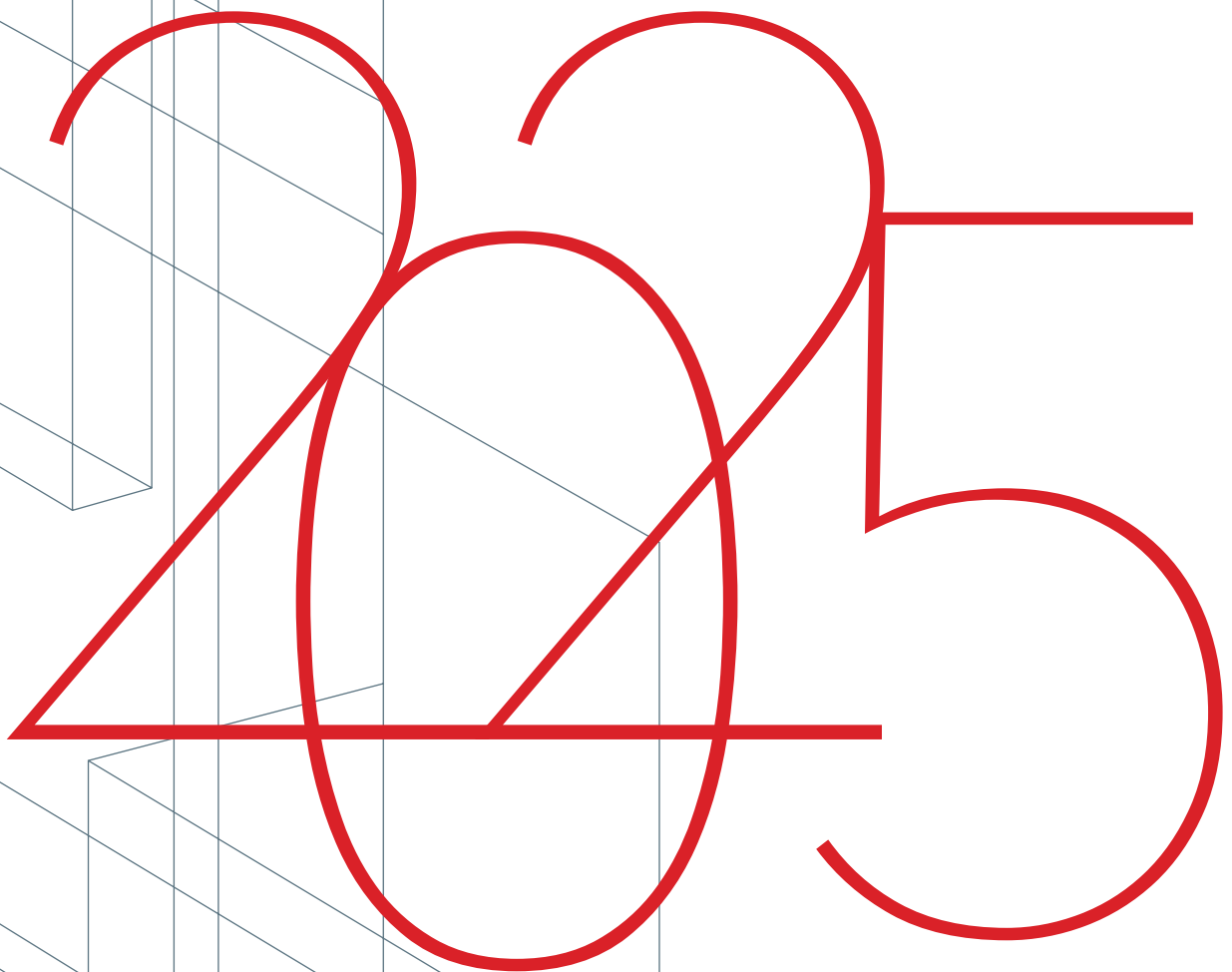


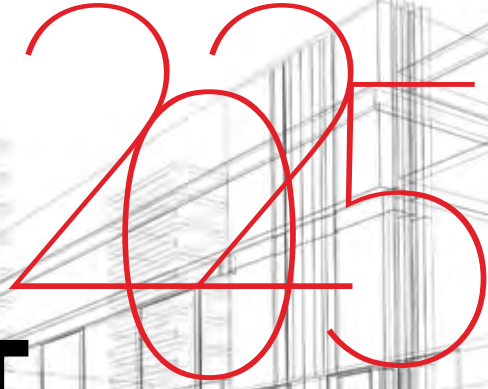


**IBRACO BERHAD**  
[197101000730(011286-P)]



ALIGNING FOR **GROWTH**  
ANNUAL REPORT 2025

# INSIDE THIS REPORT



## OUR VISION

To be one of the leading conglomerate in the building and construction industry

## OUR MISSION

To provide quality products and services, embrace corporate sustainability, optimise shareholders' return and nurture its employee

## OUR VALUES

- Responsibility & Accountability
- Excellence in Service
- Customer Focus
- Respect Oneself and Fellow Colleagues



Go paperless to help our environment. Instantly access an online copy of this Annual Report through your mobile device by scanning this QR code.

## Cover Rationale

### ALIGNING FOR GROWTH

In 2025, Ibraco strengthened its focus on alignment—bringing together strategy, operations, and market needs to drive sustainable growth. Our developments continue to be driven by market needs and value creation, ensuring they meet evolving customer expectations while supporting long-term community building. At the same time, improved operational integration and more holistic performance measurement reflect our commitment to efficiency, transparency, and accountability. As we navigate a dynamic environment, this alignment positions the Group to remain resilient, responsive, and well-placed to capture future opportunities.

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# CORPORATE INFORMATION



ARDEN CITY

## BOARD OF DIRECTORS

MR. NG  
**CHENG CHUAN**  
Chairman

YBHG. DATUK  
**CHEW CHIAW HAN**  
Group Managing Director

MADAM LILY  
**TANG LEE LIN**  
Executive Director

PUAN SHARIFAH DEBORAH  
**SOPHIA IBRAHIM**  
Non-Independent  
Non-Executive Director

MR. CHIN  
**MUI KHIONG**  
Independent Director

MS. WONG  
**SIAW WEI**  
Independent Director

PUAN JUNIJAH  
**BINTI ISMAIL**  
Independent Director

### COMPANY SECRETARIES

Yeo Puay Huang  
(SSM PC No.: 202008000727)  
(LS 0000577)

May Wong Mei Ling  
(SSM PC No.: 202008002420)  
(MIA 18483)

### REGISTERED OFFICE

Ibraco Berhad [197101000730 (011286-P)]  
No. 6 The NorthBank,  
Off Kuching-Samarahan  
Expressway,  
93350 Kuching,  
Sarawak, Malaysia.  
Tel: 082-361111  
Fax: 082-361188  
Email: sales@ibraco.com

### AUDITORS

Messrs. Crowe Malaysia PLT  
2nd Floor, C378, Block C,  
iCom Square, Jalan Pending,  
93450 Kuching, Sarawak  
Tel: 082-552688  
Fax: 082-266987

### STOCK EXCHANGE LISTING

Main Market of the Bursa Malaysia  
Securities Berhad  
Stock Name: IBRACO  
Stock Code: 5084

### SHARE REGISTRAR

Securities Services (Holdings)  
Sdn. Bhd. [197701005827 (036869-T)]  
Level 7 Menara Milenium,  
Jalan Damanlela,  
Pusat Bandar Damansara,  
Damansara Heights,  
50490 Kuala Lumpur  
Tel: 03-2084 9000  
Fax: 03-2094 9940  
Email: info@sshsb.com.my

### WEBSITE

www.ibraco.com

# GROUP CORPORATE STRUCTURE



**IBRACO BERHAD**  
[197101000730(011286-P)]

100%

**Ibraco Quarry Sdn. Bhd.**  
(198301005406 (99809-T))

**Syarikat Ibraco-Peremba Sdn. Bhd.**  
(197401003324 (20491-M))

**Ibraco Spectrum Sdn. Bhd.**  
(200301008271 (610691-M))

**Ibraco Infinity Sdn. Bhd.**  
(200301004033 (606453-W))

**Ibraco Construction Sdn. Bhd.**  
(200201024319 (591982-H))

**Foso One Sdn. Bhd.**  
(200301010005 (612425-M))

**NewUrban Sdn. Bhd.**  
(201801011013 (1273029-H))

**Ibraco Ascent Sdn. Bhd.**  
(201601000803 (1171729-H))

75%

**Ibraco Pelita Sdn. Bhd.**  
(201301004433 (1034276-W))

24.5%

**Equinox Power Sdn. Bhd.**  
(202601008498 (1670596-X))

70%

**Sekitar Gemilang Sdn. Bhd.**  
(202001013693 (1370013-U))

**Ibraco HGS Sdn. Bhd.**  
(201101036040 (964174-A))

70%

**Ibraco Construction Polybuilding  
Construction JV Sdn. Bhd.**  
(201901017388 (1326716-H))

**Ibraco KPP Concrete Sdn. Bhd.**  
(202201045847 (1491544-U))

51%

**Ibraco CREC JV Sdn. Bhd.**  
(202401000535 (1546386-M))

49%

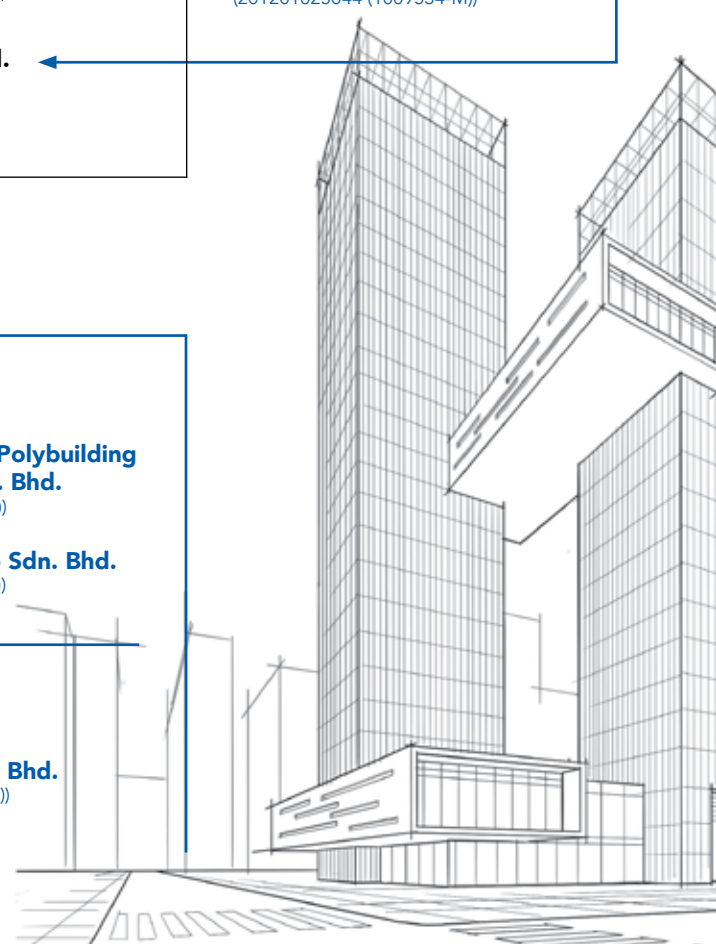
**Ibraco HELP Education Sdn. Bhd.**  
(201701035413 (1249584-P))

80%

**Warisar Sdn. Bhd.**  
(201201025044 (1009534-M))

84.21%

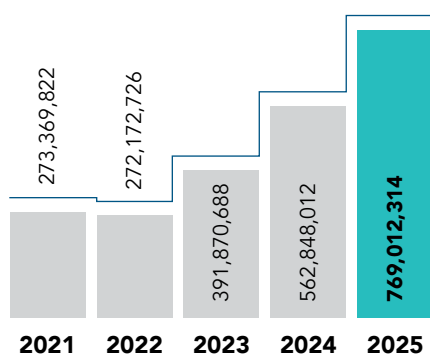
**HELP Ibraco CMS Sdn. Bhd.**  
(201801007946 (1269960-U))



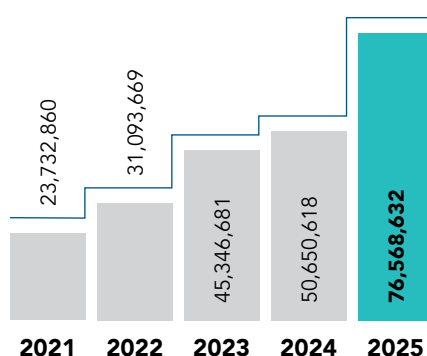
# GROUP FINANCIAL HIGHLIGHTS

	2021	2022	2023	2024	2025
Revenue (RM)	273,369,822	272,172,726	391,870,688	562,848,012	<b>769,012,314</b>
Profit before taxation (RM)	32,579,122	43,524,963	62,725,881	70,635,235	<b>105,646,520</b>
EBITDA (RM)	48,304,765	58,511,393	82,373,857	98,228,483	<b>142,952,075</b>
Net profit after taxation (RM)	23,732,860	31,093,669	45,346,681	50,650,618	<b>76,568,632</b>
Profit attributable to owners of the Company (RM)	23,487,168	30,410,422	46,037,994	48,781,273	<b>71,611,900</b>
Basic earnings per ordinary share (sen)	5	6	8	9	<b>13</b>
Gross dividend per share (sen)	2.00	2.00	3.50	4.00	<b>4.00</b>
Dividend payout ratio (%)	46	36	42	45	<b>31</b>
Net gearing ratio (%)	60	57	42	68	<b>71</b>
Shareholders' equity (RM)	432,684,078	452,173,576	479,099,952	506,039,377	<b>566,730,353</b>
Total Assets (RM)	775,117,457	792,277,163	948,511,090	1,268,005,025	<b>1,475,627,296</b>
Net assets per share (RM)	0.79	0.83	0.88	0.93	<b>1.04</b>
Return on shareholders' equity (%)	5	7	10	10	<b>13</b>
Return on total assets (%)	6	7	9	8	<b>10</b>
Total borrowings (RM)	207,127,245	211,301,753	280,711,693	425,795,432	<b>521,553,316</b>
Current assets (RM)	524,782,634	528,845,938	629,471,612	901,614,380	<b>1,063,559,819</b>
Current liabilities (RM)	232,051,228	238,646,333	346,659,553	605,630,500	<b>764,469,612</b>
Current ratio (times)	2.26	2.22	1.82	1.49	<b>1.39</b>
Issued and fully paid-up share capital of	546,046,217	546,046,217	546,046,217	546,046,217	<b>546,046,217</b>
Share price performance (RM)					
Closing	0.59	0.60	0.80	1.22	<b>1.26</b>

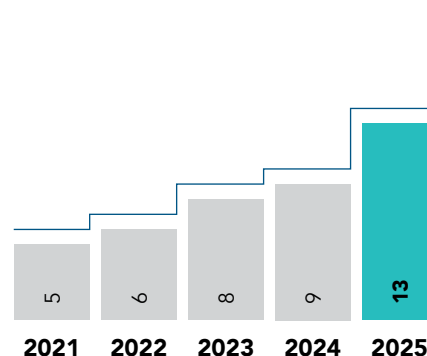
## REVENUE (RM)



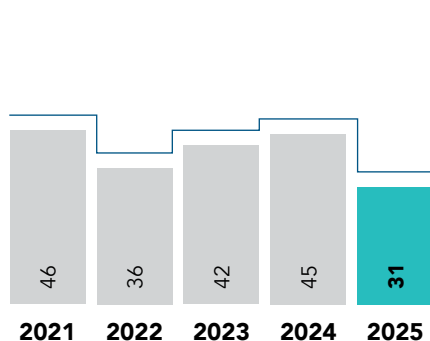
## NET PROFIT AFTER TAXATION (RM)



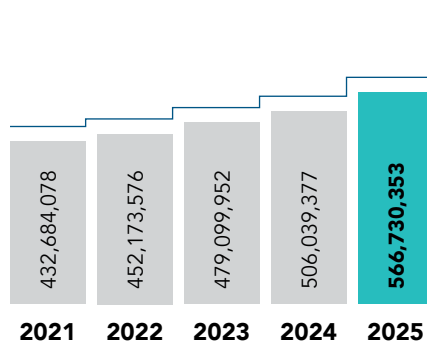
## BASIC EARNINGS PER ORDINARY SHARE (SEN)



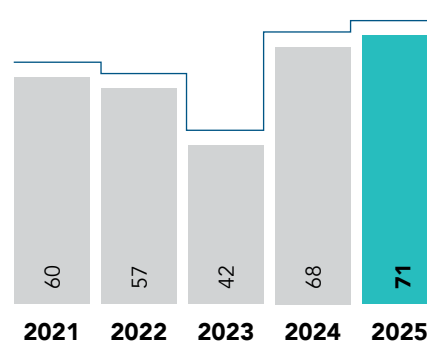
## DIVIDEND PAYOUT RATIO (%)



## SHAREHOLDERS' EQUITY (RM)



## NET GEARING RATIO (%)






# PROFILE OF DIRECTORS

## NG CHEN CHUAN



**Chairman**

 Singaporean	 67	 Male
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**Board Committee Membership**

- Nil

**Mr. Ng Cheng Chuan**, a Non-Executive Non-Independent Director, joined the Board of Ibraco Group on 21 October 2009 and was appointed as the Chairman of Ibraco Group on 27 February 2014. He ceased to be member of the Audit Committee, Nomination Committee and Remuneration Committee on 22 April 2022.

Mr. Ng is the Chairman of Crossland Marketing (2000) Pte Ltd and several other companies in Singapore, Malaysia and Thailand dealing mainly with soft commodities, farming and warehousing. Mr. Ng has more than 35 years of extensive experience in the areas of sales and purchasers of soft commodities.

He does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any). He does not have any conflict of interest with the Company.




ARDEN CITY

## DATUK CHEW CHIAW HAN



**Group Managing Director**

 Malaysian	 49	 Male
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**Board Committee Membership**

- Nil

**Datuk Chew Chiaw Han** was appointed as a Non-Executive Non-Independent Director on 21 October 2009 and became an Executive Director on 30 October 2009. He was then appointed as the Chief Executive Officer on 30 April 2010 and later redesignated as the Group Managing Director on 10 May 2011.

Datuk Chew is a graduate of the University of Waikato, New Zealand with a Bachelor of Law Degree. He started his career with Lian Hua Seng Group of companies in 1999. Under his leadership as the Chief Executive Officer, he has led the group into diverse business fields such as manufacturing, supply, construction, logistic, and food processing, both in private and government sectors.

He does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

Datuk Chew's private companies are principally involved in construction. There may be potential conflict of interest with Ibraco Construction Sdn Bhd, a wholly owned subsidiary of Ibraco Berhad, which is principally involved in construction activities.

## PROFILE OF DIRECTORS (CONT'D)

### LILY TANG LEE LIN



Executive Director



Malaysian



44



Female

#### Board Committee Membership

- Member of Sustainability Committee

### SHARIFAH DEBORAH SOPHIA IBRAHIM



Non-Executive Non-Independent Director



Malaysian



63



Female

#### Board Committee Membership

- Nil

**Madam Lily Tang Lee Lin** was appointed to the Board of Ibraco Group on 31 December 2023 as an Executive Director.

Lily is a graduate of the University of Technology, Sydney with a Bachelor of Business majoring in Accounting and Economics and a Member of CPA Australia and Malaysian Institute of Accountants. She has more than 15 years of professional experience in internal and external audit, accounts and finance, risk management and corporate communications.

In 2004, she started her career as an Audit Associate in Ernst & Young and went on to be an Audit Manager. After 9 years with the firm and a short stint with a private firm, Lily joined Ibraco Berhad as Group Internal Auditor in 2015. She became the Corporate Affairs Manager in 2018 and then as the Finance Manager in 2020.

She does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any). She does not have any conflict of interest with the Company.



CORLISS RESIDENCE

**Puan Sharifah Deborah Sophia Ibrahim** was appointed to the Board of Ibraco Group on 5 July 1982 as an Executive Director and as a member of the Audit Committee on 21 April 2001. She ceased to be a member of the Audit Committee on 3 December 2007 and was redesignated to a Non-Executive Non-Independent Director on 16 April 2008. She also holds directorships in several private limited companies.




She does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any). She does not have any conflict of interest with the Company.

# PROFILE OF DIRECTORS (CONT'D)

## CHIN MUI KHIONG



Non-Executive Independent Director




 Malaysian	 71	 Male
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- Board Committee Membership**
- Chairman of Nomination and Remuneration Committee
  - Chairman of Audit and Risk Management Committee

## WONG SIAW WEI



Non-Executive Independent Director

 Malaysian	 50	 Female
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- Board Committee Membership**
- Member of Nomination and Remuneration Committee
  - Member of Audit and Risk Management Committee
  - Chairlady of Sustainability Committee

**Mr. Chin Mui Khiong**, a Non-Executive Independent Director, was appointed to the Board of Ibraco Group on 26 May 2023. He is also the Chairman of the Audit and Risk Management Committee and Chairman of the Nomination and Remuneration Committee. He is also the Senior Independent Non-Executive Director to whom the public may address their concerns (if any) on the general conducts of Ibraco Group.

Mr. Chin is a member of the Malaysian Institute of Accountants. He started his career with Hanafiah Raslan & Mohammad, Kuching which subsequently merged with Arthur Andersen, which in turn merged with Ernst & Young. He was a Partner of Ernst & Young from 1997 until his retirement in June 2015. He has served as the Partner-in-charge of a number of companies listed on Bursa Malaysia Securities Berhad, as well as private and quasi-government corporations, which included industries such as manufacturing, plantation, banking, construction, transportation, hotel, hospital, education, stockbroking, unit trust and government agencies. He has more than 35 years of professional experience in the areas of audit and business advisory services. He also holds directorships in Hubline Berhad, Landmarks Berhad, Supreme Consolidated Resources Berhad and Development Bank of Sarawak Berhad.

He does not have any family relationship with any Director and/ or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, in any). He does not have any conflict of interest with the Company.

**Ms. Wong Siaw Wei**, a Non-Executive Independent Director, was appointed to the Board of Ibraco Group on 22 April 2022.

Ms. Wong is a Fellow Member of the Association of Chartered Certified Accountants (UK) and a member of the Malaysian Institute of Accountants. She has more than 20 years of expertise in accounting, auditing, investment banking and corporate affairs. Her professional journey includes roles at Arthur Andersen & Co., Ernst & Young, Aminvestment Bank Berhad and various private and public listed companies.

In 2010, she founded a consultancy company with a primary focus on providing services in consultancy, accountancy, management, and secretarial support. Subsequently in 2016, she established Carbon Xchange (Sarawak) Sdn. Bhd., a company dedicated to sustainable agriculture project management, training services, and the trading of natural agriculture produce. She also holds directorship in CCK Consolidated Holdings Berhad.

She does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any). There may be potential conflict of interest with the Company relating to future sustainability initiatives to be implemented by the Company.

## PROFILE OF DIRECTORS (CONT'D)

### JUNIYAH BINTI ISMAIL



Non-Executive Independent Director



Malaysian



55



Female

#### Board Committee Membership

- Member of Nomination and Remuneration Committee
- Member of Audit and Risk Management Committee
- Member of Sustainability Committee

**Puan Juniyah Binti Ismail**, a Non-Executive Independent Director, was appointed to the Board of Ibraco Group on 26 May 2023. She holds Diploma in Accountancy from Institute Technology Mara.

With over 30 years of extensive experience in finance and accounting, Puan Juniyah specialised in various areas including financial statements and reporting, accounting policies and procedures, cash flow, costing, budget and business process improvements. She gained her experience in manufacturing and hospitality sectors. She also holds directorship in other private limited companies and Supreme Consolidated Resources Berhad.

She does not have any family relationship with any Director and/ or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any). She does not have any conflict of interest with the Company.



THE CORLISS RESIDENCE

# PROFILE OF KEY PERSONNEL



HAGEN AVENUE

## ANTHONY KONG SIN HUAT

Head of Project Development and Construction

Malaysian	67	Male
-----------	----	------

He joined Ibraco Group as Senior Project Director in June 2024. He graduated with Architecture degree and has been a corporate member of the RIBA since 1994. Collectively, he has obtained over 40 years of experience in the construction industry as consultant and contractor. This involves the construction of buildings in Sarawak, Sabah and Kuala Lumpur, encompassing Commercial Centre, High Rise Residential, Institutional Building, Office Tower, Educational Centre, Medical Centre and Hospital

He does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

## MAY WONG MEI LING

Head of Corporate and Secretarial

Malaysian	52	Female
-----------	----	--------

She qualifies as a Chartered Accountant with the Association of Chartered Certified Accountants (ACCA). She is also a member of the Malaysian Institute of Accountants. She was the Chief Financial Officer and Company Secretary of a public listed company for 6 years before joining the Group on 1 February 2010.

She does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

## CHAI MING HSIA

Head of Contract

Malaysian	49	Female
-----------	----	--------

She has more than 10 years of experience in Quantity Surveying for consultancy, developer and construction firms prior to joining Ibraco Group on 21 May 2013 as Project Special Assistant. She was later appointed as the Senior Contracts Manager in 2016. She graduated with a Bachelor's Degree with Honours in Construction Management and Economics from Australia.

She does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

## PROFILE OF KEY PERSONNEL (CONT'D)

### KIUNG TAT YEUNG

#### Head of Planning & Design

Malaysian	37	Male
-----------	----	------

He joined the Group as Architect and Planning Officer in May 2020. He holds a Bachelor of Architecture from Universiti Sains Malaysia (2014) and earned his Professional Architect in 2019. He has been a corporate member of both Lembaga Architect Malaysia (LAM) and Pertubuhan Architect Malaysia (PAM) since then. He possesses a total of 10 years of experience in the construction field starting from design schematic and development to liaising with authorities and project/contract managing. He has experience across a broad spectrum of construction projects, from education institutions and hotel to residential and commercial development, as well as facade retrofitting.

He does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

### CHAI MIN DIANG

#### Head of Manufacturing (MSCL)

Malaysian	51	Male
-----------	----	------

He joined Ibraco Ascent Sdn. Bhd. as Chief Operating Officer in March 2024. He holds a Bachelor's Degree in Business Management and has accumulated over 25 years of experience in the manufacturing, warehousing, logistics, retail, and trading industries, serving as a General Manager and Director. His involvement in business expansion across Sarawak, Sabah, Kuala Lumpur, and Indonesia has provided him with extensive exposure and experience.

He does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

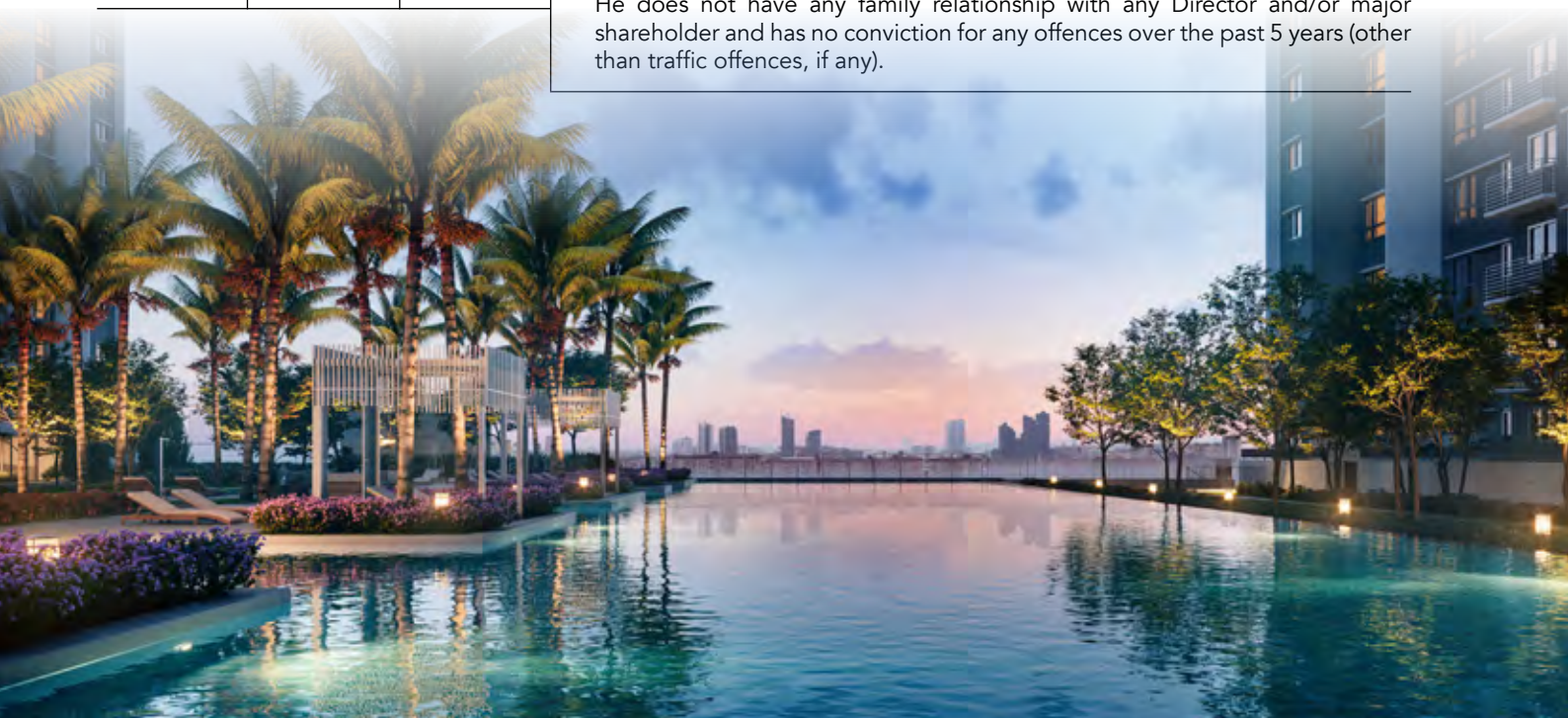
### GEORGE TING CHIONG HIENG

#### Head of Sales and Marketing

Malaysian	46	Male
-----------	----	------

He holds a Mechanical Engineering qualification from Ngee Ann Polytechnic (Singapore). He has served as Chief Marketing Officer of Ibraco Berhad for eight years, overseeing marketing and sales strategies. Prior to returning to Sarawak in end 2017, he accumulated 16 years of international experience across Asia in business development, marketing and sales within the building and construction industry. He brings extensive regional marketing expertise and strong strategic sales capabilities to the Group.

He does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).



# PROFILE OF KEY PERSONNEL (CONT'D)



HORIZON RESIDENCE

## JOYCE LING CHEI MING

Head of Human Resource

Malaysian	40	Female
-----------	----	--------

She has 15 years of experience in HR functions before joining Ibraco Group on 26 June 2023 as Senior Human Resource Executive. She was later appointed as the Human Resource Manager in 2024. She obtained her Chartered Human Resource Consultant certification in 2019.

She does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

## DENISE YONG HUI HUI

Group Internal Auditor

Malaysian	45	Female
-----------	----	--------

She joined the Group as Group Internal Auditor on 19 September 2022. She is a member of CPA Australia and a member of the Malaysian Institute of Accountants. She has more than 23 years of working experience in audit, accounting, finance, risk management and group reporting. Prior to joining Ibraco, she worked in various industries ranging from audit, manufacturing, property & construction and government statutory body.

She does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

# CHAIRMAN'S STATEMENT



## ECONOMIC ENVIRONMENT AND OPERATING LANDSCAPE



**Dear Esteemed Shareholders,**

**On behalf of the Board of Directors (the "Board"), I am honoured and pleased to present the Annual Report and Audited Financial Statements for Ibraco Berhad ("Ibraco" or "the Company") and its subsidiaries ("the Group") for the financial year ended 31 December 2025 ("FY2025").**



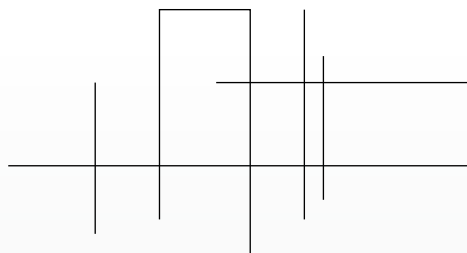
Malaysia's economy recorded steady momentum in 2025, with gross domestic product ("GDP") expanded by approximately 5.2% for the year, supported by resilient domestic demand, sustained investment activity and improving labour market conditions. Growth gained traction in the latter part of the year, reflecting broad based contributions across key sectors despite ongoing global uncertainties.

Macroeconomic conditions remained supportive. Inflation was contained at around 1.4% in 2025, providing a stable environment for consumption and business operations. The Malaysian ringgit strengthened against the US dollar, appreciating by approximately 10.3% year-on-year ("YoY"), reflecting improved investor sentiment and favourable financial market conditions. Foreign direct investment inflows remained positive, underscoring continued confidence in Malaysia's economic fundamentals and medium-term growth prospects.

At the regional level, Sarawak continued to demonstrate steady economic performance, supported by ongoing infrastructure development, energy-related investments and industrial activity. The state's economy is expected to remain supported by large scale infrastructure projects, investment in the oil & gas sector and expanding industrial activities. These factors continue to reinforce Sarawak's role as an important contributor to Malaysia's economic development.

# CHAIRMAN'S STATEMENT (CONT'D)

## FINANCIAL PERFORMANCE SNAPSHOT



### Revenue

**FY2025: RM769.0 million**  
FY2024: RM562.8 million



### Profit After Tax

**FY2025: RM76.6 million**  
FY2024: RM50.7 million



### Profit attributable to owners of the Company

**FY2025: RM71.6 million**  
FY2024: RM48.8 million



### Earnings Per Share

**FY2025: 13.11 sen**  
FY2024: 8.93 sen

Reflecting the Group's performance in FY2025 and its healthy financial position, the Board has proposed a single-tier final dividend of 4.00 sen per share, amounting to approximately RM21.841 million in total. This represents a dividend payout ratio of approximately 31% of the Group's profit attributable to owners of the Company for the financial year.

## KEY PROPERTY DEVELOPMENT HIGHLIGHTS

Within the property development segment, FY2025 was characterised by continued execution across the Group's development portfolio, with progress achieved through a combination of new project rollouts, advancement of ongoing townships and disciplined asset monetisation.

During the year, the Group officially launched PrimeBay Industrial Park, a purpose-built industrial development located within the Demak Laut Industrial Zone, Kuching. Spanning approximately 23.1 acres, the development comprises 73 factory units, consisting of 62 two-storey semi-detached factories and 11 two-storey detached factories, designed to meet demand for organised and well-connected industrial space. Benefitting from its proximity to Senari Port, the Sejingkat Industrial Area and key transport linkages, PrimeBay Industrial Park supports small and medium enterprises, logistics operators and light industrial users, and represents a strategic expansion of the Group's industrial property portfolio in Sarawak.

In township and residential development, the Group continued to advance Arden City in Kota Samarahan, an integrated township comprising residential, serviced apartment, commercial and community components. A key residential offering within Arden City is Aster Court, a serviced apartment development comprising 672 units. In addition, green corridors, landscaped public spaces and shaded pedestrian routes are incorporated across Arden City to reduce urban heat and encourage walkability, reflecting the Group's emphasis on liveable, people-centric urban design.

Beyond East Malaysia, the Group continued to make progress on NewUrban @ PJ South, its residential development in Petaling Jaya which was launched in the prior financial year. The project comprises 922 serviced apartment units housed within two 36-storey blocks on a 6.02-acre site, with unit sizes ranging from approximately 550 sq ft to 1,000 sq ft, catering to young families, professionals and first-time homebuyers seeking practical and well-designed urban homes.

The Group also expanded its customer engagement footprint during the year with the opening of its first sales gallery in Sibu, strengthening its presence in central Sarawak and enhancing accessibility for homebuyers and investors. In addition, Ibraco entered into an agreement for the sale of a parcel of land within its NorthBank township to NorthBank Specialist Hospital Sdn Bhd, facilitating the future development of a specialist healthcare facility. The transaction is expected to unlock value from the Group's land bank while enhancing the township's long-term positioning through the introduction of a healthcare anchor.

## CHAIRMAN'S STATEMENT (CONT'D)

### KEY PROPERTY DEVELOPMENT HIGHLIGHTS (CONT'D)

Collectively, these initiatives reflect the Group's disciplined and balanced approach to property development, balancing new project launches, portfolio progression and value realisation, while positioning Ibraco to benefit from continued demand across both East and West Malaysia.

## SUSTAINABILITY MATTERS

Throughout FY2025, sustainability continued to guide the way Ibraco conducts its business, in line with the Group's sustainability agenda, which emphasises the strengthening of the integration of Environmental, Social and Governance ("ESG") principles across all aspects of its operations and throughout its value chain. This includes aligning sustainability priorities with the Group's corporate and business strategies, embedding sustainability considerations in all decision-making processes and long-term value creation, as guided by the vision of "Aligning for Growth".

During the year, the Group's efforts were directed towards the following areas:

## ENVIRONMENTAL

- Green Certification** – We completed the Renewal of Green Certification for the Group's headquarters.
- Tree Planting** – We enhanced the planting of trees and shrubs, alongside turfing works across development areas.
- Rainwater Harvesting System for Premium Projects** – We incorporated rainwater harvesting tanks at the Group's mild steel cement lined pipe ("MSCL") operations, where harvested rainwater from on-site pond is utilised to support operational activities.
- Environmental Management System Certification** – Ibraco Construction Sdn. Bhd. successfully renewed its ISO14001:2015 Environmental Management System certification, as well as its ISO9001:2015 Quality Management System reinforcing environmental governance and responsible construction practices across development projects.

## INFRASTRUCTURE AND INDUSTRIAL SEGMENT UPDATE

The Group's construction activities continued to underpin its operating base during the year, supported by ongoing participation in Sarawak's public infrastructure programme. Execution remained focused on transport-led developments, with works progressing under the Second Trunk Road project in the Kota Samarahan Division and the Kuching Urban Transportation System, both of which reflect the Group's involvement in large-scale and technically demanding infrastructure works.

At the same time, the Group advanced its industrial support capabilities to strengthen project delivery. The commissioning of the mild steel cement lined pipe facility and the asphalt mixing plant provides greater control over key construction materials, contributing to improved cost management and operational efficiency. The Group's quarry operations at Pulau Salak continued to supply aggregates for ongoing works, while the approval of a new quarry licence at Gunung Sinmajau further reinforces raw material availability and supply continuity for future projects.



NORTHBANK CENTRAL

# CHAIRMAN'S STATEMENT (CONT'D)

## SOCIAL

- a. **Charity Partnerships** – We collaborate with Hope Place Kuching to support underprivileged families through financial contributions, food supplies, essential household items, and education support.
- b. **Community Outreach Programme** – We backed Charity Without Border #12 initiative to uplift the wellbeing of approximately 150 families in Rh. Pilai Nanga Pila, Batang Rajang, Kapit.
- c. **Housing Support Initiatives** – We assist beneficiaries of Hope Place Kuching through house repair and cleaning efforts to improve living conditions.
- d. **Medical Assistance** – We aid the Sarawak Children's Cancer Society as the main sponsor for its Go Bald campaign, in support of children undergoing cancer treatment and their families.
- e. **School and Community Programmes** – We contributed to school-led initiatives and local community events at the Group's operational sites, supporting improvements that benefit students and surrounding communities.
- f. **Community Infrastructure Enhancements** – We sponsored improvements to local community infrastructure, including the expansion of parking areas, construction of a mosque fence in Pulau Salak, and repairs to long houses in Bau, to benefit community wellbeing.

## GOVERNANCE

- a. We strengthened oversight on ESG matters through the Board and Sustainability Committee, including climate-related risks, sustainability performance, and strategic direction.
- b. We reinforced a zero-tolerance approach towards Anti-Bribery and Corruption ("**ABC**") through formal policies, contractual clauses for business associates, and 100% employee completion of ABC training via an enhanced e-learning platform.
- c. We maintained whistleblowing and grievance channels to safeguard employees stakeholders.
- d. We continued the adoption of certified management systems, including ISO9001:2015 (Quality Management Systems) and ISO14001:2015 (Environmental Management Systems), alongside the implementation of ISO45001:2018 (Occupational Health and Safety Management system) certifications across the Government-related business segments, strengthening operational controls, quality assurance, and environmental governance.
- e. We conducted regular internal audits and structured risk assessments to monitor compliance, identify risks, and enhance internal controls across operations.
- f. We integrated climate-related risks and opportunities into the Group's risk management framework, supported by emissions tracking of Scope 1, Scope 2, and selected Scope 3, alongside enhanced climate-related disclosures.
- g. We promoted ethical and responsible material sourcing by requiring contractors and suppliers to comply with set policies, safety standards, and environmental practices.
- h. We strengthened ESG data collection, monitoring, and reporting practices to enhance transparency, accountability, and informed decision-making.
- i. Continuous employee training programmes covering ethics, compliance, anti-corruption, safety and health, and governance-related courses were conducted to reinforce a culture of integrity across the workforce. For FY2025, the Group achieved 100% participation in anti-corruption training, alongside a significant increase in the number of safety and health-related courses conducted, reaching a larger number of employees.

These initiatives reflect Ibraco's approach to operating responsibly while supporting sustainable, long-term value creation. More details are outlined in our Sustainability Report.

HORIZON RESIDENCE



## CHAIRMAN'S STATEMENT (CONT'D)

### 2026 OUTLOOK

Looking ahead to 2026, the Board expects the Group to continue benefitting from ongoing infrastructure investment in Sarawak, particularly in water, transport and airport-related projects. These areas remain aligned with public sector development priorities and provide visibility for infrastructure-related opportunities.

In property development, the Group will continue to advance its integrated township developments, including NorthBank and Arden City, in line with market conditions and phased development plans. These townships are positioned to support long-term urban growth and evolving community needs.

The Board also recognises the increasing emphasis on renewable and clean energy in Sarawak and the broader region. As demand for sustainable energy infrastructure rises, the Group expects related infrastructure and civil works to create supporting opportunities over time.

Overall, the Group enters 2026 with a strategy centred on infrastructure-led growth, supported by complementary industrial capabilities and selective township development, while remaining attentive to execution discipline, capital management and evolving market conditions.

## APPRECIATION



NEWURBAN RESIDENCE

On behalf of the Board, I would like to convey my sincere appreciation to our shareholders and stakeholders, including our customers, business partners, financiers and the relevant authorities, for your continued support and confidence in the Group. Your trust has been an important source of encouragement as we advance our strategic priorities.

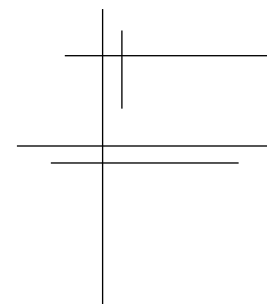
I also wish to record my appreciation to my fellow Board members for their guidance, insight and stewardship. Your collective experience and counsel have been instrumental in navigating a dynamic operating environment and in providing clear direction for the Group's long-term development.

In addition, I extend my thanks to our management team and all employees for their dedication, resilience and commitment throughout the year. Your collective efforts have enabled the Group to respond effectively to changing market conditions, progress key initiatives and maintain high standards of execution across the business.

As we look ahead, the Group remains focused on sustaining its growth momentum and delivering consistent, long-term value. I thank all stakeholders for being part of Ibraco's journey and look forward to our continued progress together.

Thank you,

**Mr. Ng Cheng Chuan**  
Chairman



# MANAGEMENT DISCUSSION AND ANALYSIS

BY GROUP MANAGING DIRECTOR

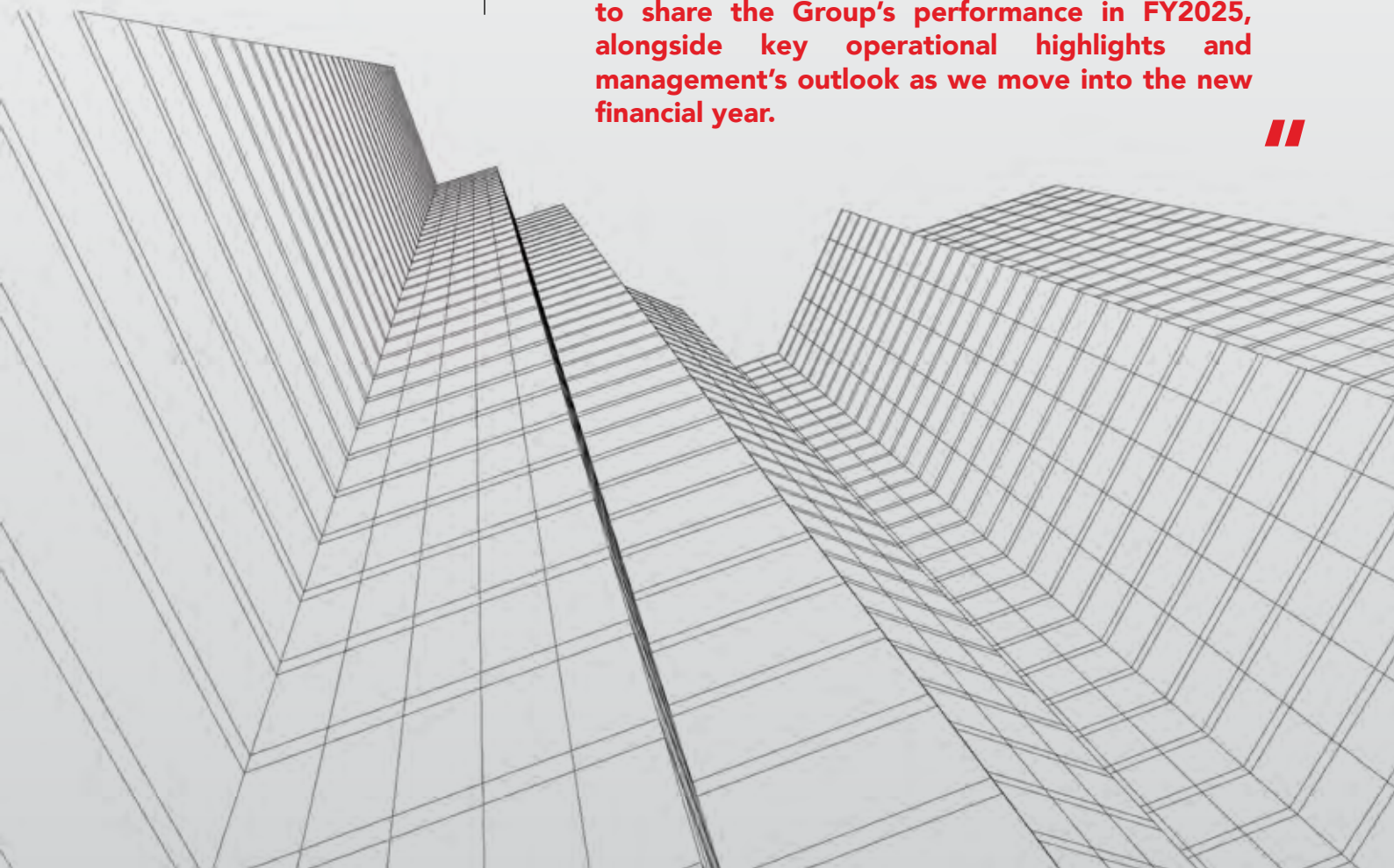
DATUK CHEW  
CHIAW HAN



Dear shareholders,

The financial year ended 31 December 2025 ("FY2025") marked a year of solid execution and continued momentum for Ibraco Berhad ("Ibraco" or the "Group"), supported by resilient domestic economic conditions and sustained development activity in Sarawak. Against a backdrop of continued infrastructure spending and urban development initiatives, we advanced our key property development projects, delivered consistent progress across our construction portfolio and strengthened our vertically integrated operating model. This year also reflected disciplined project management and a focus on aligning operations with longer-term growth opportunities.

Building on these developments, we are pleased to share the Group's performance in FY2025, alongside key operational highlights and management's outlook as we move into the new financial year.



# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

Ibraco is a Sarawak-based integrated property and construction group with more than five decades of operating history. Incorporated in 1971 and listed on Bursa Malaysia Securities Berhad in 2004, we have established ourselves as a recognised developer and builder in East Malaysia, with an expanding footprint in the Klang Valley.

The Group's core business lies in property development, underpinned by a sizeable landbank of approximately 635 acres with an estimated gross development value ("**GDV**") of RM5.1 billion as at 31 December 2025, primarily concentrated in Kuching and Bintulu in Sarawak, and Kuala Lumpur. Over the years, Ibraco has delivered large-scale township developments alongside mixed-use and high-rise projects that integrate residential, commercial and lifestyle components.

Complementing property development is the construction segment, which has evolved beyond in-house construction works to include public infrastructure and government-linked projects across Sarawak. This segment has emerged as our largest revenue and earnings contributor, supported by a robust outstanding order book of approximately RM734.8 million as at 31 December 2025, providing strong medium-term earnings visibility.

To enhance vertical integration and cost control, we have also expanded into quarrying, ready-mix concrete, asphalt premix and manufacturing. In 2024, Ibraco successfully commissioned the asphalt premix plant and a mild steel cement-lined ("**MSCL**") pipe manufacturing plant. These strategic expansion of construction supply chain have enhanced the Group's operational capabilities and supporting ongoing and future projects, ie. infrastructure works, Sarawak Water Supply Grid Program and Pipeline Replacement Program rolling out by the Sarawak Government. These downstream activities are designed to support the Group's construction and development activities while gradually building external revenue streams.

In addition, Ibraco derives recurring income from investment properties and The NorthBank Club, which generate rental and membership subscription income, contributing to earnings stability.

With Sarawak benefiting from sustained infrastructure spending under federal and state development plans, and with unbilled property sales of RM304.3 million as at 31 December 2025, Ibraco is positioned to deliver strong earnings momentum in years ahead, supported by a diversified business model that includes property development, construction, manufacturing and other complementary businesses.

## THE BUILDING BLOCKS: BUSINESS SEGMENTS

### Property Development

Property development forms the foundation of Ibraco's business and brand identity. This segment was established in the early 1970s and has since delivered a wide spectrum of residential, commercial and mixed-use developments across Sarawak and Peninsular Malaysia.

We develop mainly townships, focusing on large land parcels that allow for phased development and long-term value creation. Flagship projects such as Tabuan Jaya Township have seen the completion of more than 12,000 properties across approximately 1,400 acres, transforming the area into one of Kuching's most established residential addresses. Other completed developments include Tabuan Tranquility and Stutong Heights in Sarawak, and Continew in Kuala Lumpur.



# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## THE BUILDING BLOCKS: BUSINESS SEGMENTS (CONT'D)

### Property Development (Cont'd)

Our ongoing developments:

#### *The NorthBank*



THE NORTHBANK

**Project Estimated GDV**  
RM2.2 billion

**Location**  
Kuching, Sarawak

**Target Completion**  
2029

The NorthBank is a 123-acre integrated mixed-use township development in Kuching, Sarawak, strategically located opposite the Group's established Tabuan Tranquility development. Conceived as a comprehensive master-planned township, The NorthBank integrates residential, commercial, recreational and community components to support long-term liveability and value creation. It is expected to benefit from improved connectivity via Sarawak's upcoming Autonomous Rapid Transit ("ART") system, supporting transit-oriented development.

The residential component comprises a mix of gated and guarded landed homes and serviced apartments designed to cater to a broad range of homebuyers and lifestyle needs. These offerings are complemented by retail outlets, office spaces, educational facilities and community amenities within the township, alongside The NorthBank Club, an exclusive members-only clubhouse providing leisure, wellness and social facilities.

Currently, approximately 60% of The NorthBank's masterplan has been launched. A landmark collaboration with a well-established regional private healthcare provider headquartered in Singapore, Health Management International Pte Ltd ("HMI Medical"), on the development of Regency Hospital Kuching, a cutting-edge 300-bed smart specialist hospital that elevates the township's healthcare offering.

Adding to this, Ibraco is introducing a neighbourhood mall, The NorthBank Business Park, an exclusive 11-acre lifestyle and commercial hub. Thoughtfully designed as a one-stop destination, it brings together leisure, wellness, education, dining, and business in a safe, contemporary, and vibrant environment. By minimising the need for extensive travel, the Business Park is set to become Kuching's prime lifestyle-commercial centre, redefining modern family living and community convenience.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## THE BUILDING BLOCKS: BUSINESS SEGMENTS (CONT'D)

### Property Development (Cont'd)

Our ongoing developments: (Cont'd)

#### Arden City



ARDEN CITY

**Project Estimated GDV**  
RM1.4 billion

**Location**  
Kota Samarahan, Sarawak

**Target Completion**  
2032

In January 2024, we launched Arden City, a 76-acre integrated township development located in Kota Samarahan, Sarawak. Strategically positioned near key institutional and healthcare facilities such as Universiti Malaysia Sarawak (“UNIMAS”), the Sarawak Heart Centre and the future Sarawak Cancer Centre, Arden City is planned as a mixed development integrating residential, commercial and community components. The township is also expected to benefit from connectivity to Sarawak’s new ART system, supporting improved accessibility and transit-oriented development. The masterplan includes residential homes, serviced apartments, a commercial hub, office spaces and community facilities.

The first phase of Arden City is The Atrium, a retail and office cluster located adjacent to the medical centres and near UNIMAS, which was launched in January 2024 with an estimated GDV of RM84.4 million. The residential component includes Aster Court, a serviced apartment development comprising 672 units across two towers featuring dual-key configurations and supported by shared recreational facilities and landscaped spaces. Launched in September 2024 with an estimated GDV of RM337.0 million, Aster Court forms part of the township’s residential rollout. Arden City’s design also incorporates green corridors, shaded walkways and a covered pedestrian link to the SM05 ART station, supporting improved last-mile connectivity and the long-term development of the Kota Samarahan growth corridor.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## THE BUILDING BLOCKS: BUSINESS SEGMENTS (CONT'D)

### Property Development (Cont'd)

Our ongoing developments: (Cont'd)

#### *Town Square Bintulu*



TOWN SQUARE BINTULU

**Project Estimated GDV**  
RM1.0 billion

**Location**  
Bintulu, Sarawak

**Target Completion**  
2029

Town Square Bintulu is a 26-acre integrated mixed-use township located in Bintulu, Sarawak, a joint venture between Ibraco and Bintulu Development Authority (“BDA”), forming part of the Group’s strategy to establish well-planned urban centres in key growth corridors across the state. Designed as a self-contained development, the township integrates residential, commercial and office components to serve the surrounding community, supported by Bintulu’s role as an industrial and commercial hub.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## THE BUILDING BLOCKS: BUSINESS SEGMENTS (CONT'D)

### Property Development (Cont'd)

Our ongoing developments: (Cont'd)

#### *Residensi NewUrban*



NEWURBAN RESIDENCE

**Project Estimated GDV**  
RM528.6 million

**Location**  
Petaling Jaya, Selangor

**Target Completion**  
2027

The Group has strengthened its footprint in West Malaysia with the launch of Residensi NewUrban, its first development in Petaling Jaya and second in the region after the success of Residensi Continew in Kuala Lumpur. This high-rise serviced apartment project comprises two 36-storey towers with 922 units, offering layouts between 553 sqft and 1,000 sqft. With an estimated GDV of RM528.6 million, the development benefits from a prime location near Sunway Pyramid, Taylor's University, and Sunway Medical Centre, making it highly attractive to both homebuyers and investors. Launched in FY2024, sales performance has been encouraging, and completion is targeted for FY2027.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## THE BUILDING BLOCKS: BUSINESS SEGMENTS (CONT'D)

### Property Development (Cont'd)

Our ongoing developments: (Cont'd)

#### *PrimeBay Industrial Park*



PRIMEBAY INDUSTRIAL PARK

**Project Estimated GDV**  
RM154.1million

**Location**  
Kuching, Sarawak

**Target Completion**  
2029

During FY2025, we launched PrimeBay Industrial Park, a 23.1-acre industrial development located within the established Demak Laut Industrial Zone in Kuching, Sarawak. Launched in August 2025, the project is strategically positioned to serve small and medium-sized enterprises, manufacturers and logistics operators, supported by its proximity to key infrastructure such as Senari Port and the upcoming Sejingkat Bridge, which improves connectivity to major transportation and trade routes.

The development comprises 73 factory units with flexible layouts designed to accommodate a range of industrial and logistics requirements, addressing the growing demand for modern and cost-efficient industrial space in Sarawak while complementing the Group's broader portfolio of industrial and commercial developments.

The launch also reflects our ongoing efforts to broaden our development offerings and support industrial growth within key economic zones in Sarawak.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## THE BUILDING BLOCKS: BUSINESS SEGMENTS (CONT'D)

### Construction

The construction segment has grown into Ibraco's primary revenue and profit driver with a strong order book driven by strategic execution of key projects.

These projects include the Sarawak Second Trunk Road Project, which involves the Construction of the new Batang Samarahan Bridge and a 9-kilometer four-lane dual carriageway from Batang Samarahan to Batang Sadong in the Kota Samarahan Division, which is due to be completed in year 2027. This project aims to enhance connectivity within Sarawak by constructing a new bridge and new road infrastructure.

The Kuching Urban Transportation System ("KUTS") Project, specifically the Blue Line Package 1 spanning from Rembus (Kota Samarahan) to Stutong (Kuching), represents another key source of revenue for the Group. This major infrastructure initiative is being undertaken through a joint collaboration between Ibraco Construction Sdn Bhd (51%), China Railway Engineering Corporation (M) Sdn Bhd (39%), and Nanyang Tunnel Engineering Sdn Bhd (10%). This project is part of the KUTS initiative to improve urban mobility in Kuching through the development of a modern transportation system.

### Manufacturing

Manufacturing represents a newer but strategically important segment for us. In 2024, the Group successfully commissioned its MSCL pipe manufacturing plant with an annual capacity of approximately 30,000 metric tonnes ("mt").

In addition, the Group has commissioned a ready-mix concrete plant and an asphalt premix plant, both intended to support internal construction needs while gradually serving third-party customers. These facilities enable Ibraco to secure supply continuity, improve cost management and capture additional margins within the construction value chain.

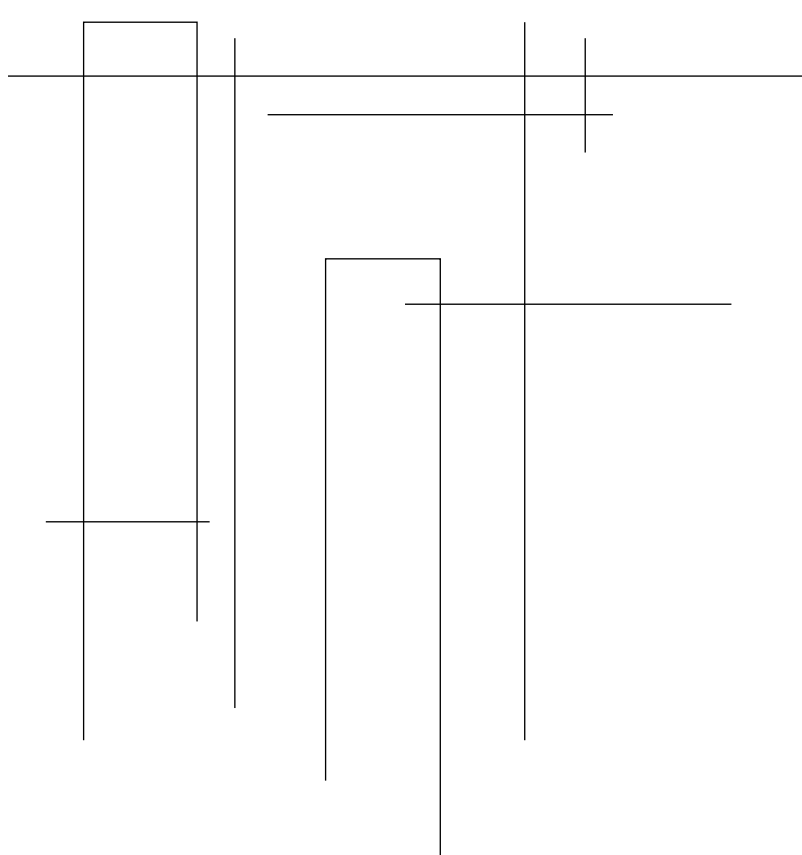
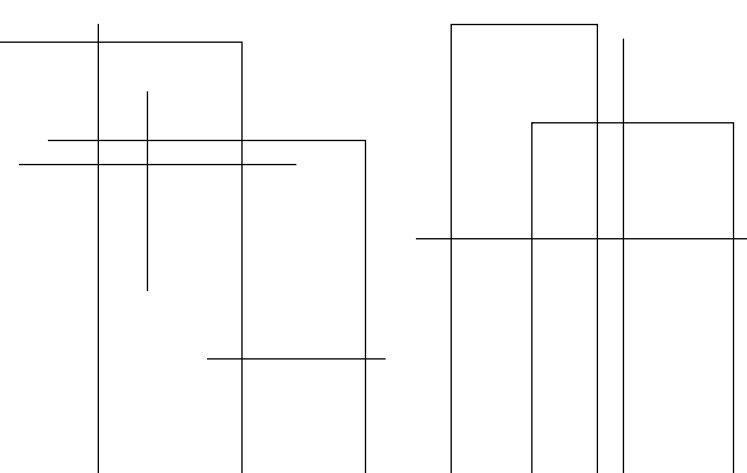
### Quarry

The quarry segment supports both the construction and manufacturing divisions by supplying raw materials. This segment enhances the Group's vertical integration, reduces reliance on third-party suppliers and improves cost predictability, particularly during periods of heightened construction demand.

The Group's quarry operation at Pulau Salak, Kuching, is running with an average monthly production capacity of 35,000 to 40,000 metric tonnes. In line with our strategic expansion initiatives, our new quarry reserve at Gunung Sinmajau, located at Mile 14 Serian-Tebedu in the Serian Division, is scheduled to commence operations in the second half of 2026. This addition will not only enhance the Group's supply capabilities but also reinforce our commitment to supporting regional development, meeting growing market demand, and ensuring long-term sustainability in our operations.

### Other Businesses

Our other business segment comprises investment properties and The NorthBank Club, which generate recurring rental and subscription income. These businesses complement the Group's broader township developments, particularly within the NorthBank.



# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## 2025 IN SUMMARY

For 2025, Malaysia’s economy recorded strong year-on-year (“YoY”) growth of 5.2%, reflecting sustained economic momentum compared with the corresponding period of the previous year. Economic expansion during the period was primarily driven by resilient domestic demand, supported by positive labour market conditions, continued household spending and ongoing public sector development activities. The services, manufacturing, agriculture, construction and manufacturing sectors remained key contributors, while investment activity continued to benefit from infrastructure-related spending and development projects.

Despite ongoing uncertainties in the global environment, including heightened trade and geopolitical developments, Malaysia’s economic performance over the twelve-month period remained underpinned by domestically driven growth factors. The cumulative year-to-date performance

provides a stable backdrop for business activity, particularly for sectors linked to construction, infrastructure and property development, where demand continues to be supported by government-led initiatives and long-term development plans<sup>1</sup>.

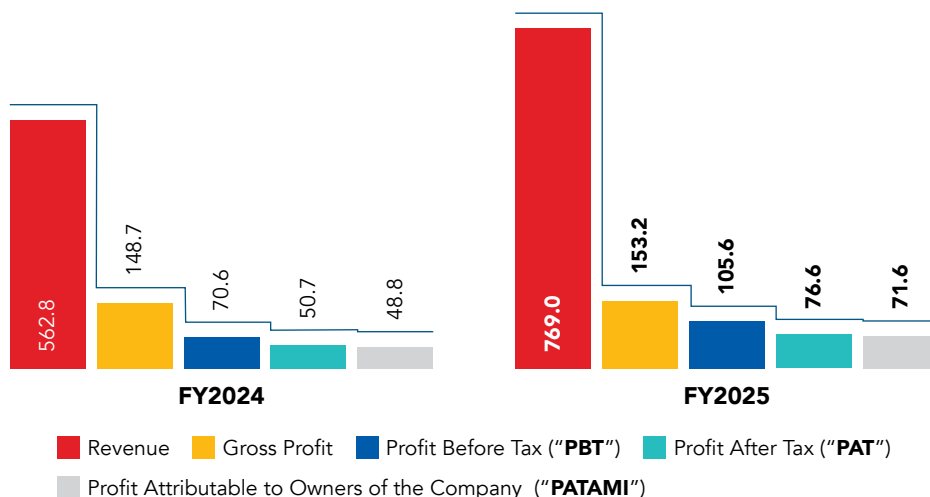
Against this backdrop, Ibraco operates within sectors that are closely aligned with Malaysia’s domestic growth drivers. The Group’s exposure to property development and construction activities, particularly in Sarawak, positions us favourably amid sustained infrastructure spending and urban development initiatives. The cumulative improvement in economic activity over 2025 supports demand for construction works and property development, while the Group’s strong construction order book and unbilled property sales provide earnings visibility for the remainder of FY2026.

<sup>1</sup> Gross Domestic Product Fourth Quarter 2025

## FINANCIAL TRIUMPHS: FY2025’S FINANCIAL REVIEW

### Revenue and Profitability

**REVENUE AND PROFITABILITY (RM Million)**



# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## FINANCIAL TRIUMPHS: FY2025'S FINANCIAL REVIEW (CONT'D)

### Revenue and Profitability (Cont'd)

For FY2025, Ibraco's revenue increased by 36.6% YoY to RM769.0 million compared with RM562.8 million recorded in the previous financial year ("FY2024"). The stronger performance was supported by higher contributions from the construction segment as progress continued on the KUTS Blue Line Package 1 and the Sarawak Second Trunk Road (Package A1-A) projects. In addition, the property development division recorded higher sales during the year under review, helped by contributions from existing developments as well as new project launches.

Other income increased to RM37.2 million in FY2025, compared with RM8.6 million in the previous financial year. The increase was mainly attributable to compensation received for land acquired by the state government under the existing land code, as well as fair value gains recognised on investment properties.

In line with the higher revenue and other income recorded during the year, PBT increased by 49.6% YoY to RM105.6 million compared with RM70.6 million in FY2024. Consequently, PAT rose 51.1% YoY to RM76.6 million, while PATAMI increased 46.7% YoY to RM71.6 million, compared with RM50.7 million and RM48.8 million respectively in the previous financial year.

Profit Margins	FY2024	FY2025
GP	26.4%	<b>19.9%</b>
PBT	12.5%	<b>13.7%</b>
PAT	9.0%	<b>10.0%</b>
PATAMI	8.7%	<b>9.3%</b>

We recorded a softer GP margin of 19.9% in FY2025 compared to FY2024's 26.4% mainly due to a higher revenue mix from the Construction Works segment, which generally carries lower margins than the Property Development segment. Notwithstanding that, our PBT, PAT and PATAMI margins edged higher to 13.7%, 10.0% and 9.3% in contrast to FY2024's 12.5%, 9.0% and 8.7% respectively as FY2025's profits included higher contribution from other income.

### Segmental Performance

Segment	FY2024	FY2025	YoY changes
<b>Property development</b>	RM256.3 million	<b>RM300.5 million</b>	↑ 17.2%
i. Mainly from the continued development in: <ul style="list-style-type: none"> <li><b>The NorthBank, Kuching</b> Revenue stood at RM146.1 million, representing 48.6% of the property development segment revenue.</li> <li><b>Town Square Bintulu, Bintulu</b> Revenue stood at RM49.2 million, representing 16.4% of the property development segment revenue.</li> <li><b>NewUrban Residence, Petaling Jaya</b> Revenue stood at RM59.7 million, representing 19.9% of the property development segment revenue.</li> </ul>			
ii. Disposal of a piece of property development land.			
<b>Construction</b>	RM264.8 million	<b>RM419.9 million</b>	↑ 58.6%
Mainly from the progressing KUTS Blue Line Package 1 and Sarawak Second Trunk Road (Package A1-A) projects.			
<b>Manufacturing</b>	RM13.7 million	<b>RM19.8 million</b>	↑ 44.5%
Improved on the back of higher activities in the construction segment, supported by the Group's ongoing project execution as well as stronger construction activities across Sarawak.			

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## FINANCIAL TRIUMPHS: FY2025'S FINANCIAL REVIEW (CONT'D)

### Segmental Performance (Cont'd)

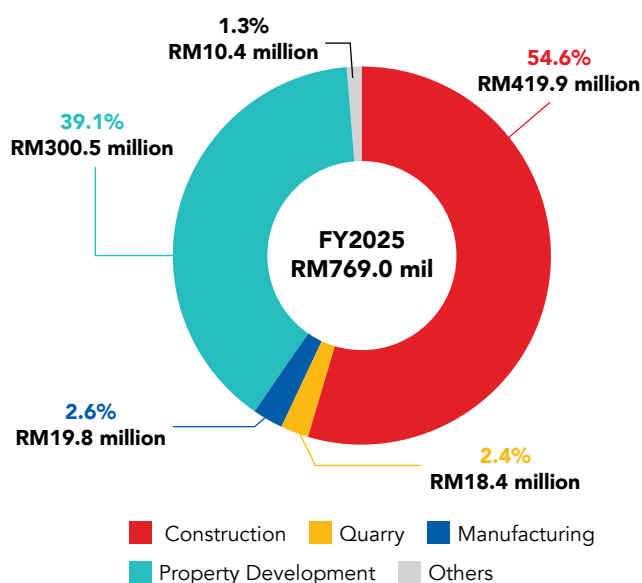
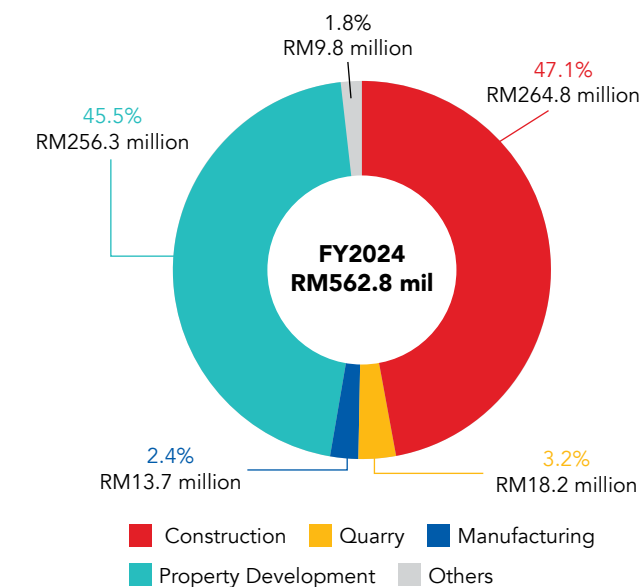
Segment	FY2024	FY2025	YoY changes
<b>Quarry</b>	RM18.2 million	<b>RM18.4 million</b>	↑ 1.1%
Improved on the back of higher activities in the construction segment, supported by the Group's ongoing project execution as well as stronger construction activities across Sarawak.			
<b>Others</b>	RM9.8 million	<b>RM10.4 million</b>	↑ 6.1%
Additional rental income from a newly completed F&B drive-thru investment property in Bintulu.			

### Segment Breakdown

In FY2025, the Construction segment recorded higher contributions, accounting for 54.6% of the Group's total revenue compared with 47.1% in FY2024. The Property Development segment, which was the largest contributor in the prior year, represented 39.1% of total revenue compared with 45.5% in FY2024.

Meanwhile, the Manufacturing segment contributed 2.6% of total revenue compared with 2.4% in the previous financial year. The Quarry and Others segments accounted for 2.4% and 1.3% of FY2025 revenue respectively, compared with 3.2% and 1.8% recorded in FY2024.

The Group has strategically managed its loans and borrowings to support expansion while maintaining financial prudence. The Group's total loans and borrowings amounted to RM521.6 million as at 31 December 2025, reflecting an increase of 22.5% compared with RM425.8 million recorded as at 31 December 2024. The higher borrowings were mainly attributable to additional revolving credit and contract facilities, and term loans utilised to support ongoing construction and property development activities as well as the Group's expansion activities and investments in supply chain set-up. As a result, the Group recorded higher gearing at the end of FY2025 0.71 times (FY2024 at 0.68 times) reflects the utilisation of financing facilities to fund working capital requirements and ongoing project developments, while remaining supported by the Group's strengthened equity base and improving profitability.



# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## FINANCIAL TRIUMPHS: FY2025'S FINANCIAL REVIEW (CONT'D)

### Financial Performance

RM million unless stated otherwise	FY2024	FY2025	YoY changes
Total assets	1,268.0	<b>1,475.6</b>	+16.4%
Cash and cash equivalents	73.1	<b>110.6</b>	+51.3%
Total liabilities	750.8	<b>892.8</b>	+18.9%
Total equity	517.2	<b>582.8</b>	+12.7%
Total borrowings	425.8	<b>521.6</b>	+22.5%
Gearing ratio, times	0.68	<b>0.71</b>	n.a.

**Total assets:** As at 31 December 2025, our total assets increased to RM1,475.6 million compared with RM1,268.0 million recorded as at 31 December 2024. The increase was mainly attributable to higher current assets, namely inventories and trade receivables, in line with the expansion of construction activities and continued progress of property development projects during the year.

**Cash and cash equivalents:** Cash and cash equivalents rose to RM110.6 million as at 31 December 2025 compared with RM73.1 million in the previous financial year. The cash position was lifted by financing activities during the year and reflects the Group's liquidity position to support ongoing project development and operational requirements.

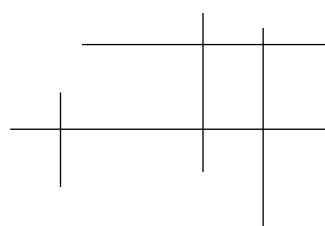
**Total liabilities:** Total liabilities increased to RM892.8 million at the end of the current year under review compared with RM750.8 million recorded a year ago. The increase was largely driven by higher trade and other payables and short-term borrowings.

**Total equity:** Total equity attributable to shareholders and non-controlling interests rose to RM582.8 million as at 31 December 2025 compared with RM517.2 million in the previous year. The increase was primarily driven by the profit generated during the financial year.

**Total borrowings:** Total loans and borrowings increased to RM521.6 million as at 31 December 2025 compared with RM425.8 million recorded as at 31 December 2024. The higher borrowings were mainly attributable to additional revolving credit facilities and term loans utilised to support ongoing construction and property development activities.

**Gearing Ratio:** The higher gearing at the end of FY2025 reflects the utilisation of financing facilities to fund working capital requirements and ongoing project developments, while remaining supported by the Group's strengthened equity base and improving profitability.

## RISKS AND MITIGATIONS



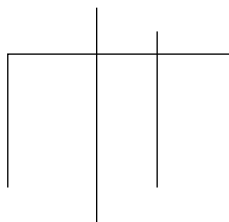
In a dynamic operating environment, the Group continues to exhibit upward momentum, supported by disciplined execution and a structured risk management framework that enables timely and well-informed decision-making. Clear risk parameters are embedded across our operations, allowing the Group to respond proactively to evolving conditions while sustaining delivery momentum. Through continuous monitoring and targeted mitigation measures, the Group maintains operational stability, strengthens financial capacity and retains the ability to deliver a strong financial performance and support sustainable growth.

In the context of prevailing geopolitical tensions, the Group's key exposure remains linked to uncertainties in property market conditions and sales absorption. The performance of the property development segment is influenced by various external factors, including buyer sentiment, availability of financing, and absorption rates across different market segments. Adverse changes in these factors may impact the timing of project launches, sales momentum, and the recognition of revenue.

In addition, the Group remains vigilant in managing project execution and cost efficiency. The construction segment is inherently exposed to execution risks associated with large-scale infrastructure and building projects, including potential construction delays and cost overruns. If not effectively managed, such risks may adversely affect project margins and completion timelines.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## MOVING FORWARD



Looking into 2026, Malaysia's economic outlook is expected to remain supported by domestic demand, although external conditions may remain challenging and uncertain amid evolving global trade dynamics. According to RAM Ratings<sup>2</sup>, Malaysia's real gross domestic products ("GDP") growth in 2026 is projected to expand at a moderate pace of approximately 4.0% to 5.0%, underpinned by resilient private consumption, continued investment activity and the progressive implementation of public sector development programmes. While external uncertainties may continue to influence global economic conditions, domestic demand is expected to remain a key driver of economic activity. Within this environment, the overall macroeconomic landscape is expected to provide a relatively stable platform for business and consumer activity.

From a fiscal and policy perspective, the Federal Government's 13th Malaysia Plan ("13MP") reinforces a continued emphasis on development-led growth, with Sabah and Sarawak expected to receive record federal allocations for infrastructure, utilities, healthcare and connectivity-related projects. Development expenditure is anticipated to remain a key driver of economic activity in 2026, particularly in transportation, energy-related infrastructure, urban development and public facilities. This sustained focus on regional development supports investment momentum in Sarawak and reinforces its role as a key contributor to national growth, providing a constructive operating backdrop for domestically oriented sectors.

Against this macroeconomic landscape, Ibraco's property development segment is expected to benefit from stable underlying demand, supported by urbanisation trends, infrastructure-driven accessibility improvements and continued public and private sector investments in Sarawak. The Group's township-based development model provides flexibility in pacing launches and calibrating product offerings in line with prevailing market conditions, while our established presence in Kuching, Kota Samarahan and Bintulu position us well to benefit from areas experiencing sustained population growth and infrastructure enhancements.

The construction segment is expected to continue playing a central role in our performance in 2026, supported by the steady implementation of approved public infrastructure projects and government-linked developments across Sarawak. Importantly, the Group's vertically integrated operating model enhances inter-segment synergies. Construction activities directly support demand for the quarry, ready-mix concrete, asphalt premix and manufacturing operations, creating meaningful inter-segment synergies that improve utilisation rates and support margin resilience. Demand for construction materials and MSCL pipes is

expected to remain supported by infrastructure-related works, reinforcing internal supply chain efficiency while enabling the gradual expansion of external sales.

Overall, while global economic and trade-related uncertainties are expected to persist into 2026, Malaysia's domestically driven growth profile, supported by moderate GDP expansion, together with sustained development spending in Sarawak, provides a constructive backdrop for the Group. With a diversified business model spanning property development, construction, manufacturing and quarrying, underpinned by vertical integration and a visible project pipeline, Ibraco has the structural capacity to navigate external uncertainties while capturing opportunities arising from continued infrastructure development and urban growth in Sarawak.

## IN CLOSING

On behalf of management, I would like to express our sincere appreciation to the Board of Directors for their leadership, guidance and oversight throughout the year. We are also grateful to our shareholders for their continued confidence and long-term support, which underpin the Group's strategic direction and growth ambitions.

Our appreciation extends to our financiers for their continued support and trust, which have enabled the Group to manage liquidity effectively and pursue development opportunities. We also thank our business partners, contractors and suppliers for their collaboration and commitment, which remain integral to the successful delivery of our projects.

Finally, I wish to acknowledge the dedication and efforts of our employees, whose professionalism and teamwork have been instrumental to the Group's performance and progress during FY2025.

Yours sincerely,

**Datuk Chew Chiaw Han**  
Group Managing Director

<sup>2</sup> Resilient economy underpins 2026 outlook, but current headwinds may weigh on upside

# SUSTAINABILITY STATEMENT

Ibraco remains committed to strengthening the integration of Environmental, Social and Governance (“ESG”) initiatives across all aspects of our operations and value chain management. In the year under review, our sustainability target is focused on enhancing alignment with the Group’s corporate and business strategies, ensuring that sustainability considerations and implementations are embedded into all decision-making and long-term value creation. Guided by our vision of “**Aligning for Growth**,” we continue to align our sustainability actions with our resources, teams and strategic direction.

As we progress, we strive to balance the needs of development with environmental consciousness, while remaining attentive to the interests and expectations of all our stakeholders.

## ABOUT IBRACO

Ibraco is an integrated property development company based in Malaysia, with ongoing property development projects in both Sarawak and West Malaysia. The core businesses of Ibraco comprise property development and investment, construction, quarry operation, mild steel cement lined pipe (“MSCL”) operation, ready-mixed concrete and asphalt mixing operations, and clubhouse operation.

## OUR VISION

To be one of the leading conglomerates in the building and construction industry

## OUR MISISON

To provide quality products and services, embrace corporate sustainability, optimise shareholders’ return and nurture employees

### SCOPE AND BOUNDARY

This Sustainability Report provides an overview of the Group’s annual sustainability performance and key achievements, and covers the full scope of the Group’s operations and administrative functions in all its operating regions in Sarawak and West Malaysia.

It also covers operations over which the Group has full operational control, including its subsidiaries and joint ventures, and across our entire value chain, including property development, property holding and management, construction, quarry operations, MSCL operation, ready-mix concrete and asphalt mixing operations, and clubhouse operation. It provides a comprehensive account of our sustainability approach and performance.

The reporting boundary extends beyond financial performance to include non-financial performance, as well as sustainability-related risks, opportunities and outcomes that are attributable to, or associated with, the Group’s key stakeholders and that have a significant influence on the Group’s ability to create long-term value.

For a more holistic understanding of the Group’s business and performance, this Report should be read in conjunction with the information available on the Group’s website at [www.ibraco.com](http://www.ibraco.com).

### REPORTING PERIOD

Our Sustainability Statement covers information on our sustainability performance for the period from 1st January 2025 to 31st December 2025 (“FY2025”), unless specified otherwise.

### REPORTING CYCLE

Annual

### SUSTAINABILITY FRAMEWORKS

Ibraco’s Sustainability Statement continues to be guided by the principles mandated in accordance with Bursa Malaysia Securities Berhad’s latest Main Market Listing Requirements (“MMLR”), whilst also referring to established global sustainability reporting frameworks, ensuring alignment with best practices and regulatory requirements.

Ibraco’s sustainability framework guides the strategies and actions that drive corporate and societal values, while enabling the Group to identify sustainability-related risks and opportunities. It provides a structured approach to managing material sustainability matters, supporting long-term value creation for stakeholders and society, and is underpinned by a strong commitment to transparent, high-quality and accurate sustainability reporting.

# SUSTAINABILITY STATEMENT (CONT'D)

## REFERENCED REPORTING FRAMEWORKS

In deciding on the disclosures of our Sustainability Statement, we have been guided by these frameworks:

- Bursa Malaysia's Enhanced Sustainability Reporting Guide (3<sup>rd</sup> edition)
- Bursa Malaysia's Sustainability Toolkits ("Toolkits")
- Task Force on Climate-related Financial Disclosures ("TCFD")
- Global Reporting Initiative ("GRI")
- GHG Protocol Corporate Accounting and Reporting Standard ("GHG Protocol")
- International Financial Reporting Standards ("IFRS")
- Malaysian Code of Corporate Governance ("MCCG")
- Malaysian Financial Reporting Standards ("MFRS")
- FTSE Russell FTSE4Good Bursa Malaysia Index
- United Nations Sustainable Development Goals ("UNSDGs")

## DISCLOSURE GUIDELINES

### Accuracy and Reliability

The Sustainability Statement has been prepared in compliance with Bursa Malaysia Securities Berhad's latest MMLR, and is guided by the principles of balanced, comparable, consistent, and meaningful disclosure. Stakeholder inclusiveness also forms part of the sustainability reporting.

Financial performance information disclosed in this Sustainability Statement is derived from the Group's audited financial statements. Non-financial sustainability information is aligned with the Group's identified material sustainability matters and reflects performance across relevant operations and administrations throughout our entire value chain.

Sustainability data and information are primarily sourced internally and are subject to verification by the respective business units or designated information owners. This internal verification process supports the accuracy, reliability and integrity of the sustainability information disclosed.

### Transparency and Fair Representation

The Group Internal Audit has performed limited internal assurance on selected sustainability indicators during the year. The scope of this assurance was defined internally and did not extend to all reported disclosures.

In recognition of the evolving nature of sustainability reporting, the Group continues to enhance its data collection, management and analysis processes. These ongoing efforts are aimed at improving the accuracy, consistency and transparency of sustainability data, and strengthening the overall quality of disclosures in the Sustainability Statement.

### Leadership and Accountability

The Board of Directors ("The Board") reaffirms its commitment to sustainability as an important driver of the Group's long-term resilience and value creation, and retains ultimate responsibility for the Group's sustainability agenda.

The Board approves the Sustainability Statement's accurate and comprehensive reporting as it reflects the policies set based on the Group's material sustainability matters, strategic priorities and organisational capacity. Such policies are overseen and reviewed by the Sustainability Committee ("SC"), which is assisted by the Sustainability Working Committee ("SWC") and individual business units, which are responsible for execution, monitoring and reporting of sustainability-related matters.

## SUSTAINABILITY PILLARS

### Our Approach to Sustainability:

- Identify sustainability matters and their impact on Economic, Environment and Social ("EES"), including stakeholders' needs and expectations;
- Incorporate sustainability matters into our risk management framework to ensure they are addressed as part of the organisation's risks and opportunities; and
- Assign sustainability matters to the relevant departments where sustainability development is linked to their departmental key performance indicators ("KPI").

# SUSTAINABILITY STATEMENT (CONT'D)

## IBRACO'S SUSTAINABILITY JOURNEY IN A GLANCE

<p><b>Year 2024</b></p> <ul style="list-style-type: none"> <li>Enhanced reporting scope to include full scope of our business operations across our entire value chain, including property development, property holding and management, construction, quarry operation, MSCL operation, ready-mix concrete and clubhouse operation; and</li> <li>Enhanced stakeholders' engagement in reviewing material matters to include Regulators and Media.</li> </ul>	<p><b>Year 2021</b></p> <ul style="list-style-type: none"> <li>Enhanced materiality matters to match more SDGs relevant to our operations.</li> </ul> <p><b>Year 2020</b></p> <ul style="list-style-type: none"> <li>Commenced the study of green design development for environment preservation; and</li> <li>Obtained inaugural green certification for new Ibraco corporate office.</li> </ul>
<p><b>Year 2023</b></p> <ul style="list-style-type: none"> <li>Enhanced Sustainability Report with guidelines from TCFD and UNSDGs;</li> <li>Enhanced reporting scope to include our quarry operations;</li> <li>Reviewed and enhanced materiality matters to match more Sustainability Development Goals ("SDGs") relevant to our operations;</li> <li>Enhanced stakeholders' engagement in reviewing material matters to include investors; and</li> <li>Listed on the FTSE4Good Bursa Malaysia Index.</li> </ul>	<p><b>Year 2019</b></p> <ul style="list-style-type: none"> <li>Developed our inaugural Sustainability Report in accordance with Bursa Malaysia Securities Berhad's MMLR with reference to its 2<sup>nd</sup> Edition of Sustainability Reporting Guide, and its Toolkits; and</li> <li>Conducted our materiality assessments.</li> </ul>
<p><b>Year 2022</b></p> <ul style="list-style-type: none"> <li>Strengthened the sustainability elements within the Sustainability Report; and</li> <li>Reported on Risk and Opportunities Management framework including the incorporation of Climate Change Risks.</li> </ul>	<p><b>Year 2018</b></p> <ul style="list-style-type: none"> <li>Established our inaugural SWC to assist SC in our sustainability journey;</li> <li>Published our inaugural Sustainability Statement;</li> <li>Published our inaugural Sustainability Report in accordance with Bursa Malaysia Securities Berhad's MMLR and its Toolkits;</li> <li>Implemented our 4-tiered Governance Structure;</li> <li>Engaged certified external consultant to guide SWC to identify materiality assessments;</li> <li>Established Sustainability Targets;</li> <li>Identified the SDGs relevant to our operations; and</li> <li>Engaged stakeholders to review material matters.</li> </ul>

## SUSTAINABILITY GOVERNANCE STRUCTURE

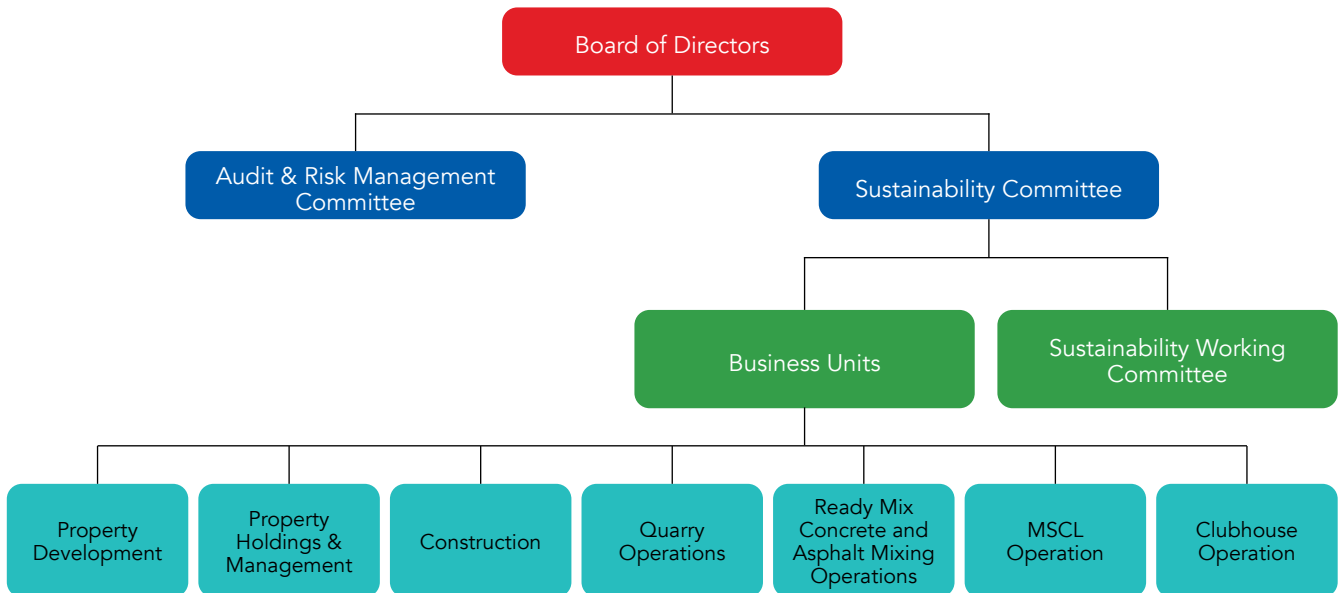
### BOARD OVERSIGHT OF ESG MATTERS

The Board exercises direct oversight of ESG matters, associated risks and opportunities, and ensures that sustainability considerations are appropriately integrated into the Group's corporate strategy, governance framework and decision-making processes. In carrying out this role, The Board reviews and approves sustainability-related policies, strategies and key commitments, taking into account the Group's material sustainability matters, risk profile and organisational capacity.

The SC, chaired by our Independent Director, supports the Board in discharging its responsibilities by overseeing, assessing, and making the right recommendations for the development, implementation and performance of the Group's sustainability initiatives, ESG strategies, policies and guidelines, ensuring the Group's responsible conduct in EES matters. The SC is supported by the SWC, comprising department heads, and individual business units, which are responsible for fostering a culture of sustainability within our daily operations, through execution, monitoring and reporting of sustainability-related matters across the Group's operations and administrations throughout the group's entire value chain.

# SUSTAINABILITY STATEMENT (CONT'D)

## SUSTAINABILITY GOVERNANCE STRUCTURE



### Board of Directors

- Recognises sustainability as board-level issue and retains ultimate responsibility over sustainability performances;
- Provides the right guidance and leadership to internalise culture of sustainability and ESG;
- Approves sustainability policies, guided by the materiality matrix, to drive sustainability practices in the Group; and
- Maintains strategic oversight on ESG performances and progress.



### Sustainability Committee

- Chaired by Independent Director;
- Oversees the proper and responsible implementation of the Group’s operations in relation to the EES aspects;
- Develops sustainability policies, ESG targets and performances;
- Reviews and recommends sustainability guidelines; and
- Reports to The Board on sustainability performance.



### Sustainability Working Committee

- Comprises Heads of Departments;
- Proposes and implements a sustainability culture and initiatives in daily business operations;
- Develops sustainability guidelines through sustainability guidance documents;
- Collects and monitors sustainability data; and
- Reports to SC to ensure alignment and implementation of ESG plans across the Group.




### Business Units

- Sustainability-focused business units to implement ESG tasks;
- Monitors and manage specific sustainability issues;
- Adopts flexibility and sound ESG considerations to develop and implement sustainability initiatives; and
- Reports to SWC on sustainability working progress.


# SUSTAINABILITY STATEMENT (CONT'D)

## STAKEHOLDER ENGAGEMENT



Ibraco engages with internal and external stakeholders to identify and prioritise key focus areas relevant to the Group's operations, including emerging issues that may not have been previously identified. These engagements guide the Group in refining its strategies, planning, and decision-making processes to better address stakeholder needs, and support alignment with ESG requirements while enabling the Group to anticipate future trends and developments.

Stakeholder Group	Key Concerns	Type of Engagement	Frequency	Our Approach and Outcomes	Section Reference
 <b>Employees</b>	<ul style="list-style-type: none"> <li>Fair, competitive and comprehensive compensation and benefits;</li> <li>Opportunities for professional growth, development, and training, and equitable clear career development opportunities;</li> <li>Job security and organisation stability;</li> <li>Workplace safety and health, with safety standards, mental wellbeing support and work-life balance;</li> <li>Positive, inclusive and respectful workplace culture;</li> <li>Demonstrate responsible business practices driven by ESG focus.</li> </ul>	<ul style="list-style-type: none"> <li>Annual performance appraisal</li> <li>Surveys</li> <li>Trainings and workshops</li> <li>Townhall meeting</li> <li>Orientation programme</li> <li>Inclusiveness in management and decision-making</li> <li>Occupational Safety and Health Committee ("OSHC") meetings</li> <li>Staff clubhouse benefits</li> <li>Newsletters</li> <li>Staff gatherings</li> <li>Group Sustainability Committee meeting</li> </ul>	<ul style="list-style-type: none"> <li>Once a year</li> <li>Periodic</li> <li>Periodic</li> <li>Biennial</li> <li>Periodic</li> <li>Periodic</li> <li>At least 4 times a year</li> <li>Periodic</li> <li>6 times per year</li> <li>Periodic</li> <li>Once a year</li> </ul>	<ul style="list-style-type: none"> <li>Equitable, non-discriminative, and attractive remuneration package;</li> <li>Targeted or customised talent development programmes;</li> <li>KPI evaluations;</li> <li>Grievance resolution;</li> <li>Health (including mental health) and safety awareness circulars and talks by specialists, safety officers or authorities;</li> <li>Emphasis on health and safety concerns during town hall meeting and orientation briefings;</li> <li>Assessment and staff updates on work and safety issues by OSHC;</li> <li>Publication of health and safety issues, and work-life balance articles in staff newsletter;</li> <li>Staff rate clubhouse fitness programs by specialists;</li> <li>Student financial aid programme;</li> <li>Development and operational quality, and sustainability certifications.</li> </ul>	Creating Harmonious and Prosperous Community or Society (Page 68)



# SUSTAINABILITY STATEMENT (CONT'D)

Stakeholder Group	Key Concerns	Type of Engagement	Frequency	Our Approach and Outcomes	Section Reference
 <p><b>Customers</b></p>	<ul style="list-style-type: none"> <li>• Quality and value of product and developments;</li> <li>• Safety and security of developments;</li> <li>• Sustainable and well-planned communities;</li> <li>• Timely completion and delivery;</li> <li>• Affordability of property;</li> <li>• Transparency and customer service;</li> <li>• Customer data privacy.</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction surveys</li> <li>• Sales agent feedbacks</li> <li>• One-to-one meetings</li> <li>• Community apps or customer engagement digital platform</li> <li>• Company website/ social media</li> <li>• Community outreach activities</li> <li>• Property events/road shows</li> </ul>	<ul style="list-style-type: none"> <li>• Periodic</li> <li>• Periodic</li> <li>• Periodic</li> <li>• Periodic</li> <li>• Periodic</li> <li>• At least 4 times a year</li> <li>• At least 4 times a year</li> </ul>	<ul style="list-style-type: none"> <li>• Stringent selection of contractors and suppliers;</li> <li>• Engagement of external home inspectors;</li> <li>• Feasibility studies;</li> <li>• Regular industry surveys and updates;</li> <li>• Industry site visits;</li> <li>• Develop townships incorporating amenities promoting sustainable community lifestyle;</li> <li>• Formation of specialised inspection and monitoring team with improved standards;</li> <li>• Launch of affordable properties;</li> <li>• Property promotions;</li> <li>• Loyalty programme;</li> <li>• Limitation of data usage to only conveyance department.</li> </ul>	<p>Integrity-Driven Governance in Improving Economic Performance (Page 54)</p>
 <p><b>Suppliers and Contractors</b></p>	<ul style="list-style-type: none"> <li>• Fair and transparent contract tender process and pricing;</li> <li>• Timely payment schedule;</li> <li>• Responsible material sourcing and applications to comply with ESG and sustainability requirements and to ensure product quality;</li> <li>• Timely delivery and avoidance of cost overruns;</li> <li>• Product quality;</li> <li>• Workplace safety.</li> </ul>	<ul style="list-style-type: none"> <li>• Vendor registration</li> <li>• Pre-tender assessments</li> <li>• Contract negotiation</li> <li>• Prequalification of tenderer</li> <li>• Contractor performance appraisal</li> <li>• Sustainability policy updates</li> <li>• Clear project specification and coordination</li> <li>• Certification of quality and environment management systems</li> <li>• Regular meetings</li> <li>• Email correspondences</li> <li>• Post project reviews</li> <li>• Safety bulletins</li> <li>• Safety manual revisions</li> <li>• Manpower engagement</li> </ul>	<ul style="list-style-type: none"> <li>• As and when necessary</li> <li>• As and when necessary</li> <li>• As and when necessary</li> <li>• As and when necessary</li> <li>• Periodic</li> <li>• Periodic</li> <li>• Periodic</li> <li>• As and when necessary</li> <li>• Periodic</li> <li>• As and when necessary</li> <li>• Periodic</li> <li>• As and when necessary</li> <li>• As and when necessary</li> <li>• As and when necessary</li> </ul>	<ul style="list-style-type: none"> <li>• Systemic tender process with clear pricing criteria;</li> <li>• Systematic review of selection, appointment and performance assessment of contractors;</li> <li>• Attainment of new quality and environment management certifications;</li> <li>• Scheduled project meetings and overviews;</li> <li>• Enhancement of safety meetings;</li> <li>• Increased safety training and awareness;</li> <li>• Group Safety Policy;</li> <li>• Increased number of safety officers;</li> <li>• Regular safety audits.</li> </ul>	<p>Integrity-Driven Governance in Improving Economic Performance (Page 54)</p> <p>Managing Environmental Footprint (Page 59)</p>

# SUSTAINABILITY STATEMENT (CONT'D)

Stakeholder Group	Key Concerns	Type of Engagement	Frequency	Our Approach and Outcomes	Section Reference
 <p><b>Communities</b></p>	<ul style="list-style-type: none"> <li>• Community safety and wellbeing;</li> <li>• Community economy opportunities and support;</li> <li>• Infrastructure and public facilities development and improvement;</li> <li>• Environmental impact;</li> <li>• Community social responsibility ("CSR").</li> </ul>	<ul style="list-style-type: none"> <li>• Safety and security management through internal security team</li> <li>• Community outreach programs</li> <li>• Contribution to environment, infrastructure, and social enhancement</li> <li>• Environmental management awareness updates</li> <li>• Dedicated CSR team and partnerships</li> </ul>	<ul style="list-style-type: none"> <li>• Periodic</li> <li>• Periodic</li> <li>• Periodic</li> <li>• As and when necessary</li> <li>• Periodic</li> </ul>	<ul style="list-style-type: none"> <li>• Security services by auxiliary police;</li> <li>• New safety measurements by property management team;</li> <li>• Ongoing certification process for ISO45001:2018;</li> <li>• Donation and financial aids;</li> <li>• Infrastructure and amenities repair and improvements benefiting surrounding communities;</li> <li>• Improved waste management system;</li> <li>• Improved CSR team and program schedule fostering a culture of volunteerism;</li> <li>• Enhanced CSR Partner engagement programmes.</li> </ul>	<p>Creating Harmonious and Prosperous Community or Society</p> <p>(Page 68)</p> <p>Managing Environmental Footprint</p> <p>(Page 59)</p>
 <p><b>Investors</b></p>	<ul style="list-style-type: none"> <li>• Financial performance;</li> <li>• Business sustainability and growth;</li> <li>• Corporate Governance;</li> <li>• Shareholder value.</li> </ul>	<ul style="list-style-type: none"> <li>• Analyst and Fund Manager briefings</li> <li>• Annual General Meetings</li> <li>• Investor Relations Portal in website</li> </ul>	<ul style="list-style-type: none"> <li>• At least 4 times a year</li> <li>• Once a year</li> <li>• Periodic</li> </ul>	<ul style="list-style-type: none"> <li>• Post-result briefings with analysts and fund managers;</li> <li>• Committed to good corporate governance practice;</li> <li>• Risk assessment and management;</li> <li>• Embrace corporate sustainability;</li> <li>• Conduct regular coffee talks sessions with potential investors and fund managers;</li> <li>• Conduct regular site familiarisation tours and visits to project sites.</li> </ul>	<p>Integrity-Driven Governance in Improving Economic Performance</p> <p>(Page 54)</p>

# SUSTAINABILITY STATEMENT (CONT'D)

Stakeholder Group	Key Concerns	Type of Engagement	Frequency	Our Approach and Outcomes	Section Reference
 <p><b>Regulators</b></p>	<ul style="list-style-type: none"> <li>• Legal compliance with housing, planning, building, environmental, safety, governance, and labour regulations, including proper and valid licensing;</li> <li>• Safety and quality of building;</li> <li>• Corporate transparency, reporting, and governance conduct;</li> <li>• Environmental management;</li> <li>• Timely project delivery.</li> </ul>	<ul style="list-style-type: none"> <li>• Government and sustainability websites</li> <li>• Regulation and policy trainings</li> <li>• Consultations on regulation and policy updates</li> <li>• Building and operation audits</li> <li>• Rigorous corporate policies</li> <li>• Site inspections</li> </ul>	<ul style="list-style-type: none"> <li>• Periodic</li> <li>• As and when necessary</li> <li>• As and when necessary</li> <li>• At least 4 times a year</li> <li>• Periodic</li> <li>• Periodic</li> </ul>	<ul style="list-style-type: none"> <li>• Regular reviews on government and sustainability websites for regulation and ESG matters updates;</li> <li>• Increased participation in new regulation and policy trainings;</li> <li>• Regular engagements with regulators, legal advisors and policy advisory bodies for regulation and policy updates;</li> <li>• Tighter and comprehensive audit requirements;</li> <li>• Produce and implement rigorous corporate policies;</li> <li>• Formation of specialised working team for project completion and delivery.</li> </ul>	<p>Integrity-Driven Governance in Improving Economic Performance (Pg 54)</p> <p>Managing Environmental Footprint (Page 59)</p>
 <p><b>Media</b></p>	<ul style="list-style-type: none"> <li>• Reporting transparency and accuracy;</li> <li>• Corporate image;</li> <li>• Development impact on communities and environment;</li> <li>• Contribution to economic and social development;</li> <li>• Responsiveness and accessibility.</li> </ul>	<ul style="list-style-type: none"> <li>• Media consultant</li> <li>• Press releases</li> <li>• Corporate publications</li> <li>• Digital and social media platforms</li> <li>• Corporate and project websites</li> <li>• Corporate communication department</li> </ul>	<ul style="list-style-type: none"> <li>• As and when necessary</li> <li>• Periodic</li> <li>• Periodic</li> <li>• Periodic</li> <li>• Periodic</li> <li>• As and when necessary</li> </ul>	<ul style="list-style-type: none"> <li>• Engagement with media to manage and enhance corporate, development, and sustainability news reporting with increased regularity and wider media distribution;</li> <li>• Manage, maintain, and monitor regular news and promotional broadcasting.</li> </ul>	

# SUSTAINABILITY STATEMENT (CONT'D)

## MATERIALITY ASSESSMENT

Ibraco’s materiality assessment is a key component of the Group’s sustainability framework, guiding our operational priorities and value creation strategy towards long-term sustainable growth. Through a structured and robust assessment process, Ibraco identifies and prioritises sustainability matters that are most relevant to our business and stakeholders, ensuring that EES considerations are effectively integrated into our strategic planning and business operations.

The identification of sustainability matters is undertaken through a comprehensive engagement process across Ibraco’s value chain, including active participation from the SWC, management, employees, and key stakeholders. The process is strengthened by consultations with external parties such as industry groups and professional networks, guidance from global and industry reporting bodies, applicable government regulations, as well as insights from domestic and global sustainability trends, media, industry analyses, external consultants, together with assessments of current and anticipated market conditions and stakeholder expectations.

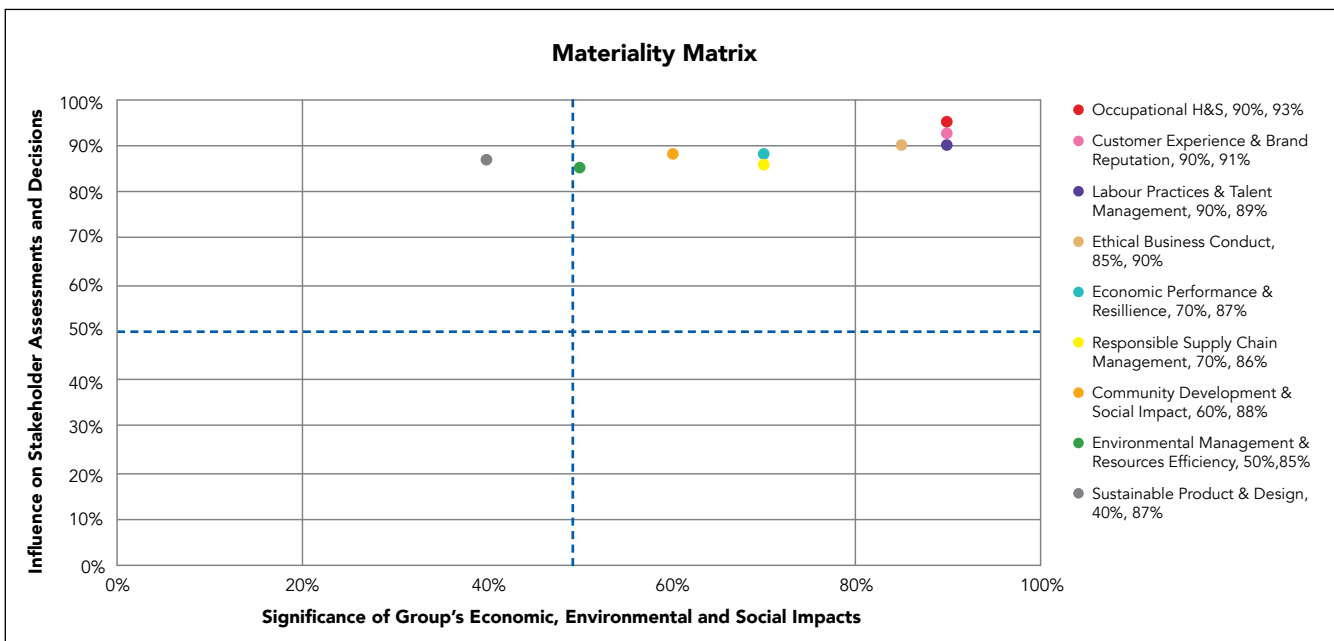
The identified sustainability matters are then evaluated, ranked, and prioritised according to their significance and potential impact on Ibraco’s EES performance, as well as their importance to stakeholders. Stakeholder surveys and feedbacks are utilised to support this assessment, with the results presented through Ibraco’s materiality matrix that clearly illustrates the relative significance of each sustainability matter.

In FY2025, Ibraco conducted a comprehensive review of its sustainability assessment to ensure alignment with evolving sustainability regulations, updated reporting guidance, and industry practices, including benchmarking against industry peers. The assessment identified nine (9) material sustainability matters that are most significant to the Group and its stakeholders.

The findings of the materiality assessment are reviewed, validated and approved by the SC and The Board. A full-scale review of the materiality assessment is conducted annually to ensure continued relevance and alignment with regulatory developments, market expectations, and stakeholder priorities.



## MATERIALITY MATRIX

Ibraco’s sustainability efforts are guided by the Group’s top 9 material matters topics of Economic Performance and Resilience, Occupational Health and Safety, Responsible Supply Chain Management, Labour Practices and Talent Management, Sustainable Product and Design, Environmental Management and Resources Efficiency, Customer Experience and Brand Reputation, Ethical Business Conduct (Governance, Anti-bribery, Data Privacy), and Community Development and Social Impact. These have helped us to address our materiality matters that are key to achieving 10 of the 17 SDGs by the United Nations.



# SUSTAINABILITY STATEMENT (CONT'D)

## ANALYSING OUR MATERIAL IMPACT

UNSDGs	Ibraco's Initiatives
 <p><b>2</b> ZERO HUNGER</p>	<p><b>Zero Hunger</b>  <i>Aims to end hunger and promote sustainable agriculture, addressing societal wellbeing and food security.</i></p> <ul style="list-style-type: none"> <li>• Through our annual sponsorship to Majlis Bandaraya Kuching Selatan ("MBKS"), we contribute to the distribution of Ramadan bubur lambuk to the underprivileged totalling 700 families;</li> <li>• The monthly financial support to our Charity Partner, Hope Place Kuching to support the organisation in providing food to the underprivileged and indigenous families, and during emergency situations such as flood;</li> <li>• The annual collaboration with, and donation to, Hope Place Kuching for Charity Without Border ("CWB") community program, results in the provision of food aids to Iban villagers in Rh. Pilai Nanga Pila, Batang Rajang, Kapit, totalling 269 individuals for CWB #12;</li> <li>• We collaborate with others, like Lembaga Amanah Kebajikan Islam Santubong, for food aids.</li> </ul>
 <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	<p><b>Good Health and Wellbeing.</b>  <i>Ensures healthy lives and promotes wellbeing through better healthcare systems and workplace safety.</i></p> <ul style="list-style-type: none"> <li>• We provide safe, inclusive and supportive work environment through policies that uphold a safe and secure workplace, including the wearing of Personal Protective Equipment ("PPE") at construction sites and enforced safety standards;</li> <li>• Regular health and safety circulars, talks and trainings, including Occupational Safety and Health ("OSH") training, are provided to promote a culture of safety and compliance;</li> <li>• Total learning and training programs for OSH-related topics reached 45 courses in FY2025, an increase from 28 for FY2024;</li> <li>• We encourage healthy work-life balance by providing staff benefits to attend fitness classes at the NorthBank Club;</li> <li>• The annual sponsorship to MBKS helps to provide financial aid to orphans to ease their livelihoods;</li> <li>• Our annual contribution to Sarawak Children Cancer Society ("SCCS") helps to provide essential medical support, equipment, and treatments to children with medical conditions;</li> <li>• Our collaboration with Hope Place Kuching includes providing house repair and cleaning services to the underprivileged, lifting the burden of financial stress and providing decent living environment;</li> <li>• Our support of CWB #12 also includes providing the Iban villagers with medical checks and treatments;</li> <li>• We contribute to rebuilding of damaged homes caused by natural disasters;</li> <li>• We contribute to other advocacy groups, like the Kuching Autistic Association, through financial aid, to support their operation means; or Malaysian AIDS Foundation Kuching, to support their treatment requirements; Sarawak Society for the Prevention of Cruelty to Animals, for safety and treatment awareness for rabies, and others;</li> <li>• We contribute to community events in Pulau Salak and Serian, in which Ibraco operates its quarry sites, to foster closer community ties;</li> <li>• We contribute to repair of infrastructures and construction of amenities at Kampung Pulau Salak and others.</li> </ul>

# SUSTAINABILITY STATEMENT (CONT'D)

## UNSDGs

## Ibraco's Initiatives



### Quality Education

*Promotes inclusive and equitable education, aligning with workforce development and training under the 'S' pillar.*

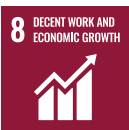
- We provide continuous training and development programmes to enhance employees' skills, knowledge, and professional competencies;
- We conduct technical, safety, anti-corruption, ESG updates and upskilling courses to ensure workforce readiness in meeting industry standards and operational needs;
- As of FY2025, our total hours of training programme are 10,115 hours given to a total number of 552 employees for a total number of 187 programmes. This is an increase from 6,266 hours of training given in FY2024 for a total number of 492 employees for a total number of 130 training courses. We have exceeded our target of providing 15 hours of training per employee for FY2025;
- We attained 100% attendance for anti-corruption training across our workforce;
- We support internship and practical training opportunities to nurture young talents and provide exposure to the property development, construction, and manufacturing industry;
- We collaborate with Hope Place Kuching to provide education support through donations of school uniform sets and school books to the underprivileged;
- For FY2025, we supported 6 students comprising 2 teams of 3 participants each, from our partner education institution, Tunku Putra-Help School ("TPHS") in participating in the innovators awards programme held in Vietnam, which aims to address SDGs through creative problem-solving. The students achieved outstanding results in the competition and emerged as award winners;
- We provide financial aid to others, like Tadika St. Francis in Bau, for much needed schools' education tools and equipment.



### Gender Equality.

*Focuses on achieving gender equality, promoting diversity, and addressing social inequities.*

- We adopt a corporate culture of respecting all employees, maintaining a zero-tolerance policy against discrimination or harassment based on gender;
- We provide fair hiring and remuneration practices regardless of gender and offer diverse experiences to support personal and professional growth;
- We are committed to promoting the advancement of women, and ensuring women's representation and access to equal opportunities for leadership across business activities;
- We have attained 57% female representation in The Board for FY2025, exceeding our target of 30%, and 30% female representation across the workforce, which met our 30% target.





### Decent Work and Economic Growth

*Encourages economic inclusion, fair wages, and job creation while addressing workplace rights.*

- We provide employment to 552 people in FY2025, with an increase from a total of 492 individuals for FY2024;
- We provide competitive remuneration packages and benefits to our employees, in addition to increased training and courses opportunities, to support career growth, financial security, and health development;
- Our infrastructure development projects create large economic multipliers, provide numerous employment opportunities and contribute to the development of the local economy;
- We employ individuals originating from Pulau Salak where the Group operates its quarry;
- We also champion the rights of all our stakeholders as guided by our Human Rights Policy;
- We have zero case of any infringement of rights incidence.

# SUSTAINABILITY STATEMENT (CONT'D)

UNSDGs	Ibraco's Initiatives
 <p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p><b>Industry, Innovation, and Infrastructure</b>  <i>Promotes sustainable industrialisation and innovation, focusing on governance and infrastructure development.</i></p> <ul style="list-style-type: none"> <li>• Through the signing of a Memorandum of Agreement (“MoA”) with Health Management International Pte. Ltd (“HMI Medical”) from Singapore in the establishment of Regency Hospital Kuching, the planned private specialist hospital within our township, The NorthBank, it attests to our commitment in delivering integrated townships and quality developments with well-planned infrastructure to support sustainable urban growth;</li> <li>• PrimeBay Industrial Park, launched in FY2025, is planned with flexible layouts, efficient building designs, and ready-built infrastructure to support operational efficiency and long-term business growth. Strategically located within an established industrial zone with strong connectivity to key transport networks, the development reflects our commitment to delivering resilient, functional, and future-ready infrastructure aligned with economic and industry needs;</li> <li>• We incorporate environmentally sustainable features into our projects, focusing on designs that reduce defects and enhance resource efficiency;</li> <li>• Our workforce has been introduced to, and encouraged to use the Microsoft Outlook booking, management and coordination digital platform, to enhance operational efficiency by enabling better coordination across departments and project teams. This system minimises coordination conflicts, streamlines communication, and allows teams to plan discussions and project meetings more effectively, thereby supporting smoother workflow, faster decision-making, and improved overall organisational productivity;</li> <li>• In FY2025, 99% of our contractors and suppliers were locally based.</li> </ul>
 <p><b>10</b> REDUCED INEQUALITIES</p>	<p><b>SDG10: Reduced Inequalities</b>  <i>Addresses equity and inclusion by reducing income disparities and promoting equal opportunities.</i></p> <ul style="list-style-type: none"> <li>• We exercise in fair and equal employment practices, ensuring non-discrimination and equal opportunities in recruitment, training, and career development regardless of gender, ethnicity, age, or background, as set in our corporate Human Rights Policy. This has proven to be one of our strengths, from results concluded from the Employee Engagement Survey carried out for FY2025;</li> <li>• We support inclusive workplace practices that encourage respect, diversity, and a safe working environment for all employees, which is also the major strength agreed by our workforce in the Employee Engagement Survey carried out;</li> <li>• We foster strong employee volunteerism in CSR initiatives that assist underprivileged groups, including financial aid, welfare support, and community outreach programmes, by acknowledging them in our social media platforms and quarterly staff newsletters. Our future plan will include improved recognition approach for our volunteer teams;</li> <li>• Through our continued partnership with our Charity Partners like Hope Place Kuching, SCCS, and others, we continue to contribute to community wellbeing through assistance to orphanages, schools, and vulnerable groups to help improve quality of life and access to basic needs;</li> <li>• Our continued effort to develop residential and township projects that cater to different market segments, including affordable and mid-range housing, to support broader home ownership opportunities, include our planned offering of more than 700 affordable units at Matang, Sarawak. These units will comprise Sri Pertiwi and Spektra Medium housings, along with normal terrace residential;</li> <li>• We continue to engage local contractors, suppliers, and workforce to promote inclusive economic participation and support local communities;</li> <li>• We adhere to labour laws, human rights principles, and regulatory requirements to safeguard the interests of employees and stakeholders, and this is attested by our zero case of complaints received concerning human rights violations.</li> </ul>

# SUSTAINABILITY STATEMENT (CONT'D)

## UNSDGs

## Ibraco's Initiatives



### Sustainable Cities and Communities

*Supports urban sustainability, affordable housing, and resilient infrastructure, covering environmental and social aspects*

- We develop well-planned townships such as The NorthBank and Arden City, incorporating residential, commercial, and community components to support urban sustainability and growth; and through connection with local communities, provide economic opportunities that can support commercial growth and entrepreneurship;
- Urban growth is further enhanced through the prioritisation of education and healthcare access, incorporating schools (such as TPHS), medical facilities (such as Regency Hospital Kuching), and essential services (such as neighbourhood club like the NorthBank Club) within our developments like The NorthBank;
- We contribute to affordable housing through the integration of affordable units in NewUrban at Petaling Jaya, and future launching of affordable housing in Matang, Sarawak;
- We provide integrated infrastructure and connectivity in developments including The NorthBank, Arden City, and PrimeBay Industrial Park, with proper road networks, infrastructure systems, utilities, and access to key amenities and transport routes using mass public transportation system, ensuring seamless accessibility for residents and businesses;
- The NorthBank and Arden City are connected directly to the upcoming Autonomous Rapid Transit ("ART") blue line will serve residents and entrepreneurs well. This stretch of the ART blue line is targeted to be completed by YE2026;
- We incorporate green spaces, recreational amenities, and community-friendly layouts within our township and project developments to enhance liveability and promote healthy lifestyles; such as cycling and jogging tracks, as well as a full facilities neighbourhood club in The NorthBank, courtyard park with water features in NorthBank Central, and a public-accessible neighbourhood park next to NewUrban;
- We support surrounding communities through community outreach programmes to contribute to social wellbeing and improved living conditions.



### Climate Action

*Calls for urgent measures to combat climate change and its impacts, focusing on emissions reduction and adaptation.*

- We are developing a comprehensive group-wide climate action plan to strengthen our climate management in alignment with IFRS S2 disclosure expectations, enroute to attaining our net-zero objective;
- We have identified our key risks and opportunities, as well as mitigation measures and targets across all our business segments;
- We focus on 6 keys areas to improve building resilience through climate-conscious action – GHG emissions, energy efficiency, waste management, water conservation, environmental management, and stakeholder awareness;
- We strengthen our data accuracy and monitoring in disclosing carbon emissions stemming from fossil fuel (Scope 1), electricity purchased from the national grid (Scope 2) and business travel as well as employee commuting (Scope 3);
- We incorporate environmentally responsible planning in our developments, such as The NorthBank and Arden City, including proper drainage design, land use planning, and lush green areas;
- We dedicate at least 10% of our development areas for green zone;
- We implement good construction and site management practices across projects to control soil erosion, dust, noise, and waste, in compliance with environmental regulations and authority requirements;
- We design developments with practical layouts and natural ventilation considerations to improve energy efficiency and reduce long-term environmental impact;
- We support environmental awareness activities, like our annual participation in Virtual Earth Hour initiatives organised by MBKS;
- We continuously review development practices to ensure alignment with regulatory requirements, industry guidelines, and evolving sustainability expectations.

# SUSTAINABILITY STATEMENT (CONT'D)

## UNSDGs

## Ibraco's Initiatives



### Peace, Justice and Strong Institutions

*Advocates for transparency, ethical decision-making, and reducing corruption, aligning strongly with governance practices.*

- We maintain strong corporate governance practices through active oversight by The Board, Board Committees, and senior management to ensure accountability and responsible decision-making;
- We regularly keep ourselves updated with all applicable laws, regulations, policies, and authority requirements in property development, construction, and business operations across our value chain projects to ensure strict compliance;
- We are guided by the MCCG framework;
- We implement transparent procurement and tender processes to promote fair competition and ethical dealings with contractors, suppliers, and business partners;
- We establish and are guided by internal policies and procedures covering code of conduct, anti-bribery and corruption principles, conflict of interest, personal data protection, human rights, and whistleblower guidelines, to safeguard integrity in daily operations;
- The Group's Board Charter, Privacy Policy, Human Rights Policy, and Whistleblower Policy are accessible in the Company website;
- We uphold a zero-tolerance approach to bribery and corruption, with Anti-Bribery and Corruption ("ABC") training incorporated into the onboarding programme for new employees, while policy requirements are reinforced through regular internal communications to ensure continuous awareness and compliance;
- In FY2025, we achieved 100% completion of mandatory ABC training, an improvement from previous year's below-target performance;
- The Group's Audit and Risk Committee Terms of Reference strengthen internal controls, financial reporting processes, and audit reviews to ensure accuracy, reliability, and transparency of information;
- We regularly conduct surveys, as a channel for feedback, enquiries, and complaints from customers, employees, and stakeholders to ensure concerns are addressed fairly and professionally;
- We conduct regular reviews of governance practices to ensure alignment with Bursa Malaysia requirements, regulatory expectations, and industry best practices.



# SUSTAINABILITY STATEMENT (CONT'D)

## ANALYSING OUR MATERIAL IMPACT



Following the identification of the SDGs relevant to the Group and the determination of the 9 material matters through the materiality assessment, the Group has further reviewed each material matter based on its significance to our operations, stakeholders, and long-term sustainability.

Material Matters	Stakeholders Impacted	UNSDGs
<p><b>Economic Performance and Resilience</b></p>		
<p><b>Importance to Ibraco's Value Creation</b></p> <p>Our economic performance and financial resilience enable the Group to create sustainable value through continued investment, job creation, support for local businesses, tax contributions, shareholder returns, and the financial strength required to deliver developments and advance long-term sustainability initiatives.</p>		
<p><b>Section reference in our Annual Report ("AR") 2025:</b> Integrity-driven Governance in Improving Economic Performance.</p> <p><b>Strategic Goal:</b> Pursue long-term business growth while integrating ESG considerations into the Group's strategic planning and operations.</p>	<p><b>Our Strategies</b></p> <ul style="list-style-type: none"> <li>• Integrate green design features and sustainability considerations in our project developments to enhance environmental performance and market competitiveness;</li> <li>• Incorporate energy-efficient design, green spaces, and environmentally responsible construction practices in future and on-going developments;</li> <li>• Explore green financing opportunities and strategic partnerships to support sustainable development initiatives;</li> <li>• Strengthen collaboration with contractors and consultants to ensure efficient implementation of sustainable design and construction practices;</li> <li>• Implement ESG risk screening and sustainability assessments for major development projects during the planning and feasibility stages;</li> <li>• Integrate climate-related risk considerations, including physical and transition risks, into project planning and development strategies;</li> <li>• Align sustainability assessments with international frameworks such as TCFD and IFRS S2, while ensuring compliance with local regulatory requirements and evolving sustainability expectations;</li> <li>• Maintain prudent financial management and cost discipline across development projects for stable financial performance and long-term profitability;</li> <li>• Strengthen supply chain collaboration and contractor performance management to improve operational efficiency and control construction costs;</li> <li>• Enhance operational processes through quality management systems to improve project execution and productivity;</li> <li>• Maintain high operational standards through the implementation of ISO 9001:2015 Quality Management System and ISO14001:2015 Environmental Management System</li> </ul>	<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Pursue integration of sustainable and green building design features in upcoming developments, to support revenue growth, and in line with new enforcement on green building standards, with the creation of the new Sarawak Building Board ("SBB");</li> <li>• Explore and pursue green financing options offered by financial providers, to promote sustainability projects and advance sustainable homeownership;</li> <li>• Explore and attract new investors and partners who have shared ESG goals;</li> <li>• Improve operational coordination with contractors and suppliers through digital tools and structured planning systems to enhance productivity and project management.</li> </ul>



# SUSTAINABILITY STATEMENT (CONT'D)

Material Matters	Stakeholders Impacted	UNSDGs
<p><b>Occupational Health and Safety</b></p>		
<p><b>Importance to Ibraco's Value Creation</b>                  We prioritise workplace safety, risk management, and the health and wellbeing of employees, contractors, and site workers through the enforcement of safety standards, regular Health, Safety and Environment ("HSE") monitoring and reporting, provision of appropriate PPE, and continuous safety training, thereby supporting safe operations, regulatory compliance, and sustainable project delivery.</p>		
<p><b>Section reference in our AR 2025:</b>                  Creating Harmonious and Prosperous Community or Society</p> <p><b>Strategic Goal:</b>                  Promote a zero-fatality workplace culture and pursue continuous safety excellence across all operations.</p>	<p><b>Our Strategies</b></p> <ul style="list-style-type: none"> <li>• Establish Group-wide safety and health KPI policy, applicable across all segments of the Group, to ensure data comparability, proactive risk management, and continuous improvement towards a safe and healthy workplace;</li> <li>• Provide regular occupational health and safety training programmes for employees and contractors to strengthen safety awareness and compliance with workplace safety standards;</li> <li>• Conduct targeted on-site training tailored to each business segment, to ensure compliance with applicable safety regulations and promote safe working environment;</li> <li>• Continuously review, update, and monitor compliance with health and safety manuals and procedures across all project sites to ensure adherence to regulatory requirements and internal safety standards;</li> <li>• Maintain systematic incident reporting, monitoring, and investigation processes to identify root causes and implement corrective actions;</li> <li>• Progressively complete the implementation of ISO45001:2018 (Occupational Health and Safety Management System) certifications across the Group's business segments;</li> <li>• Continuously attain recognitions for quality HSE performance across the Group's business segments;</li> <li>• Conduct regular site inspections, health and safety committee meetings, and toolbox briefings at project sites to ensure workers remain informed of potential risks and preventive measures;</li> <li>• Strengthen oversight by designated safety officers responsible for monitoring safety performance, incident reporting, and compliance with safety standards across project sites.</li> </ul>	<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Introduce accredited OSH certification programmes for employees and contractors;</li> <li>• Position the Group ahead of compliance requirements by benchmarking revised safety manuals against the latest Occupational and Safety Health Act 1994 ("OSHA") and Department of Occupational Safety and Health ("DOSH") updates;</li> <li>• Use safety KPIs to benchmark and reward performance, to align with one of the key focuses for the Group, following the Employee Engagement Survey done-employee recognition programs;</li> <li>• Explore and collaborate with relevant authorities and partners to extend and promote safety awareness to communities as part of the group's CSR activities.</li> </ul>

# SUSTAINABILITY STATEMENT (CONT'D)

Material Matters	Stakeholders Impacted	UNSDGs
<p><b>Responsible Supply Chain Management</b></p>		
<p><b>Importance to Ibraco's Value Creation</b>                  We manage our suppliers and contractors through fair and transparent practices, prioritising local businesses while promoting ethical, safe, and environmentally responsible standards, thereby strengthening a resilient supply chain that supports reliable project delivery and long-term value creation.</p>		
<p><b>Section reference in our AR 2025:</b>                  Integrity-driven Governance in Improving Economic Performance.</p> <p><b>Strategic Goal:</b>                  Establish and maintain a sustainable and transparent supply chain with strong compliance standards.</p> <ul style="list-style-type: none"> <li>• Attain increased attendance rate for suppliers and contractors to attend ESG</li> </ul>	<p><b>Our Strategies</b></p> <ul style="list-style-type: none"> <li>• Conduct regular ESG awareness and sustainability requirement briefings for suppliers and contractors to communicate Ibraco's ESG expectations, policies and reporting requirements;</li> <li>• Integrate ESG consideration into procurement policies and contractual terms, for suppliers and contractors to adopt responsible environmental, safety, and ethical practices;</li> <li>• Develop a structured environmental data reporting framework to guide suppliers and contractors in disclosing environmental performance data including GHG emissions and waste generation;</li> <li>• Gradually incorporate environmental reporting requirements into supplier engagement and procurement processes to improve transparency and monitoring of supply chain environmental impacts;</li> <li>• Strengthened the monitoring and tracking of environmental performance indicators such as GHG emissions and waste generation across the supply chain to support continuous improvement and YoY reduction targets, through ISO-aligned practices and internal reporting system;</li> <li>• Collaborate with contractors and suppliers to implement more efficient construction methods and responsible material usage, reducing construction waste and environmental impact;</li> <li>• Promote waste segregation, recycling practices, and improved material planning across project sites to reduce waste generation;</li> <li>• Ensure suppliers and contractors follow environmental practices that are aligned with the Group's climate risk management approach and ISO 14001 environmental management standards, supporting better environmental performance over time.</li> </ul>	<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Strengthen collaboration with local suppliers and contractors, supporting local economic participation while building a more resilient and responsive supply chain;</li> <li>• Enhance supplier ESG capability through training and awareness programmes, enabling contractors and suppliers to better align with evolving sustainability standards and regulatory expectations;</li> <li>• Improve environmental transparency across the supply chain through structured reporting on GHG emissions and waste generation, supporting more informed decision-making and sustainability performance monitoring;</li> <li>• Leverage sustainability performance to enhance corporate reputation, positioning Ibraco as a responsible developer committed to ethical sourcing and environmental stewardship.</li> </ul>

# SUSTAINABILITY STATEMENT (CONT'D)

Materi	Stakeholders Impacted	UNSDGs
<p><b>Labour Practices and Talent Management</b></p>		
<p><b>Importance to Ibraco's Value Creation</b>                  By upholding fair employment practices, including fair remuneration, job security, safe working conditions, and investing in employee development, the Group cultivates a diverse, equitable, and inclusive workforce that strengthens organisation capability and support sustainable growth.</p>		
<p><b>Section reference in our AR 2025:</b>                  Creating Harmonious and Prosperous Community or Society</p> <p><b>Strategic Goal:</b>                  Develop and maintain skilled, diverse and motivated workforce.</p>	<p><b>Our Strategies</b></p> <ul style="list-style-type: none"> <li>• Foster fair and responsible employment practices and corporate culture by ensuring compliance with labour laws and strengthened by transparent employment policies across the Group;</li> <li>• Implement structured performance management and talent development frameworks to support employee growth and succession planning;</li> <li>• Enhance employee engagement and wellbeing initiatives to promote a supportive and healthy work environment, through grievance resolution channels in line with the Whistleblower policy, and staff benefits programs in the Company's NorthBank Club;</li> <li>• Strengthen workforce planning and talent retention strategies to ensure the Group maintains a capable and motivated workforce, through enhanced staff recognition programs;</li> <li>• Encourage continuous learning and industry exposure through training programmes, seminars, and professional certification opportunities.</li> </ul>	<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Enhance KPI evaluations to develop a skilled and motivated workforce, for operational efficiency and successful delivery of projects;</li> <li>• Collaborate with talent specialists, consultants, and authorities, to strengthen organisational capability through continuous learning and talent development, enabling the Group to adapt to evolving industry demands;</li> <li>• Enhance employee engagement, particularly with senior management, and retention, to reduce recruitment costs and improving long-term workforce stability;</li> <li>• Enhance utilisation of internal sources, such as staff newsletters, to foster more communication and inclusion, which can encourage innovation, broader perspectives, and stronger organisational culture, as well as create more awareness on work-life balance and mental health;</li> <li>• Position the Company as an employer of choice, helping to attract quality talent and strengthen the Group's reputation within the industry.</li> </ul>

# SUSTAINABILITY STATEMENT (CONT'D)



Material Matters	Stakeholders Impacted	UNSDGs
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<b>Sustainable Product and Design</b>		
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**Importance to Ibraco's Value Creation**  
 By integrating responsible materials, energy-efficient systems, and practical as well as green design features into its developments, we deliver high-quality and sustainable properties that meet evolving regulatory standards and market needs, strengthening long-term value creation and competitiveness.

<p><b>Section reference in our AR 2025:</b> Managing Environmental Footprint</p> <p><b>Strategic Goal:</b> Incorporate sustainability features and requirements in the design, procurement of materials, and construction practices for the Group.</p>	<p><b>Our Strategies</b></p> <ul style="list-style-type: none"> <li>• Integrate sustainability considerations into project planning, design, and procurement processes, ensuring developments incorporate energy-efficient layouts, natural ventilation, and environmentally responsible building materials from the early design stage;</li> <li>• Apply the Group's Minimum Sustainability Component Checklist across new development projects to standardise sustainability elements in design, construction, materials, waste management, and landscaping;</li> <li>• Increase the incorporation of green spaces and environmentally friendly landscaping within township developments to enhance liveability and environmental quality;</li> <li>• Collaborate closely with architects, engineers, and contractors to implement sustainable design practices throughout the project lifecycle;</li> <li>• Identify suitable development projects to pursue GreenRE or equivalent green building certification, aligning project planning and design with recognised green building standards;</li> <li>• Continue implementing environmentally responsible building features, including energy-efficient systems, water conservation measures, and sustainable materials to support certification requirements;</li> <li>• Demonstrate leadership in sustainable building practices through the renewal of Green Building certification for the Group's headquarters building, reinforcing Ibraco's commitment to environmentally responsible development.</li> </ul>	<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Enhance property value and market competitiveness through developments that incorporate sustainable design features;</li> <li>• Enhance brand reputation and stakeholder confidence by demonstrating commitment to sustainable and responsible development practices;</li> <li>• Differentiate developments to maintain market competitiveness through innovation in design and planning.</li> </ul>
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# SUSTAINABILITY STATEMENT (CONT'D)

Material Matters	Stakeholders Impacted	UNSDGs
<p><b>Environmental Management and Resources Efficiency</b></p>		
<p><b>Importance to Ibraco's Value Creation</b>                  Through responsible environmental management, including efficient resource use, waste reduction, biodiversity protection, and GHG emissions disclosure, we integrate green initiatives such as renewable energy, rainwater harvesting, and landscaping to enhance environmental sustainability and long-term development value.</p>		
<p><b>Section reference in our AR 2025:</b>                  Managing Environmental Footprint</p> <p><b>Strategic Goal:</b>                  Strengthen environmental stewardship by minimising environmental impact and improving resource efficiency in our developments and operations.</p>	<p><b>Our Strategies</b></p> <ul style="list-style-type: none"> <li>• Monitor and track energy and water consumption across the Group's operations and developments to identify opportunities for efficiency improvements;</li> <li>• Incorporate energy-efficient systems, natural ventilation design, and water-efficient fixtures in new development projects;</li> <li>• Explore the adoption of renewable energy and water conservation initiatives, including solar feasibility studies and rainwater harvesting systems where appropriate;</li> <li>• Maintain sustainable operational practices at corporate facilities, supported by the renewal of Green Building certification for the Group's headquarters building, which reflects continued commitment to energy efficiency and responsible building operations;</li> <li>• Implement and strengthen construction waste segregation and recycling practices across all project sites;</li> <li>• Collaborate with contractors and suppliers to adopt efficient material planning and responsible waste management practices during construction activities;</li> <li>• Conduct regular environmental monitoring and compliance checks to ensure strict adherence to regulations, policies and requirements, and to identify and address potential compliance risks;</li> <li>• Align environmental management practices with the ISO 14001 Environmental Management System framework to strengthen environmental governance and risk management;</li> <li>• Integrate climate-related risk considerations into project planning and operational processes, in line with the Group's climate risk management approach;</li> <li>• Explore and adopt environmental initiatives such as tree planting, green landscaping, and biodiversity enhancement programmes across development projects.</li> </ul>	<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Improve operational efficiency and cost savings through better management of energy, water, and construction materials;</li> <li>• Adopt innovative green technologies and sustainability initiatives, such as renewable energy solutions, rainwater harvesting systems, and environmentally friendly construction practices;</li> <li>• Strengthen brand reputation and stakeholder confidence by demonstrating commitment to responsible environmental stewardship;</li> <li>• Align with evolving regulatory requirements and sustainability trends, position the Company as a responsible developer in the industry.</li> </ul>

# SUSTAINABILITY STATEMENT (CONT'D)

Material Matters	Stakeholders Impacted	UNSDGs
<p><b>Customer Experience and Brand Reputation</b></p>		
<p><b>Importance to Ibraco's Value Creation</b>                  By delivering quality products, maintaining responsive customer service, and engaging customers throughout the property lifecycle—from purchase to handover and defect rectification—we strengthen customer confidence and brand reputation, supporting sustainable growth and long-term value creation.</p>		
<p><b>Section reference in our AR 2025:</b>                  Integrity-driven Governance in Improving Economic Performance</p> <p><b>Strategic Goal:</b>                  Enhance stakeholder trust and satisfaction by delivering quality developments and maintaining strong engagement with property buyers, tenants, and community users.</p>	<p><b>Our Strategies</b></p> <ul style="list-style-type: none"> <li>• Collaborate closely with consultants, contractors, and suppliers to strengthen quality control and inspection processes throughout construction and project delivery stages, to ensure developments meet quality, safety, construction standards, and regulatory requirements;</li> <li>• Conduct regular progress reviews and coordination meetings with contractors and consultants to ensure developments are delivered within the expected timeline;</li> <li>• Implement and maintain structured communication channels to provide timely updates as well as prompt and professional customer enquiries and feedbacks;</li> <li>• Enhance staff professionalism and customer service capabilities through customer service and product knowledge training;</li> <li>• Provide clear, accurate, and transparent product information and pricing to support informed purchasing decisions;</li> <li>• Ensure sales, marketing, and communication practices adhere to regulatory requirements and ethical standards;</li> <li>• Strengthen defect management and rectification processes to ensure customer concerns are promptly addressed;</li> <li>• Conduct regular customer satisfaction surveys and feedback reviews.</li> </ul>	<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Enhance customer loyalty programs to forge long-term relationships, encouraging repeat purchases and positive word-of-mouth referrals;</li> <li>• Strengthen brand reputation and market competitiveness through consistent delivery of quality developments and customer-focused service;</li> <li>• Leverage customer feedback to improve product design and services, enabling developments to better meet market needs;</li> <li>• Position the Company as a trusted and responsible developer, strengthening stakeholder confidence among buyers, investors, and communities;</li> <li>• Differentiate developments through quality, reliability, and sustainability features, attracting long-term customers and maintaining trust in the marketplace.</li> </ul>

# SUSTAINABILITY STATEMENT (CONT'D)

Material Matters	Stakeholders Impacted	UNSDGs
<b>Ethical Business Conduct (Governance, Anti-Bribery, Data Privacy)</b>		
<p><b>Importance to Ibraco's Value Creation</b>                  We uphold responsible and transparent business practices through strong corporate governance, robust anti-corruption measures, whistleblowing mechanisms, data privacy protection, and ethical conduct, thereby safeguarding business integrity, maintaining stakeholder confidence, and supporting long-term value creation.</p>		
<p><b>Section reference in our AR 2025:</b>                  Integrity-driven Governance in Improving Economic Performance</p> <p><b>Strategic Goal:</b>                  Enhance governance, transparency, and integrity mechanisms to ensure responsible and ethical business dealings across the Group.</p>	<p><b>Our Strategies</b></p> <ul style="list-style-type: none"> <li>• Conduct mandatory ABC training into employee onboarding programmes, and annual refresher trainings for employees;</li> <li>• Review and reinforce ABC policies aligned with applicable regulatory requirements and corporate governance standards;</li> <li>• Foster strict compliance with the Group's code of conduct and anti-corruption policies across the Group's operations;</li> <li>• Perform annual internal audits on anti-corruption compliance to assess adherence to anti-corruption policies and governance frameworks;</li> <li>• Strengthen internal controls and governance monitoring mechanisms to support transparency and accountability;</li> <li>• Maintain secure whistleblowing channels to allow employees and stakeholders to report concerns confidentially;</li> <li>• Implement and enhance strong data privacy and cybersecurity measures to safeguard sensitive information and personal data;</li> <li>• Provide regular awareness trainings on ethics and data protection to employees.</li> </ul>	<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Strengthen stakeholder confidence and investor trust through strong governance, transparency, and ethical business practices;</li> <li>• Enhance corporate reputation and credibility as a responsible and trustworthy developer committed to integrity and compliance;</li> <li>• Improve operational accountability and risk management through robust internal controls, monitoring systems, and governance frameworks;</li> <li>• Enhance data protection and cybersecurity capabilities, ensuring responsible handling of personal and business information.</li> </ul>
Material Matters	Stakeholders Impacted	UNSDGs
<b>Community Development and Social Impact</b>		
<p><b>Importance to Ibraco's Value Creation</b>                  We contribute to social wellbeing and reduce inequalities by supporting underprivileged communities through our CSR initiatives, including community development programmes, financial assistance, infrastructure improvements, and cultural engagement, thereby creating positive social impact and strengthening relationships with the communities in which the Group operates.</p>		
<p><b>Section reference in our AR 2025:</b>                  Creating Harmonious and Prosperous Community or Society</p> <p><b>Strategic Goal:</b>                  Promote community wellbeing by strengthening community engagements and supporting initiatives that contribute to social development.</p>	<p><b>Our Strategies</b></p> <ul style="list-style-type: none"> <li>• Develop and implement structured annual CSR plan that prioritises community development, welfare assistance, education support, and social wellbeing initiatives aligned with community needs;</li> <li>• Encourage employee participation in CSR activities through organised volunteer programmes and community outreach initiatives, to foster a culture of volunteerism;</li> <li>• Enhance partnership with community organisations and charity partners to implement impactful community programmes and social initiatives;</li> <li>• Monitor CSR contributions and volunteer participation rates to ensure initiatives deliver meaningful outcomes and align with the Group's social impact objectives.</li> </ul>	<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Strengthen relationships with local communities, fostering trust and goodwill that support long-term business sustainability;</li> <li>• Enhance employee engagement and morale through volunteer programmes that promote teamwork and social responsibility;</li> <li>• Strengthen corporate reputation as a responsible developer committed to community development and social inclusion.</li> </ul>

# SUSTAINABILITY STATEMENT (CONT'D)

## MANAGING KEY RISKS AND OPPORTUNITIES

The table below summarises the Group's key risks mapped against our identified material sustainability matters:

Key Risks	Description	Key Mitigation Measures	Related Material Matters
<b>Risk Category:</b> <b>Strategic Risk:</b> Weak market sentiment	Deteriorating market demand for properties which will negatively affect the Group's sales and financial performance, affecting cash flow position.	<ul style="list-style-type: none"> <li>• Diversify development portfolio;</li> <li>• Strengthen customer engagement and market analysis to understand buyers and investors' preferences and market trends, and enhance product and brand positioning;</li> <li>• Build strong partnerships with contractors, suppliers, and financial institutions ensuring operational efficiency and project continuity during periods of market uncertainty;</li> <li>• Strengthen partnership with financial institutions to provide financing options tailored for the Group's ESG commitment;</li> <li>• Continue with innovative and aggressive sales and marketing strategies.</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Performance and Resilience;</li> <li>• Sustainable Product and Design;</li> <li>• Customer Experience and Brand Reputation.</li> </ul>
<b>Risk Category:</b> <b>Strategic Risk:</b> Increasing cost of construction	Increase in construction costs directly affect the Group's pricing strategies and profitability target.	<ul style="list-style-type: none"> <li>• Maintain a balanced and resilient supply chain to ensure stable access to materials and resources, supporting long term project delivery and cost management;</li> <li>• Conduct detailed cost estimation and feasibility assessments prior to project tendering to ensure accurate budgeting and financial viability;</li> <li>• Implement structured tender process and award lump sum construction contracts where appropriate, to improve cost certainty and manage construction risks;</li> <li>• Value engineering practices during project planning and design to optimise material usage and construction methods to reduce overall costs, while maintaining quality standards;</li> <li>• Leverage internal capabilities for the production of key building materials, specifically, ready-mix concrete and asphalt, to enhance cost efficiency, strengthen quality control, and provide customised solutions for project requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Performance and Resilience;</li> <li>• Responsible Supply Chain Management;</li> <li>• Sustainable Product and Design;</li> <li>• Environmental Management and Resources Efficiency.</li> </ul>
<b>Risk Category:</b> <b>Operational Risk:</b> Non-performing contractors	Non-performing contractors reduce product quality, incur non-compliance in safety and health matters that can increase site safety issues, resulting in increased costs of construction and project delays	<ul style="list-style-type: none"> <li>• Implement robust contractor selection and evaluation process, ensuring contractors are assessed based on capability, financial strength, past performances, safety standards, and project experience before appointment;</li> <li>• Conduct regular contractor performance appraisals throughout the project lifecycle to assess progress, quality of work, compliance with contractual requirements, and adherence to safety and environmental standards;</li> <li>• Closely monitor contractor performance through structured project supervision, including regular site inspections, progress meetings, and performance reporting to ensure timely and quality project delivery;</li> <li>• Adopt established industry construction standards and best practices to maintain quality control, minimise defects, and ensure compliance with regulatory requirements;</li> <li>• Maintain strong communication and coordination with contractors and consultants to address project challenges promptly and ensure alignment with project timelines and specifications.</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Performance and Resilience;</li> <li>• Occupational Health and Safety;</li> <li>• Responsible Supply Chain Management;</li> <li>• Sustainable Product and Design;</li> <li>• Environmental Management and Resources Efficiency;</li> <li>• Customer Experience and Brand Reputation;</li> <li>• Ethical Business Conduct.</li> </ul>

# SUSTAINABILITY STATEMENT (CONT'D)

Key Risks	Description	Key Mitigation Measures	Related Material Matters
<p><b>Risk Category: Operational Risk:</b> Non-compliance with labour welfare practices</p>	<p>Poor labour welfare practices will incur negative impact on corporate reputation leading to loss of trust from buyers and investors.</p>	<ul style="list-style-type: none"> <li>• Prioritise employee and worker wellbeing, including safe working conditions and protection of worker rights;</li> <li>• Maintain strong occupational health and safety standards, including targets for zero fatalities and reduction of work-related injuries;</li> <li>• Ensure compliance with applicable labour laws and employment regulations across the Group's operations and project sites;</li> <li>• Provide appropriate channels for workers to report concerns or grievances related to workplace conditions or welfare.</li> </ul>	<ul style="list-style-type: none"> <li>• Labour practices and talent management</li> </ul>
<p><b>Risk Category: Operational Risk:</b> Inability to retain talent</p>	<p>Difficult in retaining talent due to attractive global opportunities may result in loss of capable employees and valuable institutional knowledge.</p>	<ul style="list-style-type: none"> <li>• Enhance job satisfaction and employee engagement by fostering a supportive and inclusive work environment that recognises employee contributions;</li> <li>• Strengthen talent development and capability-building programmes, including training, professional development, and career progression opportunities;</li> <li>• Promote work-life balance and employee wellbeing initiatives and benefits to support a healthy and sustainable working environment;</li> <li>• Encourage continuous learning and skills development to ensure employees remain motivated and equipped to grow within the organisation.</li> </ul>	<ul style="list-style-type: none"> <li>• Labour practices and talent management</li> </ul>
<p><b>Risk Category: Physical Risk:</b> Climate change</p>	<p>Climate change presents both physical and transition risks that may affect the Group's property development activities, including construction schedules and project delivery (physical risks), and increase compliance costs and development requirements (transition risks). If not effectively managed, these risks could impact operational efficiency and the long-term value of the Group's assets.</p>	<ul style="list-style-type: none"> <li>• Integrate green spaces and energy- and water-efficient features into developments, enhancing environmental sustainability and supporting climate-resilient communities;</li> <li>• Promote environmental awareness and education among employees, contractors, and stakeholders to encourage responsible environmental practices;</li> <li>• Undertake tree planting and landscaping initiatives within developments to enhance biodiversity, improve environmental quality, and contribute to climate mitigation;</li> <li>• Guide project planning and implementation through an Environmental Management System aligned with ISO 14001:2015, ensuring systematic environmental monitoring, compliance, and continuous improvement.</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Performance and Resilience;</li> <li>• Sustainable Product and Design;</li> <li>• Environmental Management and Resources Efficiency.</li> </ul>

# SUSTAINABILITY STATEMENT (CONT'D)

## OUR EES IMPACT

### INTEGRITY-DRIVEN GOVERNANCE IN IMPROVING ECONOMIC PERFORMANCE



#### Goal statement:

The Group prioritises responsible and sustainable development that supports financial stability and long-term profitability. Through strong governance, ethical business practices, respect for human rights, and high standards of workplace health and safety, Ibraco seeks to deliver quality products and services while creating shared value for stakeholders, supporting job creation, and contributing to the growth of local businesses and the wider economy.

#### Key Risks

- Increasing cost of construction;
- Non-performing contractors;
- Climate change;
- Weak market sentiment.

### Our Value Enhancement Strategy with Financial and Economy Excellence

The Group's strong governance and ethical business conduct form the foundation of our long-term economic performance and business resilience. Guided by robust governance structures, transparent business practices, and responsible risk management, the Group integrates sustainability considerations into its strategic and operational decision-making to support stable financial growth and sustainable value creation. Through disciplined financial management, responsible supply chain practices, and continuous stakeholder engagement, Ibraco seeks to deliver quality developments, strengthen investor confidence, and contribute positively to the growth of the local economy and communities in which we operate.

### Our Performance

**Total Revenue Generated: RM769.01 million 99% procurement spent on local suppliers**

The economic value we generated and distributed is highlighted in the table below:

	FY2025 (RM million)	FY2024 (RM million)	FY2023 (RM million)
Revenue	<b>769.01</b>	562.85	391.87
Other Income	<b>37.18</b>	8.57	8.55
Operational Costs	<b>632.64</b>	444.08	292.02
Employee wages and benefits	<b>27.01</b>	25.94	23.96
Taxes (government)	<b>29.08</b>	19.98	17.38
Capital providers	<b>37.39</b>	40.38	32.06
Communities	<b>1.57</b>	1.72	0.88

Certain comparative figures for FY2024 have been restated to better reflect the nature of the underlying transactions. Operational costs were revised from RM446.37 million to RM444.08 million, while returns to capital providers increased from RM37.30 million to RM40.38 million. These changes mainly reflect the reclassification of interest expenses from cost of sales to finance costs, along with minor category adjustments. The revisions do not affect the Group's overall financial position or total profit for the year.

In line with our objective to contribute to the local economy and communities, we have also invested in the following community initiatives:

- Support in the repair and upgrading of community facilities and housing;
- Contributions towards public infrastructure upgrades;
- Support in community fairs, markets, and economic activities that encourage local entrepreneurship and small business participation; and
- Engagement with local organisations and community partners to strengthen economic and social development initiatives.

# SUSTAINABILITY STATEMENT (CONT'D)

## Our Supply Chain Management

The Group is committed to maintaining a responsible, transparent, and resilient supply chain that supports sustainable development and operational excellence, including timely delivery. Ibraco prioritises engagement with reliable local suppliers and contractors, strengthening the local construction ecosystem while supporting economic growth in the communities where we operate. We conduct 100% pre-qualification reviews during the pre-tender assessment process, awarding contracts to the most competitive tenderers based on predefined criteria. Exceptions are granted only for specialist or critical works requiring expertise beyond local availability.

In FY2025, the Group achieved approximately 99% engagement of local suppliers and contractors across its development projects, reflecting our commitment to prioritising local participation while minimising reliance on foreign contractors and suppliers where feasible.

To ensure consistent quality and responsible practices across the supply chain, the Group adopts robust contractor selection, evaluation, and performance monitoring processes aligned with recognised industry standards, including CIS 7:2014 Quality Assessment System for Building Construction Work, which provides a structured framework for assessing construction quality and workmanship.

The Group further strengthens operational excellence through the implementation of internationally recognised management systems. For FY2025, Ibraco Ascent Sdn. Bhd. obtained ISO 9001:2015 certification for its Quality Management System covering the manufacturing of steel pipes for water and sewage, whilst Ibraco KPP Concrete Sdn. Bhd. obtained the same in FY2024, covering the manufacturing of Asphaltic and Concrete Products, reinforcing the Group's commitment to quality assurance and continuous improvement in its operational processes.

In addition, Ibraco Construction Sdn Bhd renewed its ISO14001:2015 Environmental Management System certification, as well as its ISO9001:2015 Quality Management System for project management in building construction and infrastructure works, strengthening environmental governance and responsible construction practices across development projects.

The Group also promotes responsible practices among suppliers and contractors through ESG awareness engagements and environmental monitoring, encouraging disclosure of environmental performance indicators such as GHG emissions and waste generation in line with the Group's sustainability objectives.

Our commitment to operational excellence has also been recognised by industry partners. The Ibraco project team for the ART's Rembus Earthwork project received recognition for delivering strong project performance, quality management, and outstanding health, safety and environmental practices, achieving zero Lost Time Injuries and maintaining excellent project delivery performance.

While the Group has established robust supplier engagement and contractor management processes, we recognise opportunities to further strengthen sustainability practices across our supply chain. Moving forward, the Group will continue to enhance ESG awareness among suppliers and contractors, improve environmental data disclosure relating to GHG emissions and waste generation, and strengthen monitoring of sustainability performance across the supply chain. These initiatives will support the Group's long-term goal of building a more resilient and environmentally responsible supply chain.

## Introducing Digitalisation for Growth

The Group continues to leverage digital tools to enhance operational efficiency, communication, and coordination across its operations. Internally, integrated digital scheduling platforms such as the Microsoft Outlook meeting room booking system, which is synchronised with the Group's calendar and appointment management system, enable teams across departments and project functions to coordinate meetings, project discussions, and decision-making processes efficiently.

This system facilitates better planning and real-time visibility of schedules, ensuring that key stakeholders—including project teams, consultants, and management—are able to collaborate effectively. By improving coordination and reducing scheduling conflicts, the system supports smoother project management processes and contributes to the quality, efficiency, and timely delivery of development projects.

In addition, the Group continues to strengthen operational transparency through structured digital reporting and monitoring processes across its projects and ESG initiatives. These digital practices support informed decision-making, enhance internal collaboration, and contribute to the Group's commitment to operational excellence and sustainable corporate growth.

## Our Affordability

Ibraco remains committed to delivering developments that balance quality, sustainability, and affordability, enabling more individuals and families to achieve home ownership while supporting inclusive township growth. The Group recognises that access to reasonably priced homes plays an important role in strengthening communities and improving quality of life. As such, Ibraco continues to prioritise developments that provide practical housing solutions while maintaining high standards in design, safety, and environmental considerations.

Across our township developments such as The NorthBank in Kuching and Arden City in Kota Samarahan, the Group emphasises efficient land use, practical layouts, and integrated community planning to deliver homes that are both functional and cost-efficient, ensuring that homes remain accessible to a wider segment of the population, including first-time homebuyers and young families seeking to establish long-term home ownership.

## SUSTAINABILITY STATEMENT (CONT'D)

Developments within these townships incorporate features that enhance liveability while maintaining affordability, including well-planned neighbourhood layouts, green spaces, pedestrian-friendly environments, and convenient access to nearby educational institutions, healthcare facilities, and commercial amenities. At Arden City, residential developments such as Aster Court are designed with practical living spaces and strategic location advantages (located opposite the popular Sarawak Heart Centre and the highly anticipated Sarawak Cancer Centre), that support convenient and affordable urban living. The township will also benefit from improved public transport connectivity through the Kuching Urban Transportation System ("KUTS") ART, which will enhance accessibility to key parts of Kuching while helping to reduce commuting costs for residents.

Similarly, The NorthBank continues to evolve as a vibrant integrated township. The upcoming Regency Hospital Kuching, a 300-bed capacity smart specialist hospital targeted to be launched in Year 2029, is expected to enhance access to quality healthcare services for residents and surrounding communities. The MoA between the Group and HMI Medical was signed in FY2025 to affirm the Group's commitment towards delivering integrated townships and quality developments with well-planned infrastructure to support sustainable urban growth.

Through thoughtful township planning, efficient design, and responsible development practices, Ibraco continues to support sustainable home ownership and long-term community development, ensuring that its projects deliver lasting value to homeowners, businesses, and the broader community.



Arden City, with a view of ART linked walkway



MoA Exchange between Ibraco Berhad and Health Management International Pte. Ltd. (HMI)

# SUSTAINABILITY STATEMENT (CONT'D)

## Our Customer Service Satisfaction

Delivering a positive customer experience remains a key priority for Ibraco, as it plays an important role in strengthening customer trust and reinforcing the Group's brand reputation. The Group strives to provide quality developments supported by responsive customer service and transparent communication throughout the property ownership journey—from the initial purchase stage to project completion, handover, and post-handover support.

To ensure a seamless customer experience, the Group maintains structured communication channels to keep buyers informed on project progress, key milestones, and handover procedures. Dedicated customer service teams work closely with purchasers to address enquiries, provide timely updates, and assist in resolving issues efficiently. Following handover, the Group also manages defect rectification processes to ensure that customer concerns are addressed promptly and professionally.

Customer feedback is an important component of the Group's continuous improvement efforts. Through engagement with homeowners and property purchasers, the Group gathers insights on areas such as product quality, communication responsiveness, and overall service experience. These insights help the Group identify opportunities to enhance product design, improve service delivery, and strengthen customer satisfaction.

Regular surveys are conducted to obtain customer feedback, including for post-handover period. The survey questionnaires encompass the following areas:

### During Handover Process

1. Sales service performance;
2. Customer service performance;
3. Property cleanliness during handover of units;
4. Quality of workmanship;
5. Value for money.

### During Defects Liability Period

1. After sales service performance;
2. Property cleanliness upon completion of defects rectification;
3. Quality of defects rectification workmanship;
4. Timeliness on defects rectification;
5. Satisfactory rate for defect rectification.

The surveys obtained shows that for FY2025, the Company has successfully achieved nearly all the customer service excellence targets set for the areas surveyed.

### During Handover process

Survey Areas	FY2025	FY2024	FY2023	Targets	Progress Achieved
Sales service performance	<b>94%</b>	91%	93%	≥80%	Achieved
Customer service performance	<b>95%</b>	90%	96%	≥80%	Achieved
Product cleanliness	<b>89%</b>	85%	90%	≥80%	Achieved
Workmanship quality	<b>84%</b>	89%	87%	≥80%	Achieved
Value for money	<b>85%</b>	89%	88%	≥80%	Achieved

### During Defects Liability Period

Survey Areas	FY2025	FY2024	FY2023	Targets	Progress Achieved
After sales service performance	<b>80%</b>	98%	98%	≥80%	Achieved
Property cleanliness	<b>80%</b>	91%	85%	≥80%	Achieved
Workmanship quality	<b>80%</b>	93%	85%	≥80%	Achieved
Timeliness of rectification works	<b>76%</b>	94%	90%	≥80%	Did not achieve
Satisfactory rate	<b>80%</b>	96%	90%	≥80%	Achieved

# SUSTAINABILITY STATEMENT (CONT'D)

The Group recognises that the timeliness of rectification works remain vital areas for improvement. Efforts are therefore being made to strengthen coordination with contractors and improve internal monitoring of work in progress during construction as well as during the rectification period. These improvements are aimed to ensure that rectification works can be completed more efficiently while maintaining quality standards, and some of the methods already adopted include engagement of external home inspectors to assist in quality inspection, and formation of inspection and monitoring teams to foster more stringent quality control and job timeliness.

## Our Ethical Leadership

### Ethics and integrity

Ethical leadership and strong corporate governance form the foundation of Ibraco's long-term sustainability, business integrity, and stakeholder confidence. The Group is committed to conducting its operations with transparency, accountability, and fairness, ensuring that ethical principles guide decision-making across all levels of the organisation.

The Group maintains a comprehensive framework of corporate policies, codes of conduct, and internal controls that promote responsible business practices, regulatory compliance, and upholding of the highest ethical standards in their professional conduct from The Board and Employees. These policies include:

- Code of Conduct and Ethics Policy;
- Directors' Fit and Proper Policy;
- Board Diversity Policy;
- Shareholders' Communication Policy;
- Anti-Bribery and Corruption Policy;
- Whistleblower Policy;
- Human Rights Policy;
- Anti-Money Laundering Policy;
- Personal Data Policy;
- Sustainability Policy.

Details on our policies can be found on our website at [www.ibraco.com/corporate-investor-relations/](http://www.ibraco.com/corporate-investor-relations/).

Policies for key areas such as anti-bribery and corruption, whistleblowing, data protection, and ethical conduct, reinforce the Group's zero-tolerance approach towards bribery and corruption. Employees are required to adhere to these standards, with ABC awareness integrated into employee onboarding for new employees, existing employees provided with refresher courses, and any policy updates are promptly communicated and reinforced through regular internal communications.

The Group's Whistleblower Policy provides employees and stakeholders with a secure and confidential channel to report any concerns regarding financial misconduct, compliance issues, or unethical practices at the earliest opportunity, following the reporting procedures dictated in our Whistleblower Policy, to the Head of Department. As an alternative, report may also be made to the following Appointed Persons:

- Group Internal Auditor
- Company Secretary

Once all channels are utilised and concerns are still unresolved, report may be made to the Senior Independent Director.

In FY2025, the Group managed to maintain full business regulatory compliances, and zero proven bribery and corruption cases, as depicted in the following table:

Approaches	FY2025	FY2024	FY2023	Targets	Progress Achieved
Relevant business licenses and certification renewals are monitored closely	<b>100%</b>	100%	100%	Full Compliance	Achieved
Confirmed incidents of corruption action	<b>Zero</b>	Zero	Zero	Zero case	Achieved

The Group requires its contractors to uphold the same ethical standards expected of our employees. As part of this commitment, ABC clauses are incorporated into tender and contractual agreements to ensure compliance with the Group's policies and to promote integrity and transparency throughout our business dealings.

# SUSTAINABILITY STATEMENT (CONT'D)

## MANAGING ENVIRONMENTAL FOOTPRINT

 	<p><b>Goal statement:</b> The Group aims to minimise the environmental impact of its operations and developments by integrating environmentally responsible practices throughout the project lifecycle. Through the development of environmentally-friendly properties, effective resource management, and the implementation of robust environmental management systems aligned with recognised standards, Ibraco seeks to address industry environmental challenges while promoting sustainable and responsible growth.</p>	<p><b>Key Risks</b></p> <ul style="list-style-type: none"> <li>• Increasing cost of construction;</li> <li>• Planning inefficiencies;</li> <li>• Non-performing contractors;</li> <li>• Climate change.</li> </ul>
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### Our Environment Sustainability in Project Development

Environmental sustainability remains a key consideration in the Company project development approach as the Group continues to align its operations with the global transition towards a Net Zero Carbon future by 2050. The Group strives to minimise environmental impact across the project lifecycle by incorporating sustainable design principles, efficient resource management and environmentally responsible construction practices into its development.

Through initiatives such as energy-efficient design, green spaces, and improved environmental management practices including water management initiatives, the Company continues to enhance the sustainability and liveability of its developments. The Group also strengthens its environmental governance through recognised frameworks and certifications, including the implementation of ISO 14001 Environmental Management Systems and the renewal of Green Building certification for its headquarters building, reflecting its commitment to maintaining high environmental standards while supporting sustainable urban development.

The table below illustrates the Group’s environmental efforts:

Approaches	FY2025	FY2024	FY2023	Targets	Progress Achieved
<b>Provisions of EV charging facilities at our residential developments as part of building management standard</b>	Not provided	New launch of serviced apartment, Residensi NewUrban at Petaling Jaya, will incorporate 4 EV charging facilities	Provided at Avona Residence serviced apartment	Install at least one EV charging at new projects, for both high-rise and exclusive landed developments	Due to compatibility concerns across different electric vehicle models raised by residents, the Group no longer installs specific EV chargers in residential developments. Instead, EV charging points are provided to allow homeowners the flexibility to install chargers suitable for their vehicles
<b>Pursue green certification on a case-by-case basis as part of our building management standard</b>	Re-certification renewal for green certification attained for Ibraco Headquarters	Re-certification renewal process on-going for Ibraco Headquarters green certification. Expected to obtain by Q22025	-	Green certification for upcoming developments - Residensi NewUrban, Petaling Jaya	Performance to be measured upon implementation of the projects
<b>Tree and shrub planting in development area</b>	Planted 613 trees, 19,948 shrubs, and 7,258 m <sup>2</sup> of turfing	Planted 490 trees and 17,236 shrubs	Planted 54 trees and 3,412 shrubs	Continuous planting of trees and shrubs at all new developments	Achieved

# SUSTAINABILITY STATEMENT (CONT'D)

Approaches	FY2025	FY2024	FY2023	Targets	Progress Achieved
<b>Bundling solar panel options into project developments as part of building management standard</b>	-	-	-	For future premium or high-end project developments	Performance to be measured upon implementation of the projects
<b>Gradually increase installation of solar panels on Ibraco's premises as part of building management standard</b>	-	-	-	Increase solar panels on HQ and Clubhouse	A feasibility study conducted in FY2023 found solar energy output and efficiency below projected environmental and operational impact expectations. Installation feasibility reassessment continues to be in progress to enable future adoption in all applicable premises
<b>Use of rainwater harvesting system for premium projects</b>	Installation of rainwater harvesting tanks at MSCL plant  Harvested rainwater from on-site pond is utilised to support operational activities including dust suppression during extraction and crushing processes, cleaning of heavy machinery and lorries, and haul road washing for Ibraco Quarry Sdn. Bhd.	-	-	For future premium or high-end project developments	Performance to be measured upon implementation of the projects
<b>Zero fines or penalties for any incidents of environmental non-compliance</b>	Zero	Zero	Zero	Zero cases	Achieved

## Environmental Sustainability through Sustainable Products

Ibraco integrates environmental sustainability into the design and development of its projects to minimise environmental impact while enhancing the quality, durability, and long-term value of its developments. The Group incorporates eco-friendly design principles, energy-efficient features, responsible material selection, and waste reduction practices to support resource efficiency and sustainable urban living.

To strengthen consistency across its developments, the Group has introduced a Minimum Sustainability Component Checklist to guide the integration of sustainability elements throughout key areas including project design, construction practices, building materials, waste management, and landscaping.

In advancing the use of sustainable materials, the Group incorporates environmentally responsible building components across its developments. These include eco-friendly roofing systems aligned with Green Building Index (GBI) requirements, such as the use of colour-coated steel roofing solutions and insulated materials like rock wool to enhance thermal performance and energy efficiency. The Group also adopts certified coating systems, including green-labelled sealers, basecoats, and finishing paints, alongside established solutions from reputable providers such as Nippon Paint, to improve durability while reducing environmental and health impacts.

# SUSTAINABILITY STATEMENT (CONT'D)

In selected developments such as Aster Court and the Group's upcoming new development, the NorthBank Business Park, aluminium system frameworks are utilised to enhance structural efficiency, recyclability, and long-term material performance. These choices reflect the Group's ongoing efforts to balance functionality, sustainability, and lifecycle considerations in its product delivery.

Our developments also incorporate green spaces, water management initiatives such as rainwater harvesting, and provisions for electric vehicle charging infrastructure to support environmentally responsible communities.

Through these initiatives, the Group continues to enhance the delivery of sustainable products while contributing to the development of resilient, environmentally responsible, and future-ready townships.

## **Building Resilience Through Climate-Conscious Action**

The Group recognises that climate change poses both physical and transition risks that may affect its property development activities, including project delivery timelines, cost management, and long-term asset performance. In response, Ibraco adopts a proactive approach to climate resilience by integrating risk awareness into its planning, design, and operational processes.

In line with the IFRS S2 Climate-related Disclosures Standard, the Group has identified key climate-related risks and corresponding mitigation measures to enhance business resilience. These include incorporating climate-responsive design considerations, enhancing material durability to withstand changing environmental conditions, and adopting construction practices that reduce environmental impact and improve efficiency.

The Group's emphasis on sustainable materials—such as energy-efficient roofing systems, insulated building components, and certified low-impact coatings—also contributes to improved building performance and reduced lifecycle emissions. These measures not only mitigate transition risks associated with evolving regulatory and market expectations but also enhance the resilience and longevity of its developments.

Through these efforts, Ibraco aims to safeguard project delivery, optimise long-term asset value, and support the State's transition towards a low-carbon, climate-resilient built environment.

## **Climate Management**

The Group recognises the importance of strengthening resilience against climate-related risks while supporting Malaysia's transition towards a low-carbon future. The Company continues to enhance its climate management approach by integrating climate considerations into its operations and project development strategies, in alignment with recognised frameworks and standards such as IFRS S2 Climate-related Disclosures, the ISO 14001 Environmental Management System, and relevant industry sustainability practices.

## **Governance**

The Board, through the SC, provides oversight of climate-related matters across the Group. This includes reviewing and endorsing the Group's climate risk register, mitigation measures, and ESG performance. The SC reports to The Board on climate-related matters on annual basis.

At the management level, responsibilities for assessing and managing climate-related risks are clearly defined. The Group Managing Director oversees the management of physical climate risks across all business segments, ensuring that operational and project development activities incorporate appropriate mitigation measures. The Chief Financial Officer is responsible for monitoring transition-related and financing risks associated with climate change, including regulatory developments and potential financial implications.

The Sustainability Manager supports these efforts by coordinating sustainability data collection, monitoring progress against ESG targets, and facilitating climate-related disclosures. Progress updates are reviewed by the SC and incorporated into the Group's annual management review processes.

# SUSTAINABILITY STATEMENT (CONT'D)

## Climate Management Progress and Key Initiatives

The Group's existing progress and key initiatives to build resilience through climate-conscious actions are as follows:

Focus Area	Progress / Key Initiatives
<b>GHG Emissions</b>	<ul style="list-style-type: none"> <li>• Scope 1, Scope 2, and selected Scope 3 emissions measured and reported annually</li> <li>• Continuous tracking of energy consumption and fuel use across projects and business segments</li> <li>• Developing reduction roadmap aligned with Sarawak's Green Agenda 2030</li> </ul>
<b>Energy Efficiency</b>	<ul style="list-style-type: none"> <li>• Integration of energy-saving features such as natural ventilation, LED lighting, and solar readiness into new developments</li> <li>• Implementation of renewable energy feasibility assessments for future project developments</li> </ul>
<b>Waste Management</b>	<ul style="list-style-type: none"> <li>• Construction waste data tracked and disclosed</li> <li>• Emphasis on waste segregation, recycling, and reuse of building materials</li> </ul>
<b>Water Conservation</b>	<ul style="list-style-type: none"> <li>• Rainwater harvesting and water-efficient fittings adopted for selected projects</li> <li>• Regular monitoring of water usage at all construction sites and across business segments</li> </ul>
<b>Environmental Management</b>	<ul style="list-style-type: none"> <li>• Project management guided by ISO 14001:2015 Environmental Management Systems</li> <li>• Site teams trained on environmental controls and compliance requirements</li> </ul>
<b>Stakeholder Awareness</b>	<ul style="list-style-type: none"> <li>• Ongoing engagement with contractors, consultants, and buyers to raise ESG awareness</li> <li>• Transparent sustainability reporting aligned with IFRS S2 and Bursa Malaysia guidelines</li> </ul>

## Climate-related Risks and Key Mitigation Measures

The climate-related risks and key mitigation measures adopted by the Group are detailed as follows:

Ibraco's Climate Change Mitigation Measures	
Climate Risk Type and Specific Risks	Key Mitigation Measures
<b>Physical Risk: Extreme Weather Events</b> Short-term extreme weather events (Eg: floods, storms, heavy rainfall, landslides, strong winds)	<ul style="list-style-type: none"> <li>• Implement site-specific flood and drainage management and implementation plans;</li> <li>• Strengthen slope and soil protection mechanisms;</li> <li>• Adopt weather-adaptive work scheduling;</li> <li>• Conduct emergency response and safety drills exercises.</li> </ul>
<b>Heat Stress and Sea-Level Rise</b> Long-term climate shifts (Eg: rising climate temperatures, sea-level rise, irregular rainfall, prolonged dry spells)	<ul style="list-style-type: none"> <li>• Produce passive-cooling and energy efficient building designs;</li> <li>• Install and implement renewable energy systems;</li> <li>• Utilise low-carbon materials;</li> <li>• Implement water recycling and resource efficiency systems;</li> <li>• Continue to allocate for green spaces in project developments, and plant tree;</li> <li>• Monitor climate exposure and insurance coverage updates.</li> </ul>
<b>Policy and Regulation</b> Stricter environmental, energy-efficiency, and green-building regulations and increased climate-related reporting requirements	<ul style="list-style-type: none"> <li>• Early adoption of green building standards (GBI/GreenRE);</li> <li>• Establish ESG data collection and reporting frameworks;</li> <li>• Strengthen ESG governance and internal monitoring mechanisms;</li> <li>• Engage regularly with related authorities.</li> </ul>
<b>Carbon Pricing and Emission Rules</b> Introduction of carbon tax or embodied-carbon reporting requirements and potential future emission caps.	<ul style="list-style-type: none"> <li>• Improve operation efficiencies across all business segments;</li> <li>• Utilise low-carbon and recycled materials;</li> <li>• Track GHG emissions and its performance data.</li> </ul>
<b>Market Shift</b> Influence on buyer preferences, asset valuations, and sales absorption rates	<ul style="list-style-type: none"> <li>• Obtain green building certifications (GBI/GreenRE);</li> <li>• Integrate green features into design and marketing promotional materials;</li> <li>• Strengthen sustainability-related branding and client communication mechanisms.</li> </ul>

# SUSTAINABILITY STATEMENT (CONT'D)

## Ibraco's Climate Change Mitigation Measures

Climate Risk Type and Specific Risks	Key Mitigation Measures
<b>Technology Adoption</b> Transition to low-carbon methods, renewable energy systems, and digital ESG tools implementation.	<ul style="list-style-type: none"> <li>• Initiate digital monitoring tools;</li> <li>• Invest in energy-efficient mechanical and engineering systems;</li> <li>• Enhance staff competencies.</li> </ul>
<b>Legal and Liability</b> Tighter regulations on environmental and safety enforcement requirements resulting in pollution, waste, or safety non-compliance.	<ul style="list-style-type: none"> <li>• Strengthen ISO 14001: 2015 and ISO 45001: 2018 implementations;</li> <li>• Conduct regular audits and compliance inspections;</li> <li>• Enhance contractor ESG and safety-related trainings.</li> </ul>
<b>Financing and Investment</b> Increased ESG-linked lending criteria impacting financing eligibility and lending rates.	<ul style="list-style-type: none"> <li>• Strengthen ESG governance and disclosures;</li> <li>• Explore and utilise sustainability-linked financing packages.</li> </ul>

### Our Energy Efficiency and Climate Resilience

The Group monitors and reports its Scope 1, Scope 2 and selected Scope 3 GHG emissions, to strengthen transparency and allowing for improved tracking of energy consumption, fuel usage, and carbon intensity across its business segments. In FY2025, the Group enhanced its emissions monitoring by expanding data collection across additional operational activities, improving the accuracy, completeness, and reliability of its emissions reporting.

To reduce emissions associated with electricity consumption (Scope 2), the Group continues to implement energy efficiency across its offices, project sites, and operational facilities through responsible energy usage practices and improved electricity monitoring.

### GHG Emissions – Scope Coverage by Financial Year

(All scopes are reported based on the Group's operational boundary)

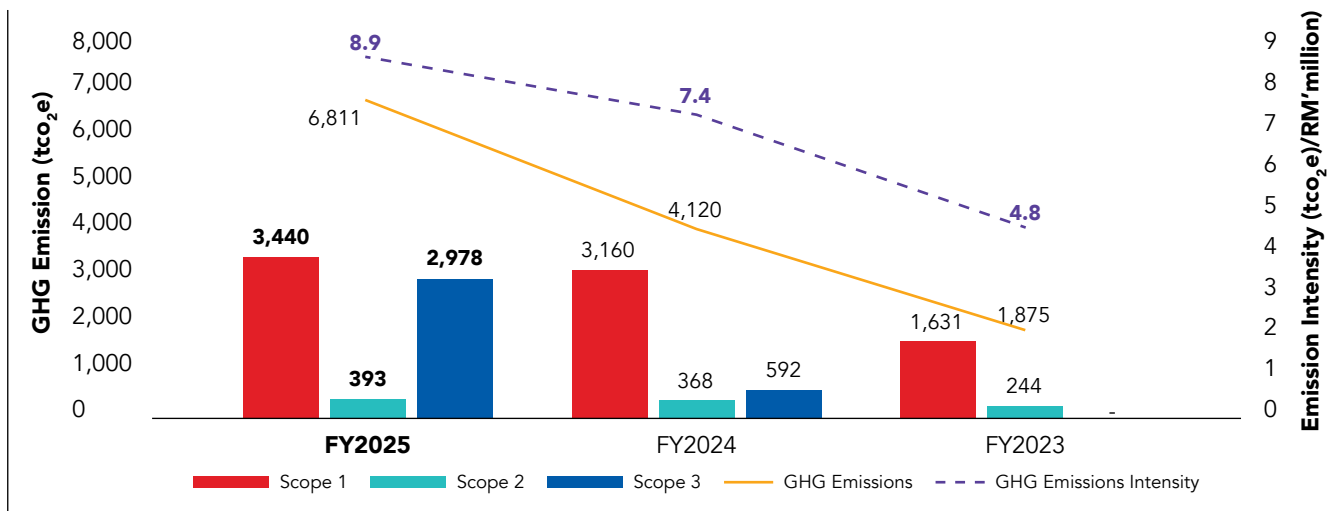
Scope	GHG Emissions reported in FY2025 (Further Expansion)	GHG Emissions reported in FY2024 (Expanded Coverage)	GHG Emissions reported in FY2023 (Limited Coverage)
Scope 1	Same as FY2024, with the addition of fuel consumption from asphalt mixing operation, which commenced operation in 2025.	Fuel consumption from all business segments under the Group's operational control, including mobile and stationary assets owned and controlled by the Group.	Fuel consumption at our construction project sites and company-owned vehicles, based on employee petrol card usage.
Scope 2	Same as FY2024.	Purchased electricity across all business segments under operational control, including headquarters, sales galleries, branch offices, clubhouse, construction sites, quarry sites, MSCL production factories.	Purchased electricity for headquarters, sales galleries, branch offices and clubhouse.
Scope 3	Reporting expanded to include Category 1 (Purchased Goods and Services), covering fuel consumption by supplier-owned and supplier-operated machinery engaged in contracted works at the Group's project sites, where suppliers retain operational control.	Emissions resulting from Category 6 (Business Travel – air) and Category 7 (Employee Commuting), covering all the Group's business operations.	Not reported.

# SUSTAINABILITY STATEMENT (CONT'D)

## GHG Emissions – Calculation Methodology

Scope/Category	Emission Calculation Approach
Scope 1	Fuel-based approach
Scope 2	Location-based approach
Scope 3 – Category 1 (Purchased Goods and Services)	Fuel-based approach
Scope 3 – Category 6 (Business Travel – air)	Distance-based approach
Scope 3 – Category 7 (Employee Commuting)	Distance-based approach

### SCOPE 1, 2 & 3 GHG Emissions & Emissions Intensity



Despite steady revenue growth from FY2023 to FY2025, the increase in GHG emissions intensity primarily reflects expanded scope 3 coverage and enhanced improved emissions data coverage rather than a proportional rise in underlying business activity.

In FY2025, Scope 1 emissions increased mainly driven by the inclusion of fuel consumption from company-owned vehicles and heavy machinery supporting infrastructure construction projects, as well as fuel usage from burners and generators associated with the newly commissioned asphalt mixing plant. Together, these activities accounted for approximately **98%** of total Scope 1 fuel consumption.

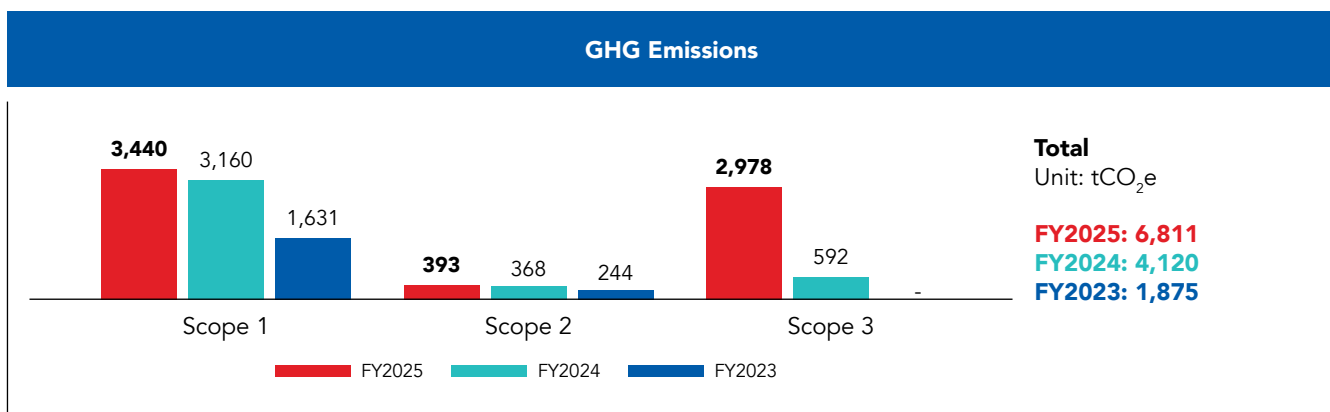
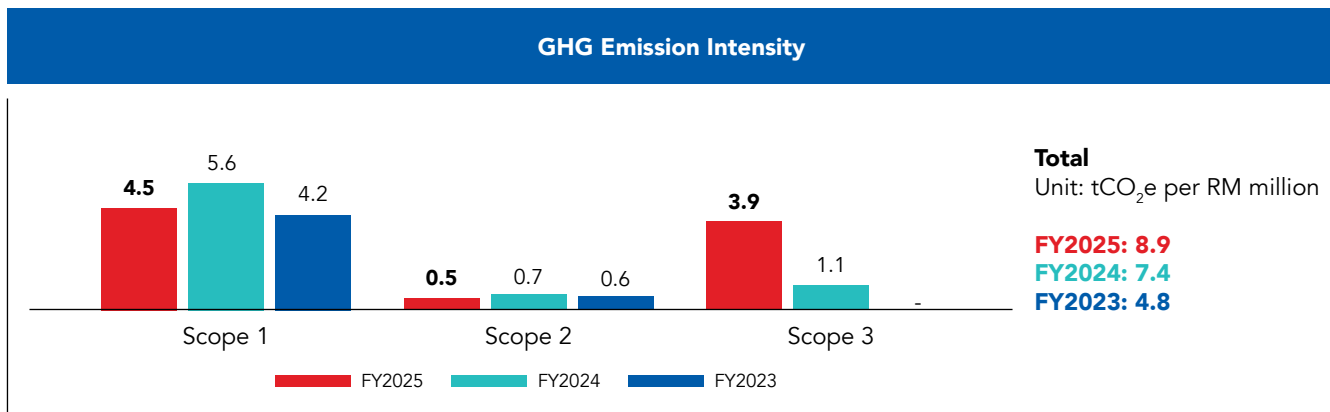
Scope 2 emissions increased primarily due to the full-year electricity consumption of the MSCL manufacturing facility in FY2025. Scope 2 emissions, derived from purchased energy (electricity) across all operations under the Group's operational control, increased in line with higher electricity usage during the year, with total electricity consumption amounting to 1,854,129 kWh. This includes electricity usage from the property portfolio, construction sites, quarry operations, and MSCL production facilities, providing a more comprehensive representation of the Group's operational emissions footprint, with the property portfolio (headquarters, sales galleries, branch offices and clubhouses) accounting for approximately 71% of total electricity consumption.

In FY2025, the Group also strengthened its Scope 3 reporting. Emissions under Category 1 (Purchased Goods and Services) were refined to include fuel consumption from supplier-owned and operated machinery at project sites, in line with the GHG Protocol operational control approach. This enhancement reflects improved data availability and clearer delineation of operational control, with no restatement of prior-year figures.

Scope 3, Category 6 (Business Travel) continues to be primarily derived from air travel undertaken for business purposes, while other travel-related emissions remain excluded due to current data limitations and will be incorporated progressively. Meanwhile, Category 7 (Employee Commuting) emissions were estimated based on the FY2024 employee commuting survey and extrapolated using FY2025 active employee headcount, with minimal variance (increase of approximately 0.13%) following the application of updated DEFRA 2025 emission factors. As there were no changes in working arrangements, commuting patterns are assumed to remain consistent YoY.

# SUSTAINABILITY STATEMENT (CONT'D)

Overall, these improvements reflect the Group’s ongoing commitment to strengthening emissions transparency, enhancing data quality, and building a more robust foundation for climate-related risk management and future decarbonisation efforts.



**Notes:**

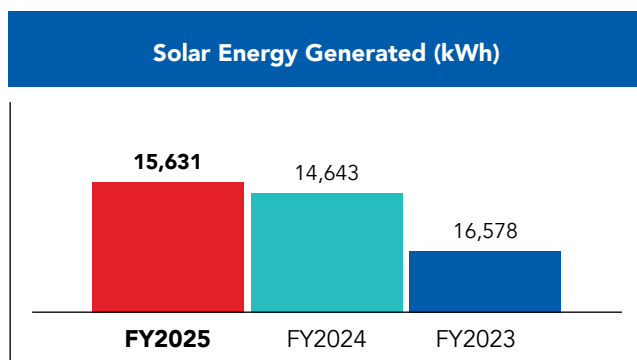
Scope 2 emissions were calculated using the Malaysia national Grid Emission Factor (“GEF”) publish by Suruhanjaya Tenaga via the Malaysia Energy Information Hub (MEIH), based on the latest available factors applicable to the respective reporting period.

Fuel-related emissions (Scope 1 and relevant Scope 3 categories) were calculated using GHG Conversion Factors, published annually by the UK Department for Environment, Food and Rural Affairs (“DEFRA”) as sourced through Bursa Malaysia’s CSI platform, applicable to the respective reporting year.

### Energy Efficiency – Solar Energy Generation

The Group also supports the transition towards renewable energy through the installation of solar photovoltaic systems at its headquarters since 2020. In FY2025, the Group discloses the solar energy generated over the past three years, demonstrating continued progress in renewable energy utilisation, reduced reliance on grid electricity, and improved transparency in environmental reporting. In FY2025, the system generated 15,631 kWh of renewable electricity, resulting in the avoidance of approximately 3 tCO<sub>2</sub>e of Scope 2 emissions. Cumulatively, solar generation reached 86,302 kWh, with an estimated avoidance of 17 tCO<sub>2</sub>e of Scope 2 emissions.

The solar energy generated for the past 3 years are as follow:



Moving forward, the Group will continue strengthening its carbon management practices by improving emissions data tracking, increasing renewable energy adoption where feasible, and aligning its climate disclosures with recognised frameworks such as the IFRS S2 Climate-related Disclosures Standard, supporting Malaysia and Sarawak’s transition towards a low-carbon and climate-resilient economy.

# SUSTAINABILITY STATEMENT (CONT'D)

## Focusing on Water Consumption and Management

The Group is committed to responsible water stewardship by monitoring both the quantity of water used in its operations and the quality of water discharged from project sites. Through effective water management practices, the Group aims to minimise environmental impact while supporting sustainable and efficient operations.

The Group's primary source of potable water is supplied by the municipal authority, and none of its project sites are located within water-stressed areas.

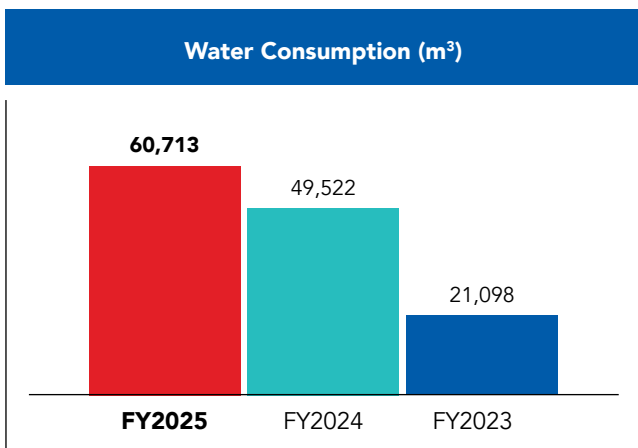
To optimise water efficiency, we implement various conservation measures, including:

- the use of harvested rainwater for non-potable purposes such as cleaning and operational activities;
- installation of water-efficient fixtures and fittings across all developments.

Water discharged from project sites is closely monitored to ensure compliance with Environmental Impact Assessment ("EIA") requirements and relevant environmental regulations. Contractors are required to adhere to EIA conditions, while environmental performance is monitored through regular Environmental Monitoring Reports ("EMR") conducted in accordance with the National Water Quality Standards for Malaysia.

The Group continues to strengthen its monitoring of potable water consumption across all business segments under its operational control as part of its broader environmental management approach, supporting responsible resource use and long-term environmental sustainability.

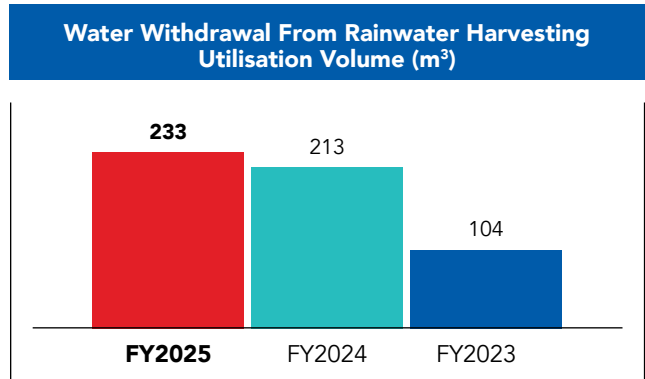
Our total potable water consumption quantity is as follows:



## Rainwater Harvesting Management

Since 2021, the Group has implemented rainwater harvesting systems at its headquarters to support non-potable uses such as landscape irrigation, road washing, and compound cleaning, and has consistently monitored its usage accordingly. The harvested rainwater is reported as water withdrawal from alternative sources.

Our total water withdrawal from rainwater harvesting utilisation volume as follows:

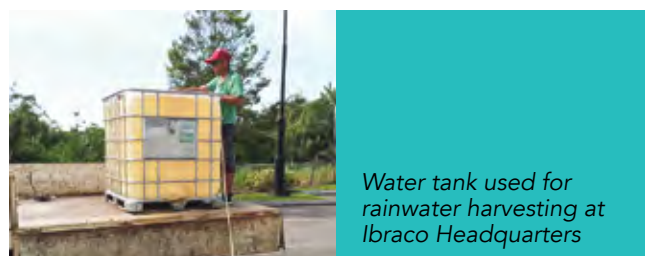


As at FY2025, rainwater utilisation is 233 m³ in FY2025 (FY2024: 213 m³ and FY2023: 104 m³) driven by improved monitoring and increased utilisation of alternative water sources.

Rainwater harvesting systems have also been installed at the MSCL plant to support general cleaning activities.

At the quarry operations, harvested rainwater from an on-site pond is utilised for dust suppression during extraction and crushing processes, cleaning of heavy machinery and lorries, and haul road washing. By substituting non-potable rainwater for treated municipal water, this initiative helps reduce freshwater withdrawal while mitigating dust emissions and controlling particulate matter generated during quarry operations.

These measures demonstrate the Group's commitment to responsible water stewardship and the effective management of environmental risks in water-intensive operational activities.



# SUSTAINABILITY STATEMENT (CONT'D)

## Our Waste Management Strategies

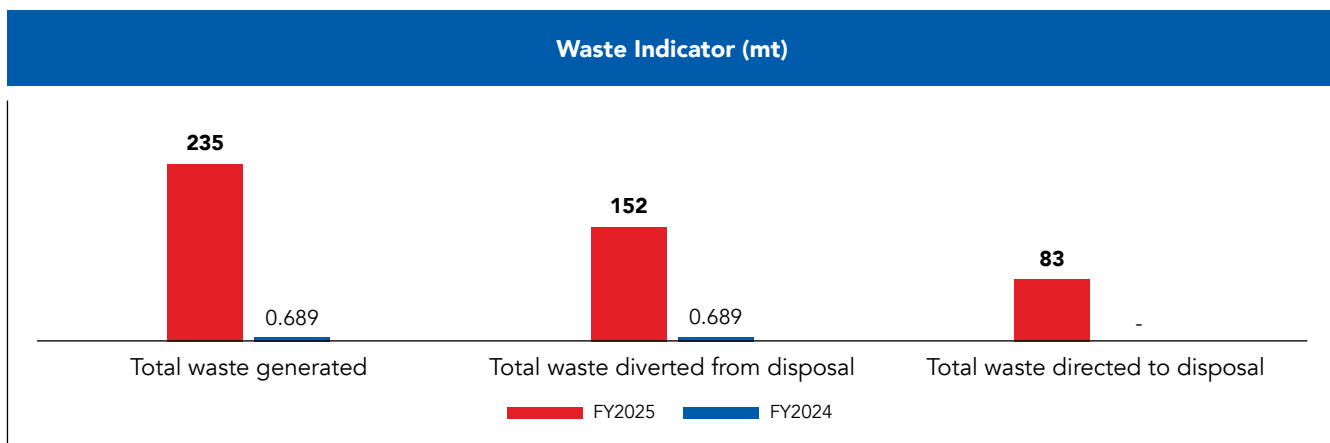
The Group continues to emphasise the importance of effective waste management across its operations to reduce environmental impact through minimising waste generation and enhancing recycling activities; and to improve operational efficiency in the Company's construction and manufacturing sites in compliance with environmental regulations.

The Group's waste streams comprise construction waste, domestic waste, scheduled waste ("SW"), and office waste. For project sites where SW is generated, the Group requires appointed contractors to comply with the Environmental Quality (Scheduled Wastes) Regulations 2005, including proper segregation, labelling, handling, and storage at designated scheduled waste storage areas, with collection and disposal carried out by licensed scheduled waste contractors. The Group maintains oversight through contractual requirements and periodic site monitoring to ensure compliance.

Ibraco Construction Sdn Bhd supports these efforts by aligning its environmental management practices with the ISO 14001:2015 Environmental Management System, which was renewed in FY2025, reinforcing the Group's commitment to responsible environmental management. The Group has progressively adopted similar environmental management practices across other new construction sites.

The Group commenced the reporting of waste management information in FY2024, based on limited available data, as a systematic waste data collection framework had not yet been fully established. In FY2025, while waste data coverage remained evolving, the Group recorded progress through improved contractor engagement, including the availability of more comprehensive waste data from a GBI-compliant contractor, as well as partial waste information obtained from some local contractors where data was available. These developments contributed to improved reporting coverage, with further enhancements planned as the Group continues to strengthen its waste monitoring and reporting processes.

In FY2025, the Group generated a total of 234 metric tonnes of waste, largely driven by construction activities. Construction waste accounted for approximately 64%, comprising scrap metal and wood/timber that were fully diverted from disposal through recycling and reuse. Domestic waste generated at construction sites accounted for about 35%, comprising non-recyclable general waste that was fully disposed of at approved landfill facilities. Scheduled waste represented 0.6%, mainly from quarry operations and managed in compliance with statutory requirements, while office waste generated at headquarters accounted for 0.4% and was fully diverted through recycling.



Note:  
 FY2024 figures are based on limited available data and are not directly comparable with FY2025, which reflects improved data collection and broader reporting coverage.

# SUSTAINABILITY STATEMENT (CONT'D)

## CREATING HARMONIOUS AND PROSPEROUS COMMUNITY OR SOCIETY



### Goal statement:

The Group is committed to contributing to the development of harmonious, inclusive, and resilient communities through responsible township development, community engagement, and social investment initiatives. By delivering quality and accessible developments, supporting local economic participation, and implementing community programmes that benefit education, social wellbeing, and infrastructure development, the Group aims to create long-term value for society while fostering sustainable and thriving communities.

### Risks

- Non-performing workforce
- Resource constraint
- Planning deficiency

### Our Priorities on Labour Practices and Decent Work

The Group is committed in upholding fundamental human rights across its operations and value chain, in compliance with all applicable laws, regulations, and recognised labour standards. The Group strives to ensure ethical and fair treatment of employees, contractors, and stakeholders while fostering a respectful, safe, and inclusive workplace environment, and this commitment has gained high satisfaction from employees, as reflected in the Employees Engagement Survey carried out.

The Group creates an organisational culture of equality, diversity, and inclusivity by providing equal employment opportunities and fair remuneration packages, as well as ensuring that all employees are treated with dignity and respect, regardless of background, gender, or personal characteristics. This has resulted in a highly satisfied workforce, as is also reflected in the employee survey. The Group maintains a zero-tolerance approach towards discrimination, harassment, or any form of workplace misconduct, and all employees are expected to uphold these principles in their daily conduct.

To reinforce these commitments, the Group conducts regular reviews of its policies and workplace practices, ensuring alignment with evolving regulatory requirements and industry standards. Employees are also provided with relevant training and awareness programmes to strengthen understanding of ethical conduct, workplace respect, and responsible business practices.

Through these measures, the Company aims to maintain a fair, inclusive, and accountable working environment that supports employee wellbeing and strengthens trust among all stakeholders.

The Guiding Principles to drive us towards maintaining our integrity management are:

- **Diversity and Inclusivity**  
We foster a diverse and inclusive workplace that promotes equal opportunity, merit-based employment, and fair treatment for all employees. We strictly prohibit discrimination, harassment, abuse, or unfair treatment based on gender, marital status, race, nationality, ethnicity, age, or any legally protected status;
- **Health and Safety**  
We are committed to maintaining a safe and healthy workplace by implementing robust occupational safety and health practices and complying with all applicable safety laws and regulations;
- **Prohibition of Child Labour**  
We strictly prohibit the employment of children in any capacity and comply fully with all applicable labour laws and regulations;
- **Elimination of Forced Labour**  
We maintain zero tolerance for forced labour, slavery, human trafficking, or any form of exploitation within our operations and business relationships;
- **Workplace Respect and Dignity**  
We promote a professional work environment that is free from harassment, intimidation, violence, or abusive behaviour, fostering mutual respect and a positive workplace culture;
- **Open Communication and Grievance Mechanisms**  
We encourage open and transparent communication across the organisation and provide employees with accessible channels, including grievance and whistleblowing mechanisms, to raise concerns in a fair and confidential manner.

# SUSTAINABILITY STATEMENT (CONT'D)

By conforming to our management guiding principles, we did not receive any complaints or reports about incidents of human rights infringement.

Approaches	FY2025	FY2024	FY2023	Targets	Progress Achieved
Incidents of infringement of the rights	<b>Zero</b>	Zero	Zero	Zero case	Achieved

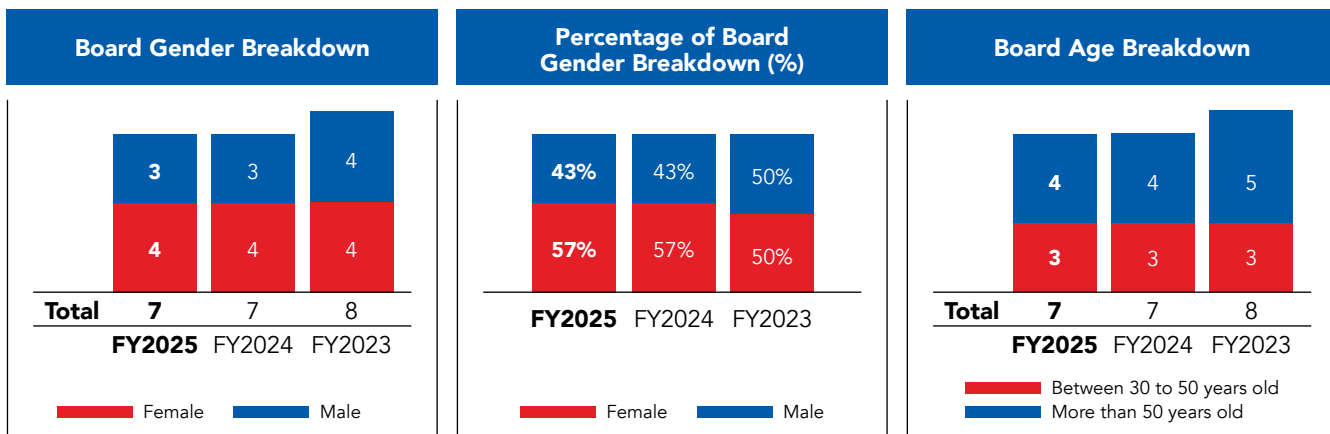
## Diversity and Inclusion

We are dedicated to fostering a diverse, equitable, and inclusive workplace, ensuring a positive and fulfilling work environment for all employees.

Our commitment to integrity labour practices has contributed to positive outcomes as reflected in the workforce data below:

### Board members

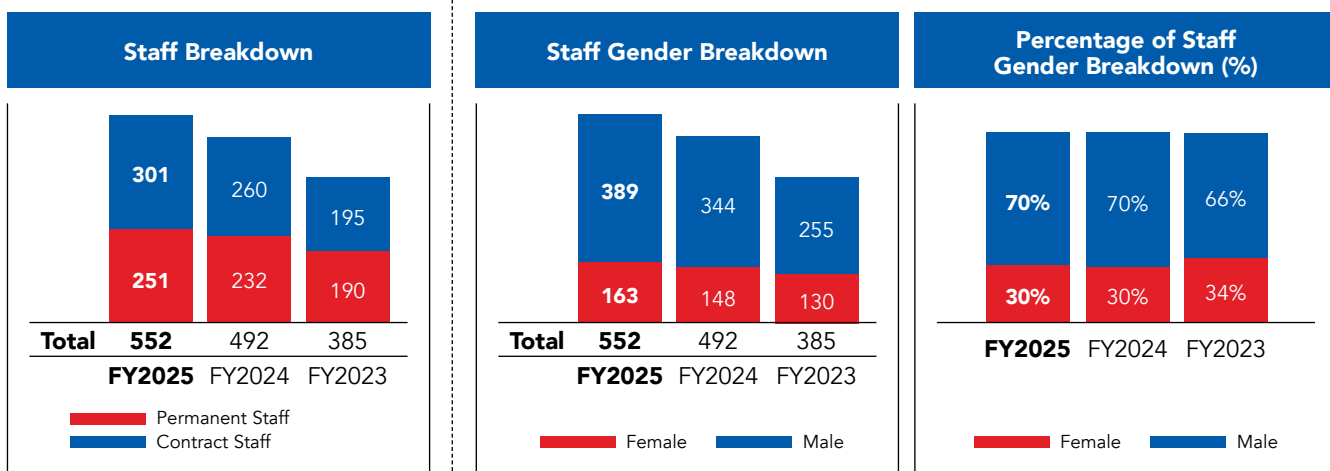
We achieved the target of 30% women Directors on the Board in FY2025, as shown below:



## Group Employee Data

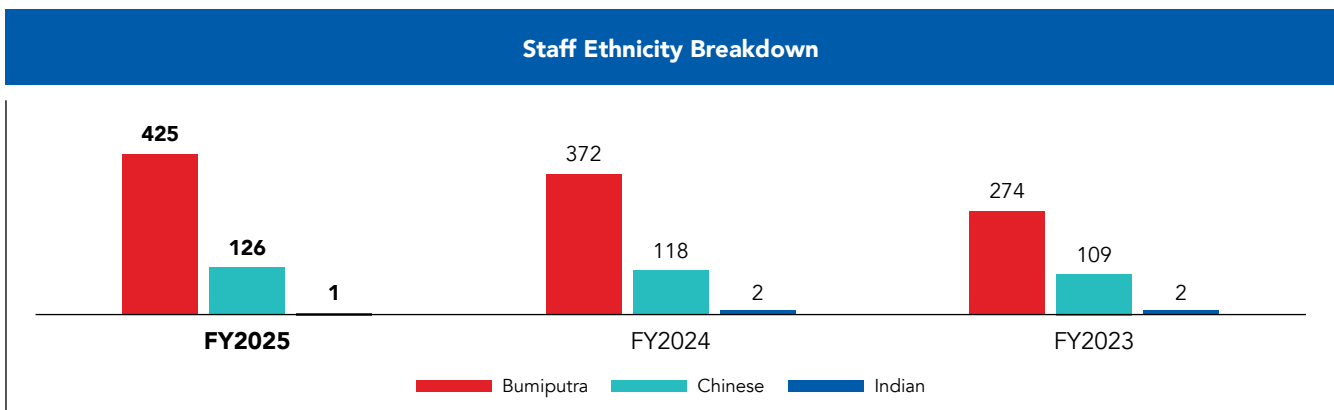
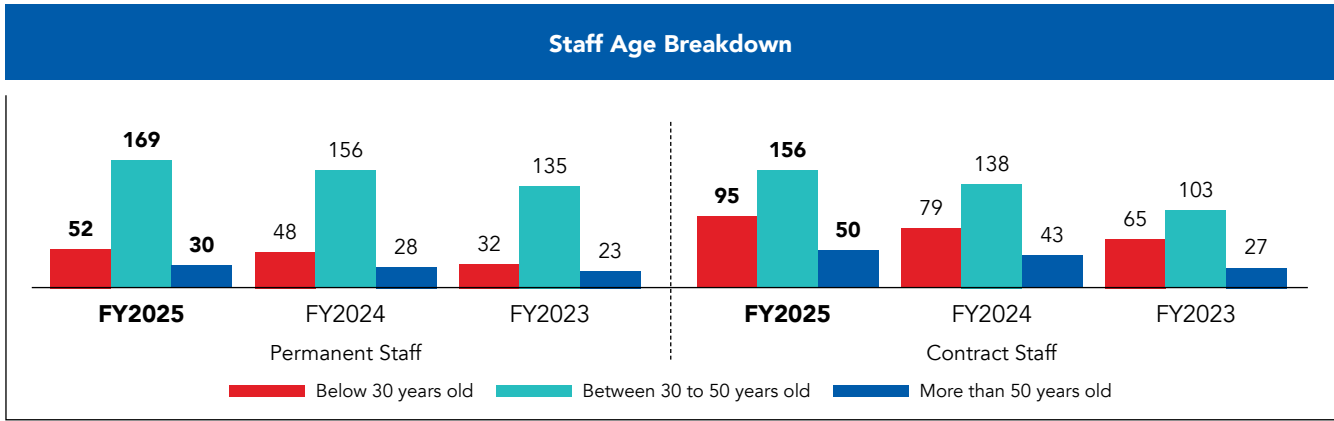
Our total number of employees have increased for FY2025, as shown below:

The increased number of employees have not impacted our ability to attain our target of 30% women representation in the workforce:



# SUSTAINABILITY STATEMENT (CONT'D)

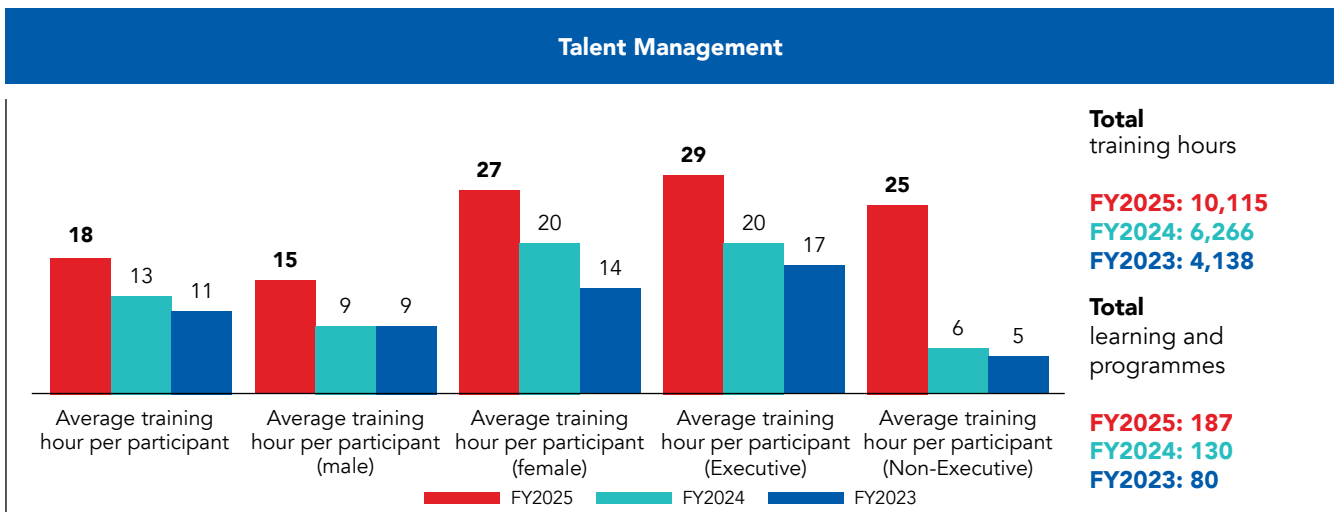
Other employee data breakdowns include:



## Talent Management

In FY2025, the Group strengthened its commitment to ethical conduct and employee development through enhanced targeted or customised training initiatives. The introduction of an online e-learning platform improved accessibility and ensured the consistent delivery of annual refresher training on ABC for all employees. As a result, the Group achieved a 100% completion rate for mandatory ABC training, reinforcing our zero-tolerance approach towards bribery and corruption. ABC training was also provided as part of employee onboarding programme for new employees.

The Group also continued to invest in employee capability building. During the year, we exceeded our training target of an average 15 hours per employee, achieving an average of 18 hours of training per employee, through conducting a total of 187 training programmes compared to 130 for FY2024, to reflect our commitment to continuous learning, professional development, and strengthening organisational competencies.



# SUSTAINABILITY STATEMENT (CONT'D)

In FY2025, the Group’s training programmes focus on five key competency areas:

- Governance and ethics;
- Workplace safety and compliance;
- Technical and engineering skills;
- Digital and technology capabilities;
- Business and industry knowledge.



Areas of improvement, that the Group will continue to strengthen in its talent management approach, as reflected in the Employees Engagement Survey carried out, are in career pathing through improving skills development, enhancing employee engagement, and introducing employee recognition programmes. The Board will continue to foster a positive workplace culture that empowers employees to contribute meaningfully to the Group’s long-term sustainability and value creation.

## Employee Engagement and Satisfaction

Ibraco is committed to fostering a workplace environment that promotes job satisfaction, employee wellbeing, and work-life balance. To support this, the Group regularly organises activities and initiatives that enhance employee engagement, productivity, and retention, while nurturing a positive and supportive workplace culture.

Throughout the year, initiatives such as birthday celebrations, team-building activities, and inter-department social gatherings were organised to provide employees with opportunities to connect with colleagues and engage with senior management, strengthening teamwork and collaboration across the organisation.

To further encourage employee wellbeing and interaction beyond the workplace, the Group also introduced special staff fitness rates at NorthBank Club, enabling employees to participate in wellness and recreational programmes while fostering stronger social connections among colleagues.

In addition, employees are kept informed of company developments and upcoming activities through internal newsletters issued in both English and Bahasa Malaysia, helping to promote transparency, inclusion, and a stronger sense of belonging within the organisation.



Ibraco Sports Carnival



Ibraco Town Hall Meeting

# SUSTAINABILITY STATEMENT (CONT'D)

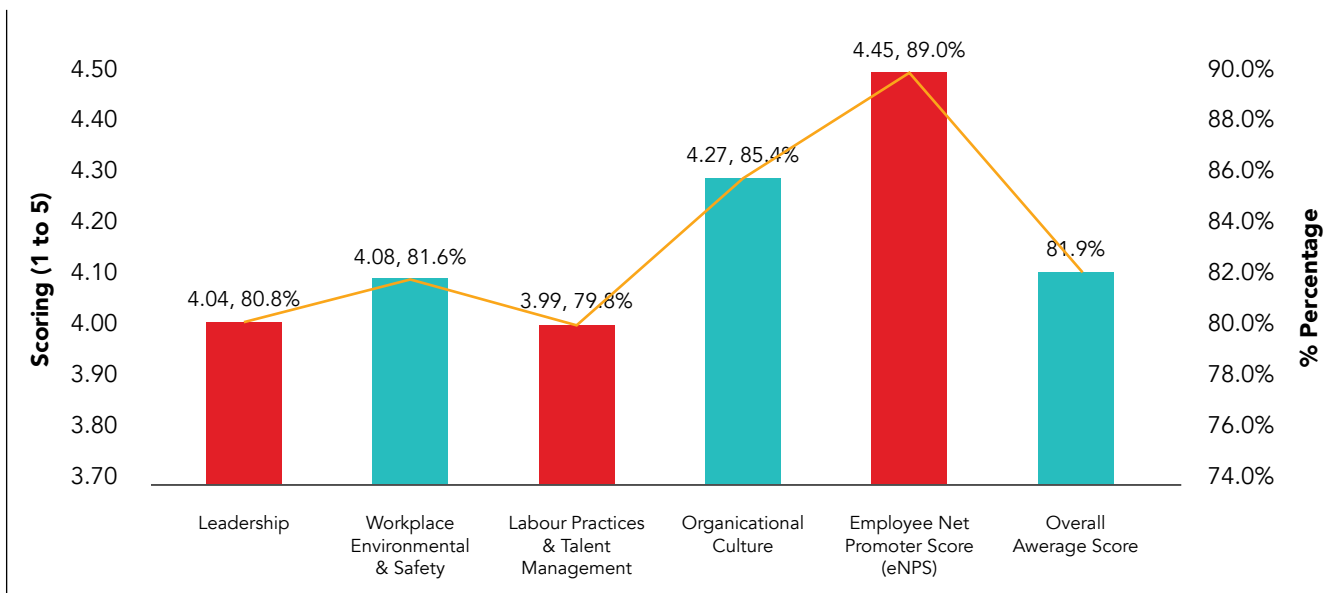
In FY2025, the types of Employee Engagement initiatives include the following:

- Employee surveys including the Employee Engagement Survey;
- Onboarding programmes for new employees;
- Physical wellness programmes;
- Employee volunteering programmes or activities;
- Annual dinner with staff sports carnival;
- Townhall meeting;
- Etc.

The Employee Engagement Survey for FY2025 succeeded in attaining 100% participation:

Ibraco Employee Engagement Survey		
Score: 81.9%		
% of Participation: 100%		
Key Highlights	Strengths	Opportunities
<ul style="list-style-type: none"> <li>• Engagement remains strong at 81.9% supported by full participation and a high Net Employee Promoter Score of 89%, indicating strong advocacy for Ibraco as a workplace;</li> <li>• Organisational Culture leads with 85.4% followed by Workplace Environment and Safety (81.6%), Leadership (80.6%) and Labour Practices and Talent Management (79.8%).</li> </ul>	<ul style="list-style-type: none"> <li>• High trust in leadership integrity and strong cultural pride;</li> <li>• Safety standards and resource availability are well-regarded;</li> <li>• Fair treatment and access to training opportunities are positive signals.</li> </ul>	<ul style="list-style-type: none"> <li>• Talent Management: Career growth visibility and transparent performance or KPI evaluations need improvement;</li> <li>• Leadership: Increase feedback frequency and clarity of communication;</li> <li>• Workplace wellbeing: Enhance work-life balance and mental health support;</li> <li>• Culture: Foster more open communication and collaboration.</li> </ul>

## IB Group - 2025 Employee Engagement Survey Performance



# SUSTAINABILITY STATEMENT (CONT'D)

## Employee Turnover

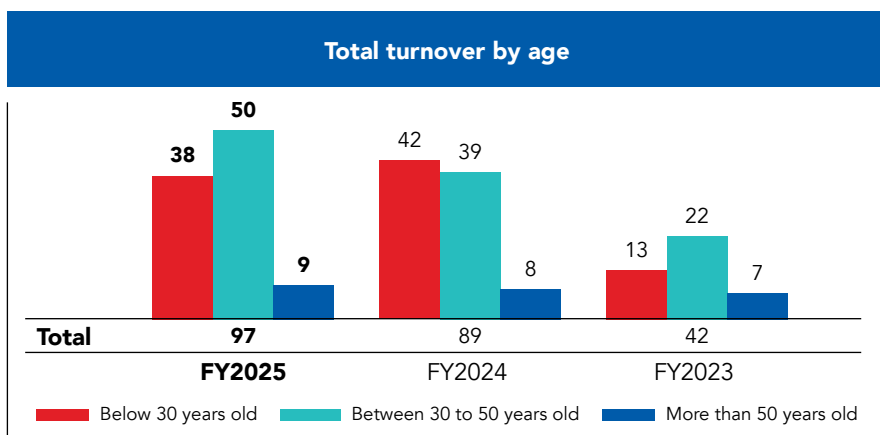
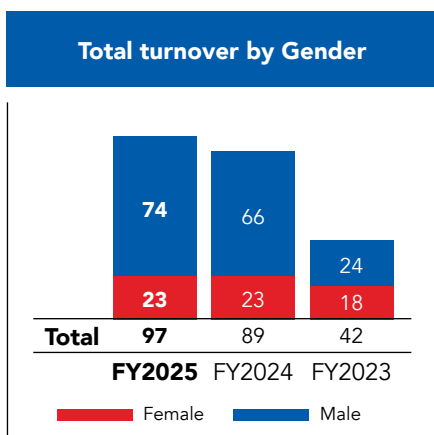
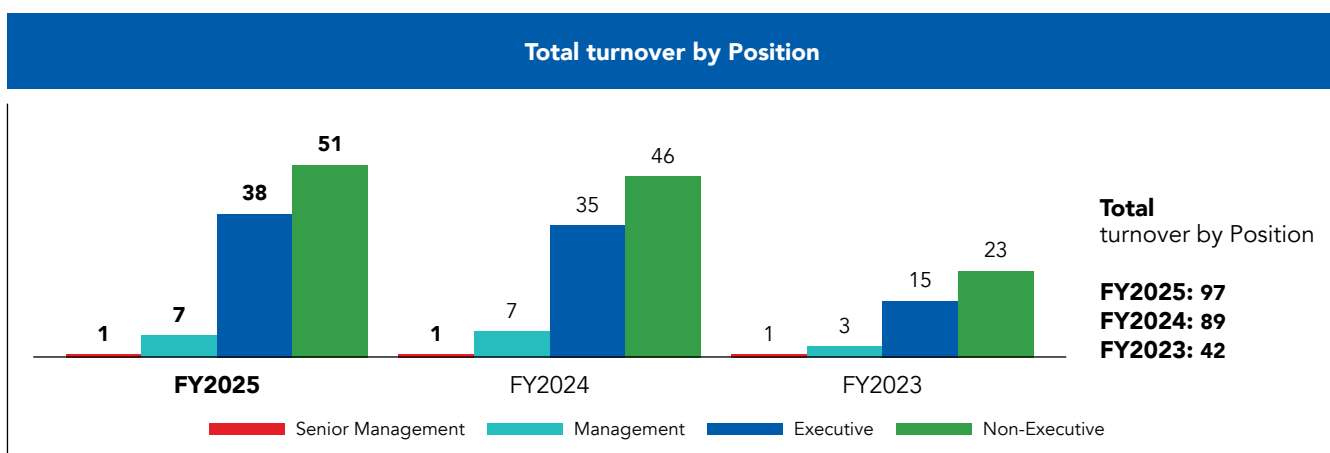
The Group recorded an employee turnover rate of 19% for FY2025, exceeding its internal target of below 15%. While this represents a variance against the benchmark, it is important to note that the increase was largely structural in nature rather than indicative of underlying workforce instability.

The higher turnover was mainly driven by the contract workforce segment, which inherently experiences increased mobility due to project-based and time-bound nature of site operations. This is consistent with industry norms and reflects operational requirements rather than organisational challenges.

Turnover among permanent employees remain relatively stable and well-contained with most departures due to voluntary resignations, as well as isolated cases arising from retirement and other personal circumstances. In FY2025, the Group recorded a full-time (permanent) staff voluntary turnover rate of 8%, reflecting employee-initiated resignations during the reporting period. This measure is monitored as part of the Group's broader workforce management and employee engagement framework.

The Group's ongoing effort are focused on strengthening employee engagement, improving working conditions, and optimising workforce management practices to support better retention and progressively align turnover levels with the Group's desired threshold in the coming reporting period.

The tables below show the total number of staff turnover by category:



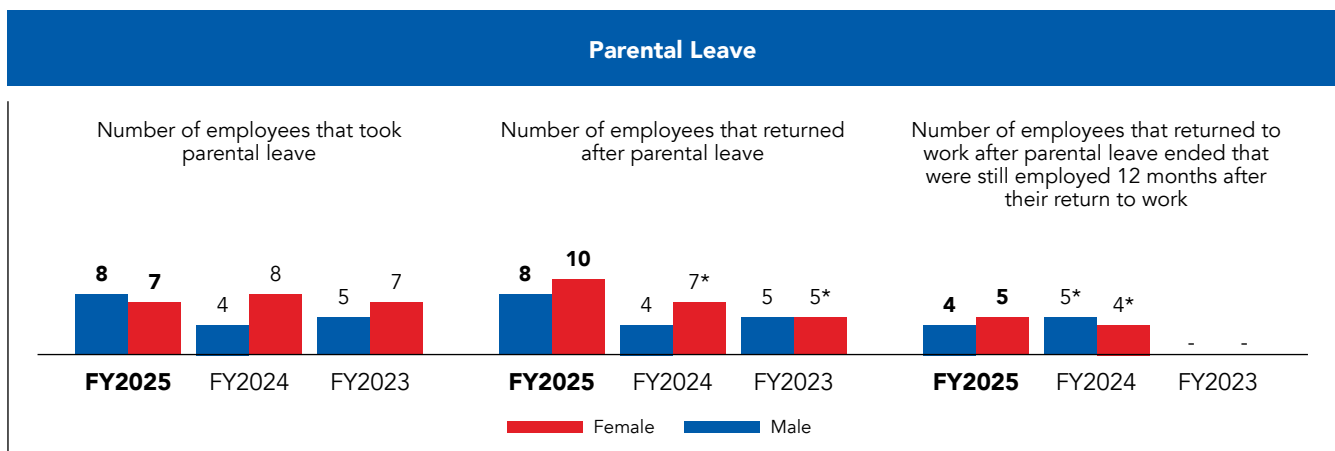
# SUSTAINABILITY STATEMENT (CONT'D)

## Parental leave

The Parental Leave data recorded for FY2025, comprising data for previous 2 reporting years, have been subjected to amendments made to reflect the miscalculation done in retention metrics.

In prior reporting years, employees returning from parental leave who remained employed 12 months later were inadvertently included in the retention metrics. The methodology for FY2025 has been revised to accurately capture employees in the year they return to work, with 12-month retention assessed from their return date.

Historical data for FY2023 and FY2024 have been restated to align with this updated approach, ensuring consistency and reliability in our workforce disclosures. *Restated figures are indicated with an asterisk \*.*



1. Return-to-work ("RTW") rates are calculated based on employees who resumed work after parental leave ended for the reporting year. This may include employees whose parental leave commenced in the previous reporting year; therefore, RTW rates may exceed 100% for certain categories.
2. Beginning FY2025, the Group revised its tracking methodology to record employees based on the year they return from parental leave. This enhancement improves the accuracy and consistency of RTW and 12-month retention disclosures. Figures for FY2023–FY2024 have been restated using this revised methodology.
3. Data for 12-month retention following return-to-work is not available for FY2022, as the tracking mechanism was implemented in subsequent reporting periods.

The revised methodology introduced in FY2025 captures actual returns within the reporting year and continued employment 12 months after return. As a result, restated figures for FY2023 and FY2024 may differ from those disclosed in earlier reports.

Return-to-work rates following parental leave remained consistently strong for male employees, sustaining a full return rate of 100% from FY2023 to FY2025. In comparison, female return-to-work rates exhibited some year-on-year variation, reflecting normal workforce patterns.

Retention levels at 12 months post-return were generally stable for male employees, while female retention rates showed moderate fluctuations over the period. These trends are in line with typical workforce dynamics and do not indicate any systemic concerns.

## Occupational Safety and Health

**Total Health and Safety training provided in FY2025: 3,973 hours**  
**Total no. of staff attended: 562**  
**Total Manhours at Site: 726,944**  
**Lost-time Incident rate ("LTIR"): 0**  
**Total no. of Lost Time Injury recorded: 0**  
**Work-related Fatalities: 1**

The Group places the highest priority on ensuring a safe and healthy working environment for all employees, contractors, and workers across its operations. We remain committed to upholding strong OSH standards through robust safety practices, strict compliance with regulatory requirements, and continuously strengthening safety awareness across all business segments.

## SUSTAINABILITY STATEMENT (CONT'D)

Safety awareness measurements that have been implemented include holding health, including mental health, and safety awareness talks by specialists, safety officers of authorities, publication of health and safety issues, as well as work-life balance articles in staff newsletters, emphasis on health and safety concerns during town hall meeting and orientation briefings, and carrying out assessment and staff updates on work and safety issues by OSHC during the health and safety committee meetings.

The Group is committed to providing a safe and healthy working environment for all employees and contractors. Zero Fatalities and Zero Lost Time Injury (LTI) represent the Group's non-negotiable safety priorities across all operations and project sites. The Board of Directors provides oversight on Safety, Health and Environment (SHE) matters, ensuring that safety, health and environmental considerations are integrated into business decisions, risk management, and long-term planning, in support of operational excellence, business resilience, and sustainable growth.

Prior to FY2025, the Group had maintained a record of zero fatalities and zero LTI since commencement of operations. On 7 October 2025, one work-related fatality occurred at the premix batching plant operated by IKPP Concrete Sdn. Bhd., marking the first fatality in the Group's operating history of more than 50 years.

The incident was reported to the Department of Occupational Safety and Health (DOSH) in accordance with regulatory requirements and was formally investigated. The findings were escalated to senior management and the Board, and corrective and preventive actions were implemented to strengthen operational controls, supervision practices, and site-level safety management. These actions included a review of work procedures, reinforcement of supervision protocols, and enhanced safety awareness initiatives.

Following the incident, the Group initiated the implementation of the ISO 45001 Occupational Health & Safety Management System, with IKPP operations identified as the initial focus due to the higher-risk nature of the activity. Certification is targeted in 2026, with progressive expansion to other relevant operations.

The incident underscores the importance of continuous vigilance. The Group remains committed to reinforcing its safety culture, strengthening governance and controls, and continuously improving occupational safety and health practices to safeguard the wellbeing of all employees, contractors, and visitors.

To support this commitment, the Group conducts enhanced safety briefings, toolbox meetings, and structured training programmes to ensure employees and contractors are well equipped with the knowledge and skills required to perform their duties safely. These training initiatives cover key areas such as workplace hazard awareness, emergency response procedures, safe work practices, and compliance with industry safety standards.

In FY2025, 562 employees participated in 45 safety and health-related courses. This marks a significant increase from FY2024, where only 104 employees participated in 28 safety and health-related courses. This improvement was primarily driven by the implementation of a comprehensive e-learning safety platform, which enabled consistent delivery of mandatory safety awareness modules across the workforce, including office-based, and operational employees.

Contractors are also required to submit OSH management plans and comply with established safety protocols before commencing work on site.

All site employees are covered under the Social Security Organisation (SOCISO), Construction Industry Development Board (CIDB), and personal accident insurance.

For FY2025, in calculating the total manhours at sites, the methodology has been refined to incorporate on-site workforce data from the Group's construction arm, Ibraco Construction Sdn. Bhd., across all projects undertaken by the Company. This approach provides a more accurate and representative basis for the calculation of total manhours.

In comparison, the methodologies applied in FY2024 and FY2023 included data from all external contractors engaged in the Group's property construction and infrastructure projects, as well as on-site workforce data from Ibraco Construction Sdn. Bhd., which was then limited to external infrastructure projects only.

# SUSTAINABILITY STATEMENT (CONT'D)

The Group's Employees Man-hours at Site by Business Segment

Business Segment	Year 2025	Year 2024	Year 2023
Construction	555,659	N/A	N/A
Quarry	14,642	17,923	14,255
Ready-mix concrete and asphalt mixing operation	81,554	57,768	-
MSCL (Mild Steel Cement Lining)	75,089	37,662	-
Total Employee Man-hours	726,944	113,353	14,255

Notes:

- Employee man-hours are derived from HR and payroll records and represent hours worked by the Group's employees regardless of project type or physical work location.
- Asphalt mixing operation commenced operation in year 2025.

## Contractors' Man-hours

Category	Year 2025	Year 2024	Year 2023
Contractors (Internal & External Projects)	5,679,141	Included	Included
Group's own construction employees (onsite at external projects)	14,642	Not available	Not available
Total construction workforce man-hours	5,936,964	4,655,511	3,173,294

Note:

"Included" indicates that contractor and the Group's employee man-hours are reported on a combined workforce basis.

## Occupational Safety Performance:-

### A. For The Group's Employees

Indicators	Year 2025	Year 2024	Year 2023
Number of employee fatalities	1	0	0
Number of Lost Time Injuries (LTI)	0	0	0
Lost Time Injury Rate (LTIR)	0.0	0.0	0.0

- Scope and Coverage: This disclosure covers work-related injuries and fatalities involving the Group's employees only across all business segments. Contractors are excluded and reported separately.
- Measurement Methodology: Employee safety data is recorded through internal incident reporting systems and site safety records.
- Fatalities are disclosed separately and are not included in LTIR.
- LTIR is calculated based on the number of work-related injuries resulting in one (1) or more day away from work experienced by employees, divided by the total man-hours worked by employees, and multiplied by 1,000,000.

### B. Contractors

Indicators	Year 2025	Year 2024	Year 2023
Number of contractor fatalities	0	0	0

- Scope and Coverage: This disclosure covers work-related fatalities involving external contractors engaged by the Group and operating under the Group's operational control. Contractor lost-time injuries and incident rates are not disclosed due to data comparability and control considerations.

# SUSTAINABILITY STATEMENT (CONT'D)

## Corporate Social Responsibilities ("CSR")

**Total Amount Invested: RM1,488,000**  
**Total no. of beneficiaries: 8,155**  
**Total no. of volunteers: 146**

Ibraco remains committed to contributing positively to society by supporting initiatives that uplift communities and promote social wellbeing. Through our CSR programmes, the Group continues to extend assistance to underprivileged groups, support community development, and contribute to education, welfare, and local social initiatives.

During the year, our CSR efforts focused on financial assistance, educational support, community welfare programmes, and infrastructure contributions, benefiting various schools, charitable organisations, and community groups. These initiatives reflect the Group's commitment to reducing social inequalities while supporting the development of resilient and inclusive communities.

Hope Place Kuching continues to be one of our key CSR partners, enabling the Group to extend financial and material assistance to families in need. Through this collaboration, Ibraco has supported approximately 849 underprivileged families to date, providing essential support to improve their living conditions.

The total amount invested, and the total number of beneficiaries of the investment, in the communities are recorded as follows:

Total investment in Community / Society	Year 2025	Year 2024	Year 2023
Total amount invested in the community	1,488,000	1,724,000	879,102
Total number of beneficiaries of the investment	8,155	1,673	296

In FY2025, the Group strengthened its approach to measuring community impact by adopting a more structured methodology for tracking beneficiary reach. While total community investment decreased to for FY2025, the number of beneficiaries increased significantly.

This increase is primarily due to improved data collection. An 85% coverage approach was implemented, whereby beneficiary data is captured for initiatives representing the majority of total contributions. Data is obtained from partner organisations where available, or reasonably estimated based on verifiable records such as distribution quantities and supporting documentation. This provides a more complete and reliable representation of the Group's actual community reach.

In prior years, beneficiary data was collected on a best-effort basis from selected partners, resulting in lower reported figures. As such, the YoY increase reflects enhanced reporting methodology rather than a direct increase in programme scale.

Overall, these improvements underscore the Group's commitment to more transparent, consistent, and robust social impact reporting.

Through these sustained efforts, Ibraco aims to create meaningful social impact while strengthening relationships with the communities we serve, contributing towards a more harmonious and prosperous society.

Our Key CSR Initiatives for FY2025 are:

- **Charity Partnerships** – We continue our long-standing partnership with Hope Place Kuching, providing financial contributions, food supplies, and essential household items to support underprivileged families. Our support includes monthly sponsorships, food purchases for food aid distribution, education support through donation of school uniforms and other necessary school items, and community reach and welfare assistance for families facing financial hardship, including during periods of natural disasters;
- **Community Outreach and Welfare Programmes** – We supported Hope Place Kuching in the CWB #12 initiative, that uplifts the wellbeing of families in Rh. Pilai Nanga Pila, Batang Rajang, Kapit. We also reached out to the elderly in Hun Nam Siang Tng elderly home, to provide cheers and interactions, whilst also donated essential items and free health checks to the residents;
- **Housing Support Initiatives** – We supported a family in need by contributing assistance towards house repair works in Taman Desa Wira, Batu Kawa, helping improve living conditions for the affected household;

## SUSTAINABILITY STATEMENT (CONT'D)

- **Medical Assistance** – We supported programmes organised by SCCS, including events and activities like the annual Go Bald campaign, aimed at raising awareness and providing support to children undergoing cancer treatment and their families;
- **Supporting School and Community Programmes** – We contributed to school-led initiatives and local community events at the Group's operational sites, such as ones organised by SK Salak, Petra Jaya and SK Dominic Pichin in Serian, benefiting students and the surrounding community;
- **Community Infrastructure Enhancements** – We sponsored improvements to local community infrastructure in Pulau Salak where we operate our quarry site, including assistance for mosque construction works and parking area expansion, benefiting residents and community gatherings;
- **Supporting Cultural and Community Events** – We sponsored and supported community gatherings, cultural celebrations, and association events organised by local organisations and community groups to strengthen social ties and community wellbeing;



Charity Without Border #12



House cleaning CSR



Malaysia Day community reach out to children of Persatuan bagi Kanak-Kanak Terencat Akal ("PERKATA")



Handover of repaired house, organised by Hope Place Kuching and Ibraco



Free health checks for Hun Nam Siang Tng elderly home residents

### Conclusion

Ibraco is committed to enhancing its sustainability performance by continuously reviewing and improving ESG disclosures. We aim to achieve this through better data collection and analysis, enabling us to more accurately assess sustainability materiality and identify key areas for improvement. This ongoing refinement will strengthen our transparency, accountability, and long-term ESG commitments.

# SUSTAINABILITY STATEMENT (CONT'D)

## BURSA MALAYSIA PRESCRIBED TABLE

Ibraco Berhad  
BMLR Transition Period  
Date & Time: 2026-04-28\_09:39:27  
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Ethical Business Conduct	Bursa C1(a) ABC training coverage: Management	Percentage	100	All employees 100%	Internal	FY2024=54%; FY2023=78%
Ethical Business Conduct	Bursa C1(a) ABC training coverage: Executive	Percentage	100	All employees 100%	Internal	FY2024=49%; FY2023=79%
Ethical Business Conduct	Bursa C1(a) ABC training coverage: Non-Executive	Percentage	100	All employees 100%	Internal	FY2024=46%; FY2023=51%
Ethical Business Conduct	Bursa C1(b) Operations assessed for corruption risks	Percentage	100	100%	Internal	FY2024=100%; FY2023=100%
Ethical Business Conduct	Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	zero incidents	Internal	FY2024=0; FY2023=0
Ethical Business Conduct	Bursa C8(a) Substantiated customer data privacy breaches	Number	0	—	Internal	FY2024=0; FY2023=0
Community Development and Social Impact	Bursa C2(a) Total community investment	RM	1,488,000	—	Internal	FY2024=RM1,724,000; FY2023=RM879,102
Community Development and Social Impact	Bursa C2(b) Total beneficiaries of community investment	Number	8,155	—	Internal	FY2024=1,673; FY2023=296
Labour Practices & Talent Management	Bursa C3(a) Employee gender: Management Male	Percentage	61	—	Internal	FY2024=65%; FY2023=63%
Labour Practices & Talent Management	Bursa C3(a) Employee gender: Management Female	Percentage	39	—	Internal	FY2024=35%; FY2023=37%
Labour Practices & Talent Management	Bursa C3(a) Employee gender: Executive Male	Percentage	54	—	Internal	FY2024=53%; FY2023=53%
Labour Practices & Talent Management	Bursa C3(a) Employee gender: Executive Female	Percentage	46	—	Internal	FY2024=47%; FY2023=47%
Labour Practices & Talent Management	Bursa C3(a) Employee gender: Non-Executive Male	Percentage	82	—	Internal	FY2024=81%; FY2023=76%

# SUSTAINABILITY STATEMENT (CONT'D)

## BURSA MALAYSIA PRESCRIBED TABLE (CONT'D)

Date & Time: 2026-04-28\_09:39:27  
FYE 31/12/2025

Ibraco Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Labour Practices & Talent Management	Bursa C3(a) Employee gender: Non-Executive Female	Percentage	18	—	Internal	FY2024=19%; FY2023=24%
Labour Practices & Talent Management	Bursa C3(a) Employee age group: Management 30 to 50 years old	Percentage	72	—	Internal	FY2024=78%; FY2023=76%
Labour Practices & Talent Management	Bursa C3(a) Employee age group: Management > 50 years old	Percentage	28	—	Internal	FY2024=22%; FY2023=24%
Labour Practices & Talent Management	Bursa C3(a) Employee age group: Executive < 30 years old	Percentage	20	—	Internal	FY2024=19%; FY2023=24%
Labour Practices & Talent Management	Bursa C3(a) Employee age group: Executive 30 to 50 years old	Percentage	65	—	Internal	FY2024=67%; FY2023=64%
Labour Practices & Talent Management	Bursa C3(a) Employee age group: Executive > 50 years old	Percentage	15	—	Internal	FY2024=14%; FY2023=12%
Labour Practices & Talent Management	Bursa C3 (a) Employee age group: Non-Executive < 30 years old	Percentage	35	—	Internal	FY2024=35%; FY2023=32%
Labour Practices & Talent Management	Bursa C3(a) Employee age group: Non-Executive 30 to 50 years old	Percentage	53	—	Internal	FY2024=52%; FY2023=57%
Labour Practices & Talent Management	Bursa C3(a) Employee age group: Non-Executive > 50 years old	Percentage	12	—	Internal	FY2024=13%; FY2023=11%
Labour Practices & Talent Management	Bursa C3(a) Employee ethnicity: Management Bumiputra	Percentage	23	—	Internal	FY2024=22%; FY2023=15%
Labour Practices & Talent Management	Bursa C3(a) Employee ethnicity: Management Chinese	Percentage	77	—	Internal	FY2024=78%; FY2023=85%

# SUSTAINABILITY STATEMENT (CONT'D)

## BURSA MALAYSIA PRESCRIBED TABLE (CONT'D)

Date & Time: 2026-04-28\_09:39:27  
FYE 31/12/2025

Ibraco Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Labour Practices & Talent Management	Bursa C3(a) Employee ethnicity: Executive Bumiputra	Percentage	62	—	Internal	FY2024=61%; FY2023=57%
Labour Practices & Talent Management	Bursa C3(a) Employee ethnicity: Executive Chinese	Percentage	37	—	Internal	FY2024=38%; FY2023=42%
Labour Practices & Talent Management	Bursa C3(a) Employee ethnicity: Executive Indian	Percentage	1	—	Internal	FY2024=1%; FY2023=1%
Labour Practices & Talent Management	Bursa C3(a) Employee ethnicity: Non-Executive Bumiputra	Percentage	96	—	Internal	FY2024=95%; FY2023=94%
Labour Practices & Talent Management	Bursa C3(a) Employee ethnicity: Non-Executive Chinese	Percentage	4	—	Internal	FY2024=5%; FY2023=6%
Labour Practices & Talent Management	Bursa C3(b) Directors by gender: Male	Percentage	43	—	Internal	FY2024=43%; FY2023=50%
Labour Practices & Talent Management	Bursa C3(b) Directors by gender: Female	Percentage	57	30% representation of women in the board	Internal	FY2024=57%; FY2023=50%
Labour Practices & Talent Management	Bursa C3(b) Directors by age group: 30 to 50 years old	Percentage	43	—	Internal	FY2024=43%; FY2023=38%
Labour Practices & Talent Management	Bursa C3(b) Directors by age group: > 50 years old	Percentage	57	—	Internal	FY2024=57%; FY2023=62%
Labour Practices & Talent Management	Bursa C6(a) Employee training hours: Management	Hours	2,306	an average of more than 15 hours per employee	Internal	FY2024=1,827hours; FY2023=936hours
Labour Practices & Talent Management	Bursa C6(a) Employee training hours: Executive	Hours	4,616	an average of more than 15 hours per employee	Internal	FY2024=2,723hours; FY2023=2,113hours
Labour Practices & Talent Management	Bursa C6(a) Employee training hours: Non-Executive	Hours	3,193	an average of more than 15 hours per employee	Internal	FY2024=1,716hours; FY2023=1,089hours
Labour Practices & Talent Management	Bursa C6(b) % of employees that are contract staff	Percentage	54.5	—	Internal	FY2024=52.8%; FY2023=50.6%

# SUSTAINABILITY STATEMENT (CONT'D)

## BURSA MALAYSIA PRESCRIBED TABLE (CONT'D)

Date & Time: 2026-04-28\_09:39:27  
FYE 31/12/2025

Ibraco Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Labour Practices & Talent Management	Bursa C6(c) Total number of employee turnover	Number	97	staff attrition rate below 15%	Internal	FY2024=89; FY2023=42 Refer to Page73
Labour Practices & Talent Management	Bursa C6(d) substantiated complaints on human rights violations	Number	0	—	Internal	FY2024=0; FY2023=0
Responsible Supply Chain Management	Bursa C7(a) Proportion of spending on local suppliers	Percentage	99	more than 90% of total expenses on local suppliers	Internal	FY2024=99%; FY2023=100%
Occupational Health and Safety	Bursa C5(a) Number of work-related fatalities	Number	1	Zero Fatality	Internal	FY2024=0; FY2023=0
Occupational Health and Safety	Bursa C5(b) Lost time incident rate	Rate	0.0	—	Internal	FY2024=0.0; FY2023=0.0
Occupational Health and Safety	Bursa C5(c) Employees trained on health & safety standards	Number	562	—	Internal	FY2024=104; FY2023=64
Environmental Management & Resources Efficiency	Bursa C4(a) Total energy consumption: Electricity	kWh	1,854,129	—	Internal	FY2024=1,710,784kWh; FY2023=1,144,248kWh
Environmental Management & Resources Efficiency	Bursa C9(a) Total volume of water used	Megalitres	60.71	—	Internal	FY2024=49.52Megalitres, FY2023=21.10Megalitres.
Environmental Management & Resources Efficiency	Bursa C10(a) Total waste generated	MT	235	—	No assurance	FY2024=0.689MT
Environmental Management & Resources Efficiency	Bursa C10(a) (i) Total waste diverted from disposal	MT	152	—	No assurance	FY2024=0.689MT
Environmental Management & Resources Efficiency	Bursa C10(a) (ii) Total waste directed to disposal	MT	83	—	No assurance	FY2024=N/A
Environmental Management & Resources Efficiency	Bursa C11(a) Scope 1 emissions	tCO2e	3,440	—	Internal	FY2024=3,160tCO2e FY2023=1,631tCO2e
Environmental Management & Resources Efficiency	Bursa C11(b) Scope 2 emissions	tCO2e	393	—	Internal	FY2024=368.4tCO2e FY2023=244.0tCO2e
Environmental Management & Resources Efficiency	Bursa C11(c) Scope 3 emissions - Category 1, 6 & 7	tCO2e	2,978	—	Internal	FY2024=592.0tCO2e FY2023=N/A

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Ibraco Berhad ("Ibraco" or "the Company") remains committed to upholding high standards of corporate governance throughout the Company and its subsidiaries (collectively, the "Group"). The Board recognises that sound corporate governance is fundamental to safeguarding stakeholders' interests and enhancing long-term shareholder value, whilst ensuring that risks are managed within acceptable parameters.

This Corporate Governance Overview Statement ("CG Statement") outlines the Group's key corporate governance practices for the financial year ended 31 December 2025 ("FY2025"), structured in accordance with the three (3) key principles of the Malaysian Code on Corporate Governance ("MCCG"):

- (i) Board Leadership and Effectiveness;
- (ii) Effective Audit and Risk Management; and
- (iii) Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This CG Statement should be read together with the Corporate Governance Report ("CG Report") 2025, which is available on the Company's website at [www.ibraco.com](http://www.ibraco.com).

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

### Board Responsibilities

The Board is collectively responsible for the stewardship of the Group's business and affairs, including setting the strategic direction, overseeing performance, and ensuring the delivery of sustainable value to stakeholders. The Board delegates the day-to-day management of the Group's operations to Management, while retaining oversight of key matters including strategy, performance, risk management and governance.

The Company has formalised a Board Charter which clearly sets out the roles, responsibilities and authorities of the Board and Management. The Board Charter serves as a primary reference in the discharge of the Board's duties and is available on the Company's website.

To support its functions, the Board has established the following Board Committees:

- Audit and Risk Management Committee ("ARMC")
- Nomination and Remuneration Committee ("NRC")
- Sustainability Committee ("SC")

Each Committee operates within clearly defined terms of reference approved by the Board. Notwithstanding such delegation, the Board retains overall responsibility and oversight of all Board Committees.

### Board's role in setting strategy

In discharging its fiduciary duties, the Board undertakes the following principal responsibilities:

- Reviewing and approving the Group's strategic plans, with due consideration to sustainability and Environmental, Social and Governance ("ESG") factors to support long-term value creation;
- Overseeing the conduct and performance of the Group's businesses against approved plans and budgets;
- Monitoring Management's performance to ensure effective and prudent financial and operational management;
- Identifying and managing principal risks, including climate-related risks, and ensuring appropriate internal controls and mitigation measures are in place;
- Overseeing the identification and management of material sustainability matters;
- Ensuring effective investor relations and shareholder communication practices;
- Overseeing succession planning for the Board and senior management;
- Reviewing the adequacy and integrity of management information systems and internal control frameworks; and
- Promoting good corporate governance and ethical business conduct throughout the Group.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### Corporate Culture and Ethical Conduct

The Board is committed to fostering a strong ethical culture and has established key policies to guide conduct and positive corporate culture across the Group: -

#### a) Code of Conduct and Ethics (“CCE”)

The CCE sets out the expected standards of behaviour for Directors and employees, including:

- Compliance with applicable laws, rules and regulations;
- Acting in the best interests of the Group with due care and diligence; and
- Safeguarding confidential information.

The CCE is subject to periodic review and is available on the Company's website.

#### b) Whistleblower Policy (“WBP”)

The Whistleblowing Policy provides a secure and confidential channel for employees, directors and external parties to report concerns on potential misconduct. It aims to:

- Promote a culture of accountability and integrity;
- Provide protection against retaliation; and
- Ensure proper investigation and resolution of reported concerns.

#### c) Anti-Bribery and Corruption Policy (“ABC”)

The Group has adopted an Anti-Bribery and Corruption Policy in line with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and the Guidelines on Adequate Procedures. The policy reinforces the Group's zero-tolerance stance towards bribery and corruption.

#### d) Conflict of Interest

The Group has established clear procedures for identifying, declaring and managing conflicts of interest. Directors should immediately notify the Board, whereas employees should immediately notify their immediate superior or Head of Department in writing upon becoming aware of any such potential or perceived conflict.

In FY2025, all Directors have completed the annual declaration form in accordance with the Group's Conflict Of Interest policy and procedures and reviewed by the Board.

The CCE, WBP and ABC policies are accessible on Ibraco's website at [www.ibraco.com](http://www.ibraco.com).

### Sustainability Governance

The Board, supported by Management, remains committed to integrating sustainability considerations into the Group's business strategies and operations. A structured sustainability framework has been adopted to guide ESG priorities and initiatives.

Oversight of sustainability matters is undertaken by the Sustainability Committee. Further details are set out in the Sustainability Statement of this Annual Report.

### Roles of Chairman and Group Managing Director

The respective roles and responsibilities of the Chairman of the Board and the Group Managing Director (“GMD”) are held by two different individuals, where such division is to ensure that there is clear and proper balance of power and authority. As an added measure, the Chairman of the Board is not a member of any of the Board Committees.

The Chairman's main responsibility is to set the tone at the top, ensure effectiveness of the Board functions, and encourage participation and deliberation by all the Board members.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### Roles of Chairman and Group Managing Director (Cont'd)

The GMD as an Executive Director, supported by the senior management, has overall responsibility for the Group's operational, organisational effectiveness and implementation of Board policies, directives, strategies and decisions.

The Chairman conducted an annual separate session with the Non-Executive Directors to discuss among others, strategic, governance and operational issues.

### Company Secretaries

The Board is supported by qualified and experienced Company Secretaries who provide advice on statutory and regulatory requirements, governance matters and Board procedures. The Company Secretaries oversee adherence to Board policies and procedures, brief the Board on the proposed contents and timing of material announcements to be made to regulators, as well as any changes to regulatory requirements that may affect the Company and the Board.

Directors have access to independent professional advice, where necessary, at the Company's expense in the discharge of their duties.

### Board Composition

The composition of the Board and Board Committees is reviewed by the NRC annually to ensure an appropriate balance of skills, experience and diversity. The Board shall comprise not less than three (3) and not more than eleven (11) Directors.

The Board currently comprises seven (7) members with three (3) Independent Directors and four (4) Non-Independent Directors out of which two (2) are Executive Directors. With the current composition of the Board, the Company fulfills the Main Market Listing Requirements ("MMLR") of Bursa Securities para 15.02 that at least two (2) Directors or 1/3 of the Board, whichever is higher, must be Independent Directors.

The Directors have a wide range of relevant experience and expertise and have contributed significantly in areas such as policy and strategy, performance monitoring, allocation of resources as well as improving governance and controls. The Executive Directors, in particular, are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as coordinating the development and implementation of business strategies adopted whilst the Independent Directors have provided a balanced and independent view and judgement to the Board.

NRC undertakes an annual assessment of the effectiveness of the Board, its Committees and individual Directors. The evaluation covers, among others, the Directors' skills, qualifications, experience, independence, integrity, time commitment and overall contribution, and is conducted through a structured process incorporating both self and peer assessments.

Based on the assessment for FY2025, the NRC is satisfied that the current composition of the Board and its Committees remain appropriate and well-balanced. The Directors collectively demonstrate a strong mix of competencies, relevant industry experience and active engagement, enabling effective oversight and constructive deliberation in supporting the Group's strategic objectives and long-term value creation.

The NRC further concluded that each Director has devoted sufficient time and commitment to discharge their responsibilities effectively and continues to demonstrate professionalism and integrity in the performance of their duties.

In view of the Group's strategic expansion into manufacturing activities, the NRC will, where appropriate, prioritise candidates with relevant manufacturing, operational and technical expertise in future Board appointments to further enhance the Board's effectiveness and support the Group's evolving business direction.

Any proposal to appoint new director(s) shall be evaluated and recommended by the NRC subject to the criteria outlined in the Directors' Fit and Proper Policy. The said policy is accessible on Ibraco's website.

The profile of each of the Board Members is presented in the Profile of Directors of this Annual Report.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 1. Independence

The Board conducts an annual evaluation of Independent Directors as well as Fit and Proper assessment to ensure compliance with the MMLR's requirements for Independent Directors. Prior to the appointment and subsequently, the Board assesses the independence and effectiveness of Independent Directors, considering their skills, competencies and ability to bring independent and objective judgement to Board deliberations.

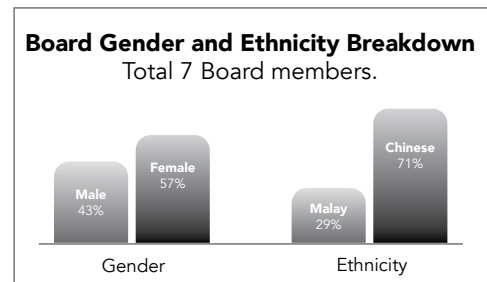
In FY2025, all Independent Directors have been assessed and confirmed to meet the independence criteria as set out in the MMLR. None has served beyond nine (9) years.

### 2. Senior Independent Non-Executive Director

Mr Chin Mui Khiong is the Senior Independent Non-Executive Director ("SINED"). The SINED provides independent oversight and serves as a key liaison between the board, shareholders, and the management. The SINED can be reached at peter.chinmk@ibraco.com.

### 3. Board Diversity

The Board recognises and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element towards achieving sustainable business growth. When appointing a Director, the NRC and the Board will evaluate the candidate giving due consideration for boardroom diversity.



### Board Committees

The various Board committees were established and guided by their respective term of reference approved by the Board. The Chairman of each committee reports to the Board during the Board meeting, and the minutes of the committees are tabled at the Board level.

Board Committee	Composition	Roles and Responsibilities
<b>Audit and Risk Management Committee ("ARMC")</b>	<ul style="list-style-type: none"> <li>Chin Mui Khiong (Chairman)</li> <li>Wong Siaw Wei</li> <li>Junijah Binti Ismail</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring financial integrity and regulatory compliance</li> <li>Evaluates the internal control system</li> <li>Assess the effectiveness of internal audit processes and risk management strategies</li> <li>Oversees and liaises with external auditors to ensure independent audits</li> <li>Identifies and analyses the Group's overall risk appetite and profile</li> <li>Review the effectiveness of internal controls and implement controls to mitigate risks</li> <li>Review and monitor management response plans and evaluate emerging risks</li> <li>Report major risk exposures to the Board</li> </ul>
<b>Nomination and Remuneration Committee ("NRC")</b>	<ul style="list-style-type: none"> <li>Chin Mui Khiong (Chairman)</li> <li>Wong Siaw Wei</li> <li>Junijah Binti Ismail</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring effective board composition, leadership succession and fair remuneration for Executive Directors and Senior Management</li> <li>Annual assessment of the contribution of individual directors and overall effectiveness of the Board</li> <li>Evaluate and propose new members to the Board and Board Committees</li> </ul>
<b>Sustainability Committee ("SC")</b>	<ul style="list-style-type: none"> <li>Wong Siaw Wei (Chairlady)</li> <li>Junijah Binti Ismail</li> <li>Lily Tang Lee Lin</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring the Group integrates environmental, social and governance aspects into the Group's business strategy and operations</li> <li>Oversees the Group's sustainability policies and targets</li> </ul>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### Time Commitment

The Board meets at least five (5) times a year, with additional meetings convened as and when necessary for special matters. Board meetings are scheduled in advance prior to the new calendar year, to ensure sufficient time is given to the Directors to plan their schedules and enable them to attend the meetings.

During the FY2025, the Board met on five (5) occasions where it deliberated on and considered a variety of matters, including business plans and strategy, financial performance, corporate governance, risk management, group policies and sustainability. Directors received information and materials required for at least five (5) business days in advance of the Board Meeting.

All the Directors have complied with the minimum 50% attendance requirement in respect of Board Meetings as stipulated in the MMLR of Bursa Malaysia. Details of Directors' attendances of Board and Board Committee Meetings in 2025 are as follows: -

Directors	Designation	Number of Meetings Attended/Held		
		Board	ARMC	NRC
Ng Cheng Chuan	Non-Executive Chairman	3/5	-	-
Datuk Chew Chiaw Han	Group Managing Director	5/5	-	-
Lily Tang Lee Lin	Executive Director	5/5	-	-
Sharifah Deborah Sophia Ibrahim	Non-Independent Non-Executive Director	5/5	-	-
Chin Mui Khiong	Independent Director	5/5	5/5	2/2
Wong Siaw Wei	Independent Director	5/5	5/5	2/2
Junijah Binti Ismail	Independent Director	5/5	5/5	2/2

No directors holds more than five (5) directorships in listed companies during the financial year.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### Directors' Training

The Directors continuously attend conferences, seminars and training programs as well as reading materials and publications to further broaden their perspectives, skills, knowledge and to keep abreast with the relevant changes in law, regulations and the business environment.

During the financial year under review, the Directors, individually or collectively, attended various training programs and seminars as set out below: -

Directors	Training Programme
Datuk Chew Chiaw Han	<ul style="list-style-type: none"> <li>Bursa Malaysia - Mandatory Accreditation Programme Part II : Leading for Impact</li> <li>JKR Sarawak General Conditions of Contract (PWD 75 (Ver.2021)) – The Mysteries of Variation Claims Revealed and Common Recurring Mistakes Made by Contractors Claiming Loss and Expense</li> <li>Anti-Bribery and Corruption (ABC) E-Learning Module – Part 1 &amp; 2</li> <li>Workplace Safety for Employees</li> </ul>
Lily Tang Lee Lin	<ul style="list-style-type: none"> <li>Stamp Duty : Learn How to do Self Computation for the Year 2026</li> <li>Anti-Bribery and Corruption (ABC) E-Learning Module – Part 1 &amp; 2</li> <li>Developing a Transfer Pricing Policy for Intra-Group Services</li> <li>November SST Alert for Construction Works Amended Policy</li> <li>Post Budget 2026</li> <li>SST Expansion and e-Invoicing: Updates and Key Business Impact</li> <li>SST: New Service Tax Scope for Construction Industry</li> <li>Understanding The Amendments to The Housing Development (Control &amp; Licensing) Act 1966 (Act 118)</li> <li>Webinar on Sales Tax Revision and Service Tax Expansion 2025</li> <li>Workplace Safety for Employees</li> </ul>
Chin Mui Khiong	<ul style="list-style-type: none"> <li>Bursa Malaysia - Mandatory Accreditation Programme Part II : Leading for Impact</li> <li>Audit Quality : Implementing Key Elements of the Audit Quality Framework</li> <li>Valuation in a Specialised Industry : Agriculture, Horticulture and Aquaculture – Addressing and Mitigating the Challenges faced by Auditors</li> <li>Real Property Gains Tax and Capital Gains Tax Malaysia</li> <li>National Tax Conference 2025</li> <li>Seminar Percukaian Kebangsaan 2025</li> <li>2026 Budget and Tax Conference EY Kuching</li> <li>Key MFRS Standards – Underlying Principles and Applications</li> <li>Understanding Malaysian Recent Tax Developments</li> </ul>
Wong Siaw Wei	<ul style="list-style-type: none"> <li>Training on Environmental Compliance Audit</li> <li>Tax Seminar 2025 - Towards Strategic Taxation: Fueling Growth, Ensuring Equity</li> <li>Post Budget 2026</li> <li>Women in AI for Plant Biodiversity Training Workshop</li> <li>SSM Annual Dialogue 2025</li> </ul>
Ng Cheng Chuan	<ul style="list-style-type: none"> <li>Bursa Malaysia - Mandatory Accreditation Programme Part II : Leading for Impact</li> </ul>
Sharifah Deborah Sophia Ibrahim	<ul style="list-style-type: none"> <li>Bursa Malaysia - Mandatory Accreditation Programme Part II : Leading for Impact</li> </ul>
Junjiah Binti Ismail	<ul style="list-style-type: none"> <li>Navigation The National Sustainability Reporting Framework : Insights On Implementation</li> <li>Budget 2026</li> <li>HASIL-CTIM TAX FORUM 2025</li> </ul>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### Remuneration of Directors and Senior Management

The remuneration package and service contract of the Executive Directors are reviewed by NRC and recommended to the Board for approval. The Executive Directors are required to abstain from the Board's deliberation of their remuneration package.

The payment of annual fees to the Non-Executive Directors is recommended by the Board and approved by the shareholders at the Annual General Meeting.

The remuneration of Directors on a named basis for FY2025 is disclosed in the CG Report which is available on the Company's website.

The Board is of the view that it would not be beneficial to the Company to disclose the Key Senior Management Personnel's remunerations on a named basis in the band of RM50,000, which might have a negative impact on maintaining a stable working environment for long-term strategic goals. The NRC ensures that the remuneration packages of the Senior Management Personnel are competitive and fair to retain and motivate executives while aligning their interests with the Group's long-term strategies. The executive remuneration packages are determined by considering individual responsibilities, skills, expertise, experiences and contributions to the Group's performance.

The details of the aggregate remuneration of the Key Senior Management Personnel during the year under review are set out as below: -

	Company RM
Salaries and Bonus	2,763,474
Benefits-in-kind	49,973
Other emoluments**	221,682
<b>Total</b>	<b>3,035,129</b>

\*\* Included in other emoluments are defined contribution plan and social security costs.

## MCCG PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

### Audit and Risk Management Committee ("ARMC")

The ARMC comprises exclusively Independent Non-Executive Directors and is chaired by a member of the Malaysian Institute of Accountants. The Chairman of the ARMC is not the Chairman of the Board, ensuring an appropriate level of independence and objectivity in the discharge of its duties.

The ARMC assists the Board in overseeing the integrity of financial reporting, the effectiveness of the Group's internal control and risk management systems, and the performance of both internal and external audit functions. The ARMC operates within clearly defined Terms of Reference, which are available on the Company's website.

Collectively, the ARMC members possess the requisite financial literacy, skills and experience to discharge their responsibilities effectively. A summary of the ARMC's activities during FY2025 is set out in the ARMC Report of this Annual Report.

### Internal Audit Function

The Group has established an independent in-house Internal Audit Department ("IAD"), which provides assurance to the Board and the ARMC on the adequacy and effectiveness of the Group's risk management, internal control, governance, anti-corruption and whistleblowing processes.

The IAD is guided by an Internal Audit Charter and adopts recognised professional standards in carrying out its functions. The department is led by the Group Internal Auditor, who reports functionally to the ARMC, thereby ensuring independence from Management.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## MCCG PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

### Internal Audit Function (Cont'd)

The ARMC reviews and approves the internal audit plan, scope of work and resource requirements, and evaluates the performance and effectiveness of the internal audit function on a periodic basis.

Further details of the internal audit function are set out in the ARMC Report of this Annual Report.

### Relationship with External Auditors

The ARMC maintains a formal and transparent relationship with the external auditors, including overseeing their independence, objectivity and performance.

The ARMC reviews the scope of the audit, audit plan and results of the external audit, including any significant audit findings and management responses. The ARMC also assesses the suitability and independence of the external auditors annually, including the level of non-audit services provided.

Further details of the ARMC's oversight of the external audit function are set out in the ARMC Report.

### Risk Management and Internal Control Framework

The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control to safeguard shareholders' investments and the Group's assets.

The Group has established a structured risk management framework to identify, assess, monitor and manage principal risks across its operations. The ARMC supported by Management, assists the Board in overseeing the Group's risk profile and ensuring that appropriate mitigation measures are implemented.

The framework incorporates both financial and non-financial risks, including operational, regulatory, sustainability and emerging risks such as climate-related and technology risks. The Board, through the ARMC, reviews the adequacy and effectiveness of the Group's internal control systems and risk management processes.

The Board recognises that such systems are designed to manage rather than eliminate risks and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

Further details are set out in the Statement on Risk Management and Internal Control of this Annual Report.

### Directors' Responsibility Statement

The Directors are responsible for ensuring that the financial statements are prepared in accordance with the Companies Act 2016 and applicable approved accounting standards, so as to present a true and fair view of the financial position and performance of the Group and the Company.

In preparing the financial statements for FY2025, the Directors are satisfied that:

- Appropriate accounting policies have been consistently applied;
- Judgements and estimates made are reasonable and prudent; and
- All applicable accounting standards have been complied with.

The Directors have also ensured that proper accounting records are maintained to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## **MCCG PRINCIPLE C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**

### **Stakeholder Relationship and Communication**

The Board recognises the importance of maintaining transparent, timely and effective communication with stakeholders to foster trust and support informed decision-making.

The Group ensures a high standard of disclosure through various communication channels, including:

- Quarterly financial results announcements;
- Annual Reports and Circulars to shareholders;
- Corporate disclosures to Bursa Malaysia Securities Berhad; and
- Press releases and investor briefings.

The Company's corporate website serves as a key platform for disseminating information, including an investor relations section where all announcements and relevant corporate information are made accessible on a timely basis.

The Executive Directors, together with Management and the Company Secretaries, engage with institutional investors, analysts and other stakeholders through meetings, site visits and dialogues to provide insights into the Group's performance, strategy and prospects.

### **Conduct of General Meetings**

The Annual General Meeting ("AGM") remains the principal platform for dialogue between the Company and its shareholders.

Shareholders are given adequate notice of at least twenty-eight (28) days prior to the AGM to allow sufficient time for consideration of the resolutions. The AGM provides shareholders with the opportunity to engage directly with the Board and Management, raise questions and seek clarifications on the Group's performance, strategy and governance matters.

All Directors, including the Chairmen of the respective Board Committees, as well as the external auditors, are expected to attend general meetings to respond to shareholders' queries.

This Corporate Governance Statement is issued in accordance with the Board's approval on 27 March 2026.

# ADDITIONAL COMPLIANCE INFORMATION

## Audit and Non-audit Fees

The amount of audit and non-audit fees paid or payable to the External Auditor and a company affiliated to the External Auditors' firm for FY2025 were as follows:

Purpose	Group (RM)	Company (RM)
Audit Fees	287,900	180,000
Non-Audit Fees:		
• Tax advisory, computation and filing	109,350	29,500
• Review of Statement on Risk Management and Internal Control	8,000	8,000
• Review of Housing Development Accounts	18,000	13,500
<b>Total</b>	<b>423,250</b>	<b>231,100</b>

## Related Party Transactions

The value and types of related party transactions entered into by the Ibraco Group are shown on pages 173 to 174 of this Annual Report (see Note 32 to the financial statements).

## Material Contracts

There were no material contracts entered into by Ibraco Group involving Directors and major shareholders, either still running at the end of the financial year or entered into since the end of the previous financial year other than those disclosed in the financial statements.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## Background

The Malaysian Code on Corporate Governance requires the Board of Directors ("Board") of listed companies to establish and maintain a sound system of risk management and internal control to safeguard shareholders' investments and the Group's assets.

This Statement has been prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Principal B of the Malaysian Code of Corporate Governance 2021, and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines"). The Statement outlines the key features of the Group's risk management and internal control framework and the processes established to ensure their continued adequacy and effectiveness.

## Responsibility of the Board

The Board acknowledges its overall responsibility for establishing and maintaining a sound risk management framework and internal control system, as well as reviewing their adequacy and effectiveness. The system encompasses not only financial controls but also operational and compliance controls relating to applicable laws, regulations, and relevant professional or statutory guidelines. Consistent with the inherent limitations of any system of risk management and internal control, such systems are designed to manage, rather than to eliminate, the risk of not achieving business objectives. Accordingly, they provide reasonable, not absolute, assurance against material misstatements, losses or fraud.

The Group has an on-going process for identifying, evaluating, and managing the significant risks faced by the Group. This process includes updates to the risk management and internal control system as necessary to reflect changes in the business environment and evolving regulatory requirements. The process is regularly reviewed by the Board to promote long-term success of the Group, in accordance with the MMLR of Bursa Securities and guided by the Guidelines.

Management supports the Board by implementing its policies and procedures relating to risk and control, including identifying and assessing risks, and designing, operating, and monitoring suitable internal controls to ensure risks are mitigated to an acceptable level.

The Board has received reasonable assurance from the Group Managing Director and the Chief Financial Officer that the Group's risk management framework and internal control system are operating adequately and effectively, in all material aspects, based on the Group's established framework and processes.

The disclosures in this Statement do not include risk management and internal control practices of the Group's material associate. The Group's interests in associate are safeguarded through representation on the Board of the associate company.

The Board is of the view that the risk management and internal control system were generally in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report.

## Risk Management

The Board recognises that effective risk management is integral to the achievement of the Group's strategic and operational objectives across its property development, construction and manufacturing activities. The Group has established an enterprise risk management ("ERM") framework to identify, assess, monitor and manage risks in a structured and consistent manner across all business units.

Management is responsible for maintaining risk registers for their respective business units, identifying key risks, assessing the likelihood and impact of such risks, and implementing appropriate mitigation measures. The Audit and Risk Management Committee ("ARMC"), assists the Board in overseeing the adequacy and effectiveness of the Group's risk management framework and reports its observations to the Board on a periodic basis.

Risk assessments are carried out at least annually across the Group's operations to review existing risks, identify emerging risks and evaluate the effectiveness of mitigation controls. In addition, where new or significant risks arise from changes in market conditions, regulatory requirements, project developments or operational activities, Management undertakes prompt risk assessments to evaluate the exposure and potential impact to the Group. Appropriate mitigation strategies and control measures are then implemented to ensure such risks are identified, monitored and managed within the Group's acceptable risk tolerance levels.

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

## Internal Audit Function

The Group has established an Internal Audit Department that reports independently to the ARMC, providing the Board with the necessary assurance regarding the adequacy and effectiveness of the Group's risk management, internal control, and governance systems. The ARMC was formed through the merger of the Audit Committee and Risk Committee during the financial year.

The annual internal audit plan is reviewed and approved by the ARMC, and the scope of internal audit work covers audits of key business processes across the Group. The internal auditors also monitor the implementation status of their audit recommendations to obtain assurance that significant risks and related control measures identified have been addressed by Management in an effective and timely manner.

The internal auditors adopt a risk-based approach in planning and conducting their audits, consistent with the Group's established framework for designing, implementing, and monitoring its internal control system.

For control issues raised by the external auditors, the internal auditors perform follow-up reviews to ensure that significant matters are appropriately and promptly addressed by Management.

## Other Key Elements

Other key elements of the Group's risk management and internal control system, which may also fall under the ambit of risk management practices or internal control procedures, are described below:

### *Committees at Various Levels*

Various Committees have been established to assist the Board in discharging its fiduciary duties. These include the Audit and Risk Management Committee, the Nomination and Remuneration Committee, the Sustainability Committee and the Emergency Management Committee. Each Committee has clearly defined terms of reference, authority, and responsibilities.

### *Policies and Procedures*

- The Group has established a system of governance and compliance through various policies, including the Code of Conduct and Ethics, Whistleblower Policy, Anti-Bribery and Corruption Policy, Board Diversity Policy, Dividend Policy, Human Rights Policy, Privacy Policy and the Board Charter.
- Operational procedures for all key business processes are in place to ensure effectiveness, transparency, and continuity.
- These procedures outline, among other things, reporting and authority structures. Pre-defined limits are also established at appropriate levels for the deliberation and approval of expenditures.
- The Group's construction arm maintains ISO 9001:2015 Quality Management System certification, which supports a structured approach to managing processes, ensuring consistent product quality and enhancing customer satisfaction through continuous improvement.
- In 2024, the Group's construction arm obtained ISO 14001:2015 Environmental Management System certification, reinforcing its commitment to environmental stewardship through systematic controls to monitor, manage and improve environmental performance.
- The Group's ready-mixed concrete division holds ISO 9001:2015 Quality Management System certification, attained in 2024, reflecting its dedication to delivering consistent product quality, strengthening operational efficiency and upholding robust process controls across its operations.
- During the year, the Group's mild steel cement lined pipe division also successfully achieved ISO 9001:2015 Quality Management System certification, further embedding standardised quality controls throughout the Group's operational activities.

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

## **Planning, Performance Monitoring and Reporting**

- The Group has an established budgeting process that requires all business segments to prepare an annual budget taking into consideration strategic plans, capital requirements, and operating expenditures for the upcoming financial year, for discussion and approval by the Board.
- The ARMC reviews the quarterly financial results and evaluates Management's explanations for significant or unusual variances identified therein.
- Management meetings are held to identify, discuss, and resolve operational, financial and key management issues. Information covering key financial and operational indicators is also provided to senior management to facilitate monitoring of performance against budget. Significant variances are followed up by Management, and appropriate action is taken where necessary.
- The professionalism and competency of staff are enhanced through training programs. A performance management system is in place with established Key Performance Indicators to instill a strong performance-driven culture.

## **Review of the Statement by External Auditors**

As required by Paragraph 15.23 of the MMLR, the external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the financial year ended 31 December 2025, and reported to the Board that nothing has come to their attention that causes them to believe that the statement, intended to be included in the annual report of the Group, in all material respects:

- a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- b) is factually inaccurate.

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 and opinion by the Board of Directors and the Management thereon. The report from the external auditors was made solely for, and directed solely to the Board of Directors in connection with their compliance with the listing requirements of Bursa Securities and for no other purposes or parties. The external auditors do not assume responsibility to any person other than the Board of Directors in respect of this report.

## **Conclusion**

The Board is not aware of any significant control failures or weaknesses identified during the financial year under review that would result in material losses or require disclosure in the Annual Report of the Group.

The Board and Management will continue to monitor all major risks affecting the Group, take necessary measures to mitigate them, and continue enhancing the adequacy and integrity of the Group's risk management framework and internal control system.

This Statement is issued in accordance with the Board's approval on 27 March 2026.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

During the year, the Audit Committee and Risk Management Committee were merged with effect from 23 May 2025 to form the Audit and Risk Management Committee ("ARMC"). The merger was undertaken to streamline the Group's governance framework and to enhance integrated oversight of audit, financial reporting, internal control, and risk management matters. Following the merger, the ARMC has assumed all duties and responsibilities previously delegated to the Audit Committee and the Risk Management Committee. The Terms of Reference of the ARMC were reviewed and updated to reflect the expanded scope and responsibilities of the Committee.

The ARMC assists the Board of Directors ("Board") in the discharge of its fiduciary duties by providing oversight of the Group's financial reporting and disclosure processes, external and internal audit functions, and the adequacy and effectiveness of the Group's system of internal controls. The ARMC also plays a key role in overseeing the Group's risk management framework and governance processes, with the objective of ensuring that significant risks are identified, assessed, and managed appropriately. In carrying out its responsibilities, the ARMC supports the Board in safeguarding shareholders' interests and promoting sound corporate governance practices across the Group.

## TERMS OF REFERENCE

The ARMC is guided by its Terms of Reference in the performance of its duties and the discharge of its responsibilities. The Terms of Reference of the ARMC are available on the Company's corporate website at [www.ibraco.com](http://www.ibraco.com).

## MEMBERSHIP AND ATTENDANCE

The ARMC comprises three members, all of whom are Independent Non-Executive Directors, with at least one member being a professional or qualified accountant. The ARMC met five times during the financial year, and the attendance record of each member is set out below.

Composition of Committee	Total Number of Meetings Attended
<b>Chin Mui Khiong</b> Chairman/Independent Non-Executive Director	5/5
<b>Wong Siaw Wei</b> Member/Independent Non-Executive Director	5/5
<b>Junijah Binti Ismail</b> Member/Independent Non-Executive Director	5/5

The meetings were appropriately structured through the use of formal agendas. Board papers were distributed to the ARMC with sufficient notice, enabling members to review the materials in advance and, where necessary, to request additional information from Management and the Group Internal Auditor ("GIA").

The Group Managing Director, the Chief Financial Officer ("CFO"), and the Company Secretary attended all meetings to provide explanations and address matters relating to audit, internal control, and the Group's financial performance. The GIA, who also serves as the Secretary to the ARMC, attended all meetings to present the quarterly internal audit reports and the annual internal audit plan. The External Auditors were invited to attend meetings, when necessary, to report on audit progress, findings on areas of audit emphasis, key audit matters, financial reporting updates and the Audit Planning Memorandum.

Minutes of all ARMC meetings were duly recorded and tabled for confirmation at subsequent meetings. All confirmed minutes were presented to the Board for review and discussion. The Chairman of the ARMC reported the Committee's recommendations and any remedial actions to the Board for its consideration and approval, and for implementation by Management.

## SUMMARY OF WORK DURING THE FINANCIAL YEAR

The ARMC carried out its functions and duties in accordance with its Terms of Reference. The key activities undertaken during the financial year are summarised below.

### 1. Financial Reporting

- Reviewed the quarterly interim financial reports and the year-end unaudited financial statements of the Group prior to recommending them to the Board for approval.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

## SUMMARY OF WORK DURING THE FINANCIAL YEAR (CONT'D)

The ARMC carried out its functions and duties in accordance with its Terms of Reference. The key activities undertaken during the financial year are summarised below. (Cont'd)

### 1. Financial Reporting (Cont'd)

- Reviewed the annual audited financial statements of the Group prior to submission to the Board for approval.  
  
These reviews were conducted to ensure that the financial reporting and disclosures were in compliance with the provisions of the Companies Act 2016, applicable Malaysian Financial Reporting Standards ("MFRS"), Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad, and other relevant legal and regulatory requirements.
- Deliberated significant accounting matters and assessed the appropriateness and reasonableness of the accounting policies and standards applied in the preparation of the Group's financial statements, as highlighted by Management or the External Auditors.
- At each quarterly ARMC meeting, the CFO presented and provided assurance to the ARMC that:
  - appropriate accounting policies had been adopted and consistently applied;
  - the going concern basis applied in the annual financial statements and quarterly unaudited financial statements was appropriate;
  - prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the MFRS;
  - adequate processes and internal controls were in place to ensure effective and efficient financial reporting and disclosures in compliance with the MFRS and MMLR; and
  - the annual financial statements and quarterly unaudited financial statements did not contain material misstatements and presented a true and fair view of the financial position of the Group and the respective companies within the Group for the financial year ended 31 December 2025.
- Reviewed the financial performance of the Group and evaluated the quarterly results against the financial estimates approved by the Board.

### 2. Internal Audit

- Reviewed the annual internal audit plan to assess the adequacy of its scope and coverage of the Group's activities, taking into consideration the assessment of key risk areas, and recommended changes where necessary.
- Reviewed internal audit reports, including audit findings, audit recommendations, and Management's responses, to evaluate whether appropriate and timely actions had been taken to address the audit recommendations.
- At each ARMC meeting, the Committee held an executive session with the GIA to discuss issues arising from internal audit engagements and any other relevant matters, in the absence of Management.
- Assessed the effectiveness of the Internal Audit Function through the use of questionnaires designed to evaluate satisfaction with the Internal Audit Function's roles and services, competency and professionalism in governance, risk management and internal controls, as well as its independence and objectivity. The results indicated that the Internal Audit Function performed satisfactorily.
- Reviewed and approved the annual training budget to ensure the internal audit team was equipped with an appropriate level of skills and knowledge to perform its function effectively.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

## 3. External Audit

- On 27 November 2025, the ARMC reviewed the External Auditors' Group Audit Planning Memorandum ("APM") for the financial year ended 31 December 2025. The APM outlined the External Auditors' engagement and reporting responsibilities, audit approach, areas of audit emphasis, composition of the engagement team, as well as audit reporting, deliverables and audit fees.
- The ARMC held two private sessions with the External Auditors on 21 February 2025 and 28 March 2025, to discuss any issues or concerns arising from the annual audit, in the absence of Management. During these sessions, the External Auditors were provided with the opportunity to raise any matters of concern relating to their audit work.
- The ARMC was informed that the External Auditors had no major concerns and confirmed that they had received full cooperation from Management throughout the audit process.
- After considering the nature, scope and quantum of the non-audit fees, the ARMC was satisfied that there were no conflicts of interest and that the independence and objectivity of the External Auditors were not impaired.
- The ARMC reviewed the External Auditors' report at its meeting held on 28 March 2025, with particular focus on the relevant disclosures in the annual audited financial statements.
- On 28 March 2025, the ARMC conducted its annual assessment of the suitability, effectiveness and independence of the External Auditors, taking into account feedback from Management on their performance. Assessment questionnaires were used to obtain input from personnel who had significant interaction with the External Auditors during the year. The evaluation focused, among others, on the External Auditors' technical advice and sound professional judgement, and effectiveness of their communication and responsiveness throughout the audit process. In addition, the ARMC considered the performance of the audit engagement partner and the engagement team observed during meetings with the External Auditors held in February, March and November 2025. Based on this evaluation, the ARMC was satisfied with the External Auditors' performance and the quality of audit services rendered.
- The external auditors confirmed their professional independence in respect of the audit engagement.

## 4. Related Party Transactions

- Reviewed all related party transactions of the Group as reported by Management and ensured that such transactions were appropriately disclosed in the relevant quarterly announcements and related party transaction disclosures made during the financial year.
- Reviewed the estimated recurrent related party transactions ("RRPT") of a revenue or trading nature for the financial year and considered Management's recommendation to seek a shareholders' mandate in accordance with the MMLR. Based on this review, the Committee concurred with the proposal, and a circular to shareholders was issued in conjunction with the Company's 2025 Annual General Meeting ("AGM"). The shareholders' mandate for RRPT was duly approved at the 2025 AGM.

## 5. Risk Management

- Reviewed the Statement on Risk Management and Internal Control, which was duly reviewed by the External Auditors. The External Auditors noted no exceptions and confirmed that the Statement was prepared in accordance with Audit and Assurance Practice Guide 3 and was suitable for inclusion in the Annual Report 2025.
- Reviewed the Group's risk management policies and procedures and assessed their adequacy and effectiveness in providing a structured framework for the identification, evaluation, and management of risks in accordance with the Group's established risk appetite and regulatory requirements.

## 6. Others

- Reviewed the Audit and Risk Management Committee Report for inclusion in the Annual Report 2025 and recommended it to the Board for adoption.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

## TRAINING AND CONTINUOUS ENGAGEMENT

During the financial year, the Chairman of the ARMC maintained regular engagement with Management and the GIA through telephone discussions and attendance at ad-hoc meetings to remain apprised of matters affecting the Group. Through these engagements, relevant issues were brought to the attention of the ARMC in a timely manner.

Members of the ARMC also attended relevant training programmes and seminars during the year to enhance their knowledge, skills and competencies in effectively discharging their functions and duties. Details of the training programmes attended during the financial year ended 31 December 2025 are set out under "Directors' Training" on page 88 of this Annual Report.

## INTERNAL AUDIT FUNCTION

The Group has established an Internal Audit Department, which reports directly to the ARMC to assist in the discharge of its duties and responsibilities. The Internal Audit Department conducts regular, independent, and systematic reviews of the Group's internal control systems to provide reasonable assurance that such systems continue to operate effectively, efficiently and economically, in line with the Group's overall objectives and goals. The Department also verifies data and information submitted to external agencies, including Bursa Malaysia Securities Berhad.

The Internal Audit Department performs its functions in accordance with an annual internal audit plan approved by the ARMC, which outlines the scope of audit work and the resources required. The Department reports directly to the ARMC on major audit findings, as well as any significant control issues and concerns identified. The ARMC regularly evaluates and monitors the performance of the internal audit function to assess its effectiveness in discharging its duties and responsibilities.

A risk-based approach is adopted for all audits conducted by the Internal Audit Department. These audits are designed to provide reasonable assurance that the control measures in place are appropriate, effectively implemented, and adequate to address the Group's risk exposures, in accordance with the Group's policies and procedures.

The Internal Audit Department is guided by the Internal Audit Charter and the Global Internal Audit Standards (2025) in assessing and reporting on the adequacy and effectiveness of the Group's internal control, governance, and risk management processes.

Internal audit reports are presented to the ARMC on a quarterly basis for deliberation and are subsequently forwarded to Management for the necessary corrective actions and follow-up.

The summary of internal audit work performed during the financial year is set out below:

- a. prepared the annual audit plan for deliberation and approval by the ARMC;
- b. performed operational audits on Group's business units and projects to assess the adequacy and effectiveness of their internal control systems, governance practices and risk management processes;
- c. presented internal audit reports, which include audit findings, audit recommendations and Management responses;
- d. conducted statutory compliance audits, including reviews of related party transactions;
- e. engaged with Management to identify significant concerns and risk areas perceived by Management for inclusion in the internal audit plan; and
- f. reviewed the extent of the Group's compliance with provisions of the Malaysian Code on Corporate Governance.

The total costs incurred by the Internal Audit Department during the financial year under review amounted to approximately RM256,000. The internal audit function was carried out solely by the Group's Internal Audit Department, and no aspects of the internal audit function were outsourced during the year.

# DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in realty development, investment holding and operation of a clubhouse. The principal activities of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of the principal activities of the Group and of the Company during the financial year.

## RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	76,568,632	40,083,731
Attributable to:-		
Owners of the Company	71,611,900	40,083,731
Non-controlling interests	4,956,732	-
	76,568,632	40,083,731

## DIVIDEND

Dividends paid or declared by the Company since 31 December 2024 are as follows:-

	RM
<b>Ordinary Share</b>	
<u>In respect of the financial year ended 31 December 2024</u>	
Final single-tier dividend of 2.00 sen per ordinary shares declared on 24 April 2025 and paid on 30 July 2025	10,920,924

## RESERVES AND PROVISIONS

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

## ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

## 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.

# DIRECTORS' REPORT (CONT'D)

## **BAD AND DOUBTFUL DEBTS**

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

## **CURRENT ASSETS**

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

## **VALUATION METHODS**

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

## **CONTINGENT AND OTHER LIABILITIES**

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

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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

## **CHANGE OF CIRCUMSTANCES**

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

## **ITEMS OF AN UNUSUAL NATURE**

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

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

# DIRECTORS' REPORT (CONT'D)

## DIRECTORS OF THE COMPANY

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Ng Cheng Chuan  
Datuk Chew Chiaw Han  
Sharifah Deborah Sophia Ibrahim  
Wong Siaw Wei  
Chin Mui Khiong  
Junijah Binti Ismail  
Lily Tang Lee Lin

## DIRECTORS OF THE COMPANY'S SUBSIDIARIES

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Datuk Barry Tan Chong Liang  
May Wong Mei Ling  
Law Ka Tong  
Ting Sie King  
Davidran A/L Somasundiram Prakasam  
Haji Muhamad Yakup Bin Kari  
Abdul Rahim Bin Abdullah  
Mohamad Azrai Bin Karim  
Ong Sheng Haur  
Ng Kee Tiong  
Zaidi Bin Mahdi  
Haji Ali Samson Bin Baki  
Li, XinWen  
Chen, Gang  
Kong Sin Huat (Appointed on 1.2.2025)  
Su Kuang Yiau (Retired on 31.1.2025)

## DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	Number of Ordinary Shares			
	At 1.1.2025	Bought	Sold	At 31.12.2025
<b>The Company</b>				
<i>Direct Interests</i>				
Ng Cheng Chuan	42,077,478	-	-	42,077,478
Datuk Chew Chiaw Han	20,425,440	-	(5,200,000)	15,225,440
Sharifah Deborah Sophia Ibrahim	99,366,120	-	-	99,366,120
<i>Indirect Interests</i>				
Ng Cheng Chuan	80,720,720	-	-	80,720,720
Datuk Chew Chiaw Han	126,069,438	10,200,000	-	136,269,438

# DIRECTORS' REPORT (CONT'D)

## DIRECTORS' INTERESTS (CONT'D)

By virtue of their shareholdings in the Company, Ng Cheng Chuan, Datuk Chew Chiaw Han and Sharifah Deborah Sophia Ibrahim are deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the 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 for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 32(b) to the financial statements.

Neither during nor at the end of the financial year, the Group or the Company was a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## INDEMNIFICATION OF OFFICERS

The Company maintains a Directors' and Officers' Liability Insurance Policy on a group basis. During the financial year, the amount of indemnity coverage and insurance premium paid for the directors of the Company were RM10,000,000 and RM19,839 respectively.

## DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Executive directors' remuneration:</b>				
Fees	<b>48,000</b>	48,000	-	-
Salaries and other emoluments	<b>3,135,600</b>	2,432,065	<b>3,135,600</b>	2,432,065
	<b>3,183,600</b>	2,480,065	<b>3,135,600</b>	2,432,065
<b>Non-Executive directors' remuneration:</b>				
Fees and other emoluments	<b>594,400</b>	567,400	<b>586,000</b>	559,000
Total director's remuneration	<b>3,778,000</b>	3,047,465	<b>3,721,600</b>	2,991,065
Estimated money value of benefits-in-kind	<b>71,102</b>	67,856	<b>71,102</b>	67,856
	<b>3,849,102</b>	3,115,321	<b>3,792,702</b>	3,058,921
Insurance effected to indemnify directors	<b>19,839</b>	19,839	<b>19,839</b>	19,839

# DIRECTORS' REPORT (CONT'D)

## INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Group and the Company have agreed to indemnify its auditors, Crowe Malaysia 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 Crowe Malaysia PLT during the financial year and up to the date of this report.

## SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 7 to the financial statements.

## AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The auditors' remuneration of the Group and of the Company for the financial year were RM287,900 and RM180,000 respectively.

Signed on behalf of the Board in accordance with a resolution of the directors dated 27 March 2026.

**Datuk Chew Chiaw Han**

**Lily Tang Lee Lin**

# STATEMENT BY DIRECTORS

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

We, Datuk Chew Chiaw Han and Lily Tang Lee Lin, being two of the directors of Ibraco Berhad, state that, in the opinion of the directors, the financial statements set out on pages 111 to 195 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year ended on that date.

Signed on behalf of the Board in accordance with a resolution of the directors dated 27 March 2026.

**Datuk Chew Chiaw Han**

**Lily Tang Lee Lin**

# STATUTORY DECLARATION

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

I, Lily Tang Lee Lin, MIA membership number: 31721, being the director primarily responsible for the financial management of Ibraco Berhad, do solemnly and sincerely declare that the financial statements set out on pages 111 to 195 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned  
Lily Tang Lee Lin  
at Kuching  
in the State of Sarawak  
on 27 March 2026

**Lily Tang Lee Lin**

Before me

Jammie Tai Kie Mei (No. Q150)  
Commissioner For Oaths  
1st Floor, Lot 11078, Block C,  
City Square, Jalan Pending,  
93450 Kuching, Sarawak

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IBRACO BERHAD

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Ibraco Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 111 to 195.

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 financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

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

#### *Independence and Other Ethical Responsibilities*

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

### Key Audit Matters

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

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IBRACO BERHAD (CONT'D)

## Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue Recognition – Property Development and Construction Contracts Refer to Note 21 in the financial statements	
Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The Group's revenue from property development and construction contracts contributed 89% of the Group's revenue.</p> <p>For the financial year ended 31 December 2025, the Group's revenue and cost from property development amounted to RM267,862,303 and RM 187,290,862 respectively, and the Group's revenue and costs from construction contract amounted to RM419,935,692 and RM367,884,346 respectively.</p> <p>Revenue from property development is recognised based on the percentage of completion basis which in turn is determined based on the proportion of contract costs incurred to-date and the total budgeted costs for the respective development projects. For construction contracts, the stage of completion and the revenue to be recognised are calculated based on estimates made of work completed at the reporting date.</p> <p>Significant management judgements and estimation are involved in the recognition of the revenue and its associated costs. Significant judgment and estimation are also required in determining the stage of completion, gross profit margin, provision for foreseeable losses and liquidated ascertained damages, if any. These estimates are subject to uncertainties that depend on the outcome of future events.</p> <p>We determined this to be a key audit matter due to the complexity and judgemental nature of these activities.</p>	<p>Our procedures included amongst others:-</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the basis of key judgements made for the revenue recognition and compare them with requirements of the accounting standards;</li> <li>• Test actual sales of development properties to signed sales and purchase agreements;</li> <li>• Evaluated the estimate made for the revenue recognition by determining that inputs applied were reasonable and supportable;</li> <li>• Assessed the reasonableness of the estimated revenue and property development cost and construction cost;</li> <li>• Tested the accuracy of the revenue recognition towards satisfaction of performance obligation;</li> <li>• Checked the mathematical computation of recognised revenue and corresponding costs for the projects during the financial year;</li> <li>• Assessed the adequacy and reasonableness of provisions for foreseeable losses as well as liquidated ascertained damages, if any;and</li> <li>• Performed site visits to the various property development phases and construction project sites.</li> </ul>

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IBRACO BERHAD (CONT'D)

## Key Audit Matters (Cont'd)

<b>Fair Value of Investment Properties</b> Refer to Note 11 in the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<p>As at 31 December 2025, the Group's investment properties which are carried at fair value, amounted to RM161,300,000.</p> <p>The Group adopts the fair value model for its investment properties and had engaged an external valuer to determine the fair value of the investment properties at the reporting date.</p> <p>We focused on this area due to the complexities in determining the fair value of the investment properties, which involved significant judgements in estimating the underlying assumption to be applied.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> <li>• Obtained the full valuation/indicative valuer's report to review the methodology adopted by the independent valuer;</li> <li>• Assessed the independent external valuers' competency, capabilities, objectivity, independence and qualification;</li> <li>• Assessed the inputs underpinning the valuation of the properties by discussion with valuers, the key assumptions and critical judgement area; and</li> <li>• Evaluated the reasonableness of the key assumptions used in the valuation.</li> </ul>

## 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 Annual Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

## Responsibilities of the Directors for the Financial Statements

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

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

## Auditors' Responsibilities for the Audit of the Financial Statements

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

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IBRACO BERHAD (CONT'D)

## Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- 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 the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IBRACO BERHAD (CONT'D)

## OTHER MATTERS

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

**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

**Chong Tian Poh**  
01580/02/2027 J  
Chartered Accountant

Kuching  
27 March 2026

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	NOTE	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	5	<b>157,592,923</b>	144,848,170	<b>51,240,278</b>	55,635,693
Intangible assets	6	<b>2,779,137</b>	3,276,893	-	-
Investment in subsidiaries	7	-	-	<b>38,429,944</b>	38,429,944
Investment in an associate	8	<b>3,432,506</b>	3,322,531	<b>6,860,000</b>	6,860,000
Investment in a joint venture	9	-	300,000	-	300,000
Inventories	10	<b>47,472,743</b>	51,894,861	<b>47,136,475</b>	51,558,593
Investment properties	11	<b>161,300,000</b>	141,600,000	<b>153,800,000</b>	141,600,000
Trade and other receivables	12	<b>19,911,999</b>	4,078,076	-	-
Deferred tax assets	13	<b>7,739,379</b>	6,732,531	-	497,736
Other assets	14	<b>11,838,790</b>	10,337,583	<b>11,838,790</b>	10,337,583
		<b>412,067,477</b>	366,390,645	<b>309,305,487</b>	305,219,549
<b>CURRENT ASSETS</b>					
Inventories	10	<b>601,521,150</b>	487,591,699	<b>380,288,021</b>	330,433,744
Trade and other receivables	12	<b>115,217,618</b>	106,941,989	<b>196,336,927</b>	163,036,746
Other assets	14	<b>231,348,744</b>	225,477,738	<b>69,097,688</b>	40,790,639
Current tax assets		<b>4,839,653</b>	8,457,162	<b>2,070,858</b>	4,433,396
Fixed deposits with licenced banks	15	<b>24,564,432</b>	9,774,257	<b>11,279,265</b>	7,858,374
Cash and bank balances	16	<b>86,068,222</b>	63,371,535	<b>46,867,505</b>	45,859,468
		<b>1,063,559,819</b>	901,614,380	<b>705,940,264</b>	592,412,367
<b>TOTAL ASSETS</b>		<b>1,475,627,296</b>	1,268,005,025	<b>1,015,245,751</b>	897,631,916

The annexed notes form an integral part of the financial statements.

# STATEMENTS OF FINANCIAL POSITION (CONT'D)

AS AT 31 DECEMBER 2025

	NOTE	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	17	<b>271,831,735</b>	271,831,735	<b>271,831,735</b>	271,831,735
Retained profits		<b>294,898,618</b>	234,207,642	<b>219,861,308</b>	190,698,501
Equity attributable to owners of the Company		<b>566,730,353</b>	506,039,377	<b>491,693,043</b>	462,530,236
Non-controlling interests		<b>16,119,592</b>	11,162,860	-	-
<b>TOTAL EQUITY</b>		<b>582,849,945</b>	517,202,237	<b>491,693,043</b>	462,530,236
<b>NON-CURRENT LIABILITIES</b>					
Loans and borrowings	18	<b>89,568,428</b>	120,487,114	<b>53,938,773</b>	57,857,923
Trade and other payables	19	<b>38,739,311</b>	24,685,174	<b>13,045,945</b>	11,557,754
Deferred tax liabilities	13	-	-	<b>195,764</b>	-
		<b>128,307,739</b>	145,172,288	<b>67,180,482</b>	69,415,677
<b>CURRENT LIABILITIES</b>					
Loans and borrowings	18	<b>431,984,888</b>	305,308,318	<b>215,329,681</b>	167,927,794
Trade and other payables	19	<b>313,629,444</b>	271,621,635	<b>232,948,182</b>	172,972,329
Other current liabilities	20	<b>16,411,826</b>	26,566,378	<b>8,094,363</b>	24,785,880
Current tax liabilities		<b>2,443,454</b>	2,134,169	-	-
		<b>764,469,612</b>	605,630,500	<b>456,372,226</b>	365,686,003
<b>TOTAL LIABILITIES</b>		<b>892,777,351</b>	750,802,788	<b>523,552,708</b>	435,101,680
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,475,627,296</b>	1,268,005,025	<b>1,015,245,751</b>	897,631,916

The annexed notes form an integral part of the financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	NOTE	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
REVENUE	21	<b>769,012,314</b>	562,848,012	<b>208,681,530</b>	217,075,395
COST OF SALES	22	<b>(615,794,059)</b>	(414,076,373)	<b>(141,057,705)</b>	(136,115,984)
GROSS PROFIT		<b>153,218,255</b>	148,771,639	<b>67,623,825</b>	80,959,411
OTHER INCOME	23	<b>37,181,164</b>	8,570,164	<b>41,619,297</b>	14,161,387
		<b>190,399,419</b>	157,341,803	<b>109,243,122</b>	95,120,798
ADMINISTRATIVE EXPENSES		<b>(52,175,597)</b>	(52,599,593)	<b>(34,339,352)</b>	(33,293,194)
SELLING AND MARKETING EXPENSES		<b>(6,219,036)</b>	(15,691,833)	<b>(3,693,635)</b>	(14,752,674)
PROFIT FROM OPERATIONS		<b>132,004,786</b>	89,050,377	<b>71,210,135</b>	47,074,930
FINANCE COSTS	24	<b>(26,468,241)</b>	(18,533,278)	<b>(18,558,382)</b>	(13,919,963)
SHARE OF RESULTS OF EQUITY ACCOUNTED ASSOCIATES		<b>109,975</b>	118,136	-	-
PROFIT BEFORE TAXATION	25	<b>105,646,520</b>	70,635,235	<b>52,651,753</b>	33,154,967
INCOME TAX EXPENSE	28	<b>(29,077,888)</b>	(19,984,617)	<b>(12,568,022)</b>	(9,041,707)
PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<b>76,568,632</b>	50,650,618	<b>40,083,731</b>	24,113,260

The annexed notes form an integral part of the financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	NOTE	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>PROFIT AFTER TAXATION ATTRIBUTABLE TO:-</b>					
Owners of the Company		<b>71,611,900</b>	48,781,273	<b>40,083,731</b>	24,113,260
Non-controlling interests		<b>4,956,732</b>	1,869,345	-	-
		<b>76,568,632</b>	50,650,618	<b>40,083,731</b>	24,113,260
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-</b>					
Owners of the Company		<b>71,611,900</b>	48,781,273	<b>40,083,731</b>	24,113,260
Non-controlling interests		<b>4,956,732</b>	1,869,345	-	-
		<b>76,568,632</b>	50,650,618	<b>40,083,731</b>	24,113,260
<b>EARNINGS PER ORDINARY SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (SEN PER SHARE)</b>					
- Basic	29	<b>13</b>	9		
- Diluted	29	<b>13</b>	9		

The annexed notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Share Capital RM	Retained Profits RM	Attributable to Owners of the Company RM	Non-Controlling Interests RM	Total Equity RM
<b>The Group</b>					
Balance as at 1.1.2024	271,831,735	207,268,217	479,099,952	8,778,872	487,878,824
Profit after taxation/Total comprehensive income for the financial year	-	48,781,273	48,781,273	1,869,345	50,650,618
Contribution by non-controlling interest	-	-	-	1,580,000	1,580,000
Disposal by non-controlling interest due to a subsidiary winding up	-	-	-	(25,357)	(25,357)
Dividends on ordinary shares	-	(21,841,848)	(21,841,848)	-	(21,841,848)
Dividends paid to non-controlling interest	-	-	-	(1,040,000)	(1,040,000)
Total transactions with owners	-	26,939,425	26,939,425	2,383,988	29,323,413
Balance as at 31.12.2024/1.1.2025	<b>271,831,735</b>	<b>234,207,642</b>	<b>506,039,377</b>	<b>11,162,860</b>	<b>517,202,237</b>
Profit after taxation/Total comprehensive income for the financial year	-	71,611,900	71,611,900	4,956,732	76,568,632
Dividends on ordinary shares	-	(10,920,924)	(10,920,924)	-	(10,920,924)
Total transactions with owners	-	60,690,976	60,690,976	4,956,732	65,647,708
Balance as at 31.12.2025	<b>271,831,735</b>	<b>294,898,618</b>	<b>566,730,353</b>	<b>16,119,592</b>	<b>582,849,945</b>

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The annexed notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	NOTE	Share Capital RM	Retained Profits RM	Total Equity RM
<b>The Company</b>				
Balance as at 1.1.2024		271,831,735	188,427,089	460,258,824
Profit after taxation / Total comprehensive income for the financial year		-	24,113,260	24,113,260
Dividends	30	-	(21,841,848)	(21,841,848)
Total transactions with owners		-	2,271,412	2,271,412
Balance as at 31.12.2024/1.1.2025		<b>271,831,735</b>	<b>190,698,501</b>	<b>462,530,236</b>
Profit after taxation / Total comprehensive income for the financial year		-	40,083,731	40,083,731
Dividends	30	-	(10,920,924)	(10,920,924)
Total transactions with owners		-	29,162,807	29,162,807
Balance as at 31.12.2025		<b>271,831,735</b>	<b>219,861,308</b>	<b>491,693,043</b>

The annexed notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	NOTE	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>					
Profit before taxation		<b>105,646,520</b>	70,635,235	<b>52,651,753</b>	33,154,967
Adjustments for:-					
Allowance for impairment loss on contract assets		<b>1,058,123</b>	793,096	<b>1,058,123</b>	793,096
Amortisation of intangible assets	6	<b>497,756</b>	497,756	-	-
Bad debts written off	25	<b>5,264</b>	-	<b>5,264</b>	-
Depreciation of property, plant and equipment	5	<b>10,339,558</b>	8,562,214	<b>4,723,430</b>	4,747,774
Property, plant and equipment written off	25	<b>328,959</b>	1,499	<b>124</b>	1,499
Dividend income from subsidiaries	21(b)	-	-	<b>(6,958,000)</b>	(1,960,000)
Loss/(Gain) on disposal of property, plant and equipment		<b>1</b>	(130,446)	-	(97,997)
Interest income from licensed banks		-	(60,305)	-	(40,227)
Inventories written off	25	<b>457</b>	-	<b>208</b>	-
Other interest income	23	<b>(1,164,696)</b>	(680,237)	<b>(8,788,527)</b>	(7,679,349)
Fair value gain on investment properties	11	<b>(13,451,975)</b>	(5,300,000)	<b>(12,200,000)</b>	(5,300,000)
Interest expense	24	<b>26,468,241</b>	18,533,278	<b>18,558,382</b>	13,919,963
Loss on disposal of investment in subsidiary upon liquidation	25	-	1,284	-	-
Realised loss on foreign exchange	25	-	15,289	-	-
Reversal of allowance for expected credit losses on trade receivables	12(a)	<b>(111,890)</b>	(79,169)	-	-
Share of results in associate		<b>(109,975)</b>	(118,136)	-	-
Operating profit before working capital changes		<b>129,506,343</b>	92,671,358	<b>49,050,757</b>	37,539,726
<b>BALANCE CARRIED FORWARD</b>		<b>129,506,343</b>	92,671,358	<b>49,050,757</b>	37,539,726

The annexed notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	NOTE	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>BALANCE BROUGHT FORWARD</b>		<b>129,506,343</b>	92,671,358	<b>49,050,757</b>	37,539,726
Increase in inventories		<b>(115,755,815)</b>	(112,928,614)	<b>(45,432,367)</b>	(66,026,844)
Increase in trade and other receivables		<b>(24,002,926)</b>	(70,506,750)	<b>(33,305,445)</b>	(24,113,799)
(Increase)/Decrease in other assets		<b>(23,341,114)</b>	(89,609,931)	<b>(30,866,379)</b>	8,529,319
Increase in trade and other payables		<b>62,555,138</b>	137,321,418	<b>61,464,044</b>	34,103,234
(Decrease)/Increase in other current liabilities		<b>(16,647,744)</b>	10,405,378	<b>(16,691,517)</b>	4,988,277
<b>CASH FROM/(FOR) OPERATIONS</b>		<b>12,313,882</b>	(32,647,141)	<b>(15,780,907)</b>	(4,980,087)
Interest paid		<b>(26,480,521)</b>	(19,353,152)	<b>(18,558,382)</b>	(13,919,963)
Interest received		<b>1,164,696</b>	680,237	<b>8,788,527</b>	7,679,349
Income tax refunded		<b>2,939,667</b>	31	-	-
Income tax paid		<b>(29,097,608)</b>	(26,245,985)	<b>(9,511,984)</b>	(16,089,051)
<b>NET CASH FOR OPERATING ACTIVITIES</b>		<b>(39,159,884)</b>	(77,566,010)	<b>(35,062,746)</b>	(27,309,752)
<b>CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES</b>					
Dividend received from subsidiaries	21(b)	-	-	<b>6,958,000</b>	1,960,000
Interest received from licensed banks		-	60,305	-	40,227
Increase in cash pledged for bank loans		<b>(499,990)</b>	-	-	-
Increase in deposits pledged for bank loans		<b>(14,461,510)</b>	(751,944)	<b>(3,094,370)</b>	1,057,909
Placement of deposits with maturity of more than 3 months		<b>(66,419)</b>	(64,299)	<b>(66,419)</b>	(64,299)
Purchase of property, plant and equipment	5(ii)	<b>(5,866,214)</b>	(29,513,977)	<b>(328,139)</b>	(454,293)
Proceeds from disposal of property, plant and equipment		-	131,800	-	98,000
Net proceeds from disposal of investment in a joint venture	9	<b>300,000</b>	-	<b>300,000</b>	-
<b>NET CASH (FOR)/FROM INVESTING ACTIVITIES</b>		<b>(20,594,133)</b>	(30,138,115)	<b>3,769,072</b>	2,637,544

The annexed notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	NOTE	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Contribution by non-controlling interest		-	1,580,000	-	-
Disposal by non-controlling interest due to a subsidiary winding up		-	(25,357)	-	-
Dividends paid on ordinary shares	30	<b>(10,920,924)</b>	(21,841,848)	<b>(10,920,924)</b>	(21,841,848)
Dividends paid to non-controlling interest		-	(1,040,000)	-	-
Repayment of bank loans	31(a)	<b>(61,379,375)</b>	(37,330,456)	<b>(27,566,823)</b>	(33,901,820)
Repayment of banker acceptance	31(a)	<b>(4,244,000)</b>	-	-	-
Repayment of revolving credit	31(a)	<b>(413,219,037)</b>	(127,728,874)	<b>(70,003,000)</b>	(57,000,000)
Repayment of principal portion of lease liabilities	31(a)	<b>(315,540)</b>	(323,559)	<b>(202,583)</b>	(209,963)
Repayment of hire purchase payables	31(a)	<b>(6,727,900)</b>	(3,989,496)	<b>(376,192)</b>	(310,007)
Proceeds from bank loans	31(a)	<b>34,523,254</b>	64,039,900	<b>15,506,000</b>	27,941,213
Proceeds from banker acceptance	31(a)	<b>4,872,000</b>	1,133,000	-	-
Proceeds from revolving credit	31(a)	<b>539,624,482</b>	229,301,024	<b>126,125,335</b>	107,053,017
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>82,212,960</b>	103,774,334	<b>32,561,813</b>	21,730,592
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>22,458,943</b>	(3,929,791)	<b>1,268,139</b>	(2,941,616)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>		<b>65,191,977</b>	69,121,768	<b>47,573,880</b>	50,515,496
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	31(b)	<b>87,650,920</b>	65,191,977	<b>48,842,019</b>	47,573,880

The annexed notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The registered office and principal place of business are as follows:-

Registered office and principal place of business : No.6 The NorthBank,  
Off Kuching-Samarahan Expressway,  
93350 Kuching, Sarawak.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 27 March 2026.

## 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in realty development, investment holding and operation of a clubhouse. The principal activities of the subsidiaries are set out in Note 7. There have been no significant changes in the nature of the principal activities of the Group and of the Company during the financial year.

## 3. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

### **MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

Amendments to MFRS 121: Lack of Exchangeability

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

3.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

### **MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

### **Effective Date**

MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 January 2027
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 3. BASIS OF PREPARATION (CONT'D)

- 3.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:- (Cont'd)

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application, except as follows:-

MFRS 18: Presentation and Disclosure in Financial Statements will replace MFRS 101: Presentation of Financial Statements upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into three defined categories: "operating", "investing" and "financing" and introduces two new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group and of the Company has yet to be assessed.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

#### *Key Sources of Estimation Uncertainty*

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

#### **(a) Revenue Recognition for Property Development**

The Group and the Company recognise property development revenue as and when the control of the asset is transferred to a customer and it is probable that the Group and the Company will collect the consideration to which it will be entitled. The control of the asset may transfer over time or at a point in time depending on the terms of the contract with the customer and the applicable laws governing the contract.

When the control of the asset is transferred over time, the Group and the Company recognise property development revenue and costs by reference to the progress towards complete satisfaction of the performance obligation at the end of the reporting period. This is measured based on the Group's and the Company's efforts or budgeted inputs to the satisfaction of the performance obligation. Significant judgement is required in determining the completeness and accuracy of the budgets and the extent of the costs incurred. Substantial changes in property development cost estimates in the future can have a significant effect on the Group's and the Company's results. In making the judgement, the Group and the Company evaluate and relies on past experience and works of specialists.

The carrying amount of contract asset and contract liabilities as at the reporting date are disclosed in Note 14 and Note 20 to the financial statements.

#### **(b) Revenue Recognition for Construction Contracts**

The Group recognises certain construction revenue by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs.

The Group also recognises certain construction revenue by reference to the construction progress based on the physical proportion of contract work certified by professional consultants. Significant judgement is required in determining the progress towards complete satisfaction of the performance obligation based on the contract work certified to date corroborated by the level of completion of the construction based on actual costs incurred to date over the estimated total contract costs.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

*Key Sources of Estimation Uncertainty (Cont'd)*

#### (b) Revenue Recognition for Construction Contracts (Cont'd)

The carrying amount of contract asset and contract liabilities as at the reporting date are disclosed in Note 14 and Note 20 to the financial statements.

#### (c) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group and the Company anticipate that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant, and equipment as at the reporting date is disclosed in Note 5 to the financial statements.

#### (d) Fair Value of Investment Properties

Investment properties of the Group and of the Company are reported at fair value which is based on valuations performed by independent professional valuers.

The independent professional valuers have exercised judgement in determining market rental used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting fair value. The carrying amount of investment properties as at the reporting date is disclosed in Note 11 to the financial statements.

#### (e) Impairment of Property, Plant and Equipment and Investment Properties

The Group and the Company determine whether an item of its property, plant and equipment and investment properties are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of property, plant and equipment and investment properties as at the reporting date are disclosed in Note 5 and Note 11 to the financial statements.

#### (f) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 10 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

*Key Sources of Estimation Uncertainty (Cont'd)*

#### (g) Impairment of Trade Receivables and Contract Assets

The Group and the Company use the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group and the Company develop the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amount of trade receivables and contract assets as at the reporting date are disclosed in Note 12 and Note 14 to the financial statements.

#### (h) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

#### (i) Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses, and unabsorbed capital allowances to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses, and unabsorbed capital allowances could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. The carrying amount of deferred tax assets as at the reporting date is disclosed in Note 13 to the financial statements.

*Critical Judgements Made in Applying Accounting Policies*

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-.

#### (a) Classification between Investment Properties and Owner-occupied Properties

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group and the Company account for the portions separately. If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

#### (b) Lease Terms

Some leases contain extension options exercisable by the Group and the Company before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 4.2 FINANCIAL INSTRUMENTS

#### (a) Financial Assets

##### Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

##### 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.

##### Financial Assets Through Other Comprehensive Income

The Group and the Company have elected to designate the equity instruments as financial assets through other comprehensive income at initial recognition.

The financial assets are initially measured at fair value plus transaction costs. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes taken up in other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference of a debt instrument which are recognised directly in profit or loss. The fair value changes do not include interest and dividend income.

#### (b) Financial Liabilities

##### Financial Liabilities Through Profit or Loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest expense.

##### 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.

#### (c) Equity

##### Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

#### (d) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group and the Company, as the issuers, are required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 4.3 BASIS OF CONSOLIDATION

The Group applies the acquisition method of accounting for those business combinations which were accounted for using merger method of accounting.

Under the merger method of accounting, the assets and liabilities of the merger entities are reflected in the consolidated financial statements at their carrying amounts reported in the individual financial statements. The consolidated statement of profit or loss and other comprehend reflect the results of the merger entities for the full reporting period (irrespective of then the combination takes place) and comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.

The difference between the cost of the merger and the share capital of the merger entities is reflected within equity as merger reserve.

### 4.4 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries which are eliminated on consolidation, are stated in the financial statements of the Company at cost less impairment losses, if any.

### 4.5 INVESTMENTS IN ASSOCIATES

Investments in associates are stated in the financial statements of the Company at cost less impairment losses, if any, and accounted for using the equity method in the consolidated financial statements.

### 4.6 INVESTMENTS IN JOINT VENTURES

Investments in joint ventures are stated in the financial statements of the Company at cost less impairment losses, if any. The Group recognises its interest in the joint ventures using the equity method in the consolidated financial statements.

### 4.7 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost.

Subsequent to the initial recognition, all property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Buildings	2%
Furniture, fittings and equipment	5% - 20%
Motor vehicles	20%
Office renovation	10% - 20%
Plant and equipment	5% - 20%

Capital work-in-progress represent preparation of site for installation of machineries. They are not depreciated until such time when the asset is available for use.

### 4.8 INVESTMENT PROPERTIES

Investment properties are initially measured at cost. Subsequent to the initial recognition, the investment properties are measured at fair value with fair value changes recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 4.9 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 operating 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 earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

#### (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.

### 4.10 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined based on the nature of the inventory and including all costs of purchase, development and other expenditures necessary to bring the inventory to present location and condition.

### 4.11 INTANGIBLE ASSETS

Intangible assets are initially measured at cost. Subsequent to the initial recognition, the intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

The intangible assets are amortised using the straight-line method to allocate their amounts over the following periods:-

License	12 years
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# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 5. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.1.2025 RM	Additions RM	Disposals RM	Written off RM	Re- classification RM	Depreciation Recognised in Profit or Loss (Note 25) RM	Depreciation Recognised in Construction Costs RM	At 31.12.2025 RM
<i>Carrying Amount</i>								
Buildings and renovation	89,121,981	354,584	-	(1)	-	(3,763,816)	-	85,712,748
Motor vehicles, office equipment furniture and fittings	9,003,516	852,018	(1)	(45,467)	-	(1,423,131)	(547,621)	7,839,314
Plant and equipment	43,396,065	7,773,069	-	(283,491)	1,355,233	(5,152,611)	(2,080,627)	45,007,638
Capital work-in-progress	3,326,608	17,061,848	-	-	(1,355,233)	-	-	19,033,223
	<b>144,848,170</b>	<b>26,041,519</b>	<b>(1)</b>	<b>(328,959)</b>	<b>-</b>	<b>(10,339,558)</b>	<b>(2,628,248)</b>	<b>157,592,923</b>

The Group	At 1.1.2024 RM	Additions RM	Disposals RM	Written off RM	Re- classification RM	Depreciation Recognised in Profit or Loss (Note 25) RM	Depreciation Recognised in Construction Costs RM	At 31.12.2024 RM
<i>Carrying Amount</i>								
Buildings and renovation	45,062,832	1,512,158	-	-	45,835,286	(3,288,295)	-	89,121,981
Motor vehicles, office equipment furniture and fittings	6,238,564	4,591,920	(1,354)	(1,499)	-	(1,211,061)	(613,054)	9,003,516
Plant and equipment	26,978,441	14,437,525	-	-	7,489,705	(4,062,858)	(1,446,748)	43,396,065
Capital work-in-progress	37,828,483	18,823,116	-	-	(53,324,991)	-	-	3,326,608
	<b>116,108,320</b>	<b>39,364,719</b>	<b>(1,354)</b>	<b>(1,499)</b>	<b>-</b>	<b>(8,562,214)</b>	<b>(2,059,802)</b>	<b>144,848,170</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
31.12.2025			
Buildings and renovation	100,966,468	(15,253,720)	85,712,748
Motor vehicles, office equipment, furniture and fittings	19,781,739	(11,942,425)	7,839,314
Plant and equipment	76,047,970	(31,040,332)	45,007,638
Capital work-in-progress	19,033,223	-	19,033,223
	<b>215,829,400</b>	<b>(58,236,477)</b>	<b>157,592,923</b>

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
31.12.2024			
Buildings and renovation	100,612,764	(11,490,783)	89,121,981
Motor vehicles, office equipment, furniture and fittings	20,043,503	(11,039,987)	9,003,516
Plant and equipment	67,235,739	(23,839,674)	43,396,065
Capital work-in-progress	3,326,608	-	3,326,608
	<b>191,218,614</b>	<b>(46,370,444)</b>	<b>144,848,170</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	At 1.1.2025 RM	Additions RM	Written Off RM	Depreciation Charges (Note 25) RM	At 31.12.2025 RM
<i>Carrying Amount</i>					
Buildings and renovation	42,980,763	67,709	(1)	(2,677,061)	40,371,410
Motor vehicles, office equipment, furniture and fittings	4,430,778	217,250	(123)	(838,239)	3,809,666
Plant and equipment	8,224,152	43,180	-	(1,208,130)	7,059,202
	<b>55,635,693</b>	<b>328,139</b>	<b>(124)</b>	<b>(4,723,430)</b>	<b>51,240,278</b>

The Company	At 1.1.2024 RM	Additions RM	Disposals RM	Written Off RM	Depreciation Charges (Note 25) RM	At 31.12.2024 RM
<i>Carrying Amount</i>						
Buildings and renovation	45,351,395	409,295	-	-	(2,779,927)	42,980,763
Motor vehicles, office equipment, furniture and fittings	3,533,525	1,663,384	(3)	(1,499)	(764,629)	4,430,778
Plant and equipment	9,374,861	52,509	-	-	(1,203,218)	8,224,152
	<b>58,259,781</b>	<b>2,125,188</b>	<b>(3)</b>	<b>(1,499)</b>	<b>(4,747,774)</b>	<b>55,635,693</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
31.12.2025			
Buildings and renovation	<b>53,693,905</b>	<b>(13,322,495)</b>	<b>40,371,410</b>
Motor vehicles, office equipment, furniture and fittings	<b>9,208,497</b>	<b>(5,398,831)</b>	<b>3,809,666</b>
Plant and equipment	<b>12,083,316</b>	<b>(5,024,114)</b>	<b>7,059,202</b>
	<b>74,985,718</b>	<b>(23,745,440)</b>	<b>51,240,278</b>

The Company	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
31.12.2024			
Buildings and renovation	53,627,076	(10,646,313)	42,980,763
Motor vehicles, office equipment, furniture and fittings	9,284,042	(4,853,264)	4,430,778
Plant and equipment	12,040,136	(3,815,984)	8,224,152
	74,951,254	(19,315,561)	55,635,693

(i) Current year depreciation charges are recognised as follows:-

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Recognised in profit or loss (Note 25)	<b>10,339,558</b>	8,562,214	<b>4,723,430</b>	4,747,774
Recognised in construction costs	<b>2,628,248</b>	2,059,802	-	-
	<b>12,967,806</b>	10,622,016	<b>4,723,430</b>	4,747,774

(ii) Acquisition of property, plant and equipment during the financial year were by the following mean:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash	<b>5,866,214</b>	29,513,977	<b>328,139</b>	454,293
Hire purchases arrangement	<b>2,624,000</b>	8,283,400	-	1,261,600
Transfer from other current assets	<b>17,551,305</b>	-	-	-
Lease arrangement (Note 18(b))	-	758,125	-	409,295
Interest capitalised (Note 24)	-	809,217	-	-
	<b>26,041,519</b>	39,364,719	<b>328,139</b>	2,125,188

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(iii) The corporate office building, clubhouse building, 3-storey shophouses and mild steel cement-lined pipe factory of the Group and of the Company amounting to RM82.3 million (2024 – RM83.8 million) and RM39.1 million (2024 – RM40.0 million) respectively are pledged as security for the related borrowings as set in Note 18.

(iv) Right-of-use assets

Included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:

The Group	At 1.1.2025 RM	Depreciation Charges RM	At 31.12.2025 RM
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Carrying Amount

Buildings	<b>8,019,216</b>	<b>(468,265)</b>	<b>7,550,951</b>
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The Group	At 1.1.2024 RM	Additions RM	Re- classification RM	Depreciation Charges RM	At 31.12.2024 RM
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Carrying Amount

Buildings	420,285	758,125	7,224,000	(383,194)	8,019,216
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The Company	At 1.1.2025 RM	Depreciation Charges RM	At 31.12.2025 RM
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Carrying Amount

Buildings	<b>564,724</b>	<b>(207,508)</b>	<b>357,216</b>
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The Company	At 1.1.2024 RM	Additions RM	Depreciation Charges RM	At 31.12.2024 RM
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Carrying Amount

Buildings	364,542	409,295	(209,113)	564,724
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# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### (iv) Right-of-use assets (Cont'd)

The Group and the Company have lease contracts for buildings used in their operations. The lease terms are as below:-

	2025	2024
<b>The Group</b>	<b>Number of years</b>	
Buildings	<u>3 - 5</u>	<u>3 - 5</u>

	2025	2024
<b>The Company</b>	<b>Number of years</b>	
Buildings	<u>3 - 5</u>	<u>3 - 5</u>

Details of the terms and conditions of the lease arrangements are disclosed in Note 18.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 6. INTANGIBLE ASSETS

The Group	At 1.1.2025 RM	Amortisation Charges (Note 25) RM	At 31.12.2025 RM
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Carrying Amount

Quarry	<b>3,276,893</b>	<b>(497,756)</b>	<b>2,779,137</b>
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The Group	At 1.1.2024 RM	Amortisation Charges (Note 25) RM	At 31.12.2024 RM
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Carrying Amount

Quarry	3,774,649	(497,756)	3,276,893
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The Group	At Cost RM	Accumulated Amortisation RM	Carrying Amount RM
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31.12.2025

Quarry	<b>5,765,673</b>	<b>(2,986,536)</b>	<b>2,779,137</b>
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The Group	At Cost RM	Accumulated Amortisation RM	Carrying Amount RM
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31.12.2024

Quarry	5,765,673	(2,488,780)	3,276,893
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The above intangible asset represents the right to operate the quarry arising from the Extraction Agreement dated 3 July 2019 entered into with a third party, which commenced operations in 2020.

## 7. INVESTMENT IN SUBSIDIARIES

	The Company	
	2025 RM	2024 RM

Unquoted shares, at cost:

- in Malaysia	<b>39,179,944</b>	39,179,944
Less: Accumulated impairment losses	<b>(750,000)</b>	(750,000)
	<b>38,429,944</b>	38,429,944

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 7. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025 %	2024 %	
<i>Subsidiaries of the Company</i>				
Foso One Sdn. Bhd.	Malaysia	<b>100</b>	100	Property Development and Construction
Ibraco Quarry Sdn. Bhd.	Malaysia	<b>100</b>	100	Housing and Property Development, Quarry Operations
Ibraco Construction Sdn. Bhd.	Malaysia	<b>100</b>	100	Construction
Ibraco HGS Sdn. Bhd.	Malaysia	<b>70</b>	70	Property Development and Construction
Ibraco Pelita Sdn. Bhd.	Malaysia	<b>75</b>	75	Property Development and Construction
Ibraco Spectrum Sdn. Bhd.	Malaysia	<b>100</b>	100	Landscaping and Trading of Building Materials and Related Products
Ibraco Infinity Sdn. Bhd.	Malaysia	<b>100</b>	100	Property Management Services
Syarikat Ibraco-Peremba Sdn. Bhd.	Malaysia	<b>100</b>	100	Land and Property Development
Ibraco Ascent Sdn. Bhd.	Malaysia	<b>100</b>	100	Manufacturing of Pipes and Construction Material
NewUrban Sdn. Bhd.	Malaysia	<b>100</b>	100	Property Development and Construction
Sekitar Gemilang Sdn. Bhd.	Malaysia	<b>70</b>	70	Quarry Operation
<i>Subsidiary of Ibraco HGS Sdn. Bhd</i>				
Warisar Sdn. Bhd.	Malaysia	<b>80</b>	80	Property Development and Construction

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 7. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:- (Cont'd)

Name of Subsidiaries	Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025	2024	
		%	%	
<i>Subsidiaries of Ibraco Construction Sdn. Bhd.</i>				
Ibraco Construction Polybuilding Construction JV Sdn. Bhd.	Malaysia	70	70	Construction
Ibraco KPP Concrete Sdn. Bhd.	Malaysia	70	70	Operate and Sales of Ready Mix Concrete and Premix
Ibraco CREC JV Sdn. Bhd.	Malaysia	51	51	Construction of Infrastructure Works

(a) Acquisition of additional interest

In the previous financial year, Ibraco Construction Sdn. Bhd. ("ICSB"), a subsidiary of the Company subscribed for additional 1,400,000 ordinary shares in Ibraco KPP Concrete Sdn. Bhd. at an issue price of RM1 each for a total cash consideration of RM1,400,000. There is no change in ICSB's effective ownership as results of the additional shares purchased.

(b) Incorporation of new subsidiary

In the previous financial year, ICSB incorporated a new subsidiary, Ibraco CREC JV Sdn. Bhd. of which it subscribed 51% equity interest for RM1,020,000, settled in cash.

(c) The non-controlling interest at the end of the reporting period comprise the followings:-

	Effective Equity Interest		The Group	
	2025	2024	2025	2024
	%	%	RM	RM
Ibraco HGS Sdn. Bhd.	70	70	<b>3,291,605</b>	1,666,329

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 7. INVESTMENT IN SUBSIDIARIES (CONT'D)

- (d) The summarised financial information (before intra-group elimination) for the subsidiary that has non-controlling interests that are material to the Group is as follows:-

	Ibraco HGS Sdn. Bhd. and its subsidiary	
	2025 RM	2024 RM
<u>At 31 December</u>		
Non-current assets	<b>1,009,967</b>	1,221,867
Current assets	<b>99,469,633</b>	97,457,900
Non-current liabilities	<b>(1,331,700)</b>	(1,337,900)
Current liabilities	<b>(71,482,890)</b>	(77,167,001)
Net assets	<b>27,665,010</b>	20,174,866
<u>Financial Year Ended 31 December</u>		
Revenue	<b>49,224,264</b>	33,666,771
Profit for the financial year	<b>7,490,144</b>	3,694,532
Total comprehensive income	<b>7,490,144</b>	3,694,532
Total comprehensive income attributable to non-controlling interests	<b>9,733,399</b>	8,241,168
Dividends paid to non-controlling interests	-	(1,040,000)
Net cash flows (for)/from operating activities	<b>(7,556,458)</b>	3,048,391
Net cash flows from investing activities	<b>58,697</b>	52,574
Net cash flows from/(for) financing activities	<b>18,000,000</b>	(3,000,000)

## 8. INVESTMENT IN AN ASSOCIATE

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Unquoted shares, at cost:				
- Ordinary shares	<b>490,000</b>	490,000	<b>490,000</b>	490,000
- Redeemable non-cumulative preference shares	<b>6,370,000</b>	6,370,000	<b>6,370,000</b>	6,370,000
	<b>6,860,000</b>	6,860,000	<b>6,860,000</b>	6,860,000
Share of post-acquisition deficit	<b>(3,427,494)</b>	(3,537,469)	-	-
	<b>3,432,506</b>	3,322,531	<b>6,860,000</b>	6,860,000

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 8. INVESTMENT IN AN ASSOCIATE (CONT'D)

The details of the associate is as follows:-

Name of Associate	Principal Place of Business	Percentage Of Ownership		Principal Activities
		2025 %	2024 %	
Ibraco HELP Education Sdn. Bhd.	Malaysia	49	49	Education services

The summarised financial information (after any fair value adjustment at acquisition date) for the associate is as follows:-

	Ibraco HELP Education Sdn. Bhd. (Economic entity)	
	2025 RM	2024 RM
<u>At 31 December</u>		
Current assets	<b>7,034,845</b>	6,813,741
Current liabilities	<b>(29,733)</b>	(33,068)
Net assets	<b>7,005,112</b>	6,780,673
<u>Financial Year Ended 31 December</u>		
Revenue	-	-
Profit for the financial year	<b>224,439</b>	241,093
Total comprehensive income	<b>224,439</b>	241,093
<u>Reconciliation of Net Assets to Carrying Amount</u>		
Group's share of net assets	<b>3,432,506</b>	3,322,531

## 9. INVESTMENT IN A JOINT VENTURE

	The Group/Company	
	2025 RM	2024 RM
Unquoted shares, at cost	-	300,000

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 9. INVESTMENT IN A JOINT VENTURE (CONT'D)

The details of the joint venture is as follows:-

Name of Joint Venture	Principal Place of Business	Percentage of Ownership		Principal Activities
		2025 %	2024 %	
NorthBank Specialist Hospital Sdn. Bhd.	Malaysia	-	50	Intended for health care services

On 26 June 2025, the Company acquired the remaining 300,000 ordinary shares representing 50% equity interest in Northbank Specialist Hospital Sdn. Bhd. ("NSHSB") at RM2.00 each for a total cash consideration of RM600,000 and obtained 100% ownership in NSHSB. Subsequently, on 16 October 2025, the Company disposed 600,000 ordinary shares in NSHSB at an issue price of RM1.50 each for a total cash consideration of RM900,000. There is no more effective ownership as results of the disposal.

## 10. INVENTORIES

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Non-current</b>				
At cost:-				
Land held for property development	<b>47,472,743</b>	51,894,861	<b>47,136,475</b>	51,558,593
<b>Current</b>				
At cost:-				
Property development costs	<b>462,396,086</b>	409,690,489	<b>258,344,901</b>	260,698,999
Completed properties held for sale	<b>124,858,080</b>	74,899,238	<b>121,922,265</b>	69,704,206
Beverages	<b>20,855</b>	30,539	<b>20,855</b>	30,539
Raw materials	<b>10,417,229</b>	2,182,358	-	-
Work-in-progress	<b>1,037,738</b>	356,331	-	-
Finished goods	<b>2,476,162</b>	395,336	-	-
Consumables	<b>315,000</b>	37,408	-	-
	<b>601,521,150</b>	487,591,699	<b>380,288,021</b>	330,433,744
Total inventories	<b>648,993,893</b>	539,486,560	<b>427,424,496</b>	381,992,337

Certain land held for property development of the Group and the Company have been amalgamated, sub-divided and are pending issuance of land titles by the relevant government authority.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 10. INVENTORIES (CONT'D)

### Land held for property development

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
At cost:				
At 1 January	<b>51,894,861</b>	51,661,143	<b>51,558,593</b>	51,324,452
Additions	<b>5,106</b>	233,718	<b>5,106</b>	234,141
Disposal	<b>(4,427,224)</b>	-	<b>(4,427,224)</b>	-
At 31 December	<b>47,472,743</b>	51,894,861	<b>47,136,475</b>	51,558,593
Represented by:-				
Right-of-use assets - Leasehold land	<b>8,310,332</b>	12,732,644	<b>6,893,547</b>	11,315,859
Freehold land	<b>16,433,512</b>	16,433,512	<b>15,957,112</b>	15,957,112
Property development cost	<b>22,728,899</b>	22,728,705	<b>24,285,816</b>	24,285,622
	<b>47,472,743</b>	51,894,861	<b>47,136,475</b>	51,558,593

The Group and the Company have freehold and leasehold land with aggregate carrying values of RM22,685,827 (2024 – RM27,161,262) and RM17,038,435 (2024 – RM21,513,870) respectively, which are pledged as security for loans and borrowings as disclosed in Note 18.

### Property development costs

Leasehold land of the Group classified under property development costs with aggregate carrying values of RM50,000,000 (2024 – RM50,000,000) is pledged as security for loans and borrowings as disclosed in Note 18.

## 11. INVESTMENT PROPERTIES

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Carrying amount				
At 1 January	<b>141,600,000</b>	136,300,000	<b>141,600,000</b>	136,300,000
Transfer from property development cost (Note 10)	<b>6,248,025</b>	-	-	-
Fair value gain (Note 23)	<b>13,451,975</b>	5,300,000	<b>12,200,000</b>	5,300,000
At 31 December	<b>161,300,000</b>	141,600,000	<b>153,800,000</b>	141,600,000
Fair value of investment properties	<b>161,300,000</b>	141,600,000	<b>153,800,000</b>	141,600,000

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 11. INVESTMENT PROPERTIES (CONT'D)

- (a) The investment properties of the Group are leased to customers under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods ranging from 1 to 15 (2024 – 1 to 15) years and an option that is exercisable by the customers to extend their leases. Certain leases are with lease payments indexed to the customer price index.

As at the reporting date, the future minimum rentals receivable under the non-cancellable operating leases are as follows:-

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Not later than 1 year	<b>7,533,432</b>	7,244,075	<b>7,269,432</b>	7,244,075
Later than 1 year but not later than 5 years	<b>31,198,376</b>	27,860,568	<b>30,802,376</b>	27,860,568
Later than 5 years	<b>12,997,950</b>	18,747,243	<b>12,997,950</b>	18,747,243
	<b>51,729,758</b>	53,851,886	<b>51,069,758</b>	53,851,886

- (b) The investment properties with carrying amount of RM138,500,000 (2024: RM127,000,000) are pledged as security for loans and borrowings as disclosed in Note 18.
- (c) The fair value of the investment properties have been determined based on valuations performed by independent professional valuers at the end of the reporting based on the investment method that makes reference to net rental income which is capitalised at the appropriate market rates of return and other adjustment factors. There has been no change to the valuation technique during the financial year.

The investment properties are classified as Level 3 in the fair value hierarchy (Note 35).

There were no transfers between level 1 and level 2 during the financial year.

The fair value measurements of the investment properties are based on the highest and best use which does not differ from their actual use.

- (d) The income received and related maintenance costs from the above completed investments properties are disclosed in Note 21 and Note 22, respectively.
- (e) The level 3 fair value of the building has been determined using a discounted cash flow approach performed by independent professional valuers based on the following significant unobservable inputs:-

Significant unobservable inputs	Relationship of Unobservable Inputs to Fair Value
(a) Future rental cash inflows with monthly rental ranging from RM17,325 to RM407,000 (2024 – RM17,325 to RM407,000)	Based on the location, type and quality of the property and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar property
(b) Discount rate of 5% to 7.50% (2024 - 5% to 7.50%)	Reflects current market assessments of the uncertainty in the amount and timing of cash flows.
	The higher the rental income, the higher the fair value. If expected cash flows were 5% (2024 - 5%) higher or lower, the fair value would increase/ decrease by RM6.4 million (2024 – RM6.4 million).
	The higher the discount rate, the lower the fair value. A change in the discount rate by 2.5% (2024 – 2.5%) would increase/decrease the fair value by RM3.9 million (2024 – RM3.9 million).

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 12. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Current</b>				
<b>Trade receivables</b>				
Third parties	<b>104,479,309</b>	97,966,943	<b>8,725,883</b>	20,943,042
Less: Allowance for expected credit losses - third parties	<b>(353,962)</b>	(465,852)	-	-
Trade receivables, net	<b>104,125,347</b>	97,501,091	<b>8,725,883</b>	20,943,042
<b>Other receivables</b>				
Third parties	<b>4,717,035</b>	3,382,195	<b>1,484,791</b>	1,403,474
Deposits	<b>6,481,307</b>	6,164,774	<b>2,983,615</b>	2,795,579
Amount due from subsidiaries	-	-	<b>183,873,276</b>	138,625,289
	<b>11,198,342</b>	9,546,969	<b>188,341,682</b>	142,824,342
Less: Allowance for expected credit losses - third parties	<b>(106,071)</b>	(106,071)	-	-
Less: Allowance for expected credit losses - amount due from a subsidiary	-	-	<b>(730,638)</b>	(730,638)
Other receivables, net	<b>11,092,271</b>	9,440,898	<b>187,611,044</b>	142,093,704
<b>Total trade and other receivables (current)</b>	<b>115,217,618</b>	106,941,989	<b>196,336,927</b>	163,036,746
<b>Non-current</b>				
<b>Trade receivables</b>				
Third parties	<b>19,911,999</b>	4,078,076	-	-
<b>Other receivables</b>				
Amount due from a subsidiary	-	-	<b>5,066,070</b>	5,066,070
Less: Allowance for expected credit losses - amount due from a subsidiary	-	-	<b>(5,066,070)</b>	(5,066,070)
<b>Total trade and other receivables (non-current)</b>	<b>19,911,999</b>	4,078,076	-	-
<b>Total trade and other receivables (current and non-current)</b>	<b>135,129,617</b>	111,020,065	<b>196,336,927</b>	163,036,746

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 12. TRADE AND OTHER RECEIVABLES (CONT'D)

### (a) Trade receivables

Trade receivables are non-interest bearing and are generally on 14 to 60 days (2024 - 14 to 60 days) terms. Other credit terms are assessed and approved on a case-by-case basis.

Included in the trade receivables of the Group are retention sums totaling RM19,911,999 (2024 - RM7,015,453).

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

Set out below is the movement in the allowance for expected credit losses of trade receivables:

	The Group	
	2025 RM	2024 RM
<b>Movement in expected credit losses account</b>		
At 1 January	<b>465,852</b>	545,021
Reversal of allowance for expected credit losses (Note 25)	<b>(111,890)</b>	(79,169)
At 31 December	<b>353,962</b>	465,852

### (b) Amounts due from subsidiaries

Amounts due from subsidiaries are unsecured, bore interest at 5.10% (2024 – 5.70%) per annum and are repayable on demand.

Non-current amount due from a subsidiary is unsecured and bore interest at 5.10% (2024 – 5.70%) per annum and repayable on demand.

Set out below is the movement in the allowance for expected credit losses of amount due from subsidiaries:

	The Group	
	2025 RM	2024 RM
<b>Movement in expected credit losses account</b>		
At 1 January/31 December	<b>5,796,708</b>	5,796,708

### (c) Other receivables

(i) Other receivables are non-interest bearing and are generally on 30 days (2024 - 30 days) terms.

(ii) At the reporting date, the Group has provided an allowance for expected credit loss of RM106,071 (2024 - RM106,071) for the amount due from third parties with nominal amount of RM106,071 (2024 - RM106,071).

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 13. DEFERRED TAXATION

	At 1.1.2025 RM	Recognised in Profit or Loss (Note 28) RM	At 31.12.2025 RM
<b>The Group</b>			
<b>2025</b>			
<i>Deferred Tax Liabilities</i>			
Property development cost	1,337,900	(6,200)	1,331,700
Investment properties	3,808,862	3,207,500	7,016,362
Property, plant and equipment	3,558,736	(422,610)	3,136,126
Lease receivables	2,502,734	378,806	2,881,540
	<b>11,208,232</b>	<b>3,157,496</b>	<b>14,365,728</b>
<i>Deferred Tax Assets</i>			
Property development cost	(6,745,419)	(37,671)	(6,783,090)
Provisions for expenses	(9,195,771)	(3,624,947)	(12,820,718)
Staff leave balance	(151,272)	25,900	(125,372)
Unabsorbed capital allowances	(1,698,600)	(652,474)	(2,351,074)
Unused tax losses	(149,701)	124,848	(24,853)
	<b>(17,940,763)</b>	<b>(4,164,344)</b>	<b>(22,105,107)</b>
	<b>(6,732,531)</b>	<b>(1,006,848)</b>	<b>(7,739,379)</b>

	At 1.1.2024 RM	Recognised in Profit or Loss (Note 28) RM	At 31.12.2024 RM
<b>The Group</b>			
<b>2024</b>			
<i>Deferred Tax Liabilities</i>			
Property development cost	1,350,500	(12,600)	1,337,900
Investment properties	2,536,862	1,272,000	3,808,862
Property, plant and equipment	3,482,875	75,861	3,558,736
Lease receivables	2,076,597	426,137	2,502,734
	9,446,834	1,761,398	11,208,232
<i>Deferred Tax Assets</i>			
Property development cost	(7,198,100)	452,681	(6,745,419)
Provisions for expenses	(7,670,843)	(1,524,928)	(9,195,771)
Staff leave balance	(113,262)	(38,010)	(151,272)
Unabsorbed capital allowances	(922,619)	(775,981)	(1,698,600)
Unused tax losses	(708,585)	558,884	(149,701)
	<b>(16,613,409)</b>	<b>(1,327,354)</b>	<b>(17,940,763)</b>
	<b>(7,166,575)</b>	<b>434,044</b>	<b>(6,732,531)</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 13. DEFERRED TAXATION (CONT'D)

	At 1.1.2025 RM	Recognised in Profit or Loss (Note 28) RM	At 31.12.2025 RM
<b>The Company</b>			
<b>2025</b>			
<i>Deferred Tax Liabilities</i>			
Investment properties	3,996,191	2,928,000	6,924,191
Property, plant and equipment	2,260,231	(165,845)	2,094,386
Lease receivables	2,502,734	378,806	2,881,540
	<b>8,759,156</b>	<b>3,140,961</b>	<b>11,900,117</b>
<i>Deferred Tax Assets</i>			
Property development cost	(2,532,575)	446,108	(2,086,467)
Provisions for expenses	(5,693,941)	(2,706,692)	(8,400,633)
Staff leave balance	(138,829)	31,207	(107,622)
Unabsorbed capital allowances	(826,310)	(281,487)	(1,107,797)
Unused tax losses	(65,237)	63,403	(1,834)
	<b>(9,256,892)</b>	<b>(2,447,461)</b>	<b>(11,704,353)</b>
	<b>(497,736)</b>	<b>693,500</b>	<b>195,764</b>

	At 1.1.2024 RM	Recognised in Profit or Loss (Note 28) RM	At 31.12.2024 RM
<b>The Company</b>			
<b>2024</b>			
<i>Deferred Tax Liabilities</i>			
Investment properties	2,724,191	1,272,000	3,996,191
Property, plant and equipment	2,166,848	93,383	2,260,231
Lease receivables	2,076,597	426,137	2,502,734
	<b>6,967,636</b>	<b>1,791,520</b>	<b>8,759,156</b>
<i>Deferred Tax Assets</i>			
Property development cost	(2,972,262)	439,687	(2,532,575)
Provisions for expenses	(5,860,862)	166,921	(5,693,941)
Staff leave balance	(89,740)	(49,089)	(138,829)
Unabsorbed capital allowances	(310,109)	(516,201)	(826,310)
Unused tax losses	(46,399)	(18,838)	(65,237)
	<b>(9,279,372)</b>	<b>22,480</b>	<b>(9,256,892)</b>
	<b>(2,311,736)</b>	<b>1,814,000</b>	<b>(497,736)</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 13. DEFERRED TAXATION (CONT'D)

At the end of the reporting period, the amounts of deferred tax assets not recognized (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group	
	2025 RM	2024 RM
Unused tax losses:		
--> expires year of assessment 2028	<b>755,646</b>	755,646
--> expires year of assessment 2029	<b>57,479</b>	57,479
--> expires year of assessment 2030	<b>36,828</b>	36,828
--> expires year of assessment 2031	<b>81,314</b>	81,314
--> expires year of assessment 2032	<b>301,099</b>	301,099
--> expires year of assessment 2033	<b>367,572</b>	367,572
--> expires year of assessment 2034	<b>3,100,758</b>	3,058,251
--> expires year of assessment 2035	<b>5,880,165</b>	-
Unabsorbed capital allowances	<b>12,568,294</b>	9,935,748
	<b>23,149,155</b>	14,593,937

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment; whereas, the unabsorbed capital allowances are allowed to be carried forward indefinitely.

## 14. OTHER ASSETS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Non-current</b>				
Lease receivables	<b>11,838,790</b>	10,337,583	<b>11,838,790</b>	10,337,583
<b>Current</b>				
Prepayments (a)	<b>11,848,475</b>	38,792,494	<b>1,124,735</b>	371,516
Contract assets - properties under construction (b)	<b>94,581,476</b>	55,838,011	<b>64,678,943</b>	38,186,810
Contract assets - construction contracts (c)	<b>119,664,854</b>	126,292,490	-	-
Lease receivables	<b>167,627</b>	90,476	<b>167,627</b>	90,476
Cost to obtain a contract (d)	<b>5,086,312</b>	4,464,267	<b>3,126,383</b>	2,141,837
	<b>231,348,744</b>	225,477,738	<b>69,097,688</b>	40,790,639
	<b>243,187,534</b>	235,815,321	<b>80,936,478</b>	51,128,222

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 14. OTHER ASSETS (CONT'D)

### (a) Prepayment

Included in the Group's prepayment is an amount of RM8,479,503 (2024 - RM14,152,332) paid in respect of construction contracts entered into by the Group during the financial year.

### (b) Contract assets - properties under construction

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
At 1 January	<b>55,838,011</b>	49,075,954	<b>38,186,810</b>	47,496,454
Revenue recognised during the year	<b>183,854,115</b>	98,681,216	<b>104,894,920</b>	70,051,357
Progress billings during the year	<b>(143,259,431)</b>	(91,126,063)	<b>(76,551,568)</b>	(78,567,905)
Less: Allowance for impairment losses	<b>(1,851,219)</b>	(793,096)	<b>(1,851,219)</b>	(793,096)
At 31 December	<b>94,581,476</b>	55,838,011	<b>64,678,943</b>	38,186,810

Contract assets relate to sale of properties under construction that are initially recognised for revenue earned from construction as receipt of consideration from customer is conditional on certain successful percentage of construction. Upon achievement of these percentages, the amounts recognised as contract assets will be reclassified to trade receivables.

The Group and the Company only deal with creditworthy customers. Historically, the Group and the Company have not encountered any material default by these customers. Consequently, no allowance for expected credit loss was recorded for contract assets as at reporting date.

Set out below is the movement in the allowance for impairment losses on contract assets:

	The Group/The Company	
	2025 RM	2024 RM
<b>Movement in impairment losses account</b>		
At 1 January	<b>793,096</b>	-
Allowance for impairment losses on contract assets (Note 25)	<b>1,058,123</b>	793,096
At 31 December	<b>1,851,219</b>	793,096

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 14. OTHER ASSETS (CONT'D)

- (c) Contract assets - construction contracts

	The Group	
	2025 RM	2024 RM
At 1 January	<b>126,292,490</b>	44,604,576
Revenue recognised during the year	<b>419,935,692</b>	264,157,096
Progress billings during the year	<b>(426,563,328)</b>	(182,469,182)
At 31 December	<b>119,664,854</b>	126,292,490

Contract assets – construction contracts relate to the Group's right to consideration for work completed that are initially recognised for revenue earned from construction as receipt of consideration from customers is conditional on certain successful percentage of construction. Upon achievement of these percentages, the amounts recognised as contract assets will be reclassified to trade receivables.

- (d) Cost to obtain a contract

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
At 1 January	<b>4,464,267</b>	3,563,807	<b>2,141,837</b>	3,563,807
Additions	<b>5,801,183</b>	5,638,772	<b>4,040,138</b>	2,781,939
Amortisation	<b>(5,179,138)</b>	(4,738,312)	<b>(3,055,592)</b>	(4,203,909)
At 31 December	<b>5,086,312</b>	4,464,267	<b>3,126,383</b>	2,141,837

Cost to obtain a contract primarily comprises of incremental commission fees paid to intermediaries in order to obtain contracts.

## 15. FIXED DEPOSITS WITH LICENSED BANKS

- (a) The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 1.80% to 2.70% (2024 – 2.25% to 2.70%) per annum. The fixed deposits have maturity periods ranging from 1 to 12 (2024 – 1 to 12) months.
- (b) Included in the fixed deposits with licensed banks of the Group and the Company at the end of the reporting period was a total amount of RM19,680,736 and RM6,503,743 (2024 – RM5,219,226 and RM3,409,373) respectively which have been pledged to licensed banks as security for banking facilities granted to the Group and the Company as disclosed in Note 18.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 16. CASH AND BANK BALANCES

- (a) Included in cash at banks of the Group and of the Company are amounts of RM20,542,055 (2024 - RM30,585,310) and RM19,055,260 (2024 - RM27,969,364) respectively held pursuant to Section 12 of the Housing Development (Control and Licensing) Ordinance, 2013 and are restricted from use in other operations.
- (b) Included in cash at banks of the Group are amounts of RM676,863 (2024 – RM1,351,508) held pursuant to Section 7A of the Housing Development (Control and Licensing) Ordinance, 2013 and are restricted from use in other operations.
- (c) Included in cash at banks of the Group at the end of the reporting period is a total amount of RM499,990 (2024 – Nil) which had been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 18.

## 17. SHARE CAPITAL

	The Group/The Company			
	2025	2024	2025	2024
	Number of Shares		RM	RM

Issued and Fully Paid-Up

Ordinary Shares

At 1 January and 31 December	<b>546,046,217</b>	546,046,217	<b>271,831,735</b>	271,831,735
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The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 18. LOANS AND BORROWINGS

	Maturity	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Short-term borrowings:-					
<b>Secured:</b>					
Hire purchase payables	2026	<b>7,403,939</b>	6,604,027	<b>394,070</b>	376,192
Lease liabilities	2026	<b>332,357</b>	315,539	<b>212,910</b>	202,583
Revolving credits/Invoice financing	2026	<b>387,877,595</b>	261,472,150	<b>193,075,352</b>	136,953,017
Banker's acceptance	2026	<b>1,761,000</b>	1,133,000	-	-
<b>Bank loans:</b>					
- RM loan at CFR <sup>(1)</sup> +2.00%	2026	-	3,359,524	-	3,359,524
- RM loan at CFR <sup>(1)</sup> +1.10%	2026	<b>2,682,549</b>	2,529,411	<b>2,682,549</b>	2,529,411
- RM loan at COF <sup>(2)</sup> +1.00%	2026	<b>933,336</b>	933,336	<b>933,336</b>	933,336
- RM loan at COF <sup>(2)</sup> +2.25%	2026	<b>7,325,048</b>	-	-	-
- RM loan at ECOF <sup>(3)</sup> +1.85%	2026	<b>4,924,903</b>	4,924,903	<b>4,924,903</b>	4,924,903
- RM loan at ECOF <sup>(3)</sup> +1.85%	2026	<b>1,899,680</b>	1,899,680	<b>1,899,680</b>	1,899,680
- RM loan at ECOF <sup>(3)</sup> +2.00%	2026	<b>2,983,475</b>	5,082,479	<b>2,983,475</b>	5,082,479
- RM loan at ECOF <sup>(3)</sup> +2.50%	2026	<b>8,223,406</b>	11,666,669	<b>8,223,406</b>	11,666,669
- RM loan at BFR <sup>(4)</sup> -1.00%	2026	<b>1,053,600</b>	1,053,600	-	-
- RM loan at BFR <sup>(4)</sup> -1.00%	2026	<b>3,000,000</b>	2,750,000	-	-
- RM loan at BFR <sup>(4)</sup> +0.25%	2026	<b>1,584,000</b>	1,584,000	-	-
<b>Total loans and borrowings (current)</b>		<b>431,984,888</b>	305,308,318	<b>215,329,681</b>	167,927,794

(1) Cost of Funding Rate

(2) Cost of Funds

(3) Effective Cost of Funds

(4) Base Financing Rate

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 18. LOANS AND BORROWINGS (CONT'D)

	Maturity	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Long-term borrowings:-					
<b>Secured:</b>					
Hire purchase payables	2027-2030	<b>16,566,990</b>	21,470,802	<b>713,947</b>	1,108,017
Lease liabilities	2027	<b>222,535</b>	554,893	<b>160,264</b>	373,174
<b>Bank loans:</b>					
- RM loan at CFR <sup>(1)</sup> +2.00%	-	-	5,432,638	-	5,432,638
- RM loan at CFR <sup>(1)</sup> +1.10%	2027-2030	<b>9,633,336</b>	12,334,724	<b>9,633,336</b>	12,334,724
- RM loan at COF <sup>(2)</sup> +1.00%	2027-2039	<b>12,133,328</b>	13,066,664	<b>12,133,328</b>	13,066,664
- RM loan at COF <sup>(2)</sup> + 2.25%	-	-	10,000,000	-	-
- RM loan at ECOF <sup>(3)</sup> +1.85%	2027-2029	<b>10,260,211</b>	15,185,114	<b>10,260,211</b>	15,185,114
- RM loan at ECOF <sup>(3)</sup> +1.85%	2027-2028	<b>3,187,466</b>	5,087,146	<b>3,187,466</b>	5,087,146
- RM loan at ECOF <sup>(3)</sup> +2.00%	-	-	2,995,903	-	2,995,903
- RM loan at ECOF <sup>(3)</sup> +2.50%	2027-2029	<b>17,850,221</b>	2,274,543	<b>17,850,221</b>	2,274,543
- RM loan at ECOF <sup>(3)</sup> +2.25%	-	-	10,000,000	-	-
- RM loan at BFR <sup>(4)</sup> -1.00%	2027-2029	<b>2,190,400</b>	3,244,000	-	-
- RM loan at BFR <sup>(4)</sup> -1.00%	2027-2031	<b>15,035,892</b>	15,095,079	-	-
- RM loan at BFR <sup>(4)</sup> +0.25%	2027-2028	<b>2,488,049</b>	3,745,608	-	-
<b>Total loans and borrowings (non-current)</b>		<b>89,568,428</b>	120,487,114	<b>53,938,773</b>	57,857,923
<b>Total loans and borrowings (current and non-current)</b>		<b>521,553,316</b>	425,795,432	<b>269,268,454</b>	225,785,717

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 18. LOANS AND BORROWINGS (CONT'D)

### (a) Hire purchase payables

The movement of hire purchase payables during the financial year is as follows:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Minimum hire purchase payments				
- not later than 1 year	<b>8,626,036</b>	8,140,789	<b>434,748</b>	434,748
- later than 1 year and not later than 5 years	<b>17,785,826</b>	23,542,785	<b>746,506</b>	1,181,253
	<b>26,411,862</b>	31,683,574	<b>1,181,254</b>	1,616,001
Less: Future finance charges	<b>(2,440,933)</b>	(3,608,745)	<b>(73,237)</b>	(131,792)
Present value of hire purchase payables	<b>23,970,929</b>	28,074,829	<b>1,108,017</b>	1,484,209
Analysed by:-				
Current liabilities	<b>7,403,939</b>	6,604,027	<b>394,070</b>	376,192
Non-current liabilities	<b>16,566,990</b>	21,470,802	<b>713,947</b>	1,108,017
	<b>23,970,929</b>	28,074,829	<b>1,108,017</b>	1,484,209

(i) The hire purchase payables of the Group and of the Company are secured by the motor vehicle and plant and equipment under hire purchase arrangements.

(ii) The hire purchase payables of the Group and of the Company at the end of the reporting period bore interest rate of 2.10% to 4.60% and 2.24% to 2.47% (2024 - 2.10% to 4.60% and 2.24% to 2.47%) per annum respectively. The interest rates are fixed at the inception of the hire purchase arrangements.

### (b) Lease liabilities

The movement of lease liabilities during the financial year is as follows:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
At 1 January	<b>870,432</b>	435,866	<b>575,757</b>	376,425
Addition (Note 5(ii))	-	758,125	-	409,295
Interest expense recognised in profit or loss (Note 24)	<b>36,300</b>	25,280	<b>23,257</b>	15,878
Repayment of principal	<b>(315,540)</b>	(323,559)	<b>(202,583)</b>	(209,963)
Repayment of interest expense	<b>(36,300)</b>	(25,280)	<b>(23,257)</b>	(15,878)
At 31 December	<b>554,892</b>	870,432	<b>373,174</b>	575,757

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 18. LOANS AND BORROWINGS (CONT'D)

### (b) Lease liabilities (Cont'd)

The expenses relating to payments not included in the measurement of the hire purchase payables and lease liabilities are as follows:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest expense recognised in profit or loss (Note 24)	<b>1,598,949</b>	1,371,520	<b>81,813</b>	79,099

### (c) Other borrowings

#### (i) Revolving credits and invoice financing

- Revolving credits and invoice financing of the Group and of the Company amounting to RM241.1 million and RM193.1 million (2024 – RM166.9 million and RM136.9 million) are secured by a charge over the few parcels of land held for property development (Note 10), fixed deposits with licensed banks (Note 15), corporate office building (Note 5) and three of the investment properties (Note 11).

During the year, interest was charged at rates ranging from 1% to 2.5% (2024 - 1% to 2.5%) per annum above the bankers' cost of funds.

#### (ii) Bank loans

- RM25.4 million (2024 – RM27.5 million) of the Group's bank loans is secured by charge over a parcel of land together with buildings.
- The other bank loans of the Group and of the Company amounting to RM82.0 million and RM74.7 million (2024: RM106.8 million and RM86.8 million) are secured by charges over the few parcels of land held for property development (Note 10), corporate office building and clubhouse building (Note 5) and investment properties (Note 11).

#### (iii) Banker's acceptance

- RM1.8 million (2024 – RM1.1 million) of the Group's banker's acceptance is secured by charge over a parcel of land together with buildings.

#### (iv) Corporate guarantees

- Corporate guarantees are provided by the Company to banks on the subsidiaries' loans and borrowings amounting to RM419 million (2024 – RM491 million).

### (d) The major covenants of the bank loans are as follows:-

- Gearing ratio of the Group and of the Company shall not exceed 1.0 times - 2.0 times.
- The Group's consolidated tangible net worth (in the covenant defined as the aggregate of paid-up capital, retained earnings and subordinated shareholders loan (if any) less intangibles and pre-operating expenses) shall equal or greater than RM13 millions at all times.
- Dividend payment made by the Group and the Company shall not exceed 50% of their respective year's profit after tax.

The covenants are tested at the financial year end. There are no indicators that the Group would have difficulties complying with the upcoming covenant assessments.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 19. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Current</b>				
<b>Trade payables</b>				
Third parties	<b>123,098,275</b>	124,752,184	<b>9,735,099</b>	15,190,559
Accruals	<b>135,293,993</b>	92,519,669	<b>75,248,904</b>	52,343,458
Amount due to subsidiaries	-	-	<b>114,264,322</b>	71,713,397
Retention sum on contracts payable within 1 year	<b>29,235,970</b>	28,080,957	<b>13,061,655</b>	14,737,766
	<b>287,628,238</b>	245,352,810	<b>212,309,980</b>	153,985,180
<b>Other payables</b>				
Sundry payables	<b>9,197,860</b>	11,280,761	<b>3,476,545</b>	4,729,222
Accruals	<b>16,650,839</b>	14,854,433	<b>11,855,905</b>	8,695,776
Deposits	<b>152,507</b>	133,631	-	-
Amount due to subsidiaries	-	-	<b>5,305,752</b>	5,562,151
	<b>26,001,206</b>	26,268,825	<b>20,638,202</b>	18,987,149
<b>Total trade and other payables (current)</b>	<b>313,629,444</b>	271,621,635	<b>232,948,182</b>	172,972,329
<b>Non-current</b>				
<b>Trade payables</b>				
Retention sum on contracts payable more than 1 year	<b>38,739,311</b>	24,685,174	<b>13,045,945</b>	11,557,754
<b>Total trade and other payables (current and non-current)</b>	<b>352,368,755</b>	296,306,809	<b>245,994,127</b>	184,530,083

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 days to 60 days (2024 - 30 days to 60 days) terms.

(b) Sundry payables

These amounts are non-interest bearing. Sundry payables are normally settled on an average term of 30 days (2024 - 30 days).

(c) Amounts due to subsidiaries

Amounts due to subsidiaries under other payables are unsecured, bore interest at 5.10% (2024 - 5.70%) per annum and are repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 20. OTHER CURRENT LIABILITIES

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Contract liabilities - properties under construction (a)	<b>9,918,634</b>	26,541,136	<b>8,094,363</b>	24,785,880
Contract liabilities - construction contracts (b)	-	25,242	-	-
Contract liabilities - manufacturing (c)	<b>6,493,192</b>	-	-	-
	<b>16,411,826</b>	26,566,378	<b>8,094,363</b>	24,785,880

(a) Contract liabilities - properties under construction

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
At 1 January	<b>26,541,136</b>	16,161,000	<b>20,850,424</b>	15,644,927
Revenue recognised during the year	<b>(117,696,001)</b>	(158,387,939)	<b>(87,717,525)</b>	(136,107,836)
Progress billings during the year	<b>101,073,499</b>	168,768,075	<b>71,049,237</b>	141,313,333
	<b>9,918,634</b>	26,541,136	<b>4,182,136</b>	20,850,424
Amount due to a subsidiary	-	-	<b>3,912,227</b>	3,935,456
At 31 December	<b>9,918,634</b>	26,541,136	<b>8,094,363</b>	24,785,880

(b) Contract liabilities - construction contracts

	The Group	
	2025 RM	2024 RM
At 1 January	<b>25,242</b>	-
Revenue recognised during the year	<b>(2,654,647)</b>	(645,443)
Progress billings during the year	<b>2,629,405</b>	670,685
At 31 December	-	25,242

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 20. OTHER CURRENT LIABILITIES (CONT'D)

### (c) Contract liabilities - manufacturing

	The Group	
	2025 RM	2024 RM
At 1 January	-	-
Revenue recognised during the year	-	-
Advance considerations received during the year	<b>6,493,192</b>	-
At 31 December	<b>6,493,192</b>	-

The contract liabilities primarily relate to advance considerations received from customers. The amount will be recognised as revenue when the performance obligations are satisfied, of which the revenue will be recognised.

The Company's contract liabilities due to a subsidiary relates to an unbilled portion of the land acquired through a joint venture agreement with the subsidiary, Ibraco HGS Sdn. Bhd., to develop housing and commercial projects.

### (d) Transaction prices allocated to the remaining performance obligation

	Property Development Activities RM	Construction works RM	Manufacturing RM	Total RM
<b>Group</b>				
<b>2025</b>				
<b>Sales of properties under construction</b>				
- within one year	<b>9,918,634</b>	-	-	<b>9,918,634</b>
<b>Sales of MSCL pipes</b>				
- within one year	-	-	<b>6,493,192</b>	<b>6,493,192</b>
<b>2024</b>				
<b>Sales of properties under construction</b>				
- within one year	26,541,136	-	-	26,541,136
<b>Construction revenue</b>				
- within one year	-	25,242	-	25,242

	The Company	
	2025 RM	2024 RM
<b>Sales of properties under construction</b>		
- within one year	<b>8,094,363</b>	24,785,880

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 21. REVENUE

### Revenue from Contracts with Customers

Set out below is the disaggregation of the Group's and the Company's revenue from contracts with customers.

(a) Disaggregation of Group's revenue from contracts with customers

	Property development activities RM	Construction works RM	Quarry operation RM	Manufacturing RM	Clubhouse operation RM	Property holding and management RM	Total RM
<b>2025</b>							
<b>Group</b>							
<b>Type of goods and services</b>							
Sales of properties under construction	267,862,303	-	-	-	-	-	267,862,303
Sales of completed properties and land	32,629,690	-	-	-	-	-	32,629,690
Construction revenue	-	419,935,692	-	-	-	-	419,935,692
Property management services	-	-	-	-	-	72,576	72,576
Quarry operation	-	-	18,368,703	-	-	-	18,368,703
Clubhouse operation	-	-	-	-	2,653,662	-	2,653,662
Sales of ready mix concrete and premix	-	-	-	15,590,136	-	-	15,590,136
Sales of mild steel cement-lined pipe	-	-	-	4,252,006	-	-	4,252,006
<b>Total revenue from contracts with customers</b>	<b>300,491,993</b>	<b>419,935,692</b>	<b>18,368,703</b>	<b>19,842,142</b>	<b>2,653,662</b>	<b>72,576</b>	<b>761,364,768</b>
Rental income from investment properties	-	-	-	-	-	7,647,546	7,647,546
	<b>300,491,993</b>	<b>419,935,692</b>	<b>18,368,703</b>	<b>19,842,142</b>	<b>2,653,662</b>	<b>7,720,122</b>	<b>769,012,314</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 21. REVENUE (CONT'D)

### Revenue from Contracts with Customers (Cont'd)

(a) Disaggregation of Group's revenue from contracts with customers (Cont'd)

	Property development activities RM	Construction works RM	Quarry operation RM	Manufacturing RM	Clubhouse operation RM	Property holding and management RM	Total RM
<b>2025 (Cont'd)</b>							
<b>Group (Cont'd)</b>							
<b>Timing of revenue recognition</b>							
Revenue recognised over time	267,862,303	419,935,692	-	-	-	-	687,797,995
Revenue recognised at a point in time	32,629,690	-	18,368,703	19,842,142	2,653,662	72,576	73,566,773
<b>Total revenue from contracts with customers</b>	<b>300,491,993</b>	<b>419,935,692</b>	<b>18,368,703</b>	<b>19,842,142</b>	<b>2,653,662</b>	<b>72,576</b>	<b>761,364,768</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 21. REVENUE (CONT'D)

### Revenue from Contracts with Customers (Cont'd)

(a) Disaggregation of Group's revenue from contracts with customers (Cont'd)

2024	Property development activities RM	Construction works RM	Quarry operation RM	Manufacturing RM	Clubhouse operation RM	Property holding and management RM	Total RM
<b>Group</b>							
<b>Type of goods and services</b>							
Sales of properties under construction	246,314,695	-	-	-	-	-	246,314,695
Sales of completed properties and land	9,961,364	-	-	-	-	-	9,961,364
Construction revenue	-	264,802,539	-	-	-	-	264,802,539
Property management services	-	-	-	-	-	72,576	72,576
Quarry operation	-	-	18,258,681	-	-	-	18,258,681
Clubhouse operation	-	-	-	-	2,369,870	-	2,369,870
Sales of ready mix concrete and premix	-	-	-	11,361,159	-	-	11,361,159
Sales of mild steel cement-lined pipe	-	-	-	2,327,700	-	-	2,327,700
<b>Total revenue from contracts with customers</b>	256,276,059	264,802,539	18,258,681	13,688,859	2,369,870	72,576	555,468,584
Rental income from investment properties	-	-	-	-	-	7,379,428	7,379,428
	256,276,059	264,802,539	18,258,681	13,688,859	2,369,870	7,452,004	562,848,012

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 21. REVENUE (CONT'D)

### Revenue from Contracts with Customers (Cont'd)

(a) Disaggregation of Group's revenue from contracts with customers (Cont'd)

	Property development activities RM	Construction works RM	Quarry operation RM	Manufacturing RM	Clubhouse operation RM	Property holding and management RM	Total RM
<b>2024 (Cont'd)</b>							
<b>Group (Cont'd)</b>							
<b>Timing of revenue recognition</b>							
Revenue recognised over time	246,314,695	264,802,539	-	-	-	-	511,117,234
Revenue recognised at a point in time	9,961,364	-	18,258,681	13,688,859	2,369,870	72,576	44,351,350
<b>Total revenue from contracts with customers</b>	<b>256,276,059</b>	<b>264,802,539</b>	<b>18,258,681</b>	<b>13,688,859</b>	<b>2,369,870</b>	<b>72,576</b>	<b>555,468,584</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 21. REVENUE (CONT'D)

### Revenue from Contracts with Customers (Cont'd)

(b) Disaggregation of Company's revenue from contracts with customers

	The Company	
	2025 RM	2024 RM
<b>Type of goods and services</b>		
Sales of properties under construction	<b>158,924,632</b>	196,904,456
Sales of completed properties and land	<b>32,629,690</b>	8,461,641
Revenue from clubhouse operations	<b>2,653,662</b>	2,369,870
<b>Total revenue from contracts with customers</b>	<b>194,207,984</b>	207,735,967
Rental income from investment properties	<b>7,515,546</b>	7,379,428
Dividend income from subsidiaries	<b>6,958,000</b>	1,960,000
<b>Total revenue</b>	<b>208,681,530</b>	217,075,395
<b>Timing of revenue recognition</b>		
Revenue recognised over time	<b>158,924,632</b>	196,904,456
Revenue recognised at a point in time	<b>35,283,352</b>	10,831,511
	<b>194,207,984</b>	207,735,967

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group and the Company recognise revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 21. REVENUE (CONT'D)

### Revenue from Contracts with Customers (Cont'd)

The Group and the Company transfer control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group and the Company perform.
- The Group's and the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's and the Company's performance does not create an asset with an alternative use and the Group and the Company has an enforceable right to payment for performance completed to date.

#### (i) Property Development

Revenue from property development is recognised progressively when property development services are rendered and such services do not create an assets with an alternative's use to the Group and the Company, and the Group and the Company have a present right to payment for services rendered to date. The progress towards complete satisfaction of the performance obligation is measured based on a method that best depicts the Group's and the Company's performance in satisfying the performance obligation of the contract. This is determined by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract. Otherwise, revenue is recognised at a point in time upon delivery of property and customer's acceptance, and the Group and the Company have a present right to payment for the property sold.

Billing to customers are based on agreed milestones under the contracts, certified by quantity surveyor or consultants. The credit period ranges from 14 to 30 (2024 – 14 to 30) days from the date of progress billing. There is no significant financing component in the selling price as the billing is made on the normal credit terms.

A defect liability period of 12 - 24 (2024 - 12 - 24) months is given to the customers.

#### (ii) Sale of Completed Properties

Sale of completed properties are recognised at a point in time.

#### (iii) Construction Services

Revenue from construction services is recognised over time in the period in which the services are rendered using the input method, determined based the proportion of construction costs incurred for work performed to date over the estimated total construction costs. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 21. REVENUE (CONT'D)

### Revenue from Contracts with Customers (Cont'd)

#### (iii) Construction Services (Cont'd)

Revenue from construction services is also recognised by reference to the construction progress based on the physical proportion of contract work certified by professional consultants. Significant judgement is required in determining the progress towards complete satisfaction of the performance obligation based on the contract work certified to date corroborated by the level of completion of the construction based on actual costs incurred to date over the estimated total contract costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists.

Billings to customers are based on agreed milestones under the agreement, certified by quantity surveyor or consultants. The credit period ranges from 30 to 60 (2024 - 30 to 60) days from the invoice date. There is no significant financing component in the selling price as the billings are made on the normal credit terms.

A defect liability period of 6 - 24 (2024 - 6 - 24) months is given to the customers.

#### (iv) Property Management Fees

Property management fees are recognised when services are rendered.

#### (v) Sales of Goods

Revenue from the sale of goods is recognised at a point in time when the goods have been delivered and accepted by customers, based on the price specified in the contract, net of trade discount.

No element of significant financing is deemed present as the sales are made with credit terms not exceeding 12 months which are consistent with prevailing market practice.

#### (vi) Clubhouse operation

Revenue represents membership subscriptions, entrance fees, surcharges and revenue generated from the activities from the clubhouse.

Sales of goods and services rendered are recognised upon delivery of products and when the risks and rewards of ownership have passed to the members. Sales represent gross value of goods sold and services rendered net of trade discounts.

#### (vii) Rental income

Rental income from investment properties is accounted for on a straight-line method over the lease term. The aggregate costs of incentives provided to lessees are recognised as reduction to the rental income over the lease term on a straight-line basis.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 22. COST OF SALES

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Property development costs	<b>187,290,862</b>	156,917,256	<b>111,235,500</b>	127,887,104
Costs of completed properties sold and land	<b>27,951,577</b>	7,635,773	<b>28,237,642</b>	6,736,898
Construction costs	<b>361,572,071</b>	220,025,441	-	-
Investment properties maintenance costs	<b>486,381</b>	364,662	<b>486,381</b>	364,662
Property management costs		-	-	-
Quarry operation costs	<b>14,738,398</b>	14,521,318	-	-
Production of ready mix concrete	<b>16,077,484</b>	10,498,721	-	-
Manufacturing of MSCL pipes	<b>6,579,104</b>	2,985,882	-	-
Clubhouse operation costs	<b>1,098,182</b>	1,127,320	<b>1,098,182</b>	1,127,320
	<b>615,794,059</b>	414,076,373	<b>141,057,705</b>	136,115,984

## 23. OTHER INCOME

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fair value gain on investment properties	<b>13,451,975</b>	5,300,000	<b>12,200,000</b>	5,300,000
Gain on disposal of property, plant and equipment	-	130,446	-	97,997
Interest income from licensed banks	-	60,305	-	40,227
Other income	<b>22,564,493</b>	2,399,176	<b>20,630,770</b>	1,043,814
Other interest income	<b>1,164,696</b>	680,237	<b>8,788,527</b>	7,679,349
	<b>37,181,164</b>	8,570,164	<b>41,619,297</b>	14,161,387

### (i) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

### (ii) Interest Income

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

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 24. FINANCE COSTS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest expenses on :-				
- Bank loans and bank overdraft	<b>24,869,292</b>	17,970,975	<b>13,731,276</b>	10,581,821
- Amount due to subsidiaries	-	-	<b>4,745,293</b>	3,259,043
- Hire purchase interest	<b>1,574,929</b>	1,356,897	<b>58,556</b>	63,221
- Lease liabilities interest (Note 18(b))	<b>36,300</b>	25,280	<b>23,257</b>	15,878
	<b>26,480,521</b>	19,353,152	<b>18,558,382</b>	13,919,963
Less: interest expense capitalised in:-				
Property, plant and equipment (Note 5 (ii))	-	(809,217)	-	-
Constructions contracts :				
- Hire purchase interest	<b>(12,280)</b>	(10,657)	-	-
	<b>26,468,241</b>	18,533,278	<b>18,558,382</b>	13,919,963

## 25. PROFIT BEFORE TAXATION

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before taxation is arrived at after charging/(crediting):-				
Allowance for impairment loss on contract assets (Note 14(b))	<b>1,058,123</b>	793,096	<b>1,058,123</b>	793,096
Auditors' remuneration:				
- statutory audit	<b>287,900</b>	248,000	<b>180,000</b>	160,000
- other services	<b>8,000</b>	8,000	<b>8,000</b>	8,000
Amortisation of intangible assets (Note 6)	<b>497,756</b>	497,756	-	-
Bad debts written off	<b>5,264</b>	-	<b>5,264</b>	-

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 25. PROFIT BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before taxation is arrived at after charging/(crediting):- (Cont'd)				
Depreciation of property, plant and equipment (Note 5)	<b>10,339,558</b>	8,562,214	<b>4,723,430</b>	4,747,774
Employee benefits expenses (Note 26)	<b>27,005,985</b>	25,937,732	<b>16,707,378</b>	15,475,979
Inventories written off	<b>457</b>	-	<b>208</b>	-
Non- executive directors' fees	<b>876,400</b>	826,949	<b>586,000</b>	559,000
Property, plant and equipment written off	<b>328,959</b>	1,499	<b>124</b>	1,499
Realised loss on foreign exchange	-	15,289	-	-
Reversal of allowance for expected credit losses (Note 12(a))	<b>(111,890)</b>	(79,169)	-	-
Loss on disposal of investment in subsidiary upon liquidation	-	1,284	-	-

## 26. EMPLOYEE BENEFITS EXPENSE

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Wages and salaries	<b>30,763,275</b>	28,028,063	<b>14,808,821</b>	13,716,556
Contribution to defined contribution plan	<b>3,522,827</b>	3,179,985	<b>1,740,819</b>	1,619,360
Social security contributions	<b>383,268</b>	320,045	<b>157,738</b>	140,063
	<b>34,669,370</b>	31,528,093	<b>16,707,378</b>	15,475,979
Less: Employee benefits charged to construction costs	<b>(7,663,385)</b>	(5,590,361)	-	-
	<b>27,005,985</b>	25,937,732	<b>16,707,378</b>	15,475,979

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM3,135,600 (2024 – RM2,432,065) as further disclosed in Note 27.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 27. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Directors of the Company</b>				
Executive directors:-				
Fees	<b>48,000</b>	48,000	-	-
Salaries and other emoluments	<b>3,135,600</b>	2,432,065	<b>3,135,600</b>	2,432,065
	<b>3,183,600</b>	2,480,065	<b>3,135,600</b>	2,432,065
Non-executive directors:-				
Fees and other emoluments	<b>594,400</b>	567,400	<b>586,000</b>	559,000
Total director's remuneration	<b>3,778,000</b>	3,047,465	<b>3,721,600</b>	2,991,065
Estimated money value of benefits-in-kind	<b>71,102</b>	67,856	<b>71,102</b>	67,856
Total Company directors' remuneration including benefits-in kind	<b>3,849,102</b>	3,115,321	<b>3,792,702</b>	3,058,921
<b>Directors of the Subsidiaries</b>				
Non-executive directors:-				
Fees and other emoluments	<b>282,000</b>	259,549	-	-
Total Group directors' remuneration	<b>4,131,102</b>	3,374,870	<b>3,792,702</b>	3,058,921
<b>Other Key Management Personnel</b>				
Short-term employee benefits	<b>3,199,634</b>	3,719,966	<b>2,763,474</b>	3,012,847
Defined contribution benefits	<b>261,753</b>	282,641	<b>213,826</b>	228,964
Other short-term benefits	<b>9,323</b>	7,483	<b>7,856</b>	6,093
Benefits-in-kind	<b>68,298</b>	78,731	<b>49,973</b>	59,237
	<b>3,539,008</b>	4,088,821	<b>3,035,129</b>	3,307,141

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 28. INCOME TAX EXPENSE

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Income tax:				
- Current year provision	<b>30,239,200</b>	19,538,716	<b>11,968,000</b>	7,241,000
- (Over)/underprovision in the previous financial year	<b>(154,464)</b>	11,857	<b>(93,478)</b>	(13,293)
	<b>30,084,736</b>	19,550,573	<b>11,874,522</b>	7,227,707
Deferred taxation (Note 13):				
- Origination and reversal of temporary differences	<b>(2,268,248)</b>	1,196,444	<b>(695,000)</b>	1,891,000
- Under/(over)provision in the previous financial year	<b>1,261,400</b>	(762,400)	<b>1,388,500</b>	(77,000)
	<b>(1,006,848)</b>	434,044	<b>693,500</b>	1,814,000
	<b>29,077,888</b>	19,984,617	<b>12,568,022</b>	9,041,707

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company are as follows:-

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before taxation	<b>105,646,520</b>	70,635,235	<b>52,651,753</b>	33,154,967
Tax at the statutory tax rate of 24% (2024 - 24%)	<b>25,355,165</b>	16,952,456	<b>12,636,421</b>	7,957,192
Tax effects of:-				
Non-taxable income	<b>(4,795,125)</b>	(70,814)	<b>(6,383,000)</b>	(524,600)
Non-deductible expenses	<b>5,551,990</b>	2,705,229	<b>5,019,579</b>	1,699,408
Deferred tax assets not recognised during the financial year	<b>1,885,316</b>	1,176,642	-	-
Share of results in associate	<b>(26,394)</b>	(28,353)	-	-
(Over)/underprovision in the previous financial year:				
- income tax	<b>(154,464)</b>	11,857	<b>(93,478)</b>	(13,293)
- deferred tax	<b>1,261,400</b>	(762,400)	<b>1,388,500</b>	(77,000)
Income tax expense for the financial year	<b>29,077,888</b>	19,984,617	<b>12,568,022</b>	9,041,707

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2024 - 24%) of the estimated assessable profit for the financial year.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 29. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the consolidated profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	The Group	
	2025	2024
Profit attributable to owners of the Company (RM)	<b>71,611,900</b>	48,781,273
Weighted average number of ordinary shares at 31 December	<b>546,046,217</b>	546,046,217
Basic earnings per ordinary share (Sen)	<b>13.00</b>	9.00
Diluted earnings per ordinary share (Sen)	<b>13.00</b>	9.00

The Group has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

## 30. DIVIDENDS

	The Company	
	2025 RM	2024 RM
Final single tier dividend of 2.00 sen per ordinary shares in respect of the financial year ended 31.12.2024/31.12.2023	<b>10,920,924</b>	10,920,924
Interim single tier dividend of 2.00 sen per ordinary shares in respect of the financial year ended 31.12.2024	-	10,920,924
	<b>10,920,924</b>	21,841,848

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 31. CASH FLOW INFORMATION

(a) The reconciliations of liabilities arising from financing activities are as follows:-

	Hire Purchase Payables RM	Revolving Credits RM	Banker's Acceptance RM	Lease Liabilities RM	Bank Loans RM	Total RM
<b>The Group</b>						
<b>2025</b>						
At 1 January	28,074,829	261,472,150	1,133,000	870,432	134,245,021	425,795,432
<i>Changes in Financing Cash Flows</i>						
Proceeds from drawdown	-	539,624,482	4,872,000	-	34,523,254	579,019,736
Repayment of borrowing principal	(6,727,900)	(413,219,037)	(4,244,000)	(315,540)	(61,379,375)	(485,885,852)
Repayment of borrowing interest (Note 24)	(1,574,929)	(17,652,638)	(41,092)	(36,300)	(7,175,562)	(26,480,521)
<i>Other Changes</i>	(8,302,829)	108,752,807	586,908	(351,840)	(34,031,683)	66,653,363
Acquisition of new leases	2,624,000	-	-	-	-	2,624,000
Interest expense recognised in profit or loss (Note 24)	1,562,649	17,652,638	41,092	36,300	7,175,562	26,468,241
Borrowing cost capitalised	12,280	-	-	-	-	12,280
At 31 December	4,198,929	17,652,638	41,092	36,300	7,175,562	29,104,521
	23,970,929	387,877,595	1,761,000	554,892	107,388,900	521,553,316

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 31. CASH FLOW INFORMATION (CONT'D)

(a) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

	Hire Purchase Payables RM	Revolving Credits RM	Banker's Acceptance RM	Lease Liabilities RM	Bank Loans RM	Total RM
<b>The Group</b>						
<b>2024</b>						
At 1 January	12,840,250	159,900,000	-	435,866	107,535,577	280,711,693
<b>Changes in Financing Cash Flows</b>						
Proceeds from drawdown	-	229,301,024	1,133,000	-	64,039,900	294,473,924
Repayment of borrowing principal	(3,989,496)	(127,728,874)	-	(323,559)	(37,330,456)	(169,372,385)
Repayment of borrowing interest (Note 24)	(1,356,897)	(10,980,938)	(10,435)	(25,280)	(6,979,602)	(19,353,152)
	(5,346,393)	90,591,212	1,122,565	(348,839)	19,729,842	105,748,387
<b>Other Changes</b>						
Acquisition of new leases	19,224,075	-	-	758,125	-	19,982,200
Interest expense recognised in profit or loss (Note 24)	1,346,240	10,980,938	10,435	25,280	6,170,385	18,533,278
Borrowing cost capitalised	10,657	-	-	-	809,217	819,874
	20,580,972	10,980,938	10,435	783,405	6,979,602	39,335,352
At 31 December	28,074,829	261,472,150	1,133,000	870,432	134,245,021	425,795,432

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 31. CASH FLOW INFORMATION (CONT'D)

(a) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

	Hire Purchase Payables RM	Revolving Credits RM	Lease Liabilities RM	Bank Loans RM	Total RM
<b>The Company</b>					
<b>2025</b>					
At 1 January	1,484,209	136,953,017	575,757	86,772,734	225,785,717
<u>Changes in Financing Cash Flows</u>					
Proceeds from drawdown	-	126,125,335	-	15,506,000	141,631,335
Repayment of borrowing principal	(376,192)	(70,003,000)	(202,583)	(27,566,823)	(98,148,598)
Repayment of borrowing interest (Note 24)	(58,556)	(9,118,432)	(23,257)	(4,612,844)	(13,813,089)
	(434,748)	47,003,903	(225,840)	(16,673,667)	29,669,648
<u>Other Changes</u>					
Acquisition of new leases	-	-	-	-	-
Interest expense recognised in profit or loss (Note 24)	58,556	9,118,432	23,257	4,612,844	13,813,089
	58,556	9,118,432	23,257	4,612,844	13,813,089
At 31 December	1,108,017	193,075,352	373,174	74,711,911	269,268,454

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 31. CASH FLOW INFORMATION (CONT'D)

(a) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

	Hire Purchase Payables RM	Revolving Credits RM	Lease Liabilities RM	Bank Loans RM	Total RM
<b>The Company</b>					
<b>2024</b>					
At 1 January	532,616	86,900,000	376,425	92,733,341	180,542,382
<b>Changes in Financing Cash Flows</b>					
Proceeds from drawdown	-	107,053,017	-	27,941,213	134,994,230
Repayment of borrowing principal	(310,007)	(57,000,000)	(209,963)	(33,901,820)	(91,421,790)
Repayment of borrowing interest (Note 24)	(63,221)	(5,823,780)	(15,878)	(4,758,041)	(10,660,920)
	(373,228)	44,229,237	(225,841)	(10,718,648)	32,911,520
<b>Other Changes</b>					
Acquisition of new leases	1,261,600	-	409,295	-	1,670,895
Interest expense recognised in profit or loss (Note 24)	63,221	5,823,780	15,878	4,758,041	10,660,920
	1,324,821	5,823,780	425,173	4,758,041	12,331,815
At 31 December	1,484,209	136,953,017	575,757	86,772,734	225,785,717

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 31. CASH FLOW INFORMATION (CONT'D)

(b) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fixed deposits with licensed banks	<b>24,564,432</b>	9,774,257	<b>11,279,265</b>	7,858,374
Cash and bank balances	<b>86,068,222</b>	63,371,535	<b>46,867,505</b>	45,859,468
	<b>110,632,654</b>	73,145,792	<b>58,146,770</b>	53,717,842
Less : Fixed deposits with tenures exceeding 3 months	<b>(2,801,008)</b>	(2,734,589)	<b>(2,801,008)</b>	(2,734,589)
Fixed deposits pledged to licensed banks	<b>(19,680,736)</b>	(5,219,226)	<b>(6,503,743)</b>	(3,409,373)
Cash at bank pledged to licensed banks	<b>(499,990)</b>	-	-	-
Cash and cash equivalents	<b>87,650,920</b>	65,191,977	<b>48,842,019</b>	47,573,880

## 32. RELATED PARTY DISCLOSURES

### (a) Subsidiaries

The subsidiaries are disclosed in Note 7 to the financial statements.

### (b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

(a) Transactions with directors and/or companies in which certain directors and their close family members have substantial financial interest:

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Progress billings issued to a Company connected to a director of the Group and of the Company	<b>412,050</b>	2,238,805	<b>412,050</b>	2,238,805
Progress billings issued to the directors of the Group and of the Company	<b>2,692,608</b>	-	<b>2,692,608</b>	-

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 32. RELATED PARTY DISCLOSURES (CONT'D)

### (b) Significant Related Party Transactions and Balances (Cont'd)

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year: - (Cont'd)

#### (b) Transactions with subsidiaries

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

The related party transactions described above were entered into in the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with respective parties.

	The Company	
	2025 RM	2024 RM
Interest charged by subsidiaries	<b>4,745,293</b>	3,259,043
Interest charged to subsidiaries	<b>(8,158,905)</b>	(7,104,904)
Marketing fees charged to a subsidiary	<b>(705,960)</b>	(624,558)
Rental charged to a subsidiary	<b>(36,000)</b>	(12,000)
Subcontractor billings from subsidiaries	<b>141,250,340</b>	200,481,887

## 33. OPERATING SEGMENT

### 33.1 BUSINESS SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Board of Directors as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 6 main reportable segments as follows:-

- Property development – development and sales of residential and commercial properties;
- Construction works – construction of residential and commercial properties and infrastructure works;
- Quarry operation – quarry operations and sales of stone products;
- Manufacturing – production of ready mixed concrete and premix, and manufacturing of mild steel cement-lined pipe;
- Clubhouse operation – private clubhouse operation; and
- Property holding and management – provision of property management services and lease of retail and education facilities.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 33. OPERATING SEGMENT (CONT'D)

### 33.1 BUSINESS SEGMENTS (CONT'D)

	Property development activities		Construction works		Quarry operation		Manufacturing		Clubhouse operation		Property holding and management	
	2025 RM	2024 RM	2025 RM	2024 RM	2025 RM	2024 RM	2025 RM	2024 RM	2025 RM	2024 RM	2025 RM	2024 RM
<b>Revenue:</b>												
External customer	300,491,993	256,276,059	419,935,692	264,802,539	18,368,703	18,258,681	19,842,142	13,688,859	2,653,662	2,369,870	72,576	72,576
Inter-segment	-	-	164,958,523	247,813,915	-	-	6,271,647	-	-	-	-	-
Revenue from contracts with customers	300,491,993	256,276,059	584,894,215	512,616,454	18,368,703	18,258,681	26,113,789	13,688,859	2,653,662	2,369,870	72,576	72,576
Rental income	-	-	-	-	-	-	-	-	-	-	7,647,546	7,379,428
<b>Total</b>	<b>300,491,993</b>	<b>256,276,059</b>	<b>584,894,215</b>	<b>512,616,454</b>	<b>18,368,703</b>	<b>18,258,681</b>	<b>26,113,789</b>	<b>13,688,859</b>	<b>2,653,662</b>	<b>2,369,870</b>	<b>7,720,122</b>	<b>7,452,004</b>
<b>Results:</b>												
Interest income	2,303,281	1,725,238	6,952,090	4,967,820	41,762	18,161	129,680	-	3,563	-	541	-
Fair value gain on investment properties	-	-	-	-	-	-	-	-	-	-	(13,451,975)	(5,300,000)
Amortisation of intangible assets	-	-	-	-	497,756	497,756	-	-	-	-	-	-
Depreciation of property, plant and equipment	3,608,095	3,610,978	707,106	755,903	1,256,966	1,252,540	3,602,639	1,783,239	1,158,416	1,151,547	6,336	8,007
Other non-cash items	(111,890)	(177,166)	-	(27,450)	-	(4,999)	-	-	-	-	-	-
Segment profit/(loss)	56,417,562	31,704,002	54,640,486	40,516,847	192,569	336,161	(6,876,863)	(2,744,650)	(1,270,784)	(1,538,230)	5,181,323	4,637,312
<b>Assets:</b>												
Additions to non-current assets	288,009	2,735,563	494,450	8,128,979	5,945,644	2,221,601	8,909,376	27,028,440	45,040	80,421	-	-
Segment assets	612,958,100	707,759,667	519,385,579	449,714,323	33,844,306	33,265,559	102,617,882	88,715,595	(3,194,852)	(1,582,022)	154,239,345	141,977,238
<b>Liabilities:</b>												
Segment liabilities	305,583,930	465,720,844	402,627,335	333,265,143	25,866,488	24,560,064	110,113,214	16,139,986	708,025	716,171	17,278,050	21,774,832

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 33. OPERATING SEGMENT (CONT'D)

### 33.1 BUSINESS SEGMENTS (CONT'D)

	Total		Elimination		Per consolidated financial statements	
	2025 RM	2024 RM	2025 RM	2024 RM	2025 RM	2024 RM
<b>Revenue:</b>						
External customer	761,364,768	555,468,584	-	-	761,364,768	555,468,584
Inter-segment	171,230,170	247,813,915	(171,230,170)	(247,813,915)	-	-
Revenue from contracts with customers	932,594,938	803,282,499	(171,230,170)	(247,813,915)	761,364,768	555,468,584
Rental income	7,647,546	7,379,428	-	-	7,647,546	7,379,428
<b>Total</b>	<b>940,242,484</b>	<b>810,661,927</b>	<b>(171,230,170)</b>	<b>(247,813,915)</b>	<b>769,012,314</b>	<b>562,848,012</b>
<b>Results:</b>						
Interest income	9,430,917	6,711,219	(8,266,221)	(5,970,677)	1,164,696	740,542
Fair value gain on investment properties	(13,451,975)	(5,300,000)	-	-	(13,451,975)	(5,300,000)
Amortisation of intangible assets	497,756	497,756	-	-	497,756	497,756
Depreciation of property, plant and equipment	10,339,558	8,562,214	-	-	10,339,558	8,562,214
Other non-cash items	(111,890)	(209,615)	-	-	(111,890)	(209,615)
Segment profit/(loss)	108,284,293	72,911,442	(2,637,773)	(2,276,207)	105,646,520	70,635,235
<b>Assets:</b>						
Additions to non-current assets	15,682,519	40,195,004	10,359,000	(830,285)	26,041,519	39,364,719
Segment assets	1,419,850,360	1,419,850,360	55,776,936	(151,845,335)	1,475,627,296	1,268,005,025
<b>Liabilities:</b>						
Segment liabilities	862,177,042	862,177,040	30,600,309	(111,374,252)	892,777,351	750,802,788

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 33. OPERATING SEGMENT (CONT'D)

### 33.1 BUSINESS SEGMENTS (CONT'D)

- A.** Inter-segment revenues are eliminated on consolidation.
- B.** Inter-segment interest income is eliminated on consolidation.
- C.** Other material non-cash items consist of the following items as presented in the respective notes to the financial statements.

	2025 RM	2024 RM
Gain on disposal of property, plant and equipment	-	(130,446)
Reversal of allowance for expected credit losses	<b>(111,890)</b>	(79,169)
	<b>(111,890)</b>	(209,615)

- D.** Additions to non-current assets consists of:

	2025 RM	2024 RM
Property, plant and equipment	<b>26,041,519</b>	39,364,719

- E.** The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2025 RM	2024 RM
Deferred tax assets	<b>(7,739,379)</b>	(6,732,531)
Inter-segment assets	<b>63,516,315</b>	(145,112,804)
	<b>55,776,936</b>	(151,845,335)

- F.** The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2025 RM	2024 RM
Inter-segment liabilities	<b>30,600,309</b>	(111,374,252)

The Group operates predominantly in one business segment in Malaysia. Accordingly, the information by business and geographical segments is not presented.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 33. OPERATING SEGMENT (CONT'D)

### 33.2 MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of the Group's total revenue:

	Revenue		Segment
	2025 RM	2024 RM	
Customer #1	<b>153,298,608</b>	73,527,211	Construction works
Customer #2	<b>150,349,602</b>	49,810,246	Construction works
Customer #3	<b>95,503,955</b>	100,331,409	Construction works
	<b>399,152,165</b>	223,668,866	

## 34. CAPITAL COMMITMENT

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Property, plant and equipment	<b>8,045,654</b>	17,297,156	<b>92,620</b>	736,040

### Authorised And Contracted For

Property, plant and equipment	<b>8,045,654</b>	17,297,156	<b>92,620</b>	736,040
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## 35. FINANCIAL INSTRUMENTS

The Group's and the Company's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's and the Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's and the Company's financial performance.

### 35.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's and the Company's policies in respect of the major areas of treasury activity are as follows:-

#### (a) Market Risk

##### (i) Foreign Currency Risk

Any reasonably possible change in the foreign currency exchange rates at the end of the reporting period against the respective functional currencies of the entities within the Group does not have a material impact on the profit after taxation and equity of the Group and hence, no sensitivity analysis is presented.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (a) Market Risk (Cont'd)

##### (ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's and the Company's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's and the Company's fixed rate receivables and borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as in defined MFRS 7 since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

#### *Interest Rate Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Effects on Profit After Taxation</b>				
Increase of 25 basis points	<b>(204,039)</b>	(255,066)	<b>(141,953)</b>	(164,868)
Decrease of 25 basis points	<b>204,039</b>	255,066	<b>141,953</b>	164,868

##### (iii) Equity Price Risk

The Group and the Company do not have any quoted investments and hence, is not exposed to equity price risk.

#### (b) Credit Risk

The Group's and the Company's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group and the Company manage their exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's and the Company's exposure to credit risk also include loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Group and the Company monitor the results of these subsidiaries regularly and repayments made by the subsidiaries.

##### (i) Credit Risk Concentration Profile

The Group and the Company do not have any major concentration of credit risk related to any individual customer or counterparty.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (b) Credit Risk (Cont'd)

##### (ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

##### (iii) Assessment of Impairment Losses

The Group and the Company have an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group and the Company closely monitor the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group and the Company assess whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficult of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group and the Company in full or is more than 120 days past due.

#### Trade Receivables and Contract Assets

The Group and the Company apply the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

#### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

To measure the expected credit losses, trade receivables (including related parties) and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group and the Company concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group and the Company measure the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

##### Trade Receivables and Contract Assets (Cont'd)

##### Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)

The expected loss rates are based on the payment profiles of sales over a period of 12 months (2024 – 12 months) from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts using linear regressive analysis. The Group and the Company have identified the Gross Domestic Product (GDP), inflation rate as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

##### Property Development

Purchasers are generally financed by loan facilities from reputable financiers. In addition, the credit risk is limited as the ownership and rights to the properties sold will revert to the Group and the Company in the event of default, and the products do not suffer from physical, technological and fashion obsolescence. Therefore, there is minimal exposure to credit risk.

##### Construction Contract

For construction contracts, the Group assessed the expected credit loss of each customer individually based on their financial information and past trends of payments as there are only a few customers. All of these customers have a low risk of default as they have a strong capacity to meet their debts.

##### Allowance for Impairment Losses

The Group	Gross Amount RM	Individual Impairment RM	Carrying Amount RM
<b>2025</b>			
Non-current (not past due)	<b>19,911,999</b>	-	<b>19,911,999</b>
Current (not past due)	<b>62,713,367</b>	-	<b>62,713,367</b>
1 to 119 days past due	<b>35,523,088</b>	-	<b>35,523,088</b>
More than 120 days past due	<b>5,888,892</b>	-	<b>5,888,892</b>
Credit impaired	<b>353,962</b>	<b>(353,962)</b>	-
Trade receivables (current)	<b>104,479,309</b>	<b>(353,962)</b>	<b>104,125,347</b>
Total trade receivables	<b>124,391,308</b>	<b>(353,962)</b>	<b>124,037,346</b>
Contract assets	<b>216,097,549</b>	<b>(1,851,219)</b>	<b>214,246,330</b>
	<b>340,488,857</b>	<b>(2,205,181)</b>	<b>338,283,676</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

##### *Trade Receivables and Contract Assets (Cont'd)*

##### *Allowance for Impairment Losses (Cont'd)*

The Group	Gross Amount RM	Individual Impairment RM	Carrying Amount RM
<b>2024</b>			
Non-current (not past due)	4,078,076	-	4,078,076
Current (not past due)	79,834,321	-	79,834,321
1 to 119 days past due	13,281,649	-	13,281,649
More than 120 days past due	4,385,121	-	4,385,121
Credit impaired	465,852	(465,852)	-
Trade receivables (current)	97,966,943	(465,852)	97,501,091
Total trade receivables	102,045,019	(465,852)	101,579,167
Contract assets	182,923,597	(793,096)	182,130,501
	284,968,616	(1,258,948)	283,709,668

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

##### *Trade Receivables and Contract Assets (Cont'd)*

##### *Allowance for Impairment Losses (Cont'd)*

The Company	Gross Amount RM	Individual Impairment RM	Carrying Amount RM
<b>2025</b>			
Current (not past due)	<b>3,921,034</b>	-	<b>3,921,034</b>
1 to 119 days past due	<b>4,294,932</b>	-	<b>4,294,932</b>
More than 120 days past due	<b>509,917</b>	-	<b>509,917</b>
	<b>8,725,883</b>	-	<b>8,725,883</b>
Trade receivables	<b>8,725,883</b>	-	<b>8,725,883</b>
Contract assets	<b>66,530,162</b>	<b>(1,851,219)</b>	<b>64,678,943</b>
	<b>75,256,045</b>	<b>(1,851,219)</b>	<b>73,404,826</b>
<b>2024</b>			
Current (not past due)	13,421,569	-	13,421,569
1 to 119 days past due	3,685,321	-	3,685,321
More than 120 days past due	3,836,152	-	3,836,152
	20,943,042	-	20,943,042
Trade receivables	20,943,042	-	20,943,042
Contract assets	38,979,906	(793,096)	38,186,810
	59,922,948	(793,096)	59,129,852

Trade receivables and contract assets that are individually determined to be impaired relate to debtors who are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements.

Trade receivables and contract assets that are collectively determined to be impaired relate to expected credit losses measured based on the Group's and the Company's observed default rates.

There has not been any significant change in the gross amounts of trade receivables and contract assets that impacted the allowance for impairment losses.

The movements in the loss allowances in respect of trade receivables are disclosed in Note 12.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

##### Other Receivables

The Group and the Company apply the 3-stage general approach to measuring expected credit losses for their other receivables and amount owing by related parties.

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

Under this approach, the Group and the Company assess whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group and the Company consider there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 90 days past due in making a contractual payment.

The Group uses 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 270 days past due	Lifetime expected credit losses

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

##### Other Receivables (Cont'd)

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)*

The Group and the Company measure the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on individual basis. Other receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group and the Company consider the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts using the linear regressive analysis. The Group and the Company have identified the Gross Domestic Product (GDP), inflation rate, as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

##### *Allowance for Impairment Losses*

The Group	Gross Amount RM	Lifetime loss Allowance RM	Carrying Amount RM
<b>2025</b>			
Low credit risk	<b>4,610,964</b>	-	<b>4,610,964</b>
Credit impaired	<b>106,071</b>	<b>(106,071)</b>	-
	<b>4,717,035</b>	<b>(106,071)</b>	<b>4,610,964</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

##### *Other Receivables (Cont'd)*

##### *Allowance for Impairment Losses (Cont'd)*

The Group	Gross Amount RM	Lifetime loss Allowance RM	Carrying Amount RM
<b>2024</b>			
Low credit risk	3,276,124	-	3,276,124
Credit impaired	106,071	(106,071)	-
	<u>3,382,195</u>	<u>(106,071)</u>	<u>3,276,124</u>

The Company	Gross Amount RM	Lifetime loss Allowance RM	Carrying Amount RM
<b>2025</b>			
Low credit risk	<u>1,484,791</u>	-	<u>1,484,791</u>
<b>2024</b>			
Low credit risk	<u>1,403,474</u>	-	<u>1,403,474</u>

The movements in the loss allowances is disclosed in Note 12 to the financial statements.

##### *Fixed Deposits with Licensed Banks, Cash and Bank Balances*

The Group and the Company consider the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government authority. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (b) Credit Risk (Cont'd)

##### (iii) Assessment of Impairment Losses (Cont'd)

##### *Amount Due From Subsidiaries*

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

##### *Allowance for Impairment Losses*

The Company	Gross Amount RM	Lifetime loss Allowance RM	Carrying Amount RM
<b>2025</b>			
Low credit risk	<b>183,142,638</b>	-	<b>183,142,638</b>
Credit impaired	<b>5,796,708</b>	<b>(5,796,708)</b>	-
	<b>188,939,346</b>	<b>(5,796,708)</b>	<b>183,142,638</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

*Amount Due From Subsidiaries (Cont'd)*

*Allowance for Impairment Losses (Cont'd)*

The Company	Gross Amount RM	Lifetime loss Allowance RM	Carrying Amount RM
2024			
Low credit risk	137,894,651	-	137,894,651
Credit impaired	5,796,708	(5,796,708)	-
	143,691,359	(5,796,708)	137,894,651

The movements in the loss allowances are disclosed in Note 12 to the financial statements.

*Financial Guarantee Contracts*

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

#### (c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (c) Liquidity Risk (Cont'd)

##### Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Contractual Coupon/ Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
<b>2025</b>						
<u>Non-derivative Financial Liabilities</u>						
Loans and borrowings	2.10 - 6.92	521,553,316	538,925,850	439,435,533	84,871,737	14,618,580
Trade and other payables	5.10	352,368,755	352,368,755	313,629,444	38,739,311	-
Financial guarantee contracts	-	419,397,000	419,397,000	419,397,000	-	-
		<b>1,293,319,071</b>	<b>1,310,691,605</b>	<b>1,172,461,977</b>	<b>123,611,048</b>	<b>14,618,580</b>
<b>2024</b>						
<u>Non-derivative Financial Liabilities</u>						
Loans and borrowings	2.10 - 7.67	425,795,432	449,573,681	313,673,694	120,104,624	15,795,363
Trade and other payables	5.70	296,306,809	296,306,809	271,621,635	24,685,174	-
Financial guarantee contracts	-	491,000,000	491,000,000	491,000,000	-	-
		<b>1,213,102,241</b>	<b>1,236,880,490</b>	<b>1,076,295,329</b>	<b>144,789,798</b>	<b>15,795,363</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (c) Liquidity Risk (Cont'd)

##### Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (Cont'd)

The Company	Contractual Coupon/ Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
<b>2025</b>						
<u>Non-derivative Financial Liabilities</u>						
Loans and borrowings	2.24 - 6.92	269,268,454	280,046,541	219,697,220	48,856,700	11,492,621
Trade and other payables	5.10	245,994,127	253,400,571	239,709,117	13,691,454	-
		<b>515,262,581</b>	<b>533,447,112</b>	<b>459,406,337</b>	<b>62,548,154</b>	<b>11,492,621</b>
<b>2024</b>						
<u>Non-derivative Financial Liabilities</u>						
Loans and borrowings	2.24 - 7.06	225,785,717	238,285,073	172,554,104	53,162,736	12,568,233
Trade and other payables	5.70	184,530,083	190,433,389	178,216,843	12,216,546	-
		<b>410,315,800</b>	<b>428,718,462</b>	<b>350,770,947</b>	<b>65,379,282</b>	<b>12,568,233</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (c) Liquidity Risk (Cont'd)

##### *Maturity Analysis (Cont'd)*

The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

### 35.2 CAPITAL RISK MANAGEMENT

The Group and the Company manage their capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manage their capital based on gearing ratio that complies with debt covenants and regulatory, if any. The gearing ratio is calculated as total loans and borrowings divided by total equity. The Group and the Company include loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interests. The gearing ratio of the Group at the end of the reporting period was as follows:-

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Loans and borrowings	<b>521,553,316</b>	425,795,432	<b>269,268,454</b>	225,785,717
Less: Fixed deposits with licensed banks	<b>(24,564,432)</b>	(9,774,257)	<b>(11,279,265)</b>	(7,858,374)
Less: Cash and bank balances	<b>(86,068,222)</b>	(63,371,535)	<b>(46,867,505)</b>	(45,859,468)
Net debt	<b>410,920,662</b>	352,649,640	<b>211,121,684</b>	172,067,875
Total equity	<b>582,849,945</b>	517,202,237	<b>491,693,043</b>	462,530,236
Gearing ratio	<b>0.71</b>	0.68	<b>0.43</b>	0.37

There was no change in the Group's approach to capital management during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Financial Assets</b>				
<u>Amortised Cost</u>				
Trade and other receivables (Note 12)	<b>128,648,310</b>	104,855,291	<b>193,353,312</b>	160,241,167
Other assets (Note 14)	<b>12,006,417</b>	10,428,059	<b>12,006,417</b>	10,428,059
Fixed deposits with licensed banks (Note 15)	<b>24,564,432</b>	9,774,257	<b>11,279,265</b>	7,858,374
Cash and bank balances (Note 16)	<b>86,068,222</b>	63,371,535	<b>46,867,505</b>	45,859,468
	<b>251,287,381</b>	188,429,142	<b>263,506,499</b>	224,387,068
<b>Financial Liabilities</b>				
<u>Amortised Cost</u>				
Loans and borrowings (Note 18)	<b>521,553,316</b>	425,795,432	<b>269,268,454</b>	225,785,717
Trade and other payables (Note 19)	<b>352,216,248</b>	296,173,178	<b>245,994,127</b>	184,530,083
	<b>873,769,564</b>	721,968,610	<b>515,262,581</b>	410,315,800

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.4 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

The Group	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
<b>2025</b>								
<u>Financial Asset</u>								
Investment properties	-	-	<b>161,300,000</b>	-	-	-	<b>161,300,000</b>	<b>161,300,000</b>
<u>Financial Liability</u>								
Loans and borrowings	-	-	-	-	<b>538,925,850</b>	-	<b>538,925,850</b>	<b>521,553,316</b>
<b>2024</b>								
<u>Financial Asset</u>								
Investment properties	-	-	141,600,000	-	-	-	141,600,000	141,600,000
<u>Financial Liability</u>								
Loans and borrowings	-	-	-	-	449,573,681	-	449,573,681	425,795,432

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.4 FAIR VALUE INFORMATION (CONT'D)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:- (Cont'd)

The Company	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
<b>2025</b>								
<u>Financial Asset</u>								
Investment properties	-	-	<b>153,800,000</b>	-	-	-	<b>153,800,000</b>	<b>153,800,000</b>
<u>Financial Liability</u>								
Loans and borrowings	-	-	-	-	<b>280,046,541</b>	-	<b>280,046,541</b>	<b>269,268,454</b>
<b>2024</b>								
<u>Financial Asset</u>								
Investment properties	-	-	141,600,000	-	-	-	141,600,000	141,600,000
<u>Financial Liability</u>								
Loans and borrowings	-	-	-	-	238,285,073	-	238,285,073	225,785,717

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.4 FAIR VALUE INFORMATION (CONT'D)

#### Fair Value of Financial Instruments Not Carried at Fair Value

The fair value of the Group's term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

## 36. COMPARATIVE FIGURES

During the current financial year, the Group reviewed the presentation of certain expenses to better reflect their nature. As a result, certain expenses previously classified under cost of sales have been reclassified to finance costs. These reclassifications have no impact on the Group's total profits or net assets previously reported.

Lease receivables were reclassified from current to non-current assets based on the assessment of the expected recovery period. The reclassification affects presentation only and has no impact on the Group's and the Company's total profits or net assets previously reported.

	The Group		The Company	
	As Restated RM	As Previously Reported RM	As Restated RM	As Previously Reported RM

Statements of Financial Position (Extract):-

#### NON-CURRENT ASSETS

Other assets	10,337,583	-	10,337,583	-
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#### CURRENT ASSETS

Other assets	225,477,738	235,815,321	40,790,639	51,128,222
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Statements of Profit or Loss and Other Comprehensive Income (Extract):-

Cost of sales	414,076,373	417,154,876	-	-
Finance costs	18,533,278	15,454,775	-	-

# ANALYSIS OF SHAREHOLDINGS

AS AT 8 APRIL 2026

Issued and Paid-up Share Capital	:	RM271,831,735 comprising 546,046,217 ordinary shares
Class of shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary shares

## DISTRIBUTION OF SHAREHOLDINGS

(without aggregating securities from different securities accounts belonging to the same person)

Size of Shareholdings	No. of Shareholders		No. of Shareholdings	
	No.	%	No.	%
Less than 100	42	3.83	1,353	0.00
100 to 1,000	460	41.97	158,639	0.03
1,001 to 10,000	336	30.66	1,664,992	0.30
10,001 to 100,000	168	15.33	6,272,712	1.15
100,001 and 27,302,309(*)	84	7.66	185,546,523	33.98
27,302,310 and above (**)	6	0.55	352,401,998	64.54
<b>Total</b>	<b>1,096</b>	<b>100.00</b>	<b>546,046,217</b>	<b>100.00</b>

\* Less than 5% of issued holdings

\*\* 5% and above of issued holdings

## SUBSTANTIAL SHAREHOLDERS

Name	No. of Shares Held			
	Direct	%	Indirect	%
Sharifah Deborah Sophia Ibrahim	99,366,120	18.20	-	-
Ng Cheng Chuan	42,077,478	7.70	80,720,720*	14.78
Hiap Ghee Seng Sdn. Bhd.	136,269,438	24.95	-	-
Datuk Chew Chiaw Han	15,225,440	2.79	136,269,438**	24.95
Chia Kwai Lin	35,720,720	6.54	87,077,478***	15.95
Ng Sheng Nian	45,000,000	8.24	77,798,198@	14.25

\* Deemed interested by virtue of his spouse's and son's shareholding in the Company.

\*\* Deemed interested by virtue of his substantial shareholding in Hiap Ghee Seng Sdn. Bhd.

\*\*\* Deemed interested by virtue of her spouse's and son's shareholding in the Company.

@ Deemed interested by virtue of his parent's shareholding in the Company.

# ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 8 APRIL 2026

## TOP THIRTY SHAREHOLDERS

(Without aggregating the securities from different securities accounts belonging to the same person)

No.	Shareholder Name	No. of Shareholdings	% of Shareholding
1.	Sharifah Deborah Sophia Ibrahim	99,366,120	18.20
2.	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account – AmBank (M) Berhad for Hiap Ghee Seng Sdn. Bhd.	70,000,000	12.82
3.	Kenanga Nominees (Asing) Sdn Bhd Exempt An for Phillip Securities Pte Ltd (Client Account)	52,880,618	9.68
4.	CIMB Group Nominees (Asing) Sdn. Bhd. Exempt An for DBS Bank Ltd	45,000,000	8.24
5.	Hiap Ghee Seng Sdn. Bhd.	44,134,540	8.08
6.	RHB Nominees (Asing) Sdn Bhd Exempt An for Phillip Securities Pte. Ltd. (A/C Clients)	41,020,720	7.51
7.	Ibrahim Bin Baki	24,140,565	4.42
8.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Hiap Ghee Seng Sdn. Bhd.	22,134,898	4.05
9.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kenyalang Capital Sdn Bhd	17,000,000	3.11
10.	LCDA Holdings Sdn. Bhd.	12,211,080	2.24
11.	UOBM Nominees (Tempatan) Sdn Bhd United Overseas Bank Nominees (Pte.) Ltd. for Chew Chiaw Han	8,546,720	1.57
12.	Sinar Rezeki Bersatu Sdn. Bhd.	8,500,000	1.56
13.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Microsite Enterprise Sdn. Bhd.	7,698,820	1.41
14.	Lee Keck Liang	7,459,408	1.37
15.	Chew Chiaw Han	6,678,720	1.22
16.	Citigroup Nominees (Asing) Sdn Bhd Exempt An for Citibank New York (Norges Bank 22)	6,381,800	1.17
17.	Kamunting Premix Plant Sdn Bhd	4,850,000	0.89
18.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (DR)	4,797,200	0.88
19.	Ong Hong Lian	4,672,900	0.86
20.	Orienter Intertrade Co. Sdn. Bhd.	4,430,000	0.81
21.	Tan Hock Liong	3,760,000	0.69
22.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Thian Cheong Meng	2,928,000	0.54
23.	Khor Kowi Kim	2,871,300	0.53
24.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad	2,758,700	0.51
25.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad	2,656,900	0.49
26.	Phang Chung Tchet	2,340,240	0.43
27.	Ong Li Xin	1,755,000	0.32

# ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 8 APRIL 2026

No.	Shareholder Name	No. of Shareholdings	% of Shareholding
28.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Sheng Haur	1,672,520	0.31
29.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Takaful Berhad (Mekar)	1,594,600	0.29
30.	Public Invest Nominees (Asing) Sdn Bhd Exempt An for Philip Securities Pte Ltd (Clients)	1,432,700	0.26

## DIRECTORS' DIRECT AND INDIRECT INTEREST IN THE COMPANY

Name of Directors	No. of Shares Held			
	Direct	%	Indirect	%
Ng Cheng Chuan	42,077,478	7.70	80,720,720*	14.78
Datuk Chew Chiaw Han	15,225,440	2.79	136,269,438**	24.95
Sharifah Deborah Sophia Ibrahim	99,366,120	18.20	-	-

\* Deemed interested by virtue of his spouse's and son's shareholding in the Company.

\*\* Deemed interested by virtue of his substantial shareholding in Hiap Ghee Seng Sdn. Bhd.

# LIST OF MATERIAL PROPERTIES

HELD BY THE GROUP AT AT 8 APRIL 2026

No.	Location	Term of Lease/ Date of Expiry of Lease	Description & Existing Use	Land Area Hectare	Age of buildings Year	Net Book Value RM'000	Date of Last Valuation/ Date of Acquisition
1	Lot 16766, Block 11, Muara Tebas LD, Kuching	Freehold/ Perpetuity	Single Storey Commercial Mall	2.621	14.5	72,000	Dec-2025
2	Lot 3830, Block 12, Muara Tebas LD, Kuching	60 years/ 17.11.2071	Educational Institution	2.436	6.5	60,500	Dec-2025
3	No. PT2003, Bandar Petaling Jaya Selatan, Daerah Petaling, Negeri Selangor	99 years/ 05.10.2122	Residential Development	1.660	-	22,139	Sep-2017
4	Lot 3741, Block 12, Muara Tebas LD, Kuching	60 years/ 17.11.2071	Corporate Offices	0.834	5.5	41,276	Nov-2011
5	Lot 4027, Block 12, Muara Tebas LD, Kuching	60 years/ 17.11.2071	NorthBank Clubhouse	0.686	3.0	14,364	Nov-2011
6	Lot 3530, Muara Tebas LD, Sg. Nida, Kuching*	Freehold/ Perpetuity	Residential Development	2.011	-	8,128	Dec-2010
7	Lot 4271, Muara Tebas LD, Ulu Sg Ni-Ada, Kuching	Freehold/ Perpetuity	Residential Development	5.840	-	5,993	Jul-2003
8	Lot 2890, Block 8, Muara Tebas LD, Demak Laut Industrial Park, Sg. Ni-Ada, Kuching	60 years/ 25.04.2071	Factory and Office	4.175	1.5	47,128	Feb-2022
9	Lot 4587, Muara Tebas LD, Sg Ni-Ada, Kuching	Freehold/ Perpetuity	Residential Development	5.419	-	5,561	Aug-2003
10	Lot 357, Block 8 Muara Tebas LD, Sejinkat Industrial Estate, Kuching	60 years/ 16.03.2086	Industrial Development	9.355	-	8,513	Mar-2026

\* Ibraco as the beneficial owner

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Fifty-Fourth Annual General Meeting (“AGM”) of Ibraco Berhad will be held at Level 1, Hilton Kuching, Jalan Tunku Abdul Rahman, 93100 Kuching, Sarawak on **Friday, 22 May 2026 at 11.30 a.m.** to transact the following businesses: -

## AS 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.                                   | <i>Explanatory Note 1</i>   |
| 2. | To approve the declaration of a final single-tier dividend of 4.00 sen per ordinary share in respect of the financial year ended 31 December 2025.   | <b>Resolution No. 1</b>   |
| 3. | To re-elect the following Directors in accordance with Article 93 of the Company's Constitution: -   | <i>Explanatory Note 2</i>   |
|    | <ul style="list-style-type: none"> <li>i. Mr. Chin Mui Khiong</li> <li>ii. Puan Junijah Binti Ismail</li> <li>iii. Ms. Lily Tang Lee Lin</li> </ul>  | <b>Resolution No. 2</b><br><b>Resolution No. 3</b><br><b>Resolution No. 4</b> |
| 4. | To approve the payment of Directors' fees of up to RM1,000,000 and benefits payable to the Directors up to an aggregate amount of RM100,000 from this AGM until the next AGM of the Company. | <b>Resolution No. 5</b>   |
| 5. | To re-appoint Messrs. Crowe Malaysia PLT as the Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to determine their remuneration.                 | <i>Explanatory Note 3</i><br><b>Resolution No. 6</b>                          |

## AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions: -

- |    |  |  |
|----|--|--|
| 6. | <u>Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”) and waiver of pre-emptive rights</u> | <i>Explanatory Note 4</i><br><b>Resolution No. 7</b> |
|----|--|--|

“THAT, subject always to the Act, the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to the Act, to issue and allot shares in the Company from time to time at such price and upon such terms and conditions and for such purposes and to such person or persons as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10 percent (10%) of the total number of issued shares of the Company at any point in time, AND THAT pursuant to Section 85 of the Act to be read together with Clause 51 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act, AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad, AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

# NOTICE OF ANNUAL GENERAL MEETING

7. Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature

Explanatory Note 5  
**Resolution No. 8**

**"THAT**, subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("**Ibraco Group**") to enter into and give effect to specified recurrent related party transactions of a revenue or trading nature of the Ibraco Group with specified classes of Related Parties (as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and as specified in Section 2.3.1 of the Circular to Shareholders dated 23 April 2026) which are necessary for the day to day operations in the ordinary course of business and are carried out at arm's length basis on normal commercial terms of the Ibraco Group and on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to minority shareholders of the Company and such approval shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of 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 in a general meeting,

whichever is the earlier.

**AND THAT** authority be and is hereby given to the Directors of the Company to complete and do all such acts and things as they may consider necessary or expedient in the best interest of the Company (including executing all such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

## NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

**NOTICE IS ALSO HEREBY GIVEN THAT** subject to the approval of the shareholders at the 54th AGM of the Company to be held on 22 May 2026 for the payment of the final single-tier dividend in respect of the financial year ended 31 December 2025 ("**Dividend**") under Ordinary Resolution 1, the Dividend will be paid on 14 August 2026 to Depositors whose names appear in the Record of Depositors on 3 August 2026. Depositors shall be entitled to the Dividend in respect of:

- (a) securities transferred into the Depositor's Securities Account before 4:30 p.m. on 3 August 2026 for ordinary transfers; and
- (b) securities 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,

**Yeo Puay Huang [SSM PC No. 202008000727 (LS0000577)]**  
**May Wong Mei Ling [SSM PC No. 202008002420 (MIA 18483)]**  
**Company Secretaries**  
23 April 2026

# NOTICE OF ANNUAL GENERAL MEETING

**Notes:**

1. Only depositors whose names appear in the Record of Depositors as at 14 May 2026 be regarded as members and entitled to attend, speak and vote at the meeting.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may be but need not be a member of the Company.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if such appointor is a corporation under its common seal or under the hand of its duly authorized officer. An instrument appointing a proxy to vote at the meeting shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointor.
4. Where a member of the Company is an exempt authorized 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 authorized nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy must be deposited at the Company's Registered Office at No.6 The NorthBank, Off Kuching-Samarahan Expressway, 93350 Kuching, Sarawak not less than 48 hours before the time for holding the 53rd AGM or at any adjournment thereof.

**Explanatory Note 1**

This Agenda is meant for discussion only and hence it will not put forward for voting.

**Explanatory Note 2**

**Ordinary Resolution 2:** Mr. Chin Mui Khiong is due for retirement by rotation pursuant to Article 93 of the Company's Constitution and being eligible, is standing for re-election.

**Ordinary Resolution 3:** Puan Junijah Binti Ismail is due for retirement by rotation pursuant to Article 93 of the Company's Constitution and being eligible, is standing for re-election.

**Ordinary Resolution 4:** Ms Lily Tang Lee Lin is due for retirement by rotation pursuant to Article 93 of the Company's Constitution and being eligible, is standing for re-election.

The profiles of Mr. Chin Mui Khiong, Puan Junijah Binti Ismail and Ms Lily Tang Lee Lin are set out in the Profile of Directors appearing on pages 5 to 8 of the Annual Report 2025. Their shareholdings in the Company are set out in the Analysis of Shareholdings on page 196 of the Annual Report 2025.

**Explanatory Note 3**

The Audit and Risk Management Committee ("**ARMC**") has assessed the suitability, effectiveness and independence of Messrs. Crowe Malaysia PLT ("**Crowe**") via the annual External Auditors Evaluation. The ARMC and the Board were satisfied with the performance of Crowe and hence, the Board recommends the re-appointment of Crowe as external auditors of the Company for the financial year ending 31 December 2026.

**Explanatory Note 4**

The proposed Resolution No. 7, if passed, will empower the Directors to issue shares up to an aggregate amount not exceeding 10% of the issued share capital of the Company at any point in time, for such purposes as the Directors consider would be in the interests of the Company and waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act. This authority unless revoked or varied at a general meeting will expire at the next AGM.

The general authority sought will enable the Directors of the Company to issue and allot shares, including but not limited to further placing of shares for purposes of funding investment(s), working capital and/or acquisitions.

The Company did not issue any shares pursuant to Section 75 & 76 of the Act under the general mandate sought at the Fifty-Third Annual General Meeting held on 23 May 2025, which will lapse upon the conclusion of the forthcoming Fifty-Fourth AGM to be held on 22 May 2026.

# NOTICE OF ANNUAL GENERAL MEETING

## ***Explanatory Note 5***

The proposed Resolution 8 if approved, will allow the Ibraco Group to enter into recurrent related party transactions of a revenue and trading nature relating to the sale of properties by Ibraco Group to related parties. The details of the proposal are set out in the Circular to Shareholders dated 23 April 2026 which is published together with the Notice of 54th AGM.

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# IBRACO BERHAD

[197101000730(011286-P)]

Incorporated in Malaysia

## Form of Proxy

<b>No. of Shares Held :</b>

I/We ..... NRIC No./ Company No. ....  
(Full Name in Capital Letters)

of .....  
Full Address

being a member/members of IBRACO BERHAD hereby appoint .....  
(Full Name in Capital Letters)

..... NRIC No.....  
(Full Name in Capital Letters)

of.....  
Full Address

and/or failing him/her, ..... NRIC No.....  
(Full Name in Capital Letters)

of.....  
Full Address

or failing him/her, the Chairman of the meeting as \*my/our proxy/proxies to vote for \*me/us on my/our behalf, at the Fifth-Fourth Annual General Meeting of the Company to be held at Level 1, Hilton Kuching, Jalan Tunku Abdul Rahman, 93100 Kuching, Sarawak on Friday, **22 May 2026 at 11.30 a.m.** and at any adjournment thereof in the manner as indicated below:-

NO.	RESOLUTION	FOR	AGAINST
1.	To approve a final single-tier dividend of 4.00 sen per ordinary share in respect of the financial year ended 31 December 2025.		
2.	Re-election of Mr. Chin Mui Khiong as Director		
3.	Re-election of Puan Junijah Binti Ismail as Director		
4.	Re-election of Ms. Lily Tang Lee Lin as Director		
5.	Approval for the payment of Directors' Fees and Benefits		
6.	Re-appointment of Messrs. Crowe Malaysia PLT as Auditors		
7.	Authorise Directors to allot and issue shares pursuant to Sections 75 & 76 of the Companies Act, 2016.		
8.	To approve the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature.		

(Please indicate with an "X" in the spaces above how you wish your votes to be cast. If no specific direction as to the voting is indicated, the proxy/proxies will vote or abstain from voting as he/she/they think(s) fit.)

Dated this

.....  
**Signature of Shareholder(s)/Common Seal**

**NOTES:**

- Only depositors whose names appear in the Record of Depositors as at 14 May 2026 be regarded as members and entitled to attend, speak and vote at the meeting.
- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may be but need not be a member of the Company.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if such appointor is a corporation under its common seal or under the hand of its duly authorized officer. An instrument appointing a proxy to vote at the meeting shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointor.
- Where a member of the Company is an exempt authorized 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 authorized nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy must be deposited at the Company's Registered Office at No.6 The NorthBank, Off Kuching-Samarahan Expressway, 93350 Kuching, Sarawak not less than 48 hours before the time for holding the 54th AGM or at any adjournment thereof.



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AFFIX  
STAMP  
HERE

To: The Company Secretaries

**IBRACO BERHAD**

[197101000730 (011286-P)]

No.6 The NorthBank,  
Off Kuching-Samarahan Expressway, 93350  
Kuching, Sarawak, Malaysia.

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2<sup>nd</sup> fold here



**IBRACO BERHAD**  
[197101000730(011286-P)]

No.6 The NorthBank,  
Off Kuching-Samarahan Expressway,  
93350 Kuching, Sarawak, Malaysia.

T: 082 361 111 F: 082 361 188

[www.ibraco.com](http://www.ibraco.com)