

Annual Report & CG Report

ADVANCECON HOLDINGS BERHAD

Annual Report for Financial Year Ended 31 Dec 2025

Subject Annual Report & CG Report - 2025

Please refer attachment below.

Attachments

[Advancecon - Annual Report 2025 \(Part 1\).pdf](#)
1.3 MB

[Advancecon - Annual Report 2025 \(Part 2\).pdf](#)
852.3 kB

[Advancecon - Corporate Governance Report 2025.pdf](#)
650.5 kB

Announcement Info

Company Name	ADVANCECON HOLDINGS BERHAD
Stock Name	ADVCON
Date Announced	30 Apr 2026
Category	Document Submission
Reference Number	DCS-30042026-00374

BUILDING
FOUNDATIONS

DRIVING
TRANSFORMATION

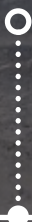


20 | **ANNUAL**
25 | **REPORT**

ADVANCECON

BUILDING FOUNDATIONS DRIVING TRANSFORMATION

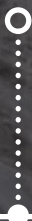
We believe that transformation is built on strong foundations. Whether in the infrastructure we construct or the principles that guide our organisation—purpose, vision, values and execution discipline—getting the fundamentals right enables sustainable progress and long-term impact.



29th ANNUAL GENERAL MEETING

VENUE : Greens III (Sports Wing), Tropicana Golf & Country Resort,
Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan.

DATE & TIME : 18 June 2026 (Thursday), 10.00 a.m.



SCAN ME

For more information on Advancecon Holdings Berhad Directory, please scan the QR code or visit our website www.advancecon.com.my

WHAT'S INSIDE

01



OVERVIEW

- 4 About Advancecon
- 5 Corporate Information
- 6 Corporate Structure

02



BUSINESS OVERVIEW

- 7 Directors' Profile
- 15 Key Senior Management
- 20 Chairman's Statement
- 22 Financial Highlights
- 24 Management Discussion & Analysis

03



CORPORATE GOVERNANCE

- 30 Corporate Governance Overview Statement
- 44 Statement On Risk Management And Internal Control

48 Sustainability Statement



-
- 76 Audit Committee Report
 - 79 Nomination Committee Report
 - 81 Statement of Directors' Responsibilities
 - 82 Additional Compliance Information
 - 86 Financial Statements

04



OTHERS INFORMATION

- 208 List of Properties
- 211 Analysis of Shareholdings
- 214 Notice of Twenty-Ninth Annual General Meeting
- 221 Administrative Guide For the Twenty-Ninth Annual General Meeting

- Proxy Form & Request Form

ABOUT ADVANCECON



PURPOSE

Transforming nations by building strong foundations for a better future.



VISION

To be a global leader in infrastructure, earthworks and renewable energy.



MISSION

Nurture industry leaders to build the foundations that connect people and transform nations.

CORE VALUES

A



Always take
Ownership

D



Deliver
WOW

V



Value and
Driven by
Professionalism

A



Appreciate
and
Recognize

N



Nurture for
Growth

C



Commitment,
Competency &
Consistency

E



Engineer
Innovation

ADVANCECON

CORPORATE INFORMATION



BOARD OF DIRECTORS

TAN SRI RAZARUDIN BIN HUSAIN @ ABD RASID
Independent
Non-Executive Chairman

DATO' PHUM ANG KIA
Deputy Executive Chairman

PHUM BOON ENG
Managing Director

TUNG KAI HUNG
Executive Director

WEE CHUEN LII
Independent
Non-Executive Director

DATUK LOO TOOK GEE
Independent
Non-Executive Director

JANANEE PRIYA A/P GOPAL
Independent
Non-Executive Director

AUDIT COMMITTEE

Wee Chuen Lii (*Chairman*)
Jananee Priya A/P Gopal
Datuk Loo Took Gee

REMUNERATION COMMITTEE

Jananee Priya A/P Gopal (*Chairperson*)
Wee Chuen Lii
Datuk Loo Took Gee

NOMINATION COMMITTEE

Datuk Loo Took Gee (*Chairperson*)
Jananee Priya A/P Gopal
Wee Chuen Lii

RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

Jananee Priya A/P Gopal (*Chairperson*)
Tung Kai Hung
Lim Kok Tiong
Yap Teck Hock
Alicia Chin Mei Yoke

COMPANY SECRETARIES

Tan Tong Lang (*SSM PC No.*
202208000250/ *MAICSA 7045482*)
Low Ven Sin (*SSM PC No.*
202208000340/ *MAICSA 7076080*)

REGISTERED OFFICE

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
W.P. Kuala Lumpur
Telephone no.: 03-9770 2200
Facsimile no.: 03-2201 7774
Email: boardroom@boardroom.com.my

HEAD OFFICE

No. 16, 18 & 20, Jalan Pekaka 8/3
Seksyen 8, Kota Damansara
47810 Petaling Jaya
Selangor Darul Ehsan
Telephone no.: 03-6157 9563
Facsimile no.: 03-6157 0469

AUDITORS

Messrs. UHY Malaysia PLT
(LLP 0041391-LCA & AF 1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City Lingkaran Syed Putra
59200 Kuala Lumpur
W.P. Kuala Lumpur
Telephone no.: 03-2279 3088
Facsimile no.: 03-2279 3099

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
Ambank (M) Berhad
Bank of China (Malaysia) Berhad
CIMB Bank Malaysia Bhd
Hong Leong Bank Berhad
HSBC Bank Malaysia Bhd
Public Bank Berhad
United Overseas Bank (Malaysia) Berhad

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Telephone no.: 03-7890 4700
Facsimile no.: 03-7890 4670
Email: BSR.Helpdesk@boardroomlimited.com

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities
Berhad
Construction
Stock Code.: ADVCON
Stock No.: 5281

DATE & PLACE OF INCORPORATION

9 April 1997, Malaysia

WEBSITE

www.advancecon.com.my

LISTING DATE

10 July 2017

REGISTRATION NO.

199701011469 (426965-M)



CORPORATE STRUCTURE

ADVANCECON

ADVANCECON HOLDINGS BERHAD

(Registration No. 199701011469 (426965-M))



DIRECTORS' PROFILE

Board Composition



DIRECTORS' PROFILE

Tan Sri Razarudin Bin Husain @ Abd Rasid

Independent Non-Executive Chairman

Gender	Age	Nationality
Male	63	Malaysian

Date of Appointment
16 March 2026

Academic / Professional Qualifications:

- Diploma in Investigation Science from Universiti Kebangsaan Malaysia
- Master's Degree in Social Science (Policing Studies) from Universiti Kebangsaan Malaysia

Members of Committee:

Nil

Directorships of other Public Listed Companies:

Nil

Working Experience:

Tan Sri Razarudin Bin Husain @ Abd Rasid ("Tan Sri Razarudin") brings over four decades of distinguished service in national security and law enforcement, having most recently served as the 14th Inspector-General of Police of Malaysia. Widely respected for his firm leadership and operational acumen, he led the Royal Malaysia Police (PDRM) until his retirement in June 2025, driving key institutional reforms and strengthening national enforcement capabilities.

He began his career as a Cadet Inspector in 1982 and rose through the ranks, holding numerous senior leadership positions including District Police Chief, Director of the Narcotics Criminal Investigation Department (NCID), and Deputy Inspector-General of Police, before assuming the nation's top policing role in June 2023.

During his tenure, Tan Sri Razarudin championed initiatives to modernise the force and elevate professional standards, including the introduction of diploma qualifications for police personnel and the proposed establishment of a dedicated police university in collaboration with Universiti Kebangsaan Malaysia. He also strengthened international cooperation with global enforcement agencies and led several major national operations targeting organised crime, environmental offences and cross-border syndicates.

His extensive experience in leadership, governance, and strategic oversight brings valuable perspective to the Board, particularly in strengthening corporate governance, risk management, and institutional discipline.

Tan Sri Razarudin did not attend any Board meetings during the financial year ended 31 December 2025 as he was only appointed on 16 March 2026.

Declaration:

- Does not have any family relationship with any Directors and/or major shareholders.
- No conflict of interest or potential conflict of interest, including interest in any competing business that the person has with Advancecon Holdings Berhad or its subsidiaries.
- No conviction for offences within the past five (5) years and has had no public sanction or penalties imposed by any relevant regulatory bodies during the financial year.



DIRECTORS' PROFILE

DATO' PHUM ANG KIA

Deputy Executive Chairman

Gender	Age	Nationality
Male	68	Malaysian

Date of Appointment

09 April 1997

Members of Committee:

Nil

Directorships of other Public Listed Companies:

Nil



Academic / Professional Qualification & Working Experience:

Dato' Phum Ang Kia ("Dato' Phum") is the co-founder and Deputy Executive Chairman of Advancecon. He was appointed to the Board on 09 April 1997 and served as Group Chief Executive Officer until his redesignation as Deputy Executive Chairman on 22 December 2025. In his capacity as Deputy Executive Chairman, he plays a key role in providing strategic leadership and oversight of the Group's overall business direction, including the formulation of corporate development plans and long-term growth strategies. He continues to be actively involved in guiding senior management, as well as overseeing key operational and contractual matters of the Group.

Dato' Phum started his family business in Soon Kim Trading & Engineering which was subsequently incorporated as a private limited company in 1990 under the name of Pembinaan Sin Soon Kim Sdn. Bhd. Subsequently, it changed name to Advancecon Infra in 2010. During the early stage, the Company was mainly involved in civil engineering services, construction of main drains, road works, sewerage systems and hiring services of heavy machinery and equipment.

Advancecon Sdn Bhd was incorporated in 1993 to expand the construction business after which, Advancecon Group was established in 2010 pursuant to an internal reorganisation exercise undertaken. With Dato' Phum's wealth of experience in the construction industry of more than forty years, he was the driving force in raising the Company's profile from a small contractor to a public listed company on the Main Market of Bursa Malaysia.

Dato' Phum has attended all eight (8) Board meetings held during the financial year ended 31 December 2025.

Declaration:

- He is a major shareholder of the Company.
- He is the father of Phum Boon Eng, who is the Managing Director of the Company.
- No conflict of interest or potential conflict of interest, including interest in any competing business that the person has with Advancecon Holdings Berhad or its subsidiaries except by virtue of being the father of Phum Boon Lim, who is the shareholder of a company in the solar business.
- No conviction for offences within the past five (5) years and has had no public sanction or penalties imposed by any relevant regulatory bodies during the financial year.

DIRECTORS' PROFILE

Phum Boon Eng

Managing Director

Gender	Age	Nationality
Female	38	Malaysian

Date of Appointment
22 December 2025

Academic / Professional Qualifications:

- Bachelor of Arts (Hons) in Interior Architecture and Design from Nottingham Trent University (via First City University College)

Members of Committee:

Nil

Directorships of other Public Listed Companies:

Nil



Working Experience:

Phum Boon Eng (“Madam Phum”) was appointed to the Board as Managing Director of the Company on 22 December 2025, marking an important milestone in Advancecon’s leadership journey.

With over 15 years of experience spanning design, project development, and business leadership, Madam Phum brings a distinctive blend of creative thinking, execution discipline, and people-centred leadership. In her role as Managing Director, she is focused on modernising the organisation and strengthening its culture, driving operational excellence and customer experience, deepening stakeholder engagement, and advancing sustainable growth initiatives aligned with the Board’s long-term strategic vision.

Prior to her appointment, Madam Phum served as Head of Advancecon’s Solar Division, where she played a pivotal role in building the Group’s renewable energy capabilities and supporting its strategic diversification into sustainable infrastructure. Her leadership during this phase helped lay the foundation for Advancecon’s expansion into future-ready businesses.

Her appointment reflects the Board’s confidence in next-generation leadership, and reinforces Advancecon’s commitment to organisational renewal, strong internal culture, and cross-functional collaboration. As the Group continues to evolve alongside Malaysia’s growing infrastructure and urban development landscape, Madam Phum’s leadership is expected to play a key role in shaping the next chapter of Advancecon’s growth journey.

Madam Phum did not attend any Board meetings during the financial year ended 31 December 2025 as she was only appointed on 22 December 2025.

Declaration:

- *Phum Boon Eng is the daughter of Dato’ Phum Ang Kia, the Deputy Executive Chairman and major shareholder of the Company.*
- *No conflict of interest or potential conflict of interest, including interest in any competing business that the person has with Advancecon Holdings Berhad or its subsidiaries except by virtue of being the sister of Phum Boon Lim, who is the shareholder of a company in the solar business.*
- *No conviction for offences within the past five (5) years and has had no public sanction or penalties imposed by any relevant regulatory bodies during the financial year.*

DIRECTORS' PROFILE

TUNG KAI HUNG

Executive Director

Gender	Age	Nationality
Male	63	Malaysian

Date of Appointment

01 August 2016

Academic / Professional Qualifications:

- Diploma in Technology (Building) from Tunku Abdul Rahman College, Malaysia

Members of Committee:

- Member of Risk Management and Sustainability Committee

Directorships of other Public Listed Companies:

Nil



Working Experience:

In 1999, Tung Kai Hung (“Mr. Tung”) joined Advancecon Sdn Bhd as Senior Contracts Executive where he was responsible for the overall contract management functions including overseeing the operations of submission of tenders and cost estimates preparation. His roles include selection of our subcontractors and suppliers for all our construction projects.

In 2010, Advancecon Group was established pursuant to an internal reorganisation exercise undertaken whereby Mr. Tung assumed the role of General Manager of Contracts since then. He is now the Director-Commercial of Advancecon Infra Sdn Bhd.

He has more than thirty years of working experience in the construction industry and has been instrumental in the Initial Public Offering of Advancecon Holdings Berhad.

Mr Tung has attended seven (7) out of eight (8) Board meetings held during the financial year ended 31 December 2025.

Declaration:

- Does not have any family relationship with any Directors and/or major shareholders.
- No conflict of interest or potential conflict of interest, including interest in any competing business that the person has with Advancecon Holdings Berhad or its subsidiaries.
- No conviction for offences within the past five (5) years and has had no public sanction or penalties imposed by any relevant regulatory bodies during the financial year.

DIRECTORS' PROFILE

WEE CHUEN LII

Independent Non-Executive Director

Gender	Age	Nationality
Male	54	Malaysian

Date of Appointment

16 March 2026

Academic / Professional Qualifications:

- Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman University of Management and Technology, Malaysia
- Chartered Accountant of the Malaysian Institute of Accountants (MIA)
- Fellow Member of the Association of Chartered Certified Accountants (ACCA)

Members of Committee:

- Chairman of Audit Committee
- Member of Nomination Committee
- Member of Remuneration Committee

Directorships of other Public Listed Companies:

- Vestland Berhad



Working Experience:

Wee Chuen Lii is an experienced finance professional with strong expertise in corporate finance, financial management and governance across listed companies and multinational organisations. He is a Fellow Member of ACCA and a member of the Malaysian Institute of Accountants.

He has held senior finance roles including Chief Financial Officer of LKL Advance Metaltech Sdn. Bhd., a wholly owned subsidiary of LKL International Berhad, as well as positions at Huawei Technologies (Malaysia) and DGB Asia Berhad, where he oversaw financial reporting, internal controls and risk management.

He currently provides financial advisory services to companies across various industries. His strong background in financial governance, internal controls and capital discipline strengthens the Group's financial oversight and supports its continued focus on prudent sustainable growth and long-term value creation.

Wee Chuen Lii did not attend any Board meetings during the financial year ended 31 December 2025 as he was only appointed on 16 March 2026.

Declaration:

- Does not have any family relationship with any Directors and/or major shareholders.
- No conflict of interest or potential conflict of interest, including interest in any competing business that the person has with Advancecon Holdings Berhad or its subsidiaries.
- No conviction for offences within the past five (5) years and has had no public sanction or penalties imposed by any relevant regulatory bodies during the financial year.

DIRECTORS' PROFILE

DATUK LOO TOOK GEE

Independent Non-Executive Director

Gender	Age	Nationality
Female	70	Malaysian

Date of Appointment

16 March 2026

Academic / Professional Qualifications:

- Bachelor of Arts (Honours) from University of Malaya, Malaysia
- Master's Degree in Policy Science from Saitama University, Japan

Members of Committee:

- Chairperson of Nomination Committee
- Member of Audit Committee
- Member of Remuneration Committee

Directorships of other Public Listed Companies:

- YTL Power International Berhad
- Hartalega Holdings Berhad



Working Experience:

Datuk Loo Took Gee ("Datuk Loo") served in various capacities during her 38 years of service with the Federal Government of Malaysia. She has extensive experience in policy formulation and implementation, human resource management, financial management and infrastructure privatisation while serving in the Public Services Department, Ministry of Works and Ministry of Energy, Green Technology and Water.

Datuk Loo was appointed as the Secretary-General of the Ministry of Energy, Green Technology and Water in August 2010 and served in that capacity until her retirement in August 2016. Her notable contributions included her leadership in the formulation and implementation of the National Renewable Energy Policy and Action Plan, Green Technology Policy, Gas Subsidy Rationalisation and Tariff Design for the Power Sector, as well as the restructuring of the water industry in Selangor and Wilayah Persekutuan Kuala Lumpur.

During her tenure as Secretary-General of the Ministry of Energy, Green Technology and Water, she also served as Chairman of MyPower Corporation and as a board member of various government agencies and corporations including Sarawak Hidro Sdn. Bhd., Energy Commission, Malaysia Nuclear Power Corporation, Sustainable Energy Development Authority (SEDA), Malaysia-Thailand Joint Development Authority (MTJDA) and Pengurusan Aset Air Berhad.

Datuk Loo did not attend any Board meetings during the financial year ended 31 December 2025 as she was only appointed on 16 March 2026.

Declaration:

- Does not have any family relationship with any Directors and/or major shareholders.
- No conflict of interest or potential conflict of interest, including interest in any competing business that the person has with Advancecon Holdings Berhad or its subsidiaries.
- No conviction for offences within the past five (5) years and has had no public sanction or penalties imposed by any relevant regulatory bodies during the financial year.

DIRECTORS' PROFILE

JANANEE PRIYA A/P GOPAL

Independent Non-Executive Director

Gender	Age	Nationality
Female	46	Malaysian

Date of Appointment
01 October 2023

Academic / Professional Qualifications:

- LL.B (Hons.) Northumbria University, United Kingdom
- Barrister-at-Law (Lincoln's Inn), United Kingdom

Members of Committee:

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

Directorships of other Public Listed Companies:

Nil



Working Experience:

Jananee Priya A/P Gopal ("Madam Jananee") was admitted as an Advocate & Solicitor of the High Court of Malaya in 2008.

She started her career in legal practice primarily focusing on civil and corporate litigation. Madam Jananee established her private practice in 2018 and is now the Managing Partner of Messrs. Salleh Gopal. She has been an active litigator for 18 years and her core practice lies in civil and corporate litigation, with extensive experience in navigating complex disputes and advising corporate clients. Over the years, she has built a reputation for thorough legal analysis, delivering commercially pragmatic solutions and possessing strong and persuasive advocacy skills.

Madam Jananee has attended all eight (8) Board meetings held during the financial year ended 31 December 2025.

Declaration:

- Does not have any family relationship with any Directors and/or major shareholders.
- No conflict of interest or potential conflict of interest, including interest in any competing business that the person has with Advancecon Holdings Berhad or its subsidiaries.
- No conviction for offences within the past five (5) years and has had no public sanction or penalties imposed by any relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

Alicia Chin Mei Yoke

Group Chief Financial Officer

Gender	Age	Nationality
Female	46	Malaysian

Date of Appointment

17 April 2025

Members of Committee:

- Member of Risk Management and Sustainability Committee



Alicia Chin Mei Yoke (“Madam Alicia”), is our Group Chief Financial Officer. Madam Alicia is an accomplished finance leader with over 25 years of experience in financial management, strategic planning, and transformation leadership, primarily within the oil and gas industry.

She has held various senior leadership positions across Asia Pacific with renowned multinational corporations, including Baker Hughes and General Electric.

Her most recent role was as Assistant Controller & Transformation Leader at Baker Hughes’ Global Finance Organization, where she led organizational design strategies and spearheaded initiatives to enhance profitability, operational efficiency, and compliance.

Her strategic acumen and collaborative leadership significantly improved financial performance and operational outcomes. Madam Alicia is a graduate of General Electric’s GE Financial Management Program, certified GE’s Six Sigma Black Belt and is also a Certified Performance coach.

Presently, she does not hold any directorship in any public listed companies. She does not have any family relationship with any Directors and/or major shareholders of the Company. She has no conflict of interest or potential conflict of interest, including interest in any competing business that the person has with the Company. She has not been convicted of any offences, other than traffic offences (if applicable) within the past five (5) years nor has been imposed of any public sanction or penalties by any relevant regulatory bodies during the financial year ended 31 December 2025.

PROFILE OF KEY SENIOR MANAGEMENT

Lim Kok Tiong

Director - Infrastructure and Highway

Gender	Age	Nationality
Male	53	Malaysian

Date of Appointment
01 December 2017

Members of Committee:

- Member of Risk Management and Sustainability Committee



Lim Kok Tiong, is our Director - Infrastructure and Highway. He is responsible for overseeing the execution of all Infrastructure and Highway construction projects undertaken by our Group. He is a visionary and strategic leader with more than twenty years of working experience in project management within the construction industry. Throughout his career, he has a proven track record of driving growth, improving operational efficiency, and delivering exceptional results that contributed to the achievements and successes of the Group.

With a deep understanding of market trends and customer needs, he has well leveraged his talent for identifying and capitalizing on growth opportunities. He has successfully led cross-functional teams to develop and implement effective strategies that have resulted in significant revenue growth and market share expansion. Within the organization, he is known to be a collaborative and inspiring leader, with a talent for building high-performing teams.

He holds first-class honours degree in Civil and Structural Engineering from University Kebangsaan Malaysia which he was conferred in 1998. Subsequently, he continued to obtain a Master of Business Administration from University of Lincoln, United Kingdom in 2002.

He began his career as an Engineer where he was involved in the design of building structure specifically on steel works projects. Subsequently, he joined Gabungan Cekapbina Sdn Bhd to build his career honed towards project management. Thereafter, he joined Advancecon Sdn Bhd in 2006 as a project manager and continue his career path development as a Director of Infrastructure and Highway in 2022. He also serves as a member of the Risk Management and Sustainability Committee, contributing to the Group's strategic oversight in these critical areas.

Presently, he does not hold any directorship in any public listed companies. He does not have any family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interest with the Company and has not been convicted of any offences, other than traffic offences (if applicable) within the past five (5) years nor has been imposed of any public sanction or penalties by any relevant regulatory bodies during the financial year ended 31 December 2025.

PROFILE OF KEY SENIOR MANAGEMENT

Puah Kian Yiew

Director – Earthworks

Gender	Age	Nationality
Male	50	Malaysian

Date of Appointment

01 December 2017

Members of Committee:

Nil



Puah Kian Yiew, is our Director – Earthworks. He is responsible for the planning, coordination and the operations of all the heavy machinery and equipment of our Group. He has more than twenty years of working experience in various operational management in the construction industry. He graduated with a Bachelor of Science Degree in Building Construction Management from Sheffield Hallam University, United Kingdom in 2000.

He began his career as Supervisor with Gabungan Cekapbina Sdn Bhd in 2000 where he was responsible for supervising on-site construction activities. In 2006, he left Gabungan Cekap Sdn Bhd and joined Advancecon Sdn Bhd as Assistant Project Manager where he was responsible for assisting the execution of project management of construction projects.

In 2010, Advancecon Group was established pursuant to an internal reorganization exercise undertaken whereby he assumed the role of Project Manager and continue his career path development as a Director of Earthworks in 2022.

Presently, he does not hold any directorship in any public listed companies. He does not have any family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interest with the Company and has not been convicted of any offences, other than traffic offences (if applicable) within the past five (5) years nor has been imposed of any public sanction or penalties by any relevant regulatory bodies during the financial year ended 31 December 2025.

PROFILE OF KEY SENIOR MANAGEMENT

Camillia Soong

Chief of Staff

Gender	Age	Nationality
Female	46	Malaysian

Date of Appointment

17 April 2025

Members of Committee:

Nil



Camillia Soong (“Madam Camillia”), is our Chief of Staff. Madam Camillia has over 20 years of experience in strategy, operations and transformation across financial services, technology and real estate. She has a strong track record in driving operational improvements and organisational effectiveness, leading large-scale transformation programmes and delivering complex system implementations across multiple markets.

Madam Camillia holds a Bachelor of Computing (Software Development) and a Bachelor of Business (Accounting) from Monash University, and is ITIL-certified. She is recognised for her strengths in programme leadership, stakeholder management and operational design, and her ability to translate strategy into execution.

She began her career with IBM Global Services Australia, and later specialised in financial services transformation at a boutique consultancy, where she led and supported key programmes for Malaysian banks, including operating model redesign, wealth management initiatives, GST implementation, as well as core banking and credit system implementations.

She has also served as Chief Operating Officer of Tune Box Sdn Bhd (now Rokki Sdn Bhd), part of the AirAsia Group, where she played a pivotal role in building the business from inception and scaling inflight connectivity and entertainment solutions for regional airline operations.

Presently, she does not hold any directorship in any public listed companies. She does not have any family relationship with any Directors and/or major shareholders of the Company. She has no conflict of interest with the Company and has not been convicted of any offences, other than traffic offences (if applicable) within the past five (5) years nor has been imposed of any public sanction or penalties by any relevant regulatory bodies during the financial year ended 31 December 2025.

PROFILE OF KEY SENIOR MANAGEMENT

Chew Kim Sun

General Manager of Property Development

Gender	Age	Nationality
Male	48	Malaysian

Date of Appointment

14 August 2025

Members of Committee:

Nil



Chew Kim Sun (“Mr. Chew”) brings over two decades of experience in the property development industry, with deep expertise spanning marketing, sales strategy and project execution.

He has held senior leadership roles with established property developers such as Sunrise, BRDB and Symphony Life, where he was instrumental in the strategic positioning, market launch and delivery of premium residential and commercial developments. Over the course of his career, he has contributed to cumulative project sales exceeding RM7.0 billion, reflecting his strong commercial acumen and keen understanding of market dynamics.

Mr. Chew has led a diverse portfolio of developments, including projects in the East Coast region of Peninsular Malaysia, delivering over 160 residential units with 100% sales uptake. He brings extensive hands-on experience in development planning and execution, complemented by a results-oriented approach to delivering value across the project lifecycle.

Presently, he does not hold any directorship in any public listed companies. He does not have any family relationship with any Directors and/or major shareholders of the Company. He has no conflict of interest with the Company and has not been convicted of any offences, other than traffic offences (if applicable) within the past five (5) years nor has been imposed of any public sanction or penalties by any relevant regulatory bodies during the financial year ended 31 December 2025.

CHAIRMAN'S STATEMENT

**Tan Sri Razarudin
Bin Husain @ Abd Rasid**
Independent Non-Executive Chairman





Dear Shareholders,

It is a privilege to address you for the first time as Chairman of Advancecon Holdings Berhad.

Advancecon stands at an important point in its journey. Built on strong execution capabilities and a proven track record in earthworks and civil engineering, the Group is well-positioned to play a meaningful role in Malaysia's next phase of infrastructure and industrial development.

As a Board, our focus is clear—to guide Advancecon towards sustainable, disciplined growth, anchored on operational excellence, financial prudence and strong governance. In an environment marked by cost pressures and evolving market dynamics, resilience and clarity of direction will be critical.

Our ambition goes beyond growth. We intend to grow with purpose. This means strengthening our core, enhancing the productivity and efficiency of our fleet, and building a high-quality order book that supports long-term value creation.

Our refreshed Board brings together a compelling mix of diverse expertise and fresh perspectives. Working in close partnership with management, we are united in our commitment to propel Advancecon into its next chapter — one defined by strategic focus, disciplined execution and consistent progress.

On behalf of the Board, I extend my appreciation to our management team, employees and stakeholders for their continued dedication and trust.

We move forward with confidence, guided by a clear vision and a commitment to deliver sustainable value for all.

Thank you.

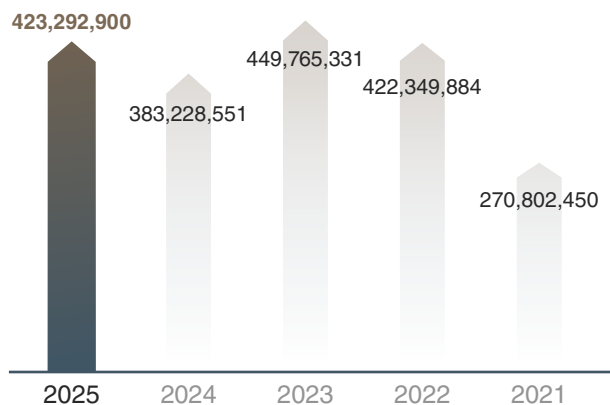
Tan Sri Razarudin Bin Husain @ Abd Rasid
Independent Non-Executive Chairman



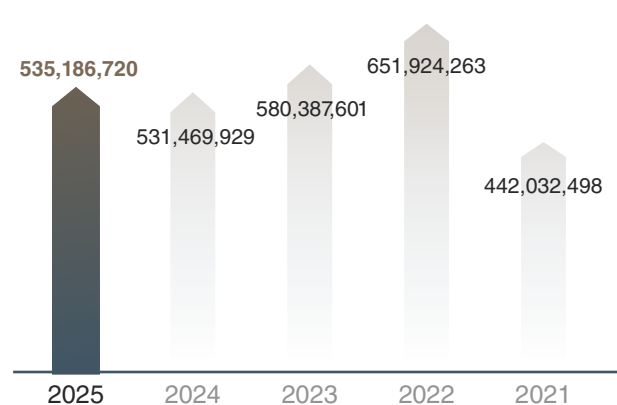
FINANCIAL HIGHLIGHTS

Financial year ended 31 December	2025 RM	2024 RM	2023 RM	2022 RM	2021 RM
Profitability					
Revenue	423,292,900	383,228,551	449,765,331	422,349,884	270,802,450
Profit/(Loss) before taxation	9,051,876	(20,748,663)	(42,938,782)	(19,183,688)	3,976,529
Profit/(Loss) attributable to :					
Owner of the Company	6,621,874	(22,737,059)	(34,292,692)	(23,358,610)	2,049,957
Key Balance Sheet Data					
Total assets	535,186,720	531,469,929	580,387,601	651,924,263	442,032,498
Total equity	162,024,200	157,945,974	176,155,766	207,237,066	215,575,390
Shareholders' equity	164,734,070	159,957,363	179,146,042	192,216,780	215,575,390
Total Borrowings	227,572,704	230,888,508	216,136,019	255,501,142	126,119,548
Issued share capital (unit)	584,731,900	584,731,900	584,731,900	492,756,000	492,756,000
Share information					
Net gain/(loss) earnings per share (sen)	1.16	(3.95)	(6.20)	(4.83)	0.50
Net assets per share attributable to owners of the Company (RM)	0.28	0.27	0.31	0.39	0.44
Gearing ratio (times)	1.38	1.44	1.21	1.33	0.59
Return on equity (%)	4%	-14%	-19%	-12%	1%

Revenue (RM)

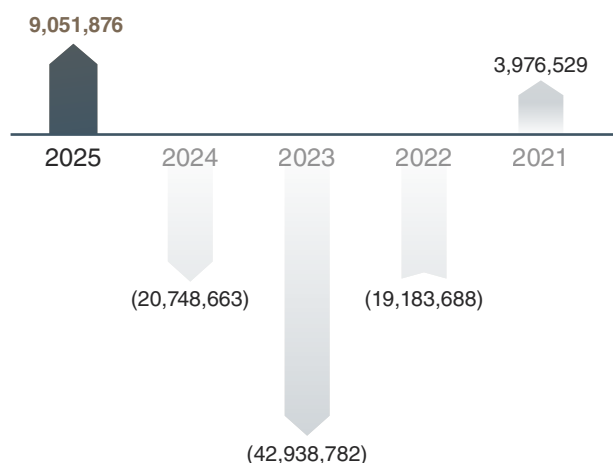


Total assets (RM)

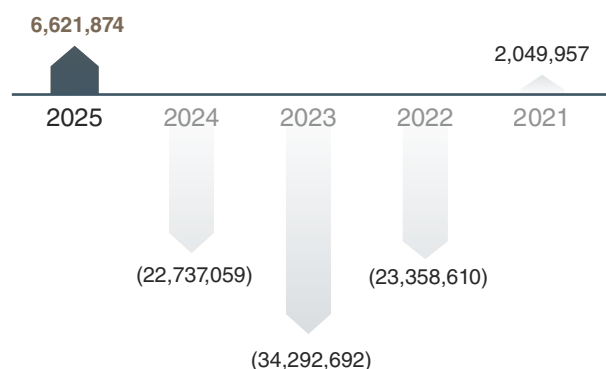


FINANCIAL HIGHLIGHTS

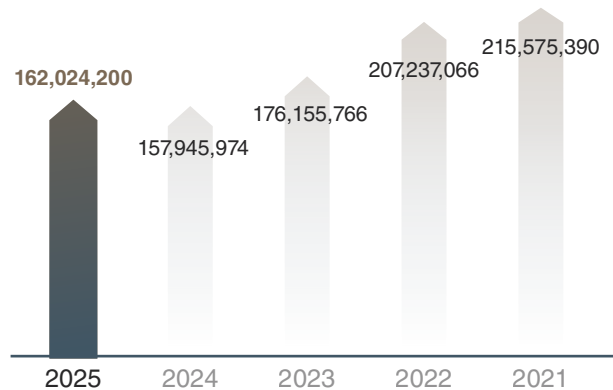
Profit/(Loss) before taxation (RM)



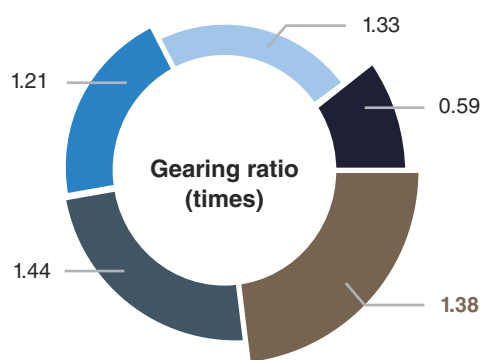
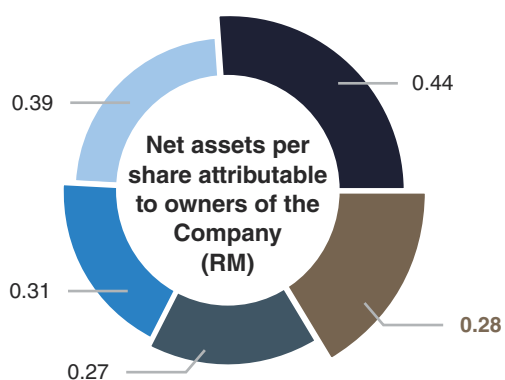
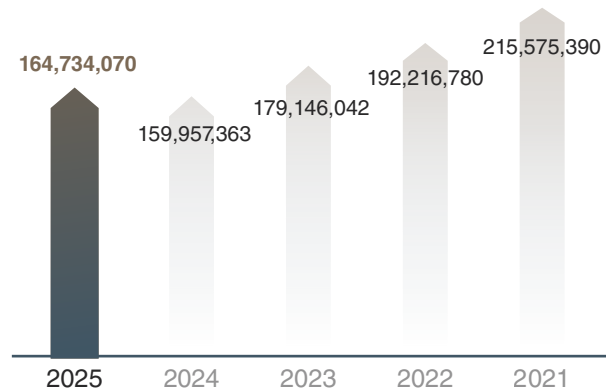
Profit/(Loss) attributable to : Owner of the Company (RM)



Total equity (RM)



Shareholders' equity (RM)



● 2021 ● 2022 ● 2023 ● 2024 ● 2025

● 2021 ● 2022 ● 2023 ● 2024 ● 2025

MANAGEMENT DISCUSSION & ANALYSIS



DEAR SHAREHOLDERS,

ON BEHALF OF THE BOARD OF DIRECTORS, IT IS MY PLEASURE TO PRESENT TO YOU THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS OF ADVANCECON HOLDINGS BERHAD (“ADVANCECON” OR THE “GROUP”) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025.

THE MALAYSIAN ECONOMY REMAINED RESILIENT IN 2025 DESPITE GLOBAL UNCERTAINTIES, GEOPOLITICAL TENSIONS AND MODERATING INFLATIONARY PRESSURES. DOMESTIC DEMAND CONTINUED TO UNDERPIN GROWTH, SUPPORTED BY SUSTAINED PUBLIC INFRASTRUCTURE SPENDING, INDUSTRIAL EXPANSION AND STEADY PRIVATE SECTOR INVESTMENT. THE CONSTRUCTION SECTOR CONTINUED TO DEMONSTRATE ENCOURAGING EXPANSION, DRIVEN BY THE ACCELERATION OF INFRASTRUCTURE PROJECTS, TOWNSHIP DEVELOPMENTS AND INDUSTRIAL PARKS ACROSS KEY GROWTH CORRIDORS SUCH AS SELANGOR AND JOHOR.

AGAINST THIS BACKDROP, ADVANCECON FOCUSED ON DISCIPLINED EXECUTION AND OPERATIONAL OPTIMISATION TO STRENGTHEN OUR EARNINGS VISIBILITY. WHILE COST PRESSURES, FINANCING EXPENSES AND COMPETITIVE PRICING DYNAMICS CONTINUED TO SHAPE THE OPERATING LANDSCAPE, THE GROUP REMAINED STEADFAST IN DELIVERING CORE EARTHWORKS AND CIVIL ENGINEERING WORKS ACROSS TOWNSHIP, INDUSTRIAL AND INFRASTRUCTURE DEVELOPMENTS NATIONWIDE.



ADVANCECON IS A LEADING CIVIL ENGINEERING AND INFRASTRUCTURE SPECIALIST IN MALAYSIA WITH A STRONG PRESENCE IN THE INDUSTRY FOR OVER THREE DECADES.



DURING THE PERIOD UNDER REVIEW, THE GROUP RECORDED REVENUE OF RM423.3 MILLION, REPRESENTING AN INCREASE FROM RM383.2 MILLION IN THE PREVIOUS YEAR.

BUSINESS OVERVIEW

Advancecon Holdings Berhad (“Advancecon” or the “Group”) is a leading civil engineering and infrastructure specialist in Malaysia with a strong presence in the industry for over three decades. The Group is principally involved in earthworks, civil engineering, construction support services, quarry operations, property investment, property development and renewable energy solutions, collectively playing a vital role in Malaysia’s infrastructure and industrial development.

Over the years, Advancecon has established a strong reputation as a trusted execution partner for large-scale township, industrial and infrastructure developments nationwide. Its operational expertise, technical capabilities and extensive fleet enable the Group to undertake complex earthworks and civil engineering projects while maintaining high standards of quality, safety and environmental compliance.

The Group operates through five key business segments, each contributing to overall growth and diversification. Construction and support services remain the core revenue driver of the Group. This segment specialises in large-scale earthworks and civil engineering works. Advancecon continues to participate actively in township developments, data centres, industrial parks, and major infrastructure projects across Selangor, Johor and other key growth corridors.

MANAGEMENT DISCUSSION & ANALYSIS



With strong emphasis on execution excellence and timely delivery, the Group has strengthened its long-standing relationships with reputable property developers and infrastructure stakeholders.

Through its 51%-owned subsidiary, Spring Energy Resources Berhad, the Group undertakes integrated quarry operations that support the supply of key construction materials, for earthworks and infrastructure projects. This vertical integration enhances the Group's position across the construction value chain.



AS PART OF ITS COMMITMENT TO ENHANCING SHAREHOLDER VALUE, THE GROUP CONTINUED ITS SHARE BUYBACK PROGRAMME DURING FY2025. AS DISCLOSED IN THE STATEMENT OF CHANGES IN EQUITY, TREASURY SHARES INCREASED TO RM5,221,445 AS AT 31 DECEMBER 2025.

In line with the global energy transition and Malaysia's sustainability agenda, the Group has diversified into renewable energy, focusing primarily on solar power generation. The Group owns and operates rooftop solar assets as well as a 37.7MWp large-scale solar farm in Kuala Langat, Selangor, which commenced operations in November 2024. This diversification provides the group with recurring income visibility, while supporting the Group's longer-term positioning in sustainable infrastructure.

The Group's property investment segment focuses on the sale and rental of investment properties. Through strategic asset management, the Group aims to generate recurring rental income and long-term value.,

As part of its long-term diversification strategy, the Group has expanded into property development and related activities. This includes the development of industrial parks and centralised labour quarters ("CLQs"), which provide structured and compliant accommodation solutions aligned with regulatory requirements. In addition, the Group is involved in the development of the Silver Valley Technology Park ("SVTP") in Perak under a joint development arrangement, reflecting its participation in larger-scale industrial ecosystem development beyond traditional construction delivery. This strategic expansion allows the Group to participate across a broader value chain, from groundwork and infrastructure to development and asset management.

The Group did not undertake any new equity fundraising exercises during FY2025. Issued share capital remained unchanged at RM133,729,611 throughout the financial year. As part of its commitment to enhancing shareholder value, the Group continued its share buyback programme during FY2025. As disclosed in the Statement of Changes in Equity, treasury shares increased from RM3,376,278 as at 31 December 2024 to RM5,221,445 as at 31 December 2025, representing additional treasury share purchases amounting to RM1,845,167 during the financial year.

In addition, the Employee Share Option Reserve of RM3,483,470 was fully transferred to retained earnings during FY2025 following the termination of the scheme. No new shares were issued pursuant to the Employees' Share Option Scheme during the year.

Through disciplined capital allocation, operational diversification and continued project execution, Advancecon remains focused on strengthening its financial foundation while positioning itself for sustainable long-term growth.

MANAGEMENT DISCUSSION & ANALYSIS

OPERATIONS REVIEW

In FY2025, Advancecon prioritised operational stabilisation, disciplined project execution and strengthening the quality of its order book. Following the volatility experienced in the preceding financial year, the Group continued to adopt a margin-conscious approach to tender participation, while reinforcing cost control mechanisms and improving working capital management across active project sites. The year under review marked steady progress in rebuilding operational resilience and restoring earnings stability.

During FY2025, the Group secured approximately RM320 million in new contracts across Selangor, Johor and Negeri Sembilan. These awards reinforced Advancecon's position within key industrial and township growth corridors. A significant milestone during the year was the RM66.9 million contract for earthworks and ancillary works at Southern Ibrahim Technopolis ("IBTEC") in Johor, a flagship development within the Johor-Singapore Special Economic Zone. This project strengthens the Group's presence in large-scale industrial expansion initiatives and positions Advancecon to participate in long-term infrastructure development within the southern economic corridor.



DURING FY2025, THE GROUP SECURED APPROXIMATELY RM320 MILLION IN NEW CONTRACTS ACROSS SELANGOR, JOHOR AND NEGERI SEMBILAN. THESE AWARDS REINFORCED ADVANCECON'S POSITION WITHIN KEY INDUSTRIAL AND TOWNSHIP GROWTH CORRIDORS.



OPERATIONALLY, THE GROUP RECORDED CONSISTENT QUARTERLY REVENUE ABOVE RM100 MILLION THROUGHOUT THE YEAR, REFLECTING SUSTAINED WORK PROGRESS AND IMPROVED EXECUTION.



The Group also secured contracts from Sime Darby Property amounting to RM36.1 million for Serenia City in Dengkil and RM25.1 million for Bandar Bukit Raja 2 in Klang, reflecting continued collaboration with established township developers. In addition, Advancecon was awarded a RM19.33 million earthworks and soil treatment contract for an industrial development in Kuala Selangor, as well as a RM56.64 million infrastructure works contract from F&N Agrivalley Sdn. Bhd. in Negeri Sembilan. Collectively, these project wins reflect the Group's sustained ability to secure industrial and infrastructure-related works amid a competitive operating environment, supported by structural demand drivers such as ongoing township expansion in key growth corridors, accelerating industrial capacity build-up (including data centre-led industrial ecosystems), and broader national and regional development initiatives. Against this backdrop, the Group remains focused on disciplined execution and timely delivery, positioning Advancecon as a leading player in the earthworks and civil engineering industry.

Operationally, the Group recorded consistent quarterly revenue above RM100 million throughout the year, reflecting sustained work progress and improved execution. Management placed strong emphasis on fleet optimisation, tighter project cost monitoring and improved receivables collection, all of which contributed to stabilising operating performance.

MANAGEMENT DISCUSSION & ANALYSIS

The quarry segment, through its 51% owned subsidiary Spring Energy Resources Berhad continued to play a strategic role in the Group’s portfolio, while in the renewable energy segment, the Large-Scale Solar 4 (“LSS4”) Photovoltaic (PV) Plant in Kuala Langat marked its first full year of operations, contributing recurring income and enhancing earnings visibility.

Meanwhile, progress at Silver Valley Technology Park (SVTP) advanced steadily, where site clearing activities have been completed, and market engagement activities are generating encouraging interest. In parallel, Advancecon remained engaged in Centralised Labour Quarters development initiatives to support compliant worker accommodation solutions in line with regulatory standards. These initiatives broaden the Group’s participation across the infrastructure and development value chain, creating additional avenues for long-term growth.

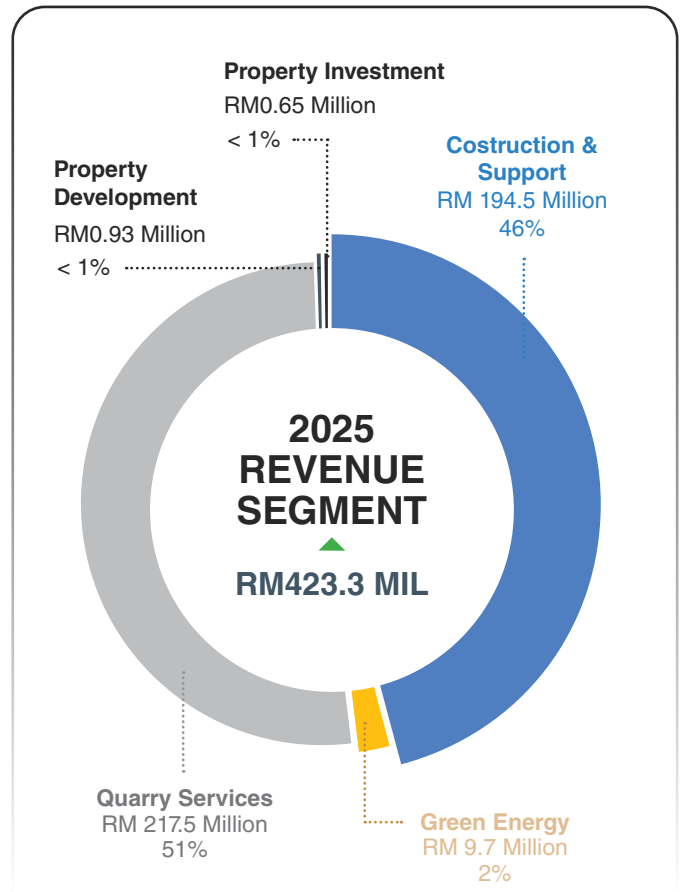
FINANCIAL PERFORMANCE

During the period under review, the Group recorded revenue of RM423.3 million, representing an increase from RM383.2 million in the previous year. The improvement reflects stronger project execution momentum across active sites and progressive revenue recognition from newly secured contracts during the year.

Gross profit for the year increased significantly to RM45.4 million, compared to RM12.0 million in the prior year. This substantial improvement was primarily attributable to disciplined project cost management, operational improvements and better project mix.

At the operating level, the Group recorded profit before taxation of RM9.0 million, compared to a loss before taxation of RM20.7 million in the previous year.

The construction and support services segment remained the second-largest revenue contributor, generating RM194.5 million or 46% of total revenue. This represents a 6% increase from RM182.4 million in the previous year, supported by ongoing township and industrial projects across Selangor, Negeri Sembilan and Johor. Meanwhile, the quarry segment continued to be the Group’s largest revenue contributor, accounting for 51% of total revenue at RM217.5 million. This represents a 10% increase from RM197.7 million in the previous year, driven by stronger demand for construction materials.



The renewable energy segment began contributing recurring revenue of RM9.7 million, following the commercial operation of the LSS4 plant in November 2024. While still representing a smaller proportion of total revenue relative to construction and quarry operations, the segment supports revenue diversification beyond cyclical construction activity.

From a balance sheet perspective, the Group’s financial position strengthened where total assets increased to RM535.2 million and total equity improved to RM162.0 million. Net asset per share attributable to owners of the Company stood at RM0.28, compared to RM0.27 in the preceding financial year.

The Group generated positive net cash from operating activities of RM22.3 million, compared to a net cash used from operating activities position of RM8.0 million in the prior year, reflecting stronger profitability and improved working capital management.

Overall, the financial performance reflects a progressive recovery, supported by improved margins, operational discipline and diversification into recurring income streams.

MANAGEMENT DISCUSSION & ANALYSIS



MARKET OUTLOOK AND GROWTH STRATEGIES

As we move into the next financial year, Malaysia's economic and construction outlook remains supportive despite moderating overall growth. Malaysia's advance GDP estimates rose by 5.7% in the fourth quarter of 2025, compared to 5.2% in the preceding quarter, supported by expansion across all major sectors, particularly Services, Manufacturing and Construction. On a full-year basis, the economy expanded by 4.9% in 2025, slightly easing from 5.1% recorded previously. Notably, the Construction sector remained one of the strongest performing sectors, registering double-digit growth of 12.4% for the year.

Malaysia's construction sector recorded a 12.5% increase in work done value in 2025 to RM178.6 billion, and sustained its growth momentum into the fourth quarter with a 10.3% rise to RM46.4 billion. Within the quarter, civil engineering remained the largest contributor at RM16.2 billion (34.9% of total work done), supported mainly by utility projects as well as roads and railways, while non-residential buildings contributed RM14.0 billion, indicating continued activity in areas aligned with the Group's core strengths.

Looking ahead, the 13th Malaysia Plan (2026–2030) allocates RM430 billion for development expenditure, with significant emphasis on sustainable infrastructure, flood mitigation, rural road upgrades, industrial parks and affordable housing. The RM20 billion allocation for flood mitigation projects, together with the upgrading of 2,800

kilometres of rural roads and expansion of ports and industrial hubs, is expected to generate sustained demand for earthworks and infrastructure preparation works.

In addition, continued investment in public transport systems and logistics upgrades supports long-term infrastructure expansion nationwide. The International Monetary Fund's upward revision of Malaysia's GDP growth forecast to 4.3% for both 2026 and 2027 further reinforces a stable medium-term environment for infrastructure development.

Within this evolving landscape, Advancecon remains focused on strengthening its core construction and civil engineering segment through selective tender participation. While industry opportunities remain abundant, the Group will continue to prioritise projects that align with its margin discipline and operational risk management framework. Emphasis will be placed on industrial developments, township infrastructure and government-linked civil engineering packages where technical expertise and execution capabilities provide competitive advantage.

The quarry segment will continue to serve as a strategic support pillar to the construction division. By enhancing operational efficiency, optimising output from larger and more productive sites, and maintaining supply reliability, the Group aims to improve cost control and margin resilience across projects.

MANAGEMENT DISCUSSION & ANALYSIS

In the renewable energy segment, the Group intends to explore further expansion of its renewable energy portfolio, and potential diversification into other green energy solutions where commercially viable. The renewable energy business complements the cyclical nature of construction by providing stable long-term revenue streams.

For the development segment, progress at Silver Valley Technology Park continues to enhance the Group's exposure to industrial expansion. Visible site progress supports long-term value creation and positions the Group to benefit from industrial growth initiatives under the national development agenda. In parallel, the Group will continue evaluating opportunities within the Centralised Labour Quarters sector, where regulatory emphasis under Act 446 is expected to sustain demand for compliant worker accommodation facilities.

Overall, while competitive pressures and cost fluctuations remain industry realities, the macroeconomic environment and national development priorities provide a constructive backdrop for infrastructure-focused players. Advancecon enters the coming financial year with strengthened operational discipline, diversified revenue streams and a clear strategic focus across its construction, quarry, renewable energy and development segments. The Group remains committed to sustainable growth, prudent capital management and long-term value creation for its stakeholders.



APPRECIATION

On behalf of the Board, I would like to extend my sincere appreciation to our shareholders, customers, business partners and associates for their continued trust and confidence in Advancecon Holdings Berhad throughout FY2025. Your unwavering support has been instrumental as we strengthened our operational foundation and progressed along our recovery path.

I would also like to record my deepest gratitude to our management team and employees for their dedication, resilience and professionalism. Their commitment to operational excellence, cost discipline and project delivery has enabled the Group to navigate industry challenges and restore stability to our performance.

My heartfelt thanks also go to my fellow Board members for their guidance, stewardship and steadfast commitment to sound governance and long-term value creation. Their leadership continues to provide strategic clarity as we pursue sustainable growth across our construction, quarry, renewable energy and development segments.

As we look ahead, we remain focused on enhancing our capabilities, strengthening financial resilience and embracing innovation to position Advancecon for the next phase of growth. We are confident that, with continued discipline and collective effort, the Group will be well placed to deliver sustainable value to all stakeholders.

Thank you for your continued support.

Sincerely,

Phum Boon Eng
Managing Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PURSUANT TO THE DISCLOSURE REQUIREMENTS, THE BOARD OF DIRECTORS (“THE BOARD”) OF ADVANCECON HOLDINGS BERHAD (“ADVANCECON” OR “THE COMPANY”) IS PLEASED TO PRESENT THE CORPORATE GOVERNANCE (“CG”) OVERVIEW STATEMENT (“STATEMENT”) WHICH PROVIDES KEY HIGHLIGHTS ON HOW THE COMPANY COMPLIES WITH THE PRINCIPLES AND PRACTICES OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2021 (“MCCG”) DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (“FY2025”). THIS STATEMENT IS COMPLEMENTED BY A CG REPORT BASED ON A PRESCRIBED FORMAT PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS (“MMLR”) OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”). THE CG REPORT IS AVAILABLE ON THE COMPANY’S WEBSITE WWW.ADVANCECON.COM.MY UNDER THE INVESTOR RELATIONS SECTION. THIS STATEMENT SHOULD ALSO BE READ IN CONJUNCTION WITH THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (“SORMIC”) AND THE RESPECTIVE BOARD COMMITTEE REPORTS IN THE ENSUING PAGES.

THE BOARD CONSTANTLY STRIVES TO ENSURE THAT GOOD CORPORATE PRACTICES ARE CARRIED OUT THROUGHOUT THE COMPANY AND ITS SUBSIDIARIES (“THE GROUP”) AS FUNDAMENTAL TO FULFILLING ITS RESPONSIBILITIES, WHICH INCLUDE PROTECTING AND ENHANCING SHAREHOLDERS’ VALUE AS WELL AS THE FINANCIAL PERFORMANCE OF THE GROUP.

THE BOARD OVERSEES THE OVERALL STRATEGIC AND OPERATIONAL BUSINESS PERFORMANCE AND IS SUPPORTED BY VARIOUS BOARD COMMITTEES IN DISCHARGING OTHER SPECIFIC FUNCTIONS.

THE BOARD WILL ENDEAVOUR TO IMPROVE AND ENHANCE THE CORPORATE GOVERNANCE PRACTICES FROM TIME TO TIME. DETAILS OF HOW THE COMPANY HAS APPLIED THE CG CODE PRINCIPLES AND COMPLIED WITH ITS PRACTICES, ARE SET OUT IN THE CG REPORT. THE EXPLANATION FOR DEPARTURE IS FURTHER DISCLOSED IN THE CG REPORT.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

a. Roles and Responsibilities

The Board is primarily responsible for the Group’s overall strategic plans for business performance, overseeing the proper conduct of business, succession planning of key management, risk management, shareholders’ communication, internal control, and statutory matters; whilst the Management is accountable for the execution of the adopted policies and attainment of the Group’s corporate objectives. The Board is always guided by the Board Charter which outlines the duties and responsibilities and matters reserved for the Board in discharging its duties. The Board Charter also acts as a source of reference and primary induction literature in providing insights to Board members and Senior Management.

The Board assumes, amongst others, leadership, due care and fiduciary duties under Companies Act 2016 and applicable laws, the following duties and responsibilities:

- i. together with Senior Management, promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour;
- ii. review, challenge and decide on Management’s proposals for the Company, and monitor its implementation by Management;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. Board Responsibilities (Cont'd)

a. Roles and Responsibilities (Cont'd)

- iii. ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- iv. supervise and assess Management performance to determine whether the business is being properly managed;
- v. ensure there is a sound framework for internal controls, risk management and sustainability;
- vi. understand the principal risks of the Company's business and recognise that business decisions involve the taking of appropriate risks;
- vii. set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- viii. ensure that Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and Senior Management;
- ix. ensure that the Company has in place procedures to enable effective communication with stakeholders;
- x. ensure the integrity of the Company's financial and non-financial reporting;
- xi. oversee the establishment, maintenance and review of the Company's Anti-Bribery and Corruption Framework;
- xii. oversee all sustainability matters of the Company as part of its corporate governance and risk management functions; and
- xiii. review and approve the Company's disclosures and strategic direction in relation to sustainability matters.

The Chairman is responsible for the leadership of the Board in ensuring the effectiveness of all aspects of its role, and is primarily responsible for leading the Board in setting the values and standards of the Company, the orderly and effective conduct of the meetings of the Board and shareholders, ensuring the provision of accurate, timely and clear information to Directors as well as facilitating the effective contribution of Non-Executive Directors.

As of the date of this statement, the positions of Chairman and Managing Director are held by different individuals with clear and distinct roles. Tan Sri Razarudin Bin Husain @ Abd Rasid is the Chairman while, Madam Phum Boon Eng is the Managing Director. The distinct and separate roles of the Chairman and Managing Director with clear division of responsibilities have ensured the balance of power and authority, such that no one individual has unfettered powers of decision making.

The Independent Non-Executive Directors ("INEDs") do not engage in the day-to-day management of the Group. They are not involved in any other relationship with the Group that could reasonably be perceived to materially interfere with their exercise of unfettered and independent judgement. This is to enable the INEDs to discharge their duties and responsibilities effectively and to avoid any conflict of interest situations. The INEDs also provide independent and objective views, assessment and suggestions in deliberations of the Board and ensure effective check and balance in the functioning of the Board.

b. Board Committees

In order to ensure orderly and effective discharge of the above functions and responsibilities of the Board, the Board has delegated specific responsibilities to the following Board Committees:

- (i) Audit Committee ("AC")
- (ii) Remuneration Committee ("RC")
- (iii) Nomination Committee ("NC")
- (iv) Risk Management and Sustainability Committee ("RMSC")

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. Board Responsibilities (Cont'd)

b. Board Committees (Cont'd)

Each committee operates under clearly defined roles and responsibilities as set out in its respective Terms of Reference (“TORs”). These Committees are formed in order to enhance business and operational efficiency as well as efficacy. The Chairman of the respective Committees will report to the Board the outcome of their Committee’s meetings for the Board’s considerations and approvals. The Board retains full responsibility for the direction and control of the Company and the Group.

c. Support Services

The Board is supported by the Company Secretaries, who are qualified under Section 235 (2) of the Companies Act 2016 (“the Act”). The Company Secretaries play an important role in facilitating the overall compliance with the Act, MMLR and other relevant laws and regulations. The Company Secretaries also assist the Board and Board Committees to function effectively and in accordance with their TOR and best practices in ensuring adherence to the existing Board policies and procedures. The roles and responsibilities of the Company Secretaries have been formalised in the Board Charter which provides reference for Company Secretaries in the discharge of their roles and responsibilities.

The Company Secretaries have also been continuously attending the necessary training programmes, conferences, seminars and/or forums so as to keep themselves abreast with the current regulatory changes in laws and regulatory requirements that are relevant to their profession and enabling them to provide the necessary advisory role to the Board.

The Board also has access to the advice of both External and Internal Auditors of the Company and any other independent professional advisers.

d. Board Charter

The Board’s functions are governed and regulated by the Board Charter, Constitution of the Company and the various applicable legislation, MMLR and other regulations and codes. The Board Charter is published on the Company’s website at www.advancecon.com.my. The Board Charter provides the reference for directors in relation to the Board’s role, powers, duties and functions. It also outlines processes and procedures for the Board to be effective and efficient. The Board Charter is periodically reviewed and updated as and when deemed necessary and upon any new regulations that may have an impact on the discharge of the Board’s duties and responsibilities.

e. Code of Conduct and Ethics (“Code”)

The Company’s Code is to govern the standards of ethics and good conduct expected from Directors, Management and employees in discharging their duties and responsibilities to the highest standards of personal and corporate integrity. These would help to prevent misconduct, unethical practices and to support the delivery of long-term sustainable success of the Company. The Code is published on the Company’s website at www.advancecon.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. Board Responsibilities (Cont'd)

f. Whistleblowing Policy

The Group acknowledges the importance of lawful and ethical behaviours in all its business activities and is committed to adhering to the values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs in its workplace. The Group has in place a Whistleblowing Policy which serves as an avenue for all employees of Advancecon and members of the public to disclose any improper conduct within Advancecon.

The Policy is designed to facilitate employees and members of the public to disclose any improper conduct (misconduct or criminal offence) through internal channel. Such misconduct or criminal offences include fraud, bribery, abuse of power, conflict of interest, theft or embezzlement, misuse of Advancecon's property, non-compliance with procedures and sexual harassment.

The above list is not exhaustive and includes any acts or omissions, which if proven, will constitute an act of misconduct under Advancecon's Code or any criminal offence under relevant legislations in force.

Employees have free access to the AC Chairman and may raise concerns of non-compliance to him. The Whistleblowing Policy, underlining its protection and reporting channels, is available on the Company's website at www.advancecon.com.my.

g. Anti-Bribery and Corruption Policy ("ABAC Policy")

The Board had approved and adopted the ABAC Policy on anti-corruption as guided by the "Guidelines on Adequate Procedures" issued by the Prime Minister's Department to promote better governance culture and ethical behaviour within our Group and to prevent the occurrence of corrupt practices in accordance with the new Section 17A of the Malaysian Anti-Corruption Commission Act 2018 on corporate liability for corruption which came into force on 1 June 2020.

The Directors and employees of the Group are expected to observe high standards of integrity and fair dealings in relation to customers, staff and regulators in the communities within which the Group operates and ensure compliance with all applicable laws, rules and regulations to which the Group is bound to observe in the performance of its duties.

The details of the ABAC Policy are available for reference at the Company's website at www.advancecon.com.my.

h. Directors' Fit and Proper Policy

Pursuant to Paragraph 15.01A of the MMLR of Bursa Securities, the Board had approved and adopted the Directors' Fit and Proper Policy which sets out the fit and proper criteria for the appointment and re-election of Directors of the Group. This Policy shall serve as a guide to the NC and the Board in their review and assessment of the fitness and propriety of potential candidates for the appointment or re-election of Directors.

The details of the Directors' Fit and Proper Policy are available for reference at the Company's website at www.advancecon.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. Board Composition

The current Board composition is in compliance with the Constitution and exceeds the minimum one-third requirement of INEDs as set out in the MMLR. The Directors with their different backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in business activities, accounting, finance, corporate and legal disciplines. The Directors' profiles are enclosed from pages 7 to 14 of this Annual Report ("AR").

The INEDs on the Board act as a caretaker for the minority shareholders' interest and their views carry significant weight in the Board's decision-making process. The INEDs are considered by the Board to be independent of management and free of any business or other relationship or circumstance that could materially interfere with the exercise of objective, unfettered or independent judgement.

The NC will regularly review the composition of the Board and its Committees, based on their skills, knowledge, qualities and experience to ensure all matters are reviewed with balance and fairness for the best interests of the Company.

a. Balance, Diversity and Skills

The Board acknowledges the importance of boardroom diversity and is supportive of the recommendation of MCCG to the establishment of boardroom and workforce Gender Diversity Policy in 2017. The Board's aim is to have a broad range of approaches, backgrounds, skills and experience represented on the Board and to make appointments on merit, and against objective criteria, with due regard given to the benefits of diversity on the Board, including gender, age and ethnicity to ensure that Advancecon retains its competitive advantages.

The Board currently has three (3) female directors out of seven (7) directors, made up of one Independent Non-Executive Chairman, one Deputy Executive Chairman, one Managing Director, one Executive Director and three INEDs. The existing Directors' age distribution falls within the respective age groups and is as follows:

Age Group	30-39	40-49	50-59	60 & above
Number of Directors	1	1	1	4

The current diversity in the race/ethnicity and nationality of the existing Board is as follows:

	Race/Ethnicity				Nationality	
	Malay	Chinese	Indian	Others	Malaysian	Foreign
Number of Directors	1	5	1	0	7	0

b. Re-Election and Re-Appointment of Directors

In compliance with the Company's Constitution, all directors shall submit themselves for re-election at least once every three years. Directors appointed during the year are required to retire at the following Annual General Meeting but are eligible for re-election.

The NC will also review those Directors who are subject to re-election or re-appointment by giving due regard to his/her performance, knowledge, skills, experience and ability to continuously contribute to the Board and submits its recommendation for shareholders' approval at the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. Board Composition (Cont'd)

c. Independence Assessment of Independent Directors

Independent Directors bring independence and objective judgement to the Board and this mitigates risks arising from conflicts of interest or undue influence from interested parties. Nevertheless, the existence of Independent Directors on the Board by itself does not assure the exercise of independence and objective judgement as independent judgement can be compromised by, amongst others, familiarity or close relationship with other board members or major shareholders.

The NC undertakes an assessment of the Independent Directors annually. In assessing the independence of Independent Directors, the NC had concluded that all the Independent Directors have met the independence requirements based on the criteria prescribed by Bursa Securities.

d. Tenure of Independent Directors

Under the MCGG, the tenure of an Independent Director should not exceed a cumulative term of nine years. If the Board intends to retain Independent Non-Executive Directors who have served consecutively or cumulatively more than nine years, it should be subjected to annual assessment by the NC and annual shareholders' approval through a two-tier voting process in a general meeting. The Board shall provide justification on the recommendation to the shareholders for their informed decision making.

As at the date of this Statement, none of the INEDs had served the Company exceeding a cumulative term limit of nine years.

e. Criteria for Recruitment and Annual Assessment of Directors

The NC is responsible for screening and conducting an initial selection, which includes an external search, before making a recommendation to the Board, taking into account the mix of skills, competencies, experience and other qualities required to discharge their duties and responsibilities. NC may obtain the services of professional recruitment firms to source for candidates for directorship or seek independent professional advice whenever necessary.

The Board is assisted by the NC to undertake an annual assessment on the effectiveness of the Board as a whole, its Committees, contribution of each individual Director and the Independent Directors in relation to their skills, experience and core competencies. The assessment is conducted through questionnaires circulated to the Board. Outcomes of the evaluations are generated based on the Directors' feedback on the questionnaires. Upon assessment, the NC will consider and recommend measures to improve the effectiveness of the Board and its Committees. All assessments and evaluations carried out by the NC in the discharge of its function are properly documented.

f. Board Meetings and Attendance

The Board meets at least four times a year and has a formal schedule of matters reserved for it. Additional meetings are held as and when necessary. During the FY2025, eight (8) meetings were held in which the Board deliberated upon and considered various issues including the Groups' financial results, performance of the Group's business, policies and strategic issues affecting the Group's business.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. Board Composition (Cont'd)

f. Board Meetings and Attendance (Cont'd)

The details of the Board members' attendance recorded during FY2025 are set out as below:

Directors	Attendance in FY2025
Yeoh Chong Keat <i>(Resigned on 16 March 2026)</i>	8/8
Dato' Phum Ang Kia	8/8
Tung Kai Hung	7/8
Mohd Zaky Bin Othman <i>(Resigned on 16 March 2026)</i>	8/8
Jananee Priya A/P Gopal	8/8
Tan Chee Keong <i>(Resigned on 16 April 2025)</i>	1/1
Phum Boon Eng <i>(Appointed on 22 December 2025)</i>	-
Tan Sri Razarudin Bin Husain @ Abd Rasid <i>(Appointed on 16 March 2026)</i>	-
Wee Chuen Lii <i>(Appointed on 16 March 2026)</i>	-
Datuk Loo Took Gee <i>(Appointed on 16 March 2026)</i>	-

The Directors have full and unrestricted access to all information pertaining to the Group's business and affairs to enable them to discharge their duties. At least seven days prior to each Board meeting, all Directors receive the agenda together with a comprehensive set of Board papers encompassing qualitative and quantitative information relevant to the business of the meeting. This allows the Directors to obtain further explanations or clarifications from the Management or the Company Secretary well ahead of the meeting date, where necessary, in order to be well prepared before each meeting. Urgent papers may be presented for tabling at the Board meetings under supplemental agenda.

g. Directors' Training

The Board acknowledges the importance of continuous education such as attending and participating in conferences, seminars and training programme in order to broaden their perspectives and to keep abreast of developments in the marketplace. The Directors are also regularly updated by the Management and Company Secretary of changes in statutory requirements, accounting standards and other relevant laws and regulations which would enable them to fulfil their responsibilities and discharge their duties.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. Board Composition (Cont'd)

g. Directors' Training (Cont'd)

During the year under review, the Directors who have attended relevant conferences, seminars and training programmes are as follows:

Directors	Training attended
Yeoh Chong Keat <i>(Resigned on 16 March 2026)</i>	<ul style="list-style-type: none"> • Malaysian Tax Conference 2025 • 2026 Budget Seminar
Dato' Phum Ang Kia	<ul style="list-style-type: none"> • Understanding Employment Act 1955 & Its Amendments • Moderation Session KPI Sandmerit • E-Learning Anti - bribery and Corruption in the Workplace: Corruption in the Workplace • E-Learning Anti - bribery and Corruption in the Workplace: Corporate Liability • E-Learning Sexual Harassment in the Workplace
Tung Kai Hung	<ul style="list-style-type: none"> • Understanding Employment Act 1955 & Its Amendments • Moderation Session KPI Sandmerit • E-Learning Anti - bribery and Corruption in the Workplace: Corruption in the Workplace • E-Learning Anti - bribery and Corruption in the Workplace: Corporate Liability • E-Learning Sexual Harassment in the Workplace
Mohd Zaky Bin Othman <i>(Resigned on 16 March 2026)</i>	<ul style="list-style-type: none"> • Share Buy Back: Beyond Regulatory Perspective • Strategic Oversight in Strategy Implementation - Getting Execution Right at the Board Level • Audit Committee Conference 2025 • IFRS Sustainability Disclosure Standards Awareness: Gearing Up the Board of Directors
Jananee Priya A/P Gopal	<ul style="list-style-type: none"> • Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Tan Chee Keong <i>(Resigned on 16 April 2025)</i>	<ul style="list-style-type: none"> • Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Phum Boon Eng <i>(Appointed on 22 December 2025)</i>	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. Board Composition (Cont'd)

g. Directors' Training (Cont'd)

During the year under review, the Directors who have attended relevant conferences, seminars and training programmes are as follows: (Cont'd)

Directors	Training attended
Tan Sri Razarudin Bin Husain @ Abd Rasid <i>(Appointed on 16 March 2026)</i>	-
Wee Chuen Lii <i>(Appointed on 16 March 2026)</i>	<ul style="list-style-type: none"> • Impact of Enlarged Scope of SST • Personal Branding and IP Hackathon • Preparation of Sustainability Statement for Bursa ACE Market Listed Companies
Datuk Loo Took Gee <i>(Appointed on 16 March 2026)</i>	<ul style="list-style-type: none"> • Enhanced Conflict of Interest • Trump Tariffs: How Has The World Changed? • Navigating ESG Risk in the Trump Era: Challenges and Opportunities • Climate First...or Last? • YTL LEAD Conference 2025

As at the date of this Statement, Phum Boon Eng and Tan Sri Razarudin Bin Husain @ Abd Rasid, who were appointed to the Board on 22 December 2025 and 16 March 2026 respectively, did not attend any training in 2025, but have registered for the Mandatory Accreditation Programme (Part I), which is scheduled to be held in 2026.

3. Remuneration

a. Directors' Remuneration

The Board has in place a Remuneration Policy for Directors and Senior Management which is designed to support and drive business strategy and long-term objectives of the Group. In this regard, the RC is responsible to formulate and review the remuneration for Directors and Senior Management of the Company to ensure the competitiveness, appropriateness and in alignment with the prevalent market practices.

The remuneration package for Executive Directors is structured to link the rewards to financial performance and long-term objectives of the Group aside from individual performance. The remuneration package comprises of a number of separate elements such as basic salary, allowances, bonuses and other benefits-in-kind.

In the case of the INEDs, the directors' fee shall be linked to their experience and the level of responsibilities undertaken. The directors' fee for INEDs shall be determined by the Board as a whole. The Director concerned shall abstain from deliberation and voting on decisions in respect of his individual remuneration package.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

3. Remuneration (Cont'd)

a. Directors' Remuneration (Cont'd)

The detailed breakdown of the Directors' Remuneration and other benefits paid (both the Company and the Group) for the FY2025 are as follows:-

	Company					Subsidiaries			
Directors	Directors' fees (RM)	Salaries (RM)	Bonus (RM)	Other benefits (RM)	Defined contribution plan (RM)	Salaries (RM)	Bonus (RM)	Other benefits (RM)	Defined contribution plan (RM)
Tan Sri Razarudin Bin Husain @ Abd Rasid <i>(Appointed on 16 March 2026)</i>	-	-	-	-	-	-	-	-	-
Wee Chuen Lii <i>(Appointed on 16 March 2026)</i>	-	-	-	-	-	-	-	-	-
Datuk Loo Took Gee <i>(Appointed on 16 March 2026)</i>	-	-	-	-	-	-	-	-	-
Total remuneration	232,187	1,409,200	100,000	78,086	182,461	560,453	45,900	23,950	25,148

b. Remuneration of Senior Management

Senior Management are those primarily responsible for managing the business operations and corporate divisions of the Group. The Board decided not to disclose on a named basis the top five Senior Management's remuneration in bands of RM50,000 in order to allay valid concerns of intrusion on staff confidentiality as well as maintaining the Company's ability to retain talented senior management in view of the competitive employment environment, in particular for the Group's nature of business.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit Committee (“AC”)

The AC comprises the following three (3) members, all of whom are Independent Non-Executive Directors:

Designation	Name
Chairman	Wee Chuen Lii (<i>Appointed on 16 March 2026</i>) Mohd Zaky Bin Othman (<i>Resigned on 16 March 2026</i>)
Member	Jananee Priya A/P Gopal Datuk Loo Took Gee (<i>Appointed on 16 March 2026</i>) Yeoh Chong Keat (<i>Resigned on 16 March 2026</i>)

The members of the AC possess a mix of skill, knowledge and appropriate level of expertise and experience to enable them to discharge their duties and responsibilities pursuant to the TOR of the AC. In addition, the AC members are financial literate and are able to understand, analyse and challenge matters under purview of the AC including the financial reporting process.

The Board is assisted by the AC to among others, oversee the Group’s and Company’s financial reporting process and the quality of financial reporting and ensure that the financial statements comply with the provisions of Malaysian Financial Reporting Standards and International Financial Reporting Standards in Malaysia.

Besides overseeing the Group’s accounting and financial reporting process, AC is also responsible to assist the Board:

- (i) to review the nature, scope and results of the external audit;
- (ii) its cost effectiveness and the independence and objectivity of the External Auditors;
- (iii) to oversee and monitor the Group internal audit functions; and
- (iv) to review any related party transactions, and other activities such as governance matters.

A full AC Report detailing its composition and a summary of activities during the FY2025 is set out in pages 76 to 78 of this Annual Report.

Through the AC, the Group has established a transparent and appropriate relationship with the Group’s auditors. The AC had convened one meeting with the External Auditors without the presence of executive directors and officers to discuss the audit process and findings.

The performance of the AC is reviewed annually by the NC. The evaluation covered aspects such as the members’ financial literacy levels, its quality and composition, skills and competencies and the conduct and administration of the AC meetings.

Based on the evaluation, the NC concluded that the AC has been effective in its performance and has carried out its duties in accordance with its TORs during FY2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

1. Audit Committee (“AC”) (Cont’d)

a. Assessment of Suitability, Objectivity and Independence of External Auditors

The AC had undertaken an annual assessment of the suitability and independence of the External Auditors, Messrs. UHY Malaysia PLT (“UHY”). Being satisfied with UHY’s performance, technical competency and audit independence as well as fulfilment of criteria as set out in Paragraph 15.21 of the MMLR, the AC recommended the re-appointment of UHY, who have consented to act, as External Auditors of the Company for FY2026. The AC was also satisfied that the provision of the non-audit services by UHY for FY2025 did not in any way impair their objectivity and independence as External Auditors of the Company. Subsequently, the Board at its meeting concurred with the AC on its recommendation for the shareholders’ approval to be sought at the forthcoming AGM on the re-appointment of UHY as External Auditors of the Company for FY2026.

b. Assessment of Internal Auditor

The Group has appointed Sterling Business Alignment Consulting Sdn Bhd (“Sterling”) to provide outsourced internal audit function for the Group. Sterling reports directly to the AC and the Internal Audit function is independent from the management. They provide reasonable assurance of the effectiveness of the system of internal controls of the Group.

The Group’s Internal Audit functions performed by Sterling during the financial year under review as set out as below:-

- (i) Reviewed and approved the Internal Audit Plan for FY2025 proposed by the Internal Auditors to ensure the adequacy of the scope, coverage of works and that it has the necessary authority to carry out its works.
- (ii) Reviewed the Internal Audit Reports together with the recommendations from the Internal Auditors. The AC considered the Internal Auditors’ recommendations which had taken into account the Management’s responses, and upon which approved the Internal Auditors’ proposals for rectification and implementation of the agreed remedial actions.
- (iii) Undertook assessment of the performance of the Internal Auditors and reviewed its effectiveness of the audit processes.

2. Risk Management and Internal Control Framework

The Board affirms its responsibility for ensuring the maintenance of a sound system of internal controls and risk management. A risk management and internal control framework is in place, which provides the foundations and organisational arrangement on how to manage risks across the Group, safeguard shareholders’ interests and the Group’s assets.

The Board fulfils its responsibilities in the risk governance and oversight functions through its RMSC in order to manage the overall risk exposure of the Group. The RMSC identifies significant risks and ensures the implementation of appropriate system to manage the overall risk exposure of the Group, whilst the adequacy and effectiveness of the internal controls are reviewed by the AC in relation to internal audit function of the Group.

The SORMIC which provides an overview of the state of the internal control and risk management within the Group, is set out in pages 44 to 47 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

1. Communication with Stakeholders

The Board recognises the importance of maintaining transparency and accountability to their stakeholders. As such, the Board actively engages all its stakeholders through various platforms including the announcements via Bursa LINK, disclosures on Company's website and engagement through the investor relations function. The Company has also established an investor relations function and engage external service providers to enable continuous communication between the Company and its stakeholders.

All corporate disclosures are made after taking into account the prevailing legislative restrictions and requirements as well as investors' need for timely release of price-sensitive information such as the financial performance results and significant corporate proposals.

In all circumstances, the Company is conscious of the timeliness in providing material information about the Group and continuously stress the importance of timely and equal dissemination of information to stakeholders.

2. Conduct of General Meetings

Advancecon's general meetings serve as an important platform for communication with its shareholders. For the 28th AGM held on 18 June 2025, the notice together with the Annual Report and details of the proposed resolutions are issued to shareholders at least twenty-eight (28) days prior to the meeting, which is beyond the requirements of the Act, MMLR and in compliance with MCCG.

For the Extraordinary General Meeting ("EGM") held on 25 November 2025, the notice was issued in compliance with Act, which requires a minimum notice period of fourteen (14) days.

The Board recognises that the presence of all Directors provides shareholders with the opportunity to engage effectively with each Director. In addition, the attendance of the Chairs of the Board Committees facilitates direct engagement, enabling shareholders to raise questions and concerns to those responsible. All Board members were present at the 28th AGM of the Company held on 18 June 2025. At the EGM held on 25 November 2025, all Directors attended except Tung Kai Hung, who was unable to attend.

Barring any unforeseen circumstances, all Directors will endeavour to attend the forthcoming 29th AGM. The Chairs of the AC, NC, RC and RMSC will be present to provide meaningful responses to questions raised, in line with the MCCG.

This Corporate Governance Overview Statement is issued in accordance with a resolution of the Board dated 27 April 2026.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

THE BOARD OF DIRECTORS (“THE BOARD”) ARE PLEASED TO PRESENT HERewith THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (“SORMIC”) WHICH OUTLINES THE NATURE AND SCOPE OF INTERNAL CONTROL AND RISK MANAGEMENT OF ADVANCECON HOLDINGS BERHAD (“ADVANCECON” OR “THE COMPANY”) AND ITS SUBSIDIARIES (“THE GROUP”) DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2025. THIS STATEMENT IS PREPARED PURSUANT TO PARAGRAPH 15.26(B) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) (“MMLR”) AND PRINCIPLE B OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2021 (“MCCG”), WITH GUIDANCE FROM THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL: GUIDELINES FOR DIRECTORS OF LISTED ISSUERS.

BOARD RESPONSIBILITY

The Board affirms its responsibility for maintaining a sound and effective system of risk management and internal control frameworks to safeguard the Group’s assets, promote operational efficiency and ensure compliance with corporate governance, applicable laws and regulations. The risk management system is designed to manage the Group’s risks within an acceptable risk profile, rather than to avoid or eliminate the risks that are inherent to the Group’s businesses. The Group has established risk measurement criteria to guide the Management in pursuing the Group’s business objectives within acceptable risk. This is to ensure that:-

- a. the principal risks of the Group which may impede the Group’s business objectives are identified, evaluated, monitored and managed with an appropriate internal control system;
- b. the effectiveness, adequacy and integrity of the system is reviewed on a periodic basis and at least annually to suit the changes in the business environment for purposes of safeguarding shareholders’ interests and the Group’s assets;
- c. proper accounting records are maintained;
- d. reliable financial information is accessible to the public; and
- e. compliance with applicable laws and regulations.

The Board is aware that the risk management and internal control system can only provide a reasonable, and not absolute, assurance against the risks of material errors, misstatement, loss, fraud or occurrence of unforeseeable circumstances.

The Board has delegated authority to the Audit Committee (“AC”) as well as the Risk Management and Sustainability Committee (“RMSC”) to oversee implementation of the Group’s internal control practices and risk management systems. The Board consistently reviews the adequacy and integrity of these systems with the assistance of both the AC and RMSC, and has received assurance from the Managing Director and Chief Financial Officer that the Group’s risk management and internal control systems are operating adequately and effectively.

The Management is responsible for implementing the Board’s policies and guidelines on risk management and internal controls, identifying and evaluating the risk factors and implementing suitable internal control systems to ensure that the Group’s mission and business objectives are achieved.

The Board does not review the risk management and internal control system of its associated company. However, the Group’s interest is preserved through the representation on the Board of the associated company and the Board is provided with information on the performance of the Group’s investment on an equity basis.

The Board remains responsible for the governance of risk and for all the actions of the Board Committees with regard to the execution of delegated oversight responsibilities.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT PROCESS

The Group adopted the COSO-ERM Integrated Framework in managing the Enterprise Risk Management of the Group (“the Framework”). The Framework is recognised worldwide as a comprehensive framework that is widely advocated by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) for purposes of managing risks in an increasingly turbulent and unpredictable business landscape.

The Group’s risk management practice is benchmarked against ISO31000:2018 Risk Management – Principles and Guidelines with COSO-ERM embedded into key activities, initiatives and processes of the Group. The risk management framework adopted comprises a wide range of techniques to identify, assess, and prioritise risks and to implement appropriate mitigation measures, so as to ensure that the risk management framework is aligned with the Group’s management organisational structure and business objective.

The process of identifying, evaluating, monitoring and managing significant risk is entrenched in the various work processes and procedures for the respective operational functions and management team. All significant issues and controls for implementation are discussed during regular operations and management meetings and escalated to the RMSC and the Board where necessary.

As at the date of this SORMIC, the RMSC is chaired by an Independent Non-Executive Director, and its members comprise one (1) Executive Director and three (3) members of Senior Management. The RMSC oversees the development and maintenance of the Group’s risk profile, including the identification of emerging risks, formulation of mitigation plans and monitoring of risk exposures, which are deliberated periodically together with the outsourced Internal Auditor. Operational, financial, strategic and compliance risks have been identified as key risks and have been regularly reviewed to ensure that it remains aligned with the Group’s strategic objectives and risk management framework.

During the financial year under review, there were no significant changes in the Risk Management Framework and Risk Assessment Matrix for Operation and Project Execution. The RMSC presented and deliberated on regular updates in line with the Group’s ongoing commitment in adapting to emerging risks.

KEY ELEMENTS OF INTERNAL CONTROLS

The key elements of the Group’s system of internal controls are as follows:

- **Board Committees**

The delegation of responsibilities of the various committees comprising the Board is clearly defined under the Terms of Reference. At present, the committees that have been established include the AC, Nomination Committee, Remuneration Committee and RMSC.

- **Organisational Structure**

The Group has a clear organisational structure which formally defines the line of reporting, as well as setting clear levels of accountability and responsibility of the respective functions within the Group.

- **Limits of Authority**

The Group has a clear Limits of Authority Policy which defines the approving limits that have been assigned and delegated to each approving authority within the Group. The Limits of Authority Policy is reviewed periodically and updated in line with changes and needs of the organisation.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

KEY ELEMENTS OF INTERNAL CONTROLS (CONT'D)

- **Policies and Procedures**

There are policies and procedures in place to ensure the adequacy of internal controls and compliance with relevant laws and regulations. These policies and procedures are periodically reviewed and updated to reflect changes in business structure and processes. Certain companies within the Group have obtained ISO 14001:2015, Environmental Management Systems (“EMS”) accreditation for operational purposes. These certifications demonstrate our ongoing commitment to driving excellence and continuous quality improvement.

- **Internal Audit**

The Board recognises that the Internal Audit is an integral part of the governance process of the Group. The internal audit function is carried out in accordance with internationally recognised professional standards and adopts a risk-based approach in executing its audit plans. The outsourced Internal Auditors conducts a quarterly review to ascertain the adequacy of and to monitor operational effectiveness, compliance with applicable laws and regulations and the reliability of financial information, with the aim of safeguarding shareholders’ interests and the Company’s assets. Where weaknesses have been identified as a result of the reviews, remedial and improvement measures were recommended in order to strengthen controls; and follow-up reviews were conducted to assess the status of the implementation of such remedial and improvement measures by the Management.

- **Board Meetings**

During the AC and Board meetings, quarterly results, annual financial statements, related party transactions and updates on business development are reviewed as part of the Group’s ongoing monitoring and review of internal control effectiveness.

- **Training and Development Programmes**

Training and development programmes are established to ensure that staff are constantly improving and updating their knowledge and skills to match the ever evolving technology so as to ensure they remain relevant in the industry, in line with the Group’s business objectives.

- **Good Corporate Governance Policies**

The Group has implemented Anti-Bribery and Corruption Policy and Whistleblowing Policy to supplement the Group’s Code of Conduct and Ethics. One of the Group’s subsidiaries also obtained its ISO 37001:2025 certification in February 2026. Collectively, these further strengthen the Group’s effort at eliminating risks associated with corporate liability as encouraged by virtue of the provision of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018.

INTERNAL AUDIT FUNCTION

The AC evaluates the effectiveness of the internal audit function against the defined responsibilities. The internal audit function is outsourced to an independent external service provider, Sterling Business Alignment Consulting Sdn Bhd, that has been entrusted to provide independent assurances to the AC. The internal audit function remains independent of Management and has unrestricted access to the AC.

The role of the Internal Auditors remains independent and has no direct operational responsibility or authority over any of the activities audited. Accordingly, the Internal Auditors do not implement internal controls, develop procedures, install systems, prepare records or engage in any other activities that may impair the Internal Auditor’s judgment.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTION (CONT'D)

The Internal Auditors adopt the risk-based internal audit approach by reviewing the latest risk register, risk matrix and also considering the Company's business environment and activities, etc. to evaluate and assess the business conditions when preparing the yearly Internal Audit Plan.

On a quarterly basis, the Internal Auditors attend the AC meetings for purposes of presenting the Internal Audit Report which includes an overall audit opinion that identifies significant weaknesses, recommendation of action plans, management responses and pertinent deadlines. Subsequent follow-up reviews are also conducted to assess the status of each recommended action plan upon implementation by the Management. The results of such follow-up reviews are highlighted to the AC during their meetings.

For the financial year ended 31 December 2025, the total cost incurred for the outsourced internal audit function was RM37,000.

ASSURANCE FROM THE MANAGEMENT

In line with the Guidelines, the Managing Director and Group Chief Financial Officer have provided assurance to the Board in writing stating that the Group's risk management and internal control system have operated adequately and effectively in all material aspects to meet the Group's objectives during the period under review.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the MMLR of Bursa Securities, the External Auditors have reviewed this SORMIC for inclusion in this Annual Report. Their limited assurance review was performed in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagement Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 ("AAPG 3") - Guidance for Auditors on Engagements to Report on the this SORMIC included in the Annual Report issued by the Malaysian Institute of Accountants.

AAPG 3 (February 2018) does not require the External Auditors to consider whether this SORMIC 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 Management thereon. Based on the External Auditor's reviews, nothing has come to their attention that causes them to believe that this SORMIC is not prepared in all material respects, in accordance with the disclosures required by the SORMIC: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

CONCLUSION

For the financial year under review and up to the date of issuance of the SORMIC in the Annual Report, the AC and RMSC have discussed the contents of this SORMIC and further recommended it for the Board's approval. Hence, the Board is pleased to report that the internal control system and risk management practices are capable of meeting the objectives of the Group and facilitates good corporate governance.

This Statement has been approved by the Board of Directors at its meeting on 27 April 2026.

SUSTAINABILITY STATEMENT

About This Report

Advancecon Holdings Berhad (“**Advancecon**”) or (“**the Group**”) is pleased to present the Sustainability Statement (“**Statement**”) for the financial year 2025. This report offers a comprehensive overview of the Group’s sustainability performance, emphasising our commitment as outlined in our Sustainability Policy and addressing the 12 Material Matters across Economic, Environmental, Social and Governance (EESG) pillars during the financial period from 1 January 2025 to 31 December 2025, unless otherwise specified.

Scope and Boundaries

The scope of this report covers all business units under Advancecon with the exception of Advancecon (Sarawak) Sdn. Bhd. where Advancecon holds a 30% interest in the company. Unless specified, the Sustainability Statement contains both qualitative and quantitative results for the indicators presented and should be read together with the Annual Report 2025.

Reporting Period and Frameworks

This Statement covers the period from 1 January 2025 to 31 December 2025 (“**2025**” or “**FY2025**”) unless otherwise stated. The Statement has been produced in compliance with the Main Market Listing Requirements and as follows:

- i. Global Reporting Initiative (“GRI”) Standards;
- ii. Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition);
- iii. Sustainable Development Goals (“SDGs”).

Limitations

Advancecon understands that some data collection challenges remain for certain disclosures and it is constantly working to apply better data tracking, collection and analysis systems for improved reporting accuracy and quality in the future.

Statement Assurance

This Statement is reported to the Group Risk Management and Sustainability Committee (“**RMSC**”) and the Board of Directors (“**Board**”). In strengthening the credibility of the Statement, the data and narrative content have been independently reviewed by Sterling Business Alignment Consulting Sdn. Bhd., our appointed Internal Auditors acting as an independent reviewer to review key information provided in this Statement is presented on a best-effort basis and is subject to further improvement in future reporting cycles.

Forward-Looking Statements Disclaimer

Any forward-looking statements made with regards to the operations and future plans found in this statement are based on reasonable current assumptions. The actual results may differ and readers are advised not to place undue reliance on such statements as the business is subject to risk and uncertainties beyond Advancecon’s control.

Feedback

We welcome feedback, thoughts and comments, which can be directed to sustainability@advancecon.com.my.

CHAIRPERSON'S MESSAGE

As Chairperson of the Risk Management and Sustainability Committee ("RMSC"), I am pleased to present our Statement. The year under review reflects our continued progress in strengthening governance, enhancing resilience and embedding sustainability considerations across all levels of the Group.

In FY2025, the RMSC continued to fulfil its mandate of overseeing the management of principal business risks as well as material Economic, Environmental and Social matters in alignment with our governance structure. Our work centred on ensuring that Advancecon's sustainability priorities remain relevant, data-driven and responsive to the evolving regulatory, economic and stakeholder landscape.

During the year, the RMSC evaluated the Group's sustainability governance structure and provided guidance on integrating sustainability considerations into Advancecon's operational practices and processes. We ensured that adequate systems, resources and internal controls were in place to support the achievement of our sustainability commitments, including climate action, social compliance and ethical governance. To uphold reporting integrity, we also oversaw the independent external review of the Statement conducted by Sterling Business Alignment Consulting Sdn. Bhd.

A key focus for FY2025 was strengthening our oversight on material sustainability matters. Particular attention was placed on climate-related impacts, occupational health and safety, human capital development, supply chain governance and the Group's anti-bribery and corruption performance. The RMSC is pleased to note the achievement of zero fatalities, maintenance of strong OSH performance and continued 100% training completion rate for anti-corruption programmes.

In addition, the RMSC reviewed the progress of our sustainability-related targets, including our emissions monitoring efforts, environmental management performance and social indicators. We also assessed the outcomes of stakeholder engagements, which remain vital in shaping our strategy, enhancing transparency and strengthening trust with clients, employees, suppliers, regulators and the communities we serve.

Looking ahead, the RMSC remains committed to fortify Advancecon's sustainability governance by continuing to oversee the integration of sustainability into corporate strategy, risk management and day-to-day operations. As we navigate an increasingly complex operating environment, we will continue to ensure that sustainability practices are embedded deeply and consistently across the organisation — enabling Advancecon to remain resilient, competitive and future-ready.

On behalf of the RMSC, I would like to extend my appreciation to the Board, Management, working group and all employees for their collective dedication in advancing our sustainability agenda. Together, we will continue to strengthen our impact and create enduring value for our stakeholders.

Sincerely,
Jananee Priya A/P Gopal
Chairperson, RMSC



SUSTAINABILITY STATEMENT

OUR APPROACH TO SUSTAINABILITY

Sustainability Governance Structure

The sustainability governance structure at Advancecon is overseen primarily by the Board who provide the strategic directions including how sustainability matters are integrated and implemented.

The Board is supported by the RMSC which comprises one Independent Non-Executive Director and the senior management who report to the Board on sustainability related matters in order to support sound business decisions. This is performed through annual meetings where the RMSC will provide the Board with insights on current opportunities and challenges faced by the Group.

The RMSC is supported by the Sustainability Working Group (“SWG”) which implements and maintains all sustainability initiatives within have been agreed by the RMSC. The SWG comprises of the key personnel from various divisions and departments in Advancecon.

At the operations level, every department and operation division of the Group is required to provide their support to the SWG towards implementing the programs and initiatives related to sustainability matters into their day-to-day operations.

The roles and responsibilities of each are detailed below:

Board of Directors (BOD)



Roles and Responsibilities

- Overseeing and endorsing overall sustainability strategy and monitoring the execution of the strategies.
- Reviewing and monitoring the sustainability governance structure, priorities and targets and ensuring integration of the sustainability strategy across the Group.
- Reviewing and approving of this Statement.

Risk Management and Sustainability Committee (RMSC)



Roles and Responsibilities

- Overseeing the management of principal business risks and significant/material economic, environmental and social risks.
- Ensuring resources and processes are in place to enable the organisation to achieve its sustainability commitments and targets.
- Reviewing disclosures relating to management of sustainability matters of the Group in the Annual Reports.
- Overseeing stakeholder engagement and the outcomes of addressing economic, environmental, social and governance matter with regard to the strategic sustainability goals.

SUSTAINABILITY STATEMENT



Board	RMSC	SWG	Operating Division/ Departments
The Board is ultimately accountable for managing sustainability matters in company	The Committee, comprising representatives from each Operating Division, reports to the Board on sustainability matters and coordinates the team in their duties and responsibilities	The Sustainability Working Group comprises employees appointed by the management team to manage sustainability initiatives	Operating Division/ Departments comprises employees and staff assigned to work/ operate in these Division/ Departments

SWG



Roles and Responsibilities

- Coordinate and implement sustainability activities that are in line with the strategic direction of Advancecon and its policies.
- Direct monitoring of the sustainability performance of Advancecon at all levels.
- Preparing the reports for material sustainability matters, sustainability progress, performance indicators and targets, the performance and annual sustainability disclosures.
- Ensuring that sustainability matters are effectively communicated to all shareholders and stakeholders and maintain stakeholder engagement.

Operating Division/ Departments



Roles and Responsibilities

- Execute and integrate sustainability initiatives of the Company as part of its daily operations.
- Implementation of efforts to ensure effective stakeholder engagement.

SUSTAINABILITY STATEMENT

Stakeholder Engagement

Stakeholders include groups and individuals significantly impacted by our business and those with a vested interest in our operations. At Advancecon, we understand that creating partnerships are crucial to achieving our sustainability goals. In line with SDG 17: Partnership for the Goals, we have engaged with stakeholders to understand their perspectives on the Group’s sustainability.

Stakeholder Groups	Topics of Concern	Engagement Methods	Frequency
Shareholders & Investors	<ul style="list-style-type: none"> • Sustainable Business Growth & Strategy • Operational & Financial Performance • Risk Management • ESG Practices & Commitments 	General meetings	Annually
		Annual Reports	Annually
		Quarterly Financial Reports	Quarterly
		Bursa Announcements	Regularly
		Public & Media Announcements	Regularly
		Company Website	Regularly
Board of Directors	<ul style="list-style-type: none"> • Company Direction & Strategies • Risk Management • Regulatory Compliance 	Board meeting & discussions	Quarterly
		Company events	Regularly
		General meetings	Annually
Clients	<ul style="list-style-type: none"> • Product & Service Quality • Timely Project Delivery • Safety & Health Matter 	Project progress meeting	Monthly
		Customer surveys	Annually
		Health, Safety and Environment Management Walkabout	Monthly
Employees	<ul style="list-style-type: none"> • Occupational Health, Safety & Well-Being • Career Development & Training Opportunities • ESG & Climate Change Awareness 	Face-To-Face Communication	Regularly
		Company Events	Regularly
		Internal Communications (i.e. Emails, Memorandum From GCEO)	Regularly
		Annual Performance Appraisals	Annually
		Training & Human Capital Plan	Regularly
		Safety & Health Committee Meetings	Monthly
		Health, Safety & Environment (HSE) Plan Programmes	Monthly
		Integrity Pact & Code of Conduct	Annually

SUSTAINABILITY STATEMENT

Stakeholder Engagement (Cont'd)

Stakeholder Groups	Topics of Concern	Engagement Methods	Frequency
Sub-contractors & suppliers	<ul style="list-style-type: none"> Fair & Transparent Procurement Quality Work & Ethical Practices Timely Payment & Business Continuity 	Sub-Contractor & Supplier Annual Performance Evaluation	Annually
		Integrity Pact & Code of Conduct	Annually
		Annual Report	Annually
Regulatory bodies	<ul style="list-style-type: none"> Regulatory Compliance HSE Practices Certifications & Awards Corporate Governance 	Audit, Site Inspection & Visits	Monthly
		Online Declaration & Submissions	Regularly
		Dialogues With Authorities	Regularly
Community	<ul style="list-style-type: none"> Employment Opportunities Outreach community 	Corporate Social Responsibility (CSR) Programs	Regularly

Materiality Matters

In 2025, we reviewed the topics which are material to our operations through focus group discussions and meetings with the RMSC and SWG. In contrast with the assessment performed in 2024, we are now able to internally identify through the analysis of the sustainability impacts on each of the material topics to the Group and the stakeholders. The result of this assessment is mapped on a materiality matrix to determine the level of importance to the Group.

ADVANCECON'S MATERIALITY ANALYSIS

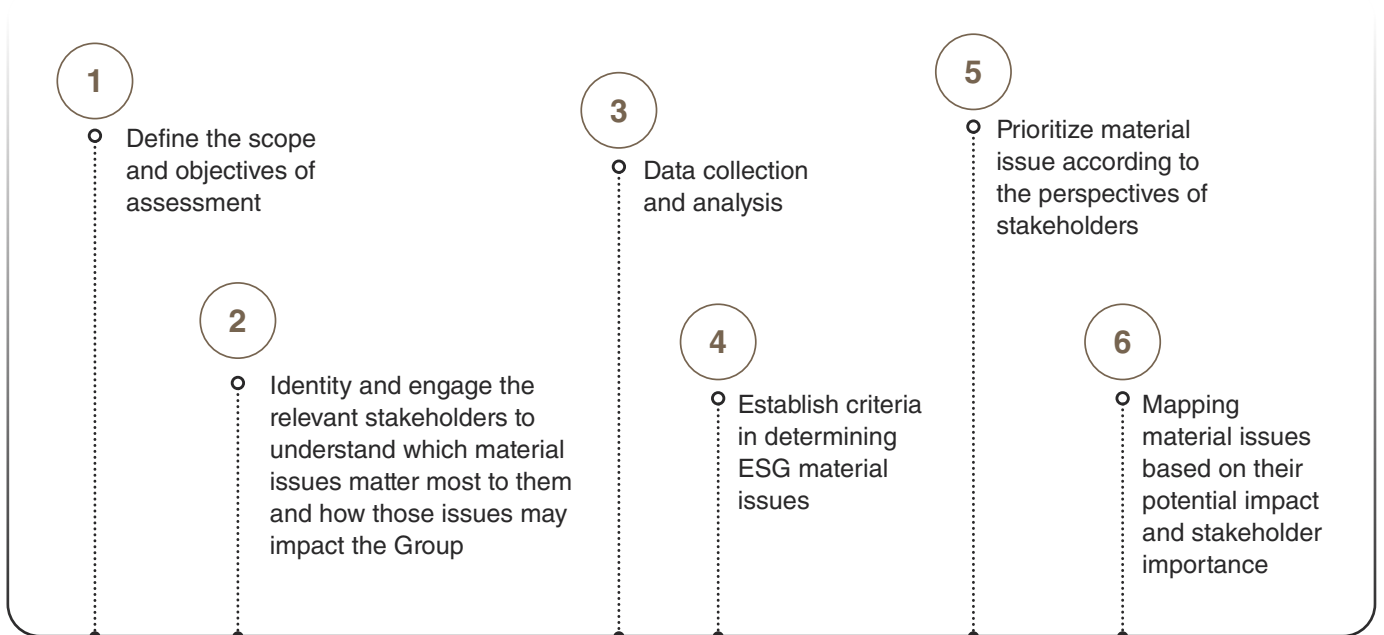


SUSTAINABILITY STATEMENT



Advancecon's materiality assessment in FY2025 was conducted in accordance with 'GRI 3: Material Topics 2021 Guidance and Principles' and Sustainability Reporting Guide 2022, Bursa Malaysia. A materiality assessment involves a structured and comprehensive process to identify and prioritize the environmental, social and governance (ESG) issues that are most relevant and significant to the Group and its stakeholders.

Below is a step-by-step methodology on how a materiality assessment has been conducted:






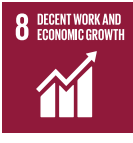



SUSTAINABILITY STATEMENT

ALIGNING TO GLOBAL AGENDA – SUSTAINABLE DEVELOPMENT GOALS

We recognise that Advancecon can play a role in solving broader ESG issues and we have thus aligned our Framework to the relevant SDGs which we believe are most relevant to our business.

The effects of climate change have become more prominent.

SDGs	Advancecon's Targets	Initiatives & Achievements
	Goal 3: Good Health and Well-being 1. Zero fatalities & accidents	<ul style="list-style-type: none"> • Continuous safety and health monitoring and corrective action against incidents occurred at site. • Advance Sports Club, a platform to support and encourage active and healthy lifestyle habits. • Regular health and wellness check for employees and workers at construction sites. • Mental health awareness campaigns.
 	Goal 5: Gender Equality Goal 10: Reduced Inequalities 1. 30% women in the Board of Directors	<ul style="list-style-type: none"> • Talent development programs specifically designed to mentor and support women in leadership. • Flexible work arrangements to encourage female participation in the workforce. • Workshops to promote gender sensitivity and inclusivity at all levels.
 	Goal 7: Affordable and Clean Energy Goal 11: Sustainable Cities and Communities 1. Adopting clean energy to optimise the use of energy across all business segments 2. Exploring renewable energy where possible	<ul style="list-style-type: none"> • Installation of solar panels at selected sites and headquarters.
	Goal 8: Decent Work and Economic Growth 1. Promote sustainable economic growth and full, productive employment.	<ul style="list-style-type: none"> • Adopting fair labor practices and ensuring compliance with local labor laws. • Providing skill development training for employees.
	Goal 13: Climate Action 1. Strengthen resilience and adaptive capacity to climate risks. 2. Reducing 5% emissions every year.	<ul style="list-style-type: none"> • Measuring and reporting greenhouse gas (GHG) emissions annually. • Creating climate risk assessments for ongoing and future projects.

SUSTAINABILITY STATEMENT

ALIGNING TO GLOBAL AGENDA – SUSTAINABLE DEVELOPMENT GOALS (CONT'D)

SDGs	Advancecon's Targets	Initiatives & Achievements
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>Goals 16: Peace, Justice and Strong Institutions</p> <ol style="list-style-type: none"> Promote ethical business practices and strengthen governance. Zero reported case related to bribery and corruption. 	<ul style="list-style-type: none"> Maintaining an anti-bribery policy towards corruption and bribery. Providing regular trainings on governance and ethics to all employees. Ensuring transparent reporting and stakeholder communication.
 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>Goal 17: Partnership for the Goals</p> <ol style="list-style-type: none"> Strengthen global and local partnerships for sustainability. 	<ul style="list-style-type: none"> Collaborating with NGOs and government agencies on community development projects. Participating in industry forums to share and learn best practices for sustainability.



SUSTAINABILITY STATEMENT



ENVIRONMENT AND CLIMATE ACTION

ENVIRONMENTAL MANAGEMENT PERFORMANCE

Climate change is increasing the frequency and severity of extreme weather events such as floods, reduced rainfall, water scarcity, wildfires, and heatwaves that disrupt supply chains, panic buying and endanger ecosystems.

Rising global temperatures driven by increasing greenhouse gas emissions are pushing the planet closer to the critical 1.5°C warming threshold, beyond which scientists warn that many climate impacts may become irreversible. These escalating risks highlight the urgent need for coordinated climate action, strengthened adaptation measures and the adoption of more sustainable practices to safeguard human well being and protect natural ecosystems.

Our Strategy

- a. Maintain Environmental Management System certification across all construction sites.

Our Progress

We track and monitor our greenhouse gas (“GHG”) emissions inventory to evaluate our environmental impact and prioritise reduction opportunities.

Total GHG Emissions (tCO ₂ e)	FY2025
Scope 1: Direct GHG emissions from sources owned or controlled by Advancecon	53,320.31
Scope 2: Indirect GHG emissions from the generation of purchased energy	1,636.45
Scope 3: Indirect emissions from employee commuting	1,544.13
Total GHG emissions (tCO₂e)	56,500.89

Note:

To calculate GHG emissions from energy use, we have applied the conversion factors recommended by the GHG Protocol:

- i. Scope 1 Emissions: 2006 Intergovernmental Panel on Climate Change (IPCC) Guidelines and Global Warming Potential from the 6th Assessment IPCC
- ii. Scope 2 Emissions: Location-based emission factors published by Energy Commission
- iii. Scope 3 Emissions: Average-data method where the transportation mode and distance from home to the workplace are determined via an annual survey. The survey was conducted at the end of FY2025 with average emissions times number of employees

SUSTAINABILITY STATEMENT



CONSUMPTION AND RESOURCES EFFICIENCY

Advancecon recognizes that responsible consumption and resource efficiency are central to sustainable growth and we are committed to optimizing the use of energy, water and raw materials across all operations. By embedding circular economy principles into our construction practices, we aim to minimize waste generation, maximize material reuse and adopt innovative technologies that reduce dependency on finite resources. Through initiatives such as rainwater harvesting and recycling of construction waste, we strive to lower our environmental footprint while enhancing operational productivity. This approach not only ensures compliance with regulatory standards but also strengthens resilience against resource scarcity, positioning Advancecon as a forward-looking leader in sustainable infrastructure development.

Our Strategy

- b. Adopt circular economy practices and ensure 20% of construction waste is diverted from landfills.
- c. Reducing electricity consumption in various sites.
- d. Implement rainwater harvesting using sediment basin.

Our Progress

We are committed to continuously improving energy efficiency to reduce electricity consumption. For 2025, we observed a reduction in electricity consumption of more than 50% compared to the previous year.

	FY2025
Total Electricity Consumed (kWh)	2,211,419

Continued prioritisation of efficient water management and responsible water usage to reduce our environmental footprint, alongside monitoring and tracking of water consumption.

	FY2025
Municipal Water Sources consumed (m ³)	48,889
Natural Water Sources consumed (m ³)	25,824
Total Water consumed (m ³)	74,713

Ensured responsible and safe disposal of non-recyclable waste generated, complying with local waste regulations through a third-party waste management contractor.

	FY2025
Waste Diverted from Disposal (MT)	23.76
Waste Directed to Disposal (MT)	104.51
Total Waste Generated (MT)	128.27

SUSTAINABILITY STATEMENT

Waste Code	Types of Scheduled Waste	Quantity (KG)
SW 305	Used Engine Oil	4,558.4
SW 306	Used Hydraulic Oil	461.2
SW 307	Oil Water Mixture	1,652.0
SW 312	Oil Residue	210.0
SW 408	Contaminated Soil	688.0
SW 409	Oil Contaminated Container	196.5
SW 410	Used Oil Filter & Oil Contaminated Rags/Gloves	941.4



SOCIAL COMPLIANCE

ELEVATING SOCIAL WELL-BEING

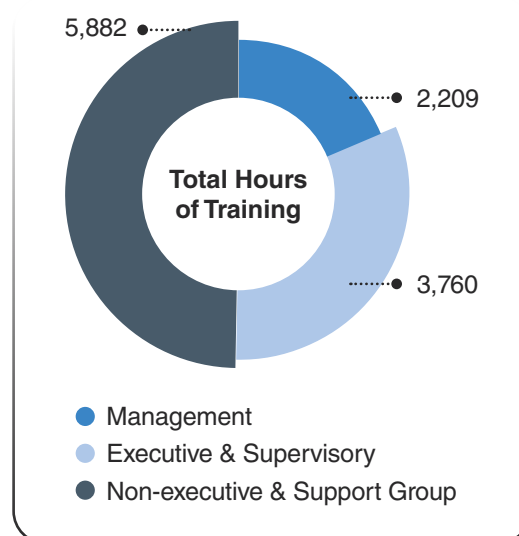
Advancecon is committed to elevating social well-being by fostering safe, inclusive, and resilient communities through our projects and operations. We prioritize the health and safety of our workforce, invest in continuous skills development and promote diversity and equal opportunity to ensure that every individual can thrive.

Our Approach

-
- a. Prioritise professional development.
- b. Prioritise employee well-being with initiatives promoting physical health including holding health checks and comprehensive health insurance coverage.

Our Progress

TOTAL HOURS OF TRAINING	FY2025
Management (Group A & B)	2,209
Executive & Supervisory (Group C)	3,760
Non-executive & Support Group (Group D)	5,882



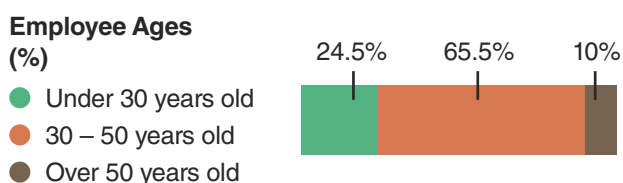
SUSTAINABILITY STATEMENT

BENEFITS

Annual & Sick Leaves	Group Hospitalisation & Surgical (GHS) Insurance Plan	Dental and Optical Benefits	Corporate Data Plan Line
Paternity & Maternity Leaves	Group Personal Accident (GPA) Insurance Plan	Periodic Medical Examination	Travelling / Relocation allowance
Marriage & Bereavement Leaves	Medical Coverage for outpatient medical attention and treatment	Staggered Working Hours	

We remain committed to talent management and empowerment. We will continue prioritising professional development and fostering inclusivity and engagement. Additionally, our commitment to employee well-being will persist through initiatives promoting physical health and health insurance coverage.

Employee Demographics (percentage)	FY2025
Male (%)	86.8
Female (%)	13.2
Management (Group A & B) (%)	9.3
Executive & Supervisory (Group C) (%)	17.6
Non-executive & Support Group (Group D) (%)	73.1
Under 30 years old (%)	24.5
30 – 50 years old (%)	65.5
Over 50 years old (%)	10.0



Employee Demographics (percentage)	Gender	FY2025
Management (Group A & B)	Male (%)	6.8
	Female (%)	2.6
Executive & Supervisory (Group C)	Male (%)	11.0
	Female (%)	6.5
Non-executive & Support Group (Group D)	Male (%)	69.0
	Female (%)	4.1



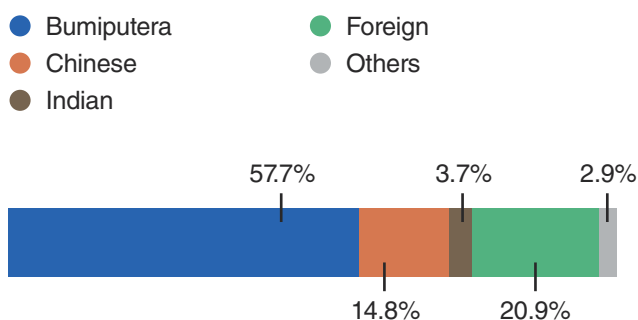
SUSTAINABILITY STATEMENT

Employee Demographics (percentage)	Age	FY2025
Management (Group A & B)	Under 30 years old (%)	0.2
	30 – 50 years old (%)	6.3
	Over 50 years old (%)	2.8
Executive & Supervisory (Group C)	Under 30 years old (%)	4.6
	30 – 50 years old (%)	10.4
	Over 50 years old (%)	2.6
Non-executive & Support Group (Group D)	Under 30 years old (%)	21.4
	30 – 50 years old (%)	41.4
	Over 50 years old (%)	10.3

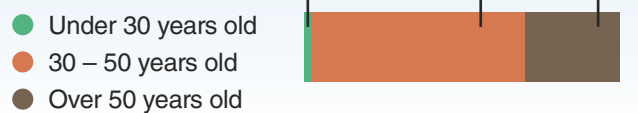
Type of Employment	FY2025
Direct employees – Permanent Contract (%)	53.7
Direct employees – Fixed Term Contract (%)	46.3

Employee Diversity	FY2025
Bumiputera (%)	57.7
Chinese (%)	14.8
Indian (%)	3.7
Foreign (%)	20.9
Others (%)	2.9

Employee Diversity (%)



Management (%)



Executive & Supervisory (%)



Non-executive & Support Group (%)



Employment – New Hire	Age	FY2025
Male	Under 30 years old (%)	37.0
	30 – 50 years old (%)	34.1
	Over 50 years old (%)	17.6
Female	Under 30 years old (%)	4.4
	30 – 50 years old (%)	6.7
	Over 50 years old (%)	0.2

Male - New Hire Employee Ages (%)



Female - New Hire Employee Ages (%)



SUSTAINABILITY STATEMENT



CULTIVATING A HEALTHY & SAFE WORKPLACE

Importance to Use

Safety, health and well-being in the workplace are essential for enhancing employee engagement and retention, creating a secured and supportive environment. Proactive efforts in addressing health, safety and wellbeing concerns contribute to long-term employee commitment and stability within the workforce. Additionally, ensuring compliance with workplace safety regulations is not only a legal requirement but also a fundamental ethical responsibility for organisations committed to ethical business practices and prioritising the well-being of their workforce.

Advancecon believes that a safe work environment not only enhances productivity but also reflects our respect for the people who drive our success. By embedding health and safety practices into our daily operations and empowering our workforce with the tools and knowledge to uphold these standards, we continue to build a resilient and responsible organisation.

Our Approach

- a. HSE induction during On-Boarding new hires.
- b. Continuous improvement to enhance safety practices and standards.
- c. Collecting and analysing HSE performance statistics on a monthly basis.

Our Achievement

	FY2025
Lost Time Injuries Rate (LTIR)	0
Number of Fatalities	0
Employee trained on health & safety standards (Number of Employees)	1,214

No.	List of Trainings Relating to Occupational Safety & Health
1.	OSH Coordinator Course
2.	MBAM Annual Safety & Health Conference 2025
3.	Basic Occupational First Aid, CPR & AED
4.	Latihan Pencegahan Kebakaran dan Tindakan Kecemasan (Fire Drill)
5.	Seminar Memperkasakan Peraturan-Peraturan Keselamatan dan kesihatan Pekerja
6.	OSH National Convention & Exhibition 2025
7.	ISO 45001:2018 Requirements Training

SUSTAINABILITY STATEMENT

TRAINING AND TOOLBOX AT PROJECT SITE



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OPPO F11 Pro

SUSTAINABILITY STATEMENT

FIRE DRILL AT HQ



HSE AND SUSTAINABILITY AWARD



SUSTAINABILITY STATEMENT



GOOD GOVERNANCE PRACTICES

ANTI-BRIBERY & CORRUPTION

Importance to Us

We strive to ensure that business is performed in an ethical manner, which is free from any and/or all forms of corruption. We have previously adopted a strict zero tolerance for instances of bribery and corruption.

Our Approach

In 2025, we amended our Anti-Bribery and Corruption Policy (“ABAC Policy”), which was approved by the Group CEO on September 15th, 2025. This follows the implementation of the ISO 37001:2025 Anti-bribery Management System for Advancecon Infra Sdn Bhd. To reinforce this commitment, Advancecon ensures the adherence to Section 17A of the Malaysian Anti-Corruption Commission (MACC) act 2009 (Amendment 2018), which aligns with the T.R.U.S.T Principles.

Our Achievement

In an effort to ensure that our ABAC Policy is effectively implemented, we have conducted in-house training for our employees to help them understand the ABAC Policy and how preventing bribery and corruption in the workplace can better improve the business. In year 2025, Advancecon achieved 100% of our employees having attended e-learning trainings on the ABAC Policy, Anti-Bribery and Corruption in the Workplace and Section 17A Corporate Liability.

Employee trained on Anti-Corruption (Percentage)	FY2025
Management (Group A & B) (%)	100
Executive & Supervisory (Group C) (%)	100
Non-executive & Support Group (Group D) (%)	100

To ensure a safe and conducive work environment at Advancecon, we have implemented a Whistleblowing Policy that outlines the process for reporting misbehavior. This whistleblowing channel and policy are available on the website and can be used to report any instances of bribery or corruption in an organised and anonymous manner. In year 2025, no incidences of bribery were reported through our formal whistleblowing channel.

ANTI-BRIBERY MANAGEMENT SYSTEM AWARENESS TRAINING



SUSTAINABILITY STATEMENT



SUPPORTING OUR COMMUNITIES

Importance to Us

Community investments, contributions and donations by Advancecon play an essential role in shaping and strengthening society. By directing resources towards local projects, charitable causes and social initiatives, we address pressing social issues, support underserved communities and stimulate positive change. These efforts often result in enhanced public services, improved quality of life and increased opportunities for education and employment. Further, our contributions create a ripple effect, inspiring others to engage on similar activities and drive social progress towards a more engaged and resilient society.

Our Approach

Driven by our “ADVANCE” value, Advancecon’s community engagement strives to empower our stakeholders. We achieve this by reinvesting a portion of our profits into the communities we operate in and causes that we care for, with the aim of stimulating socioeconomic growth and helping marginalised individuals. We have performed these initiatives based on the request of the respective stakeholders. These includes performing financial donations for various activities including sports and school programs.

Our Achievement

Advancecon invested RM 75,625 in year 2025 on community engagement and positively benefitting the 14 community groups. The table below contains a list of beneficiaries: -

Name Of Beneficiary	Events/Purposes
Persatuan Insan Istimewa Cheras Selangor	Donated RM 10,000 to <i>Persatuan Insan Istimewa Cheras Selangor</i> in conjunction with Chinese New Year 2025
Pertubuhan Hsuen Dharma	Donated RM 10,000 to <i>Pertubuhan Hsuen Dharma</i>
Perak Corporation Berhad	Sponsorship opportunity amounted RM 6,000 for <i>Majlis Makan Malam Amal Nusantara, Kelab Bakti Gunung Kledang (KBGK)</i> as Part of SVTP Corporate Social Responsibility (CSR) initiative
Perbadanan Kemajuan Negeri Selangor	Donated RM 10,000 in conjunction with <i>Kempen Kutipan Sumbangan Tabung Selangor Prihatin</i>
Majlis Kebajikan & Sukan Anggota-Anggota Kerajaan Selangor	Donated RM 1,000 in conjunction with <i>Pertandingan Lampu Lip Lap Kampung Meru 2025</i>
Kelab Sukan dan Kebajikan JKR Klang	Donated RM 1,000 to <i>Kelab Sukan Dan Kebajikan JKR Klang</i>
Penduduk Taman Meru IV, Ipoh	Donated RM 500 in conjunction with <i>Hari Kemerdekaan Sambutan di Taman Meru IV</i> RM 500.00
SJK (C) Regent Elmina, Selangor	Sponsorship of Air Conditioner Units amounted RM 30,000

SUSTAINABILITY STATEMENT

Name Of Beneficiary	Events/Purposes
Ibu Pejabat Polis Daerah Sungai Buloh	Donated RM 741 for <i>Dewan Serbaguna Ibu Pejabat Polis Daerah Sg Buloh</i>
MAKSAK JPJ Pahang	Donated RM 1,000 in conjunction with <i>Sukan JPJ</i>
Majlis Perbandaran Selayang	Donated RM 2,000 in conjunction with Deepavali
Kelab Sukan & Kebajikan, Jabatan Mineral & Geosains	Sponsorship gift amounted RM 500
Kelab Ahli Majlis MPS	Donated RM 1,000 in conjunction with publishing "MPS Council Club Coffee Table Book"
Ibu Pejabat Polis Daerah Kuantan	Sponsorship quarry dust amounted RM 1,884 to <i>Pangkalan Ibu Pejabat Briged Tenggara Pasukan Gerakan Kuantan</i>

VISIT AT PERSATUAN INSAN ISTIMEWA CHERAS SELANGOR



SUSTAINABILITY STATEMENT

SUPPLY CHAIN GOVERNANCE



PROPORTION OF SPENDING ON LOCAL SUPPLIERS

Importance to Us

At Advancecon, excellent supply chain governance is critical to ensuring that our operations are sustainable, ethical, and robust. Our dedication to responsible supply chain management represents our principles of integrity, transparency, and responsibility, as we strive to ensure that all suppliers and partners meet our environmental, social, and governance (ESG) performance criteria.

Advancecon's supply chain governance focuses on delivering long-term value for all stakeholders, not just following regulatory obligations. We aspire to create a supply chain that is not only efficient but also a catalyst for positive change in the environment and society through rigorous assessment, capacity building, and innovation.

Our Approach

- a. Integrity Pact Declaration applies to all our sub-contractors and suppliers
- b. Due Diligence Risk Assessment conducted for new business partners



Importance to Us

Maintaining a responsible supply chain by committed to promoting local economic growth by prioritizing the inclusion of local vendors in our procurement processes. This approach not only enhances our connection to the communities in which we operate, but it also promotes long-term development by creating jobs and establishing resilient local supply chains.

We prioritize local sourcing to promote economic growth and community development; yet, there are times when involving overseas suppliers is required to maintain operational excellence and meet project needs. In some circumstances, overseas suppliers might provide competitive pricing due to economies of scale or lower production costs, allowing the organisation to reduce costs without sacrificing quality.

Our dedication to local sourcing reflects our broader commitment to sustainability, inclusivity and shared prosperity. Through this focus, Advancecon continues to drive positive economic and social impacts while delivering value to all stakeholders.

Our Approach

- a. Maximum utilisation of the SQL software
- b. Evaluate the performance of suppliers annually

Our Achievement

	FY2025
Local Suppliers (%)	96.8

SUSTAINABILITY STATEMENT



DATA PRIVACY AND SECURITY



Importance to Us

At Advancecon, we recognize that data privacy and security are critical in maintaining trust and protecting the interests of our stakeholders. In an increasingly digitalized world, safeguarding sensitive information is not just a regulatory requirement but the cornerstone of responsible business practices.

Prioritizing data security is paramount for our business as it upholds trust, ensures compliance with regulations, safeguards intellectual property and protect sensitive and strategic information.

By prioritizing transparency and ethical data practices, Advancecon aims to empower our clients, employees and partners with the confidence that their information is handled with the utmost care. Together, we ensure that data security remains integral to our operations, driving trust and resilience across all our business activities

	FY2025
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0

SUSTAINABILITY STATEMENT

ESG PERFORMANCE DATA

ESG Performance	2023	2024	2025
ENVIRONMENTAL PERFORMANCE			
Greenhouse Gas Emissions			
Scope 1 Emissions (tCO ₂ e) – covering diesel and petrol	53,217.38	54,773.05	53,320.31
Scope 2 Emissions (tCO ₂ e) – covering purchased electricity	3,069.30	2,877.53	1,636.45
Scope 3 Emission (tCO ₂ e) – covering employee commute	NA	510.39	1,544.13
Total Scopes 1, 2 & 3 Emissions (tCO ₂ e)	56,286.68	58,160.97	56,500.89
Water Consumption			
Municipal Water Sources (m ³)	90,811	74,815	48,889
Natural Water Sources (m ³)	215,678	145,668	25,824
Total Water Consumption (m ³)	306,489	220,483	74,713
Waste Management			
Total waste directed to disposal (MT)	530.79	1,587.32	104.51
Total waste diverted from disposal (MT)	0.25	181.07	23.76
Total waste generated (MT)	530.79	1,768.39	128.27
SOCIAL COMPLIANCE			
Occupational Safety & Health Performance			
Number of Work-Related Fatalities (number of cases)	1	0	0
Lost Time Injury Rate	17.24	0	0
Employees trained on health & safety standards (number of employees)	828	1007	1214
Employee Training			
Training Hours – Management (number of hours)	1,242	2,875	2,209
Training Hours – Supervisory & Executive (number of hours)	3,087	4,653	3,760
Training Hours – Non-Executive & Support Groups (number of hours)	3,912	3,051	5,882
Total Training Hours (number of hours)	8,241	10,579	11,851
Employee Demographics			
Employee of Contractors or Temporary Staff (%)	36	23	46.3
Direct Employees (%)	64	77	53.7

SUSTAINABILITY STATEMENT

ESG PERFORMANCE DATA

ESG Performance	2023	2024	2025
Gender Demographics			
Director – Male (%)	80	83	66.7
Director – Female (%)	20	17	33.3
Management – Male (%)	78.8	75.8	72.6
Management – Female (%)	21.2	24.2	27.4
Executive & Supervisory – Male (%)	74.0	57.4	62.9
Executive & Supervisory – Female (%)	26.0	42.6	37.1
Non-Executive & Support Groups – Male (%)	92.4	97.2	94.4
Non-Executive & Support Groups – Female (%)	7.6	2.8	5.6
Age Demographics			
Director – below 50 years old (%)	20	33.3	33.3
Director – 50 – 59 years old (%)	0	0	0
Director – 60 – 69 years old (%)	80	66.7	66.7
Director – above 70 years old (%)	0	0	0
Management – below 30 years old (%)	0	3.2	2.7
Management – between 30 to 50 years old (%)	64.6	87.1	67.3
Management – above 50 years old (%)	35.4	9.7	30.1
Executive & Supervisory – below 30 years old (%)	30.2	33.1	26.3
Executive & Supervisory – between 30 to 50 years old (%)	57.4	65.5	59.2
Executive & Supervisory – above 50 years old (%)	12.4	1.4	14.6
Non-Executive & Support Groups – below 30 years old (%)	38.8	30.8	29.3
Non-Executive & Support Groups – between 30 to 50 years old (%)	50.1	66.8	56.6
Non-Executive & Support Groups – above 50 years old (%)	11.1	2.4	14.1
Ethnicity Demographics			
Bumiputera (%)	44.4	44.8	57.7
Chinese (%)	18.2	21.0	14.8
Indian (%)	2.7	2.2	3.7
Foreign (%)	34.8	31.9	20.9
Others (%)	0.0	0.2	2.9

SUSTAINABILITY STATEMENT

ESG PERFORMANCE DATA

ESG Performance	2023	2024	2025
Employee Turnover			
Employee Turnover – Management (number)	14	13	15
Employee Turnover – Executive/Supervisory (number)	51	49	56
Employee Turnover - Non-Executive & Support Groups (number)	494	301	369
Total Employee Turnover (number)	559	363	440
GOOD GOVERNANCE PRACTICES			
Anti-Corruption Management			
Number of confirmed cases of corruption (number of cases)	0	0	0
Employees trained on Anti-Corruption – Management (%)	85.0	100	100
Employees trained on Anti-Corruption – Executive & Supervisory (%)	93.6	100	100
Employees trained on Anti-Corruption – Non-Executive & Support Group (%)	31.4	100	100
Community & Society			
Amount invested in community (RM)	36,400.00	75,964.00	75,625.00
Beneficiaries of investment (number of groups)	25	13	14
Data Privacy & Security			
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data (number of cases)	0	0	0

SUSTAINABILITY STATEMENT

PRESCRIBED TABLE

Advancecon Holdings Berhad BMLR Transition Period		Date & Time: 2026-04-29_18:10:09 FYE 31/12/2025			
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti-corruption	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category	Percentage	100	100	Internal
Anti-corruption	Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100	100	Internal
Anti-corruption	Bursa C1(c) Confirmed incidents of corruption and action taken	Number of incidents	0	0	Internal
Community/Society	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	75,625.00	-	Internal
Community/Society	Bursa C2(b) Total number of beneficiaries of the investment in communities	Number of beneficiaries groups	14	-	Internal
Diversity	Bursa C3(a) Percentage of employees by gender for each employee category	Percentage	Management Male - 72.6 Female - 27.4 Executive Male - 62.9 Female - 37.1 Non-Executive Male - 94.4 Female - 5.6	-	Internal
Diversity	Bursa C3(a) Percentage of employees by age group for each employee category	Percentage	Management Below 30 y/o - 2.7 Between 30 to 50 y/o - 67.3 Above 50 y/o - 30.1 Executive Below 30 y/o - 26.3 Between 30 to 50 y/o - 59.2 Above 50 y/o - 14.6 Non-Executive Below 30 y/o - 29.3 Between 30 to 50 y/o - 56.6 Above 50 y/o - 14.1	-	Internal

SUSTAINABILITY STATEMENT

PRESCRIBED TABLE

Advancecon Holdings Berhad BMLR Transition Period		Date & Time: 2026-04-29_18:10:09 FYE 31/12/2025			
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Bursa C3(a) Percentage of employees by ethnicity	Percentage	Bumiputera - 57.7 Chinese - 14.8 Indian - 3.7 Foreign - 20.9 Others - 2.9	-	Internal
Diversity	Bursa C3(b) Percentage of directors by gender	Percentage	Male - 66.7 Female - 33.3	Female Director - 30	Internal
Diversity	Bursa C3(b) Percentage of directors by age group	Percentage	Below 50 y/o - 33.3 50 - 59 y/o - 0 60 - 69 y/o - 66.7	-	Internal
Diversity	Bursa C3(b) Percentage of directors by ethnicity	Percentage	Malay - 14.3 Chinese - 71.4 Indian - 14.3	-	Internal
Energy management	Bursa C4(a) Total energy consumption	kWh	2,211,419	-	Internal
Health and safety	Bursa C5(a) Number of work-related fatalities	Number of cases	0	0	Internal
Health and safety	Bursa C5(b) Lost time incident rate	Number of incident divide total working hours	0	0	Internal
Health and safety	Bursa C5(c) Number of employees trained on health and safety standards	Number of employees	1214	-	Internal
Labour practices and standards	Bursa C6(a) Total hours of training by employee category	Hours	Management - 2,209 Executive - 3,760 Non-Executive - 5,882	-	Internal
Labour practices and standards	Bursa C6(b) Percentage of employees that are contractor and temporary staff	Percentage	46.3	-	Internal
Labour practices and standards	Bursa C6(c) Total number of employee turnover by employee category	Number of employee	Management - 15 Executive - 56 Non-Executive - 369	-	Internal

SUSTAINABILITY STATEMENT

PRESCRIBED TABLE

Advancecon Holdings Berhad BMLR Transition Period		Date & Time: 2026-04-29_18:10:09 FYE 31/12/2025			
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Labour practices and standards	Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number of complaints	0	0	Internal
Supply chain management	Bursa C7(a) Proportion of spending on local suppliers	Percentage	96.8	-	Internal
Data privacy and security	Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number of complaints	0	0	Internal
Water	Bursa C9(a) Total volume of water used	Meter cubic	74,713	-	Internal
Waste management	Bursa C10(a) Total waste generated	Tonne	128.27	-	Internal
Waste management	Bursa C10(a)(i) Total waste generated, and a breakdown of the total waste diverted from disposal	Tonne	23.76	-	Internal
Waste management	Bursa C10(a)(ii) Total waste generated, and a breakdown of the total waste directed to disposal	Tonne	104.51	-	Internal
Emissions management	Bursa C11(a) Scope 1 emissions in tonnes of CO2e	TCO2e	53,320.31	-	Internal
Emissions management	Bursa C11(b) Scope 2 emissions in tonnes of CO2e	TCO2e	1,636.45	-	Internal
Emissions management	Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	TCO2e	1,544.13	-	Internal

AUDIT COMMITTEE REPORT

The Board of Directors (“the Board”) of Advancecon Holdings Berhad (“the Company”) is pleased to present the Audit Committee (“AC”) Report for the financial year ended 31 December 2025 (“FY2025”).

AC COMPOSITION AND ATTENDANCE

The AC comprises three (3) members and all of whom are Independent Non-Executive Directors (“INEDs”), which meets the requirements of Paragraphs 15.09(1)(a) and (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“MMLR”) as follows:

Designation	Name
Chairman	Wee Chuen Lii (<i>Appointed on 16 March 2026</i>)
	Mohd Zaky Bin Othman (<i>Resigned on 16 March 2026</i>)
Member	Jananee Priya A/P Gopal
	Datuk Loo Took Gee (<i>Appointed on 16 March 2026</i>)
	Yeoh Chong Keat (<i>Resigned on 16 March 2026</i>)

In FY2025, the AC met six times and had private discussions with the External Auditors without the presence of the Executive Directors and the Management. The Executive Directors, Group CFO, Finance Manager, External Auditors, Internal Auditors and other Board members attended the AC meetings upon invitation, as and when necessary. The attendance record of AC members is as follows:

Name	Meeting attendance
Mohd Zaky Bin Othman (<i>Resigned on 16 March 2026</i>)	6/6
Yeoh Chong Keat (<i>Resigned on 16 March 2026</i>)	6/6
Jananee Priya A/P Gopal	6/6
Wee Chuen Lii (<i>Appointed on 16 March 2026</i>)	-
Datuk Loo Took Gee (<i>Appointed on 16 March 2026</i>)	-

During the FY2025, the AC had engaged with the External Auditors to review the key audit issues and audit concerns affecting the Company.

Minutes of each AC meeting were noted by the Board to each Board member and the Chairman of the AC reports on the deliberations of the AC at each Board meeting.

TERMS OF REFERENCE (“TORS”) OF THE AC

The AC had discharged its functions and carried out its duties as set out in the TORs of the AC.

The TORs of the AC is available for reference on the Company’s website at www.advancecon.com.my.

AUDIT COMMITTEE REPORT

SUMMARY OF ACTIVITIES OF THE AC DURING THE FY2025

During the FY2025, the summary of activities carried out by the AC is as follows:

1. Financial Reporting

- (a) Reviewed the unaudited financial results of the Group and annual audited financial statements of the Group before recommending the same for Board's approval for release to Bursa Securities. Discussions were focused particularly on any change in the accounting policies and its implementation; significant and unusual events arising from the audit; the going concern assumption; compliance with accounting standards and other statutory requirements; significant matters highlighted in the financial statements; and significant judgements made by Management.

2. Internal Audit

- (a) Reviewed and approved the Internal Audit Plan for FY2025 proposed by the Internal Auditors ("Sterling") to ensure the adequacy of the scope, coverage of works and that Sterling has the necessary authority to carry out its works.
- (b) Reviewed the Internal Audit Reports together with the recommendations from Sterling. The AC considered Sterling's recommendations which had taken into account the Management's responses, and approved the Internal Auditors' proposals for rectification and implementation of the agreed remedial actions.
- (c) Undertook assessment of the performance of the Internal Auditors and reviewed the effectiveness of the audit processes.

3. External Audit

- (a) Discussed and deliberated the External Auditors' Audit Planning Memorandum which covers engagement and reporting requirements, audit approach, areas of audit emphasis, communication with management, engagement team, reporting and deliverables, accounting standards update, tax update, amendments to MMLR, sample draft Independent Auditor's Report, indicators of going concern and enforcement of Companies Act 2016.
- (b) Discussed and deliberated on the External Auditors' Audit Review Memorandum and deficiencies in internal control based on observations made during the course of audit.
- (c) Reviewed the draft Audited Consolidated Financial Statements for the financial year ended 31 December 2025 before recommending the same to the Board for approval.
- (d) Had discussions with the External Auditors, without Management's presence, on matters pertaining to the audits and the financial statements.
- (e) Evaluated and reviewed the performance and independence of the External Auditors and recommended to the Board for the reappointment and remuneration of the External Auditors.

4. Related Party Transactions ("RPT"), Recurrent Related Party Transactions ("RRPT") and/ or Conflict of Interest ("COI")

- (a) Reviewed and recommended to the Board, on a quarterly basis, the RPT and/or RRPT presented by Management for approval, to ensure that such transactions were undertaken in the best interest of the Company, on fair and reasonable terms, based on normal commercial terms, and not detrimental to the interests of minority shareholders.
- (b) Reviewed the RPT and/or RRPT that transpired within the Group to ensure that the transactions were conducted on an arm's length basis and on normal commercial terms.

AUDIT COMMITTEE REPORT

SUMMARY OF ACTIVITIES OF THE AC DURING THE FY2025 (CONT'D)

During the FY2025, the summary of activities carried out by the AC is as follows: (Cont'd)

4. Related Party Transactions ("RPT"), Recurrent Related Party Transactions ("RRPT") and/ or Conflict of Interest ("COI") (Cont'd)

(c) Monitored the thresholds of RPT and RRPT to ensure compliance with the Main Market Listing Requirements ("MMLR").

(d) Reviewed the quarterly summary declarations on actual or potential COI situations within the Company and the Group. In line with Bursa Malaysia's Guidance on Conflict of Interest, the Audit Committee reviewed COI situations involving Directors and key senior management during the financial year ended 31 December 2025, together with the adequacy of measures implemented to resolve or mitigate such conflicts.

5. Annual Reporting

Reviewed the AC Report and Statement on Risk Management and Internal Control to ensure adherence to the relevant statutory requirements and recommended the same to the Board for approval.

TRAINING

During the FY2025, all of the AC members have attended various seminars, training programmes and conferences. The list of trainings attended is disclosed in the Corporate Governance Overview Statement on pages 30 to 43 of this Annual Report.

INTERNAL AUDIT FUNCTION

The Company engaged the services of an independent professional firm i.e., Sterling Business Alignment Consulting Sdn Bhd ("Sterling") to carry out the internal audit functions of the Group in order to assist the AC in discharging its duties and responsibilities. The Internal Auditors are empowered by the AC to provide objective evaluation of risks and controls in the audited activities to ensure a sound system of internal controls.

The Internal Auditors adopts a risk-based audit methodology to develop its audit plan and activities. The internal audit functions of the Group are carried out according to the internal audit plan as approved by the AC. Greater focus and appropriate review intervals are set for higher risk activities, material internal controls, including compliance with the Company's policies, procedures and regulatory requirements.

During the FY2025, the Internal Auditors have performed the internal audit according to the approved internal audit plan. Internal Audit Reports were issued and tabled at each AC meeting throughout FY2025. The Internal Audit Reports were also issued to the respective operations management, incorporating audit recommendations and Management responses. The Internal Auditors conducted follow-up audits to ensure the recommendations were implemented appropriately. Further details of the internal audit function and its activities are provided in the Statement on Risk Management and Internal Control, set out in pages 44 to 47 of this Annual Report.

The cost incurred for the internal audit function in respect of the FY2025 was RM37,000 (FY2024: RM28,000).

This AC Report is dated 27 April 2026.

NOMINATION COMMITTEE REPORT

This Report has been reviewed by the Nomination Committee (“NC”) and approved by the Board of Directors of Advancecon for inclusion in this Annual Report 2025.

Composition of the NC

The composition of the NC is as listed below and complies with Paragraph 15.08A of the MMLR of Bursa Securities which states that a nomination committee shall comprise exclusively of Non-Executive Directors, a majority of whom must be independent:

Designation	Name
Chairman	Datuk Loo Took Gee (<i>Appointed on 16 March 2026</i>) Yeoh Chong Keat (<i>Resigned on 16 March 2026</i>)
Member	Jananee Priya A/P Gopal Wee Chuen Lii (<i>Appointed on 16 March 2026</i>) Mohd Zaky Bin Othman (<i>Resigned on 16 March 2026</i>)

Following the resignation of Mr. Yeoh Chong Keat on 16 March 2026, the NC is now chaired by Datuk Loo Took Gee, an Independent Non-Executive Director of the Company, thereby meeting Practice 5.8 of the Malaysian Code on Corporate Governance 2021 that the nomination committee should be chaired by an independent director or the senior independent director.

During FY2025, the NC continued to play a key role in assisting the Board to fulfil its oversight responsibilities, primarily relating to the Board’s composition and appointment of key Senior Management, assessing the effectiveness of the Board and Board Committees. In discharging its responsibilities, the NC is guided by the NC Terms of Reference, which may be reviewed at the Company’s website at www.advancecon.com.my.

The Executive Directors and Senior Management were invited to the NC meetings to facilitate deliberations as well as provide clarifications on the proposals tabled for the NC’s consideration. An update of key deliberations and recommendations by the NC were reported to the Board at its meetings. The Company Secretaries served as the secretaries of the NC.

Summary of Activities of the NC

The NC’s key activities throughout FY2025 are summarized below:

a) Board Effectiveness Evaluation

The annual Board assessment FY2025 was carried out by the NC with the assistance of the Company Secretaries.

A self-assessment questionnaire was circulated to all the Board members, and used to assess the Board as a whole, the Board Committees as well as the Directors individually. There were a number of parameters considered to ensure a holistic evaluation. The assessment covered areas which include, inter alia, the responsibilities of the Board in relation to its role and function, strategic planning, succession plans for the Board and Senior Management, corporate governance, and monitoring the Company’s performance.

Other areas evaluated include the composition and size of the Board and Board Committees, the Board’s decision making and output, information and the overall perception of the Board and support rendered to the Board.

The NC also assessed the contributions of each member of the Board, his knowledge and abilities, integrity, as well as his personal commitment to Board responsibilities.

NOMINATION COMMITTEE REPORT

Summary of Activities of the NC (Cont'd)

The NC's key activities throughout FY2025 are summarized below: (Cont'd)

a) Board Effectiveness Evaluation (Cont'd)

Independent Non-Executive Directors are further assessed on their ability to exercise independent judgement, in addition to their ability to demonstrate the values and principles associated with independence such as impartiality, objectivity and consideration of all stakeholders' interests, where deemed necessary.

b) Re-election of Directors

The Company Secretaries monitor the Directors' retirement by rotation at each annual general meeting ("AGM") and submit the proposal to the NC in accordance with the Constitution of the Company, which requires one-third of the total number of Directors, or if the number is not a multiple of three, the number nearest to one-third, to retire by rotation at the AGM each year. The NC reviews the performance of the said Director(s) who is(are) retiring by rotation and make the appropriate recommendation to the Board.

The NC reviews the performance of retiring Directors and makes appropriate recommendations to the Board on their re-election. During FY2025, the NC assessed Directors due for retirement and recommended their re-election at the AGM.

All recommendations of the NC are subject to the approval of the Board.

c) Appointment of Director

The NC undertook a formal and transparent selection process, including a fit and proper assessment, in evaluating potential candidates. The assessment considered, inter alia, the candidates' character, integrity, competence, experience, skills, knowledge and time commitment.

During the FY2025, the NC reviewed the background, experience and curriculum vitae of Madam Phum Boon Eng and agreed to nominate her for appointment as the Managing Director of the Company. The NC subsequently recommended her appointment to the Board for approval.

At this juncture, the Group wishes to highlight that it practices non-discrimination in any form, whether based on age, gender, ethnicity or religion throughout the organisation. This includes the selection of Board members and Senior Management. In addition, the Group believes that it is of utmost importance that our Board comprises of the qualified individuals who possess the requisite knowledge, experience, independence, foresight and judgement to ensure that our Board functions effectively and discharges its duties in the best interests of the Company and shareholders.

This NC Report is dated 27 April 2026.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required by the Companies Act 2016 (“the Act”) and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad to prepare the financial statements for each financial year in accordance with applicable Malaysian Financial Reporting Standards, the International Financial Reporting Standards and requirements of the Act in Malaysia.

The Directors are responsible to ensure that the audited financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group and the Company for the financial year. Where there are new accounting standards or policies that become effective during the year, the impact of these new treatments would be stated in the notes to the financial statements, accordingly.

In preparing the financial statements, the Directors have:

- adopted appropriate and relevant accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensure that all applicable accounting standards have been followed; and
- prepared financial statements on a going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue operations for the foreseeable future.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors have overall responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group and of the Company to prevent and detect fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

No proceeds were raised by the Company from any corporate proposal during the financial year ended 31 December 2025.

2. AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid/payable to the Company's External Auditors and a firm affiliated to the External Auditors' firm by the Group and the Company for the financial year ended 31 December 2025 are as follows:-

Type of fee	Group (RM)	Company (RM)
Audit Fees	419,500	75,000
Non-audit Fees		
- Review of Statement of Risk Management and Internal Control	5,000	5,000
Total	424,500	80,000

3. REVALUATION POLICY

The Company does not have a revaluation policy on landed properties.

4. MATERIAL CONTRACTS

During the year under review, the Company and its subsidiaries did not enter into any material contracts involving Directors' and major shareholders' interest.

5. EMPLOYEES SHARE OPTION SCHEME ("ESOS")

On 18 December 2024, the ESOS was implemented and shall be in force for a period of five (5) years and may be extended for a further period of up to five (5) years to up to 17 December 2034.

On 28 May 2025, the Company has announced on the termination of the existing ESOS effective from 28 May 2025 ("Termination Date") in accordance with the terms of the by-laws governing the existing ESOS ("By-Laws"). The total number of 86,224,500 ESOS options were granted and no ESOS options have been exercised as at the Termination Date.

6. CONTRACTS RELATING TO LOANS

There were no contracts relating to loans entered into by the Company involving Directors' and major shareholders' interest.

7. RELATED PARTY TRANSACTIONS

At the Extraordinary General Meeting held on 25 November 2025, the Company had obtained a mandate from its shareholders to allow the Company and/or its subsidiaries ("Advancecon Group") to enter into recurrent related party transactions of a revenue or trading nature ("Recurrent Transactions") with related parties. The details of the RRPTs are disclosed in the Circular to Shareholders dated 30 April 2026.

ADDITIONAL COMPLIANCE INFORMATION

7. RELATED PARTY TRANSACTIONS (CONT'D)

The Recurrent Related Party Transactions of a Revenue or Trading Nature incurred during the financial year ended 31 December 2025 pursuant to the said shareholders' mandate are set out below:-

Transacting parties	Nature of transactions	Relationship of Related Party	Aggregate value (RM)
Fook Hua Holdings Sdn Bhd ("FHHSB") and Spring Energy Sdn Bhd ("SESB")	Rent building office for office use	Dato' Yap Soon Huat, Yap Yee Huat, Yap Chai Huat and Yap Ho Huat are directors of Spring Energy Resources Berhad ("SERB"), a 51% owned subsidiary of the Advancecon. They are also deemed interested by virtue of their direct interests in FHHSB, which collectively represent 49.0% in SERB, as well as shareholdings held by Oh Ah Ban. Accordingly, they are deemed interested in transactions involving SERB and FHHSB.	219,900
Astana Armada Sdn Bhd ("AASB") and Spring Energy Sdn Bhd ("SESB")	Purchase of Bitumen, Grease and Lubricant	Yap Wei Fong, the daughter of Dato' Yap Soon Huat, is the Director and sole shareholder of AASB. She was appointed as a Director of AASB on 26 April 2024 and became the sole shareholder on 4 July 2025. By virtue of this relationship, Dato' Yap Soon Huat is deemed interested in the transactions between SESB and AASB.	9,722,039
SE Satu Pelangi Sdn Bhd ("SSPSB") and SE Satu Sdn Bhd ("SSSB")	Bauxite Mining	Dato' Yap Soon Huat is a director of SSSB and SSPSB, and also a major shareholder of FHHSB. FHHSB in turn holds 30% direct equity interest in SSPSB, making Dato' Yap Soon Huat deemed interested in transactions between SSSB and SSPSB.	6,969,628

8. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

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

ADDITIONAL COMPLIANCE INFORMATION

8. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

(a) Group Total Income and Total Assets

Total Income	Group	
	2025 (RM)	2024 (RM)
Revenue	423,292,900	383,228,551
Other income	11,721,248	11,703,133
Interest/Finance income	1,000,668	935,406
Dividend income	9,462	8,906
Share of profit of associates	1,242	1,706,200
Total	436,025,520	397,582,196

(b) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 (RM)	2024 (RM)
Dividend income received from conventional instruments		9,462	8,906
Interest income	Conventional	957,414	890,160
Total		966,876	899,066

(c) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Group	
	2025 (RM)	2024 (RM)
Cash and bank balances (exclude cash in hand)	37,327	17,402
Deposits with licensed bank	2,055,820	1,551,733
Total Cash	2,093,147	1,569,135

Conventional Account/Instruments	Group	
	2025 (RM)	2024 (RM)
Cash and bank balances (exclude cash in hand)	10,307,829	7,137,147
Deposits with licensed bank	34,296,665	35,618,519
Short-term deposits	262,378	252,919
Total Cash	44,866,872	43,008,585

ADDITIONAL COMPLIANCE INFORMATION

8. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

(c) Component of Financial Position (Cont'd)

(ii) Debt Component

Islamic Financing	Group	
	2025 (RM)	2024 (RM)
Current		
Bank overdrafts	3,358,110	4,758,512
Banker's acceptances	565,444	670,625
Hire purchase payables	0	218,545
Invoice financing	495,191	0
Revolving credit and loans	10,000,000	10,000,000
Term loans	3,830,869	3,622,486
Non-current		
Term loans	19,209,642	13,668,409
Total Financing	37,459,256	32,938,577

Conventional Borrowing	Group	
	2025 (RM)	2024 (RM)
Current		
Bank overdrafts	13,229,553	9,506,447
Banker's acceptances	20,624,830	16,031,175
Hire purchase payables	12,815,277	13,379,860
Invoice financing	24,035,979	23,280,081
Revolving credit and loans	5,000,000	5,000,000
Term loans	12,300,983	19,343,047
Trade financing	7,797,597	6,857,573
Non-current		
Advances	27,171,611	26,072,778
Hire purchase payables	14,002,119	14,856,790
Term loans	80,307,110	89,694,958
Total Debt	217,285,059	224,022,709

FINANCIAL STATEMENT



87	Directors' Report
93	Statement By Directors
93	Statutory Declaration
94	Independent Auditors' Report
98	Statements of Financial Position
100	Statements of Profit Or Loss And Other Comprehensive Income
101	Statements of Changes In Equity
105	Statements of Cash Flows
108	Notes To The Financial Statements

DIRECTORS' REPORT

The Directors of Advancecon Holdings Berhad hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of providing management services, whilst the principal activities of the Group, comprising the Company and its subsidiaries, which involved in construction and support services, property investments, green energy, property developments and quarry operations.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

The results of the Group and of the Company for the financial year are as follows:

	Group RM	Company RM
Profit for the financial year	5,923,393	8,620,602
Attributable to:-		
Owners of the Parent	6,621,874	8,620,602
Non-controlling interests	(698,481)	-
	5,923,393	8,620,602

In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

RESERVES AND PROVISIONS

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

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend in respect of the current financial year.

Issue of Shares and Debentures

There was no issuance of shares and debentures during the financial year.

DIRECTORS' REPORT

TREASURY SHARES

During the financial year, the Company repurchased 9,018,600 ordinary shares of its issued share capital from the open market. The average price paid for the share repurchased was RM0.20 per share. The total consideration paid for the repurchase, including transaction costs, was RM1,845,167. The repurchased transactions were financed by internal generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

Of the total 584,731,900 (2024: 584,731,900) issued and fully paid-up ordinary shares at the ending of the reporting period, 18,920,500 (2024: 9,901,900) ordinary shares are held as treasury shares by the Company. None of the treasury shares were resold or cancelled during the financial year.

SHARE OPTIONS

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

DIRECTORS

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

Dato' Phum Ang Kia*	
Tung Kai Hung*	
Yeoh Chong Keat	(Resigned on 16.03.2026)
Mohd Zaky Bin Othman	(Resigned on 16.03.2026)
Tan Chee Keong*	(Resigned on 16.04.2025)
Jananee Priya A/P Gopal	
Phum Boon Eng*	(Appointed on 22.12.2025)
Tan Sri Razarudin Bin Husain @ Abd Rasid	(Appointed on 16.03.2026)
Datuk Loo Took Gee	(Appointed on 16.03.2026)
Wee Chuen Lii	(Appointed on 16.03.2026)

* *Director of the Company and of its subsidiary companies*

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) in office during the financial year and during the period from the end of the financial year to the date of this report are:

Dato' Yap Soon Huat
Yap Ho Huat
Lim Chin Khuan
Lim Ten Fung
Lt. Kol. (B) Dato' Haji Nor Hashim Bin Abdul Aziz
Yap Chai Huat
Yap Yee Huat
Lim Kok Tiong
Puah Kian Yiew
Dato' Neoh Soon Hiong

DIRECTORS' REPORT

DIRECTORS (CONT'D)

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	< ----- Number of Ordinary Shares ----- >			
	At 1.1.2025	Acquired	Disposed	At 31.12.2025
Interests in the Company				
Direct Interests:				
Dato' Phum Ang Kia	97,563,750	-	-	97,563,750
Tung Kai Hung	9,775,250	100,000	-	9,875,250
Indirect Interests:				
Dato' Phum Ang Kia*	150,000	-	-	150,000

	< ----- Number of Options under ESOS ----- >			
	At 1.1.2025	Granted	Terminated	At 31.12.2025
Interests in the Company				
Direct Interests:				
Dato' Phum Ang Kia	15,000,000	-	(15,000,000)	-
Tung Kai Hung	12,500,000	-	(12,500,000)	-

* Deemed interests pursuant to Section 59(11)(c) of the Companies Act, 2016 by virtue of his spouse's and/or child's direct interests in the Company.

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES (CONT'D)

By virtue of his interests in the shares of the Company, Dato' Phum Ang Kia is also deemed interested in the shares of all the subsidiary companies during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors 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 he is a member, or with a company in which he has a substantial financial interest, other than Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 36(c).

Neither during nor at the end of the financial year, no arrangement subsisted to which the Company was a party whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

The details of the Directors' remuneration paid/payable to Directors of the Group and of the Company during the financial year are as follows:

	Group RM	Company RM
Salary and other emoluments	2,183,957	1,571,292
Directors' fees	232,187	232,187
Defined contribution plans	206,716	182,461
	2,622,860	1,985,940

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amounts of indemnity coverage and insurance premium paid for the directors and a principal officer of the Group and of the Company were RM10,000,000 and RM30,000 respectively. No indemnity was given to or insurance effected for auditors of the Company.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) 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; or
 - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and
 - (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

SUBSIDIARY COMPANIES

The details of the subsidiary companies are disclosed in Note 8.

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2025 is RM419,500 and RM75,000.

AUDITORS

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

Signed on behalf of the Board, as approved by the Board in accordance with a resolution of the Directors dated 27 April 2026.

DATO' PHUM ANG KIA

TUNG KAI HUNG

KUALA LUMPUR

STATEMENT BY DIRECTORS

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

The Directors of Advancecon Holdings Berhad, state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards (“MFRS”) Accounting Standards, International 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 the financial performance and cash flows of the Group and of the Company for the financial year ended on that date.

Signed in accordance with a resolution of the Directors dated 27 April 2026.

DATO’ PHUM ANG KIA

TUNG KAI HUNG

KUALA LUMPUR

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

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

I, Alicia Chin Mei Yoke being the Officer primarily responsible for the financial management of Advancecon Holdings Berhad do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

ALICIA CHIN MEI YOKE

Subscribed and solemnly declared by the abovenamed Alicia Chin Mei Yoke at Kuala Lumpur in the Federal Territory, this 27 April 2026.

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ADVANCECON HOLDINGS BERHAD

[REGISTRATION NO.: 199701011469 (426965-M)] (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Advancecon Holdings Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 98 to 207.

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 MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

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 ADVANCECON HOLDINGS BERHAD

[REGISTRATION NO.: 199701011469 (426965-M)] (INCORPORATED IN MALAYSIA)

Key Audit Matters (Cont'd)

Key Audit Matters	How our audit addressed the Key Audit Matters
<p>Revenue Recognition for Construction Services</p> <p>Revenue recognition for construction activities, due to the contracting nature of the business, involves significant judgements. This includes the determination of the total budgeted contracts costs and the calculation of percentage of completion which affects the quantum of the revenue to be recognised. In estimating the revenue to be recognised, the management considers past experience and certification by customers and independent third parties, where applicable.</p> <p>We determined this to be a key audit matter due to the complexity and judgemental nature of the budgeting of contract costs and the determination of revenue recognised.</p>	<ul style="list-style-type: none"> • Read key contracts and discussed with management to obtain an understanding of the terms and conditions to assess our consideration of whether revenue was appropriately recognised; • Tested costs incurred to date to supporting documentation such as contractors' claim certificates; • Assessed the management's assumptions in determining the percentage of completion of projects, estimations of revenue and costs, provisions for foreseeable losses, liquidated and ascertained damages. • Assessed the reasonableness of percentage of completion by comparing to certification by external parties; and • Reviewed estimated profit and costs to complete and adjustments for job costing and potential contract losses.

We have determined that there is no key audit matter in the audit of the financial statements of the Company to be communicated in our Auditors' Report.

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

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

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ADVANCECON HOLDINGS BERHAD

[REGISTRATION NO.: 199701011469 (426965-M)] (INCORPORATED IN MALAYSIA)

Responsibilities of the Directors for the Financial Statements (Cont'd)

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 has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ADVANCECON HOLDINGS BERHAD

[REGISTRATION NO.: 199701011469 (426965-M)] (INCORPORATED IN MALAYSIA)

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

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current 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.

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.

UHY Malaysia PLT

202406000040 (LLP0041391-LCA) & AF1411
Chartered Accountants

TEOH WEI YEIN

Approved Number: 03655/04/2028 J
Chartered Accountant

KUALA LUMPUR

27 April 2026

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	4	239,065,172	246,823,932	6,345,870	6,294,519
Investment properties	5	33,225,953	33,785,007	-	-
Intangible assets	6	1,000,000	1,100,000	-	-
Goodwill on consolidation	7	-	-	-	-
Investment in subsidiary companies	8	-	-	125,104,005	126,759,951
Investment in an associate company	9	3,953,377	3,952,135	225,000	297,720
Investment in joint ventures	10	363,340	363,340	-	-
Trade receivables	11	58,592	139,462	-	-
Other receivables	12	1,351,927	3,785,958	-	-
Inventories	13	-	-	-	-
Amount due from subsidiary companies	14	-	-	28,076,547	26,944,192
		279,018,361	289,949,834	159,751,422	160,296,382
CURRENT ASSETS					
Inventories	13	35,758,123	14,387,084	-	-
Contract assets	15	74,055,314	84,400,211	-	-
Finance lease receivables	16	-	345,077	-	-
Trade receivables	11	62,798,078	56,205,684	-	-
Other receivables	12	31,284,280	32,228,156	105,563	88,387
Amounts due from subsidiary companies	14	-	-	23,864,303	19,091,236
Amount due from associated company	17	1,611,397	2,437,408	23,000	104,583
Amount due from related parties	18	49,940	51,175	-	-
Tax recoverable		2,961,099	6,118,561	-	127,180
Short-term investment	19	262,379	252,919	71,004	68,624
Deposits with licensed banks	20	36,352,487	37,170,252	295,298	287,534
Cash and bank balances		11,035,262	7,923,568	538,694	522,392
		256,168,359	241,520,095	24,897,862	20,289,936
Total Assets		535,186,720	531,469,929	184,649,284	180,586,318

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025 (CONT'D)

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
EQUITY					
Share capital	21	133,729,611	133,729,611	133,729,611	133,729,611
Treasury shares	22	(5,221,445)	(3,376,278)	(5,221,445)	(3,376,278)
Reserve	23	-	3,483,470	-	3,483,470
Retained earnings		36,225,904	26,120,560	25,856,938	16,540,007
Equity attributable to owners of the Company		164,734,070	159,957,363	154,365,104	150,376,810
Non-controlling interests		(2,709,870)	(2,011,389)	-	-
TOTAL EQUITY		162,024,200	157,945,974	154,365,104	150,376,810
LIABILITIES					
NON-CURRENT LIABILITIES					
Amount due to a related party	18	27,171,611	26,072,778	-	-
Bank borrowings	24	113,518,871	118,220,157	2,248,141	5,534,215
Lease liabilities	25	1,415,749	1,291,506	152,226	-
Deferred tax liabilities	26	4,564,100	4,903,114	-	-
		146,670,331	150,487,555	2,400,367	5,534,215
CURRENT LIABILITIES					
Contract liabilities	15	6,966,623	10,007,593	-	-
Trade payables	27	74,877,093	72,491,368	-	-
Other payables	28	28,202,055	26,130,759	814,954	583,719
Amounts due to subsidiary companies	14	-	-	19,146,908	16,144,483
Amount due to an associated company	17	175,686	82,921	-	-
Bank borrowings	24	114,053,833	112,668,351	7,809,349	7,673,621
Lease liabilities	25	863,978	1,355,566	90,982	43,515
Tax payable		1,352,921	299,842	21,620	229,955
		226,492,189	223,036,400	27,883,813	24,675,293
Total Liabilities		373,162,520	373,523,955	30,284,180	30,209,508
Total Equity and Liabilities		535,186,720	531,469,929	184,649,284	180,586,318

The accompanying 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	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	29	423,292,900	383,228,551	15,411,624	35,037,279
Cost of sales		(377,928,830)	(371,215,527)	-	-
Gross profit		45,364,070	12,013,024	15,411,624	35,037,279
Other income		12,742,314	12,625,398	1,704,659	1,772,872
Net gain on impairment of financial instruments	31	311,546	42,611	-	-
Selling and distribution expenses		(580,825)	(569,733)	-	-
Administrative expenses		(23,687,647)	(28,185,996)	(7,391,429)	(7,047,082)
Other expenses		(10,483,776)	(7,190,859)	(230,832)	(206,966)
Finance costs	30	(14,615,048)	(11,189,308)	(692,249)	(782,874)
Share of results of an equity accounted associate	9	1,242	1,706,200	-	-
Profit /(Loss) before tax	31	9,051,876	(20,748,663)	8,801,773	28,773,229
Taxation	32	(3,128,483)	(817,667)	(181,171)	(229,955)
Profit /(Loss) for the financial year, representing total comprehensive income/ (loss) for the financial year		5,923,393	(21,566,330)	8,620,602	28,543,274
Profit/(Loss) attributable to:					
Owner of the Parent		6,621,874	(22,737,059)	8,620,602	28,543,274
Non-controlling interest		(698,481)	1,170,729	-	-
		5,923,393	(21,566,330)	8,620,602	28,543,274
Total comprehensive income/(loss) attributable to:					
Owner of the Parent		6,621,874	(22,737,059)	8,620,602	28,543,274
Non-controlling interest		(698,481)	1,170,729	-	-
		5,923,393	(21,566,330)	8,620,602	28,543,274
Earnings/(Loss) per share:					
- Basic (sen)	34	1.16	(3.95)		
- Diluted (sen)	34	1.16	(3.95)		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Group	Attributable to Owners of the Parent							Total Equity RM
	Non-distributable			Distributable				
	Share Capital RM	Treasury Shares RM	Employee Share Option Reserve RM	Retained Earnings RM	Non- Controlling Interests RM	Total RM		
At 1 January 2025	133,729,611	(3,376,278)	3,483,470	26,120,560	(2,011,389)	159,957,363	157,945,974	
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year	-	-	-	6,621,874	(698,481)	6,621,874	5,923,393	
Transactions with owners:								
Purchase of treasury shares	-	(1,845,167)	-	-	-	(1,845,167)	(1,845,167)	
Termination of share option expenses	-	-	(3,483,470)	3,483,470	-	-	-	
At 31 December 2025	133,729,611	(5,221,445)	-	36,225,904	(2,709,870)	164,734,070	162,024,200	

22

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Attributable to Owners of the Parent							Total Equity RM
	Non-distributable			Distributable				
	Share Capital RM	Treasury Shares RM	Employee Share Option Reserve RM	Retained Earnings RM	Non- Controlling Interests RM	Total RM		
Group								
At 1 January 2024	133,729,611	(3,249,343)	-	48,665,774	(2,990,276)	179,146,042		176,155,766
(Loss)/Profit for the financial year, representing total comprehensive (loss)/income for the financial year	-	-	-	(22,737,059)	1,170,729	(22,737,059)		(21,566,330)
Transactions with owners:								
Purchase of treasury shares	-	(126,935)	-	-	-	(126,935)		(126,935)
Recognition of share option expenses	-	-	3,483,470	-	-	3,483,470		3,483,470
Changes in non-controlling interests	-	-	-	191,845	(191,842)	191,845		3
At 31 December 2024	133,729,611	(3,376,278)	3,483,470	26,120,560	(2,011,389)	159,957,363		157,945,974

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Note	Non-distributable			Distributable		Total Equity RM
		Share Capital RM	Treasury Shares RM	Employee Share Option Reserve RM	Retained Earnings RM		
Company							
At 1 January 2025		133,729,611	(3,376,278)	3,483,470	16,540,007	150,376,810	
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	8,620,602	8,620,602	
Transactions with owners:							
Purchases of treasury shares		-	(1,845,167)	-	-	(1,845,167)	
Terminated on Employee share option		-	-	(3,483,470)	696,329	(2,787,141)	
At 31 December 2025		133,729,611	(5,221,445)	-	25,856,938	154,365,104	

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

Note	Non-distributable			Distributable		Total Equity RM
	Share Capital RM	Treasury Shares RM	Employee Share Option Reserve RM	Retained Earnings RM		
Company						
At 1 January 2024	133,729,611	(3,249,343)	-	(12,003,267)		118,477,001
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	28,543,274		28,543,274
Transactions with owners:						
Recognition of share option expenses	-	-	3,483,470	-		3,483,470
Purchases of treasury shares	-	(126,935)	-	-		(126,935)
At 31 December 2024	133,729,611	(3,376,278)	3,483,470	16,540,007		150,376,810

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash Flows From Operating Activities				
Profit/(Loss) before tax	9,051,876	(20,748,663)	8,801,773	28,773,229
Adjustments for:				
Amortisation of intangible assets	100,000	100,000	-	-
Bad debts written off	4,310	25,000	-	-
Depreciation of property, plant and equipment	37,668,027	37,561,455	230,785	206,965
Depreciation of investment properties	559,047	560,673	-	-
Gain on disposals of property, plant and equipment	(7,392,524)	(3,946,100)	-	-
Gain on disposal of non-current asset held for sale	-	(4,347,809)	-	-
Impairment loss on:				
- trade receivables	424,807	492,138	-	-
- other receivables	1,342,861	824,673	-	-
- contract assets	2,301,770	478,319	-	-
- related parties	1,236	-	-	-
Reversal of impairment loss on:				
- trade receivables	(401,040)	(1,350,005)	-	-
- other receivables	(1,679,410)	-	-	-
- amount due from related parties	-	(9,417)	-	-
Dividend income	(9,460)	(8,904)	(10,002,380)	(30,002,379)
Equity settled share based payment	-	3,483,470	(2,787,141)	1,754,804
Interest expenses	14,615,048	11,189,308	692,249	782,874
Interest income	(1,016,740)	(996,864)	(1,151,018)	(1,259,796)
Fair value gain on receivables	(192,174)	(315,292)	-	-
Gain on termination of lease contracts	(10,773)	(2,027)	-	-
Property, plant and equipment written off	235,135	35,340	47	1
Investment property written off	7	-	-	-
Share of results of an equity accounted associate	(1,242)	(1,706,200)	-	-
Operating profit/(loss) before working capital changes	55,600,761	21,319,095	(4,215,685)	255,698

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash Flows From Operating Activities (Cont'd)					
Changes in working capital:					
Inventories		(21,371,039)	(3,238,185)	-	-
Contract assets/liabilities		5,002,157	5,839,770	-	-
Trade and other receivables		(3,572,971)	7,769,106	(30,176)	(9,381)
Trade and other payables		(92,979)	(27,566,434)	244,236	(158,373)
Amounts due from subsidiary companies		-	-	1,413,409	1,549,382
Amounts due from associate companies		609,674	1,874,948	-	30,900
Amounts due from related parties		(1)	337,234	-	-
Amounts due from joint ventures		-	(1,421,720)	-	-
		(19,425,159)	(16,405,281)	1,627,469	1,412,528
Cash generated from/(used in) operations		36,175,602	4,913,814	(2,588,216)	1,668,226
Interest paid		(14,615,048)	(12,251,797)	(692,249)	(782,874)
Tax refunded		3,244,724	1,344,772	-	-
Tax paid		(2,501,680)	(2,029,461)	(262,327)	(212,868)
		(13,872,004)	(12,936,486)	(954,576)	(995,742)
Net cash from/(used in) operating activities		22,303,598	(8,022,672)	(3,542,792)	672,484
Cash Flows From Investing Activities					
Investment in subsidiary		-	-	1,655,946	(30,000,000)
Investment in an associate		-	(562,769)	72,720	-
Interest received		1,016,740	996,864	1,151,018	1,259,796
Repayment from finance lease receivables		345,077	411,852	-	-
Advance to subsidiary companies		-	-	(7,318,831)	(15,445,563)
Repayment from/(Advance to) associate		220,929	(656,715)	81,583	(103,333)
Proceeds from disposal of joint venture		-	231,451	-	-
Repayment from joint venture		-	2,075,685	-	-
Proceeds from disposals of property, plant and equipment		11,640,174	6,418,303	-	-
Proceeds from disposals of non-current asset held for sale		-	6,000,000	-	-
Purchase of property, plant and equipment		(6,591,590)	(18,003,161)	(1,200)	(213,320)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash Flows From Investing Activities (Cont'd)				
Dividend received:				
-subsidiary	-	-	10,000,000	30,000,000
-short-term investment	9,460	8,904	2,380	2,379
Changes in deposits pledged with licensed banks	817,765	18,081,173	(7,764)	(7,539)
Net cash from/(used in) investing activities	7,458,555	15,001,587	5,635,852	(14,507,580)
Cash Flows From Financing Activities				
Repayment of lease liabilities	(1,398,858)	(1,399,916)	(81,290)	(72,267)
Repayment of hire purchase	(13,650,975)	(14,414,952)	-	-
Advances from related parties	1,098,833	1,728,476	-	-
Advances from subsidiary companies	-	-	3,002,425	16,141,520
Treasury shares acquired	(1,845,167)	(126,935)	(1,845,167)	(126,935)
Advances from/(Repayment to) an associate	88,173	(4,841,933)	-	-
Net changes of term loans	(19,935,296)	(12,617,345)	(3,271,856)	(3,263,773)
Net changes of bankers' acceptance	4,488,474	(8,621,357)	-	-
Net changes of bank factoring	940,024	2,354,589	-	-
Net changes in invoice financing, trust receipts and revolving credit	1,251,089	9,383,417	-	-
Net cash (used in)/from financing activities	(28,963,703)	(28,555,956)	(2,195,888)	12,678,545
Net changes in cash and cash equivalents	798,450	(21,577,041)	(102,828)	(1,156,551)
Cash and cash equivalents at the beginning of the financial year	(6,088,472)	15,488,569	(3,808,314)	(2,651,763)
Cash and cash equivalents at the end of the financial year	(5,290,022)	(6,088,472)	(3,911,142)	(3,808,314)
Cash and cash equivalents at the end of the financial year comprises:				
Short-term investment	262,379	252,919	71,004	68,624
Deposits with licensed banks	36,352,487	37,170,252	295,298	287,534
Cash and bank balances	11,035,262	7,923,568	538,694	522,392
Bank overdrafts	(16,587,663)	(14,264,959)	(4,520,840)	(4,399,330)
	31,062,465	31,081,780	(3,615,844)	(3,520,780)
Less: Deposits pledged with licensed banks	(36,352,487)	(37,170,252)	(295,298)	(287,534)
	(5,290,022)	(6,088,472)	(3,911,142)	(3,808,314)

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

1. CORPORATE INFORMATION

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

The principal place of business is located at No.16, 18 & 20, Jalan Pekaka 8/3, Seksyen 8, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan.

The registered office of the Company are located at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No.1, Medan Syed Putra Utara, 59200 Kuala Lumpur.

The Company is principally engaged in the business of providing management services, whilst the principal activities of the Group, comprising the Company and its subsidiaries, which involved in construction and support services, property investments, green energy, property developments and quarry operations. Details of the principal activities of the subsidiary companies are shown in Note 8. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Directors in accordance with a resolution of the Board of Directors passed on 27 April 2026.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policies below.

Adoption of amended standards

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 121

The Effects of Changes in Foreign Exchange Rates

The adoption of the above amendments to MFRSs did not have any significant impact on the financial statements of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective

The Group and the Company have not applied the following new and amendments to MFRSs issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
Amendments to MFRS 7	Financial Instruments: Disclosures	1 January 2026
Amendments to MFRS 9	Financial Instruments	1 January 2026
Amendments to MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred until further notice
Amendments to MFRS 19	Subsidiaries without Public Accountability Disclosures	1 January 2027
Amendments to MFRS 107	Statement of Cash Flows	1 January 2026
Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2026
Amendments to MFRS 128	Investments in Associates and Joint Ventures	Deferred until further notice

The Group and the Company intend to adopt the new and amendments to MFRSs, if applicable, when they become effective.

The initial application of amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It retains many requirements from MFRS 101 without modification. MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss - including "operating profit", which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures ("MPMs"). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communicates about the entity's financial performance, and any changes made to the MPMs in the year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

MFRS 18 Presentation and Disclosure in Financial Statements (Cont'd)

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the “operating” category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as “other” to be labelled and/or described in as faithfully representative and precise a way as possible.

The potential impact of the new standard on the financial statements of the Group and of the Company have yet to be assessed.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Group’s and the Company’s functional currency. All financial information is presented in RM, unless otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group’s and of the Company’s financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group’s and the Company’s accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Satisfaction of performance obligation in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations:

The Group recognises revenue over time in the following circumstances:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- (b) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
- (c) the Group’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Judgements (Cont'd)

Satisfaction of performance obligation in relation to contracts with customers (Cont'd)

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Lease terms

Some leases contain extension options exercisable by the Group 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).

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

Impairment of investment in subsidiaries, property, plant and equipment

The Group determines whether an item of its investment in subsidiaries, and property, plant and equipment 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 amounts of investment in subsidiaries, and property, plant and equipment as at the reporting date are disclosed in Note 4 and 8 respectively.

Impairment of trade receivables and contract assets

The Group uses 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 develops 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 amounts of trade receivables and contract assets as at the reporting date are disclosed in Note 11 and 15 respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Revenue recognition for construction services

The Company recognises 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 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. The carrying amounts of contract assets and contract liabilities as at the reporting date are disclosed in Note 15.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 December 2025, the Group has tax recoverable of RM2,961,099 (2024: RM6,118,561) and tax payable of RM1,352,921 (2024: RM299,842) respectively. While, the Company has tax recoverable of RM Nil (2024: RM127,180) and tax payable of RM21,620 (2024: RM229,955).

3. MATERIAL ACCOUNTING POLICIES

The Group and the Company apply the material accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

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

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(i) Business combinations

Subsidiaries are consolidated using the merger method of accounting for business combination of entities are under common control or acquisition method of accounting for business combination of entities under acquisition.

(ii) Non-controlling interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(iii) Changes in ownership interests in subsidiaries without change of control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value of the initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(b) Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Goodwill (Cont'd)

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

In respect of equity-accounted associate and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associate and joint ventures.

(c) Functional and presentation currency

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

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

(ii) Foreign currency transactions and balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss except for differences arising from the translation of available-for-sale equity instruments which are recognised in other comprehensive income.

(d) Financial instruments

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(d) Financial instruments (Cont'd)

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(i) Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt instruments

(a) Amortised cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(b) Fair value through other comprehensive income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(c) Fair value through profit or loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(d) Financial instruments (Cont'd)

(i) Financial assets (Cont'd)

Debt instruments (Cont'd)

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity instruments

All equity investments are subsequent measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(ii) Financial liabilities

(a) Financial liabilities at fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss.

(b) Other financial liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(iii) Equity instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(d) Financial instruments (Cont'd)

(iii) Equity instruments (Cont'd)

(a) Ordinary shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(b) Treasury shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Where treasury shares are reissued by resale, the difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity.

Where treasury shares are cancelled, their costs are transferred to retained profits.

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(v) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(d) Financial instruments (Cont'd)

(v) Financial guarantee contracts (Cont'd)

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, 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, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

(e) Investment in subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

(f) Investment in an associate

An associate is an entity in which the Group and the Company have a long-term equity interest and where it exercises significant influence over the financial and operating policies.

Investment in an associate is stated at cost in the statement of financial position of the Company, and is reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying value may not be recoverable. The cost of the investment includes transaction costs.

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to 31 December 2025. The Group's share of the post acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's investment in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the associate is the carrying amount of the investment in the associate determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate.

Unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(f) Investment in an associate (Cont'd)

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued.

(g) Property, plant and equipment

All items of property, plant and equipment, are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the Company, and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Cost of capital work-in-progress includes direct cost, related expenditure and interest cost on borrowings taken to finance the acquisition of the assets to the date that the assets are completed and put into use.

Depreciation on property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Owned assets

Buildings	2% -17%
Furniture, fittings and office equipment	10% -20%
Plant, machinery and equipment	10% - 33%
Motor vehicles	12% -15%
Renovation	15% - 20%
Solar farm	4%

Right-of-use assets

Leasehold land	Over the lease period of 50 to 99 years
Leased land	33%-50%
Premises	20% - 50%
Workshop	12%
Land use right	50%

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(g) Property, plant and equipment (Cont'd)

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as changes in estimate.

Capital work-in-progress included in property is not depreciated as this asset is not yet available for use. Freehold land is not depreciated.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

(h) Investment properties

Investment properties are properties which are owned or right-of-use asset held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss on a straight-line method over the estimated useful lives of the investment properties. The estimated useful lives of the investment properties are as follows:-

Buildings	2%
Leasehold land	Over the lease period of 76 years

Freehold land is stated at cost less impairment loss, if any, and is not depreciated.

Investment properties under construction are not depreciated as these assets are not yet available for use.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(i) Intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination are their fair values as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over their estimated useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(j) Quarry and mining production stripping costs

Production stripping costs incurred in the removal of waste materials (overburden) on quarry and mining sites which provide improved access to the quarry and mining body but do not meet the criteria for recognition as a non-current stripping activity asset are recognised in profit or loss as part of quarry and mining operating costs.

(k) Inventories

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

(i) Property under development and completed property

Property under development consists of the cost of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities, including common costs such as the cost of constructing mandatory infrastructure, amenities and affordable houses (net of estimated approved selling prices) and other related costs. The asset is subsequently recognised as expenses in profit or loss when and as the control of the asset is transferred to the customer.

Properties development costs attributable to unsold properties, upon completion, are transferred to completed properties held for sale.

The cost of completed properties includes costs of land and related development cost or its purchase costs and incidental cost of acquisition. Cost is determined on a specific identification basis.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(k) Inventories (Cont'd)

(i) Other inventories

Inventories representing stockpile of quarry products, raw materials and spare parts are valued at the lower of cost and net realisable value. Cost of stockpile of quarry products is determined on the weighted average cost basis and the cost includes the cost of materials, royalties, direct labour and an appropriate proportion of production overheads. Cost of spare parts and raw materials is determined on first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(l) Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The Group presents right-of-use assets in property, plant and equipment, and investment properties, and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment, and investment properties.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount has been reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(m) Contract asset and contract liability

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance with MFRS 9.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

(n) Contract costs

Contract costs are recognised as an asset when the following criteria are met:-

- (i) In relation to incremental costs of obtaining a contract, the Group recognises the costs as an asset if the Group expects to recover those costs.
- (ii) In relation to costs to fulfil a contract, the Group recognises the contract costs as an asset if (i) they relate directly to a contract or to an anticipated contract that the Group can specifically identify; (ii) when the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and (iii) the costs are expected to be recovered.

These assets are initially measured at cost and are subsequently amortised on a systematic basis that is consistent with the transfer to the customers of the goods or services to which the assets relate. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the asset exceeds the remaining amount of consideration expected to be received less the remaining costs expected to be incurred. A reversal of impairment loss is recognised in profit or loss when the impairment conditions no longer exist or have improved. The increased carrying amount after reversal of impairment loss shall not exceed the amount that would have been determined (net of amortisation) if no impairment loss had been recognised previously.

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(p) Non-current asset held for sale

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Property, plant and equipment are not depreciated once classified as held for sale.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(q) Impairment

(i) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade receivables and contract assets, as well as on financial guarantee contracts.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(ii) Impairment of non-financial assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(q) Impairment (Cont'd)

(ii) Impairment of non-financial assets (Cont'd)

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(r) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

(s) Employee benefits

(i) Short-term benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss and included in the construction costs, where appropriate, in the period in which the associated services are rendered by employees of the Group.

(ii) Defined contribution plans

The Group's contributions to defined contribution plans are recognised in profit or loss and included in the construction costs, where appropriate, in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(iii) Share-based payment transactions

The Group operates an equity-settled share-based compensation plan, under which the Group receives services from employees as consideration for equity instruments of the Company (known as "share options").

At grant date, the fair value of the share options is recognised as an expense on a straight-line method over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding credit to employee share option reserve in equity. The amount recognised as an expense is adjusted to reflect the actual number of the share options that are expected to vest. Service and non-market performance conditions attached to the transaction are not taken into account in determining the fair value.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(s) Employee benefits (Cont'd)

(iii) Share-based payment transactions (Cont'd)

In the Company's separate financial statements, the grant of the share options to the subsidiaries' employees is not recognised as an expense. Instead, the fair value of the share options measured at the grant date is accounted for as an increase to the investment in subsidiary undertaking with a corresponding credit to the employee share option reserve.

Upon expiry of the share option, the employee share option reserve is transferred to retained profits.

When the share options are exercised, the employee share option reserve is transferred to share capital if new ordinary shares are issued.

(t) Income tax

(i) Current tax

Current tax assets and liabilities are the expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(ii) Deferred tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(u) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

(v) Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity investments at the date at which they are granted. The estimating of the fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option volatility and dividend yield and making assumptions about them.

(w) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(x) Earnings per ordinary share

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

(y) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(z) Fair value measurement

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

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

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.
- Level 2: input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

(aa) Revenue from contracts with customers

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 expects 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 recognises 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.

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group transfers 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 performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(aa) Revenue from contracts with customers (Cont'd)

(i) 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.

A receivable is recognised when the construction services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the construction services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised.

(ii) Hiring of machinery

Revenue from providing hiring of machinery services is recognised at a point in time when the services have been rendered to the customers and coincides with the delivery of services and acceptance by customers.

(iii) Sale of goods

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance.

Revenue from these sales is recognised based on the price specified in the contract and net of returns.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(iv) Rendering of day work services

Revenue from providing day work services is recognised at a point in time when the services have been rendered to the customers and coincides with the delivery of services and acceptance by customers.

(v) Rental income from investment properties

Rental income from investment properties is accounted for on a straight-line method over the lease term.

(vi) Design, construct and installation services

Revenue from design, construct and installation services is recognised over time in the period in which the services are rendered using the input method, determined based on the proportion of costs incurred for work performed to date over the estimated total 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 is highly probable that a significant reversal will not occur.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(aa) Revenue from contracts with customers (Cont'd)

(vi) Design, construct and installation services (Cont'd)

A receivable is recognised when the services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the services rendered exceed the payment received, a contract asset is recognised. If the payments received exceed the services rendered, a contract liability is recognised.

(vii) Sale of electricity generated from renewable energy

Revenue from the sale of energy is recognised upon invoiced value of electricity generated, net of billing adjustments (whichever applicable) because the customers receive and use the benefits simultaneously.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

(viii) Sale of quarry products and premix from quarry operations

Revenue from sales of quarry products and premix from quarry operations is recognised at a point in time when the goods are delivered and accepted by the customers. Billings are rendered on twice a month basis.

(ix) Sub-contract works income

The Group operates bauxite mines and quarries for mines and quarry owners and satisfies its performance obligations when the requisite bauxite and quarry products have been produced and ready for use or sales by the owners. The Group's customary obligations under such contracts include provision of the necessary plant and equipment and labour to operate the mines and quarries. Revenue from such services is recognised over time by reference to the amount determined based on contracted rates that the Group has the right to invoice the customers, which correspond directly with the value of services transferred to the customers for the Group's performance to-date. Billings are rendered on a monthly basis.

(bb) Revenue from other sources and other operating income

(i) Interest income

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

(ii) Dividend income

Dividend income from investment is recognised when the right to receive dividend payment is established.

Dividend income from short-term investment is recognised on an accrual basis using the effective interest method.

(iii) Management fee

Management fee from providing managing services is recognised in the period in which the services are rendered.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(bb) Revenue from other sources and other operating income (Cont'd)

(iv) Rental income

Rental income is recognised on an accrual basis.

(cc) Joint arrangements

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

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

(i) Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, the obligations for the liabilities, relating to the arrangement. The Group accounts for each of its interest in the joint operations the assets, liabilities, revenue and expenses (including its share of those held or incurred jointly with the other investors) in accordance with the applicable accounting standards.

(ii) Joint venture

A joint venture is a joint arrangement whereby the Group has rights only to the net assets of the arrangement.

The investment in a joint venture is accounted for in the consolidated financial statements using the equity method, based on the financial statements of the joint venture made up to end of reporting date. The Group's share of the post acquisition profits and other comprehensive income of the joint venture is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that joint control commences up to the effective date when the investment ceases to be a joint venture or when the investment is classified as held for sale. The Group's investment in the joint venture is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the joint venture is the carrying amount of the investment in the joint venture determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the joint venture.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(cc) Joint arrangements (Cont'd)

(ii) Joint venture (Cont'd)

Unrealised gains on transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated unless cost cannot be recovered.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that joint venture to profit or loss when the equity method is discontinued. However, the Group will continue to use the equity method when an investment in a joint venture becomes an investment in an associate. Under such change in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the joint venture will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investments in joint ventures are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

4. PROPERTY, PLANT AND EQUIPMENT

	At cost									
	At 1 January RM	Additions RM	Termination of lease contracts RM	Lease modification RM	Disposals RM	Written off RM	Reclassification RM	Total RM		
Group										
2025										
<u>Owned Assets</u>										
Freehold land	3,360,608	-	-	-	-	-	-	3,360,608		
Buildings	5,251,992	7,400	-	-	-	-	-	5,259,392		
Furniture, fittings and office equipment	8,813,109	237,662	-	-	(8,500)	(716,555)	-	8,325,716		
Plant, machinery and equipment	433,963,923	30,066,904	-	-	(41,789,116)	(36,826,252)	245,051	385,660,510		
Motor vehicles	74,972,924	2,052,852	-	-	(1,091,861)	-	-	75,933,915		
Renovation	3,942,093	1,200	-	-	-	-	-	3,943,293		
Solar Farm	96,875,675	-	-	-	-	-	13,700	96,889,375		
Capital work-in- progress	925,289	983,748	-	-	-	(22,130)	(258,751)	1,628,156		
<u>Right-of-use Assets</u>										
Leasehold land	35,549,867	-	-	-	-	-	-	35,549,867		
Leased land	1,400,586	-	-	-	-	-	-	1,400,586		
Workshop	987,624	-	-	-	-	-	-	987,624		
Premises	5,997,009	362,413	(460,390)	680,980	-	-	-	6,580,012		
Land use right	-	90,477	-	-	-	-	-	90,477		
	672,040,699	33,802,656	(460,390)	680,980	(42,889,477)	(37,564,937)	-	625,609,531		

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Accumulated depreciation							Total RM
	At 1 January RM	Charge for the financial year RM	Termination of lease contracts RM	Disposals RM	Written off RM	Reclassification RM	RM	
2025								
<u>Owned Assets</u>								
Buildings	2,410,491	138,377	-	-	-	-	-	2,548,868
Furniture, fittings and office equipment	7,432,734	400,097	-	(8,499)	(716,220)	-	-	7,108,112
Plant, machinery and equipment	335,457,587	27,340,315	-	(37,543,500)	(36,613,582)	-	-	288,640,820
Motor vehicles	65,714,332	3,433,134	-	(1,089,828)	-	-	-	68,057,638
Renovation	2,019,527	548,878	-	-	-	-	-	2,568,405
Solar Farm	645,838	3,875,666	-	-	-	-	-	4,521,504
<u>Right-of-use Assets</u>								
Leasehold land	3,351,339	437,347	-	-	-	-	-	3,788,686
Leased land	840,351	560,235	-	-	-	-	-	1,400,586
Workshop	79,010	118,515	-	-	-	-	-	197,525
Premises	3,904,950	789,073	(368,806)	-	-	-	-	4,325,217
Land use right	-	26,390	-	-	-	-	-	26,390
	421,856,159	37,668,027	(368,806)	(38,641,827)	(37,329,802)	-	-	383,183,751

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Accumulated impairment losses		Carrying amount	
	At 1 January/ 31 December RM		At 31 December RM	
Group				
2025				
<u>Owned Assets</u>				
Freehold land	3,360,608	-	-	-
Buildings	-	2,710,524	2,710,524	
Furniture, fittings and office equipment	-	1,217,604	1,217,604	
Plant, machinery and equipment	-	97,019,690	97,019,690	
Motor vehicles	-	7,876,277	7,876,277	
Renovation	-	1,374,888	1,374,888	
Solar Farm	-	92,367,871	92,367,871	
Capital work-in-progress	-	1,628,156	1,628,156	
<u>Right-of-use Assets</u>				
Leasehold land	-	31,761,181	31,761,181	
Leased land	-	-	-	
Workshop	-	790,099	790,099	
Premises	-	2,254,795	2,254,795	
Land use right	-	64,087	64,087	
	3,360,608	239,065,172	239,065,172	

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	At cost										Total RM	
	At 1 January RM	Additions RM	Termination of lease contracts RM	Lease modification contracts RM	Expiration of lease contracts RM	Disposals RM	Written off RM	Reclassification RM	RM	RM		
2024												
<u>Owned Assets</u>												
Freehold land	3,360,608	-	-	-	-	-	-	-	-	-	-	3,360,608
Buildings	5,192,916	72,936	-	-	-	-	-	-	(13,860)	-	-	5,251,992
Furniture, fittings and office equipment	7,704,706	502,181	-	-	-	-	(20,201)	-	626,423	-	-	8,813,109
Plant, machinery and equipment	439,101,556	33,943,759	-	-	-	(35,887,191)	(3,422,801)	-	228,600	-	-	433,963,923
Motor vehicles	75,677,723	570,127	-	-	-	(991,926)	(283,000)	-	-	-	-	74,972,924
Renovation	3,139,882	135,648	-	-	-	-	-	-	666,563	-	-	3,942,093
Solar Farm	-	-	-	-	-	-	-	-	96,875,675	-	-	96,875,675
Capital work-in- progress	82,930,369	17,365,945	-	-	-	-	-	-	(99,371,025)	-	-	925,289
<u>Right-of-use Assets</u>												
Leasehold land	35,549,867	-	-	-	-	-	-	-	-	-	-	35,549,867
Leased land	1,510,813	-	(50,177)	-	(60,050)	-	-	-	-	-	-	1,400,586
Workshop	-	-	-	-	-	-	-	-	987,624	-	-	987,624
Premises	5,938,407	163,123	(241,665)	224,175	(87,031)	-	-	-	-	-	-	5,997,009
	660,106,847	52,753,719	(291,842)	224,175	(147,081)	(36,879,117)	(3,726,002)	-	-	-	-	672,040,699

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Accumulated depreciation								Total RM
	1 January RM	Charge for At the financial year RM	Termination of lease contracts RM	Expiration of lease contracts RM	Disposals RM	Written off RM	Reclassification RM		
Group									
2024									
<u>Owned Assets</u>									
Buildings	2,274,650	149,694	-	-	-	-	(13,853)	2,410,491	
Furniture, fittings and office equipment	6,427,449	405,844	-	-	-	(17,291)	616,732	7,432,734	
Plant, machinery and equipment	338,826,172	29,207,121	-	-	(29,381,945)	(3,422,798)	229,037	335,457,587	
Motor vehicles	62,175,842	4,670,485	-	-	(881,422)	(250,573)	-	65,714,332	
Renovation	2,316,311	535,132	-	-	-	-	(831,916)	2,019,527	
Solar Farm	-	645,838	-	-	-	-	-	645,838	
<u>Right-of-use Assets</u>									
Leasehold land	2,913,991	437,348	-	-	-	-	-	3,351,339	
Leased land	380,586	569,990	(50,178)	(60,047)	-	-	-	840,351	
Workshop	-	79,010	-	-	-	-	-	79,010	
Premises	3,321,500	860,993	(190,509)	(87,034)	-	-	-	3,904,950	
	418,636,501	37,561,455	(240,687)	(147,081)	(30,263,367)	(3,690,662)	-	421,856,159	

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

4. **PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	Accumulated impairment losses		Carrying amount	
	At 1 January/ 31 December RM	At 31 December RM	At 1 January/ 31 December RM	At 31 December RM
Group				
2024				
<u>Owned Assets</u>				
Freehold land	3,360,608	-	-	-
Buildings	-	2,841,501	2,841,501	2,841,501
Furniture, fittings and office equipment	-	1,380,375	1,380,375	1,380,375
Plant, machinery and equipment	-	98,506,336	98,506,336	98,506,336
Motor vehicles	-	9,258,592	9,258,592	9,258,592
Renovation	-	1,922,566	1,922,566	1,922,566
Solar Farm	-	96,229,837	96,229,837	96,229,837
Capital work-in-progress	-	925,289	925,289	925,289
<u>Right-of-use Assets</u>				
Leasehold land	-	32,198,528	32,198,528	32,198,528
Leased land	-	560,235	560,235	560,235
Workshop	-	908,614	908,614	908,614
Premises	-	2,092,059	2,092,059	2,092,059
	3,360,608	246,823,932	246,823,932	246,823,932

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company 2025	Owned assets					Right-of-use Assets				Total RM
	Buildings RM	Furniture, fittings and office equipment RM	Plant, machinery and equipment RM	Motor vehicles RM	Renovation RM	Leasehold land RM	Premises RM			
Cost										
At 1 January	3,265,939	789,174	107,199	11,190	1,091,817	3,684,524	214,036			9,163,879
Additions	-	-	-	-	1,200	-	280,983			282,183
Written Off	-	(76,938)	-	-	-	-	-			(76,938)
At 31 December	3,265,939	712,236	107,199	11,190	1,093,017	3,684,524	495,019			9,369,124
Accumulated depreciation										
At 1 January	619,825	575,814	107,199	11,187	1,046,811	342,051	166,473			2,869,360
Charge for the financial year	65,319	34,056	-	-	9,976	40,790	80,644			230,785
Written Off	-	(76,891)	-	-	-	-	-			(76,891)
At 31 December	685,144	532,979	107,199	11,187	1,056,787	382,841	247,117			3,023,254
Carrying amount										
At 31 December	2,580,795	179,257	-	3	36,230	3,301,683	247,902			6,345,870

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company 2024	Owned assets					Right-of-use Assets			Total RM
	Buildings RM	Furniture, fittings and office equipment RM	Plant, machinery and equipment RM	Motor vehicles RM	Renovation RM	Leasehold land RM	Premises RM		
Cost									
At 1 January	3,265,939	629,154	107,199	11,190	1,042,837	3,684,524	214,036	8,954,879	
Additions	-	164,340	-	-	48,980	-	-	213,320	
Written Off	-	(4,320)	-	-	-	-	-	(4,320)	
At 31 December	3,265,939	789,174	107,199	11,190	1,091,817	3,684,524	214,036	9,163,879	
Accumulated depreciation									
At 1 January	554,506	557,656	107,199	11,187	1,039,778	301,261	95,127	2,666,714	
Charge for the financial year	65,319	22,477	-	-	7,033	40,790	71,346	206,965	
Written Off	-	(4,319)	-	-	-	-	-	(4,319)	
At 31 December	619,825	575,814	107,199	11,187	1,046,811	342,051	166,473	2,869,360	
Carrying amount									
At 31 December	2,646,114	213,360	-	3	45,006	3,342,473	47,563	6,294,519	

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

4. Property, Plant and Equipment (Cont'd)

(a) Purchase of property, plant and equipment

The aggregate cost for the property, plant and equipment of the Group and the Company during the financial year under finance lease and cash payments are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Aggregate costs	33,802,656	52,753,719	282,183	213,320
Less:				
- Term loan	(9,255,000)	(11,811,446)	-	-
- Finance lease financing	(12,013,176)	(15,935,988)	-	-
- New lease (Note 25)	(452,890)	(163,124)	(280,983)	-
- Other payables	(4,550,000)	(6,840,000)	-	-
- Other receivables	(940,000)	-	-	-
Cash payments	6,591,590	18,003,161	1,200	213,320

(b) The carrying amounts of the plant and equipment held under hire purchase arrangements are as follows:-

	Group	
	2025 RM	2024 RM
Plant, machinery and equipment	35,177,680	43,197,091
Motor vehicles	5,261,609	5,024,104
	40,439,289	48,221,195

(c) The carrying amounts of the following property, plant and equipment of the Group and of the Company which have been pledged to licensed banks as security for banking facilities granted to the Group and the Company as disclosed in Note 24 are as follows:-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Buildings	2,580,795	2,646,114	2,580,795	2,646,114
Leasehold land	21,160,941	21,488,175	3,301,683	3,342,473
Plant, machinery, and equipment and equipment	19,485,100	11,725,200	-	-
Solar Farm	92,367,871	96,229,837	-	-
	135,594,707	132,089,326	5,882,478	5,988,587

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

4. Property, Plant and Equipment (Cont'd)

(d) The Group leases certain assets of which the leasing activities are summarised below:-

- (i) Leasehold land The Group entered into 6 non-cancellable operating lease agreements for the use of land. The leases are for periods between 51 to 99 years with no renewal or purchase option included in the agreements. The leases do not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land. A tenancy is, however, allowed with the consent of the lessor.
- (ii) Leased land The Group leases 4 pieces of vacant land as a workshop for 2 to 3 years, with an option to renew the lease after that date. The Group is allowed to sublease the land with the consent of the lessor.
- (iii) Premises The Group leases 4 office building and 29 units of house accommodation for 2 to 5 years, with an option to renew the lease after that date. The Group is allowed to sublease the office building.

5. INVESTMENT PROPERTIES

	Freehold land RM	Leasehold land RM	Buildings RM	Total RM
Group				
2025				
Cost				
At 1 January	1,926,680	6,566,121	29,549,259	38,042,060
Written off	-	-	(21,412)	(21,412)
At 31 December	1,926,680	6,566,121	29,527,847	38,020,648
Accumulated depreciation				
At 1 January	-	718,965	3,538,088	4,257,053
Charge for the financial year	-	76,350	482,697	559,047
Written off	-	-	(21,405)	(21,405)
At 31 December	-	795,315	3,999,380	4,794,695
Carrying amount				
At 31 December	1,926,680	5,770,806	25,528,467	33,225,953
Fair value of investment properties	1,963,856	6,381,133	29,980,241	38,325,230

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

5. INVESTMENT PROPERTIES (CONT'D)

	Freehold land RM	Leasehold land RM	Buildings RM	Total RM
Group				
2024				
Cost				
At 1 January/31 December	1,926,680	6,566,121	29,549,259	38,042,060
Accumulated depreciation				
At 1 January	-	642,614	3,053,766	3,696,380
Charge for the financial year	-	76,351	484,322	560,673
At 31 December	-	718,965	3,538,088	4,257,053
Carrying amount				
At 31 December	1,926,680	5,847,156	26,011,171	33,785,007
Fair value of investment properties	2,247,362	11,779,520	33,456,024	47,482,906

(a) Investment properties under leases

Certain 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 3 years and an option that is exercisable by the customers to extend their leases for an average of 2 years.

As of the reporting date, the undiscounted operating lease payments receivable are as follows:-

	Group	
	2025 RM	2024 RM
Within 1 year	707,765	475,500
Between 1 to 2 years	272,040	447,200
	979,805	922,700

(b) Fair value basis of investment properties

The fair values of the completed investment properties of the Group as at the reporting date are estimated at RM38,325,230 (2024: RM47,482,906) based on directors' assessment of the current prices in an active market for the respective properties within each vicinity.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

5. INVESTMENT PROPERTIES (CONT'D)

- (c) Investment properties of the Group with a total carrying amount of RM32,037,692 (2024: RM32,568,253) have been pledged to licensed banks for banking facilities granted to the Group as disclosed in Note 24.
- (d) Income and expenses recognised in profit or loss

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2025 RM	2024 RM
Rental income	678,255	531,139
Direct operating expenses:		
- Income generating investment properties	445,576	167,816
- Non-income generating investment properties	61,380	123,856

6. INTANGIBLE ASSETS

	Quarry Concession RM	Quarry Related Projects RM	Quarry Rights RM	Total RM
Group				
2025				
Cost				
At 1 January/31 December	8,528,994	915,677	2,000,000	11,444,671
Accumulated amortisation				
At 1 January	344,456	507,952	900,000	1,752,408
Charge for the financial year	-	-	100,000	100,000
At 31 December	344,456	507,952	1,000,000	1,852,408
Accumulated impairment losses				
At 1 January/31 December	8,184,538	407,725	-	8,592,263
Carrying amount				
At 31 December	-	-	1,000,000	1,000,000

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

6. INTANGIBLE ASSETS (CONT'D)

	Quarry Concession RM	Quarry Related Projects RM	Quarry Rights RM	Total RM
Group 2024				
Cost				
At 1 January/31 December	8,528,994	915,677	2,000,000	11,444,671
Accumulated amortisation				
At 1 January	344,456	507,952	800,000	1,652,408
Charge for the financial year	-	-	100,000	100,000
At 31 December	344,456	507,952	900,000	1,752,408
Accumulated impairment losses				
At 1 January/31 December	8,184,538	407,725	-	8,592,263
Carrying amount				
At 31 December	-	-	1,100,000	1,100,000

The quarry rights with total carrying amount of RM1,000,000 (2024: RM1,100,000) represents the exclusive rights to operate a quarry for a contracted period of 20 years. The cost of the quarrying right is amortised on a straight line basis to the Group's cost of sales in profit or loss over the contracted period of 20 years.

7. GOODWILL ON CONSOLIDATION

	Goodwill on Consolidation RM
Group 2025	
Cost	
At 1 January/31 December	21,134,203
Accumulated impairment losses	
At 1 January/31 December	21,134,203
Carrying amount	
At 31 December	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

7. GOODWILL ON CONSOLIDATION (CONT'D)

	Goodwill on Consolidation RM
Group	
2024	
Cost	
At 1 January/31 December	21,134,203
Accumulated impairment losses	
At 1 January/31 December	21,134,203
Carrying amount	
At 31 December	-

In the previous financial year, goodwill was fully impaired as the recoverable amount was determined to be lower than its carrying amount.

8. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2025 RM	2024 RM
In Malaysia		
Unquoted shares, at cost	40,725,005	40,725,005
Redeemable convertible preference shares, at cost	109,829,000	109,829,000
Share options granted to employee of subsidiaries	-	1,655,946
	150,554,005	152,209,951
Less: Accumulated impairment loss	(25,450,000)	(25,450,000)
	125,104,005	126,759,951

During the financial year, the Company terminated the ESOS on 28 May 2025. As a result, the share-based payment reserve of RM1,655,946 recognised in the previous financial year was fully reserved.

Movement in the allowance for impairment losses of investments in subsidiary companies are as follows:

	Company	
	2025 RM	2024 RM
At 1 January/31 December	25,450,000	25,450,000

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiary companies are as follows:

Name of Company	Place of business/ country of incorporation	Effective interest		Principal Activities
		2025 %	2024 %	
Advancecon Infra Sdn. Bhd.	Malaysia	100	100	Providing earthworks and civil engineering services and sales of construction materials.
Advancecon Machinery Sdn. Bhd.	Malaysia	100	100	Providing earth-moving machineries for hire and transportation agent.
Advancecon Solar Sdn. Bhd.	Malaysia	100	100	Carry on development and/or operation of power generation from renewable energy, solar and other renewable energy projects.
Advancecon Properties Sdn. Bhd.	Malaysia	100	100	Property investment.
Advancecon Ventures Sdn. Bhd.	Malaysia	100	100	Investment holding and contracting in all types of construction works and other related businesses.
Spring Energy Resources Berhad	Malaysia	51	51	Investment holding.
Held through Advancecon Solar Sdn. Bhd.:				
LSS TPG Sdn. Bhd.	Malaysia	100	100	Carry on development and/or operation of power generation from renewable energy, solar and other renewable energy projects.
Held through Advancecon Ventures Sdn. Bhd.:				
CLQ SilverValley Sdn. Bhd.	Malaysia	70	70	Providing business related to dormitory accommodation services and other related businesses.
Advancecon Development Sdn. Bhd.	Malaysia	100	100	Property investment, development and construction.
Held through Spring Energy Resources Berhad:				
Spring Energy Sdn. Bhd.	Malaysia	100	100	Quarry operator, sale of quarry and premix products, and contractor in civil engineering works.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiary companies are as follows: (Cont'd)

Name of Company	Place of business/ country of incorporation	Effective interest		Principal Activities
		2025 %	2024 %	
<i>Held through Spring Energy Sdn. Bhd.:</i>				
SE Premix Sdn. Bhd.	Malaysia	100	100	Supply of labour and premix production of premix products.
Semenyih Quarry Sdn. Bhd.	Malaysia	100	100	Quarry operator.
SE Satu Sdn. Bhd.	Malaysia	100	100	Bauxite mining operator and contractor in civil engineering work.
SE Quarry Sdn. Bhd.	Malaysia	55	55	Quarry operator.
Spring Energy Construction Sdn. Bhd.	Malaysia	100	100	Contractor in civil engineering.
Spring Energy Mining Sdn. Bhd.	Malaysia	100	100	Investment holding. (presently dormant)
Bukit Tinggi Infra Sdn. Bhd.	Malaysia	51	51	Quarry operator. (presently dormant)
Semenyih Rock Sdn. Bhd.	Malaysia	60	60	Quarry operator.
<i>Held through SE Satu Sdn. Bhd.:</i>				
SE Sinaran Sdn. Bhd.	Malaysia	80	80	Provision of port services including forwarding and stevedoring of cargo onto vessels.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(a) Material partly-owned subsidiary companies

Set out below are the Group's subsidiary companies that have material non-controlling interests:

Name of Company	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(Loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	2025	2024	2025	2024	2025	2024
	%	%	RM	RM	RM	RM
Spring Energy Resources Berhad	49	49	(524,996)	1,279,260	(2,236,012)	(1,711,016)

Summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company elimination.

(i) Summarised statements of financial position

	Spring Energy Resources Berhad	
	2025 RM	2024 RM
Non-current assets	70,967,788	77,442,303
Current assets	68,606,329	67,365,578
Non-current liabilities	(61,621,866)	(61,788,451)
Current liabilities	(82,916,856)	(87,648,419)
Net (liabilities)/assets	(4,964,605)	(4,628,989)

(ii) Summarised statements of profit or loss and other comprehensive income

	Spring Energy Resources Berhad	
	2025 RM	2024 RM
Revenue	218,258,235	203,651,624
(Loss)/Profit for the financial year, representing total comprehensive (loss)/income for financial year	(335,625)	3,533,459

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(a) Material partly-owned subsidiary companies (Cont'd)

(iii) Summarised statements of cash flows

	Spring Energy Resources Berhad	
	2025 RM	2024 RM
Net cash from operating activities	16,628,562	19,589,241
Net cash from/(used in) investing activities	(1,557,032)	(1,809,776)
Net cash used in financing activities	(11,015,373)	(17,538,546)
Net changes in cash and cash equivalents	4,056,157	240,919

9. INVESTMENT IN ASSOCIATE COMPANIES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
At Cost				
Unquoted shares in Malaysia	225,049	225,049	225,000	225,000
Share options (terminated)/granted to employee of associate	(72,720)	72,720	-	72,720
Redeemable convertible preference shares at cost	490,000	490,000	-	-
Share of post acquisition profit	3,311,048	3,164,366	-	-
	3,953,377	3,952,135	225,000	297,720

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

9. INVESTMENT IN ASSOCIATE COMPANIES (CONT'D)

Details of the associate company is as follows:

Name of Associate	Place of business/ country of incorporation	Effective interest		Principal Activities
		2025 %	2024 %	
Advancecon (Sarawak) Sdn. Bhd.*	Malaysia	30	30	Providing earthworks, civil engineering services and other related services.
Bumi Hebat Sdn. Bhd.*	Malaysia	49	49	Manufacture prefabricated building components, civil engineering services related to cement, concrete and artificial stone and carry on development and/or operation of power generation from renewable energy, solar and other renewable energy projects.

* Associate not audited by UHY Malaysia PLT

The Group recognised its share of results based on the audited financial statements.

Summarised financial information for each associate company that are material to the Group is set out below.

(i) Summarised statement of financial position

	Advancecon (Sarawak) Sdn Bhd	
	2025 RM	2024 RM
Non-current assets	1,251,367	1,198,828
Current assets	16,517,711	24,878,306
Non-current liabilities	(151,468)	(444,128)
Current liabilities	(6,170,684)	(14,252,236)
Net assets	<u>11,446,926</u>	<u>11,380,770</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

9. INVESTMENT IN ASSOCIATE COMPANIES (CONT'D)

(ii) Summarised statements of profit or loss and other comprehensive income

	Advancecon (Sarawak) Sdn Bhd	
	2025 RM	2024 RM
Revenue	14,620,626	37,371,621
Profit for the financial year, representing total comprehensive income for financial year	104,833	6,435,411

(iii) Summarised statements of cash flows

	Advancecon (Sarawak) Sdn Bhd	
	2025 RM	2024 RM
Net cash (used in)/from operating activities	(8,124,335)	4,087,612
Net cash (used in) from investing activities	(1,036,063)	3,189,984
Net cash used in financing activities	(612,821)	(985,349)
Net changes in cash and cash equivalents	(9,773,219)	6,292,247

(iv) The reconciliation of net assets of the associate to the carrying amount of the investment in associates is as follow:

	2025 RM	2024 RM
Net assets	11,446,926	11,380,770
Proportion of ownership interest held by the Group	30%	30%
	3,434,078	3,414,231

10. INVESTMENT IN JOINT VENTURES

	Group	
	2025 RM	2024 RM
At cost		
Unquoted shares in Malaysia	1	1
Share of post acquisition reserves	363,339	594,790
Distribute of Profit	-	(231,451)
	363,340	363,340

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

10. INVESTMENT IN JOINT VENTURES (CONT'D)

Details of the joint ventures are as follows:-

Name of Joint Venture	Place of business/ country of incorporation	Effective interest		Principal Activity
		2025 %	2024 %	
<i>Joint venture of Spring Energy Sdn. Bhd.</i>				
SE-SJK-JV*	Malaysia	50	50	Quarrying and sales of quarry products. (ceased operation)
<i>Joint venture of Spring Energy Mining Sdn. Bhd.</i>				
SE Endau Sdn. Bhd.	Malaysia	50	50	Business of iron ore mining operations.

* *Joint ventures not audited by UHY Malaysia PLT*

The Group's joint ventures are individually immaterial to the financial position, financial performance and cash flows of the Group.

11. TRADE RECEIVABLES

	Group	
	2025 RM	2024 RM
Non-Current		
Trade receivables	58,592	139,462
Current		
Trade receivables	65,451,166	58,856,458
Less: Accumulated impairment losses	(2,653,088)	(2,650,774)
	62,798,078	56,205,684
	62,856,670	56,345,146

The Group's normal trade credit terms range from 5 to 120 (2024: 5 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

11. TRADE RECEIVABLES (CONT'D)

Movements in the allowance for impairment losses are as follows:

	Group	
	2025 RM	2024 RM
At 1 January	2,650,774	3,508,641
Impairment loss recognised	424,807	492,138
Impairment loss reversed	(401,040)	(1,350,005)
Amount written off	(21,453)	-
As at 31 December	2,653,088	2,650,774

Impairment losses reversed during the financial year amounting to RM401,040 (2024: RM1,350,005) pertains to previously impaired receivables during the financial year.

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group and the Company are satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

The aged analysis of trade receivables as at the end of the reporting period:

	Gross amount RM	Loss allowance RM	Net amount RM
Group			
2025			
Neither past due nor impaired	45,992,793	(34,171)	45,958,622
<i>Past due not impaired:</i>			
Less than 30 days	13,313,314	(19,528)	13,293,786
31 to 60 days	2,026,838	(52,545)	1,974,293
61 to 90 days	586,413	(31,242)	555,171
More than 90 days	2,503,020	(1,428,222)	1,074,798
	18,429,585	(1,531,537)	16,898,048
	64,422,378	(1,565,708)	62,856,670
Credit impaired:			
Individually impaired	1,087,380	(1,087,380)	-
	65,509,758	(2,653,088)	62,856,670

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

11. TRADE RECEIVABLES (CONT'D)

The aged analysis of trade receivables as at the end of the reporting period: (Cont'd)

	Gross amount RM	Loss allowance RM	Net amount RM
Group			
2024			
Neither past due nor impaired	37,589,241	(86,478)	37,502,763
<i>Past due not impaired:</i>			
Less than 30 days	10,190,386	(54,621)	10,135,765
31 to 60 days	577,540	(25,116)	552,424
61 to 90 days	434,364	(29,233)	405,131
More than 90 days	8,932,307	(1,183,244)	7,749,063
	20,134,597	(1,292,214)	18,842,383
	57,723,838	(1,378,692)	56,345,146
Credit impaired:			
Individually impaired	1,272,082	(1,272,082)	-
	58,995,920	(2,650,774)	56,345,146

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group and the Company.

As at 31 December 2025, trade receivables of RM16,898,048 (2024: RM18,842,383) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM1,087,380 (2024: RM1,272,082) respectively, relate to customers that are in financial difficulties, have defaulted on payments and / or have disputed on the billings. These balances are expected to be recovered through the debts recovery process.

Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the trade receivables does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

12. OTHER RECEIVABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-Current Asset				
Other receivables	1,351,927	3,785,958	-	-
Current Assets				
Other receivables	21,852,789	19,678,866	27,724	24,620
Less: Accumulated impairment losses	(3,916,233)	(5,210,039)	-	-
	17,936,565	14,468,827	27,724	24,620
Deposits	16,404,956	16,145,106	52,020	46,020
Less: Accumulated impairment losses	(6,665,513)	(5,758,256)	-	-
	9,739,443	10,386,850	52,020	46,020
Prepayments	3,601,009	7,372,257	25,699	17,627
GST recoverable	7,263	222	120	120
	31,284,280	32,228,156	105,563	88,387
	32,636,207	36,014,114	105,563	88,387

Movements in the allowance for impairment losses are as follows:

	Group	
	2025 RM	2024 RM
At 1 January	10,968,295	10,143,622
Impairment losses recognised	1,342,861	824,673
Impairment loss reversed	(1,679,410)	-
Written off against allowance	(50,000)	-
At 31 December	10,581,746	10,968,295

The non-current receivables of the Group at the end of the reporting period represent amount owing by third parties which are repayable within 13 to 24 (2024: 21 to 48) months.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

13. INVENTORIES

	Note	Group	
		2025 RM	2024 RM
Non-Current			
Property development costs	(a)	-	-
Current			
Property development costs	(a)	22,913,521	6,008,616
Other inventories	(b)	12,844,602	8,378,468
		<u>35,758,123</u>	<u>14,387,084</u>

(a) Property development costs

	Group	
	2025 RM	2024 RM
Non-Current		
Property development costs		
At 1 January	-	80,657
Additions	-	-
Reclassification	-	(80,657)
At 31 December	<u>-</u>	<u>-</u>
Current		
Property development costs		
At 1 January	6,008,616	-
Additions	16,904,905	5,927,959
Reclassification	-	80,657
At 31 December	<u>22,913,521</u>	<u>6,008,616</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

13. INVENTORIES (CONT'D)

(b) Other inventories

	Group	
	2025 RM	2024 RM
At cost:		
Stockpile of quarry products	8,040,639	5,122,269
Raw materials	1,479,803	1,627,401
Spare parts	3,324,160	1,628,798
	12,844,602	8,378,468
Recognised in profit or loss:		
Inventories recognised as cost of sales	177,643,267	163,422,711

14. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

	Company	
	2025 RM	2024 RM
Non-Current		
Amount due from:		
Non-trade balances	28,076,547	26,944,192
Current		
Amount due from:		
Trade balances	1,931,501	3,344,910
Non-trade balances	21,932,802	15,746,326
	23,864,303	19,091,236
Amount due to:		
Non-trade balances	(19,146,908)	(16,144,483)

- (a) The trade balance is subject to a normal trade credit term of 30 (2024: 30) days
- (b) The non-trade balances are unsecured, repayable on demand and interest-free, except for amount due to certain subsidiaries which are subject to 4.66% - 5.13% (2024: 4.97% - 5.49%) interest per annum.
- (c) The amounts due are to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

15. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2025 RM	2024 RM
<u>Contract assets</u>		
Construction contracts	74,055,314	84,400,211
<u>Contract liabilities</u>		
Construction contracts	(6,966,623)	(10,007,593)

- (a) The contract assets primarily relate to the Group's right to consideration for construction work completed on construction services but not yet billed as at the reporting date. The amount will be invoiced within 1 month to 19 years (2024: 1 month to 19 years).

Included in contract assets are retention sum receivables from third parties a related party and related company totalling RM32,816,357 (2024: RM32,518,912) and RM418,885 (2024: RM5,510,700) and RM3,191,515 (2024: NIL) respectively. The retention sums are expected to be collected within the periods ranging from 1 to 3 (2024: 1 to 3) years.

- (b) The contract liabilities primarily relate to advance considerations received from few customers for construction services of which the revenue will be recognised over the remaining contract term of specific contract it relates to, ranging from 2 to 24 (2024: 2 to 30) months.
- (c) The changes to contract assets and contract liabilities balances during the financial year are summarised below:-

	Group	
	2025 RM	2024 RM
At 1 January	74,392,618	80,710,707
Revenue recognised in profit or loss during the financial year	194,963,092	182,594,636
Billings to customers during the financial year	(199,965,249)	(188,434,406)
Allowance for impairment losses	(2,301,770)	(478,319)
At 31 December	67,088,691	74,392,618
Presented as:		
Contract assets	74,055,314	84,400,211
Contract liabilities	(6,966,623)	(10,007,593)
	67,088,691	74,392,618

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

15. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

- (c) The changes to contract assets and contract liabilities balances during the financial year are summarised below:-
(Cont'd)

Movements in the allowance for impairment losses of contract assets are as follows:

	Group	
	2025 RM	2024 RM
At 1 January/31 December	3,231,523	2,753,204
Allowance for impairment losses	2,301,770	478,319
At 31 December	5,533,293	3,231,523

- (d) Contract value yet to be recognised as revenue

As of the reporting date, revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) is RM339,387,780. The Group expects to recognise this revenue as the construction contracts are completed, which is expected to occur over the 1 month – 17 years.

16. FINANCE LEASE RECEIVABLES

	Group	
	2025 RM	2024 RM

Gross receivables from finance lease:

Within one year	-	360,984
Less: Unearned future finance income	-	(15,907)
Net investment in finance leases	-	345,077

Analysed as:

Current assets	-	345,077
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- (a) The Group entered into finance lease arrangements for certain of its earth-moving heavy equipment. All leases are denominated in RM. The average terms of finance leases entered into are ranging from 2 to 3 years in 2024.
- (b) The interest rate inherent in the leases is fixed at the contract date for the entire lease term. The effective interest rates contracted range from 12.10% to 13.77% in 2024.
- (c) The finance lease receivables at the end of the reporting period are neither past due nor impaired.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

17. AMOUNT DUE FROM/(TO) AN ASSOCIATED COMPANY

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Amount due from:				
Trade balances	1,144,711	1,749,793	20,600	-
Non-trade balances	466,686	687,615	2,400	104,583
	<u>1,611,397</u>	<u>2,437,408</u>	<u>23,000</u>	<u>104,583</u>
Amount due to:				
Trade balances	(62,015)	(57,423)	-	-
Non-trade balances	(113,671)	(25,498)	-	-
	<u>(175,686)</u>	<u>(82,921)</u>	<u>-</u>	<u>-</u>

(a) The trade balances are subject to a normal trade credit term of 30 (2024: 30) days.

(b) The non-trade balances are unsecured, interest-free and repayable on demand.

(c) The amounts due are to be settled in cash.

18. AMOUNT DUE FROM/(TO) RELATED PARTIES

	Group	
	2025 RM	2024 RM
Amount due from:		
Trade balances	52,442	52,441
Less : Accumulated impairment losses	(2,502)	(1,266)
	<u>49,940</u>	<u>51,175</u>
Amount due to:		
<u>Non-Current</u>		
Non-trade balances	<u>(27,171,611)</u>	<u>(26,072,778)</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

18. AMOUNT DUE FROM/(TO) RELATED PARTIES (CONT'D)

	Group	
	2025 RM	2024 RM
At 1 January	1,266	10,683
Impairment loss recognised	1,236	-
Impairment loss reversed	-	(9,417)
At 31 December	<u>2,502</u>	<u>1,266</u>

- (a) The trade balance is subject to a normal trade credit term of 15 - 60 (2024: 15 - 60) days.
- (b) The non-trade balance is unsecured, repayable on demand and interest-free, except for amount owing to certain related parties which are subject to 5.13% - 5.40% (2024: 5.11% - 5.40%) interest per annum.
- (c) The amount due is to be settled in cash.

19. SHORT-TERM INVESTMENTS

Investments in fixed income trust funds represents investments in highly liquid money market instruments, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

20. DEPOSITS WITH LICENSED BANKS

The deposits with licensed banks of the Group and of the Company at the end of the reporting period have been pledged to licensed banks as security for banking facilities granted to the Group and the Company as disclosed in Note 24.

The interest rates of the deposits of the Group and of the Company range from 1.75% to 3.15% (2024: 1.60% to 3.15%) per annum and 2.45% (2024: 2.70%) per annum respectively and mature with range from 30 to 365 (2024: 30 to 365) days and 365 (2024: 365) days respectively.

21. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2025 Units	2024 Units	2025 RM	2024 RM
Issued and fully paid				
Ordinary shares				
At 1 January/31 December	<u>584,731,900</u>	<u>584,731,900</u>	<u>133,729,611</u>	<u>133,729,611</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

21. SHARE CAPITAL (CONT'D)

The holders of ordinary shares are entitled to receive dividends as declared from time to time and entitled to one vote per share at meetings of the Company. All ordinary shares carry rank equally with regard to the Company's residual assets.

22. TREASURY SHARES

During the financial year, the Company repurchased 9,018,600 ordinary shares of its issued share capital from the open market. The average price paid for the share repurchased was RM0.20 per share. The total consideration paid for the repurchase, including transaction costs, was RM1,845,167. The repurchased transactions were financed by internal generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

Of the total 584,731,900 (2024: 584,731,900) issued and fully paid-up ordinary shares at the ending of the reporting period, 18,920,500 (2024: 9,901,900) ordinary shares are held as treasury shares by the Company. None of the treasury shares were resold or cancelled during the financial year.

23. RESERVE

Employee Share Option Reserve

The employee share option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

The Employee Share Option Scheme of the Company ("ESOS") is governed by the ESOS By-Laws and was approved by shareholders on 18 December 2024. The ESOS is to be in force for a period of 5 years effective from 18 December 2024.

The main features of the ESOS are as follows:-

- (a) Eligible participants comprise employees and executive directors of the Company and its subsidiaries who meet the prescribed service criteria.
- (b) The maximum number of shares available under the ESOS, shall not exceed 15% of the issued share capital of the Company.
- (c) The exercise price of the options is determined based on the 5-day weighted average market price of the Company's shares preceding the offer, subject to a discount of not more than 10%.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

23. RESERVE (CONT'D)

The option prices and the details in the movement of the options granted are as follows:-

Date of Offer	Exercise Price	Contractual Life of Options	At 1 January 2025	Terminated	At 31 December 2025
18 December 2024	RM 0.222	2 Years	86,224,500	(86,224,500)	-

No person to whom the share option has been granted above has any right to participate by virtue of the option in any share issue of any other company.

The Company terminated the ESOS on 28 May 2025. Accordingly, all outstanding options amounting to 86,224,500 were cancelled during the financial year.

24. BANK BORROWINGS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Secured				
Invoice financing	24,531,170	23,280,081	-	-
Bankers' acceptance	21,190,274	16,701,800	-	-
Bank factoring	7,797,597	6,857,573	-	-
Revolving credit	15,000,000	15,000,000	-	-
Hire purchase payables	21,079,547	28,455,195	-	-
Term loan	115,648,604	126,328,900	5,536,650	8,808,506
Bank overdrafts	16,587,663	14,264,959	4,520,840	4,399,330
	<u>221,834,855</u>	<u>230,888,508</u>	<u>10,057,490</u>	<u>13,207,836</u>
Unsecured				
Hire purchase payables	5,737,849	-	-	-
	<u>227,572,704</u>	<u>230,888,508</u>	<u>10,057,490</u>	<u>13,207,836</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

24. BANK BORROWINGS (CONT'D)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Analysed as:				
Non-current				
Hire purchase payables	14,002,119	14,856,790	-	-
Term loan	99,516,752	103,363,367	2,248,141	5,534,215
	<u>113,518,871</u>	<u>118,220,157</u>	<u>2,248,141</u>	<u>5,534,215</u>
Current				
Invoice financing	24,531,170	23,280,081	-	-
Bankers' acceptance	21,190,274	16,701,800	-	-
Bank factoring	7,797,597	6,857,573	-	-
Revolving credit	15,000,000	15,000,000	-	-
Hire purchase payables	12,815,277	13,598,405	-	-
Term loan	16,131,852	22,965,533	3,288,509	3,274,291
Bank overdrafts	16,587,663	14,264,959	4,520,840	4,399,330
	<u>114,053,833</u>	<u>112,668,351</u>	<u>7,809,349</u>	<u>7,673,621</u>
	<u>227,572,704</u>	<u>230,888,508</u>	<u>10,057,490</u>	<u>13,207,836</u>

Hire purchase payables

	Group	
	2025 RM	2024 RM
Minimum hire purchase payments:		
- not later than one year	14,190,250	14,952,426
- later than one year and not later than five years	14,725,404	15,733,029
	<u>28,915,654</u>	<u>30,685,455</u>
Less: Future finance charges	(2,098,258)	(2,230,260)
Present value of hire purchase payables	<u>26,817,396</u>	<u>28,455,195</u>
Presented as:		
Non-current	14,002,119	14,856,790
Current	12,815,277	13,598,405
	<u>26,817,396</u>	<u>28,455,195</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

24. BANK BORROWINGS (CONT'D)

- (a) The term loans are secured by:
- (i) Facility agreement for a total sum of RM61,366,635;
 - (ii) The deposits with licensed banks of certain subsidiaries;
 - (iii) Corporate guarantee of the Company;
 - (iv) A Government's guarantee under the Danajamin Prihatin Guarantee Scheme ("DPGS") or up to RM17,600,000;
 - (v) Basic building debenture over certain properties of the Company;
 - (vi) Registered open all monies 1st party charge stamp nominally over certain properties of the Company and a subsidiary;
 - (vii) Corporate guarantee of a subsidiary;
 - (viii) Deed of assignment and power of attorney over certain investment properties of a subsidiary
 - (ix) Legal charge over certain investment properties of a subsidiary
 - (x) Assignment of rental proceeds created over certain investment properties of a subsidiary, and
 - (xi) Joint corporate guarantee from the Company and a shareholder of a subsidiary.

In the previous financial year, a subsidiary had declared a dividend by seeking lender's approval. The written consent is still under review by the lender as at the end of the reporting period. The lender has not demanded for the term loan outstanding amounting to RM2,851,730 to be immediately due and payable as at 31 December 2025.

- (b) The invoice financing, bankers' acceptance, bank factoring and revolving credit are secured by:
- (i) The deposits with licensed banks of certain subsidiaries;
 - (ii) Corporate guarantee of the Company;
 - (iii) Legal charge over certain investment properties of a subsidiary;
 - (iv) Deed of assignment of certain contract proceeds of a subsidiary;
 - (v) Subordination of loans and advances of the Company; and
 - (vi) Joint corporate guarantee from the Company and a shareholder of a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

24. BANK BORROWINGS (CONT'D)

- (c) The bank overdrafts are secured by:
- (i) Legal charge over certain properties of a subsidiary;
 - (ii) Corporate guarantee of the Company;
 - (iii) The deposits with licensed banks of a certain subsidiaries;
 - (iv) Deed of assignment of certain contract proceeds of a subsidiary;
 - (v) Subordination of loans and advances of the Company; and
 - (vi) Joint corporate guarantee from the Company and a shareholder of a subsidiary.

The maturity of bank borrowings are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Within one year	114,053,833	112,668,351	7,809,349	7,673,621
Later than one year but not later than two years	18,247,493	19,940,589	311,566	3,298,364
Later than two years but not later than five years	31,237,001	28,739,792	1,023,383	980,023
Later than five years	64,034,377	69,539,776	913,192	1,255,828
	<u>227,572,704</u>	<u>230,888,508</u>	<u>10,057,490</u>	<u>13,207,836</u>

The Group's interest rates per annum are as follows:

	Group		Company	
	2025 %	2024 %	2025 %	2024 %
Invoice financing	4.26 - 8.10	5.20 - 8.10	-	-
Bankers' acceptance	4.14 - 7.74	4.27 - 6.47	-	-
Hire purchase payables	1.77 - 4.50	3.20 - 6.30	-	-
Other trade bills financing	5.57 - 5.61	5.50 - 5.66	-	-
Bank overdrafts	5.2 - 8.07	6.45 - 7.82	8.07	8.32
Revolving credit	4.5 - 6.01	4.78 - 5.81	-	-
Term loan	<u>4.22 - 6.97</u>	<u>4.26 - 7.22</u>	<u>4.27 - 5.31</u>	<u>4.26 - 5.38</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

25. LEASE LIABILITIES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
At 1 January	2,647,072	3,712,871	43,515	115,782
Addition of new leases	452,890	163,124	280,983	-
Interest expense recognised in profit or loss	140,521	192,857	4,309	3,333
Termination of lease contracts	(102,357)	(53,182)	-	-
Lease modification	680,980	224,175	-	-
Repayment of principal	(1,398,858)	(1,399,916)	(81,290)	(72,267)
Repayment of interest expense	(140,521)	(192,857)	(4,309)	(3,333)
At 31 December	<u>2,279,727</u>	<u>2,647,072</u>	<u>243,208</u>	<u>43,515</u>
Presented as:				
Non-current	1,415,749	1,291,506	152,226	-
Current	863,978	1,355,566	90,982	43,515
	<u>2,279,727</u>	<u>2,647,072</u>	<u>243,208</u>	<u>43,515</u>

The maturity analysis of lease liabilities of the Group at the end of reporting period:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Within one year	933,840	1,426,178	99,600	43,515
Later than one year and not later than two years	794,670	568,200	99,600	-
Later than two years and not later than five years	755,540	900,139	58,100	-
	<u>2,484,050</u>	<u>2,894,517</u>	<u>257,300</u>	<u>43,515</u>
Less: Future finance charges	(204,323)	(247,445)	(14,092)	-
Present value of lease liabilities	<u>2,279,727</u>	<u>2,647,072</u>	<u>243,208</u>	<u>43,515</u>

The average effective interest rates for the leases of the Group and the Company are ranging from 4.02% to 6.65% and 4.02% to 4.27% (2024: 3.80% to 5.38% and 3.80% to 5.38%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

26. DEFERRED TAX LIABILITIES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
At 1 January	(4,903,114)	(5,004,303)	-	-
Recognised in profit or loss (Note 32)	(141,534)	684,852	-	-
Over/(Under) provision in prior year	480,548	(583,663)	-	-
At 31 December	(4,564,100)	(4,903,114)	-	-

The net deferred tax liabilities and assets shown on the statements of financial position after appropriate offsetting are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Deferred tax assets	16,587,560	16,823,154	13,100	-
Deferred tax liabilities	(21,151,660)	(21,726,268)	(13,100)	-
	(4,564,100)	(4,903,114)	-	-

The components and movements of deferred tax liabilities and assets prior to offsetting are as follows:

	Unutilised tax losses	Unabsorbed capital allowances	Others	Total
	RM	RM	RM	RM
Group				
Deferred tax assets				
2025				
At 1 January	208,075	14,531,397	2,083,682	16,823,154
Recognised in profit or loss	78,774	243,209	(4,457)	317,526
(Under)/Over provision in prior year	-	(553,120)	-	(553,120)
At 31 December	286,849	14,221,486	2,079,225	16,587,560
2024				
At 1 January	88,378	8,893,372	2,079,009	11,060,759
Recognised in profit or loss	106,393	4,699,620	4,673	4,810,686
Over provision in prior year	13,304	938,405	-	951,709
At 31 December	208,075	14,531,397	2,083,682	16,823,154

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

26. DEFERRED TAX LIABILITIES (CONT'D)

The components and movements of deferred tax liabilities and assets prior to offsetting are as follows: (Cont'd)

	2025 RM	2024 RM
Group		
Deferred tax liabilities		
Accelerated capital allowances		
At 1 January	(21,726,268)	(16,065,062)
Recognised in profit or loss	(459,060)	(4,125,834)
Under/(Over) provision in prior year	1,033,668	(1,535,372)
At 31 December	<u>(21,151,660)</u>	<u>(21,726,268)</u>

	2025 RM	2024 RM
Deferred tax liabilities		
Unabsorber capital allowances		
At 1 January	-	189
Recognised in profit or loss	973	(189)
Overprovision in prior year	12,127	-
At 31 December	<u>13,100</u>	<u>-</u>

	2025 RM	2024 RM
Deferred tax liabilities		
Accelerated capital allowances		
At 1 January	-	(189)
Recognised in profit or loss	(973)	189
Under provision in prior year	(12,127)	-
At 31 December	<u>(13,100)</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

26. DEFERRED TAX LIABILITIES (CONT'D)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Unutilised tax losses	58,689,054	71,879,898	257,138	257,138
Unabsorbed capital allowances	81,923,848	74,955,031	152,131	118,027
Other deductible temporary differences	589,380	576,667	-	-
	<u>141,202,282</u>	<u>147,411,596</u>	<u>409,269</u>	<u>375,165</u>

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

27. TRADE PAYABLES

	Group	
	2025 RM	2024 RM
Current		
Trade payables	60,022,458	58,786,254
Retention sum	14,854,635	13,705,114
	<u>74,877,093</u>	<u>72,491,368</u>

The normal trade credit terms granted to the Group range from 14 to 120 days (2024: 14 to 120 days). Other credit terms are assessed and approved on a case by case basis.

The retention sums are unsecured, interest-free and expected to be paid within a period of 1 to 4 (2024: 1 to 4) years.

28. OTHER PAYABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other payables	11,240,440	10,413,573	177,856	40,849
Accruals	16,775,135	15,370,036	634,698	540,470
Deposits received	186,480	347,150	2,400	2,400
	<u>28,202,055</u>	<u>26,130,759</u>	<u>814,954</u>	<u>583,719</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

29. REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from Contract with Customers				
Construction and support services:				
- Contract revenue	173,703,388	157,928,410	-	-
- Sale of goods	14,440,914	13,887,900	-	-
- Hiring of machinery	5,382,944	6,263,406	-	-
- Day work revenue	829,975	4,375,320	-	-
Rental income from investment properties	645,855	523,039	-	-
Cabin living quarter rental	928,228	665,342	-	-
Quarry operations:				
- Contract revenue	21,259,704	27,326,517	-	-
- Sale of quarry products	93,820,414	90,485,078	-	-
- Hiring of machinery	1,070,325	1,274,094	-	-
- Transport income	2,701,985	3,767,439	-	-
- Sub-contract work	98,659,559	74,800,714	-	-
Solar energy:				
- Operating revenue	9,729,609	1,811,292	-	-
	423,172,900	383,108,551	-	-
Revenue from Other Sources				
Dividend income	-	-	10,000,000	30,000,000
Management fee	120,000	120,000	5,411,624	5,037,279
	120,000	120,000	15,411,624	35,037,279
	423,292,900	383,228,551	15,411,624	35,037,279
Timing of revenue recognition				
At a point in time	127,976,166	121,864,529	-	-
Over time	295,196,734	261,244,022	-	-
	423,172,900	383,108,551	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

30. FINANCE COSTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest expenses on:				
Bank factoring	428,257	370,695	-	-
Bank overdrafts	1,374,202	1,005,093	342,932	253,641
Invoice financing and bankers' acceptance	2,489,395	2,713,358	-	-
Hire purchase	1,662,197	1,425,998	-	-
Revolving credit	731,632	490,818	-	-
Term loan	6,037,899	3,501,891	345,008	525,900
Related parties	1,098,401	1,202,987	-	-
Others	652,544	285,611	-	-
Lease liabilities	140,521	192,857	4,309	3,333
	14,615,048	11,189,308	692,249	782,874

31. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax is derived at after at charging/(crediting) amongst other, the following items:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Auditors' remuneration				
- Statutory audit				
- Current year	419,500	368,000	75,000	55,000
- Underprovision in prior year	5,000	-	-	-
- Non-statutory audit	5,000	5,000	5,000	5,000
Amortisation of intangible assets	100,000	100,000	-	-
Bad debt written off	4,310	25,000	-	-
Depreciation of:				
- property, plant and equipment	37,668,027	37,561,455	230,785	206,965
- investment properties	559,047	560,673	-	-
Property, plant and equipment written off	235,135	35,340	47	1
Investment property written off	7	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

31. PROFIT/(LOSS) BEFORE TAX (CONT'D)

Profit/(Loss) before tax is derived at after at charging/(crediting) amongst other, the following items: (Cont'd)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fair value loss/(gain) on long-term:				
- trade receivables	14,692	(13,342)	-	-
- other receivables	(206,866)	(301,950)	-	-
Gain on disposals of:				
- property, plant and equipment	(7,392,524)	(3,946,100)	-	-
- non-current asset held for sale	-	(4,347,809)	-	-
Gain on termination of lease contracts	(10,773)	(2,027)	-	-
Impairment loss on contract assets	2,301,770	478,319	-	-
Impairment loss on:				
- trade receivables	424,807	492,138	-	-
- other receivables	1,342,861	824,673	-	-
- amount due from related parties	1,236	-	-	-
	1,768,904	1,316,811	-	-
Reversal of impairment loss on:				
- trade receivables	(401,040)	(1,350,005)	-	-
- other receivables	(1,679,410)	-	-	-
- amount due from related parties	-	(9,417)	-	-
	(2,080,450)	(1,359,422)	-	-
Royalties and tributes	11,725,192	12,553,191	-	-
Dividend income	(9,460)	(8,904)	(10,002,380)	(30,002,379)
Interest income	(1,016,740)	(996,864)	(1,151,018)	(1,259,796)
Short Term Lease	355,830	282,386	-	-
Loss on modification of lease liabilities	-	224,175	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

32. TAXATION

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Tax expenses for the financial year:				
Current tax provision	3,368,849	1,513,600	200,370	229,955
Under/(Over) provision in prior years	98,648	(594,744)	(19,199)	-
	<u>3,467,497</u>	<u>918,856</u>	<u>181,171</u>	<u>229,955</u>
Deferred tax: (Note 26)				
Relating to origination and reversal of temporary differences	141,534	(684,852)	-	-
(Over)/Under provision in prior years	(480,548)	583,663	-	-
	<u>(339,014)</u>	<u>(101,189)</u>	<u>-</u>	<u>-</u>
	<u>3,128,483</u>	<u>817,667</u>	<u>181,171</u>	<u>229,955</u>

Malaysian income tax is calculated at the statutory tax rate of 24% (2024: 24%) of chargeable income of the estimated assessable profit for the financial year.

A reconciliation of income tax expenses applicable to profit/(loss) before tax at the statutory tax rate to income tax expenses at the effective tax rate of the Group and of the Company are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit/(Loss) before tax	9,051,876	(20,748,663)	8,801,773	28,773,229
Taxation at statutory tax rate of 24% (2024: 24%)	2,172,451	(4,979,680)	2,112,426	6,905,575
Income not subject to tax	7,293,297	(7,596,680)	(2,408,285)	(7,251,029)
Expenses not deductible for tax purposes	(4,465,131)	10,302,439	488,044	570,014
Deferred tax assets not recognised	1,872,169	4,286,637	8,185	5,395
Utilisation of previously unrecognised deferred tax	(3,362,403)	(1,183,968)	-	-
Under/(Over) provision of income tax expense in prior years	98,648	(594,744)	-	-
(Over)/Under provision deferred tax expense in prior years	(480,548)	583,663	(19,199)	-
Tax expense for the financial year	<u>3,128,483</u>	<u>817,667</u>	<u>181,171</u>	<u>229,955</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

32. TAXATION (CONT'D)

The Group has the following estimated unabsorbed capital allowances and unutilised tax losses available to carry forward to offset against future taxable profit. The said amounts are subject to approval by tax authorities.

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Unutilised tax losses	63,877,990	76,349,378	257,138	257,138
Unabsorbed capital allowances	118,672,338	106,792,102	206,715	168,556
	182,550,328	183,141,480	463,853	425,694

With effects from year assessment 2019, unutilised tax losses are allowed to be carried forward up to a maximum of ten (10) years of assessment under the current tax legislation in Malaysia. The other temporary difference does not expire under tax legislation.

Pursuant to Section 44(5F) of the Income Tax Act 1967, the unutilised tax losses can only be carried forward until the following years of assessment.

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Unutilised tax losses to be carried forward until:				
Year of assessment				
- 2028	3,638,494	6,336,509	-	-
- 2029	4,953,774	4,953,774	-	-
- 2030	23,492,462	23,492,462	-	-
- 2031	2,488,923	2,488,923	257,138	257,138
- 2032	4,851,435	4,851,435	-	-
- 2033	4,308,788	18,712,697	-	-
- 2034	5,054,011	15,513,578	-	-
- 2035	15,090,103	-	-	-
	63,877,990	76,349,378	257,138	257,138

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

33. STAFF COSTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Salaries, wages and other emoluments	76,361,557	73,298,054	4,879,351	4,492,577
Defined contribution plans	6,385,808	6,689,418	556,019	515,697
Share option expenses	-	3,410,750	-	696,329
Other benefits	4,202,164	3,462,737	311,115	369,722
	<u>86,949,529</u>	<u>86,860,959</u>	<u>5,746,485</u>	<u>6,074,325</u>

Included in staff costs is aggregate amount of remuneration received and receivables by the Directors of the Company and of the subsidiary companies during the financial year as below:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Executive Directors				
Salary and other emoluments	2,135,957	2,153,802	1,523,292	1,556,102
Defined contribution plans	206,716	207,665	182,461	183,935
	<u>2,342,673</u>	<u>2,361,467</u>	<u>1,705,753</u>	<u>1,740,037</u>
Non-Executive Directors				
Fees	232,187	221,640	232,187	221,640
Allowances	48,000	10,500	48,000	10,500
	<u>280,187</u>	<u>232,140</u>	<u>280,187</u>	<u>232,140</u>
	<u>2,622,860</u>	<u>2,593,607</u>	<u>1,985,940</u>	<u>1,972,177</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

34. PROFIT PER SHARE

(a) Basic earnings/(loss) per share

The basic loss per share are calculated based on the consolidated loss for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year is disclosed.

	Group	
	2025 RM	2024 RM
Profit/ (Loss) for the financial year, attributable to owners of the Parent	6,621,874	(22,737,059)
Weighted average number of ordinary shares:		
Ordinary shares in issue as at 1 January	584,731,900	584,731,900
Effect of treasury shares held	(11,664,929)	(9,415,981)
Weighted average number of ordinary shares in issue	573,066,971	575,315,919
Basic earnings/(loss) per share (in sen)	1.16	(3.95)

(b) Diluted profit/(loss) per share

The Group and the Company have no dilution in their earnings/(loss) per ordinary shares as there are no dilutive potential ordinary shares. There have been no other transaction involving ordinary shares or potential ordinary shares since the end of the financial year and before the authorization of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

35. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	At 1 January RM	Financing Cash Flows		Other changes (i) RM	At 31 December RM
		Drawdown RM	Repayment RM		
2025					
Group					
Hire purchase payables (Note 24)	28,455,195	-	(13,650,975)	12,013,176	26,817,396
Lease liabilities (Note 25)	2,647,072	-	(1,398,858)	1,031,513	2,279,727
Term loan (Note 24)	126,328,900	7,861	(19,943,157)	9,255,000	115,648,604
Bankers' acceptance (Note 24)	16,701,800	63,096,504	(58,608,030)	-	21,190,274
Invoice financing (Note 24)	23,280,081	108,096,139	(106,845,050)	-	24,531,170
Revolving credit (Note 24)	15,000,000	-	-	-	15,000,000
Bank factoring (Note 24)	6,857,573	18,784,737	(17,844,713)	-	7,797,597
Amount due to an associated company (Note 17)	25,498	86,358	(6,915)	8,730	113,671
Amount due to a related party (Note 18)	26,072,778	-	(59,568)	1,158,401	27,171,611
	<u>245,368,897</u>	<u>190,071,599</u>	<u>(218,357,266)</u>	<u>23,466,820</u>	<u>240,550,050</u>
2024					
Group					
Hire purchase payables (Note 24)	26,851,966	-	(14,414,952)	16,018,181	28,455,195
Lease liabilities (Note 25)	3,712,871	-	(1,399,916)	334,117	2,647,072
Term loan (Note 24)	118,768,039	27,018,038	(39,635,383)	20,178,206	126,328,900
Bankers' acceptance (Note 24)	25,323,157	58,960,494	(67,581,851)	-	16,701,800
Invoice financing (Note 24)	28,896,664	119,353,578	(124,970,161)	-	23,280,081
Revolving credit (Note 24)	-	15,000,000	-	-	15,000,000
Bank factoring (Note 24)	4,502,984	16,422,673	(14,068,084)	-	6,857,573
Amount due to an associated company (Note 17)	4,867,431	-	-	(4,841,933)	25,498
	<u>212,923,112</u>	<u>236,754,783</u>	<u>(262,070,347)</u>	<u>31,688,571</u>	<u>219,296,119</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

35. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONT'D)

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes: (Cont'd)

	At 1 January RM	Financing Cash Flows		Other changes (i) RM	At 31 December RM
		Drawdown RM	Repayment RM		
2025					
Company					
Term loan (Note 24)	8,808,506	7,861	(3,279,717)	-	5,536,650
Lease liabilities (Note 25)	43,515	-	(81,290)	280,983	243,208
Amount due to subsidiary companies (Note 14)	16,144,483	-	-	3,002,425	19,146,908
	<u>24,996,504</u>	<u>7,861</u>	<u>(3,361,007)</u>	<u>3,283,408</u>	<u>24,926,766</u>
2024					
Company					
Term loan (Note 24)	12,072,279	7,633	(3,271,406)	-	8,808,506
Lease liabilities (Note 25)	115,782	-	(72,267)	-	43,515
Amount due to subsidiary companies (Note 14)	2,963	-	-	16,141,520	16,144,483
	<u>12,191,024</u>	<u>7,633</u>	<u>(3,343,673)</u>	<u>16,141,520</u>	<u>24,996,504</u>

- (i) Other changes include new lease, new hire purchase, modification of lease liabilities, termination of lease liabilities, reclassification of other payables to lease liabilities, repayment to and advances from subsidiary companies and advances from and repayment to an associate.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

36. RELATED PARTY DISCLOSURES

(a) Identified related parties

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group and certain members of senior management and managing director of major subsidiary companies of the Group.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. In addition to related party balances disclosed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Entity related to the Group				
Received or receivable:-				
Hiring of machinery	3,292,194	4,883,022	-	-
Management fees	123,600	120,000	123,600	120,000
Sales of goods	-	2,107,292	-	-
Secondment fee	211,132	769,231	36,496	71,537
Rental of motor vehicle	371,400	366,750	-	-
Rental of staff accommodation	-	(10,000)	-	-
Production income	6,969,628	-	-	-
Paid or payable:-				
Rental of premises	219,900	86,000	-	-
Secondment fees	64,303	(77,518)	-	-
Subcontractor fees	34,653	-	-	-
Interest expense	1,155,926	1,202,987	-	-
Purchase of material	9,722,039	-	-	-
Royalty and tribute	-	621,735	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

36. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant related party transactions (Cont'd)

Related party transactions have been entered into in the normal course of business under normal trade terms. In addition to related party balances disclosed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (Cont'd)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Subsidiaries				
Received or receivable:-				
Dividend income	-	-	10,000,000	30,000,000
Management fee	-	-	5,322,962	4,917,279
Share option expenses	-	-	(1,058,475)	1,058,475
Rental income	-	-	427,102	421,500
Interest income	-	-	1,143,382	1,252,088
Administrative income	-	-	1,774	-
Secondment Fee	-	-	37,352	-
Director				
Paid or payable:-				
Rental of premises	85,600	75,600	85,600	75,600

(c) Compensation of key management personnel

Information regarding compensation of key management personnel is as follows:

Key Management

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Directors of the Company</u>				
Short-term employee benefits:				
- Fees	232,187	232,140	232,187	232,140
- Salaries and other emoluments	2,183,957	2,153,802	1,571,292	1,556,102
	2,416,144	2,385,942	1,803,479	1,788,242
Defined contribution plan	206,716	207,665	182,461	183,935
Total directors' remuneration	2,622,860	2,593,607	1,985,940	1,972,177

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

36. RELATED PARTY DISCLOSURES (CONT'D)

- (c) Compensation of key management personnel (Cont'd)

Information regarding compensation of key management personnel is as follows: (Cont'd)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Other key management personnel</u>				
Short-term employee benefits	2,821,707	2,666,050	-	-
Defined contribution plan	304,182	324,531	-	-
Other benefits	2,285	79,050	-	-
Total compensation for other key management personnel	3,128,174	3,069,631	-	-

37. SEGMENTAL INFORMATION

Operating segments are prepared in a manner consistent with the internal reporting provided to the Deputy Executive Chairman as its 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 services provided.

The Group is organised into 5 main reportable segments as follows:-

- (a) Construction and Support Services - involved in earthworks and civil engineering services;
- (b) Property Investments - involved in sales of investment properties for capital gain and rental of investment properties;
- (c) Green Energy - involved in the development and/or operation of power generation from renewable energy, solar and other renewable energy projects;
- (d) Quarry Operations - involved in contracted quarry operations; and
- (e) Property Development - involved in the development of industrial park, workers' dormitory/accommodation

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly current tax assets, current tax liabilities, goods and services tax recoverable, deferred tax assets and deferred tax liabilities.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

37. SEGMENTAL INFORMATION (CONT'D)

	Construction and support services RM	Property investment RM	Green energy RM	Property Development RM	Quarry operations RM	Total segments RM	Adjustments and eliminations RM	Consolidated RM
2025								
Assets								
Segment assets	491,328,879	32,204,041	129,323,220	71,986,236	139,428,669	864,271,045	(332,052,687)	532,218,358
Goods and service tax recoverable								7,263
Tax recoverable								2,961,099
Consolidated total assets								<u>535,186,720</u>
Liabilities								
Segment liabilities	233,332,331	13,787,297	90,564,514	76,684,667	144,319,283	558,688,092	(191,442,593)	367,245,499
Deferred tax liabilities								4,564,100
Tax payables								1,352,921
Consolidated total liabilities								<u>373,162,520</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

37. SEGMENTAL INFORMATION (CONT'D)

	Construction and support services RM	Property investment RM	Green energy RM	Property Development RM	Quarry operations RM	Total segments RM	Adjustments and eliminations RM	Consolidated RM
2025								
Other segment items:								
Capital expenditure:								
- Property, plant and equipment	22,924,686	-	13,700	36,109	10,828,161	33,802,656	-	33,802,656
Amortisation of intangible assets	-	-	-	-	-	100,000	-	100,000
Depreciation:								
- Investment properties	26,416	532,631	-	-	-	559,047	-	559,047
- Property, plant and equipment	15,048,606	-	4,436,467	654,538	17,127,934	37,267,545	400,482	37,668,027
Direct operating expenses on investment properties:								
- Income generating	14,008	431,568	-	-	-	445,576	-	445,576
- Non-income generating	-	61,380	-	-	-	61,380	-	61,380
Fair value loss on long term:								
- Trade receivables	14,692	-	-	-	-	14,692	-	14,692
- Other receivables	(206,866)	-	-	-	-	(206,866)	-	(206,866)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

37. SEGMENTAL INFORMATION (CONT'D)

	Construction and support services RM	Property investment RM	Green energy RM	Property Development RM	Quarry operations RM	Total segments RM	Adjustments and eliminations RM	Consolidated RM
2025								
Other segment items: (Cont'd)								
Impairment losses on:								
- Trade receivables	224,348	-	-	-	200,459	424,807	-	424,807
- Other receivables	602,861	-	-	-	740,000	1,342,861	-	1,342,861
- Contract assets	2,301,770	-	-	-	-	2,301,770	-	2,301,770
- Related parties	-	-	-	-	1,236	1,236	-	1,236
Reversal of impairment losses on:								
- Trade receivables	(226,131)	-	-	-	(174,909)	(401,040)	-	(401,040)
- Other receivables	-	-	-	-	(1,679,410)	(1,679,410)	-	(1,679,410)
Interest expense:								
- Lease liabilities	88,004	-	18,308	-	117,904	224,216	(83,695)	140,521
- Others	5,271,527	350,985	4,195,250	2,729	5,797,418	15,617,909	(1,143,382)	14,474,527
Investment property written off	-	7	-	-	-	7	-	7
Property, plant and equipment written off	71,723	-	-	-	163,412	235,135	-	235,135
Gain on disposal of:								
- Property, plant and equipment	(6,397,657)	-	-	-	(994,867)	(7,392,524)	-	(7,392,524)
Share of results of an equity accounted associate	-	-	-	-	-	-	(1,242)	(1,242)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

37. **SEGMENTAL INFORMATION (CONT'D)**

	Construction and support services RM	Property investment RM	Green energy RM	Property Development RM	Quarry operations RM	Total segments RM	Adjustments and eliminations RM	Consolidated RM
2025								
Other segment items: (Cont'd)								
Interest income:								
- Deposits with licensed banks	(1,921,084)	(1,188)	(156,084)	-	(65,859)	(2,144,215)	1,143,382	(1,000,833)
- Finance lease receivables	(15,907)	-	-	-	-	(15,907)	-	(15,907)
Dividend income:								
- Subsidiary company	(10,000,000)	-	-	-	-	(10,000,000)	10,000,000	-
- Short-term investments	(9,460)	-	-	-	-	(9,460)	-	(9,460)
Gain on termination of lease liabilities	-	-	-	-	(10,773)	(10,773)	-	(10,773)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

37. SEGMENTAL INFORMATION (CONT'D)

	Construction and support services RM	Property investment RM	Green energy RM	Property Development RM	Quarry operations RM	Total segments RM	Adjustments and eliminations RM	Consolidated RM
2024								
Other segment items:								
Capital expenditure:								
- Property, plant and equipment	12,117,446	-	17,311,680	99,278	25,541,454	55,069,858	(2,316,139)	52,753,719
Amortisation of intangible assets	-	-	-	-	100,000	100,000	-	100,000
Depreciation:								
- Investment properties	26,416	534,257	-	-	-	560,673	-	560,673
- Property, plant and equipment	17,384,536	-	1,206,922	640,321	17,918,785	37,150,564	410,891	37,561,455
Direct operating expenses on investment properties:								
- Income generating	2,147	165,669	-	-	-	167,816	-	167,816
- Non-income generating	14,079	109,777	-	-	-	123,856	-	123,856
Fair value loss on long term:								
- Trade receivables	(13,342)	-	-	-	-	(13,342)	-	(13,342)
- Other receivables	(301,950)	-	-	-	-	(301,950)	-	(301,950)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

37. SEGMENTAL INFORMATION (CONT'D)

	Construction and support services RM	Property investment RM	Green energy RM	Property Development RM	Quarry operations RM	Total segments RM	Adjustments and eliminations RM	Consolidated RM
2024								
Other segment items: (Cont'd)								
Impairment losses on:								
- Trade receivables	492,138	-	-	-	-	492,138	-	492,138
- Other receivables	819,673	-	-	-	5,000	824,673	-	824,673
- Contract assets	478,319	-	-	-	-	478,319	-	478,319
Reversal of impairment losses on:								
- Trade receivables	(930,278)	-	-	-	(419,727)	(1,350,005)	-	(1,350,005)
- Related parties	-	-	-	-	(9,417)	(9,417)	-	(9,417)
Interest expense:								
- Lease liabilities	88,288	-	50,791	-	138,734	277,813	(84,956)	192,857
- Others	5,242,084	386,527	899,395	3,558	5,716,974	12,248,538	(1,252,087)	10,996,451
Property, plant and equipment written off	262	-	-	-	35,078	35,340	-	35,340
Gain on disposal of:								
- Property, plant and equipment	(1,977,658)	-	-	-	(1,968,442)	(3,946,100)	-	(3,946,100)
Share of results of an equity accounted associate	-	-	-	-	-	-	(1,706,200)	(1,706,200)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

37. SEGMENTAL INFORMATION (CONT'D)

	Construction and support services RM	Property investment RM	Green energy RM	Property Development RM	Quarry operations RM	Total segments RM	Adjustments and eliminations RM	Consolidated RM
2024								
Other segment items: (Cont'd)								
Interest income:								
- Deposits with licensed banks	(615,879)	-	(161,011)	-	(63,176)	(840,066)	-	(840,066)
- Finance lease receivables	(156,509)	-	-	-	(289)	(156,798)	-	(156,798)
Dividend income:								
- Subsidiary company	(30,000,000)	-	-	-	-	(30,000,000)	30,000,000	-
- Short-term investments	(8,904)	-	-	-	-	(8,904)	-	(8,904)
Gain on termination of lease liabilities	(2,027)	-	-	-	-	(2,027)	-	(2,027)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

37. SEGMENTAL INFORMATION (CONT'D)

(a) Major customers

The following are major customers with revenue equal to or more than 10% of the Group's total revenue.

	Revenue RM	Segment
Group		
2025		
Customer A	63,181,243	Construction and Support Services
Customer B	50,038,458	Construction and Support Services
Customer C	30,726,168	Quarry Operation
2024		
Customer A	48,822,950	Construction and Support Services
Customer B	27,966,296	Construction and Support Services
Customer C	34,471,255	Quarry Operation

38. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Financial assets				
Fair value through profit or loss				
Short-term investment	262,379	252,919	71,004	68,624

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

38. FINANCIAL INSTRUMENTS (CONT'D)**(a) Categories of financial instruments (Cont'd)**

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Financial assets (Cont'd)				
Amortised cost				
Finance lease receivables	-	345,077	-	-
Trade receivables	62,856,670	56,345,146	-	-
Other receivables	29,027,935	28,641,635	27,724	24,620
Amount due from subsidiary companies	-	-	51,940,850	46,035,428
Amount due from an associated company	1,611,397	2,437,408	23,000	104,583
Amount due from related parties	49,940	51,175	-	-
Fixed deposits with licensed banks	36,352,487	37,170,252	295,298	287,534
Cash and bank balances	11,035,262	7,923,568	538,694	522,392
	<u>140,933,691</u>	<u>132,914,261</u>	<u>52,825,566</u>	<u>46,974,557</u>
Financial liabilities				
Amortised cost				
Trade payables	74,877,093	72,491,368	-	-
Other payables	28,202,055	26,130,759	814,954	583,719
Amounts due to subsidiary companies	-	-	19,146,908	16,144,483
Amount due to an associated company	175,686	82,921	-	-
Amount due to a related party	27,171,611	26,072,778	-	-
Lease liabilities	2,279,727	2,647,072	243,208	43,515
Bank borrowings	227,572,704	230,888,508	10,057,490	13,207,836
	<u>360,278,876</u>	<u>358,313,406</u>	<u>30,262,560</u>	<u>29,979,553</u>

(b) Financial risk management

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operations whilst managing its credit, liquidity, and interest rate risks. The Group and the Company operates within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(a) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by four customers which constituted approximately 41.3% of its trade receivables at the end of the reporting period.

(b) 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).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries as disclosed under 38(b)(ii), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

(c) Assessment of impairment losses

At each reporting date, the Group assesses 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 they are still subject to enforcement activities.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

(c) Assessment of impairment losses (Cont'd)

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 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; and
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group uses a more lagging past due criterion for certain trade receivables when it is more appropriate to reflect their loss patterns.

Trade receivables and contract assets

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected 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 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 contract. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

For certain large customers or customers with a high risk of default, the Group assesses the risk of loss of each customer individually based on their financial information, past trends of payments and external credit rating, where applicable.

Also, the Group considers any trade receivables having financial difficulty or in default with significant balances outstanding for more than a year overdue are deemed credit impaired and assess for their risk of loss individually.

The expected loss rates are based on the payment profiles of sales over certain period 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.

For construction services and services rendered for the other contracts with customers, 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 low risk of default as they have a strong capacity to meet their debts.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

(c) 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 information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for both trade receivables and contract assets are disclosed in Note 11 and 15.

Finance lease receivables, other receivables, amount owing by an associate and amount owing by a joint venture

The Group applies the 3-stage general approach to measuring expected credit losses for its finance lease receivables and other receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime 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, LDG) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Company considers 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.

Deposits with licensed banks, cash and bank balances

The Group considers these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount due from subsidiaries

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. Generally, 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. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when the subsidiary is unlikely to repay its loan or advance in full or the subsidiary is continuously loss making or the subsidiary is having a deficit in its total equity.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

(c) Assessment of impairment losses (Cont'd)

Amount due from subsidiaries (Cont'd)

The Company determines the probability of default for these loans and advances individually using internal information available.

The identified impairment loss was immaterial and hence, is not provided for.

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.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises mainly from general funding and business activities. The Group practices prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

38. FINANCIAL INSTRUMENTS (CONT'D)**(b) Financial risk management (Cont'd)****(ii) Liquidity risk (Cont'd)**

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	Total Contractual Cash Outflow RM	Total Carrying Amount RM
Group						
2025						
Trade payables	74,877,093	-	-	-	74,877,093	74,877,093
Other payables	28,202,055	-	-	-	28,202,055	28,202,055
Amount due to an associated company	175,686	-	-	-	175,686	175,686
Amount due to related parties	-	-	-	27,171,611	27,171,611	27,171,611
Lease liabilities	933,840	794,670	755,540	-	2,484,050	2,279,727
Bank borrowings	120,906,240	23,555,610	42,943,325	78,905,171	266,310,346	227,572,704
Financial guarantee*	36,836	-	-	-	36,836	-
	225,131,750	24,350,280	43,698,865	106,076,782	399,257,677	360,278,876

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	Total Contractual Cash Outflow RM	Total Carrying Amount RM
Group						
2024						
Trade payables	72,491,368	-	-	-	72,491,368	72,491,368
Other payables	26,130,759	-	-	-	26,130,759	26,130,759
Amount due to an associated company	82,921	-	-	-	82,921	82,921
Amount due to related parties	-	-	-	26,072,778	26,072,778	26,072,778
Lease liabilities	1,426,178	568,200	900,139	-	2,894,517	2,647,072
Bank borrowings	117,373,792	29,153,385	40,837,644	92,840,915	280,205,736	230,888,508
Financial guarantee*	1,415,810	-	-	-	1,415,810	-
	218,920,828	29,721,585	41,737,783	118,913,693	409,293,889	358,313,406

* The contractual undiscounted cash flows represent the outstanding credit facilities of associate 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 and the probability of the associate defaulting on their credit facilities is remote.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

38. FINANCIAL INSTRUMENTS (CONT'D)**(b) Financial risk management (Cont'd)****(ii) Liquidity risk (Cont'd)**

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	Total Contractual Cash Outflow RM	Total Carrying Amount RM
Company						
2025						
Other payables	814,954	-	-	-	814,954	814,954
Amount due to subsidiary companies	19,146,908	-	-	-	19,146,908	19,146,908
Lease liabilities	99,600	99,600	58,100	-	257,300	243,208
Bank borrowings	8,045,341	406,740	1,220,220	962,237	10,634,538	10,057,490
Financial guarantee*	263,090,434	-	-	-	263,090,434	-
	291,197,237	506,340	1,278,320	962,237	293,944,134	30,262,560
2024						
Other payables	583,719	-	-	-	583,719	583,719
Amount due to subsidiary companies	16,144,483	-	-	-	16,144,483	16,144,483
Lease liabilities	43,515	-	-	-	43,515	43,515
Bank borrowings	8,057,450	3,495,143	1,220,220	1,355,078	14,127,891	13,207,836
Financial guarantee*	263,640,475	-	-	-	263,640,475	-
	288,469,642	3,495,143	1,220,220	1,355,078	294,540,083	29,979,553

* The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries, associate 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 and the probability of the subsidiary companies defaulting on their credit facilities is remote.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) 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 exposure to interest rate risk arises mainly from borrowings with variable rates. The Group'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 fixed rate receivables and deposits with licensed banks are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined by MFRS 7 since neither their carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is summarised as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Floating rate instrument				
Financial liability				
Bank borrowings	200,755,308	202,433,313	10,057,490	13,207,836

Cash flow sensitivity analysis for floating rate instruments

A change of 1% interest rate at the end of the reporting period would have increased/(decreased) the Group's and the Company's loss before tax by RM2,007,553 and RM100,575 (2024: RM2,024,333 and RM132,078), arising mainly as a result of lower/higher interest expenses on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Fair value information

The fair values of the financial assets and financial liabilities of the Group and of the Company 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:

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value information (Cont'd)

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		
2025								
Financial assets								
Short-term investments	262,379	-	-	-	-	-	262,379	262,379
Financial liabilities								
Term loan (floating rate)	-	-	-	-	115,648,604	-	115,648,604	115,648,604
2024								
Financial assets								
Finance lease receivables	-	-	-	-	345,077	-	345,077	345,077
Short-term investments	252,919	-	-	-	-	-	252,919	252,919
Financial liabilities								
Term loan (floating rate)	-	-	-	-	126,328,900	-	126,328,900	126,328,900

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value information (Cont'd)

	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		
Company								
2025								
Financial assets								
Short-term investments	71,004	-	-	-	-	-	71,004	71,004
Financial liabilities								
Term loan (floating rate)	-	-	-	-	5,536,650	-	5,536,650	5,536,650
2024								
Financial assets								
Short-term investments	68,624	-	-	-	-	-	68,624	68,624
Financial liabilities								
Term loan (floating rate)	-	-	-	-	8,808,506	-	8,808,506	8,808,506

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

38. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value information (Cont'd)

- (i) Fair value of financial instruments carried at fair value
 - (a) The fair values of the Group's and the Company's money market fund are determined based on the fund managers' statements at the reporting date.
 - (b) There were no transfers between level 1 and level 2 during the financial year.
- (ii) Fair value of financial instruments not carried at fair value

The fair values, which are for disclosure purposes, have been determined using the following basis:

- (a) The fair values of the Group's and the Company'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.
- (b) The fair values of the Group's and the Company's finance lease receivables and term loan that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:

	Group	
	2025 %	2024 %
Finance lease receivables	-	5.65

39. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholder(s) value. To achieve this objective, the Group 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 manages its capital based on gearing ratio that complies with debt covenants and regulatory, if any. The gearing ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents.

The gearing ratio of the Group at the end of the reporting year was as follows:-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Total loans and borrowings	227,572,704	230,888,508	10,057,490	13,207,836
Less: Cash and equivalents	(47,650,128)	(45,346,739)	(904,996)	(878,550)
Net debt	179,922,576	185,541,769	9,152,494	12,329,286

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

39. CAPITAL MANAGEMENT (CONT'D)

The gearing ratio of the Group at the end of the reporting year was as follows:- (Cont'd)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Total equity	162,024,200	157,945,974	154,365,104	150,376,810
Net gearing ratio	1.11	1.17	0.06	0.08

There was no change in the Group's approach to the capital management during the financial year.

40. CAPITAL COMMITMENTS

	Group	
	2025 RM	2024 RM
Approved and contracted for:		
- Acquisition of property, plant and equipment	28,692,462	7,137,462

41. CONTINGENT LIABILITY

An indirect subsidiary of the Company is a defendant in a legal action involving the alleged specific damages of RM3,966,065 arising from construction works carried out on the land without landowners consent.

On 3 February 2026, the High Court dismissed the Plaintiffs' claims for special damages amounting to RM3,966,065 but allowed general damages totalling RM500,000 to the Plaintiffs. The Defendant's third-party proceedings were dismissed entirely, with costs awarded to the Third Parties.

The Company has filed an appeal to the Court of Appeal in respect of the High Court decision.

Based on legal opinion received, the Directors are of the view that the Company has a good prospect of successfully defending the appeal. Accordingly, no provision has been recognised in the financial statements as at the reporting date. The ultimate outcome of the matter remains subject to the final determination by the Court of Appeal.

LIST OF PROPERTIES

TOP 10 PROPERTIES:-

No	Title Details/ Postal Address	Description of property / Existing use	Land area / Built-up area (Sf)	Approximate age of building (Years)	Tenure/ Date of expiry of the Lease	Audited Net Book Value as at 31.12.2025 RM	Date of acquisition
1.	H.S.(D) 48427, PT 22736, Lot 205A, Kawasan Perindustrian Gebeng Phase II, Mukim Sungai Karang, Daerah Kuantan, Pahang	A parcel of leasehold industrial land	Land area: 587,096 Built-up area: Not applicable	Not applicable	Leasehold (99 years)/ 25 September 2115	9,689,895	15 April 2015
2.	H.S (M) 23117, P.T.No. 831, Tempat Kota Puteri, Seksyen 6, Bandar Batu Arang, Daerah Gombak, Negeri Selangor Darul Ehsan Lot 23, Jalan Kota Puteri 6, Kawasan Industri Seksyen 6, Kota Puteri, Bandar Batu Arang, Daerah Gombak.	A parcel of leasehold industrial land	Land area: 241,391 Built up area: Not applicable	Not applicable	Leasehold (99 years)/ 4 February 2104	6,383,999	12 April 2018
3.	H.S.(D) 173541, P.T.No.32213, Pekan Baru Sungai Buloh, District of Petaling, State of Selangor Darul Ehsan. No. 8, Jalan PJU 3/16D, Tropicana Indah, 47410 Petaling Jaya, Selangor Darul Ehsan.	A parcel of leasehold residential land	Land area: 21,269 Built up area: Not applicable	Not applicable	Leasehold (99 years)/ 27 May 2101	5,770,806	29 July 2015

LIST OF PROPERTIES

TOP 10 PROPERTIES:-(CONT'D)

No	Title Details/ Postal Address	Description of property / Existing use	Land area / Built-up area (Sf)	Approximate age of building (Years)	Tenure/ Date of expiry of the Lease	Audited Net Book Value as at 31.12.2025 RM	Date of acquisition
4.	H.S (M) 23116, P.T.No. 830, Tempat Kota Puteri, Seksyen 6, Bandar Batu Arang, Daerah Gombak, Negeri Selangor Darul Ehsan. Lot 21, Jalan Kota Puteri 6, Kawasan Industri Seksyen 6, Kota Puteri, Bandar Batu Arang, Daerah Gombak.	A parcel of leasehold industrial land	Land area: 217,679 Built up area: Not applicable	Not applicable	Leasehold (99 years)/ 4 February 2104	5,758,731	12 April 2018
5.	H.S.(M) 460, Lot 4777, Mukim Rawang, Tempat Sungai Mangga, Kuang, Daerah Gombak, Selangor.	A parcel of leasehold agriculture land	Land area: 269,679 Built-up area: Not applicable	Not applicable	Leasehold (99 years)/ 21 July 2069	5,716,528	23 November 2017
6.	H.S(D) 242482, P.T. 10061, Pekan Baru Sungai Buloh, Daerah Petaling, Negeri Selangor Darul Ehsan. No. 20, Jalan Pekaka 8/3, Sekysen 8, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan.	One (1) unit of five (5) storey shop office	Land area: 4,349 Built up area: 21,408	Twenty-four (24) years	Leasehold (99 years)/ 17 December 2106	4,720,026	29 September 2017
7.	PN 52716, Lot 20007 Section 95A and Geran 79381, Lot 20006 Section 95A BO 1-A-08, Menara 2, No.3, Jalan Bangsar, KL ECO CITY, 59200 Kuala Lumpur.	Whole of 8 th floor of a twenty (20) storey building office tower block	Land area: Not applicable Built up area: 4,381	Ten (10) years	Leasehold (99 years)/ 5 December 2113	4,446,948	5 August 2013

LIST OF PROPERTIES

TOP 10 PROPERTIES:- (CONT'D)

No	Title Details/ Postal Address	Description of property / Existing use	Land area / Built-up area (Sf)	Approximate age of building (Years)	Tenure/ Date of expiry of the Lease	Audited Net Book Value as at 31.12.2025 RM	Date of acquisition
8.	Geran 316473, Lot 64445, Town of Glenmarie, District of Petaling, State of Selangor Darul Ehsan. No.1, Jalan Pengaturcara U1/51E, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan.	One (1) unit of three (3) storey bungalow	Land area: 7,158 Built up area: 4,790	Fifteen (15) years	Freehold	3,592,396	4 September 2015
9.	HS(D) 279746, Lot No. PT 1981, Town of Glenmarie, District of Petaling, State of Selangor Darul Ehsan. No. 18, Jalan Pengaturcara, U1/51H, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan.	One (1) unit of three (3) storey semi- detached house	Land area: 8,253 Built up area: 3,940	Thirteen (13) years	Freehold	3,012,091	4 September 2015
10.	HS(D) 164582 PT 40672 Mukim Semenyih, District of Ulu Langat, State of Selangor Darul Ehsan. No. 55, Jalan Ecohill 3/1B, Setia Ecohill, 43500 Semenyih, Selangor Darul Ehsan.	One (1) unit of double storey zero lot bungalow	Land area: 6,712 Built up area: 3,304	Ten (10) years	Freehold	1,664,674	14 March 2016

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

Total Issued Share : 584,731,900 Ordinary Shares
(including 23,349,500 Treasury Shares as per Record of Depositors as at 31 March 2026)

Types of Shares : Ordinary Share

Voting Rights : One vote per Ordinary Share on a poll

DISTRIBUTION OF SHAREHOLDINGS AS AT 31 MARCH 2026

Size of Shareholdings	No. of Shareholders	No. of Shares [#]	% [#]
1 - 99	7	95	0
100 to 1,000	329	190,100	0.03
1,001 to 10,000	1,043	6,180,355	1.10
10,001 to 100,000	918	32,872,650	5.86
100,001 – 28,741,499 ^{**}	224	456,386,600	81.30
28,741,500 and above ^{***}	2	65,753,200	11.71
Total	2,523	561,382,400	100.00

Note:-

* Less than 5% of Issued Holdings

** 5% and above of Issued Holdings

Excluding a total of 23,349,500 ordinary shares bought back by the Company and retained as Treasury Shares as per Record of Depositors as at 31 March 2026

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Size of Shareholdings	Direct Interest		Indirect Interest	
	No. of Shares [#]	% [#]	No. of Shares [#]	% [#]
1. Dato' Phum Ang Kia	97,563,750	17.38	150,000 [*]	0.03 [*]
2. Lim Swee Chai	40,381,250	7.19	-	-
3. Ng Chun Kooi	28,233,200	5.03	-	-

Note:-

Calculated based on the issued share capital excluding a total of 23,349,500 ordinary shares bought back by the Company and retained as Treasury Shares.

* Indirect Interest by virtue of his children pursuant to Section 59(11)(c) of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

DIRECTORS' SHAREHOLDINGS AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS

Size of Shareholdings	Direct Interest		Indirect Interest	
	No. of Shares [#]	% [#]	No. of Shares [#]	% [#]
1. Dato' Phum Ang Kia	97,563,750	17.38	150,000*	0.03*
2. Phum Boon Eng	-	-	-	-
3. Tung Kai Hung	9,875,250	1.76	-	-
4. Tan Sri Razarudin Bin Husain @ Abd Rasid	-	-	-	-
5. Wee Chuen Lii	-	-	-	-
6. Datuk Loo Took Gee	-	-	-	-
7. Jananee Priya A/P Gopal	-	-	-	-

Note:-

[#] Calculated based on the issued share capital excluding a total of 23,349,500 ordinary shares bought back by the Company and retained as Treasury Shares.

* Indirect Interest by virtue of his children pursuant to Section 59(11)(c) of the Companies Act, 2016.

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 31 MARCH 2026)

No.	Name	No. of Shares	%
1.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATO' PHUM ANG KIA (7003846)	37,520,000	6.69
2.	NG CHUN KOOI	28,233,200	5.03
3.	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR LGT BANK AG (FOREIGN)	28,000,000	4.99
4.	PHAM SOON KOK	26,180,250	4.66
5.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR PHUM ANG KIA	25,980,000	4.63
6.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DESIRAN REALITI SDN BHD	23,052,000	4.12
7.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PHUM ANG KIA (DATO')	19,200,000	3.42
8.	DATO' NEOH SOON HIONG	17,817,400	3.17
9.	RHB NOMINEES (TEMPATAN) SDN BHD OSK CAPITAL SDN BHD FOR LIM SWEE CHAI	16,008,250	2.85
10.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM SWEE CHAI (MY4741)	15,000,000	2.67
11.	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD ETSW SBS (CLIENTS' ACC)	12,773,200	2.28
12.	YEO AN THAI	12,660,650	2.26

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 31 MARCH 2026)

No.	Name	No. of Shares	%
13.	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG CHOO MENG (DATO')	12,260,000	2.18
14.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (PHEIM)	11,844,000	2.11
15.	RHB NOMINEES (TEMPATAN) SDN BHD OSK CAPITAL SDN BHD FOR YAYASAN ISLAM TERENGGANU	11,790,000	2.10
16.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIAU HAW CHOON	11,500,000	2.05
17.	LIM KOK TIONG	10,710,150	1.91
18.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR PHUM ANG KIA (MY3638)	8,460,000	1.51
19.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHEE SING (021)	8,000,000	1.43
20.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM SWEE CHAI	7,800,000	1.39
21.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM JEE GIN	7,000,000	1.25
22.	TUNG KAI HUNG	6,875,250	1.23
23.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEOH HAI HIN	6,666,400	1.19
24.	NEOH XIAO JOON	6,605,900	1.18
25.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PHUM ANG KIA	6,400,000	1.14
26.	YAP GOON YING	6,367,250	1.13
27.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR DESIRAN REALITI SDN. BHD. (MY3933)	5,500,000	0.98
28.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JASON KOH JIAN HUI	5,344,400	0.95
29.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIAU HAW CHOON	5,146,900	0.92
30.	WONG KIN SANG	4,525,000	0.81

NOTICE OF TWENTY-NINTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Ninth Annual General Meeting (“29th AGM”) of Advancecon Holdings Berhad (“the Company”) will be held at Greens III (Sports Wing), Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 18 June 2026 at 10.00 a.m. for the following purposes:

AGENDA

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>(Please refer to Explanatory Note 1)</i> |
| 2. To approve the payment of Directors’ fees and other benefits of up to RM320,000 in respect of the period from 19 June 2026 until the conclusion of the next AGM of the Company. | Ordinary Resolution 1 |
| 3. To approve and ratify the excess payment of Directors’ fees amounting to RM11,562 from 28 May 2026 up to the conclusion of the 29 th AGM. | Ordinary Resolution 2 |
| 4. To re-elect Jananee Priya A/P Gopal who is retiring by rotation in accordance with Clause 125 of the Company’s Constitution and being eligible, has offered herself for re-election. | Ordinary Resolution 3 |
| 5. To re-elect the following Directors who are retiring in accordance with Clause 130 of the Company’s Constitution and being eligible, have offered themselves for re-election:

(a) Phum Boon Eng
(b) Tan Sri Razarudin Bin Husain @ Abd Rasid
(c) Wee Chuen Lii
(d) Datuk Loo Took Gee | Ordinary Resolution 4
Ordinary Resolution 5
Ordinary Resolution 6
Ordinary Resolution 7 |
| 6. To re-appoint Messrs. UHY Malaysia PLT as auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 8 |

AS SPECIAL BUSINESS

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

- | | |
|--|------------------------------|
| 7. AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 (“THE ACT”) | Ordinary Resolution 9 |
|--|------------------------------|

“THAT pursuant to Section 85 of the Act, read in conjunction with Clause 15 and Clause 16 of the Company’s Constitution, approval be and is hereby given to waive the statutory preemptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from the allotment and issuance of shares.

THAT pursuant to Sections 75 and 76 of the Act and subject to the approvals of the relevant governmental/ regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes 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% of the total number of issued shares of the Company or such higher percentage as Bursa Malaysia Securities Berhad (“Bursa Securities”) allowed for the time being and that the Directors be and are hereby also empowered to obtain approval from the Bursa Securities for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

NOTICE OF TWENTY-NINTH ANNUAL GENERAL MEETING

AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.”

8. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN ORDINARY SHARES (“PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY”)** *Ordinary Resolution 10*

“THAT, subject always to the Act, the provisions of the Constitution of the Company, the Main Market Listing Requirements (“Listing Requirements”) and the approvals of all relevant authorities (if any), the Board of Directors of the Company be and is hereby unconditionally and generally authorised, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- (i) the maximum aggregate number of shares which may be purchased and held by the Company must not exceed 10% of the total number of issued shares of the Company at any point in time (“Proposed Share Buy-Back”);
- (ii) the maximum amount to be allocated for the Proposed Share Buy-Back shall not exceed the aggregate of the Company’s retained profits based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of purchase of the Proposed Share Buy-Back; and
- (iii) the shares of the Company so purchased may be cancelled, retained as treasury shares, distributed as dividends or resold on Bursa Securities, or a combination of any of the above, or be dealt with in such manner allowed by the Act and Listing Requirements from time to time.

THAT the authority conferred by this resolution will commence immediately upon the passing of this resolution and will continue to be in force until:

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

whichever occurs first, but shall not prejudice the completion of the purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the guidelines issued by Bursa Securities and/or any other relevant authority.

AND THAT authority be and is hereby unconditionally and generally given to the Directors to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act 1991, and the entering into all agreements, arrangements and guarantees with any party or parties) to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as

NOTICE OF TWENTY-NINTH ANNUAL GENERAL MEETING

may be imposed by the relevant authorities and with full power to do all such acts and things thereafter in accordance with the Act, the provisions of the Constitution of the Company, the Listing Requirements and all other relevant governmental and/ or regulatory authorities.”

9. **PROPOSED NEW AND RENEWAL SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED RRPTs MANDATE”)**

Ordinary Resolution 11

“THAT, subject to the provisions of the Listing Requirements of Bursa Securities, approval be and is hereby given for the Proposed New and Renewal Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature for the Company and/ or its subsidiaries to enter into and to give effect to the category of the recurrent related party transactions of a revenue or trading nature from time to time with the Related Party as specified in the Circular to Shareholders dated 30 April 2026 provided that such transactions are:-

- (a) undertaken in the ordinary course of business at arm’s length basis and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public;
- (b) necessary for the day-to-day operations; and
- (c) not to the detriment of the minority shareholders of the Company.

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

- (a) the conclusion of the next AGM of the Company following this AGM at which such Shareholders’ Mandate is passed, at which it will lapse, unless by an ordinary resolution passed at such AGM, the authority is renewed; or
- (b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is earlier.

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed RRPTs Mandate”

10. To transact any other ordinary business for which due notice have been given.

BY ORDER OF THE BOARD

TAN TONG LANG (MAICSA 7045482 / SSM PC NO. 202208000250)
LOW VEN SIN (MAICSA 7076080 / SSM PC NO. 202208000340)

Company Secretaries

W.P. Kuala Lumpur
Dated: 30 April 2026

NOTICE OF TWENTY-NINTH ANNUAL GENERAL MEETING

Notes:

1. In respect of deposited securities, only member whose names appear in the Company's Record of Depositors as at 10 June 2026 shall be eligible to attend, participate, speak and vote at this meeting or appoint proxy(ies) to attend, participate, speak and vote on his/ her behalf.
2. A member shall not be entitled to appoint more than (2) proxies. Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy, failing which the appointment shall be invalid.
3. A proxy may but need not be a shareholder of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the meeting shall have the same rights as the shareholder to speak at the meeting.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing, or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
7. The original instrument appointing a proxy be deposited at the Poll Administrator's office, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively to lodge the proxy appointment electronically via Vistra Share Registry and IPO (MY) Portal at <https://srmy.vistra.com> not less than 48 hours before the time set for holding this meeting. Kindly refer to the Administrative Guide for the 29th AGM for further information on electronic lodgement of Proxy Form.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

Personal data privacy:-

By submitting an instrument appointing a proxy(ies) and/ or representative(s) to attend, participate, speak and vote at this meeting, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for this meeting and the preparation and compilation of the attendance lists, minutes and other documents relating to this meeting, and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/ or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/ or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/ or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/ or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF TWENTY-NINTH ANNUAL GENERAL MEETING

Explanatory Notes to Ordinary Resolutions and Special Business:

1. Item 1 of the Agenda - Audited Financial Statements for the Financial Year Ended 31 December 2025

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

2. Item 2 of the Agenda - Payment of Directors' fees and other benefits payable

Pursuant to Section 230(1) of the Act, fees and benefits payable to the Directors of a listed company and its subsidiaries shall be approved by shareholders at a general meeting. The Company is requesting for the shareholders' approval for the payment of fees in accordance with the proposed remuneration structure set out below:

	Directors' fee (RM)	Meeting allowance (RM)
Independent Non-Executive Chairman	10,000 per month	500 per day
Independent Non-Executive Directors	5,000 per month	500 per day
Independent Non-Executive Director	4,600 per month	500 per day

3. Item 3 of the Agenda - Excess Payment of Directors' fee

At the 28th AGM held on 18 June 2025, shareholders approved Directors' fees and benefits of up to RM320,000 for the period from 19 June 2025 until the conclusion of the 29th AGM.

The excess incurred is mainly due to one-off and non-recurring payments, including ex-gratia payments arising from the resignation of certain Directors and appointment of new Directors during the financial period.

This resolution seeks shareholders' ratification and approval for the additional RM11,562 paid in excess of the approved limit.

4. Item 4 of the Agenda - Re-election of retiring Director who retires in accordance with Clause 125 of the Company's Constitution

Clause 125 of the Company's Constitution provides that one-third of the Directors of the Company for the time being shall retire by rotation at the AGM of the Company. All the Directors shall retire from office once at least in each three years but shall be eligible for re-election.

Jananee Priya A/P Gopal is standing for re-election as Director of the Company. Jananee Priya A/P Gopal, who is the Independent Non-Executive Director, has reaffirmed her independence based on independence criteria applied by the Company which is also used in the yearly assessment of Independent Non-Executive Director's independence and fulfilled the independence definitions as prescribed under the Listing Requirements.

For the purpose of determining the eligibility of the Directors to stand for re-election at this meeting and in line with Practice 5.1 of the Malaysian Code on Corporate Governance, the Nomination Committee has assessed the retiring Director under Ordinary Resolution 3, and considered the following:

- (a) the Directors performance and contribution based on the results of the annual evaluation of board;
- (b) the Director's level of contribution to the Board deliberations through his skills, experience and strength in qualities; and

NOTICE OF TWENTY-NINTH ANNUAL GENERAL MEETING

4. **Item 4 of the Agenda - Re-election of retiring Director who retires in accordance with Clause 125 of the Company's Constitution (Cont'd)**

For the purpose of determining the eligibility of the Directors to stand for re-election at this meeting and in line with Practice 5.1 of the Malaysian Code on Corporate Governance, the Nomination Committee has assessed the retiring Director under Ordinary Resolution 3, and considered the following: (Cont'd)

(c) their abilities to act in the best interests of the Company in decision-making.

Based on the results of the annual evaluation of board, the individual Director met the performance criteria required by an effective Board. Hence, the Board has recommended the re-election of Jananee Priya A/P Gopal as Director of the Company.

5. **Item 5 of the Agenda - Re-election of retiring Directors who retire in accordance with Clause 130 of the Company's Constitution**

Clause 130 of the Company's Constitution states that an election of Directors shall take place if the Company, at the meeting at which a Director retires by rotation, does not fill the vacancy, the retiring Director shall, if willing to act, be deemed to have been reappointed unless at the meeting, it is resolved not to fill the vacancy or unless a resolution for the reappointment of the Director is put to the meeting and lost. All Directors who retire from office shall be eligible for re-election.

Phum Boon Eng, Tan Sri Razarudin Bin Husain @ Abd Rasid, Wee Chuen Lii and Datuk Loo Took Gee are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 29th AGM, the Nomination Committee has considered and recommended Phum Boon Eng, Tan Sri Razarudin Bin Husain @ Abd Rasid, Wee Chuen Lii and Datuk Loo Took Gee for re-election as Directors pursuant to Clause 130 of the Company's Constitution.

6. **Item 6 of the Agenda - Re-appointment of Auditors**

The Audit Committee and the Board have considered the re-appointment of Messrs. UHY Malaysia PLT as auditors of the Company and collectively agreed that they have met the relevant criteria prescribed by Paragraph 15.21 of Listing Requirements.

7. **Item 7 of the Agenda - Authority to issue and allot shares pursuant to Sections 75 and 76 of the Act**

The proposed Ordinary Resolution 9, allot new shares at any time to such persons, in their absolute discretion, deem fit ("General Mandate"), provided that the number of shares issued pursuant to this General Mandate, when aggregated with the nominal value of any such shares issued during the preceding twelve (12) months, does not exceed 10% of the total issued share capital of the Company at the time of issue. This renewed General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

With this renewed General Mandate, the Company will be able to raise funds expeditiously for the purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration, at any time without convening a general meeting as it would be both costs and time consuming to organize a general meeting.

The Company is also seeking shareholders' approval to waive their statutory pre-emptive rights under Section 85 of the Act and to allow the Company's Directors to allot new shares without first offering them to existing shareholders in proportion to their holding pursuant to the general mandate.

As at the date of this Notice, no new shares in the Company were issued pursuant to the previous General Mandate granted to the Directors at the 28th AGM held on 18 June 2025.

NOTICE OF TWENTY-NINTH ANNUAL GENERAL MEETING

8. Item 8 of the Agenda - Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 10, if passed, will provide the mandate for the Company to purchase up to 10% of the total number of issued ordinary shares of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

Please refer to the Share Buy-Back Statement dated 30 April 2026 for further details of the Proposed Renewal of Authority for the Company to purchase its own ordinary shares.

9. Item 9 of the Agenda - Proposed RRPTs Mandate

The proposed Ordinary Resolution 11, if passed, will provide a renewal mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with Related Parties in the ordinary course of business based on commercial terms which are not more favourable to the Related Parties than those generally available to the public and which are necessary for the Group's day-to-day operations. This mandate shall lapse at the conclusion of the next AGM unless authority for the renewal is obtained from the shareholders of the Company at a general meeting.

Please refer to the Circular to Shareholder dated 30 April 2026 for information on the recurrent related party transactions.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Details of persons who are standing for election as Directors

No individual is seeking election as a Director at the 29th AGM of the Company.

2. Statement relating to general mandate for issue of securities

Please refer to Explanatory Note 7 of the Notice of 29th AGM for information relating to general mandate for issue of securities.

ADMINISTRATIVE GUIDE FOR THE TWENTY-NINTH ANNUAL GENERAL MEETING (“29TH AGM”)

Day, Date and Time : Thursday, 18 June 2026 at 10.00 a.m.
Meeting Venue : Greens III (Sports Wing), Tropicana Golf & Country Resort, Jalan Kelab Tropicana,
47410 Petaling Jaya, Selangor Darul Ehsan

1. REGISTRATION ON THE DAY OF THE 29TH AGM

- Registration will commence at 9.00 a.m. and remain open until the conclusion of the 29th AGM or as determined by the Chairman of the meeting.
- Please present your original MyKAD or Passport (for non-Malaysians) to the registration staff for verification purposes.
- Registration must be completed in person. No registration on behalf of another individual will be allowed, even with the original identification document. Shareholders or proxies will be given an identification wristband.

2. CORPORATE MEMBERS

- Corporate members who wish to appoint corporate representatives instead of a proxy, must deposit their original or duly certified certificate of appointment of corporate representative at the Poll Administrator's office, Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur on or before the 29th AGM.
- Attorneys appointed by power of attorney are required to deposit their power of attorney with the Poll Administrator, Tricor not later than Tuesday, 16 June 2026 at 10.00 a.m. to attend and vote at the 29th AGM.

3. ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY

- Only members whose names appear on the Record of Depositors as at 10 June 2026 shall be eligible to attend, participate, speak and vote at the 29th AGM or appoint a proxy(ies) and/or the Chairman of the meeting to attend and vote on his/her behalf.
- Shareholder who are unable to attend the 29th AGM may appoint the Chairman of the meeting as his/her proxy and indicate the voting instruction in the Form of Proxy.
- If you wish to participate in the 29th AGM yourself, please do not submit any Proxy Form. You will not be allowed to participate in the 29th AGM together with a proxy appointed by you.
- Accordingly, proxy forms and/or documents relating to the appointment of proxy may be made in hard copy form or by electronic means, and must be received by the Company not later than Tuesday, 16 June 2026 at 10.00 a.m, or in case of an adjourned general meeting, by the time of the adjourned meeting at which the appointed proxy intends to vote. Otherwise, the Proxy Form will not be considered valid.

(i) In Hard copy form

By hand or post to the office of the Poll Administrator, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

ADMINISTRATIVE GUIDE FOR THE TWENTY-NINTH ANNUAL GENERAL MEETING (“29TH AGM”)

(ii) By Electronic means

Shareholders have the option to submit Proxy Form electronically via Vistra Share Registry & IPO (MY) Portal (“the Portal”) and the steps to submit are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User At the Portal	<ol style="list-style-type: none"> 1. Visit the website at https://srmy.vistra.com 2. Click “Register” and select “Individual Holder” and complete the New User Registration Form. 3. For guidance, you may refer to the tutorial guide available on the homepage. 4. Once registration is completed, you will receive an email notification to verify your registered email address. 5. After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by creating your password. <p>If you are an existing user with the Portal or our TIIH Online portal previously, you are not required to register again.</p>
Proceed with submission of Proxy Form	<ol style="list-style-type: none"> 1. After the release of the Notice of Meeting by the Company, login with your email address and password. 2. Select the corporate event: “ADVANCECON HOLDINGS BERHAD 29TH AGM”. 3. Navigate to the 3 dots at the end of the corporate event and choose “SUBMISSION OF PROXY FORM”. 4. Read and agree to the Terms and Conditions and confirm the Declaration. 5. Indicate the total number of shares assigned to your proxy(s) to vote on your behalf. 6. Appoint your proxy/proxies and insert the required details of your proxy/proxies or appoint the Chairman as your proxy. 7. Indicate your voting instructions – FOR or AGAINST or ABSTAIN. 8. Print the form of proxy for your record.
ii. Steps for corporation or institutional shareholders	
Register as a User at the Portal	<ol style="list-style-type: none"> 1. Visit the website at https://srmy.vistra.com 2. Click “Register” and select “Representative of Corporate Holder” and complete the New User Registration Form. 3. Complete the registration form with your personal details. 4. Once registration is completed, you will receive an email notification to verify your registered email address. 5. After verification, your registration will be reviewed and approved within two (2) working days. A confirmation email will be sent once approved. 6. Once you receive the confirmation. Activate your account by creating your password. <p><i>(Note: The representative of a corporate or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact Tricor Investor & Issuing House Services Sdn Bhd if you need clarifications on the user registration.)</i></p>

ADMINISTRATIVE GUIDE FOR THE TWENTY-NINTH ANNUAL GENERAL MEETING (“29TH AGM”)

Procedure	Action
Proceed with submission of Proxy Form	<ol style="list-style-type: none"> 1. Login to https://srmy.vistra.com with your email address and password. 2. Select the corporate event: “ADVANCECON HOLDINGS BERHAD 29TH AGM”. 3. Navigate to the icon “>” at the end of the corporate event. 4. Read and agree to the Terms & Conditions and confirm the Declaration. 5. Select the corporate holder’s name. 6. Proceed to download the submission file. 7. Prepare the file for the appointment of proxies by inserting the required data. 8. Proceed to upload the duly completed proxy appointment file. 9. Select “Confirm” to complete your submission. 10. Print the confirmation report of your submission for your record.

4. POLL VOTING

- The voting at the 29th AGM will be conducted by poll in accordance with Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor Investor & Issuing House Services Sdn Bhd as Poll Administrator to facilitate the polling process.
- Upon completion of the voting session for the 29th AGM, the appointed Scrutineers will verify the poll results followed by the Chairman’s declaration whether the resolutions are duly passed.

5. NO DOOR GIFT/FOOD VOUCHER

There will be no distribution of door gift or food voucher for the AGM.

6. ENQUIRY

If you have any enquiry prior to the meeting, you may contact the following persons during office hours on Mondays to Fridays from 8:30 a.m. to 5:30 p.m. (except on public holidays):

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD

Telephone Number	: General Line	603-2783 9299
Contact Person	: Amirul Iskandar	+603-2783 9279 mohammad.amirul@vistra.com
	: Syafiqul Hafidz	+603-2783 9024 syafiqul.hafidz@vistra.com
Email	: is.enquiry@vistra.com	

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FORM OF PROXY

CDS Account No.	
No. of Shares Held	

I/We, _____

NRIC/Passport/Company No. _____

of _____

and telephone no./ email address _____

being a member/members of Advancecon Holdings Berhad (the "Company"), hereby appoint

Proxy 1			
Full Name and Address (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding
Email Address/ Contact No.			

*and/ or failing him/ her

Proxy 2			
Full Name and Address (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding
Email Address/ Contact No.			

or failing *him/ her, the CHAIRMAN OF THE MEETING as *my/ our *proxy/ proxies, to vote for *me/ us and on *my/ our behalf at the Twenty-Ninth Annual General Meeting ("29th AGM") of the Company to be held at Greens III (Sports Wing), Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 18 June 2026 at 10.00 a.m.

Please indicate with an "X" in the appropriate space(s) provided below on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/ her discretion.

NO.	RESOLUTIONS	FOR	AGAINST
Ordinary Resolution 1	To approve the payment of Directors' fees and other benefits of up to RM320,000 in respect of the period from 19 June 2026 until the conclusion of the next AGM of the Company		
Ordinary Resolution 2	To approve and ratify the excess payment of Directors' fees amounting to RM11,562 from 28 May 2026 up to the conclusion of the 29 th AGM		
Ordinary Resolution 3	To re-elect Jananee Priya A/P Gopal as Director		
Ordinary Resolution 4	To re-elect Phum Boon Eng as Director		
Ordinary Resolution 5	To re-elect Tan Sri Razarudin Bin Husain @ Abd Rasid as Director		
Ordinary Resolution 6	To re-elect Wee Chuen Lii as Director		
Ordinary Resolution 7	To re-elect Datuk Loo Took Gee as Director		
Ordinary Resolution 8	To re-appoint Messrs. UHY Malaysia PLT as auditors of the Company and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 9	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016		
Ordinary Resolution 10	Proposed Renewal of Share Buy-Back Authority		
Ordinary Resolution 11	Proposed RRPTs Mandate		

Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If no specific instruction is given on the voting, the proxy/proxies will vote or abstain from voting on the resolution at his/her discretion.

Dated this _____ day of _____, 2026.

No. of Shares held	
CDS Account No.	
Tel No. (during office hours)	

*Signature/Common Seal of Shareholder

Contact no.:

* Strike out whichever is not applicable

Notes:

1. In respect of deposited securities, only member whose names appear in the Company's Record of Depositors as at 10 June 2026 shall be eligible to attend, participate, speak and vote at this meeting or appoint proxy(ies) to attend, participate, speak and vote on his/ her behalf.
2. A member shall not be entitled to appoint more than (2) proxies. Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy, failing which the appointment shall be invalid.
3. A proxy may but need not be a shareholder of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the meeting shall have the same rights as the shareholder to speak at the meeting.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("Central Depositories Act"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing, or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
7. The original instrument appointing a proxy be deposited at the Poll Administrator's office, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively to lodge the proxy appointment electronically via Vistra Share Registry and IPO (MY) Portal at <https://srmy.vistra.com> not less than 48 hours before the time set for holding this meeting. Kindly refer to the Administrative Guide for the 29th AGM for further information on electronic lodgement of Proxy Form.
8. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

Personal Data Privacy:-

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of 29th AGM dated 30 April 2026.

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Place Stamp Here

The Poll Administrator of the meeting for
ADVANCECON HOLDINGS BERHAD
(Registration No. 199701011469 (426965-M))

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A, Vertical Business Suite
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur

REQUEST FORM

To : ADVANCECON HOLDINGS BERHAD
No. 16,18 & 20, Jalan Pekaka 8/3
Seksyen 8, Kota Damasara
47810 Petaling Jaya
Selangor Darul Ehsan

Tel : 03-6157 9563 ext 306
Fax : 03-6156 0290
Email : sy_chan@advancecon.com.my

Please send *me/us the hard copies of Annual Report 2025 and Statement / Circular

NAME OF SHAREHOLDER : _____
*NRIC NO./ PASSPORT NO./ COMPANY NO. : _____
CDS ACCOUNT NO. : _____
ADDRESS : _____
CONTACT NO. : _____

Signature of Shareholder

Date

Notes:

1. The printed copy will be sent to you as soon as reasonably practicable by ordinary post upon receipts of your request.
2. The Annual Report can be downloaded from <http://www.advancecon.com.my>

* Strike out whichever is not applicable

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Place Stamp Here

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ADVANCECON HOLDINGS BERHAD
(Registration No. 199701011469 (426965-M))

Tricor Investor & Issuing House Services Sdn Bhd
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59200 Kuala Lumpur

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ADVANCECON

ADVANCECON HOLDINGS BERHAD

(Registration No. 199701011469 (426965-M))

No. 16,18 & 20 Jalan Pekaka 8/3
Seksyen 8, Kota Damansara
47810 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603 6157 9563
Fax : +603 6157 0469
Email : info@advancecon.com.my

www.advancecon.com.my

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5281
COMPANY NAME : ADVANCECON HOLDINGS BERHAD
FINANCIAL YEAR : December 31, 2025

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

Application	: Applied
Explanation on application of the practice	<p>Advancecon Holdings Berhad ("Advancecon" or "the Company") is led by an experienced, competent and diversified Board of Directors ("Board") that is made up of Directors with appropriate competencies, knowledge, skills and experience from diverse backgrounds. The Directors collectively, set the Company's strategic objectives and ensure that the necessary resources are in place for the Company to meet its objectives and review management performance.</p> <p>The Board is responsible for the oversight and overall management of the Company. The Executive Directors are responsible to manage the day-to-day operations of the business, implementation of Board policies and making strategic decisions for the business while the Independent Non-Executive Directors ("INEDs") contribute their independent judgement to the Board on issues of strategy and performance.</p> <p>The Board is guided by its Board Charter and the Code of Conduct and Ethics ("Code") which clearly sets out the Board's roles and responsibilities and the standard of conduct expected of Directors respectively are available on the Company's website at www.advancecon.com.my.</p> <p>Board Committees, which operate within its respective defined Terms of Reference ("TOR"), have been established to assist the Board in the discharge of its specific duties and responsibilities. Hence, the Chairman / Chairperson of the respective Committees report to the Board the outcome of deliberations of each Committee's meetings.</p> <p>In order to ensure the effective discharge of the Board's functions and responsibilities in meeting the objectives of the Company and of the Group, the Board had carried out the following activities during the financial year ended 31 December 2025 ("FY2025"):</p>

	<p>(a) The Chairman ensures that decisions are taken on a sound and well-informed basis, including ensuring that all strategic and critical issues are considered by the Board and that Directors receive the relevant information on a timely basis.</p> <p>(b) The Management’s performance under the leadership of the Managing Director is monitored through a yearly performance evaluation.</p> <p>(c) The Board through the Nomination Committee (“NC”) is responsible to ensure the Board is represented by individuals with an optimal mix of qualifications, skills and experience.</p> <p>(d) Through the Risk Management and Sustainability Committee (“RMSC”), the Board oversees the risk management framework of the Group. The RMSC assists the Board to fulfil its responsibilities with regards to risk governance and risk management in order to manage the overall risks exposure of the Group. The Audit Committee (“AC”) reviews the risk management and internal controls of the Group to ensure, as far as possible, to safeguard shareholders’ interest and the Group’s assets.</p> <p>(e) The Board maintains an open communication policy that enables the Board and its Management to communicate effectively with shareholders and members of the general public. Whenever appropriate, the Board or the relevant management personnel will respond to queries from the stakeholders on a timely manner.</p> <p>(f) The Board ensures that financial statements prepared for each financial year have been made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of the Company and the Group at the end of the financial year. In preparing the financial statements the Board has:</p> <ul style="list-style-type: none"> • Ensure adherence to accounting policies and applied them consistently. • Made judgements and estimates that are reasonable and prudent. • Ensure that all applicable accounting standards have been adhered to. • Ensure financial statements are prepared on the going concern basis as the Directors have a reasonable expectation, having made enquiries that the Group has adequate resources to continue in operations for the foreseeable future.
<p>Explanation for departure</p>	<p>:</p>

<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>Mr. Yeoh Chong Keat served as the Independent Non-Executive Chairman of the Company during FY2025 and was responsible for leading the Board and presiding over the Board meetings to ensure that the Board performed its roles and responsibilities effectively while discharging its fiduciary duties diligently.</p> <p>Other than leading the Board meetings and meetings of shareholders, the Chairman ensures that all relevant issues for the successful stewardship of the Group's business are on the Board agenda to facilitate effective decision making by the Board.</p> <p>During the FY2025, the Chairman had:</p> <ul style="list-style-type: none">(a) Provided leadership for the Board so that the Board could perform its roles and responsibilities effectively and setting its agenda. The Chairman is also responsible for creating an environment for open, robust and effective debate. This includes ensuring, via the Company Secretary, that the Directors receive accurate, timely and clear information.(b) Set the Board agenda with Company Secretary and ensured that Board members had received complete and accurate information in a timely manner.(c) Led Board meetings and discussions.(d) Managed boardroom dynamics by promoting a culture of openness and debate; encouraged active participation and allowed dissenting views to be freely expressed.(e) Acted as the conduit between Management and the Board, although all Directors should have the opportunity to get to know key members of the Management team.(f) Ensured appropriate steps are taken to provide effective communication with stakeholders and that their views were communicated to the Board as a whole.(g) Led the Board in establishing and monitoring good corporate governance practices in the Company.

	<p>(h) Chaired the Annual General Meetings (“AGM”) and Extraordinary General Meeting (“EGM”) of the Company and providing clarification on issues raised by shareholders.</p> <p>Subsequent to the financial year end, Tan Sri Razarudin Bin Husain @ Abd Rasid was appointed as Independent Non-Executive Chairman of the Company in place of Mr. Yeoh Chong Keat, who resigned on 16 March 2026.</p>	
Explanation for departure :		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure :		
Timeframe :		

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

Application	:	Applied
Explanation on application of the practice	:	<p>The positions of the Chairman and Managing Director of the Company are held by two (2) different individuals. There is clear division of responsibilities between two roles, which is clearly defined in the Board Charter, to ensure that there is an appropriate balance of power and authority.</p> <p>The Chairman's role is currently held by Tan Sri Razarudin Bin Husain @ Abd Rasid, who is responsible for leading the Board in its collective oversight of Management, with a focus on governance and compliance. The Managing Director, Phum Boon Eng, is responsible for the execution of the Company's business strategy and the day-to-day operations of the Company.</p> <p>The respective roles and responsibilities of the Chairman and Managing Director are set out in the Board Charter, which is available on the Company's website at www.advancecon.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.

<i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i>	
Application :	Applied
Explanation on application of the practice :	The Chairman of the Board is not a member of the Audit Committee, Nomination Committee or Remuneration Committee.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

Application	: Applied
Explanation on application of the practice	<p>Presently, the Board is assisted by two Company Secretaries who are qualified to act as company secretaries under Section 235(2) of the Companies Act 2016 ("the Act"). Both of them are members of Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").</p> <p>During the FY2025, the Company Secretaries had performed the following tasks:</p> <ul style="list-style-type: none">(a) Supported the Board and played an important role to facilitate the overall compliance with the Act, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("MMLR") and other relevant laws and regulations by updating the Board at the Board meetings.(b) Assisted the Board and Board Committees to function effectively and in accordance with their respective TOR and best practices and ensured adherence to the existing Board policies and procedures.(c) Attended Board Meetings and ensured the proper conduct of the meetings. Deliberations and decisions were accurately minuted and kept in the minutes books.(d) Managed processes pertaining to the annual shareholders meeting.(e) Served as a focal point for stakeholders' communication and engagement on corporate governance issues. <p>The roles and responsibilities of the Company Secretaries are set out in the Company's Board Charter, which is available on the Company's website at www.advancecon.com.my.</p> <p>The Company Secretaries had attended the necessary training programmes, conferences, seminars and/or forums organised by the Companies Commission of Malaysia, MAICSA, the Securities Commission Malaysia ("SC") and Bursa Securities as well as in house training so as to keep themselves abreast with the latest changes in laws</p>

	and regulatory requirements that are relevant to their profession and to provide the necessary advisory role to the Board.	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>Unless otherwise agreed, notice of each meeting confirming the venue, time, date and agenda of the meeting together with relevant Board papers are forwarded to each director no later than seven days before the date of the meeting.</p> <p>This is to ensure that the Board papers comprising issues to be discussed, supporting information and documentations are provided to the Board sufficiently in advance. Furthermore, Directors are given sufficient time to read the Board papers and seek for any clarification or further explanation from the Management and the Company Secretaries. The deliberations of the Board in terms of the issues discussed during the meetings and the Board's conclusions in discharging its duties and responsibilities are recorded in the minutes of meetings by the Company Secretaries.</p> <p>The Board has access to all information within the Company to enable them to discharge their duties and responsibilities and is supplied in a timely basis with information and reports on financial, regulatory and audit matters by way of Board papers for informed decision making.</p> <p>Senior Management and/or external consultants may be invited to attend Board Meetings to advise and/or furnish the Board with relevant information.</p> <p>To facilitate smooth operation of the businesses of the Group, follow up actions requested by the Board or Board Committees pertaining to the decisions of the Board or the Board Committees, are addressed by the Management within the timeline given.</p> <p>All proceedings of Board meetings were minuted. The minutes would be distributed to all Directors on a timely manner and tabled for confirmation at the next meeting. Signed copies of the minutes were kept in the minutes book maintained by the Company Secretaries.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company’s website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

Application	:	Applied
Explanation on application of the practice	:	<p>Board’s strategic intent, roles and responsibilities in discharging its fiduciary and leadership functions. The Board Charter serves as a main source of reference and also provides insights to prospective Board members and Senior Management. It clearly explains the relationship and interaction between the Board, Board Committees, Chairman and Executive Directors. Hence, the Board Charter is reviewed periodically and updated in accordance with the needs of the Company to ensure its effectiveness and consistency with the Board’s objectives and corporate vision.</p> <p>The Board Charter was reviewed by the Board periodically. The current Board Charter is accessible for reference on the Company’s website at www.advancecon.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Board is committed in maintaining a corporate culture which engenders ethical conduct. The Board has formalised the Code of Conduct and Ethics ("Code") as a guidance to be followed by Directors and all employees with regards to the Group's standard of integrity and rules of conduct to be observed in the performance of work and business practices.</p> <p>The core sections of the Code covered the following principles:</p> <ul style="list-style-type: none"> • Act with Integrity and Ethics • Protect Advancecon Assets and Intellectual Property • Comply with Laws and Regulations • Working with One Another <p>The Board will periodically review the Code when necessary to ensure it remains relevant and appropriate. The details of the Code are available for reference at the Company's website at www.advancecon.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

Application	:	Applied
Explanation on application of the practice	:	<p>The Code formalised by the Board includes the Whistleblowing Policy to provide an avenue to facilitate employees of the Group or members of the public to raise any concerns or disclose any improper conduct within the Group and to take appropriate action to resolve it effectively.</p> <p>Whistle-blowers can report any improper conduct by email to the AC Chairman, at whistleblowing@advancecon.com.my or post it to Advancecon’s office.</p> <p>The Whistleblowing Policy and the Anti-Bribery and Corruption Policy Statement are available on the Company’s website at www.advancecon.com.my.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company’s sustainability strategies, priorities and targets.

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

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board sets out and oversees the sustainability governance structure consisting of vision, mission, core value and sustainability strategy.</p> <p>The governance structure focuses mainly on key areas like the context of the Economic, Environmental and Social and report the progress of these key areas through the collection and monitoring of data.</p> <p>The RMSC is to supports the Board by overseeing the management of principal business risks and significant/material economic, environmental and social risks.</p> <p>The Group’s sustainability management is driven by the Sustainability Steering Committee who is responsible for coordinating daily activities and implement company-wide sustainability initiatives.</p> <p>The sustainability governance structure and roles of Sustainability Steering Committee are outlined under the Sustainability Statement in the Annual Report 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company’s sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied	
Explanation on application of the practice	:	<p>The Company has an established stakeholder engagement practice for respective stakeholder groups, which drives long-term sustainability by providing opportunities to further align practices with societal needs and expectations.</p> <p>Details pertaining to engagement platforms and how the Group engages its stakeholders are available in the “ENGAGING OUR STAKEHOLDERS” section of our Sustainability Statement.</p> <p>Advancecon’ Sustainability Report complies with Bursa Malaysia’s Sustainability Reporting Framework and included in the Annual Report (“AR”). The AR is available for reference at the Company’s website at www.advancecon.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	The Board continuously keep themselves abreast with and understanding to the sustainability agendas which are relevant to the Company and its business through periodical updates by the SC.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

Application	:	Applied	
Explanation on application of the practice	:	The annual assessment reviews the effectiveness of the Board including the role of the Board in the Company's operational business and risk environment and ability to act in the best interest of the Company to achieve its strategic objectives, including embedding sustainability in the Company's strategies and operations. The Senior Management implements strategies and reports on performance of processes and controls, and management targets to ensure alignment and effective implementation of the Group's strategic initiatives in pursuing its business goals of which sustainability aspects are considered.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>RMSC leads the Sustainability Working Committee (“SWC”) and provides direction, oversight and guidance throughout the Group to implement sustainability-related projects.</p> <p>The key responsibilities of SWC are as follow:</p> <ul style="list-style-type: none">(i) to analyse the management of the principal business risks and significant/material economic, environmental and social risks; and(ii) to oversee the stakeholder engagement and its outcomes addressing economic, environmental, social and governance matters with regard to the strategic sustainability goals.

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The NC annually assesses the experience, the tenure, and diversity required collectively for the Board and ensures that it is periodically refreshed so that it can discharge its duties effectively.</p> <p>The NC annually reviews the performance of all directors including those seeking re-election based on competency, preparedness and independence (for independent directors). Only those with satisfactory evaluation are recommended to the Board for re-election.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

Application	:	Applied		
Explanation on application of the practice	:	As at the date of the issuance of this report, the Board comprise of seven members with four being INEDs.		
		Designation	Number of Directors	Percentage (%)
		Executive Directors	2	28.57
		Managing Director	1	14.29
		Independent and Non-Executive Directors	4	57.14
		Total	7	100.00
Explanation for departure	:			
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>				
Measure	:			
Timeframe	:			

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied	
Explanation on application of the practice	:	Save for Mr. Yeoh Chong Keat and En. Mohd Zaky Bin Othman, none of the Independent Directors have served on the Board for more than nine (9) years. Nonetheless, both of them have resigned on 16 March 2026.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

Application :	Not Adopted
Explanation on adoption of the practice :	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises that having a range of different skills, backgrounds and experiences is essential to ensure effective decision making and governance in the best interests of the Company.</p> <p>The normal selection criteria of a director are based on an effective blend of competencies, skills, experience and knowledge so as to strengthen the Board.</p> <p>The NC is responsible for identifying, assessing and recommending the right candidates to the Board as well as reviewing the composition and performance of the Board. In making its recommendations, the NC will consider, among others, the mix of skills, knowledge, experience, diversity (including gender diversity), background, integrity, competence, time commitment and independence to meet the strategic objectives and business requirements of the Group.</p> <p>As at the date of the issuance of this report, the diversity for the Board and Senior Management are as follows:</p> <p><u>Board of Directors</u> Gender: Male (4); Female (3) Age: 30-39 (1); 40-49 (1); 50-59 (1); 60 & above (4) Ethnicity: Malay (1); Chinese (5); Indian (1)</p> <p><u>Senior Management</u> Gender: Male (3); Female (2) Age: 30-39 (0); 40-49 (3); 50-59 (2); 60 & above (0) Ethnicity: Malay (0); Chinese (5); Indian (0)</p> <p>Having assessed the size, composition and diversity of the Board annually, the NC and the Board opined that the existing Board has the requisite competencies and capacity to effectively discharge its functions and responsibilities.</p>

Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied	
Explanation on application of the practice	:	In identifying candidates for appointment of Independent Directors, the Board accepts recommendations from existing Board members, Management or major shareholders. In addition, the Company will also engage the Institute of Corporate Directors Malaysia (“ICDM”) as an independent consultant to source suitably qualified candidates for future Board appointments.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied	
Explanation on application of the practice	:	<p>The profiles of Directors are published in the Annual Report 2025 and on Company’s website. These include their age, gender, tenure of service, directorships in other companies, working experience and any conflict of interest as well as their shareholdings in the Company, if any.</p> <p>The reasons for the re-election of the retiring Directors for re-election are also set out in the explanatory notes to the notice of the 29th Annual General Meeting of the Company.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied	
Explanation on application of the practice	:	<p>The NC is made up entirely of INEDs in compliance with Paragraph 15.08A(1) of the MMLR.</p> <p>Following the resignation of Mr. Yeoh Chong Keat on 16 March 2026, the NC is now chaired by Datuk Loo Took Gee, an Independent Non-Executive Director of the Company.</p> <p>The composition of the NC can be found in the Annual Report 2025 under Corporate Information.</p> <p>The TOR of the NC was reviewed by the NC and approved by the Board periodically. The TOR of the NC can be viewed at the Company's website at www.advancecon.com.my.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Applied	
Explanation on application of the practice	:	Currently, there are three (3) out of seven (7) Board members are female representing 42.86% of the board composition which in line with the aspirational target of 30% representation of women on boards.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board acknowledges the importance of boardroom diversity and is supportive of the recommendation of MCCG on the establishment of boardroom and workforce gender diversity policy. The Board's aim is to have a broad range of approaches, backgrounds, skills and experience represented on the Board and to make appointments based on merit, and against objective criteria, with due regard given to the benefits of diversity on the Board, including gender, age and ethnicity. The Board recognises diversity in the boardroom as an essential component of a good corporate governance.</p> <p>The NC will evaluate, assess and recommend the right candidate to the Board based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Group. Equal opportunity is given and the Board does not practise discrimination of any form, whether based on age, gender, race and religion throughout the organisation. Nevertheless, the Board will evaluate and match the criteria of the potential candidate as well as considering the boardroom diversity for any new proposed appointment of directors.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

<i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i>	
Application	: Applied
Explanation on application of the practice	: During the FY2025, the NC conducted a formal and objective internal annual assessment of the Board performance as a whole, the Board Committees and individual Directors, based on self and peer assessment which was undertaken internally. The assessment covers the size and composition of the Board as well as skill mix, industry experience, roles and responsibilities, and effectiveness of the Board, Board Committees and individual Directors based on a set of questionnaires and rating system. Below are the criteria used to assess Board, Board Committees and individual Directors respectively during the financial year: (a) Directors' self-assessment <ul style="list-style-type: none">• knowledge about the Group's vision and mission;• individual roles, responsibilities and functions including but not limited to participation / deliberation at Board meetings, knowledge about the Group's financial status / performance and the state of affairs of the Group;• competency and contribution. (b) Board and Board Committees' assessment <ul style="list-style-type: none">• Board mix authority and composition to function effectively;• quality of information and decision-making process with regards to financial performance and audit, risk management, internal control and communication with stakeholders. The NC has referred to the criteria of "Independence" used in the definition of "independent directors" prescribed under the MMLR and MCCG when assessing the independency of INED.

	<p>The results of the assessments were compiled by the Company Secretary for deliberation and recommendation at the NC meeting and the NC will subsequently table the matter to the Board for their consideration.</p> <p>The Board had undertaken the annual evaluation of themselves, its committees and each individual director for FY2025. The Board was satisfied with the outcome of the evaluation and was of the view that the internal evaluation was adequate to determine the overall effectiveness of the Board and individual Directors.</p> <p>The Board recognises that it is important that all Directors should be able to dedicate sufficient time to the Company to discharge their responsibilities effectively.</p>	
Explanation for departure		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure		
Timeframe		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The RC is authorised by the Board to establish a formal and transparent procedure for developing a policy on Executive Directors' remuneration.</p> <p>The Board believes in a remuneration policy that fairly supports the Directors' responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board offers a competitive remuneration package in order to attract, develop and retain talented individuals to serve as Directors.</p> <p>The RC's principal objective is to evaluate, deliberate and recommend to the Board a remuneration policy for the Executive Directors that is fairly guided by market norms and industry practice. The RC also recommends the Executive Directors' remuneration and benefits based on their individual performances and that of the Group.</p> <p>The determination of the remuneration for INED is a matter of the Board as a whole. The level of remuneration for INED reflects the amount paid by other comparable organisations, adjusted for the experience and levels of responsibilities undertaken by the particular INED concerned.</p> <p>The remuneration package of INED will be a matter to be deliberated by the Board, with the Director concerned abstaining from deliberations and voting on deliberations in respect of his individual remuneration. The aggregate annual Directors' fees and other benefits payable are to be approved by shareholders at the AGM based on recommendations of the Board.</p>

	<p>The remuneration components of key Senior Management shall consist of basic salary, performance-based bonus, benefits-in-kind and other incentives (where applicable). The remuneration of Senior Management is determined at a level which enables the Company to attract, develop and retain high performing and talented individual with the relevant experience, level of expertise and skills.</p>	
<p>Explanation for departure</p>		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
<p>Measure</p>		
<p>Timeframe</p>		

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>In line with the best practices of MCCG, the Board has set up a RC which comprises exclusively of INEDs in order to assist the Board for determining the remuneration of Directors' and Senior Management.</p> <p>Amongst the RC's functions and duties outlined in its TOR are:</p> <ul style="list-style-type: none">(a) To provide assistance and implement the Company's policies and procedures on remuneration including reviewing and recommending matters relating to remuneration and key performance indicators of the Directors and Senior Management.(b) To ensure the Group's remuneration package and key performance indicators are appropriately established after taking into account the demands, complexities and performance of the Company as well as skills and experience required and are aligned with our Group's vision, mission, core values and business objectives, market trends and information sources on the rates of salary for similar jobs in selected group of comparable companies.(c) To ensure a fair differential between the remuneration of Directors and Senior Management and other levels of management is maintained.(d) To review and determine the benefits in kind for the Directors and Senior Management.(e) To provide assistance to the Board on matters relating to, amongst others, and ensure alignment of management grievances pertaining to compensation, compensation strategy, management development and other compensation arrangements in line with market practice.

	<p>(f) To recommend the engagement of external professional advisors to assist and/or advise the Committee and the Board, on remuneration matters, where necessary.</p> <p>(g) To ensure corporate accountability and governance in respect of the Board remuneration and compensation.</p> <p>(h) To perform such other functions as may be requested by the Board.</p> <p>(i) To provide a report summarising its activities for the year in compliance with the MCCG, MMLR of Bursa Malaysia Securities Berhad and any relevant regulations. The report can be incorporated into the Corporate Governance Statement in the Annual Report or included as a separate report.</p> <p>The present members of the RC, all of whom are INEDs, are as follows:</p> <ul style="list-style-type: none"> • Ms. Jananee Priya A/P Gopal, Chairperson • Wee Chuen Lii, Member • Datuk Loo Took Gee, Member <p>The TOR of the RC was reviewed by the RC and approved by the Board periodically. The TOR of the RC can be viewed at the Company's website at www.advancecon.com.my.</p>
<p>Explanation for departure</p>	<p>:</p>
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>	
<p>Measure</p>	<p>:</p>
<p>Timeframe</p>	<p>:</p>

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	The details of the Directors' Remuneration on a named basis and paid by the Company and its subsidiaries (including the components of directors' fees, salary, bonus, benefits in-kind and other emoluments) during the FY2025 were disclosed, as below:

No	Name	Directorate	Company ('000)							Group ('000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Yeoh Chong Keat (Resigned on 16 March 2026)	Independent Director	105	16					121							
2	Dato' Phum Ang Kia	Executive Director			1,169	100	25	153	1,447							
3	Tung Kai Hung	Executive Director									560	46	24	25	655	
4	Mohd Zaky Bin Othman (Resigned on 16 March 2026)	Independent Director	76	16												
5	Jananee Priya A/P Gopal	Independent Director	52	16												
6	Tan Chee Keong (Resigned on 16 April 2025)	Executive Director			240		5	29	274							
7	Phum Boon Eng (Appointed on 22 December 2025)	Executive Director														
8	Tan Sri Razarudin Bin Husain @ Abd Rasid (Appointed on 16 March 2026)	Independent Director														
9	Wee Chuen Lii (Appointed on 16 March 2026)	Independent Director														
10	Datuk Loo Took Gee (Appointed on 16 March 2026)	Independent Director														

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Disclosure on the remuneration of the top five Senior Management in the bands of RM50,000 is not provided in the Corporate Governance Overview Statement of the Company's Annual Report.</p> <p>At this juncture, the Board is of the opinion that the disclosure on the remuneration of the top five Senior Management on a named basis would not be in the best interest of the Group for confidentiality concerns purposes.</p> <p>The Board will ensure that the remuneration of the Senior Management commensurate with their duties and responsibilities and the performance of the Company.</p> <p>Based on the above rationale, the Company is not in favour of disclosing the remuneration of the top five Senior Management on a named basis</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The roles of the Chairman of the Board and the Chairman of the AC are held by separate individuals.</p> <p>During the financial year ended 31 December 2025, the Chairman of the AC is En. Mohd Zaky Bin Othman, an Independent Non-Executive Director, who is not the Chairman of the Board.</p> <p>Subsequent to the financial year end, Mr. Wee Chuen Lii was appointed as an Independent Non-Executive Chairman of the Company in place of En. Mohd Zaky Bin Othman, who resigned on 16 March 2026.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	None of the members of the AC was a former audit partner during FY2025.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

Application	:	Applied
Explanation on application of the practice	:	<p>The role of the AC in relation to the external auditors, Messrs. UHY Malaysia PLT ("EA") is found in the AC Report inclusion in the Annual Report. Management maintains a transparent working relationship with EA in seeking professional advice and ensuring compliance with the applicable accounting standards.</p> <p>The AC will meet with EA without the presence of Management to ensure that the independence and objectivity of EA are not compromised and matters of concerns expressed by the AC will be raised at that meeting.</p> <p>In November 2025, EA presented the Audit Planning Memorandum ("APM") to the AC and they have given written assurance and confirmation that they are and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.</p> <p>Prior to the re-appointment of EA for the forthcoming AGM, the AC had undertaken an annual assessment of the quality of audit which encompassed the performance of EA, the quality of their communications with the AC and the Company and their independence, objectivity and professionalism. After the review, the AC was satisfied with the suitability of EA based on their quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group. The AC was also satisfied that the provision of the non-audit services provided by EA to the Company for the FY2025 did not in any way impair their objectivity and independence as external auditors of the Company.</p> <p>Having taken into consideration of the above, the Board, through the AC opined that the EA are independent and suitably qualified to act.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

Application	:	Adopted
Explanation on adoption of the practice	:	<p>The AC currently comprises three members, all of whom are INEDs:</p> <ul style="list-style-type: none">• Wee Chuen Lij, Chairman• Jananee Priya A/P Gopal, Member• Datuk Loo Took Gee, Member <p>All the three INEDs have satisfied the independence test based on the criteria set out in the MMLR.</p> <p>The TOR of the AC was reviewed by the AC and approved by the Board periodically. The TOR of the AC can be viewed at the Company's website at www.advancecon.com.my.</p>

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>Members of the AC are financially literate and have diverse background and collectively, possess a wide range of necessary skills to discharge their duties to be able to understand matters under the purview of the AC including the financial reporting process.</p> <p>During the year, members of the AC were guided on the key audit matters, significant audit issues highlighted in the Audit Planning Memorandum and briefed by the external auditors on financial reporting and other updates.</p> <p>The Quarterly Interim Financial Reports are briefed to the members of the AC, discussed and deliberated amongst the members before the said Report was recommended to be tabled to the Board for approval.</p> <p>The AC members had attended training programmes to keep abreast of relevant industry issues, market development and trends including accounting and auditing standards to enable them to sustain their active participation in the functions of the AC.</p> <p>Details of the training and seminars attended by the Directors during FY2025 are set out under the Corporate Governance Overview Statement in the Annual Report 2025.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		

Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board recognises the importance of a sound system of risk management and internal control to safeguard shareholders' investment and the Group's assets. The Board acknowledges its primary responsibility to ensure that risks in the Group are identified, measured and managed with appropriate system of risk management and internal controls, and to ensure that the effectiveness, adequacy and integrity of the risk management and internal control systems are reviewed on an on-going basis.</p> <p>The Group has in place an on-going process for identifying, evaluating and managing significant risks that may affect the achievement of business objectives for the year and up to the date of this report. The top risks are reported to the Board on regular basis for their deliberation.</p> <p>The RMSC continuously evaluates and monitors the significant risks relevant to the Group, appraises and assesses the efficacy of controls implemented to mitigate those risks through a formalised monitoring and reporting process. Reviews are conducted by the RMSC on a regular basis with additional reviews as and when required.</p> <p>Internal control and risk-related matters which require the attention of the Board were recommended by the RMSC to the Board for its deliberation and approval and matters or decisions made within the RMSC's purview were escalated to the Board for its notation.</p> <p>An overview of the state of risk management and internal control within the Group governed by the Risk Management and Internal Control Framework is set out in the Statement on Risk Management and Internal Control ("SORMIC") of the AR.</p>
Explanation for departure	:	

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

Measure :		
Timeframe :		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied	
Explanation on application of the practice	:	The features of the Group's risk management and internal control framework, and the adequacy and effectiveness of this framework are disclosed under the SORMIC in the Annual Report 2025.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

Application	:	Not Adopted
Explanation on adoption of the practice	:	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board had outsourced the internal audit function to an independent professional service firm, namely, Sterling Business Alignment Consulting Sdn Bhd which provides an independent assurance to the Board on the efficiency, effectiveness and adequacy of the Group's system of internal controls.</p> <p>The internal audit functions are carried out in accordance with the risk based internal audit plan approved by the AC. The internal audit plan is developed taking into consideration the Group's latest risk register, risk matrix, business environment, activities, and concerns of the Management and the Board. The Internal Auditors reports directly to the AC. Further details of the internal audit activities are set out in the AC Report of Annual Report 2025.</p> <p>The appointment of the internal auditor was reviewed by the AC annually and endorsed by the Board. The Internal Auditors have unrestricted access to the AC, Board and management.</p> <p>The internal audit personnel constantly keep themselves abreast with developments in the profession, relevant industry and regulations through attendance at conferences/trainings.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>In accordance with the Internal Audit Charter (Section 5. Independence & Objectivity), Internal Auditors are required to confirm to the AC, at least annually, the organisational independence of the internal audit activity.</p> <p>The Group's internal audit function is outsourced to professional service firm, Sterling Business Alignment Consulting Sdn Bhd ("Internal Auditors" or "Sterling"). Internal Auditors ensures adequate number of personnel to conduct the review.</p> <p>Sterling had confirmed that they are independent and free from any relationship or conflict of interest with the Group. The personnel of the Internal Auditors are free from any relationships or conflicts of interest which could impair their objectivity and independence.</p> <p>For the Financial year under review, the following Internal Auditors have led the internal audit reviews.</p> <ul style="list-style-type: none">- Dr. So Hsien Ying, a Certified Internal Control Professional (US), Doctor in Business Administration (Wales), Master in Business Administration (Finance) (Hull), BSC Economics (Hons) (London), permanent member of The Internal Control Institute (US), member of the Malaysian Alliance of Corporate Directors, , Associate Member of The Institute of Internal Auditors Malaysia (IIAM) with more than 30 years of experience in corporate planning, business process improvement, internal control review, internal audit and risk management.- Mr. Cheng Chean, is a Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA and a Fellow Member of the Chartered Certified Accountant (FCCA). Mr. Cheng has 23 years of hands-on experience in the fields of External Audit, Internal Audit and Internal Control Review.

	<p>The number of resources of Sterling deployed for each internal audit review ranges from 3 to 4 audit personnel per visit. The staff involved in the internal audit reviews possesses professional qualifications and/or university degree. The IA review work is reviewed by the respective Manager in charge of the assignment and the Principal Consultant.</p> <p>During the financial year, the Internal Auditors carried out their work with reference to the principles of the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors. In view of the introduction of the Global Internal Audit Standards by the Institute of Internal Auditors, the Internal Auditors are in the process of progressively transitioning their practices and methodologies to align, where appropriate, with these standards. The standards outline the purpose of internal auditing and establish expectations relating to ethics, governance, the management of the internal audit function and the performance of internal audit services, including audit planning, execution, documentation and the communication of findings with key stakeholders.</p>	
Explanation for departure :		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>Advancecon ensures that its communication with the shareholders and various stakeholders is transparent, timely and with quality disclosures. Advancecon also actively engages all its stakeholders through various platforms including the announcements via Bursa LINK, disclosures on Advancecon's website and engagement through the investor relations ("IR") briefings.</p> <p>The Board ensures the Company announces its quarterly results on a timely basis to the shareholders and also make necessary announcement to its stakeholders.</p> <p>Advancecon via its website, includes an IR section which provides all relevant information on the Company and is accessible to the public. This IR section enhances the IR function by including all announcements made by Advancecon.</p> <p>The IR function is established to enable continuous communication between the Company and its stakeholders. The stakeholders are encouraged to channel their enquiries to the respective personal whose name, contact number and e-mail address i.e. investors@advancecon.com.my is provided on Advancecon's website.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Not applicable – Not a Large Company	
Explanation on application of the practice	:		
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Applied	
Explanation on application of the practice	:	<p>Shareholders were given notice of more than 28 days in respect of the 28th AGM of the Company held on 18 June 2025.</p> <p>The 29th AGM of the Company is scheduled on 18 June 2026 and the Notice for the 29th AGM has been despatched to shareholders of the Company on 30 April 2026 which is more than 28 days prior to the meeting.</p> <p>The additional time given to the shareholders allows them to make the necessary arrangements to attend and participate in person or through their corporate representatives and/or proxies. It also enables the shareholders to consider the resolutions and make an informed decision in exercising their voting rights at the AGM.</p>	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

Application	:	Applied
Explanation on application of the practice	:	<p>All Board members were present at the 28th AGM of the Company held on 18 June 2025. At the EGM held on 25 November 2025, all Directors attended except Tung Kai Hung, who was unable to attend.</p> <p>The Chairman presides over the AGM and EGM, where appropriate, directs shareholders' queries to the Chairman of AC, NC, RC and RMSC respectively during the meetings.</p> <p>The members of Senior Management were also in attendance at the General Meetings to allow shareholders to raise questions and concerns directly to them if required.</p> <p>The Company uploaded the outcome of AGM and EGM on the Company's website at www.advancecon.com.my as soon as practicable after the conclusion of the said meetings.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders’ participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	<p>The 28th AGM was conducted physically. The notice of general meeting to shareholders contained the relevant information pertaining to the resolutions to be tabled and shareholders contacted the Company for clarification by contacting the personnel whose emails and telephone numbers were published at the Company’s website.</p> <p>The shareholders were allowed to appoint any person(s) as their proxies to attend, participate, speak and vote in his/her stead at a general meeting.</p> <p>The Board remains committed to exploring suitable technology solutions to enable electronic voting and remote participation in future general meetings, in line with best practices for shareholder engagement and corporate governance.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	The Company's general meetings provide a direct channel of communication with shareholders. At the general meetings, the shareholders are encouraged to participate in the questions and answers session thereat. They will be allowed to raise questions or seek more information from the Directors or Senior Management team on the proposed resolutions during the meeting. The Board or the Senior Management will endeavour to answer as many questions as possible, if any, raised by the shareholders with concise responses.
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application :	Not applicable – only physical general meetings were conducted in the financial year
Explanation on application of the practice :	
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i>	
Application	: Applied
Explanation on application of the practice	: Minutes of the 28 th AGM held on 18 June 2025, and EGM held on 25 November 2025 have been made available to shareholders on its Company's website at www.advancecon.com.my no later than 30 business days after the general meeting.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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