditions and confirm the Declaration. 5. Select the corporate holder’s name. 6. Proceed to download the submission file. 7. Prepare the file for the appointment of proxy(ies) by inserting the required data. 8. Proceed to upload the duly completed proxy appointment file. 9. Select “Confirm” to complete your submission. 10. Print the confirmation report of your submission for your record.

ADMINISTRATIVE GUIDE

FOR THE SEVENTEENTH ANNUAL GENERAL MEETING ("17TH AGM")

POLL VOTING

- The voting at the 17th AGM will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as a Poll Administrator to conduct the poll by way of electronic voting (e-voting) and MK Advisory Management as Independent Scrutineer to verify the poll results.
- Upon completion of the voting session for the 17th AGM, the Independent Scrutineers will verify the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

ANNUAL REPORT 2025

- The Company's Annual Report 2025 is available at the Company's website at <http://www.kimlun.com/kimlun-corp/investor-relations.php> and Bursa Malaysia Berhad's website at www.bursamalaysia.com under Company's announcements.
- You may request for a printed copy of the Annual Report 2025 at <https://srmy.vistra.com> by selecting "Request for Annual Report / Circular" under the "Investor Services".
- Kindly consider the environment before you decide to request for the printed copy of the Annual Report 2025. The environmental concerns like global warming, deforestation, climate change and many more affect every human, animal and nation on this planet.

NO RECORDING OR PHOTOGRAPHY

- Strictly **NO** recording or photography of the proceedings of the 17th AGM is allowed.

NO DOOR GIFT OR FOOD VOUCHER

- There will be **no distribution** of door gift or food voucher at the 17th AGM.

REFRESHMENTS

- Refreshments will be served at the 17th AGM.

ENQUIRY

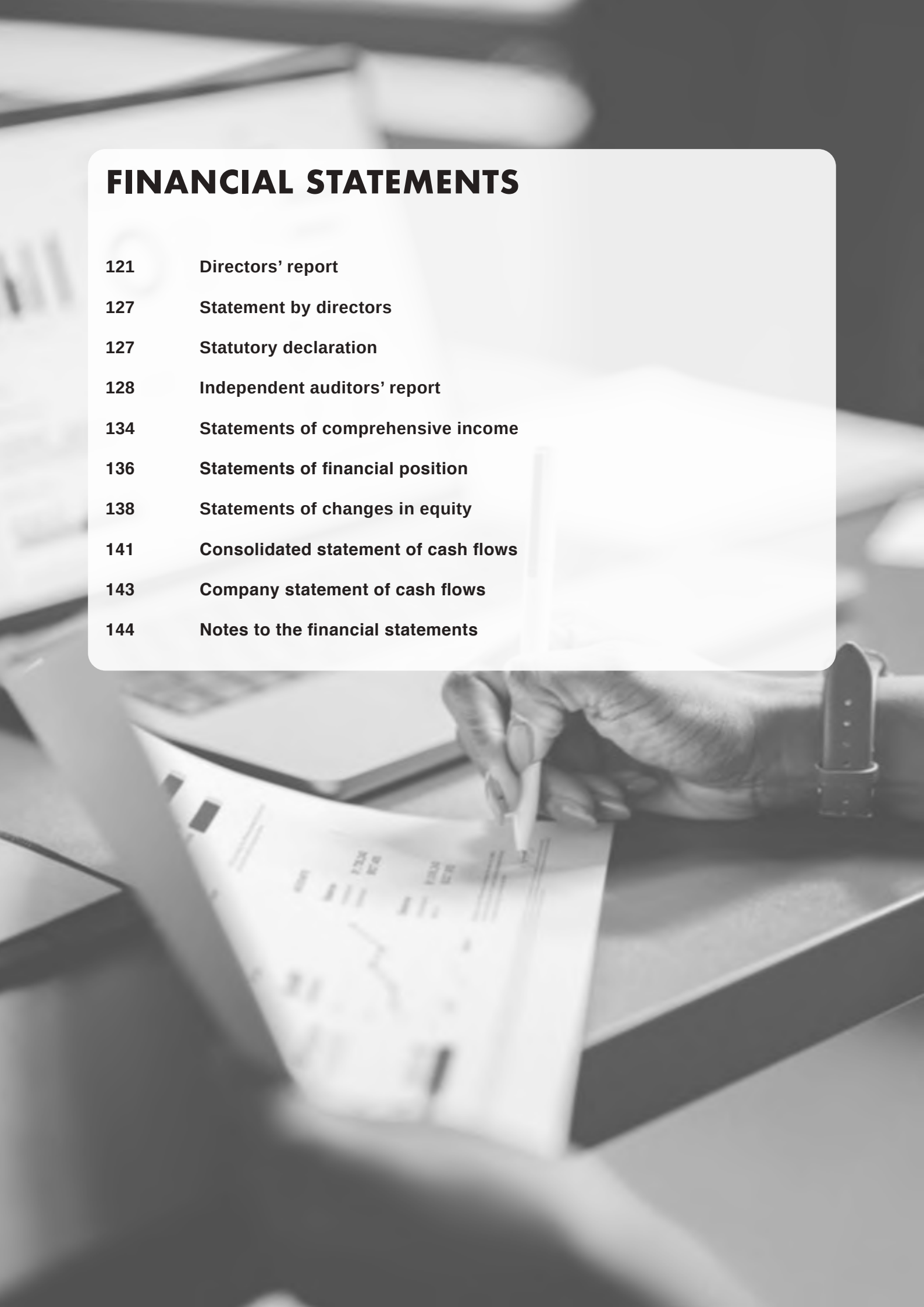
If you have any enquiries on the above, please contact the Share Registrar during office hours on Mondays to Fridays from 8.30 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line	: +603 2783 9299
Email	: is.enquiry@vistra.com
Contact Person	: Zulhafri Abdul Rahman
	Tel No. : +603 2783 9289
	Email : zulhafri@vistra.com
	: Zaqwan Syahmi Sarman
	Tel No. : +603 2783 9283
	Email : zaqwan.syahmi@vistra.com

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

Directors' report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

Principal activities

The principal activity of the Company is investment holding.

The principal activities and other information of the subsidiaries are disclosed in Note 15 to the financial statements.

Results

	Group RM	Company RM
Profit net of tax	<u>106,831,658</u>	<u>41,521,172</u>
Attributable to:		
Owners of the Company	104,496,402	41,521,172
Non-controlling interests	<u>2,335,256</u>	<u>-</u>
	<u>106,831,658</u>	<u>41,521,172</u>

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

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than as disclosed in the financial statements.

Dividends

The amount of dividends paid by the Company since 31 December 2024 was as follows:

RM

In respect of the financial year ended 31 December 2024

Final (single-tier) dividend of 2.0 sen per ordinary share, on 353,362,716 ordinary shares, declared on 3 June 2025 and paid on 24 July 2025	<u>7,067,254</u>
--	------------------

At the forthcoming Annual General Meeting ("AGM"), a final (single-tier) dividend in respect of the financial year ended 31 December 2025, of 4.0 sen per ordinary share will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

DIRECTORS' REPORT

Directors

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Pang Tin @ Pang Yon Tin**
 Sim Tian Liang**
 Chin Lian Hing**
 Yam Tai Fong (f)**
 Pang Khang Hau**
 Dato Woon See Chin
 Anita Chew Cheng Im (f)
 Bhupender Singh A/L Sewa Singh
 Dato' Ir Fong Tian Yong
 Johar Salim Bin Yahaya

** These directors are also directors of certain subsidiaries of the Company.

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are:

Cheah U Leon	
Chia Boo Hooi (f)	
Lee Kai Long	
Lew Kim Bock	
Loh Wui Tek	
Pang Chew Ngo (f)	
Welihedi Bin Md Lani	
Yap Wei Sam	
Datuk Cheah Jit Peng	(Appointed on 6 January 2026)
Siepudin Bin Kasim	(Resigned on 1 December 2025)
Suriaty Binti Mohamed Yahya	(Resigned on 1 December 2025)
Datuk Ir. Leong Chee Kian	(Resigned on 6 January 2026)

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 32 to the financial statements.

DIRECTORS' REPORT

Directors' benefits (cont'd)

The directors' benefits are as follows:

	Group RM	Company RM
Salaries, bonus and other emoluments	7,996,396	29,750
Defined contribution plan	1,032,654	-
Fees	421,200	421,200
Estimated money value of benefits-in-kind	85,512	-
	<u>9,535,762</u>	<u>450,950</u>

Directors and officers indemnity and insurance cost

Directors and officers of the Company and its subsidiaries are covered under a Directors' and Officers' Liability Insurance against personal liability that they may incur in respect of amounts which they may be liable for in respect of claims made against them arising out of the performance of their duties. During the financial year, the insurance premium paid for the insurance is RM22,000. There were no indemnities given during the financial year, or since the end of the financial year, for any person who is or has been a director or officer of the Company.

Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares and warrants in the Company during the financial year were as follows:

(a) Shares in the Company

	1 January 2025	Number of ordinary shares		31 December 2025
		Bought/ Transfer	Sold/ Transfer	
Direct interest:				
Pang Tin @ Pang Yon Tin	19,107,848	15,757,952	-	34,865,800
Sim Tian Liang	8,314,670	500,000	-	8,814,670
Chin Lian Hing	9,586,144	-	-	9,586,144
Yam Tai Fong (f)	9,827,148	-	-	9,827,148
Pang Khang Hau	21,279,570	-	-	21,279,570
Indirect interest:				
Pang Tin @ Pang Yon Tin	144,468,802	-	15,547,952	128,920,850
Sim Tian Liang	1,000,000	-	-	1,000,000

By virtue of his interest in the shares of the Company, Pang Tin @ Pang Yon Tin is also deemed interested in the shares of the subsidiaries to the extent that the Company has an interest.

None of the other directors of the Company in office at the end of the financial year had any interest in shares and warrants of the Company or its related corporations during the financial year.

DIRECTORS' REPORT

Issuance of shares

During the financial year, the Company issued 35,336,200 new ordinary shares at an issue price of RM1.19 each under a private placement. The total cash consideration of RM42,050,078 were utilised for working capital and private placement expenses. The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

Treasury shares

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirement of Section 127(6) of the Companies Act 2016 in Malaysia.

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasury shares during the financial year.

As at 31 December 2025, the Company held as treasury shares a total of 20,000 out of its 388,718,916 issued ordinary shares. Such treasury shares are held at a carrying amount of RM23,774 and further details are disclosed in Note 29(b) to the financial statements.

Options granted over unissued shares

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

Significant subsequent event

Details of a significant subsequent event are disclosed in Note 39 to the financial statements.

Other statutory information

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

DIRECTORS' REPORT

Other statutory information (cont'd)

- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

Auditors

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration for the Group and the Company is as follows:

	Group RM	Company RM
Ernst & Young PLT		
- Current year	584,000	80,000
- Other services	10,000	10,000
	<u>594,000</u>	<u>90,000</u>

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT during or since the end of the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 22 April 2026.

Pang Khang Hau

Pang Tin @ Pang Yon Tin

STATEMENT BY DIRECTORS & STATUTORY DECLARATION

Statement by directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Pang Khang Hau and Pang Tin @ Pang Yon Tin, being two of the directors of Kimlun Corporation Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 134 to 223 are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 22 April 2026.

Pang Khang Hau

Pang Tin @ Pang Yon Tin

Statutory declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Yam Tai Fong, being the director primarily responsible for the financial management of Kimlun Corporation Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 134 to 223 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed Yam Tai Fong at)
Petaling Jaya in the State of Selangor)
Darul Ehsan on 22 April 2026.)

Yam Tai Fong

Before me,

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KIMLUN CORPORATION BERHAD (INCORPORATED IN MALAYSIA)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Kimlun Corporation Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 134 to 223.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KIMLUN CORPORATION BERHAD (INCORPORATED IN MALAYSIA)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matter for the audit of the financial statements of the Group is described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including those in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Recognition of revenue and cost of construction

The Group is involved in construction contracts for which it applies the percentage of completion method. The revenue and cost of construction contributed to approximately 74% and 73% of the Group's revenue and cost of sales respectively.

We focused on this area because management made significant judgement and estimates in determining the estimated total contract costs and the extent of cost incurred, which form part of the computation of percentage of completion.

The notes relating to revenue recognition are disclosed in Note 2.17 (a), Note 3.2 (a) and Note 4 to the financial statements.

As part of our audit, we performed the following:

- We obtained an understanding of contractual terms and conditions of significant projects;
- We obtained an understanding of the internal controls over the accuracy and timing of revenue and profit recognised in the financial statements, including controls performed by management in estimating the total construction costs, profit margin and percentage of completion of the construction contracts;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KIMLUN CORPORATION BERHAD (INCORPORATED IN MALAYSIA)

Key audit matters (cont'd)

Recognition of revenue and cost of construction (cont'd)

- We evaluated management's assumptions in determining the estimated total construction cost by comparing the estimated cost to complete with documentary evidence such as letter of awards issued to subcontractors and approved variation orders and by making reference to similar completed projects;
- We assessed the completeness of the cost incurred and the accuracy of the cost recognised in the financial statements by examining supporting evidence such as subcontractors' progress claims and suppliers' invoices;
- We reperformed the calculation of revenue based on the percentage of completion method; and
- We agreed the contract revenue to the original signed contracts or letters of awards issued by customers and where applicable, to approved variation orders.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Annual Report, which is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KIMLUN CORPORATION BERHAD (INCORPORATED IN MALAYSIA)

Responsibilities of the directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KIMLUN CORPORATION BERHAD (INCORPORATED IN MALAYSIA)

Auditor's responsibilities for the audit of the financial statements (cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and the Company, including the disclosures, and whether the financial statements of the Group and the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KIMLUN CORPORATION BERHAD (INCORPORATED IN MALAYSIA)

Other matters

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

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Tan Jin Xiang
03348/01/2028 J
Chartered Accountant

Johor Bahru, Malaysia
Date: 22 April 2026

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Revenue					
Revenue from contracts with customers	4(a)	1,924,720,740	1,207,393,145	-	-
Other revenue	4(c)	486,700	19,426	40,089,732	9,956,857
		1,925,207,440	1,207,412,571	40,089,732	9,956,857
Cost of sales		(1,690,526,617)	(1,108,939,263)	-	-
Gross profit		234,680,823	98,473,308	40,089,732	9,956,857
Other item of income					
Other operating income		4,501,429	52,060,216	10,000,000	-
Other items of expenses					
Administration expenses		(63,422,031)	(57,126,114)	(1,722,671)	(1,517,916)
Finance costs	5	(38,650,210)	(25,323,623)	(6,401,519)	(6,660,706)
Share of loss of an associate		(1,374,152)	(329,650)	-	-
Share of profit of joint ventures		2,374,950	644,142	-	-
Profit before tax	6	138,110,809	68,398,279	41,965,542	1,778,235
Income tax expense	9	(31,279,151)	(17,616,604)	(444,370)	(174,180)
Profit net of tax		106,831,658	50,781,675	41,521,172	1,604,055
Other comprehensive (loss)/income:					
Foreign currency translation		(27,792)	41,304	-	-
Other comprehensive (loss)/income for the year, net of tax		(27,792)	41,304	-	-
Total comprehensive income for the year		106,803,866	50,822,979	41,521,172	1,604,055
Profit/(loss) attributable to:					
Owners of the Company		104,496,402	51,244,454	41,521,172	1,604,055
Non-controlling interests		2,335,256	(462,779)	-	-
		106,831,658	50,781,675	41,521,172	1,604,055

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Total comprehensive income/(loss) attributable to:					
Owners of the Company		104,468,610	51,285,758	41,521,172	1,604,055
Non-controlling interests		2,335,256	(462,779)	-	-
		<u>106,803,866</u>	<u>50,822,979</u>	<u>41,521,172</u>	<u>1,604,055</u>
Earnings per share attributable to owners of the Company (sen per share)					
Basic	10	<u>28.59</u>	<u>14.50</u>		
Diluted	10	<u>28.59</u>	<u>14.50</u>		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Assets					
Non-current assets					
Property, plant and equipment	11	314,897,896	268,531,113	-	-
Right-of-use assets	12	4,910,080	7,111,852	-	-
Land held for development	18(a)	418,892,257	360,388,520	-	-
Investment properties	13	119,925	126,474	-	-
Other investments	14	75,000	75,000	-	-
Investments in subsidiaries	15	-	-	349,847,909	339,847,909
Investment in an associate	16	-	160,350	-	-
Investments in joint ventures	17	3,650,081	2,118,476	-	-
Deferred tax assets	28	17,559,757	12,533,764	-	-
Goodwill		15,536	15,536	-	-
		<u>760,120,532</u>	<u>651,061,085</u>	<u>349,847,909</u>	<u>339,847,909</u>
Current assets					
Development properties	18(b)	309,337,261	329,434,837	-	-
Inventories	19	81,302,858	78,667,034	-	-
Contract cost assets	20	33,758,879	1,110,966	-	-
Trade and other receivables	21	633,638,632	541,243,007	112,423,217	92,437,708
Prepayments	21(e)	11,254,010	10,781,113	708,862	1,194,200
Contract assets	4(b)	555,074,341	382,612,417	-	-
Cash and bank balances	22	121,616,967	69,668,397	10,772,876	286,613
		<u>1,745,982,948</u>	<u>1,413,517,771</u>	<u>123,904,955</u>	<u>93,918,521</u>
Total assets		<u>2,506,103,480</u>	<u>2,064,578,856</u>	<u>473,752,864</u>	<u>433,766,430</u>

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Equity and liabilities					
Current liabilities					
Loans and borrowings	24	491,298,787	423,238,346	75,660,000	85,310,000
Lease liabilities	25	2,699,626	3,859,557	-	-
Trade and other payables	26	647,026,129	507,758,840	17,291,636	13,810,696
Contract liabilities	4(b)	74,268,661	44,857,180	-	-
Current tax liabilities		18,331,072	1,807,575	222,500	76,742
Provisions	27	23,044,216	15,000,000	-	-
		<u>1,256,668,491</u>	<u>996,521,498</u>	<u>93,174,136</u>	<u>99,197,438</u>
Net current assets/(liabilities)		<u>489,314,457</u>	<u>416,996,273</u>	<u>30,730,819</u>	<u>(5,278,917)</u>
Non-current liabilities					
Loans and borrowings	24	286,003,981	248,297,686	-	30,000,000
Lease liabilities	25	2,406,303	3,441,803	-	-
Other payables	26	9,597,313	21,147,944	-	-
Deferred tax liabilities	28	7,933,100	7,256,188	-	-
		<u>305,940,697</u>	<u>280,143,621</u>	<u>-</u>	<u>30,000,000</u>
Total liabilities		<u>1,562,609,188</u>	<u>1,276,665,119</u>	<u>93,174,136</u>	<u>129,197,438</u>
Net assets		<u>943,494,292</u>	<u>787,913,737</u>	<u>380,578,728</u>	<u>304,568,992</u>
Equity attributable to owners of the Company					
Share capital	29	297,509,217	255,953,399	297,509,217	255,953,399
Treasury shares	29	(23,774)	(23,774)	(23,774)	(23,774)
Retained earnings	30	615,063,404	506,348,405	83,093,285	48,639,367
Other reserves	31	(704,260)	(676,468)	-	-
		<u>911,844,587</u>	<u>761,601,562</u>	<u>380,578,728</u>	<u>304,568,992</u>
Non-controlling interests		<u>31,649,705</u>	<u>26,312,175</u>	<u>-</u>	<u>-</u>
Total equity		<u>943,494,292</u>	<u>787,913,737</u>	<u>380,578,728</u>	<u>304,568,992</u>
Total equity and liabilities		<u>2,506,103,480</u>	<u>2,064,578,856</u>	<u>473,752,864</u>	<u>433,766,430</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Group	Note	Attributable to owners of the Company				
		Equity, total	Share capital	Treasury shares	Retained earnings	Non-controlling interests
		RM	(Note 29(a))	(Note 29(b))	(Note 30)	RM
			RM	RM	RM	RM
At 1 January 2025		787,913,737	255,953,399	(23,774)	506,348,405	26,312,175
Profit net of tax		106,831,658	-	-	104,496,402	2,335,256
Foreign currency translation		(27,792)	-	-	-	(27,792)
Total comprehensive income/(loss) for the year						
Transactions with owners						
Disposal of partial interest in a subsidiary	15	13,333,125	-	-	11,298,270	2,034,855
Acquisition of non-controlling interest	15	(45,000)	-	-	(12,419)	(32,581)
Acquisition of a subsidiary		1,000,000	-	-	-	1,000,000
Issuance of ordinary shares	29	42,050,078	42,050,078	-	-	-
Share issuance expenses		(494,260)	(494,260)	-	-	-
Dividends on ordinary shares	38	(7,067,254)	-	-	(7,067,254)	-
Total transactions with owners		48,776,689	41,555,818	-	4,218,597	3,002,274
At 31 December 2025		943,494,292	297,509,217	(23,774)	615,063,404	31,649,705

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

		←	←	Attributable to owners of the Company	→	→	
		Non-distributable	Distributable		Non-distributable		
Note	Equity, total RM	Share capital (Note 29(a)) RM	Treasury shares (Note 29(b)) RM	Retained earnings (Note 30) RM	Other reserves, total RM	Warrant reserve (Note 31(b)) RM	Foreign currency translation reserve (Note 31(a)) RM
Group							
At 1 January 2024	740,366,593	255,944,359	(23,774)	424,446,230	33,475,896	34,193,668	(717,772)
Profit/(loss) net of tax	50,781,675	-	-	51,244,454	-	-	-
Foreign currency translation	41,304	-	-	-	41,304	-	41,304
Total comprehensive income/(loss) for the year	50,822,979	-	-	51,244,454	41,304	-	41,304
Transactions with owners							
15 Acquisition of subsidiaries	433,966	-	-	-	-	-	-
15 Disposal of a subsidiary	(182,894)	-	-	-	-	-	-
Conversion of warrants	6,720	9,040	-	-	(2,320)	(2,320)	-
Expiry of warrants	-	-	-	34,191,348	(34,191,348)	(34,191,348)	-
Dividends on ordinary shares	(3,533,627)	-	-	(3,533,627)	-	-	-
Total transactions with owners	(3,275,835)	9,040	-	30,657,721	(34,193,668)	(34,193,668)	-
At 31 December 2024	787,913,737	255,953,399	(23,774)	506,348,405	(676,468)	-	(676,468)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Company	Note	Attributable to owners of the Company				
		Equity, total	Non-distributable	Distributable	Non-distributable	Warrant reserves
		RM	Share capital (Note 29(a)) RM	Treasury shares (Note 29(b)) RM	Retained earnings (Note 30) RM	(Note 31(b)) RM
At 1 January 2025		304,568,992	255,953,399	(23,774)	48,639,367	-
Total comprehensive income for the year		41,521,172	-	-	41,521,172	-
Total transaction with owners						
Issuance of ordinary shares	29	42,050,078	42,050,078	-	-	-
Share issuance expenses		(494,260)	(494,260)	-	-	-
Dividends on ordinary shares	38	(7,067,254)	-	-	(7,067,254)	-
At 31 December 2025		380,578,728	297,509,217	(23,774)	83,093,285	-
At 1 January 2024		306,491,844	255,944,359	(23,774)	16,377,591	34,193,668
Total comprehensive income for the year		1,604,055	-	-	1,604,055	-
Total transaction with owners						
Conversion of warrants		6,720	9,040	-	-	(2,320)
Expiry of warrants		-	-	-	34,191,348	(34,191,348)
Dividends on ordinary shares	38	(3,533,627)	-	-	(3,533,627)	-
At 31 December 2024		304,568,992	255,953,399	(23,774)	48,639,367	-

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	2025 RM	2024 RM
Operating activities		
Profit before tax	138,110,809	68,398,279
Adjustments for:		
Interest income	(2,800,060)	(2,588,083)
Finance costs	38,650,210	25,323,623
Allowance for impairment on trade receivables	1,994,000	107,000
Reversal of allowance for impairment on:		
- contract assets	-	(25,391,137)
- trade receivables	-	(18,184,023)
Write back of land held for development	-	(1,500,000)
Depreciation of:		
- property, plant and equipment	46,585,216	27,861,030
- right-of-use assets	4,240,220	3,819,906
- investment properties	6,549	6,549
Gain on disposal of property, plant and equipment	(1,025,582)	(514,900)
Gain on derecognition due to lease modification	(544)	(41,504)
Gain on remeasurement of financial liabilities	-	(1,007,022)
Gain on deemed disposal of investment in joint ventures	-	(1,837,388)
Loss on disposal of:		
- assets held for sale	-	455,437
- subsidiaries	-	273,080
Inventories written down	3,728,849	-
Property, plant and equipment written off	58,232	86,542
Share of profit of joint ventures	(2,374,950)	(644,142)
Share of loss of associate	1,374,152	329,650
Provision for defect liability costs	8,044,216	5,020,000
Unrealised foreign exchange loss	4,384,832	7,387,217
Operating cash flows before changes in working capital	240,976,149	87,360,114
Property development costs and contract cost assets	13,472,543	(79,564,767)
Inventories	18,434,550	787,044
Receivables	(72,828,029)	(112,339,924)
Other current assets	(172,934,821)	(66,619,264)
Payables	130,820,878	148,846,483
Other current liabilities	30,185,977	26,422,037
Cash flows generated from operations	188,127,247	4,891,723
Interest received	1,134,278	2,507,195
Income taxes paid	(19,104,735)	(4,618,696)
Interest paid	(36,326,895)	(32,365,798)
Net cash flows generated from/(used in) operating activities	133,829,895	(29,585,576)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	2025 RM	2024 RM
Investing activities		
Purchase of property, plant and equipment	(61,217,478)	(92,153,079)
Additions to land held for development	(14,445,618)	(46,325,896)
Proceeds from disposal of property, plant and equipment	2,286,200	809,348
Net proceeds from disposal of assets held for sale	-	1,944,980
Disposal of subsidiaries	13,333,125	(143,528)
Investment in joint ventures	(51)	-
Investment in an associate	-	(490,000)
Acquisition of subsidiaries	2,650,159	(11,085,875)
Repayment from/(advances to) joint venture	-	650,000
Advances to associate	(25,823,000)	(6,027,000)
Net cash flows used in investing activities	(83,216,663)	(152,821,050)
Financing activities		
Dividends paid on ordinary shares	(7,067,254)	(3,533,627)
Proceeds from conversion of warrants	-	6,720
Proceeds from issuance of shares	42,050,078	-
Share issuance expense	(494,260)	-
Drawdown of hire purchase	1,568,000	-
Drawdown of loans and borrowings	1,548,739,091	1,007,645,864
Repayment of loans and borrowings	(1,529,296,670)	(804,509,866)
Repayment of hire purchase payables	(25,007,954)	(15,079,587)
Repayment to former shareholder of a subsidiary	(19,315,259)	-
Advances from a corporate shareholder of a subsidiary	3,063,725	1,997,750
Repayment to director of a subsidiary company	(6,059,406)	-
Repayment of lease liabilities	(4,233,335)	(3,685,666)
Addition to pledged fixed deposits	(6,001,944)	(1,152,842)
Net cash flows (used in)/generated from financing activities	(2,055,188)	181,688,746
Increase/(decrease) in cash and cash equivalents	48,558,044	(717,880)
Effect of exchange rate changes on cash and cash equivalents	(1,284,022)	(84,796)
Cash and cash equivalents at 1 January	57,912,018	58,714,694
Cash and cash equivalents at 31 December (Note 22)	105,186,040	57,912,018

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

COMPANY STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	2025 RM	2024 RM
Operating activities		
Profit before tax	41,965,542	1,778,235
Adjustments for:		
Reversal of provision for impairment loss on investment in subsidiaries	(10,000,000)	-
Finance costs	6,401,519	6,660,706
Operating cash flows before changes in working capital	38,367,061	8,438,941
Receivables	(539,071)	(1,524,886)
Other current assets	-	551
Payables	(265,668)	108,008
Cash flows generated from operations	37,562,322	7,022,614
Income taxes paid	(298,612)	(166,596)
Interest paid	(6,069,573)	(8,071,338)
Net cash flows generated from/(used in) operating activities	31,194,137	(1,215,320)
Investing activities		
Repayment from/(advances to) subsidiaries	81,562	(23,178,494)
Advances to associate	(15,628,000)	-
Net cash flows used in investing activities	(15,546,438)	(23,178,494)
Financing activities		
Dividends paid on ordinary shares	(7,067,254)	(3,533,627)
Proceeds from conversion of warrants	-	6,720
Proceeds from issuance of shares	42,050,078	-
Share issuance expense	(494,260)	-
Drawdown of loans and borrowings	88,210,000	60,310,000
Repayment of loans and borrowings	(127,860,000)	(32,860,000)
Net cash flows (used in)/generated from financing activities	(5,161,436)	23,923,093
Increase/(decrease) in cash and cash equivalents	10,486,263	(470,721)
Cash and cash equivalents at 1 January	286,613	757,334
Cash and cash equivalents at 31 December (Note 22)	10,772,876	286,613

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal place of business of the Company is located at Suite 19.06, Level 19, Johor Bahru City Square, 106 - 108, Jalan Wong Ah Fook, 80880 Ibrahim International Business District, Johor Darul Ta'zim. The registered office is located at Office Suite No.603 Block C, Pusat Dagangan Phileo Damansara 1, No. 9, Jalan 16/11, Off Jalan Damansara, 46350 Petaling Jaya, Selangor.

The principal activity of the Company is investment holding. The principal activities and other information of the subsidiaries are disclosed in Note 15.

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

2. Material accounting policy information

2.1 Basis of preparation

The financial statements of the Group and the Company have been prepared in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared on the historical cost basis.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2025, the Group and the Company adopted the following Amendments mandatory for annual financial periods beginning on or after 1 January 2025:

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability	1 January 2025

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policy information (cont'd)

2.2 Changes in accounting policies (cont'd)

The directors are of opinion that the Amendments above did not have any material impact on the financial statements.

2.3 Standards, Amendments and Annual Improvements issued but not yet effective

The Standards, Amendments and Annual Improvements that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these Standards, Amendments and Annual Improvements if applicable, when they become effective.

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to MFRS 9: Financial Instruments and MFRS 7: Financial Instruments: Disclosures	
- Classification and Measurement of Financial Instruments	1 January 2026
- Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: The Effect of Changes in Foreign Exchange Rate - Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors expect that the adoption of the above Standards, Amendments and Annual Improvements will have no material impact on the financial statements in the year of initial application except for the changes in presentation and disclosures of financial information arising from the adoption of these Amendments to MFRS Accounting Standards as discussed below:

MFRS 18 Presentation and Disclosure in Financial Statement

MFRS 18 will replace MFRS 101 Presentation of Financial Statements. It preserves the majority requirements of MFRS 101 while introducing additional requirements. In addition, narrow-scope amendments have been made to MFRS 107 Statement of Cash Flows and some requirements of MFRS 101 have been moved to MFRS 108 Basis of Preparation of Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policy information (cont'd)

2.3 Standards, Amendments and Annual Improvements issued but not yet effective (cont'd)

MFRS 18 Presentation and Disclosure in Financial Statement (cont'd)

MFRS 18 additional requirements are as follows:

(i) Statement of Profit or Loss and Other Comprehensive Income

MFRS 18 introduces newly defined “operating profit or loss” and “profit or loss before financing and income tax” subtotal which are to be presented in the statement of profit or loss, while the net profit or loss remains unchanged.

Statement of profit or loss to be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

(ii) Statement of Cash Flows

The standard modifies the starting point for calculating cash flows from operations using the indirect method, shifting from “profit or loss” to “operating profit or loss”. It also provides guidance on classification of interest and dividend in statement of cash flows.

(iii) New disclosures of expenses by nature

Entities are required to present expenses in the operating category by nature, function or a mix of both. MFRS 18 includes guidance for entities to assess and determine which approach is most appropriate based on the facts and circumstances.

(iv) Management-defined Performance Measures (MPMs)

The standard requires disclosure of explanations of the entity’s company-specific measures that are related to the statement of profit or loss, referred to MPMs. MPMs are required to be reconciled to the most similar specified subtotal in MFRS Accounting Standards.

(v) Enhanced Guidance on Aggregation and Disaggregation

MFRS 18 provides enhanced guidance on grouping items based on shared characteristics and requires disaggregation when items have dissimilar characteristics or when such disaggregation is material.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policy information (cont'd)

2.3 Standards, Amendments and Annual Improvements issued but not yet effective (cont'd)

MFRS 18 Presentation and Disclosure in Financial Statement (cont'd)

The Group and the Company are currently assessing the impact of MFRS 18, particularly with respect to the structure of the statements of profit or loss, the statements of cash flows and the additional disclosures required for MPMs. The Group and the Company are also assessing the impact on aggregation and disaggregation on how information is grouped in the financial statements.

2.4 Investment in subsidiary

Subsidiaries are entities controlled by the Company. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's returns.

In the Company's separate financial statements, investment in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, all intra-group balances, income and expenses and unrealised gains or losses resulting from intra-group transactions are eliminated in full. Uniform accounting policies are applied to like transactions and events in similar circumstances.

2.6 Business combination

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group and the Company. The identifiable assets acquired and liabilities assumed are measured at their fair values at the acquisition date. The cost of an acquisition is measured as the aggregate of the fair value of the consideration transferred. Non-controlling interests are stated either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policy information (cont'd)

2.6 Business combination (cont'd)

When a business combination is achieved in stages, the Group and the Company remeasure their previously held non controlling equity interest in the acquiree at fair value at the acquisition date, with any resulting gain or loss recognised in profit or loss.

The Group measures goodwill as the excess of the cost of an acquisition, as defined above, and the fair values of any previously held interest in the acquiree, over the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Transaction costs, other than those associated with the issuance of debt or equity securities that the Group incurs in connection with a business combination, are expensed as incurred.

2.7 Non-controlling interests

Non-controlling interests at the reporting period, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and other comprehensive income for the year between the non-controlling interests and shareholders of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests, even if doing so causes the non-controlling interests to have a deficit balance.

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's proportionate share of net assets before and after the change, and any fair value of consideration received or paid, is recognised directly in equity as transactions with shareholders.

2.8 Loss of control

Upon the loss of control of a subsidiary, the Group and the Company derecognise the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from its consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group and the Company retain any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as a fair value through other comprehensive income ("FVOCI") financial asset depending on the level of influence retained.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policy information (cont'd)

2.9 Investments in joint ventures and associated company

The Group holds interests in joint ventures and an associated company as disclosed in Notes 16 and 17.

In the Company's separate financial statements, investments in associated company and joint ventures are stated at cost less impairment losses.

Investments in associated company and joint ventures are accounted in the consolidated statements by the equity method of accounting. Distributions received from associated company and joint ventures reduce the carrying amount of the investment.

Unrealised gains on transactions between the Group and its associated company or joint ventures are eliminated to the extent of the Group's interest in the associated company or joint ventures. Unrealised losses are eliminated unless the transaction provides evidence of impairment of the asset transferred.

2.10 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation on other property, plant and equipment is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	1.25%
Buildings	2% - 10%
Plant, machinery and motor vehicles	10% - 33.33%
Furniture and equipment	10% - 20%

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

Quarry development expenditure consists of expenditure incurred to construct infrastructure to facilitate the quarry operations. Quarry development expenditure is amortised over 5 years.

2.11 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and any accumulated impairment loss.

Depreciation is charged to profit or loss on a straight-line method over the estimated useful lives of the investment properties. The estimated useful lives of the investment properties are 50 years.

NOTES TO THE FINANCIAL STATEMENTS

2.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity investment of another entity.

(a) Financial assets

Financial assets at amortised cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(b) Financial liabilities

Financial liabilities at amortised cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policy information (cont'd)

2.13 Land held for development and development properties

(a) Land held for development

Land held for development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at lower of cost or net realisable value.

Land held for development is reclassified as development properties at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(b) Development properties

Property acquired or being constructed for sale in the ordinary course of business is measured at the lower of cost and net realisable value.

Cost includes:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction;
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs; and
- Non-refundable commission cost.

Inventory properties under construction are referred to as property development costs and comprise the cost of land, direct building costs and a share of development costs common to the entire development project where applicable. Once contracted to be sold, the related costs of these inventories would be transferred to cost to fulfill contracts, and subsequently recognised in profit or loss as and when control passes to the respective purchasers.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a first-in first-out basis.
- Finished goods: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.
- Completed properties: cost is determined on specific identification basis and comprises cost associated with the acquisition of land, construction costs and appropriate proportion of development overheads.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policy information (cont'd)

2.15 Right-of-use assets and lease liabilities

(a) Short-term leases and leases of low-value assets

The Group and the Company apply the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group and the Company recognise the lease payments as an operation expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the end of the estimated useful lives of their right-of-use assets or the end of the lease term, whichever is earlier.

(c) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

2.16 Assets held for sale

Assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Upon classification as held for sale, the assets are not depreciated and are measured at the lower of their previous carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss.

2.17 Revenue from contracts with customers

(a) Construction contracts

The Group contracts with its customers for construction services. Revenue from construction contracts is recognised over time using the input method, which is based on the actual cost incurred to date on the construction project as compared to the total budgeted cost for the respective construction project.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policy information (cont'd)

2.17 Revenue from contracts with customers (cont'd)

(a) Construction contracts (cont'd)

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expenses in the year in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

(b) Sale of goods

The Group contracts with its customers for the sales of goods. Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(c) Sales of development properties under construction

The revenue from development properties under construction is measured at the fixed transaction price stated in the sale and purchase agreement.

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

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policy information (cont'd)

2.17 Revenue from contracts with customers (cont'd)

(c) Sales of development properties under construction (cont'd)

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

The Group recognises revenue over time using the input method, which is based on the actual cost incurred to date on the development properties as compared to the total budgeted cost for the respective development properties.

The excess of revenue recognised in profit or loss over billings to purchasers is classified as accrued billings within contract assets and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within contract liabilities.

(d) Sales of completed development properties

Revenue relating to sale of completed development properties is recognised at the point in time when the control of the property has been transferred to the purchaser, being when vacant possession of the property has been delivered to the customer and it is probable that the Group will collect the consideration to which it will be entitled to in exchange for the asset sold.

(e) Interest income

Interest income is recognised on a time proportion basis that reflects the effective yield on the asset.

(f) Rental income

Rental income is recognised on accrual basis.

(g) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

2.18 Contract cost assets

(a) Incremental costs of obtaining a contract

The incremental costs of obtaining a contract with customers of the Group mainly relate to commission payable on sales of properties.

NOTES TO THE FINANCIAL STATEMENTS

2. Material accounting policy information (cont'd)

2.18 Contract cost assets (cont'd)

(b) Costs to fulfill a contract

The costs incurred to fulfill contracts with customers of the Group mainly comprise of costs incurred for the development and construction of its property development projects.

Contract cost assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates as disclosed in Note 2.17(d).

3. Significant accounting judgements and estimates

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's and of the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Capitalisation of borrowing costs

The Group capitalises borrowing costs during the period in which development activities are undertaken or where there are on-going development activities which prepare the land properties for the intended use or sale. Borrowing costs are capitalised until the asset is substantially completed for its intended use or sale.

Significant judgement is involved in determining whether the development activities carried out meet the criteria of active development in ascertaining whether borrowing costs incurred should be capitalised. Besides that, management is also required to estimate the appropriate apportionment of borrowing costs eligible for capitalisation to the various development.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

NOTES TO THE FINANCIAL STATEMENTS

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(a) Revenue recognition

(i) Construction contracts

For construction revenue where the Group satisfies its performance obligations over time, management has determined that a cost-based input method provides a faithful depiction of the Group's performance in transferring control of the development construction to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the construction work. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the completion of the construction work.

Significant judgement is required in determining the stage of completion, the extent of the construction costs incurred, the estimated total construction revenue and costs. In making the judgement, the Group evaluates based on past experiences and by relying on the work of specialists.

(ii) Development properties

The Group recognises property development revenue and expenses in the statements of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the stage of completion, the extent of the construction cost incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of internal specialist.

(b) Deferred tax assets

Deferred tax assets are recognised for all unused tax credits to the extent that it is probable that taxable profit will be available against which the unused tax credits (primarily investment tax allowances and capital allowances) can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

NOTES TO THE FINANCIAL STATEMENTS

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(c) Provision for expected credit loss of trade and other receivables

The Group uses a provision matrix to calculate ECLs for trade and others receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the construction and property development sectors, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(d) Provision for defect liability costs

The Group recognises a provision for defect liability costs in respect of construction projects. In determining the provision, the Group has made assumptions and estimations in relation to defect liability rates and the expected timing of these costs. The carrying amount of the provision for defect liability costs as at 31 December 2025 was RM23,044,216 (2024: RM15,000,000) as disclosed in Note 27.

If the estimated defect liability rates used in the computation of provision for defect liability costs differ by 1% (2024: 1%) with all other assumptions remain constant, the Group's provision for defect liability costs will vary by RM10,176,000 (2024: RM8,900,000).

NOTES TO THE FINANCIAL STATEMENTS

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(e) Write down of land held for development

The Group measures its land held for development at lower of cost or net realisable value.

The net realisable values of land held for development are determined by valuations performed by independent registered valuers using the comparison method.

Under the comparison method, the market value of a land parcel is estimated based on comparable transactions. This approach is based upon the principle of substitution under which a potential buyer would not pay more for the land than it would cost to buy a comparable substitute property. The land is valued by reference to transactions of similar land parcels in its surrounding area with adjustments made for differences in location, terrain, size and shape of the land, tenure, title restrictions, if any and other relevant characteristics.

4. Revenue

(a) Revenue from contracts with customers

	Group	
	2025	2024
	RM	RM
Types of goods and services		
Construction contracts	1,413,353,498	999,376,093
Sales of building materials	43,425,869	28,819,846
Sales of completed development properties	4,398,200	3,481,650
Sales of completed properties	2,078,496	-
Sales of concrete products	197,370,966	171,245,520
Sales of development properties	209,093,711	4,470,036
Sale of land	55,000,000	-
	<u>1,924,720,740</u>	<u>1,207,393,145</u>
Timing of revenue recognition		
Transferred over time	1,622,447,209	1,003,846,129
Transferred at a point in time	302,273,531	203,547,016
	<u>1,924,720,740</u>	<u>1,207,393,145</u>

NOTES TO THE FINANCIAL STATEMENTS

4. Revenue (cont'd)

(b) Contract assets and contract liabilities

Information about contract assets and contract liabilities from contracts with customers is disclosed as follows:

		Group	
		2025	2024
		RM	RM
Contract assets:			
Construction	(i)	426,042,524	340,450,749
Manufacturing	(ii)	47,900,882	31,850,850
Property development	(iii)	81,130,935	10,310,818
		<u>555,074,341</u>	<u>382,612,417</u>
Contract liabilities:			
Construction	(i)	55,266,934	13,910,929
Manufacturing	(ii)	10,186,811	30,946,251
Property development	(iii)	8,814,916	-
		<u>74,268,661</u>	<u>44,857,180</u>

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the Group's billings in advance at the reporting date. Contract liabilities are reversed and revenue is recognised as work is completed.

(i) Contract assets/(liabilities) from construction:

		Group	
		2025	2024
		RM	RM
Contract assets		426,042,524	340,450,749
Contract liabilities		<u>(55,266,934)</u>	<u>(13,910,929)</u>
		<u>370,775,590</u>	<u>326,539,820</u>
Construction contract costs incurred to date		4,840,887,366	4,097,219,989
Recognised profits		540,384,894	499,564,221
Progress billings to date		<u>(5,010,496,670)</u>	<u>(4,270,244,390)</u>
		<u>370,775,590</u>	<u>326,539,820</u>

NOTES TO THE FINANCIAL STATEMENTS

4. Revenue (cont'd)

(b) Contract assets and contract liabilities (cont'd)

(i) Contract assets/(liabilities) from construction: (cont'd)

Movement in impairment allowance:

	Group	
	2025 RM	2024 RM
At 1 January	-	25,391,137
Reversal of impairment loss (Note 6)	-	(25,391,137)
At 31 December	-	-

(ii) Contract assets/(liabilities) from manufacturing:

	Group	
	2025 RM	2024 RM
Contract assets	48,090,882	32,040,850
Less: Allowance for impairment	(190,000)	(190,000)
	<u>47,900,882</u>	<u>31,850,850</u>
Contract liabilities	<u>(10,186,811)</u>	<u>(30,946,251)</u>
	<u>37,714,071</u>	<u>904,599</u>
At beginning of the year	904,599	19,202,538
Revenue recognised during the year	194,358,402	134,396,227
Progress billings during the year	(157,548,930)	(152,694,166)
	<u>37,714,071</u>	<u>904,599</u>

Movement in allowance accounts:

	Group General allowance	
	2025 RM	2024 RM
At 1 January and 31 December	<u>190,000</u>	<u>190,000</u>

NOTES TO THE FINANCIAL STATEMENTS

4. Revenue (cont'd)

(b) Contract assets and contract liabilities (cont'd)

(iii) Contract assets/(liabilities) from property development:

		Group	
		2025	2024
		RM	RM
<u>Contract assets</u>			
Accrued billing	(a)	75,534,759	10,083,686
Others	(a)	5,596,176	227,132
		<u>81,130,935</u>	<u>10,310,818</u>
<u>Contract liability</u>			
Advance receipt from customers		<u>(8,814,916)</u>	<u>-</u>
		<u>72,316,019</u>	<u>10,310,818</u>

(a) Accrued billing and progress billing

At beginning of the year	10,310,818	6,883,062
Consideration payable to customers	11,408,164	353,116
Revenue recognised during the year	213,491,911	7,951,686
Progress billings during the year	<u>(154,079,958)</u>	<u>(4,877,046)</u>
At end of the year	<u>81,130,935</u>	<u>10,310,818</u>

Remaining performance obligations

The remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2025 and 2024 are as follows:

	Group	
	2025	2024
	RM	RM
Within one year	3,003,308,823	2,389,624,811
More than one year	1,880,319,856	942,318,967
	<u>4,883,628,679</u>	<u>3,331,943,778</u>

NOTES TO THE FINANCIAL STATEMENTS

4. Revenue (cont'd)

(c) Other revenue

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Dividend income from subsidiaries	-	-	33,520,000	4,000,000
Interest income from:				
- subsidiaries	-	-	6,083,032	5,937,431
- associate	200,047	-	200,047	-
- licensed banks	286,653	19,426	286,653	19,426
	<u>486,700</u>	<u>19,426</u>	<u>40,089,732</u>	<u>9,956,857</u>

5. Finance costs

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest expense on:				
- bank loan, bank overdrafts, invoice financing and bankers' acceptance	39,677,376	28,050,821	5,540,446	4,929,818
- hire purchase arrangements	3,795,053	2,561,397	-	-
- advance from a subsidiary	-	-	861,073	1,730,888
- advance from corporate shareholder of a subsidiary	527,433	331,759	-	-
- advance from corporate shareholder of a former subsidiary	-	229,262	-	-
- advance from director of a subsidiary	400,392	-	-	-
- unwinding of discount on amounts due to former shareholders of subsidiaries	1,808,700	1,540,587	-	-
- lease liabilities (Note 25)	355,285	382,297	-	-
	<u>46,564,239</u>	<u>33,096,123</u>	<u>6,401,519</u>	<u>6,660,706</u>
Less: Interest expenses capitalised in development properties (Note 18)	<u>(7,914,029)</u>	<u>(7,772,500)</u>	<u>-</u>	<u>-</u>
	<u>38,650,210</u>	<u>25,323,623</u>	<u>6,401,519</u>	<u>6,660,706</u>

NOTES TO THE FINANCIAL STATEMENTS

6. Profit before tax

The following items have been included in arriving at profit before tax:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Auditors' remuneration:				
Statutory audits				
- Current year				
- Ernst & Young PLT	584,000	535,000	80,000	87,000
- Other auditors	22,826	24,349	-	-
- Underprovision in prior year				
- Other auditors	5,918	-	-	-
- Other services				
- Ernst & Young PLT	10,000	10,000	10,000	10,000
Allowance for impairment on trade receivables (Note 21)	1,994,000	107,000	-	-
Reversal of allowance for impairment on trade receivables (Note 21)	-	(18,184,023)	-	-
Reversal of allowance for impairment on contract assets (Note 4)	-	(25,391,137)	-	-
Reversal of provision for impairment on investment in subsidiaries	-	-	(10,000,000)	-
Bad debts recovered	-	(678,290)	-	-
Employee benefits expenses (Note 7)	121,089,731	107,319,220	-	-
Non-executive directors' remuneration (Note 8)	450,950	446,700	450,950	446,700
Hire of plant and machinery	59,099,923	39,802,371	-	-
Depreciation of property, plant and equipment (Note 11)	46,585,216	27,861,030	-	-
Depreciation of right-of-use assets (Note 12)	4,240,220	3,819,906	-	-
Depreciation of investment properties (Note 13)	6,549	6,549	-	-
Loss on disposal of subsidiaries (Note 15)	-	273,080	-	-

NOTES TO THE FINANCIAL STATEMENTS

6. Profit before tax (cont'd)

The following items have been included in arriving at profit before tax (cont'd):

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Gain on disposal of property, plant and equipment	(1,025,582)	(514,900)	-	-
Gain on remeasurement of financial liabilities	-	(1,007,022)	-	-
Property, plant and equipment written off	58,232	86,542	-	-
Write back of land held for development (Note 18(a))	-	(1,500,000)	-	-
Gain on derecognition due to lease modification	(544)	(41,504)	-	-
Loss on disposal of assets held for sale	-	455,437	-	-
Inventories written down	3,728,849	-	-	-
Gain on deemed disposal of investment in joint venture (Note 17)	-	(1,837,388)	-	-
Short term leases:				
- equipment	22,779	16,616	-	-
- land and building	738,629	1,106,051	-	-
- office equipment	202,408	178,630	-	-
Interest income from financial assets at amortised cost	(2,800,060)	(2,588,083)	(6,283,079)	(5,937,431)
Provision for defect liability costs (Note 27)	8,044,216	5,020,000	-	-
Foreign exchange (gain)/loss				
- realised	(524,946)	851,319	-	-
- unrealised	4,384,832	7,387,217	-	-

NOTES TO THE FINANCIAL STATEMENTS

7. Employee benefits expenses

	Group	
	2025 RM	2024 RM
Wages, salaries and bonus	111,050,859	98,355,365
Defined contribution plan	8,533,310	7,637,927
Social security contributions	1,505,562	1,325,928
	<u>121,089,731</u>	<u>107,319,220</u>

Included in employee benefits expenses of the Group are executive directors' remuneration amounting to RM8,999,300 (2024: RM5,283,676) as disclosed in Note 8.

8. Directors' remuneration

The details of remuneration receivable by directors of the Company during the year are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors of the Company				
Executive:				
Salaries and other emoluments	7,966,646	4,686,235	-	-
Defined contribution plan	<u>1,032,654</u>	<u>597,441</u>	<u>-</u>	<u>-</u>
Total executive directors' remuneration (excluding benefits-in-kind) (Note 7)	8,999,300	5,283,676	-	-
Estimated money value of benefits-in-kind	<u>85,512</u>	<u>77,920</u>	<u>-</u>	<u>-</u>
Total executive directors' remuneration (including benefits-in-kind)	<u>9,084,812</u>	<u>5,361,596</u>	<u>-</u>	<u>-</u>
Non-Executive:				
Fees	421,200	421,200	421,200	421,200
Other emoluments	<u>29,750</u>	<u>25,500</u>	<u>29,750</u>	<u>25,500</u>
Total non-executive directors' remuneration	<u>450,950</u>	<u>446,700</u>	<u>450,950</u>	<u>446,700</u>
Total directors' remuneration	<u>9,535,762</u>	<u>5,808,296</u>	<u>450,950</u>	<u>446,700</u>

NOTES TO THE FINANCIAL STATEMENTS

9. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2025 and 2024 are:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Statements of comprehensive income:				
Current income tax:				
- Malaysian income tax	38,527,537	6,770,996	447,000	173,000
- (Over)/underprovision in prior years	(3,036,227)	179,220	(2,630)	1,180
- Foreign income tax	136,922	128,567	-	-
	<u>35,628,232</u>	<u>7,078,783</u>	<u>444,370</u>	<u>174,180</u>
Deferred tax (Note 28):				
- Origination and reversal of temporary differences	(202,796)	10,400,525	-	-
- (Over)/underprovision in prior years	(4,146,285)	137,296	-	-
	<u>(4,349,081)</u>	<u>10,537,821</u>	<u>-</u>	<u>-</u>
Income tax expense recognised in profit or loss	<u>31,279,151</u>	<u>17,616,604</u>	<u>444,370</u>	<u>174,180</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2024: 24%) of the estimated assessable profit for the year.

NOTES TO THE FINANCIAL STATEMENTS

9. Income tax expense (cont'd)

Reconciliation between income tax expense and accounting profit

The reconciliations between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2025 and 2024 are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax	138,110,809	68,398,279	41,965,542	1,778,235
Taxation at Malaysian statutory tax rate of 24% (2024: 24%)	33,146,594	16,415,587	10,071,730	427,000
Different tax rates in other countries	(222,825)	(80,356)	-	-
Effect of expenses not deductible for tax purposes	5,101,574	5,350,758	820,270	706,000
Effect of income not subject to tax	-	(1,043,858)	(10,445,000)	(960,000)
Effect of capital gains tax	266,663	-	-	-
Deferred tax assets not recognised on unutilised tax losses, unabsorbed capital allowances and other temporary differences	2,918,387	585,255	-	-
Deferred tax assets recognised on unutilised tax losses, unabsorbed capital allowances and other temporary differences	(725,012)	(870,157)	-	-
Utilisation of current year's reinvestment allowances	-	(825,317)	-	-
Utilisation of previous year's unrecognised business loss, unabsorbed capital allowances and other temporary differences	(1,773,086)	(2,156,346)	-	-
Share of tax of associate	329,796	79,116	-	-
Share of tax of joint ventures	(580,428)	(154,594)	-	-
(Over)/underprovision of income tax in prior years	(3,036,227)	179,220	(2,630)	1,180
(Over)/underprovision of deferred tax in prior years	(4,146,285)	137,296	-	-
Income tax expense recognised in profit or loss	31,279,151	17,616,604	444,370	174,180

NOTES TO THE FINANCIAL STATEMENTS

10. Earnings per share

(a) Basic earnings per share

Basic earnings per share amounts are calculated by dividing profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

The following reflect the profit and share data used in the computation of basic earnings per share for the years ended 31 December:

	Group	
	2025	2024
Profit net of tax attributable to owners of the Company (RM)	104,496,402	51,244,454
Weighted average number of ordinary shares in issue	365,464,154	353,362,716
Basic earnings per share (sen)	<u>28.59</u>	<u>14.50</u>

(b) Diluted earnings per share

Diluted earnings per share amounts are the same as basic earnings per share as there are no dilutive potential ordinary shares outstanding during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

11. Property, plant and equipment

Group	Freehold land RM	Leasehold land RM	Buildings RM	Plant, machinery and motor vehicles RM	Furniture and equipment RM	Construction in progress RM	Quarry development expenditure RM	Total RM
Cost								
At 1 January 2025	5,186,536	16,394,806	101,657,306	485,850,437	12,085,664	13,861,999	813,964	635,850,712
Additions	3,790,297	-	723,218	86,675,905	1,525,335	1,556,094	-	94,270,849
Disposals	-	-	-	(3,878,536)	(6,400)	(2,000)	-	(3,886,936)
Written off	-	-	-	(50,690)	(169,410)	-	-	(220,100)
Transfer	-	-	1,837,232	1,629,238	-	(3,466,470)	-	-
At 31 December 2025	8,976,833	16,394,806	104,217,756	570,226,354	13,435,189	11,949,623	813,964	726,014,525
Accumulated depreciation								
At 1 January 2025	-	2,598,094	28,582,729	327,340,654	8,561,069	-	237,053	367,319,599
Charge for the year (Note 6)	-	205,139	2,856,406	42,559,410	754,475	-	209,786	46,585,216
Disposals	-	-	-	(2,621,598)	(4,720)	-	-	(2,626,318)
Written off	-	-	-	(35,790)	(126,078)	-	-	(161,868)
At 31 December 2025	-	2,803,233	31,439,135	367,242,676	9,184,746	-	446,839	411,116,629
Net carrying amount								
At 31 December 2025	8,976,833	13,591,573	72,778,621	202,983,678	4,250,443	11,949,623	367,125	314,897,896

NOTES TO THE FINANCIAL STATEMENTS

11. Property, plant and equipment (cont'd)

Group	Freehold land RM	Leasehold land RM	Buildings RM	Plant, machinery and motor vehicles RM	Furniture and equipment RM	Construction in progress RM	Quarry development expenditure RM	Total RM
Cost								
At 1 January 2024	5,186,536	16,394,806	73,025,419	375,770,522	10,932,804	19,185,541	697,163	501,192,791
Additions	-	-	110,807	112,097,408	1,354,465	20,338,783	116,801	134,018,264
Disposals	-	-	-	(2,213,258)	(198,252)	-	-	(2,411,510)
Written off	-	-	-	(95,480)	(80,360)	-	-	(175,840)
Transfer	-	-	25,371,080	291,245	-	(25,662,325)	-	-
Acquisition of subsidiaries	-	-	3,150,000	-	77,007	-	-	3,227,007
At 31 December 2024	5,186,536	16,394,806	101,657,306	485,850,437	12,085,664	13,861,999	813,964	635,850,712
Accumulated depreciation								
At 1 January 2024	-	2,392,955	26,235,905	304,943,420	7,945,198	-	65,055	341,582,533
Charge for the year (Note 6)	-	205,139	2,330,955	24,491,045	661,893	-	171,998	27,861,030
Disposals	-	-	-	(2,073,391)	(43,671)	-	-	(2,117,062)
Written off	-	-	-	(20,420)	(68,878)	-	-	(89,298)
Acquisition of subsidiaries	-	-	15,869	-	66,527	-	-	82,396
At 31 December 2024	-	2,598,094	28,582,729	327,340,654	8,561,069	-	237,053	367,319,599
Net carrying amount								
At 31 December 2024	5,186,536	13,796,712	73,074,577	158,509,783	3,524,595	13,861,999	576,911	268,531,113

NOTES TO THE FINANCIAL STATEMENTS

11. Property, plant and equipment (cont'd)

Assets held under hire purchase arrangements

During the financial year, the Group acquired property, plant and equipment via:

	Group	
	2025	2024
	RM	RM
Cash	61,217,478	92,153,079
Hire purchase arrangements	33,053,371	41,865,185
	<u>94,270,849</u>	<u>134,018,264</u>

The carrying amount of property, plant and equipment held under hire purchase arrangements at the reporting date is as follows:

	Group	
	2025	2024
	RM	RM
Plant, machinery and motor vehicles	<u>81,318,720</u>	<u>64,655,901</u>

Leased assets are pledged as security for the related hire purchase arrangements as disclosed in Note 24.

12. Right-of-use assets

The Group has entered into non-cancellable operating lease agreements for the use of land and buildings. The leases generally have lease terms of between 1 year to 6 years.

The Group also has certain leases with lease terms of 12 months or less and leases that have been determined to be low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Total RM
As at 1 January 2024	5,168,171
Additions (Note 25)	7,098,300
Depreciation for the year (Note 6)	(3,819,906)
Derecognition	<u>(1,334,713)</u>
As at 31 December 2024 and 1 January 2025	7,111,852
Additions (Note 25)	2,063,613
Depreciation for the year (Note 6)	(4,240,220)
Derecognition	<u>(25,165)</u>
At 31 December 2025	<u>4,910,080</u>

The details of lease liabilities in respect of right-of-use assets are disclosed in Note 25.

NOTES TO THE FINANCIAL STATEMENTS

13. Investment properties

	Group	
	2025	2024
	RM	RM
Cost		
At 1 January/31 December	<u>327,444</u>	<u>327,444</u>
Accumulated depreciation		
At 1 January	200,970	194,421
Charge for the year (Note 6)	<u>6,549</u>	<u>6,549</u>
At 31 December	<u>207,519</u>	<u>200,970</u>
Net carrying amount		
At 31 December	<u>119,925</u>	<u>126,474</u>

The fair value of the investment properties as at 31 December 2025 was RM1,000,000 (2024: RM1,000,000).

14. Other investments

	Group	
	2025	2024
	RM	RM
Club memberships, at cost	<u>75,000</u>	<u>75,000</u>

15. Investment in subsidiaries

	Company	
	2025	2024
	RM	RM
Unquoted shares, at cost	349,847,909	349,847,909
Less: impairment losses	<u>-</u>	<u>(10,000,000)</u>
	<u>349,847,909</u>	<u>339,847,909</u>

NOTES TO THE FINANCIAL STATEMENTS

15. Investment in subsidiaries (cont'd)

Details of the subsidiaries are as follows:

Name	Place of business/ Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2025	2024
Held by the Company:				
Kimlun Sdn. Bhd.	Malaysia	Building and infrastructure contractors	100	100
SPC Industries Sdn. Bhd.	Malaysia	Ready mix concrete production and manufacturing of pre-cast concrete products	100	100
Kimlun Land Sdn. Bhd.	Malaysia	Investment holding, property investment and development	100	100
KL Building Materials Sdn. Bhd.	Malaysia	Manufacturing and trading of all kinds of building and construction materials, and provision of quarry services and machinery rental services	100	100
Kii Amber Sdn. Bhd.	Malaysia	Investment holding, property investment and development	100	100
Kimlun Medini Sdn. Bhd.	Malaysia	Property development and property investment	100	100
Held through Kimlun Sdn. Bhd.:				
Kimlun Superior Crest Sdn. Bhd.	Malaysia	Building and infrastructure contractors	60	60
Held through Kimlun Land Sdn. Bhd.:				
Kimlun Medini Sdn. Bhd.	Malaysia	Property development and property investment	67	67
Kitaran Lintas Sdn. Bhd.	Malaysia	Property development and property investment	100	100

NOTES TO THE FINANCIAL STATEMENTS

15. Investment in subsidiaries (cont'd)

Details of the subsidiaries are as follows (cont'd):

Name	Place of business/ Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2025	2024
Held through Kimlun Land Sdn. Bhd.:				
Kiiville Sdn. Bhd.	Malaysia	Investment holding, property investment and development	100	100
Kii Ashbury Sdn. Bhd.	Malaysia	Investment holding, property investment and development	100	100
Kii Morris Sdn. Bhd.	Malaysia	Investment holding, property investment and development	100	100
Posh Atlantic Sdn. Bhd.	Malaysia	Investment holding, property investment and development	100	100
Bonus Focus Development Sdn. Bhd.	Malaysia	Property development	100	70
Sun Sakura Sdn. Bhd.	Malaysia	Property development	50	-
Held through Kii Amber Sdn. Bhd.				
Bayu Damai Sdn. Bhd.	Malaysia	Property development and property investment	49	49
Kii Melodia Sdn. Bhd.	Malaysia	Property development and property investment	69.5	69.5
Held through Posh Atlantic Sdn. Bhd.				
Pinegate Development Sdn. Bhd.	Malaysia	Property development	51	100

NOTES TO THE FINANCIAL STATEMENTS

15. Investment in subsidiaries (cont'd)

Control over an investee

Although the Group holds only 49% and 50% of the equity interests in Bayu Damai Sdn. Bhd. ("BDSB") and Sun Sakura Sdn. Bhd. ("SSSB"), it has determined that both entities are subsidiaries because the Group retains control over their relevant activities. This conclusion is based on the respective shareholders' agreements, which grant the Group the right to appoint the majority of board of directors of BDSB and SSSB, thereby conferring the power to govern the financial and operating policies of both entities.

(a) During the financial year:

(i) Additional investments

Bonus Focus Development Sdn. Bhd. ("BFDSB")

Kimlun Land Sdn. Bhd. ("KLLSB"), a wholly-owned subsidiary of the Company acquired the remaining 30% equity interest in BFDSB not held by the Group for a cash consideration of RM45,000. The difference between the consideration paid and the carrying amount of the non-controlling interest has been recognised in equity attributable to owners of the Company.

	RM
Purchase consideration	45,000
Less: non-controlling interest at acquisition date	(32,581)
Adjustment arising from acquisition of remaining NCI	<u>12,419</u>

Sun Sakura Sdn. Bhd. ("SSSB")

KLLSB acquired 50% equity interest in SSSB for a cash consideration of RM1,000,000. Post the share acquisition, SSSB became a subsidiary of the Group pursuant to a shareholders' agreement allowing the Group to appoint the majority of the board of directors of SSSB, hence conferring the Group the power and ability to direct the relevant activities of SSSB.

The acquisition does not constitute a business combination and has been accounted for as an asset acquisition.

NOTES TO THE FINANCIAL STATEMENTS

15. Investment in subsidiaries (cont'd)

(a) During the financial year: (cont'd)

(i) Additional investments (cont'd)

Sun Sakura Sdn. Bhd. ("SSSB") (cont'd)

The excess of purchase consideration over the book value of identifiable assets and liabilities has been allocated to land held for development. The identifiable assets and liabilities at the acquisition date were as follows:

	RM
Assets	
Land held for development	94,880,222
Trade and other receivables	26,620
Cash and bank	3,695,159
	<u>98,602,001</u>
Liabilities	
Loans and borrowings	78,313,684
Trade and other payables	18,288,317
Total liabilities	<u>96,602,001</u>

The effect of the above acquisitions on cash flows was as follows:

	BFDSB RM	SSSB RM	Total RM
Purchase consideration	45,000	1,000,000	1,045,000
Less: Cash and cash equivalents of subsidiaries acquired	<u>-</u>	<u>(3,695,159)</u>	<u>(3,695,159)</u>
Net cash outflow/(inflow) on acquisition	<u>45,000</u>	<u>(2,695,159)</u>	<u>(2,650,159)</u>

(ii) Disposal of partial interest in a subsidiary

Pinegate Development Sdn. Bhd. ("PDSB")

Posh Atlantic Sdn. Bhd. ("PASB") disposed 49% of its equity interest in a wholly-owned subsidiary, PDSB for cash consideration amounting to RM13,333,125. Post the disposal of these shares, PDSB remained a subsidiary of KCB.

On the date of disposal, the difference between the consideration and the carrying amount of the non-controlling interest has been recognised in retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

15. Investment in subsidiaries (cont'd)

(a) During the financial year: (cont'd)

(ii) Disposal of partial interest in a subsidiary (cont'd)

RM

Proceeds from disposal	13,333,125
Less: non-controlling interest recognised at disposal date	(2,034,855)
Accretion from changes in stake in subsidiary	<u>11,298,270</u>

The effect of disposal of shares in subsidiary on cash flows was as follows:

RM

Cash inflow arising on disposal	<u>13,333,125</u>
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(b) In the previous financial year:

(i) Additional investments

KLLSB acquired the remaining 49% equity interest in Posh Atlantic Sdn. Bhd. ("PASB") from the other joint venture partner for a cash consideration of RM11,707,000. Following the acquisition, PASB became a subsidiary of the Group.

KLLSB acquired 70% equity interest in BFDSB for a cash consideration of RM105,000. Following the acquisition, BFDSB became a subsidiary of the Company.

The fair values of the identifiable assets and liabilities of acquired subsidiaries as at the acquisition date were:

	PASB RM	BFDSB RM	Total RM
Assets			
Property, plant and equipment	3,144,611	-	3,144,611
Deferred tax assets	216,206	-	216,206
Development properties	119,348,708	-	119,348,708
Inventories	7,975,997	-	7,975,997
Trade and other receivables	47,109	4,321,152	4,368,261
Prepayments	2,204,740	-	2,204,740
Cash and bank	724,023	2,102	726,125
	<u>133,661,394</u>	<u>4,323,254</u>	<u>137,984,648</u>

NOTES TO THE FINANCIAL STATEMENTS

15. Investment in subsidiaries (cont'd)

(b) In the previous financial year: (cont'd)

(i) Additional investments (cont'd)

	PASB RM	BFDSB RM	Total RM
Liabilities			
Loans and borrowings	46,099,641	-	46,099,641
Trade and other payables	63,243,513	4,195,448	67,438,961
Provision for taxation	58,887	-	58,887
Total liabilities	<u>109,402,041</u>	<u>4,195,448</u>	<u>113,597,489</u>
 Total identifiable net assets	 24,259,353	 127,806	 24,387,159
Less: non-controlling interest	<u>(395,624)</u>	<u>(38,342)</u>	<u>(433,966)</u>
Group's interest in fair value of identifiable net assets	23,863,729	89,464	23,953,193
Less: Fair value of existing shareholdings	<u>(12,156,729)</u>	<u>-</u>	<u>(12,156,729)</u>
Less: cash consideration paid	<u>(11,707,000)</u>	<u>(105,000)</u>	<u>(11,812,000)</u>
Goodwill	<u>-</u>	<u>(15,536)</u>	<u>(15,536)</u>

The effect of the acquisition on cash flows was as follows:

	PASB RM	BFDSB RM	Total RM
Purchase consideration	11,707,000	105,000	11,812,000
Less: Cash and cash equivalents of subsidiaries acquired	<u>(724,023)</u>	<u>(2,102)</u>	<u>(726,125)</u>
Net cash outflow on acquisition	<u>10,982,977</u>	<u>102,898</u>	<u>11,085,875</u>

(ii) Disposal of subsidiaries

KLLSB disposed its entire shareholding in Kii Tebrau Sdn. Bhd. ("KTSB") for a cash consideration of RM7.

PASB disposed its entire shareholdings in Rex Series Sdn Bhd ("RSSB") for a cash consideration of RM6.

NOTES TO THE FINANCIAL STATEMENTS

15. Investment in subsidiaries (cont'd)

(b) In the previous financial year: (cont'd)

(ii) Disposal of subsidiaries (cont'd)

On the date of disposal, the difference between the consideration and the book value of the interest disposed was reflected as gain or loss on disposal in profit or loss.

	KTSB RM	RSSB RM	Total RM
Net assets derecognised			
Development properties	-	41,113,609	41,113,609
Other current assets	-	1,899,773	1,899,773
Cash and bank balances	10	143,531	143,541
Loan and borrowings	-	(24,699,641)	(24,699,641)
Payables and other liabilities	(5,000)	(17,996,295)	(18,001,295)
Net assets derecognised	(4,990)	460,977	455,987
Less:			
Non-controlling interest derecognised	1,497	(184,391)	(182,894)
Proceeds from disposal	(7)	(6)	(13)
(Gain)/loss on disposal of subsidiaries	(3,500)	276,580	273,080

The effect of disposal of shares in subsidiaries on cash flows was as follows:

	KTSB RM	RSSB RM	Total RM
Cash outflow arising on disposal	(3)	(143,525)	(143,528)

(c) The non-controlling interests at the end of the reporting period comprise the following:

	Proportion (%) of ownership interest		Group	
	2025	2024	2025 RM	2024 RM
Bayu Damai Sdn. Bhd.	51	51	24,993,981	25,097,479
Other individually immaterial subsidiaries			6,655,724	1,214,696
			31,649,705	26,312,175

NOTES TO THE FINANCIAL STATEMENTS

15. Investment in subsidiaries (cont'd)

- (d) The summarised financial information (before intra-group elimination) for subsidiary that has non-controlling interests that are material to the Group is as follows:

	Bayu Damai Sdn. Bhd.	
	2025	2024
	RM	RM
<u>At 31 December</u>		
Non-current assets	141,351,266	135,070,759
Current assets	1,743,727	1,799,240
Current liabilities	(39,112,971)	(15,154,477)
Non-current liability	(54,974,217)	(72,504,790)
Net assets	<u>49,007,805</u>	<u>49,210,732</u>
Equity attributable to:		
- owners of the Company	24,013,824	24,113,264
- non-controlling interests	24,993,981	25,097,479
	<u>49,007,805</u>	<u>49,210,743</u>
<u>Financial year ended 31 December</u>		
Total comprehensive loss	<u>202,938</u>	<u>184,118</u>
Total comprehensive loss attributable to:		
- owner of the Company	99,440	90,218
- non-controlling interests	103,498	93,900
Net assets	<u>202,938</u>	<u>184,118</u>
Net cash flows used in operating activities	(4,559,180)	(4,665,254)
Net cash flows used in investing activity	(696,652)	(133,583)
Net cash flows generated from financing activities	5,293,854	5,065,562
Net increase in cash and cash equivalents	38,022	266,725
Cash and cash equivalents at 1 January	309,671	42,946
Cash and cash equivalents at 31 December	<u>347,693</u>	<u>309,671</u>

16. Investment in an associate

	Group	
	2025	2024
	RM	RM
Unquoted shares, at cost	490,000	490,000
Share of post-acquisition reserves	(490,000)	(329,650)
	<u>-</u>	<u>160,350</u>
Represented by:		
Share of net assets	<u>-</u>	<u>160,350</u>

NOTES TO THE FINANCIAL STATEMENTS

16. Investment in an associate (cont'd)

Details of the associate are as follows:

Name	Place of business/ Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2025	2024
Held through Kii Amber Sdn. Bhd.				
Astaka Kimlun Sdn. Bhd.	Malaysia	Property development and property investment	49	49

In the previous financial year, Kii Amber Sdn. Bhd. ("KIASB"), a wholly-owned subsidiary of the Company, subscribed for ordinary shares in Astaka Kimlun Sdn. Bhd. ("AKSB") for a consideration of RM490,000. Following the subscription, AKSB became an associate of the Group.

17. Investment in joint ventures

	Group	
	2025 RM	2024 RM
Unquoted shares, at cost		
At the beginning of the financial year	4,320,000	4,830,000
Addition during the year	51	-
Deemed disposal	-	(510,000)
At the end of the financial year	<u>4,320,051</u>	<u>4,320,000</u>
Share of post-acquisition reserves		
At the beginning of the financial year	(2,201,524)	7,663,222
Share of profit/(loss)	1,531,554	(55,405)
Deemed disposal	-	(9,809,341)
At the end of the financial year	<u>(669,970)</u>	<u>(2,201,524)</u>
Represented by:		
Share of net assets	<u><u>3,650,081</u></u>	<u><u>2,118,476</u></u>

NOTES TO THE FINANCIAL STATEMENTS

17. Investment in joint ventures (cont'd)

Name	Place of business/ Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2025	2024
Held through Kimlun Sdn. Bhd.:				
Zecon Kimlun Consortium Sdn. Bhd. *	Malaysia	Building and infrastructure contractor	30	30
JBB Kimlun Sdn. Bhd.	Malaysia	Building and infrastructure contractor	40	40
Held through KL Building Materials Sdn. Bhd.:				
Rock Projects Sdn. Bhd.	Malaysia	Quarry and quarry related services	51	51
Held through SPC Industries Sdn. Bhd.:				
Zenwatt FPV Sdn. Bhd. *	Malaysia	Manufacturing of floating solar (FPV) structures and related component	51	-

* Audited by a firm of chartered accountants other than Ernst & Young PLT, Malaysia.

Summarised financial information on the significant joint venture is as follows:

(a) Summarised statements of financial position of material joint venture

Rock Projects Sdn. Bhd. ("RPSB")

	Group	
	2025 RM	2024 RM
Non-current assets	22,853,037	29,623,764
Current assets	8,473,473	4,021,624
Total assets	31,326,510	33,645,388
Current liabilities	15,699,045	15,901,133
Non-current liabilities	12,553,913	19,483,174
Total liabilities	28,252,958	35,384,307
Net assets/(liabilities)	3,073,552	(1,738,919)

NOTES TO THE FINANCIAL STATEMENTS

17. Investment in joint ventures (cont'd)

(b) Summarised statements of comprehensive income of material joint venture

Rock Projects Sdn. Bhd. ("RPSB")

	Group	
	2025	2024
	RM	RM
Revenue	14,400,031	9,888,551
Depreciation	(6,770,725)	(6,247,156)
Other operating income	40,686	121,247
Other operating expense	(225,682)	(193,076)
Finance costs	(1,867,567)	(2,191,306)
	<u>5,576,743</u>	<u>1,378,260</u>
Income tax expense	(764,272)	(6,598)
Total comprehensive income	<u><u>4,812,471</u></u>	<u><u>1,371,662</u></u>

(c) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in joint ventures.

Rock Projects Sdn. Bhd. ("RPSB")

	Group	
	2025	2024
	RM	RM
Net (liabilities)/assets:		
At beginning of the financial year	(1,738,919)	(3,110,581)
Total comprehensive income for the financial year	<u>4,812,471</u>	<u>1,371,662</u>
At end of the financial year	<u><u>3,073,552</u></u>	<u><u>(1,738,919)</u></u>
Group's interest in RPSB	51%	51%
Group's share of net assets of RPSB	1,567,512	-
Carrying amount of individually immaterial joint ventures	<u>2,082,569</u>	<u>2,118,476</u>
Carrying amount of Group's interest in joint ventures	<u><u>3,650,081</u></u>	<u><u>2,118,476</u></u>

NOTES TO THE FINANCIAL STATEMENTS

17. Investment in joint ventures (cont'd)

- (d) During the financial year, SPC Industries Sdn Bhd, a wholly owned subsidiary of the Company, acquired 51 out of the total 100 ordinary shares in Zenwatt FPV Sdn. Bhd. ("FPV") for a cash consideration of RM51. Post the share acquisition, the Group obtained joint control over FPV pursuant to a shareholders' agreement.
- (e) In the previous financial year, KLLSB acquired the remaining 49% interest in PASB from the other joint venture partner for a total consideration of RM11,707,000. Following the acquisition, PASB became a subsidiary of the Group. Further details are disclosed in Note 15. The effects of the deemed disposal of PASB on the comprehensive income of the Group are as follows:

Group	RM
Group's share of net assets of PASB	11,249,021
Unrealised profit adjustments	(929,680)
Carrying amount of Group's interest in PASB	10,319,341
Fair value of Group's interest in PASB	12,156,729
Gain on deemed disposal of investment in joint venture	(1,837,388)

18. Land held for development and development properties

(a) Land held for development

Group	Freehold and leasehold land RM	Development costs RM	Total RM
At 1 January 2025	320,962,856	39,425,664	360,388,520
Additions	59,401	14,386,217	14,445,618
Acquisition of subsidiary	88,318,722	6,561,500	94,880,222
Transfer to property development cost (Note 18(b))	(41,867,178)	(8,954,925)	(50,822,103)
At 31 December 2025	367,473,801	51,418,456	418,892,257
At 1 January 2024	275,700,137	33,070,264	308,770,401
Additions	45,262,719	4,855,400	50,118,119
Write back	-	1,500,000	1,500,000
At 31 December 2024	320,962,856	39,425,664	360,388,520

NOTES TO THE FINANCIAL STATEMENTS

18. Land held for development and development properties (cont'd)

(b) Development properties

	Group 2025 RM	2024 RM
At cost		
Freehold and leasehold land at cost	175,670,027	131,989,429
Development costs	153,764,810	39,319,092
At 1 January	329,434,837	171,308,521
Costs transferred from inventories - land held for property development (Note 18(a))		
- freehold and leasehold land	41,867,178	-
- development costs	8,954,925	-
	50,822,103	-
Costs incurred during the financial year		
- freehold and leasehold land	30,303,123	330,390
- development costs	106,428,262	83,827,822
	136,731,385	84,158,212
Cost transferred to contract cost assets (Note 20)		
- freehold and leasehold land	(75,538,975)	(1,502,935)
- development costs	(107,312,866)	(2,764,060)
	(182,851,841)	(4,266,995)
Acquisition of subsidiaries		
- freehold and leasehold land	-	80,787,850
- development costs	-	38,560,858
	-	119,348,708
Disposal of a subsidiary		
- freehold and leasehold land	-	(35,934,707)
- development costs	-	(5,178,902)
	-	(41,113,609)
Unsold completed properties transferred to inventories		
- freehold and leasehold land	(6,192,097)	-
- development costs	(18,607,126)	-
	(24,799,223)	-
Freehold and leasehold land	166,109,256	175,670,027
Development costs	143,228,005	153,764,810
At 31 December	309,337,261	329,434,837

NOTES TO THE FINANCIAL STATEMENTS

18. Land held for development and development properties (cont'd)

(b) Development properties (cont'd)

Included in costs incurred during the financial year on land held for development and development properties are:

	Group	
	2025	2024
	RM	RM
Interest expenses (Note 5)	<u>7,914,029</u>	<u>7,772,500</u>

Land held for development and development properties with an aggregate carrying amount of RM675,160,852 (2024: RM538,700,150) are charged for bank borrowings as referred to in Note 24.

19. Inventories

	Group	
	2025	2024
	RM	RM
Cost:		
Raw materials	15,482,041	21,553,351
Finished goods	18,698,052	30,549,365
Completed properties	<u>38,964,269</u>	<u>18,833,151</u>
	73,144,362	70,935,867
Net realisable value:		
Finished goods	<u>8,158,496</u>	<u>7,731,167</u>
	<u>81,302,858</u>	<u>78,667,034</u>

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM261,187,318 (2024: RM220,957,042).

NOTES TO THE FINANCIAL STATEMENTS

20. Contract cost assets

	2025 RM	2024 RM
Contract cost assets		
- Cost to fulfill a contract with customers	28,875,143	854,797
- Cost to obtain contracts with customers	4,883,736	256,169
	<u>33,758,879</u>	<u>1,110,966</u>
(a) Cost to fulfill a contract with customers		
At beginning of the financial year	854,797	184,325
Cost transferred from development properties (Note 18(b))	182,851,841	4,266,995
Costs incurred during the financial year	2,720,127	1,409,879
Cost recognised in profit or loss during the financial year	(157,551,622)	(5,006,402)
At end of the financial year	<u>28,875,143</u>	<u>854,797</u>
(b) Cost to obtain contracts with customers		
At beginning of the financial year	256,169	201,304
Additions	13,227,683	281,777
Cost recognised in profit or loss during the financial year	(8,600,116)	(226,912)
At end of the financial year	<u>4,883,736</u>	<u>256,169</u>

21. Trade and other receivables

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current				
Trade receivables				
Third parties	564,867,298	513,696,738	-	-
Amount due from associate	11,133,179	-	-	-
Amounts due from companies related to certain directors	4,007,214	5,401,482	-	-
	<u>580,007,691</u>	<u>519,098,220</u>	<u>-</u>	<u>-</u>
Less: Allowance for impairment				
- Third parties	(2,854,424)	(860,424)	-	-
Trade receivables, net	<u>577,153,267</u>	<u>518,237,796</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

21. Trade and other receivables (cont'd)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other receivables				
Deposits	15,510,022	11,935,854	205,000	205,000
Sundry receivables	4,794,615	1,309,037	-	-
Amounts due from subsidiaries	-	-	96,513,784	92,232,708
Amount due from joint venture	4,144,074	3,652,432	-	-
Amount due from associate	32,036,654	6,107,888	15,704,433	-
	<u>56,485,365</u>	<u>23,005,211</u>	<u>112,423,217</u>	<u>92,437,708</u>
Total trade and other receivables	633,638,632	541,243,007	112,423,217	92,437,708
Add: Cash and bank balances (Note 22)	<u>121,616,967</u>	<u>69,668,397</u>	<u>10,772,876</u>	<u>286,613</u>
Total financial assets at amortised cost	<u>755,255,599</u>	<u>610,911,404</u>	<u>123,196,093</u>	<u>92,724,321</u>

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2024: 30 to 90 days) terms, although in practice, this may extend to 120 days. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original certificated or invoiced amounts which represent their fair values on initial recognition.

Included in trade receivables is an amount of RM207,935,220 (2024: RM150,884,486), which represents retention sum receivable on construction contracts of the Group.

NOTES TO THE FINANCIAL STATEMENTS

21. Trade and other receivables (cont'd)

(a) Trade receivables (cont'd)

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2025 RM	2024 RM
Neither past due nor impaired	352,560,764	321,669,669
1 to 30 days past due not impaired	48,231,499	52,567,565
31 to 60 days past due not impaired	44,845,389	11,303,173
61 to 90 days past due not impaired	22,230,492	11,946,253
91 to 120 days past due not impaired	3,848,571	41,978,286
More than 120 days past due not impaired	105,436,552	78,772,850
	224,592,503	196,568,127
Impaired	2,854,424	860,424
	<u>580,007,691</u>	<u>519,098,220</u>

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of these balances have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM224,592,503 (2024: RM196,568,127) that are past due at the reporting date but are not impaired and are not secured by any collateral or credit enhancements.

The management is confident that the balance of receivables that are past due but not impaired are recoverable as these are active accounts due from credit worthy debtors.

NOTES TO THE FINANCIAL STATEMENTS

21. Trade and other receivables (cont'd)

(a) Trade receivables (cont'd)

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2025	2024
	RM	RM
Trade receivables - nominal amounts	1,527,516	177,516
Less: Specific allowance for impairment	<u>(1,527,516)</u>	<u>(177,516)</u>
	<u>-</u>	<u>-</u>

Movement in allowance accounts:

	Specific allowance RM	Group General allowance RM	Total allowance RM
31 December 2025			
At beginning of financial year	177,516	682,908	860,424
Charge for the year (Note 6)	1,350,000	644,000	1,994,000
At end of financial year	<u>1,527,516</u>	<u>1,326,908</u>	<u>2,854,424</u>
31 December 2024			
At beginning of financial year	18,305,690	631,757	18,937,447
Charge for the year (Note 6)	-	107,000	107,000
Reversal of impairment loss (Note 6)	<u>(18,128,174)</u>	<u>(55,849)</u>	<u>(18,184,023)</u>
At end of financial year	<u>177,516</u>	<u>682,908</u>	<u>860,424</u>

Trade receivables that are impaired at the reporting date relate to debtors that have defaulted on payments and expected credit losses based on the Group's historical observed default rates. These receivables are not secured by any collateral or credit enhancements.

(b) Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured, bear interest ranging from 4.57% to 8.02% (2024: 4.82% to 7.93%) per annum and are repayable on demand.

(c) Amount due from joint venture

The amount due from joint venture is unsecured, bears interest ranging from 5.69% to 6.87% (2024: 6.82% to 7.56%) per annum and is repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

21. Trade and other receivables (cont'd)

(d) Amount due from associate - non-trade

The non-trade amounts due from associate are unsecured and repayable on demand. Included in the amounts due to the Group and the Company are loans of approximately RM31,850,000 (2024: RM6,027,000) and RM15,628,000 (2024: Nil) respectively, which bear interest at 8.00% (2024: 8.00%) per annum.

(e) Prepayments

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Prepaid operating expenses	11,254,010	10,781,113	708,862	1,194,200

22. Cash and bank balances

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Cash on hand and at banks	109,921,233	63,974,607	10,772,876	286,613
Short term deposits with licensed banks	11,695,734	5,693,790	-	-
Cash and bank balances	121,616,967	69,668,397	10,772,876	286,613

Included in cash at banks of the Group are amounts of RM14,480,886 (2024: RM795,781) held pursuant to Section 7A of the Housing Developers (Control and Licensing) Act, 1966 and therefore restricted from use on other operations.

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one month to twelve months (2024: one month to twelve months) depending on the immediate cash requirements of the Group and earn interest at respective short-term deposit rates. The weighted average effective interest rates as at 31 December 2025 for the Group was 1.89% (2024: 2.16%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

22. Cash and bank balances (cont'd)

Short-term deposits with licensed banks of the Group amounting to RM11,695,734 (2024: RM5,693,790) are pledged as security for borrowings and therefore not available for use (Note 24).

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following at the reporting date:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Cash and bank balances	121,616,967	69,668,397	10,772,876	286,613
Less: Bank overdrafts (Note 24)	(4,735,193)	(6,062,589)	-	-
Less: Pledged deposits	(11,695,734)	(5,693,790)	-	-
Cash and cash equivalents	<u>105,186,040</u>	<u>57,912,018</u>	<u>10,772,876</u>	<u>286,613</u>

23. Assets held for sale

These are properties that are expected to be recovered primarily through sale rather than through continuing use.

	Group	
	2025	2024
	RM	RM
At 1 January	-	14,125,282
Disposal	-	(2,400,417)
Transfer to inventories	-	(11,724,865)
At 31 December	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

24. Loans and borrowings

		Group		Company	
	Maturity	2025 RM	2024 RM	2025 RM	2024 RM
Current					
Secured:					
Bank overdrafts					
(Note 22)	2026	4,735,193	6,062,589	-	-
Bankers' acceptances	2026	73,466,000	81,891,000	-	-
Term loans	2026	40,804,701	15,969,037	-	-
Hire purchase payables					
(Note 33(b))	2026	23,066,467	16,764,841	-	-
Invoice financing	2026	244,566,525	198,240,978	-	-
Revolving credit	2026	28,999,901	18,999,901	-	-
Unsecured:					
Sukuk Murabahah					
- Islamic Commercial Papers	2026	45,660,000	60,310,000	45,660,000	60,310,000
Sukuk Murabahah					
- Islamic Medium Term Notes	2026	30,000,000	25,000,000	30,000,000	25,000,000
		<u>491,298,787</u>	<u>423,238,346</u>	<u>75,660,000</u>	<u>85,310,000</u>
Non-current					
Secured:					
Term loans	2027 - 2035	193,670,302	157,275,797	-	-
Hire purchase payables					
(Note 33(b))	2027 - 2030	39,083,679	35,771,889	-	-
Revolving credit	2027 - 2035	53,250,000	25,250,000	-	-
Unsecured:					
Sukuk Murabahah					
- Islamic Medium Term Notes		-	30,000,000	-	30,000,000
		<u>286,003,981</u>	<u>248,297,686</u>	<u>-</u>	<u>30,000,000</u>
Total loans and borrowings		<u><u>777,302,768</u></u>	<u><u>671,536,032</u></u>	<u><u>75,660,000</u></u>	<u><u>115,310,000</u></u>

NOTES TO THE FINANCIAL STATEMENTS

24. Loans and borrowings (cont'd)

The remaining maturities of the loans and borrowings as at 31 December are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
On demand or within one year	491,298,787	423,238,346	75,660,000	85,310,000
More than 1 year and less than 2 years	80,422,444	87,474,030	-	30,000,000
More than 2 years and less than 5 years	153,147,665	137,433,348	-	-
5 years and more	52,433,872	23,390,308	-	-
	<u>777,302,768</u>	<u>671,536,032</u>	<u>75,660,000</u>	<u>115,310,000</u>

Hire purchase payables (Note 33(b))

These obligations are secured by a pledge over the leased assets as disclosed in Note 11. The discount rate implicit in the leases is between 1.88% to 3.61% (2024: 1.88% to 3.61%) per annum.

Bankers' acceptances, term loans, invoice financing and revolving credit

The interest rates (per annum) at the reporting date were as follows:

	Group	
	2025	2024
	%	%
Bank overdrafts	5.76 to 7.64	5.80 to 6.01
Bankers' acceptances	3.99 to 4.85	4.28 to 5.02
Term loans	5.34 to 7.14	5.68 to 6.84
Invoice financing	2.48 to 7.70	4.09 to 7.45
Revolving credit	<u>4.56 to 6.56</u>	<u>5.07 to 6.36</u>

The bank overdrafts, bankers' acceptances, term loans, invoice financing and revolving credit together with bank guarantee facilities are secured by:

- First party first legal charge over certain land held for development, development properties and inventories as disclosed in Note 18 and Note 19;
- Short term deposits as disclosed in Note 22; and
- Corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS

24. Loans and borrowings (cont'd)

Sukuk Murabahah

The Company has established an Islamic Commercial Papers ("ICP") and Islamic Medium Term Note ("IMTN") programme with a combined limit of RM800 million in nominal value based on the Shariah principle of Murabahah (via Tawarruq Arrangement) (collectively, the ICP and the IMTN shall be referred to as "Sukuk Murabahah"). The tenure of the ICP Programme is 7 years commencing from 22 December 2021, while the tenure of the IMTN Programme is perpetual.

Sukuk Murabahah bears interest ranging from 4.87% to 5.25% (2024: 4.87% to 5.25%) per annum.

Movement in loans and borrowings were as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
At 1 January	671,536,032	413,373,990	115,310,000	87,860,000
Drawdown:				
- hire purchase payables	33,053,371	41,865,185	-	-
- loans and borrowings	1,548,739,091	1,007,645,864	88,210,000	60,310,000
Repayments:				
- hire purchase payables	(25,007,954)	(15,079,587)	-	-
- loans and borrowings	(1,529,296,670)	(804,509,866)	(127,860,000)	(32,860,000)
Refinancing:				
- hire purchase payables	1,568,000	-	-	-
Unrealised foreign exchange (gain)/loss	(275,390)	777,857	-	-
Net changes in bank overdraft	(1,327,396)	6,062,589	-	-
Disposal of a subsidiary (Note 15)	-	(24,699,641)	-	-
Acquisition of subsidiaries (Note 15)	78,313,684	46,099,641	-	-
At 31 December	<u>777,302,768</u>	<u>671,536,032</u>	<u>75,660,000</u>	<u>115,310,000</u>

NOTES TO THE FINANCIAL STATEMENTS

25. Lease liabilities

The Group has entered into non-cancellable operating lease agreements for the use of land, buildings, machinery and equipment, which are recognised as right-of-use assets as disclosed in Note 12.

	Group	
	2025	2024
	RM	RM
Current		
Lease liabilities (Note 33(c))	2,699,626	3,859,557
Non-current		
Lease liabilities (Note 33(c))	2,406,303	3,441,803
Total lease liabilities (Note 26)	5,105,929	7,301,360

The remaining maturities of the lease liabilities are as follows:

	Group	
	2025	2024
	RM	RM
Within one year	2,699,626	3,859,557
More than 1 year and less than 2 years	1,280,000	2,061,656
More than 2 years and less than 5 years	1,126,303	1,264,368
Later than 5 years	-	115,779
	5,105,929	7,301,360

At the reporting date, the interest rate of the lease liabilities ranged from 3.00% to 5.81% (2024: 3.00% to 5.82%) per annum.

The movement of lease liabilities during the financial year is as follows:

	Group	
	2025	2024
	RM	RM
At 1 January	7,301,360	5,264,943
Additions (Note 12)	2,063,613	7,098,300
Derecognition	(25,709)	(1,376,217)
Interest charged on lease liabilities (Note 5)	355,285	382,297
Payments of:		
- Principal	(4,233,335)	(3,685,666)
- Interest	(355,285)	(382,297)
At 31 December	5,105,929	7,301,360

NOTES TO THE FINANCIAL STATEMENTS

26. Trade and other payables

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Current				
Trade payables				
Third parties	534,376,730	421,763,942	-	-
Amounts due to joint ventures	9,661,354	6,861,952	-	-
	<u>544,038,084</u>	<u>428,625,894</u>	<u>-</u>	<u>-</u>
Other payables				
Accruals	64,018,319	46,000,593	543,372	845,100
Third parties	11,591,946	16,176,589	252,611	440,903
Deposits payable	2,833,930	1,353,333	-	-
Amounts due to subsidiaries	-	-	16,491,977	12,522,905
Amounts due to joint ventures	861,707	488,806	3,676	1,788
Amount due to director of a subsidiary	11,346,498	-	-	-
Amount due to corporate shareholder of a subsidiary	9,379,285	6,201,337	-	-
Amounts due to former shareholders of a subsidiary	2,956,360	8,912,288	-	-
	<u>102,988,045</u>	<u>79,132,946</u>	<u>17,291,636</u>	<u>13,810,696</u>
Total trade and other payables (current)	<u>647,026,129</u>	<u>507,758,840</u>	<u>17,291,636</u>	<u>13,810,696</u>
Non-current				
Other payable				
Amounts due to former shareholders of a subsidiary	<u>9,597,313</u>	<u>21,147,944</u>	<u>-</u>	<u>-</u>
Total trade and other payables (current and non-current)	<u>656,623,442</u>	<u>528,906,784</u>	<u>17,291,636</u>	<u>13,810,696</u>
Add: Loans and borrowings (Note 24)	777,302,768	671,536,032	75,660,000	115,310,000
Add: Lease liabilities (Note 25)	<u>5,105,929</u>	<u>7,301,360</u>	<u>-</u>	<u>-</u>
Total financial liabilities carried at amortised cost	<u>1,439,032,139</u>	<u>1,207,744,176</u>	<u>92,951,636</u>	<u>129,120,696</u>

NOTES TO THE FINANCIAL STATEMENTS

26. Trade and other payables (cont'd)

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 90 days (2024: 30 to 90 days) terms.

(b) Other payables

Other payables due to third parties are non-interest bearing and are normally settled on 30 to 60 days (2024: 30 to 60 days) terms.

(c) Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, bear interest at 6.39% (2024: 6.30%) per annum and repayable on demand.

(d) Amounts due to joint ventures

The amounts due to joint ventures are unsecured, non-interest bearing and are repayable on demand.

(e) Amount due to corporate shareholder of a subsidiary

The amount due to corporate shareholder of a subsidiary is unsecured, bears interest ranging from 5.20% to 8.06% (2024: 6.44% to 7.93%) per annum and is repayable on demand.

(f) Amounts due to former shareholders of a subsidiary

The amounts due to former shareholders of Pinegate Development Sdn. Bhd. ("PDSB") are unsecured and non-interest bearing. These amounts are due to be repaid in instalments from 2026 to 2027 (2024: 2025 to 2027).

These amounts are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate of 4.48% per annum.

(g) Amount due to director of a subsidiary

The amount due to director of a subsidiary is unsecured, bears interest ranging from 7.85% to 7.95% per annum and is repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

27. Provisions

	Group 2025 RM	2024 RM
Defect liability costs		
At 1 January	15,000,000	9,980,000
Addition during the year (Note 6)	8,044,216	5,020,000
At 31 December	<u>23,044,216</u>	<u>15,000,000</u>

This amount represents estimated rectification costs expected to be incurred during the defect liability period of construction contracts.

28. Deferred tax

	Group 2025 RM	2024 RM
At 1 January	5,277,576	15,599,191
Recognised in profit or loss (Note 9)	4,349,081	(10,537,821)
Acquisition of subsidiary	-	216,206
At 31 December	<u>9,626,657</u>	<u>5,277,576</u>

Presented after appropriate offsetting as follows:

Deferred tax assets	17,559,757	12,533,764
Deferred tax liabilities	<u>(7,933,100)</u>	<u>(7,256,188)</u>
	<u>9,626,657</u>	<u>5,277,576</u>

The components and movements of deferred tax assets/(liabilities) during the financial year prior to offsetting are as follows:

Deferred tax assets

	Unabsorbed tax losses and unabsorbed capital allowances RM	Provisions for defect liability costs and others RM	Total RM
At 1 January 2024	9,529,960	14,797,279	24,327,239
Recognised in profit or loss	(2,651,439)	(2,035,198)	(4,686,637)
Acquisition of subsidiary	-	217,118	217,118
At 31 December 2024 and 1 January 2025	<u>6,878,521</u>	<u>12,979,199</u>	<u>19,857,720</u>
Recognised in profit or loss	(6,624,819)	13,392,180	6,767,361
At 31 December 2025	<u>253,702</u>	<u>26,371,379</u>	<u>26,625,081</u>

NOTES TO THE FINANCIAL STATEMENTS

28. Deferred tax (cont'd)

Deferred tax liabilities

	Property, plant and equipment RM	Others RM	Total RM
At 1 January 2024	(7,067,523)	(1,660,525)	(8,728,048)
Recognised in profit or loss	(7,495,710)	1,644,526	(5,851,184)
Acquisition of subsidiary	(912)	-	(912)
At 31 December 2024 and 1 January 2025	(14,564,145)	(15,999)	(14,580,144)
Recognised in profit or loss	(2,434,279)	15,999	(2,418,280)
At 31 December 2025	(16,998,424)	-	(16,998,424)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2025 RM	2024 RM
Unutilised tax losses		
- Expires in FY2028	2,620,000	2,131,000
- Expires in FY2029	110,000	110,000
- Expires in FY2030	478,000	171,000
- Expires in FY2031	954,000	230,000
- Expires in FY2032	2,021,000	105,000
- Expires in FY2033	653,000	789,000
- Expires in FY2034	3,218,000	273,000
- Expires in FY2035	3,766,000	-
Unabsorbed capital allowances	810,000	645,000
Other temporary differences	5,954,000	11,427,000

Based on the current legislation, the unutilised tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unutilised tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following the relevant year of assessment. The unabsorbed capital allowances are allowed to be carried forward indefinitely.

NOTES TO THE FINANCIAL STATEMENTS

29. Share capital and treasury shares

Group/Company	Number of ordinary shares		Amount		Total RM
	Share capital (Issued and fully paid, at no par value)	Treasury shares	Share capital (Issued and fully paid) RM	Treasury shares RM	
At 1 January 2024	353,358,716	20,000	353,378,716	255,944,359	255,920,585
Conversion of warrants	4,000	-	4,000	9,040	9,040
At 31 December 2024					
and 1 January 2025	353,362,716	20,000	353,382,716	255,953,399	255,929,625
Issuance of ordinary shares	35,336,200	-	35,336,200	42,050,078	42,050,078
Share issue expenses	-	-	-	(494,260)	(494,260)
At 31 December 2025	388,698,916	20,000	388,718,916	297,509,217	297,485,443

NOTES TO THE FINANCIAL STATEMENTS

29. Share capital and treasury shares (cont'd)

(a) Share capital

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

Dividends to owners of the Company and non-controlling interests are recognised in the statements of changes in equity in the period in which they are declared.

During the financial year, the Company issued 35,336,200 new ordinary shares at an issue price of RM1.19 each under a private placement. The total cash consideration of RM42,050,078 were utilised for working capital and private placement expenses. The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

(b) Treasury shares

Treasury shares relate to ordinary shares of the Company that are reacquired and held by the Company. The amount consists of the acquisition costs.

The shareholders of the Company, by an ordinary resolution passed in an Annual General Meeting held on 3 June 2025, renewed their approval for the Company's plan to repurchase its own shares. The repurchased shares are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasury shares during the financial year.

Out of the total 388,718,916 (2024: 353,382,716) issued and fully paid ordinary shares, 20,000 (2024: 20,000) are held as treasury shares by the Company. The number of outstanding ordinary shares after set-off is 388,698,916 (2024: 353,362,716).

30. Retained earnings

The entire retained earnings of the Company as at 31 December 2025 may be distributed as dividends under single tier system.

NOTES TO THE FINANCIAL STATEMENTS

31. Other reserves

(a) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of a foreign operation whose functional currency is different from that of the Group's presentation currency.

(b) Warrants reserve

A total of 60,112,500 free warrants ("Warrants 2014/2024") were issued by the Company on 13 March 2014. Each warrant entitles the holder to subscribe for 1 new share at the exercise price of RM1.68 per share at any time during the exercise period. The warrants have an exercise period of 10 years commencing 13 March 2014 and expired on 12 March 2024.

32. Related party disclosures

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Sales of raw materials to a company related to certain directors	364,686	699,340	-	-
Purchase of quarry products from joint venture	14,400,031	9,888,551	-	-
Contract fee from:				
- a company related to certain directors	9,154,262	25,300,995	-	-
- joint ventures	27,981,950	-	-	-
- an associate company	21,005,434	-	-	-
Rental of property to companies related to certain directors	2,848,896	2,849,236	-	-
Rental of premise paid to a company related to certain directors	59,950	59,000	-	-
Rental income from:				
- a joint venture	2,200	2,400	-	-
Service fee to:				
- a subsidiary	-	-	276,000	276,000
- a joint venture	90,159	85,491	-	-
- a company related to certain director	27,128	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

32. Related party disclosures (cont'd)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Landscaping and maintenance service paid to a company related to certain directors	32,660	11,750	-	-
Hire machinery to a company related to certain directors	-	660	-	-
Interest income from:				
- subsidiaries	-	-	6,283,079	5,937,431
- a joint venture	239,642	439,628	-	-
- an associate company	1,426,141	80,888	200,047	-
Purchase of land from director	3,650,000	-	-	-
Dividend income received from subsidiaries	-	-	33,520,000	4,000,000

Companies related to certain directors

These entities are subject to the same source of influence as the Company through common directors.

Compensation of key management personnel

Key management personnel ("KMP") are persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

The remuneration of key management personnel during the year are as follows:

	Group	
	2025 RM	2024 RM
Salaries, bonus and other emoluments	9,454,153	5,957,279
Defined contribution plan	1,283,111	838,487
Other short term benefits	116,012	104,120
	<u>10,853,276</u>	<u>6,899,886</u>

NOTES TO THE FINANCIAL STATEMENTS

33. Commitments

(a) Capital commitments

	Group	
	2025	2024
	RM	RM
Capital commitments as at the reporting date are as follows:		
Approved and contracted for:		
Property, plant and equipment	<u>24,337,277</u>	<u>23,594,010</u>

(b) Hire purchase commitments

The Group has entered into hire purchase arrangements for certain items of plant and equipment as disclosed in Note 11.

Future minimum lease payments under hire purchases together with the present value of the net minimum lease payments are as follows:

	Group	
	2025	2024
	RM	RM
Minimum lease payments:		
Not later than 1 year	26,495,716	19,544,017
Later than 1 year but not later than 2 years	19,614,320	15,615,851
Later than 2 years but not later than 5 years	<u>22,992,623</u>	<u>23,955,464</u>
Total minimum lease payments	69,102,659	59,115,332
Less: Amounts representing finance charges	<u>(6,952,513)</u>	<u>(6,578,602)</u>
Present value of minimum lease payments	<u>62,150,146</u>	<u>52,536,730</u>
Present value of payments:		
Not later than 1 year	23,066,467	16,764,841
Later than 1 year but not later than 2 years	17,468,092	13,615,589
Later than 2 years but not later than 5 years	<u>21,615,587</u>	<u>22,156,300</u>
Present value of minimum lease payments	62,150,146	52,536,730
Less: Amount due within 12 months (Note 24)	<u>(23,066,467)</u>	<u>(16,764,841)</u>
Amount due after 12 months (Note 24)	<u>39,083,679</u>	<u>35,771,889</u>

NOTES TO THE FINANCIAL STATEMENTS

33. Commitments (cont'd)

(c) Lease commitments in respect of right-of-use assets

The Group has entered into lease arrangements for the use of land, building, machinery and equipment. The Group has recognised the right-of-use assets (Note 12) with related lease liabilities as disclosed in Note 25.

Future minimum lease payments of right-of-use assets together with the present value of the net minimum lease payments are as follows:

	Group	
	2025	2024
	RM	RM
Minimum lease payments:		
Not later than 1 year	2,918,729	4,166,010
Later than 1 year but not later than 2 years	1,378,050	2,203,134
Later than 2 years but not later than 5 years	1,190,345	1,366,638
Later than 5 years	-	116,992
Total minimum lease payments	5,487,124	7,852,774
Less: Amounts representing finance charges	(381,195)	(551,414)
Present value of minimum lease payments	5,105,929	7,301,360
Present value of payments:		
Not later than 1 year	2,699,626	3,859,557
Later than 1 year but not later than 2 years	1,280,000	2,061,656
Later than 2 years but not later than 5 years	1,126,303	1,264,368
Later than 5 years	-	115,779
Present value of minimum lease payments	5,105,929	7,301,360
Less: Amount due within 12 months (Note 25)	(2,699,626)	(3,859,557)
Amount due after 12 months (Note 25)	2,406,303	3,441,803

NOTES TO THE FINANCIAL STATEMENTS

34. Fair value

(a) Fair values of assets

The following table shows an analysis of assets measured at fair value or for which fair values are disclosed by level of fair value hierarchy:

	Level 1	Group Level 2	Level 3	Total
	RM	RM	RM	RM
2025				
<i>Assets for which fair values are disclosed:</i>				
Investment properties	-	-	1,000,000	1,000,000
2024				
<i>Assets for which fair values are disclosed:</i>				
Investment properties	-	-	1,000,000	1,000,000

The fair values of investment properties are determined by the directors using the comparable method.

(b) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair values:

	Note
Trade and other receivables (current)	21
Cash and bank balances (current)	22
Loans and borrowings (current and non-current)	24
Trade and other payables (current and non-current)	26

The carrying amounts of the current portions of financial assets and liabilities of the Group and of the Company at the reporting date approximate fair values due to the relatively short term maturity of these financial instruments.

The carrying amount of the non-current portion of loans and borrowings is reasonable approximation of fair value as the interest charged on these amounts is pegged to, or close to, market interest rates on or near the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

34. Fair value (cont'd)

(b) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair value (cont'd)

Guarantees

An amount of RM1,044,621,824 (2024: RM856,066,846) relating to corporate guarantees was provided by the Company to several financial institutions for its subsidiaries' credit facilities, and to third parties for the credit facilities granted by suppliers and the joint ventures' and subsidiaries' performance in construction contracts.

The fair value of the guarantees provided by the Company in connection with credit facilities, construction contracts and development agreements granted to its subsidiaries is not significant as it is not probable that the financial institutions and third parties will call upon the guarantees.

35. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors approves and reviews policies and procedures for the management of these risks, which are executed by the management. The audit committee provides independent oversight to the effectiveness of the risk management process.

The Group and the Company do not undertake any trading of derivative financial instruments.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables and contract assets. For cash and bank balances, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group and the Company minimise and monitor its credit risk by strictly limiting the Group's and Company's associations to business partners with high creditworthiness. Receivable balances and contract assets are monitored on an ongoing basis.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS

35. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Any receivables having significant balances past due more than 365 days, which are deemed to have higher default risk, are monitored individually.

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

Group	Trade receivables							Total RM
	Contract assets RM	Current RM	Days past due				> 120 days RM	
			1 - 30 days RM	31 - 60 days RM	61 - 90 days RM	91 - 120 days RM		
31 December 2025								
Expected credit loss rate (%)	0.03%	0.00%	0.00%	0.51%	0.45%	0.05%	0.92%	
Estimated total gross carrying amount at default	555,264,341	352,560,764	48,231,499	45,073,389	22,330,492	3,850,571	107,960,976	580,007,691
Less:								
Receivables individually impaired	-	-	-	-	-	-	(1,527,516)	(1,527,516)
Expected credit loss	(190,000)	-	-	(228,000)	(100,000)	(2,000)	(996,908)	(1,326,908)
	555,074,341	352,560,764	48,231,499	44,845,389	22,230,492	3,848,571	105,436,552	577,153,267

NOTES TO THE FINANCIAL STATEMENTS

35. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Group	Contract assets RM	Trade receivables					Total RM
		Current RM	1 - 30 days RM	31 - 60 days RM	61 - 90 days RM	91 - 120 days RM	
31 December 2024							
Expected credit loss rate (%)	0.05%	0.00%	0.00%	1.98%	0.83%	0.00%	0.45%
Estimated total gross carrying amount at default	382,802,417	321,669,669	52,567,565	11,531,173	12,046,253	41,980,286	519,098,220
Less:							
Receivables individually impaired	-	-	-	-	-	-	(177,516)
Expected credit loss	(190,000)	-	-	(228,000)	(100,000)	(2,000)	(682,908)
	<u>382,612,417</u>	<u>321,669,669</u>	<u>52,567,565</u>	<u>11,303,173</u>	<u>11,946,253</u>	<u>41,978,286</u>	<u>518,237,796</u>

NOTES TO THE FINANCIAL STATEMENTS

35. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by 2 customers (2024: 1 customer) which constituted approximately 17% (2024: 13%) of its trade receivable (including related parties) at the end of the reporting period.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 21. Deposits with banks that are neither past due nor impaired are placed with or entered into with reputable financial institutions.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 21.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

To ensure continuity of funding, the Group's and the Company's policy is to manage the debt maturity profile, operating cash flows and the availability of funding to support the operating cycle of the business.

NOTES TO THE FINANCIAL STATEMENTS

35. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
2025				
Group				
Financial liabilities				
Trade and other payables	647,158,565	10,476,495	-	657,635,060
Lease liabilities	2,918,729	2,568,395	-	5,487,124
Loans and borrowings	507,853,613	282,895,890	42,784,393	833,533,896
Total undiscounted financial liabilities	1,157,930,907	295,940,780	42,784,393	1,496,656,080
Company				
Financial liabilities				
Other payables and accruals	17,291,636	-	-	17,291,636
Loans and borrowings	76,928,404	-	-	76,928,404
Total undiscounted financial liabilities	94,220,040	-	-	94,220,040

NOTES TO THE FINANCIAL STATEMENTS

35. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
2024				
Group				
Financial liabilities				
Trade and other payables	508,158,108	23,569,000	-	531,727,108
Lease liabilities	4,166,010	3,569,772	116,992	7,852,774
Loans and borrowings	441,023,994	239,080,617	40,213,065	720,317,676
Total undiscounted financial liabilities	953,348,112	266,219,389	40,330,057	1,259,897,558
Company				
Financial liabilities				
Other payables and accruals	13,810,696	-	-	13,810,696
Loans and borrowings	88,042,164	31,522,159	-	119,564,323
Total undiscounted financial liabilities	101,852,860	31,522,159	-	133,375,019

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's primary interest rate risk relates to interest-bearing borrowings. The investments in financial assets including fixed deposits are mainly short term in nature and they are not held for speculative purposes.

The Group manages its interest rate exposure by using a mix of fixed and floating rate debts and actively reviewing its debt portfolio, taking into account the investment holding period and nature of its assets.

NOTES TO THE FINANCIAL STATEMENTS

35. Financial risk management objectives and policies (cont'd)

(c) Interest rate risk (cont'd)

Sensitivity analysis for interest rate risk

During the financial year, if interest rates had been 50 (2024: 50) basis points lower/higher, with all other variables held constant, the Group's net profit after tax would have increased/decreased by RM659,000 (2024: RM326,000) during the year. The assumed movement in basis points for interest rate sensitivity analysis was based on the prior year observable market environment.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than RM, the functional currency of the Group's entities. The foreign currency in which these transactions are denominated is Singapore Dollar ("SGD") and United States Dollar ("USD"). The Group did not enter into any forward currency contracts during the financial years ended 31 December 2025 and 2024.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the SGD and USD exchange rates against RM, with all other variables held constant.

		2025 RM	2024 RM
Increase/(decrease) in profit after tax			
SGD/RM	- strengthened 5% (2024: 8%)	3,165,455	6,282,150
	- weakened 5% (2024: 8%)	<u>(3,165,455)</u>	<u>(6,282,150)</u>
USD/RM	- strengthened 9% (2024: 11%)	(230,589)	(627,283)
	- weakened 9% (2024: 11%)	<u>230,589</u>	<u>627,283</u>

NOTES TO THE FINANCIAL STATEMENTS

36. Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings less cash and bank balances whereas total capital comprises equity attributable to owners of the Company.

The gearing ratios are as follows:

	Note	Group	
		2025 RM	2024 RM
Loans and borrowings	24	777,302,768	671,536,032
Less: Cash and bank balances	22	(121,616,967)	(69,668,397)
Net debt		<u>655,685,801</u>	<u>601,867,635</u>
Total equity		<u>943,494,292</u>	<u>787,913,737</u>
Capital and net debt		<u><u>1,599,180,093</u></u>	<u><u>1,389,781,372</u></u>
Gearing ratio		<u><u>41.0%</u></u>	<u><u>43.3%</u></u>

37. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

- (i) Construction
- (ii) Manufacturing and trading of construction materials and provision of quarry services
- (iii) Investment holding
- (iv) Property development

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

NOTES TO THE FINANCIAL STATEMENTS

37. Segment information (cont'd)

	Construction RM	Manufacturing, trading, and quarry services RM	Investment holding RM	Property development RM	Eliminations RM	Consolidation RM
At 31 December 2025						
Revenue:						
External customers	1,415,431,994	240,796,835	486,700	268,491,911	-	1,925,207,440
Inter-segment	144,842,614	90,710,877	39,603,032	-	(275,156,523)	-
Total revenue	1,560,274,608	331,507,712	40,089,732	268,491,911	(275,156,523)	1,925,207,440
Results:						
Segment results	111,134,120	70,447,815	40,089,732	68,047,219	(55,038,063)	234,680,823
Other operating income						4,501,429
Administration expenses						(63,422,031)
Finance costs						(38,650,210)
Share of loss of associate company						(1,374,152)
Share of profit of joint ventures						2,374,950
Profit before tax						138,110,809
Income tax expense						(31,279,151)
Profit net of tax						106,831,658
Other information						
Interest income	(10,422,920)	(2,938,014)	-	(308,359)	10,869,233	(2,800,060)
Finance costs	18,594,022	5,373,987	6,401,519	21,670,338	(13,389,656)	38,650,210
Depreciation of:						
- property, plant and equipment	35,365,354	11,190,091	-	174,434	(144,663)	46,585,216
- right-of-use assets	1,711,428	2,528,792	-	-	-	4,240,220
- investment properties	6,549	-	-	-	-	6,549

NOTES TO THE FINANCIAL STATEMENTS

37. Segment information (cont'd)

At 31 December 2025	Construction RM	Manufacturing, trading, and quarry services RM	Investment holding RM	Property development RM	Eliminations RM	Consolidation RM
<u>Other information (cont'd)</u>						
Gain on disposal of property, plant and equipment	(815,218)	(693,991)	-	-	483,627	(1,025,582)
Gain on derecognition due to lease modification	(544)	-	-	-	-	(544)
Property, plant and equipment written off	27,284	30,948	-	-	-	58,232
Allowance for impairment on trade receivables	100,000	1,894,000	-	-	-	1,994,000
Unrealised foreign exchange loss	-	4,384,832	-	-	-	4,384,832
Inventories written down	-	3,728,849	-	-	-	3,728,849
Provision for defect liability costs	8,044,216	-	-	-	-	8,044,216

NOTES TO THE FINANCIAL STATEMENTS

37. Segment information (cont'd)

At 31 December 2025	Construction RM	Manufacturing, trading, and quarry services RM	Investment holding RM	Property development RM	Eliminations RM	Consolidation RM
Assets:						
Segment assets	1,466,519,689	465,432,570	473,752,864	974,940,117	(874,541,760)	2,506,103,480
Additions to non-current assets other than financial instruments:						
Property, plant and equipment	89,199,626	10,874,511	-	283,628	(6,086,916)	94,270,849
Right-of-use assets	1,422,681	640,932	-	-	-	2,063,613
Land held for development	-	-	-	17,748,316	(3,302,698)	14,445,618
Liabilities:						
Segment liabilities	1,036,144,471	180,184,808	93,174,136	736,122,469	(483,016,696)	1,562,609,188

NOTES TO THE FINANCIAL STATEMENTS

37. Segment information (cont'd)

At 31 December 2024	Construction RM	Manufacturing, trading, and quarry services RM	Investment holding RM	Property development RM	Eliminations RM	Consolidation RM
Revenue:						
External customers	998,763,939	200,065,366	19,426	8,563,840	-	1,207,412,571
Inter-segment	105,713,555	79,358,953	9,937,431	-	(195,009,939)	-
Total revenue	<u>1,104,477,494</u>	<u>279,424,319</u>	<u>9,956,857</u>	<u>8,563,840</u>	<u>(195,009,939)</u>	<u>1,207,412,571</u>
Results:						
Segment results	62,909,192	56,520,254	9,956,857	(124,706)	(30,788,289)	98,473,308
Other operating income						52,060,216
Administration expenses						(57,126,114)
Finance costs						(25,323,623)
Share of loss of associate company						(329,650)
Share of profit of joint ventures						644,142
Profit before tax						68,398,279
Income tax expense						(17,616,604)
Profit net of tax						<u>50,781,675</u>
Other information						
Interest income	(8,495,456)	(1,208,370)	-	(413,871)	7,529,614	(2,588,083)
Finance costs	11,296,959	3,846,202	6,660,706	15,271,704	(11,751,948)	25,323,623
Depreciation of:						
- property, plant and equipment	17,484,084	10,353,312	-	159,697	(136,063)	27,861,030
- right-of-use assets	1,479,885	2,340,021	-	-	-	3,819,906
- investment properties	6,549	-	-	-	-	6,549

NOTES TO THE FINANCIAL STATEMENTS

37. Segment information (cont'd)

At 31 December 2024	Construction RM	Manufacturing, trading, and quarry services RM	Investment holding RM	Property development RM	Eliminations RM	Consolidation RM
<u>Other information (cont'd)</u>						
Gain on disposal of property, plant and equipment	(501,825)	(13,075)	-	-	-	(514,900)
Gain on derecognition due to lease modification	(1,935)	(39,569)	-	-	-	(41,504)
Gain on modification of financial liabilities	-	-	-	(1,007,022)	-	(1,007,022)
Loss on disposal of subsidiaries Property, plant and equipment written off	-	-	-	273,080	-	273,080
Reversal of allowance for impairment on trade receivables	11,483	75,059	-	-	-	86,542
Reversal of allowance for impairment on contract assets	(18,184,023)	-	-	-	-	(18,184,023)
Bad debts recovered	(25,391,137)	-	-	-	-	(25,391,137)
Unrealised foreign exchange loss	(678,290)	-	-	-	-	(678,290)
Write back on property development value	-	7,387,217	-	-	-	7,387,217
Provision for defect liability costs	-	-	-	(1,500,000)	-	(1,500,000)
	5,020,000	-	-	-	-	5,020,000

NOTES TO THE FINANCIAL STATEMENTS

37. Segment information (cont'd)

	Construction RM	Manufacturing, trading, and quarry services RM	Investment holding RM	Property development RM	Eliminations RM	Consolidation RM
At 31 December 2024						
Assets:						
Segment assets	1,180,895,750	460,667,980	433,766,430	737,724,289	(748,475,593)	2,064,578,856
Additions to non-current assets other than financial instruments						
Property, plant and equipment	97,840,147	54,148,034	-	435,876	(18,405,793)	134,018,264
Right-of-use assets	3,216,447	3,881,853	-	-	-	7,098,300
Land held for development	-	-	-	51,385,579	(738,531)	50,647,048
Liabilities:						
Segment liabilities	776,360,864	214,849,703	129,197,438	539,196,981	(382,939,867)	1,276,665,119

NOTES TO THE FINANCIAL STATEMENTS

37. Segment information (cont'd)

Information on major customers

Revenue from 1 (2024: 1) major customer amounted to RM158,582,476 (2024: RM185,962,647) arising from sales in the construction segment.

Geographic information

	2025 RM	2024 RM
Revenue from external customers		
Malaysia	1,750,051,900	1,044,476,920
Singapore	175,155,540	162,935,651
Total	<u>1,925,207,440</u>	<u>1,207,412,571</u>

The revenue information above is based on the location of the customers.

	2025 RM	2024 RM
Non-current assets		
Malaysia	<u>742,545,239</u>	<u>638,511,785</u>

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include deferred tax assets and goodwill.

38. Dividends

	Group and Company	
	2025 RM	2024 RM
Recognised during the financial year:		
Dividends on ordinary shares:		
- Final (single-tier) dividend for 2024 of 2.0 sen per share	7,067,254	-
- Final (single-tier) dividend for 2023 of 1.0 sen per share	-	3,533,627
	<u>7,067,254</u>	<u>3,533,627</u>

At the forthcoming Annual General Meeting ("AGM"), a final (single-tier) dividend in respect of the financial year ended 31 December 2025, of 4.0 sen per ordinary share will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

NOTES TO THE FINANCIAL STATEMENTS

39. Significant subsequent event

Impact of the Middle East Conflict

The Middle East Conflict which started on 28 February 2026 and caused the closure of the Strait of Hormuz, has significantly disrupted many business operations around the world.

For the Group, the impact on business operations has not been a direct consequence of the conflict, but a result of the indirect effects globally, notably surging energy prices, high shipping insurance, and supply chain bottlenecks through critical chokepoints through the Strait of Hormuz.

The conflict is not an adjusting post balance sheet event. At this juncture, it is not possible to estimate the full impact of the conflict. As the conflict continues to evolve, it is challenging to predict the full extent and duration of its impact on businesses and the economy. As of the date of this report, the Group has not identified any material uncertainties that may cast significant doubt on its ability to continue as a going concern. The Group will continue to monitor the development of these events, reassess market conditions and implement proactive mitigation measures, where necessary, to mitigate the impact of conflict to the Group's business.

40. Changes in comparatives

Certain reclassifications have been made to the comparatives for land held for development, development properties, trade and other receivables, contract assets/liabilities and contract cost assets to conform with the current year's presentation.

41. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the directors on 22 April 2026.

**KIMLUN CORPORATION BERHAD**

Registration No. 200901023978 (867077-X)
(Incorporated in Malaysia under the Companies Act, 1965)

CDS Account No.

No. of Shares Held

PROXY FORM

*I/We _____ Tel: _____

[Full name in block capitals, NRIC/Passport/Registration No.]

of _____

being member(s) of **KIMLUN CORPORATION BERHAD**, hereby appoint:

Full Name (in Block Capitals)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

And/ or* (*delete as appropriate)

Full Name (in Block Capitals)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Seventeenth (17th) Annual General Meeting of the Company, which will be held at Maharani Hall, Level 1, Impiana Hotel Senai, Jalan Impian Senai Utama 2, Taman Impian Senai, 81400 Senai, Johor on Friday, 5 June 2026 at 2.30 p.m. or any adjournment thereof, and to vote as indicated below:-

Resolution	Description of Resolution	For	Against
1.	Re-election of Pang Khang Hau as Director of the Company.		
2.	Re-election of Yam Tai Fong as Director of the Company.		
3.	Re-election of Datuk Woon See Chin as Director of the Company.		
4.	Declaration of single tier final dividend of 4.0 sen per Ordinary Share for the financial year ended 31 December 2025.		
5.	Approval on payment of Directors' fees and benefits up to an amount of RM550,000.00 to the Non-Executive Directors for the period from the 17th AGM until the next AGM of the Company.		
6.	Re-appointment of Messrs Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
7.	Authority to allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
8.	Proposed RRPT Mandate.		
9.	Proposed Renewal of Share Buy-Back.		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fits.

Signed this.....day of..... 2026

Signature*
Member*** Manner of execution:-**

- (a) If you are an individual member, please sign where indicated.
- (b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- (c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
- (i) at least two (2) authorised officers, of whom one shall be a director; or
- (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:-

1. For the purpose of determining who shall be entitled to participate this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a **Record of Depositors as at 28 May 2026**. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM or appoint a proxy to attend, speak and vote (collectively "participate") on his/her/its behalf.
2. A member who is entitled to participate in this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her/its place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM.
4. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad
5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the persons named in the appointment proposes to vote:-

(i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

(ii) By electronic means

The proxy form can be electronically lodged with the Share Registrar of the Company via the Vistra Share Registry and IPO (MY) Portal ("**the Portal**") at <https://srmy.vistra.com>. Please refer to the Administrative Guide for the 17th AGM on the procedures for electronic lodgement of Proxy Form via the Portal.

9. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
10. Last date and time for lodging the proxy form is on Wednesday, 3 June 2026 at 2.30 p.m.
11. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the persons named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
12. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The certificate of appointment of authorised representative should be executed in the following manner:-

(i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

(ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:-

- (a) at least two (2) authorised officers, of whom one shall be a director; or
- (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

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**AFFIX
STAMP**

The Share Registrar

Kimlun Corporation Berhad

Registration No. 200901023978 (867077-X)

Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.

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KIMLUN CORPORATION BERHAD

Registration No. 200901023978 (867077-X)

(Incorporated in Malaysia under the Companies Act, 1965)



Suite 19.06, Level 19, Johor Bahru City Square,
106-108, Jalan Wong Ah Fook,
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