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PESONA METRO

PESONA METRO HOLDINGS BERHAD

(Registration No. 201101029741) (957876-T)



ANNUAL REPORT 2025

15th

ANNUAL GENERAL MEETING



Venue :

The Vertical, Connexion Conference & Event Centre, The Zenith (Level M1),
Bangsar South City, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia



Date :

Thursday, 25 June 2026



Time :

10.30 a.m.

OUR VISION

To be the preferred construction company in Malaysia as well as a trusted and passionate partner that delivers sustainable value and builds enduring relationships with all stakeholders.

OUR MISSION

To achieve excellence in all that we undertake by leveraging on exceptional performance, superior teamwork, strong value creation, good ethical conduct and unwavering customer satisfaction.

OUR CORE VALUE



**Superior
Teamwork**



**Good Ethical
Conduct**



**Exceptional
Performance**



**Strong Value
Creation**



**Unwavering Customer
Satisfaction**

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CORPORATE OVERVIEW



NOTICE OF 15th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 15th Annual General Meeting of Pesona Metro Holdings Berhad (“the Company”) will be held at **The Vertical, Connexion Conference & Event Centre, The Zenith (Level M1), Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia** on **Thursday, 25 June 2026** at **10.30 a.m.** for the following purposes:

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. | (Please refer to the Explanatory Notes to the Agenda) |
| 2. To approve the payment of Directors’ fees of RM384,000.00 for the financial year ending 31 December 2026 to be paid quarterly in arrears. | (Ordinary Resolution 1) |
| 3. To approve the payment of Directors’ benefits up to an aggregate amount of RM35,000.00 for the period from 26 June 2026 until the next annual general meeting of the Company. | (Ordinary Resolution 2) |
| 4. To re-elect the following Directors who are retiring in accordance with Clause 76(3) of the Constitution of the Company:-

(a) Mr Wie Hock Beng; and
(b) Puan Salwa Binti Shamshuddin. | (Ordinary Resolution 3)
(Ordinary Resolution 4) |
| 5. To re-appoint UHY Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | (Ordinary Resolution 5) |

AS SPECIAL BUSINESS:-

To consider and, if thought fit, to pass the following resolutions, with or without modification(s): -

- | | |
|--|--------------------------------|
| 6. Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016 | (Ordinary Resolution 6) |
|--|--------------------------------|

“**THAT** pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant regulatory authorities, where such approvals are required, the Directors of the Company be and are hereby authorised to issue and allot shares in the Company from time to time, at such price, upon such terms and conditions, to such persons and for such purposes as the Directors may in their absolute discretion deem fit PROVIDED THAT the aggregate number of shares to be issued pursuant to this resolution, when aggregated with the total number of such shares issued during the preceding twelve (12) months, does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things as they may deem fit or expedient in the best interest of the Company to give effect to the issuance of new shares pursuant to this resolution, including making applications to Bursa Securities for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company held after the approval was given or at the expiry of the period within which the next annual general meeting is required to be held after the approval was given, whichever is the earlier, unless revoked or varied by an ordinary resolution of the Company at a general meeting.”

NOTICE OF 15th ANNUAL GENERAL MEETING

7. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

(Ordinary Resolution 7)

“THAT subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and/or its subsidiaries (“the Group”) to enter into recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.4 of Part A of the Circular to Shareholders dated 30 April 2026, provided that such transactions are necessary for the Group’s day-to-day operations and are carried out in the ordinary course of business, at arm’s length and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the interests of the minority shareholders of the Company.

THAT the authority conferred by such mandate shall continue to be in force until:-

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

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things as they may consider necessary or expedient in order to give full effect to this resolution.”

8. Proposed Authority for the Company to Purchase its own Shares (“Proposed Share Buy-Back Authority”)

(Ordinary Resolution 8)

“THAT subject to the Companies Act 2016 (“Act”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approval of the relevant regulatory authorities, where such approvals are required, the Company be and is hereby authorised to purchase such number of ordinary 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, necessary and expedient in the best interest of the Company provided that:

- (i) the aggregate number of ordinary shares in the Company which may be purchased and/or held as treasury shares by the Company pursuant to this ordinary resolution does not exceed 10% of the total number of issued shares of the Company at any point in time;
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of purchase; and



NOTICE OF 15th ANNUAL GENERAL MEETING

(iii) the Directors of the Company may decide either to retain the shares so purchased as treasury shares or cancel the shares so purchased or retain part of the shares so purchased and cancel the remainder or resell the treasury shares on Bursa Securities or distribute the treasury shares as dividends or transfer the treasury shares under an employees' share scheme or as purchase consideration or otherwise use the treasury shares for such other purpose in the manner as prescribed by the applicable laws, guidelines, rules and regulations.

THAT the authority conferred by this resolution will be effective upon the passing of this resolution and will continue to be in force until:

- (a) the conclusion of the next annual general meeting of the Company following this annual general meeting, at which time the said authority shall lapse, unless by an 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 annual general meeting of the Company after that date is required by law to be held; or
- (c) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting,

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

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps to implement, finalise and to give full effect to the Proposed Share Buy-Back Authority with full power to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities or as the Directors deem fit and expedient at their discretion in the best interest of the Company."

9. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

By Order of the Board

TE HOCK WEE (MAICSA 7054787) (SSM PC NO. 202008002124)

TAN HAN HONG (MAICSA 7079454) (SSM PC NO. 202508000654)

Company Secretaries

Kuala Lumpur

30 April 2026

NOTICE OF 15th ANNUAL GENERAL MEETING

NOTES:

1. For the purpose of determining who shall be entitled to attend, speak and vote at this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 19 June 2026. Only a member whose name appears on this Record of Depositors shall be entitled to attend, speak and vote at this meeting or appoint proxy(ies) to attend, speak and vote on his behalf.
2. A member of the Company who is entitled to attend, speak and vote at a general meeting may appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, speak and vote in his place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to attend, speak and vote instead of the member at the general meeting.
4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (“Central Depositories Act”), it may appoint not more than 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
6. Where a member, an authorised nominee or an exempt authorised nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportion of his shareholdings to be represented by each proxy.
7. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the 15th Annual General Meeting or adjourned general meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
To be deposited with the Company’s Share Registrar, 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, Malaysia or alternatively, the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia
 - (ii) By electronic means via Vistra Share Registry and IPO (MY) portal (“The Portal”) at <https://srmy.vistra.com>
Please refer to the Administrative Guide of the 15th Annual General Meeting for further information on electronic submission of proxy form via The Portal.
8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company’s Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the general meeting or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.



NOTICE OF 15th ANNUAL GENERAL MEETING

9. Please ensure **ALL** the particulars as required in the proxy form are completed, signed and dated accordingly.
10. Last day, date and time for lodging the proxy form is **Tuesday, 23 June 2026 at 10.30 a.m.**
11. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please deposit the **ORIGINAL OR DULY CERTIFIED** certificate of appointment of authorised representative executed in the manner as stated in the proxy form with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia if this has not been lodged with the Company's Share Registrar earlier.
12. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
 - a. National Registration Identity card (NRIC) (Malaysian), or
 - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - c. Passport (Foreigner).
13. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 15th Annual General Meeting will be put to vote by way of poll.

EXPLANATORY NOTES TO THE AGENDA

(i) **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, pursuant to Section 248(2) and Section 340(1)(a) of the Companies Act 2016, the audited financial statements together with the Reports of the Directors and Auditors thereon are required to be laid before the Company at its annual general meeting. Hence, this agenda item is not put forward for voting.

(ii) **Ordinary Resolution 1**

Directors' fees for the financial year ending 31 December 2026

The Directors' fees proposed for the financial year ending 31 December 2026 are calculated based on the current Board size and on the assumption that all Non-Executive Directors will remain in office until 31 December 2026. This resolution intended to facilitate the payment of Directors' fees for the current financial year. In the event that the Company appoints additional Non-Executive Directors, approval for additional Directors' fees will be sought at the next annual general meeting.

(iii) **Ordinary Resolution 2**

Directors' benefits for the period from 26 June 2026 until the next annual general meeting

Directors' benefits are meeting allowances payable to Non-Executive Directors. In determining the estimated amount, the Board has considered various factors, including the current Board size, the number of scheduled meetings of the Board and Board Committees for the period from 26 June 2026 until the next annual general meeting, as well as the number of Non-Executive Directors involved in such meetings. In the event that the proposed amount is insufficient (due to an increase in the number of meetings and/or enlarged Board size), approval for the shortfall will be sought at the next annual general meeting.

NOTICE OF 15th ANNUAL GENERAL MEETING

(iv) **Ordinary Resolutions 3 and 4**
Re-election of Directors

Mr Wie Hock Beng and Puan Salwa Binti Shamshuddin (collectively referred to as “Retiring Directors”) are standing for re-election as Directors of the Company and, being eligible, have offered themselves for re-election at the 15th Annual General Meeting.

The profiles of the Retiring Directors are disclosed in the Profile of Directors of the Company’s 2025 Annual Report.

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

The Nomination Committee (“NC”) had reviewed and assessed the performance and contribution of the Retiring Directors, including a review of their time and commitment, calibre and personality, and fit and proper declarations in accordance with the Directors’ Fit and Proper Policy. Based on the recommendation of the NC, the Board is supportive of their re-elections based on the following justifications:-

(i) **Ordinary Resolution 3 – Re-election of Mr Wie Hock Beng as Managing Director**

Mr Wie Hock Beng is the brother of Mr Wie Hock Kiong and the founder of Pesona Metro Sdn Bhd. He possesses the relevant qualifications, knowledge and experience that complement the Board’s competencies. He also has extensive experience in the construction industry and has contributed to the growth of the Group by providing valuable input to steer the Group forward.

(ii) **Ordinary Resolution 4 – Re-election of Puan Salwa Binti Shamshuddin as Independent Non-Executive Director**

Puan Salwa Binti Shamshuddin has exercised due care and carried out her professional duty diligently as an Independent Non-Executive Director of the Company. She has demonstrated objectivity and independence through her participation in meetings by providing objective feedback for the Board’s deliberations and decision-making processes.

(v) **Ordinary Resolution 5**
Re-appointment of Auditors

The Board had, through the Audit Committee, considered the re-appointment of UHY Malaysia PLT as Auditors of the Company. The factors considered by the Audit Committee in making the recommendation to the Board to table their re-appointment at the 15th Annual General Meeting are disclosed in the Audit Committee Report of the Company’s 2025 Annual Report.

(vi) **Ordinary Resolution 6**
Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016

This proposed resolution, if passed, will empower the Directors to issue and allot new shares in the Company up to an aggregate amount not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider to be in the best interest of the Company. This authority shall, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next annual general meeting of the Company or at the expiry of the period within which the next annual general meeting is required by law to be held, whichever is earlier.

This mandate is a renewal of the mandate granted by shareholders at the 14th Annual General Meeting held on 25 June 2025. This mandate is intended to provide flexibility to the Company to raise funds expeditiously for purposes including but not limited to funding current and/or future investment projects, working capital, repayment of bank borrowings and acquisitions without the need to convene a separate general meeting.



NOTICE OF 15th ANNUAL GENERAL MEETING

(vi) **Ordinary Resolution 6 (Cont'd)**
Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016 (Cont'd)

As at the date of this Notice, no new shares have been issued pursuant to the mandate granted at the 14th Annual General Meeting held on 25 June 2025 and the mandate will lapse at the conclusion of the forthcoming 15th Annual General Meeting.

(vii) **Ordinary Resolution 7**
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed resolution, if passed, will allow the Group to continue to enter into recurrent related party transactions of a revenue or trading nature with its related parties in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad without the need to convene separate general meetings to obtain shareholders' approval as and when such transactions arise. This will reduce administrative time and expenses associated with the convening such meetings without compromising the corporate objectives of the Group or affecting business opportunities available to the Group.

Further details of the proposed resolution are set out in Part A of the Company's Circular to Shareholders dated 30 April 2026.

(viii) **Ordinary Resolution 8**
Proposed Share Buy-Back Authority

The proposed resolution, if passed, will empower the Company to purchase its own shares up to ten per centum (10%) of the total number of issued shares of the Company.

Further details of the proposed resolution are set out in Part B of the Company's Statement to Shareholders dated 30 April 2026.

CORPORATE INFORMATION



BOARD OF DIRECTORS

WIE HOCK KIONG

Chairman
(Non-Independent Non-Executive Director)

WIE HOCK BENG

Managing Director
(Non-Independent Executive Director)

SALWA BINTI SHAMSHUDDIN

(Independent Non-Executive Director)

DR. YONG MUN CHING

(Independent Non-Executive Director)

YEONG YOK HOONG

(Independent Non-Executive Director)

COMPANY SECRETARIES

Te Hock Wee
(MAICSA 7054787)
(SSM Practising Certificate No. 202008002124)

Tan Han Hong
(MAICSA 7079454)
(SSM Practising Certificate No. 202508000654)

**HEAD OFFICE/
REGISTERED OFFICE**

39, Jalan SB Indah 1/19
Taman Sungai Besi Indah
43300 Seri Kembangan
Selangor Darul Ehsan, Malaysia
Tel : +60 3 8941 0818
Fax : +60 3 8941 0817
Email: pmhb@pesona.com.my
Website : www.pesona.com.my

AUDIT COMMITTEE

Yeong Yok Hoong (Chairman)
Wie Hock Kiong
Salwa Binti Shamshuddin
Dr. Yong Mun Ching

REMUNERATION COMMITTEE

Dr. Yong Mun Ching (Chairperson)
Wie Hock Kiong
Salwa Binti Shamshuddin
Yeong Yok Hoong

NOMINATION COMMITTEE

Salwa Binti Shamshuddin
(Chairperson)
Wie Hock Kiong
Dr. Yong Mun Ching
Yeong Yok Hoong

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market
Construction Sector

STOCK NAME AND CODE

PESONA (8311)

AUDITORS

UHY Malaysia PLT
202406000040 (LLP0041391-LCA)
& AF 1411
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur, Malaysia
Tel : +60 3 2279 3088
Fax : +60 3 2279 3099

SHARE REGISTRAR

Tricor Investor & Issuing
House Services Sdn Bhd
(Registration No. 197101000970)
(11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia
Tel : +60 3 2783 9299
Fax : +60 3 2783 9222
Email: is.enquiry@vistra.com

BANKERS

Alliance Bank Malaysia Berhad
CIMB Bank Berhad
Malayan Banking Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia)
Berhad



CORPORATE STRUCTURE



PESONA METRO HOLDINGS BERHAD

(Registration No. 201101029741) (957876-T)

100%

PESONA METRO SDN BHD

199601029306 (401658-P)

- **IMEJ MAYANG SDN BHD**
199601030201 (402553-M)

100%

- **INSAMEWAH SDN BHD**
200201023239 (590902-X)

100%

- **RATUS SYABAS SDN BHD**
201401044279 (1120461-X)

100%

100%

LUMAYAN METRO SDN BHD

202101014359 (1414659-A)

100%

MEGAH MESTIKA SDN BHD

201201016132 (1001643-P)

- **AWANA INFRA SDN BHD**
201101005063 (933204-M)

100%

- **SALURAN ARENA SDN BHD**
201001030461 (914382-X)

30%

51%

GAYA KUASA SDN BHD

201101004290 (932431-X)

100%

PESONA ASSET MANAGEMENT SDN BHD

201201029841 (1014328-M)

70%

SEP RESOURCES (M) SDN BHD

201301013382 (1043220-T)

- **BUDAYA POSITIF SDN BHD**
201201039032 (1023510-U)

100%

70%

DL VERTIKAL SDN BHD

202601004716 (1666813-U)

CORPORATE MILESTONES

2002

In 2002, PMSB won its first **“Design and Build” project** as the main contractor. This **“Rehabilitation and Beautification of Melaka River Project”** Phase 1, 2 and 3 (“Sg. Melaka Project”) came with a contract value exceeding RM234 million.



2006

In 2006, PMSB secured its first high-rise residential project, Zehn Bukit Pantai, Kuala Lumpur comprising two blocks of 25-storey luxury condominium.



2005

In 2005, **PMSB won its first “Design and Build”** highway project at Jalan Pantai Lalan T1/T3, from Merang to Kuala Besut, Terengganu.



1996

In 1996, **Pesona Metro Sdn Bhd (“PMSB”)** was established and commenced business as sub-contractor.



CORPORATE MILESTONES

2009

In 2009, PMSB was certified as having complied with ISO 9001:2008, the international standard for quality management systems.

In the same year, the Sg. Melaka project was named the Winner for Category 8 (Special Category) for PAM 2009 Awards. PMSB also received the 2009 Malaysia Independence Award under the Malaysia's Prominent Property Construction Company category.

2011

In 2011, the Sg. Melaka project received the FIABCI Award under the Special Category Award for National Contribution.

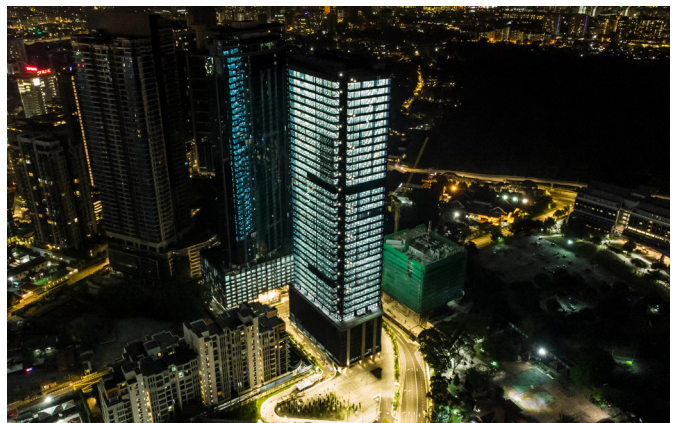


2008

In 2008, PMSB secured its "Design and Build" project for the upgrading of Timah Tasoh Dam, Perlis.

2010

In 2010, PMSB received a Letter of Appreciation (Grade A) from Headquarters of the Jabatan Kerja Raya ("JKR") in relation to the construction of a government building project in Johor.



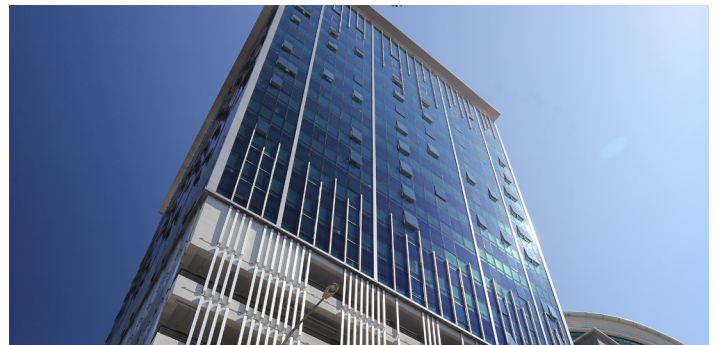
CORPORATE MILESTONES

2012

In 2012, Pesona Metro Holdings Berhad ("PMHB") was listed on the Main Market of Bursa Malaysia Securities Berhad under the Construction Sector. In the same year, the CIQ Melaka project was named the Overall Champion or Best Project Management in the Design and Build Category from the Ministry of Works. The Sastra U-Thant project was certified as the first Condominium Construction project to receive the 5-S certification in Malaysia.

2014

In 2014, PMSB completed the construction of its first green building, Menara Technip at Kuala Lumpur, which carries the Gold Green Building Index (GBI) certification. The building achieved a score of 73% in Quality Assessment System in Construction ("QLASSIC") by Construction Industry Development Board ("CIDB"). In the same year, PMSB was certified as having complied with OHSAS 18001:2007, the international standard for occupational health and safety management systems.



2013

In 2013, PMSB was certified as having complied with ISO14001:2004, the international standard for environmental management systems. In the same year, the Sg. Melaka project received the Silver Award of Merit for Category 1-Infrastructure from ACEM. The CIQ project championed the Contractor Excellence Award for the Large Infrastructure Project Exceeding RM50 million category from JKR.

2015

In 2015, the Menara SPR project received the Highest Merit Points 2014 for the Health, Safety and Environment category for high-rise buildings. Concurrently, the same building achieved a score of 81% in QLASSIC by CIDB and 77.3% in Construction Quality Assessment System (CONQUAS) by Building & Construction Authority Singapore. Both the scores are among the highest scores achieved by premium contractors in Malaysia. In the same year, the Central Spine Road Pakej 3: Gua Musang, Kelantan ke Kg. Relong, Pahang Seksyen 3F1: Kg. Kubang Rusa ke Kg. Sg. Yu project won the First Runner Up for the Innovative Project Management 2014 Award by the Ministry of Works Malaysia.

CORPORATE MILESTONES

2017

Award 2017, namely the Business Service Excellence Award and Property Excellence Award. PMSB also won the Super Golden Bull Award 2017 at the 11th Malaysia Outstanding SMEs Award organised by Business Media International for achieving an annual sales of RM100 million and above in the last three financial years. In the same year, the Central Spine Road Package 3 project won the Mino Best Project Award (Category 1 – High Volume Road) by the Road Engineering Association of Asia and Australasia (“REAAA”) at its 15th REAAA Conference in Bali, Indonesia. PMSB also won the silver award for the PAM Awards 2017 for category 4 (Public & Institutional) for the Menara SPR project.

2019

In 2019, PMSB was awarded with the Gold Award at the 15th MOSHPA OSH Excellent National Award 2019 ceremony by the Malaysian Occupational Safety & Health Practitioner’s Association for its excellent Occupational Safety and Health (“OSH”) practices at the TRIA Seputeh project. PMSB also bagged the Gold Class 2 award for the 2018 OSH Performance Award by the Malaysian Society for Occupational Safety and Health for the Lot 15 SJCC project. In the same year, the Central Spine Road Package 3E2 project emerged as the champion for Excellent Contractor Award (Category: Infrastructure) by JKR, Malaysia.



2016

In 2016, PMSB won the QLASSIC Excellence Awards 2016 in Category C for achieving 81% in QLASSIC for the Menara SPR project. The Menara Technip attained the Gold rating under Malaysia’s GBI.

2018

In 2018, the KPJ Bandar Dato’ Onn Specialist Hospital project achieved a score of 79% in the QLASSIC Assessment from CIDB. The Gua Musang Seksyen 3E2 Central Spine Road project was awarded with unprecedented outstanding performance certifications by JKR, Malaysia for completing the project ahead of time and within budget with zero accident.

In the same year, PMSB bagged the GOLD CLASS 2 for the 2017 OSH Performance Award by Malaysian Society for OSH for its Residensi Gen project. This project also scored 93% in SHASSIC by CIDB in December 2018. The Central Plaza i-City Mall project achieved a score of 92% in the Safety and Health Assessment System in Construction (“SHASSIC”) Assessment from CIDB. PMSB also emerged as the Top Winner for the Eminent Eagles category of the Golden Eagle Award 2018 organised by Nanyang Siang Pau.

CORPORATE MILESTONES

2020

In 2020, PMSB received the SHASSIC Achiever recognition from CIDB for achieving a score of 95% (5 star rating) in SHASSIC Assessment for the Lot 15 SJCC project.



2022

In 2022, the Lot 15 SJCC project achieved a score of 80.2% in the BuildQAS Assessment from BuildQAS Consulting Singapore and a score of 79% in the QLASSIC Assessment from CIDB. The MCT Lakefront Residence project achieved a score of 79% in the QLASSIC Assessment from CIDB. The Ativo Suites, Damansara Avenue project achieved a score of 80% in the BuildQAS Assessment from BuildQAS Consulting Singapore and in the QLASSIC Assessment from CIDB.



2021

In 2021, the Eaton Residences project achieved a score of 80% in the QLASSIC Assessment from CIDB and a score of 81% in the BuildQAS Assessment from BuildQAS Consulting Singapore. The Conlay 301 project achieved a score of 83% in the BuildQAS Assessment from BuildQAS Consulting Singapore.

2023

In 2023, the Tria Seputeh project achieved a score of 81% in the QLASSIC Assessment from CIDB. PMSB also received the SHASSIC Achiever recognition from CIDB for achieving a score of 89% (4 star rating) in SHASSIC Assessment for the TNB Gold project.

CORPORATE MILESTONES

2025

In 2025, the Residensi Aman project at Bukit Jalil won the Malaysia Property Award organised by FIABCI Malaysia under the Affordable Housing Super High Rise category. The TNB Gold office building project achieved a score of 80.5% in the BuildQAS Assessment from BuildQAS Consulting Singapore and a score of 76% in the QLASSIC Assessment from CIDB. The MCT Lakefront Residence project achieved a score of 82% in the QLASSIC Assessment from CIDB. The Mirai project achieved a score of 78% in the QLASSIC Assessment from CIDB.



2024

In 2024, the Residensi Aman project at Bukit Jalil won The Edge Affordable Urban Housing Excellence Award. The ASEAN Sustainability SRI Sukuk Wakalah (“Sukuk”) issued in 2024 won the Best Corporate Sukuk in Southeast Asia, presented by Alpha Southeast Asia under the 18th Annual ESG Green Finance Awards 2024. The Sukuk also won the Tawarruq Deal of the Year 2024, presented by Islamic Finance News.



CORPORATE OVERVIEW

BOARD OF DIRECTORS



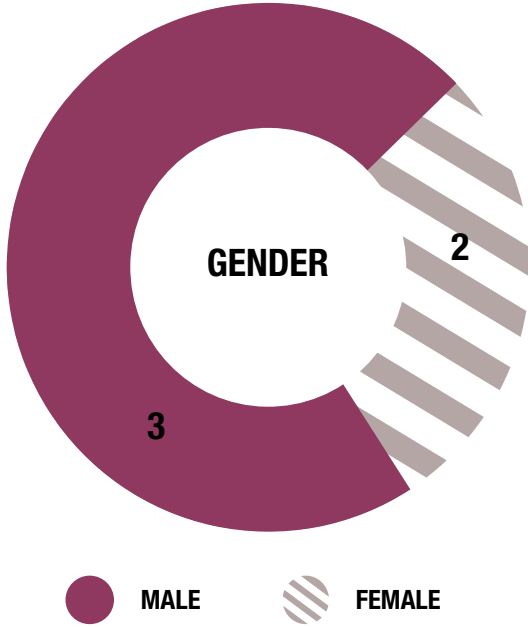
PESONA METRO HOLDINGS BERHAD



- | | |
|---|--|
| <p>1. WIE HOCK KIONG
Chairman
(Non-Independent Non-Executive Director)</p> <p>2. WIE HOCK BENG
Managing Director
(Non-Independent Executive Director)</p> | <p>3. SALWA BINTI SHAMSHUDDIN
(Independent Non-Executive Director)</p> <p>4. DR. YONG MUN CHING
(Independent Non-Executive Director)</p> <p>5. YEONG YOK HOONG
(Independent Non-Executive Director)</p> |
|---|--|

DIRECTORS & KEY SENIOR MANAGEMENT

BOARD OF DIRECTORS' PROFILE



WIE HOCK KIONG

*Chairman
(Non-Independent Non-Executive Director)*

📍 Malaysian 👤 Male 🗓️ 65 year old

Date of Appointment
8 August 2012

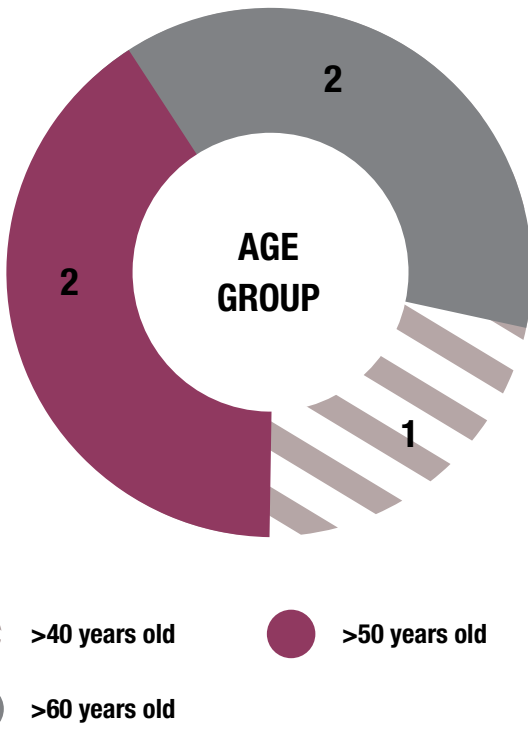
Mr Wie Hock Kiong was appointed as a Director of the Company on 8 August 2012. He was appointed to the Board as the Chairman of the Company on 1 July 2024. He is also a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company.

He is an engineer by profession with a Bachelor of Science (Hons) Degree in Civil and Structural Engineering from the University of Aberdeen, United Kingdom. He has more than 40 years of working and management experience in the fields of civil and structural works, both locally and abroad. After 5 years as Project Engineer, he founded Kamunting Construction Sdn Bhd in 1989 on behalf of Kamunting Corporation Berhad. Subsequently, he transformed Kamunting Construction Sdn Bhd into a giant construction and property development conglomerate, Putrajaya Perdana Berhad ("PPB") where he held the position as PPB's CEO from 1998 till 2011.

With his wealth of experience in construction and a keen interest in property development, he subsequently ventured into property development and has to-date, successfully delivered a number of developments comprising of both commercial building and luxury residences.

He does not hold any directorship in public companies or listed issuers other than the Company. He is a major shareholder of the Company and the brother of Wie Hock Beng, the Managing Director of the Company. Other than the related party transactions disclosed in this Annual Report, he has no other conflicts of interest with the Company. He has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor has he been subject to any public sanctions or penalties imposed by regulatory bodies during the financial year under review.

He attended all 5 Board meetings of the Company held during the financial year ended 31 December 2025.



📊 >40 years old ● >50 years old
● >60 years old

DIRECTORS & KEY SENIOR MANAGEMENT

BOARD OF DIRECTORS' PROFILE

WIE HOCK BENG

*Managing Director
(Non-Independent Executive Director)*

 Malaysian  Male  53 year old

Date of Appointment

8 August 2012

Mr Wie Hock Beng was appointed to the Board as the Managing Director of the Company on 8 August 2012. He is also the founder of Pesona Metro Sdn Bhd, a wholly-owned subsidiary of the Company which was established in 1996 as a sub-contractor and has engineered its growth to its commendable size today.

He obtained his Diploma in Civil Engineering from the Federal Institute of Technology Malaysia in 1995. He began his career with Invescor Venture Sdn Bhd and was involved in the construction of Starhill Shopping Centre in Kuala Lumpur. He has more than 30 years of working experience in the rehabilitation and beautification of rivers and dams, constructions of bridges and flyovers, roadwork, drainage, industrial, and high-rise luxury residential building projects.

He does not hold any directorship in public companies or listed issuers other than the Company. He is a major shareholder of the Company and the brother of Wie Hock Kiong, the Non-Independent Non-Executive Chairman of the Company. Other than the related party transactions disclosed in this Annual Report, he has no other conflicts of interest with the Company and its subsidiaries. He has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor has he been subject to any public sanctions or penalties imposed by regulatory bodies during the financial year under review.

He attended all 5 Board meetings of the Company held during the financial year ended 31 December 2025.

SALWA BINTI SHAMSHUDDIN

(Independent Non-Executive Director)

 Malaysian  Female  49 year old

Date of Appointment

1 August 2018

Puan Salwa Binti Shamshuddin was appointed as a Director of the Company on 1 October 2018. She is currently the Chairperson of the Nomination Committee, and a member of the Audit Committee and Remuneration Committee of the Company.

She holds a Master of Industrial Psychology from Universiti Kebangsaan Malaysia and a Bachelor of Human Resources Management Degree from Universiti Utara Malaysia.

She began her career with Rasah Kemayan Golf Club & Country Club as its Sports & Recreational Officer in 1998 and subsequently joined Universiti Kebangsaan Malaysia in 1999 as a Tutor and Research Assistant. In 2000, she was recruited as a Management Trainee for SKF Bearing Industries (Malaysia) Sdn Bhd for a year. In 2002, she joined Kurnia Insurans Sdn Bhd primarily responsible for the corporate business development of the insurance company.

She is currently the Director of Mam Minerals Sdn Bhd, Nebu Sdn Bhd and Kinetic Green Technology Asia Sdn Bhd. She is also the Chairperson of Epad Kinetic Asia Sdn Bhd, Juta Hajat Sdn Bhd and Poteck Enterprise Sdn Bhd.

She does not hold any directorship in public companies or listed issuers other than the Company. She does not have any family relationship with other directors and/or major shareholders of the Company. She has no conflicts of interest and does not hold any shares in the Company or any of its subsidiaries. She has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor has she been subject to any public sanctions or penalties imposed by regulatory bodies during the financial year under review.

She attended all 5 Board meetings of the Company held during the financial year ended 31 December 2025.

DIRECTORS & KEY SENIOR MANAGEMENT

BOARD OF DIRECTORS' PROFILE

**DR.
YONG MUN CHING***(Independent Non-Executive Director)*

 Malaysian  Female  55 year old

Date of Appointment

1 July 2024

Dr. Yong Mun Ching was appointed as a Director of the Company on 1 July 2024. She is currently the Chairperson of the Remuneration Committee, and a member of the Audit Committee and Nomination Committee of the Company.

Her qualifications include a Doctor of Philosophy in Taxation & Law and a Master in International Business from Monash University. She is currently a member of the Malaysian Institute of Certified Public Accountants (MICPA), the Malaysian Institute of Accountants Malaysia (MIA) and the Institute of Corporate Directors Malaysia (ICDM).

She has over 15 years of corporate, consulting, and auditing experience, including 10 years at PricewaterhouseCoopers in Malaysia and New York prior to her management position in the content creation and entertainment industry, including serving as the Chief Financial Officer for a group of companies involved in film production and distribution. She is currently a Specialist lecturing undergraduate and master degree students in the Department of Accountancy of the Faculty of Accountancy and Management in Universiti Tunku Abdul Rahman (Sg. Long Campus).

She does not hold any directorship in public companies or listed issuers other than the Company. She does not have any family relationship with other directors and/or major shareholders of the Company. She has no conflicts of interest and does not hold any shares in the Company or any of its subsidiaries. She has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor has she been subject to any public sanctions or penalties imposed by regulatory bodies during the financial year under review.

She attended all 5 Board meetings of the Company held during the financial year ended 31 December 2025.

**YEONG
YOK HOONG***(Independent Non-Executive Director)*

 Malaysian  Male  65 year old

Date of Appointment

1 July 2024

Mr Yeong Yok Hoong was appointed as a Director of the Company on 1 July 2024. He is currently the Chairman of the Audit Committee, and a member of the Remuneration Committee and Nomination Committee of the Company.

He is a financial professional. His qualifications include Bachelor in Business Administration, Majoring in Finance (Honors) from the University of Hawaii at Manoa.

He has more than 30 years of experience principally covering banking. Prior to joining United Overseas Bank (M) Bhd ("UOB"), he was attached with Kuala Lumpur Mutual Fund Board as Investment Officer and Southern Bank Berhad as Trainee Officer. His last position held in UOB was Executive Director, Head of Oil and Gas segment (Commercial Banking Division I). Before that, he was Executive Director Head Commercial Banking 1 covering the Construction and Real Estate segments.

He does not hold any directorship in public companies or listed issuers other than the Company. He does not have any family relationship with other directors and/or major shareholders of the Company. He has no conflicts of interest and does not hold any shares in the Company or any of its subsidiaries. He has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor has he been subject to any public sanctions or penalties imposed by regulatory bodies during the financial year under review.

He attended all 5 Board meetings of the Company held during the financial year ended 31 December 2025.

DIRECTORS & KEY SENIOR MANAGEMENT



KEY SENIOR MANAGEMENT'S PROFILE

The Key Senior Management of Pesona Metro Holdings Berhad ("PMHB") consists of two personnel, namely the Chief Financial Officer and the Chief Operating Officer, who assist the Managing Director in all operating matters of the Group.

CHONG KIEN ENG

Chief Financial Officer

Malaysian | Male | 54 year old

Mr Chong Kien Eng brings with him 16 years of expertise in accounting and finance before joining PMHB as the Chief Financial Officer in September 2012.

He is a member of the Malaysian Institute of Accountants (MIA) and The Malaysian Institute of Certified Public Accountants (MICPA). Prior to joining PMHB, he held senior position in public listed companies, namely Melewar Industrial Group Berhad, Mithril Berhad and The Media Shoppe Berhad with principal responsibilities in accounting, finance and corporate restructuring.

He is currently tasked with overseeing the accounting and finance functions of the Group.

He does not hold any directorship in public companies and listed issuers. 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 or its subsidiaries and does not hold any shares in the Company or any of its subsidiaries. He has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanctions or penalties imposed by regulatory bodies during the financial year under review.

WIE JAY SERN

Chief Operating Officer

Malaysian | Male | 37 year old

Mr Wie Jay Sern has more than 10 years of experience in project management. He began his career with a property valuation company before joining Pesona Metro Sdn Bhd, a wholly-owned subsidiary of PMHB, as a Project Engineer in 2013. He serves as the Chief Operating Officer of Lumayan Metro Sdn Bhd, a wholly-owned subsidiary of PMHB before he was appointed as Chief Operating Officer of PMHB on 1 September 2024.

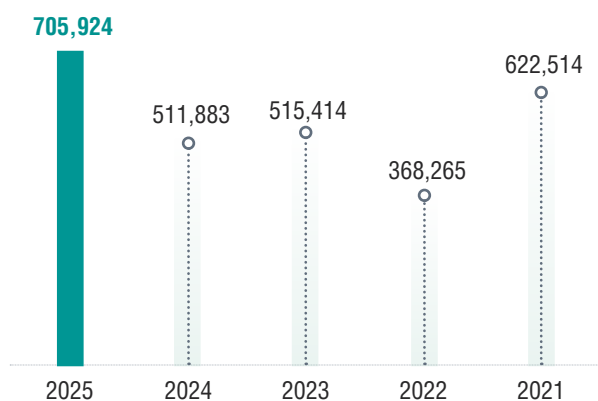
His qualifications include a Master of Property Finance from the University of Westminster and a Bachelor's degree in Civil Engineering from the University of Manchester.

He does not hold any directorship in public companies or listed issuers. He is the son of Mr Wie Hock Kiong, the Non-Independent Non-Executive Chairman of PMHB, and also the nephew of Mr Wie Hock Beng, the Managing Director of PMHB. Both Mr Wie Hock Kiong and Mr Wie Hock Beng are the major shareholders of PMHB through Kombinasi Emas Sdn Bhd and Sincere Goldyear Sdn Bhd, respectively. He has no conflict of interest with the Company or its subsidiaries and does not hold any shares in the Company or any of its subsidiaries. He has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanctions or penalties imposed by regulatory bodies during the financial year under review.

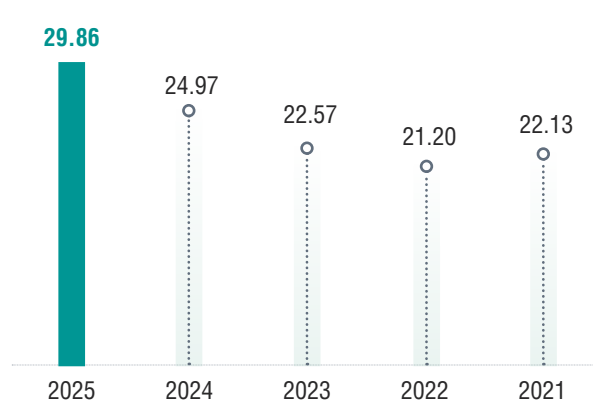
FINANCIAL HIGHLIGHTS

In RM'000 (Except otherwise indicated)	2025	2024	2023	2022	2021
Revenue	705,924	511,883	515,414	368,265	622,514
Profit/(Loss) before tax	65,997	25,228	14,358	(3,552)	(1,907)
Profit/(Loss) after tax	54,526	22,311	12,389	(2,980)	(2,090)
Total assets	925,038	794,649	654,198	569,607	662,634
Share capital	194,032	194,032	194,032	194,032	194,032
Total equity attributable to owners of the parent	207,491	173,522	156,848	147,342	153,779
No. of shares ('000) (Unit)	694,987	694,987	694,987	694,987	694,987
Earnings/(Loss) per share (Sen)	5.64	2.90	1.37	(0.93)	(0.77)
Net assets per share (Sen)	29.86	24.97	22.57	21.20	22.13
Dividend (Sen)	1.40	0.75	0.50	-	-

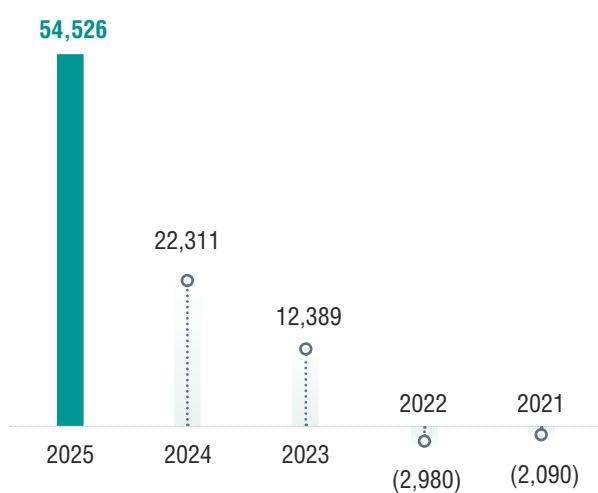
Revenue (RM'000)



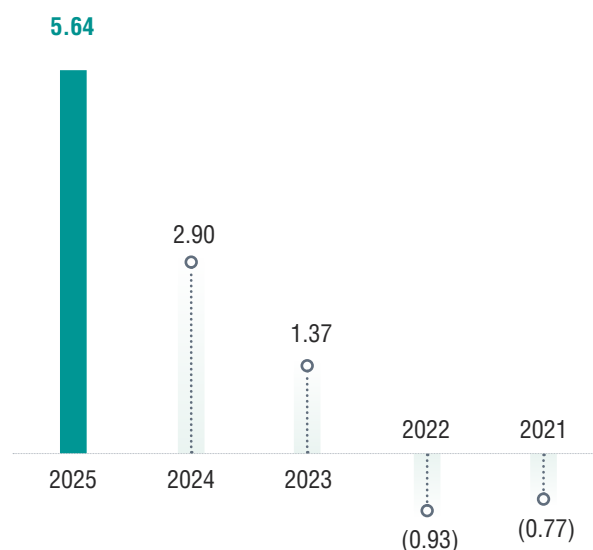
Net assets per share (Sen)



Profit/(Loss) after tax (RM'000)



Earnings/(Loss) per share (Sen)



MANAGEMENT DISCUSSION AND ANALYSIS

DEAR VALUED SHAREHOLDERS,

PESONA METRO HOLDINGS BERHAD (“PMHB” OR “THE GROUP”) DELIVERED A STRONG PERFORMANCE IN 2025, ACHIEVING HIGHER REVENUE AND PROFITABILITY THROUGH DISCIPLINED OPERATIONS, IMPROVED PROJECT MARGINS AND SUSTAINED CONSTRUCTION ACTIVITY. AMID A DEMANDING OPERATING ENVIRONMENT, WE CONTINUE TO ADVANCE OUR STRATEGIC PRIORITIES ACROSS ALL THREE BUSINESS SEGMENTS.

CONSTRUCTION REMAINED OUR PRINCIPAL DRIVER, SUPPORTED BY STEADY PROJECT PROGRESS AND NEW CONTRACT WINS, WHICH STRENGTHENED OUR ORDER BOOK AND REINFORCED REVENUE VISIBILITY. PROPERTY DEVELOPMENT GAINED TRACTION THROUGH OUR INVESTMENT IN GAYA KUASA SDN BHD (“GAYA KUASA”), BROADENING OUR GROWTH BASE AND CONTRIBUTING TO EARNINGS. MEANWHILE, THE CONCESSIONAIRE DIVISION CONTINUED TO PROVIDE STABLE RECURRING INCOME WHILE PURSUING CONCESSION-BASED OPPORTUNITIES. OUR DEVELOPMENT PORTFOLIO ALSO RECEIVED RECOGNITION FROM FIABCI MALAYSIA, REFLECTING OUR CONTINUED COMMITMENT TO QUALITY DELIVERY.

THIS MANAGEMENT DISCUSSION AND ANALYSIS OUTLINES PMHB’S OPERATIONAL AND FINANCIAL PERFORMANCE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (“FY2025”), TOGETHER WITH INSIGHTS INTO OUR STRATEGIC DIRECTION AND FUTURE OUTLOOK.



THE GROUP’S BUSINESSES AND STRATEGIC OBJECTIVES

PMHB operates through three core business divisions – Construction, Concessionaire and Property Development. In FY2025, we focused on strengthening these segments while advancing initiatives to improve operational efficiency, reinforce earnings resilience and expand long-term revenue opportunities.

The Construction Division, led by Pesona Metro Sdn Bhd (“PMSB”), undertakes a diversified portfolio spanning high-rise residential developments, commercial buildings and healthcare facilities. In FY2025, the division remained the Group’s largest revenue contributor, accounting for 68% of total revenue. Strategically, we continue to strengthen our construction pipeline, while maintaining cost discipline and operational efficiency amid ongoing cost pressures. The rollout of digital construction workflow systems, implemented under a five-year agreement to enhance project oversight and cost management, also supports the Group’s efforts to maintain high construction standards, including a targeted QCLASSIC score of 73% or higher.

The Concessionaire Division focuses on the development, management and maintenance of concession-based assets. Through its 70% equity interest in SEP Resources (M) Sdn Bhd (“SEP”), PMHB manages and maintains student accommodation facilities under a long-term concession arrangement. We remain focused on optimising performance under the existing concession while progressing plans to expand accommodation capacity. In parallel, the Group continues to evaluate opportunities to broaden its concession-based portfolio, particularly in infrastructure and facilities management projects that offer long-term recurring returns.

MANAGEMENT DISCUSSION AND ANALYSIS

The Property Development Division undertakes residential and mixed-use developments through its 51% equity interest in Gaya Kuasa, acquired in October 2024. This investment strengthens our internal development capabilities while enabling the Group to participate more actively in residential opportunities, particularly within the affordable to mid-range housing segments. The Group is also evaluating suitable landbank opportunities and remains open to acquiring the remaining 49% equity interest in Gaya Kuasa where appropriate.

At the Group level, PMHB remains focused on strengthening its domestic market presence while maintaining prudent cost management and disciplined capital allocation. In FY2025, a group-wide compensation review was completed and implemented to strengthen talent attraction and retention as the business continues to grow.

Through these priorities, PMHB continues to advance its core business segments while pursuing new avenues for sustainable growth. By maintaining a balanced portfolio of construction activities, concession-based assets and property development projects, the Group remains well positioned to deliver long-term value in the years ahead.

GLOBAL ECONOMIC GROWTH EXPANDED BY 3.3% IN 2025



THE YEAR IN REVIEW

A STABLE YET MORE DEMANDING OPERATING ENVIRONMENT

Global economic growth remained modest in 2025, with output expanding by 3.3% (2024: 3.2%) as easing inflation supported activity despite ongoing geopolitical tensions and evolving trade dynamics. These developments continued to influence commodity prices and construction input costs across global markets. ¹

Against this backdrop, Malaysia's economy remained resilient, expanding by 5.2% in 2025 (2024: 5.1%), supported by steady domestic demand, investment activity and ongoing infrastructure implementation. During the year, the Overnight Policy Rate ("OPR") was reduced to 2.75% in July 2025, helping to sustain favourable financing conditions for businesses and homebuyers. ²

Within this environment, Malaysia's construction sector remained active, supported by infrastructure development programmes, urban expansion and continued demand for residential housing. Industry activity continued to be driven by both public and private sector projects across residential, commercial and infrastructure segments, providing a supportive backdrop for construction activity throughout the year. ³

MANAGEMENT DISCUSSION AND ANALYSIS



AGAINST THIS BACKDROP, MALAYSIA'S ECONOMY REMAINED RESILIENT, EXPANDING BY 5.2% IN 2025 (2024: 5.1%), SUPPORTED BY STEADY DOMESTIC DEMAND, INVESTMENT ACTIVITY AND ONGOING INFRASTRUCTURE IMPLEMENTATION

▲ 416,413 TOTAL PROPERTY TRANSACTIONS IN 2025 COMPARED WITH 399,008 TRANSACTIONS IN 2024, WHILE TRANSACTION VALUE INCREASED 4.1% YEAR-ON-YEAR TO RM241.87 BILLION

Malaysia's property market also remained broadly stable. Total property transactions reached 416,413 in 2025, compared with 399,008 transactions in 2024, while transaction value increased 4.1% year-on-year to RM241.87 billion. The Malaysian House Price Index rose 2.6% to 233.1 points, with the average house price reaching approximately RM502,922. While transaction values remained resilient, the pace of new residential launches moderated and unsold completed units remained elevated, underscoring the importance of careful market selection, pricing discipline and product positioning. ⁴

Nevertheless, operating conditions within the construction sector remained demanding. Wage adjustments, statutory contributions for foreign workers and stricter labour compliance requirements resulted in higher operating expenses across the industry. Electricity tariff revisions, diesel price adjustments and tighter haulage enforcement also increased logistics and material transportation costs, while the application of Sales and Service Tax ("SST") on certain equipment rentals added further pressure to project cost structures.

To ensure regulatory readiness, the Group strengthened its financial governance and reporting processes during the year, including engaging tax specialists and consulting with relevant authorities to clarify the implementation of SST and its implications for construction-related services and materials. In

parallel, the Group initiated upgrades to its accounting systems to support e-invoicing requirements and align with evolving tax compliance frameworks.

Against this backdrop, the Group maintained a disciplined approach to project execution, strengthening cost monitoring, project scheduling and coordination with suppliers and subcontractors to mitigate cost pressures while maintaining delivery timelines and quality standards. While regulatory adjustments and cost pressures continued to shape the operating landscape, underlying demand for housing, infrastructure development and urban expansion remained supportive, positioning the Group to pursue future project opportunities as conditions stabilise.

Overall, FY2025 presented a stable yet more demanding operating landscape. Steady economic growth, sustained construction activity and resilient property market values supported industry momentum, while evolving regulatory requirements and cost pressures required continued operational discipline. Within this environment, the Group strengthened project execution, secured new construction opportunities and advanced its diversification strategy, resulting in improved financial and operational performance during the year.

MANAGEMENT DISCUSSION AND ANALYSIS



GROUP FINANCIAL PERFORMANCE

In FY2025, the Group delivered its strongest financial performance in recent years, supported by higher construction activity, improved project margins and the growing contribution from the property development segment. Revenue for FY2025 increased by 38% to RM705.9 million, from RM511.9 million in the previous financial year.

The increase was primarily driven by higher progress billings across ongoing construction projects, alongside continued earnings contribution from Gaya Kuasa. The Construction Division remained the Group's largest revenue contributor, accounting for approximately 69% of total revenue, while the Property Development Division contributed approximately 28%, reflecting its expanding role in the Group's growth trajectory.

Gross profit more than doubled to RM112.5 million from RM53.6 million in the financial year ended 31 December 2024 ("FY2024"), reflecting stronger project margins from ongoing construction projects, as well as a positive earnings contribution from the property development segment.

Administrative expenses increased to RM47.0 million, broadly in line with higher operational activity and the continued scaling of the Group's operations, while finance costs rose to RM11.7 million, mainly due to higher borrowings associated with project financing and development activities.

As a result, the Group recorded a profit before tax ("PBT") of approximately RM66.0 million, representing an increase of 162% compared to RM25.2 million in the previous financial year. The improvement reflects stronger revenue generation, margin expansion and disciplined project execution across the Group's expanding project portfolio.



GROSS PROFIT MORE THAN DOUBLED TO

RM112.5 MILLION

from RM53.6 million in FY2024



REVENUE FOR FY2025 INCREASED BY

38% TO RM705.9 MILLION

from RM511.9 million in the previous financial year.

Statement of Comprehensive Income	2025 (RM'000)	2024 (RM'000)	Variance (RM'000)	Variance (%)
Revenue	705,924	511,883	199,041	38
Gross Profit	112,519	53,577	58,942	110
Other Income	2,170	2,356	(186)	(8)
Administrative Expenses	46,946	32,892	14,054	43
Finance Costs	11,711	8,552	3,159	37
Profit Before Tax	65,997	25,228	40,769	162

MANAGEMENT DISCUSSION AND ANALYSIS

CURRENT ASSETS ROSE BY 26% TO RM647.0 MILLION

reflecting higher receivables, while non-current assets declined marginally to RM278.0 million



TOTAL EQUITY INCREASED BY 24% TO RM256.9 MILLION



The Group's financial position strengthened during the financial year under review. Total assets increased to RM925.0 million in FY2025 compared to RM794.6 million in FY2024, largely attributable to higher property development costs, increased receivables arising from project financing activities and stronger cash balances.

Current assets rose by 26% to RM647.0 million, reflecting higher receivables and development costs associated with ongoing projects, while non-current assets declined marginally to RM278.0 million, mainly due to the amortisation of concession-related assets.

Total equity increased by 24% to RM256.9 million, supported by higher retained earnings generated during the year.

Total liabilities increased to RM668.10 million, primarily reflecting higher current liabilities associated with project financing and working capital requirements. Non-current liabilities declined slightly following the repayment of RM15.0 million to Sukuk holders, while current liabilities rose due to higher contract liabilities and the utilisation of bridging facilities to finance property development activities and construction projects.

Statement of Financial Position	2025 (RM'000)	2024 (RM'000) Restated	Variance (RM'000)	Variance (%)
Non-current Assets	278,025	281,244	(3,219)	(1)
Current Assets	647,013	513,406	133,607	26
Equity	256,918	207,604	49,314	24
Non-current Liabilities	193,566	201,307	(7,741)	(4)
Current Liabilities	474,554	385,738	88,816	23

As at 31 December 2025, the Construction Division maintained a strong outstanding construction order book of approximately RM2.3 billion, comprising eight ongoing projects expected to contribute to revenue in the financial year ending 31 December 2026 ("FY2026") and beyond. The Concessionaire Division continues to provide stable recurring income through the management and maintenance of student accommodation facilities for UniMAP, supporting earnings stability across cycles. The Property Development Division is expected to remain an important growth driver, with Gaya Kuasa contributing positively to PMHB's earnings profile as development activities progress.

To support future growth and strengthen operational capabilities, the Group has approved capital commitments of RM15.0 million for the acquisition of property, plant and equipment. These investments are intended to enhance project delivery capacity and support the Group's expanding construction and development activities.

Reflecting the Group's strong financial performance, healthy cash generation and sustained earnings visibility, the Board declared

an interim single-tier dividend of 1.4 sen per ordinary share in respect of FY2025. This dividend, amounting to RM9.7 million and representing approximately 25% of profit attributable to shareholders, underscores the Board's confidence in the Group's financial resilience and growth trajectory. The distribution reflects a balanced capital management approach, enabling the Group to reward shareholders for their continued trust in PMHB while preserving financial flexibility to support its construction order book, advance ongoing property development initiatives and pursue new project opportunities.

Based on current information and barring unforeseen circumstances, the Group is not aware of any known trends, uncertainties or events that are expected to materially affect its operations, liquidity or capital resources in FY2026. Supported by its RM2.3 billion construction order book, recurring concession income and continued progress across its property development portfolio, the Group remains well positioned to manage project cycles while maintaining financial discipline and executing its growth strategy in a measured and sustainable manner.

MANAGEMENT DISCUSSION AND ANALYSIS



PERFORMANCE OF THE BUSINESS SEGMENTS

CONSTRUCTION DIVISION

In FY2025, the Group's Construction Division, led by PMSB, remained the primary contributor to PMHB's revenue and continued to play a central role in the Group's operational performance. The division recorded revenue of RM483.1 million, compared to RM477.4 million in FY2024, representing a marginal increase of 1.2% as construction activities progressed steadily across the Group's project portfolio. PBT increased to RM21.3 million from RM16.9 million in FY2024, representing an improvement of approximately 26.0%, reflecting stronger project margins and more efficient project execution across several ongoing developments.

During the year, PMSB secured a RM666 million contract from Indo Aman Bina Sdn Bhd for the main building works of a commercial development in Bandar Sri Damansara, Selangor. The project commenced on 18 September 2025 and is expected to be completed within 30 months, with completion scheduled for 17 March 2028. The project strengthens the Group's construction portfolio and is expected to contribute progressively to earnings over its duration.

As at the end of FY2025, the Group's construction order book stood at approximately RM2.3 billion, comprising eight ongoing projects that are expected to contribute to revenue in FY2026 and beyond. These projects provide sustained revenue visibility and support the division's operational continuity as they progress through their respective construction phases.

Looking ahead, PMSB continues to strengthen project delivery capabilities through the adoption of digital construction tools and workflow systems that enhance coordination across project teams, improve resource planning and strengthen project monitoring.

With a strong order book and a supportive industry outlook, PMSB remains committed to securing new projects, strengthening its market position and delivering long-term value creation. The division is targeting RM500 million in new contract awards for FY2026 and will continue to pursue opportunities across both public and private sector developments while exploring potential expansion into affordable residential projects in the Klang Valley, in line with evolving market demand.



CONCESSIONAIRE DIVISION

The Concessionaire Division provides the Group with a stable and recurring income stream, supporting PMHB's strategy of strengthening long-term cash flow visibility through concession-based assets. The division is anchored by the Group's 70% equity interest in SEP, which manages and maintains student accommodation facilities under a long-term concession arrangement with UniMAP.

In FY2025, the division recorded revenue of RM28.9 million, compared to RM26.0 million in FY2024, representing an increase of approximately 11.1%, generated primarily from asset management and maintenance services under the concession agreement. PBT increased to RM11.8 million (FY2024: RM11.6 million), reflecting consistent earnings performance. The concession continues to generate stable monthly income of approximately RM2.3 million, providing predictable earnings visibility and serving as a buffer against cyclical fluctuations in project-based activities.

The existing facilities, which currently accommodate approximately 4,000 students and represent only a portion of UniMAP's total student population, remain under concession until 2036. The Group also holds first rights to operate additional hostels under the concession framework, presenting opportunities to expand capacity and strengthen long-term earnings.

Moving forward, the division will focus on optimising performance under the existing concession while progressing plans to expand accommodation capacity from approximately 4,000 to 6,000 students. The Group will also continue to evaluate opportunities to broaden its concession-based portfolio in infrastructure and facilities management projects that offer long-term recurring returns.

MANAGEMENT DISCUSSION AND ANALYSIS

PROPERTY DEVELOPMENT DIVISION

PMHB's expansion into property development accelerated in FY2025 following the acquisition of a 51% equity interest in Gaya Kuasa in October 2024 for RM40.8 million. The move marked a strategic progression for the Group, leveraging its construction expertise to broaden its business platform and strengthen revenue diversification.

In FY2025, the division recorded revenue of RM194.0 million, compared to RM8.5 million in FY2024, which reflected only two months' contribution following the acquisition. PBT rose to RM43.3 million from RM1.3 million in the prior year, representing the division's first full-year contribution to the Group's earnings.

During the year, Residensi Aman Bukit Jalil, a completed and fully sold development, received strong market and industry recognition, including the "Affordable Housing Super High Rise" award at the Malaysia Property Award 2025 organised by FIABCI Malaysia. Located in Bukit Jalil, the development comprises two 42-storey residential towers with 1,260 units. Each unit offers a three-bedroom layout of approximately 900 sq ft, exceeding typical size benchmarks within the affordable housing segment while incorporating practical spatial planning and lifestyle facilities.

Building on this momentum, the Ren Residence development recorded encouraging market response. As at 31 December 2025, the development achieved approximately 80% take-up, with 793 units secured under Sales and Purchase Agreements, representing RM559.6 million in signed gross development value ("GDV"). Construction progressed steadily during the year, reaching 42.9% completion as at year end. With a total GDV of approximately RM810 million, Ren Residence is expected to contribute significantly to the Group's future earnings.

Looking ahead, the Group will remain focused on the affordable housing segment, supported by steady demand and a growing project pipeline. The division will increase its adoption of property development workflow systems to improve oversight and efficiency, while evaluating suitable landbank opportunities and remaining open to acquiring the remaining 49% equity interest in Gaya Kuasa, where appropriate. These initiatives position the division to strengthen its earnings contribution while expanding PMHB's presence in the residential property sector.

KEY BUSINESS RISKS AND MITIGATION STRATEGIES

The Group remains committed to safeguarding its operations, performance, financial position and liquidity against potential adverse developments. To this end, we uphold robust risk management practices underpinned by disciplined oversight, structured processes and informed decision-making across all levels of the organisation. Our approach emphasises the timely identification, assessment and mitigation of material risks, while supporting sustainable business performance. We also continue to comply with listing requirements, guided by our corporate advisers and bankers. The key risks and corresponding mitigation measures are outlined below.

Risk Category	Risk and Potential Exposure	Measures
Operational	Over-dependence on a single business segment, namely the Construction Division. The Group's reliance on construction activity may expose it to financial risk if the sector weakens due to market or economic conditions.	The Group continues to expand and strengthen its Concessionaire and Property Development Divisions to diversify revenue streams and mitigate exposure to cyclical construction activity.
Operational	Unsatisfactory performance by subcontractors. Delays, abortive work and additional costs may arise from inadequate planning, coordination or execution by subcontractors.	PMSB's architectural, civil and structural project teams closely supervise work quality and progress. Measures include intensified Quality Assurance ("QA") and Quality Control ("QC") audits, warning letters for non-compliance and back-charges where necessary. Weekly coordination meetings are conducted to address site issues early, supported by on-site induction programmes for workers and subcontractors.

MANAGEMENT DISCUSSION AND ANALYSIS

Risk Category	Risk and Potential Exposure	Measures
Operational	Shortage of construction materials. Supply disruptions or temporary plant shutdowns may lead to shortages of critical materials such as steel bars and cement, affecting project timelines.	A centralised procurement monitoring system tracks material availability and delivery schedules on a weekly basis, enabling proactive sourcing and timely procurement to minimise disruptions.
Operational	Risk of personal injuries and accidents at construction sites. High-rise construction projects require stringent safety management and continuous oversight.	Safety practices are implemented in line with the Project Occupational Safety and Health (“POSH”) Plan. Daily toolbox briefings reinforce compliance, while all critical activities undergo Hazard Identification, Risk Assessment and Risk Control (“HIRARC”) prior to commencement with ongoing reassessments. Dedicated Health and Safety personnel conduct regular monitoring, supported by weekly training sessions and monthly safety audits.
External	Volatility in raw material prices affecting cost management. Fluctuations in material prices may affect project costs and margins.	The Group closely monitors price movements and adopts timely procurement strategies, including bulk purchasing, where appropriate. Tender contracts incorporate price fluctuation clauses to mitigate exposure to sudden cost increases.

UPHOLDING RESPONSIBLE CORPORATE PRACTICES

As a conscientious corporate citizen, PMHB remains deeply committed to conducting its operations in a manner that safeguards both its human capital and physical assets. This commitment guides the Group’s efforts to implement strategies that support the long-term sustainability and resilience of its business operations. Our approach focuses on promoting the well-being of our workforce, maintaining rigorous safety standards and ensuring the proper development and upkeep of our physical infrastructure. Through these initiatives, we aim to protect employee welfare while contributing positively to the communities and environments in which we operate.



GOOD GOVERNANCE AND ROBUST RISK MANAGEMENT

We remain steadfast in upholding high standards of corporate governance, reinforcing our reputation as a transparent, accountable and trusted organisation. We continue to strengthen our risk management practices and enforce rigorous internal controls across the Group, ensuring the resilience, integrity and sustainability of our operations. Comprehensive details on our Board Charter, as well as the Terms of Reference for the Audit, Remuneration and Nomination Committees, together with our Whistleblowing Policy and Anti-Bribery and Corruption Policy, are available on our corporate website at www.pesona.com.my.



MANAGEMENT DISCUSSION AND ANALYSIS

UPHOLDING THE AGENDA OF SUSTAINABILITY

We remain firmly committed to advancing sustainability across the Group to safeguard the long-term viability of our operations. We continuously strengthen our processes and construction methodologies to minimise environmental and social impacts, with a strong emphasis on reducing our carbon footprint. A comprehensive overview of our sustainability initiatives is presented in the Sustainability Statement of this Annual Report.



RECOGNISED FOR OUR COMMITMENT TO EXCELLENCE

PMHB's commitment to upholding exceptional construction standards continues to be recognised by leading industry bodies such as BuildQAS Consulting Singapore ("BuildQAS") and the Construction Industry Development Board ("CIDB"). These assessments reflect the Group's focus on disciplined project management, stringent quality control and continuous improvement across its construction activities.

In FY2025, this commitment was further acknowledged when our Residensi Aman Bukit Jalil received the "Affordable Housing Super High Rise" award at the Malaysia Property Award 2025 organised by FIABCI Malaysia. Widely regarded as one of the most respected accolades in Malaysia's real estate industry, the award recognises developments that demonstrate excellence in design, construction quality, innovation, functionality and sustainability. This recognition highlights the project's strong design quality and value proposition within the affordable housing segment, while reinforcing PMHB's capability to deliver well-executed residential developments that meet industry benchmarks and market expectations.

MOVING FORWARD INTO FY2026 AND BEYOND

Looking ahead to 2026, global economic growth is expected to remain moderate amid ongoing geopolitical tensions, evolving trade dynamics and shifts in global monetary policy. While inflationary pressures have generally eased across several major economies, uncertainties surrounding global supply chains, trade policies and financial market conditions continue to influence investment sentiment and economic activity worldwide. Developments in the Middle East have added a further layer of uncertainty, with potential implications for commodity prices, supply chains and financial market volatility.⁵

MANAGEMENT DISCUSSION AND ANALYSIS



**ACCORDING TO BANK NEGARA MALAYSIA,
THE ECONOMY IS PROJECTED TO GROW BY**

4.0% TO 5.0% IN 2026

**SUPPORTED BY RESILIENT DOMESTIC DEMAND,
PRIVATE INVESTMENT AND INFRASTRUCTURE
DEVELOPMENT, WHILE INFLATION IS EXPECTED
TO REMAIN MANAGEABLE AT 1.5% TO 2.5%.**

Domestically, Malaysia's economic outlook remains broadly positive. According to Bank Negara Malaysia, the economy is projected to expand by between 4.0% and 5.0% in 2026, supported by resilient domestic demand, sustained private investment and continued implementation of infrastructure development programmes. Private consumption is expected to remain a key driver of growth, underpinned by stable labour market conditions and steady income growth, while inflation is anticipated to remain manageable at between 1.5% and 2.5%, reflecting relatively stable cost conditions.⁶

Construction activity is expected to remain steady, supported by infrastructure development, industrial expansion and urban growth across key economic corridors. Ongoing investment in manufacturing facilities, logistics infrastructure and data centres – linked to Malaysia's growing role in regional supply chains – should help sustain demand across both civil engineering and building segments. Continued progress in multi-year infrastructure projects, industrial developments and housing projects is also expected to support sector activity, even as some large infrastructure projects near completion.⁷

Meanwhile, the property market is also expected to remain stable, supported by favourable economic fundamentals and sustained housing demand. According to NAPIC's Property Market Report, demand for residential property is expected to remain particularly resilient within the affordable and mid-range housing segments, supported by demographic growth, stable employment prospects and ongoing government initiatives aimed at improving homeownership accessibility. At the same time, ongoing reform measures to strengthen governance, project oversight and buyer protection are expected to support market confidence and the property sector's longer-term development.⁸



While overall market conditions remain supportive, the construction and property sectors continue to face regulatory changes, compliance requirements and evolving cost structures that may affect project implementation. In this environment, disciplined cost management, efficient project execution and careful operational planning remain essential to sustaining margins and ensuring timely project delivery. Prolonged geopolitical tensions in the Middle East may also lead to higher energy prices, construction material costs and shipping expenses, which could in turn affect development timelines and project profitability.⁹

Against this backdrop, PMHB remains focused on strengthening its core businesses while pursuing sustainable growth opportunities. The Construction Division will prioritise replenishing its order book and enhancing project delivery. The Concessionaire Division will continue generating stable recurring income through the UniMAP concession while exploring expansion opportunities. Meanwhile, the Property Development Division will continue supporting diversification through its investment in Gaya Kuasa, with a focus on affordable to mid-range housing where demand remains steady.

As the Group enters FY2026, PMHB remains cautiously optimistic about the outlook for the construction and property sectors. Supported by steady domestic economic growth, continued infrastructure investment and sustained housing demand, the Group remains committed to strengthening operational capabilities, pursuing strategic growth opportunities and delivering sustainable long-term value for its stakeholders.

MANAGEMENT DISCUSSION AND ANALYSIS



ACKNOWLEDGEMENTS

On behalf of the Group, we extend our sincere appreciation to everyone who contributed to PMHB's progress during the year. Our achievements reflect the dedication and teamwork of our management team and employees across the Group, whose professionalism and commitment to excellence continue to drive our performance. We also thank the Board of Directors for their wise counsel and stewardship in helping PMHB advance with clarity and purpose.

Our success in attaining the prestigious recognition from FIABCI Malaysia reflects the collective efforts of our teams, partners and stakeholders in delivering quality developments that meet evolving housing needs while upholding the standards that define PMHB's work.

We are equally grateful to our shareholders, customers, clients, bankers, government agencies, vendors and suppliers for the trust and confidence they continue to place in the Group. Your support remains integral to our journey. As we look ahead, we will continue to build on our strengths, pursue new opportunities with discipline and work together to deliver sustainable value for all who place their confidence in PMHB.

WIE HOCK BENG
Managing Director
Pesona Metro Holdings Berhad

Endnotes

- ¹ Extracted from the International Monetary Fund's World Economic Outlook Update: Global Economic Prospects and Policies, January 2026 – refer to <https://www.imf.org/en/publications/weo/issues/2026/01/19/world-economic-outlook-update-january-2026>
- ² Extracted from Bank Negara Malaysia's ("BNM") Quarterly Bulletin: Fourth Quarter 2025 – Malaysian Economic Developments – refer to https://www.bnm.gov.my/-/qb25q4_en_pr?utm
- ³ Adapted from industry analysis in the Mordor Intelligence report titled "Malaysia Construction Market – Growth, Trends and Forecast" – refer to <https://www.mordorintelligence.com/industry-reports/malaysia-construction-market>
- ⁴ Extracted from the NAPIC Property Market Report 2025 and related 2025 market releases – refer to <https://napic.jpjh.gov.my/storage/app/media/3-penerbitan/Shahrul/Bahagian%20Pasaran%20Harta%20Tanah/Laporan%20Pasaran%20Harta%20Separuh%20Tahun%20dan%20Jadual/Q4%202025/laporan-pasaran-harta-2025-1.pdf>
- ⁵ Adapted from BNM's Annual Report 2025 and Economic and Monetary Review 2025 – refer to <https://www.bnm.gov.my/ar2025>
- ⁶ Extracted from BNM's Economic and Monetary Review 2025 – refer to <https://www.bnm.gov.my/ar2025>
- ⁷ Extracted from BNM's Economic and Monetary Review 2025 and Financial Stability Review – Second Half 2025 – refer to <https://www.bnm.gov.my/ar2025>
- ⁸ Adapted from the EdgeProp article titled "Property transactions hit RM241.9b in 2025, KPKT outlines reforms to strengthen sector", published on 19 March 2026 – refer to <https://www.edgeprop.my/content/1915638/property-transactions-hit-rm2419b-2025-kpkt-outlines-reforms-strengthen-sector>
- ⁹ Adapted from the EdgeProp article titled "Middle East tensions may delay Malaysia property projects, raise construction costs, says Rehda", published on 13 March 2026 – refer to <https://www.edgeprop.my/content/1915557/middle-east-tensions-may-delay-malaysia-property-projects-raise-construction-costs-says-rehda>

SUSTAINABILITY STATEMENT



OUR SUSTAINABILITY COMMITMENT

Pesona Metro Holdings Berhad (“PMHB”) remains steadfast in its commitment to creating enduring value for our stakeholders. In doing so, we maintain a clear focus on the sustainability matters that influence our capacity to create, preserve and deliver value over the long term. Our approach is anchored in the environmental, social and governance (“ESG”) principles that form the foundation of our operations. Our efforts are guided by the Group’s structured sustainability framework that shapes our strategic priorities and initiatives through which we strengthen our business resilience, enhance operational performance and uphold high standards of ethical business conduct. Through a forward-looking and responsible approach, PMHB remains committed to advancing sustainable progress and delivering meaningful economic, social and environmental value.



SCOPE AND BOUNDARY OF THIS STATEMENT

This publication marks PMHB’s tenth Sustainability Statement and presents a comprehensive overview of the Group’s key Economic, Environmental and Social (“EES”) initiatives undertaken during the 2025 financial year. It also outlines how PMHB has engaged proactively with a broad spectrum of internal and external stakeholders to ensure that its sustainability efforts remain aligned with evolving expectations and prevailing industry best practices.

Reporting Period : 1 January 2025 – 31 December 2025.

Reporting Cycle : Annually.

Business Entity Covered: This Statement focuses on Pesona Metro Sdn Bhd (“PMSB”), the Group’s principal subsidiary and main contributor, accounting for 68% of PMHB’s annual revenue through its role within the Construction Division. Accordingly, the disclosures presented in this Statement relate primarily to matters material to PMSB’s core operations and do not extend to the activities of the Group’s other subsidiaries. The Group’s principal area of focus continues to be the construction of commercial and residential developments across Peninsular Malaysia.

GUIDELINES

This Statement is prepared in accordance with the Sustainability Reporting Guide (3rd Edition) issued by Bursa Securities.



COMMITTED TO CREATING SUSTAINABLE VALUE

Pesona Metro Holdings Berhad (“PMHB”) is a diversified investment holding company listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) under the Construction sector. The Group’s operations extend across civil engineering, building construction, river rehabilitation and beautification, concession-based ventures, and the trading of construction-related materials.

Anchored by a long-term strategic outlook, PMHB places sustainability at the core of its business direction to ensure that growth remains responsible, resilient and profitable. Through the integration of ESG considerations across its strategy and operations, the Group enhances efficiency, reinforces stakeholder trust and strengthens its competitive standing. Consequently, PMHB is well positioned to create sustainable value, advance its industry leadership and contribute meaningfully to economic and social development.

STATEMENT CONTENT

This Sustainability Statement centres on issues which are significant to the stakeholders of PMHB and which have been prepared in accordance with local regulations and requirements. It should be read in conjunction with the Group’s Annual Report 2025, which sets out a broader perspective on the financial and non-financial dimensions of the Group’s business activities. While external assurance has not yet been undertaken for this Statement, it forms part of PMHB’s continuing efforts to strengthen the management, integrity and oversight of its sustainability data. Looking ahead, the Group aims to obtain external assurance as part of its ongoing efforts to reinforce the transparency, credibility and accountability of its sustainability initiatives.

METHODOLOGY

The matters and topics disclosed in this Statement have been carefully selected by PMHB’s Executive Committee in accordance with the Group’s prevailing governance practices. Following the Board’s endorsement, the Working Committee assumed responsibility for implementing the Statement’s recommendations, ensuring that execution remained aligned with the Group’s strategic direction and sustainability priorities.

PMHB’S SUSTAINABILITY JOURNEY

Founded in 1996, PMHB has progressively strengthened its position as a responsible and forward-looking industry participant. In 2016, the Group formalised its commitment to sustainability through the development and integration of a Sustainability Framework within its business model, in line with Bursa Securities’ introduction of sustainability reporting requirements. Since then, we have continued to embed this framework across our business practices and operations to ensure that sustainable outcomes remain central to our value creation approach.

Accordingly, the Group’s business strategies are aligned with its sustainability priorities and relevant industry standards, supporting efforts to enhance operational efficiency, optimise costs, pursue revenue growth and promote innovation.

OUR SUSTAINABILITY COMMITMENT

SUSTAINABILITY STATEMENT

SUSTAINABILITY THEMES

To ensure alignment and consistency in its sustainability initiatives, the Group has established the following sustainability themes:

HEALTH & SAFETY



Safeguarding the safety and wellbeing of our employees and the communities in which we operate remains a core priority for PMHB. Across our construction sites, we maintain stringent occupational safety and health standards, supported by disciplined equipment management and operational practices that uphold strong safeguards for safety, health and environmental protection.

ENVIRONMENT



The Group is cognisant of the impact our projects may have on the environment due to the nature of our operations. Accordingly, our interactions with air, water, soil, vegetation and wildlife are subject to careful monitoring and managed in accordance with applicable regulatory requirements. At the same time, we seek to use resources responsibly and with due discipline, in line with our objective of minimising the adverse effects of our operations on the environment and surrounding communities.

LABOUR PRACTICES



The Group is dedicated to nurturing a respectful and inclusive workplace where all employees are treated with fairness and dignity. We do not tolerate discrimination on any basis and seek to ensure that our employment practices support equal opportunity across the workforce. At the same time, we recognise that a supportive and balanced work environment is integral to employee wellbeing, and remain mindful of the physical, mental and emotional welfare of our people.

PROFITABILITY



Sustained profitability and effective value creation are integral to the long-term resilience of our business. In line with this, we remain committed to delivering high-quality projects on time and within budget, while serving the public with a strong sense of responsibility, professionalism and excellence.

SUSTAINABILITY GOVERNANCE

PMHB has established a governance framework to support the preparation of its sustainability reporting in accordance with high standards of governance. Designed to uphold accuracy, accountability and transparency, the framework is applied throughout each stage of the reporting process.

BOARD OF DIRECTORS



Composition / Description

Chairman of Audit Committee

Roles and Responsibilities

Guide and support

EXECUTIVE COMMITTEE



Composition / Description

Senior Management chaired by the Managing Director ("MD")

Roles and Responsibilities

Strategise and standardise

SUSTAINABILITY WORKING COMMITTEE



Composition / Description

Health and Safety (Head of Health & Safety)
Environment (Head of Environment)
Labour Practices (Head of Human Resources)
Profitability (MD)

Roles and Responsibilities

Plan and execute

- The Board of Directors upholds high standards of corporate governance and strong internal controls in overseeing the assessment and integration of material sustainability matters into the Group's business strategy.
- The Executive Committee oversees the development, review and refinement of the Group's sustainability framework, including the study, formulation and strategic planning of related priorities, as well as the preparation of the Sustainability Statement and Policy.
- The Sustainability Working Committee is entrusted with overseeing the Group's progress against its sustainability targets. It undertakes quarterly reviews to evaluate performance, identify variances between established targets and actual outcomes, and implement the necessary refinements to maintain alignment with the Group's broader sustainability objectives.

SUSTAINABILITY STATEMENT

BOARD OF DIRECTORS



Comprising individuals with extensive experience and a diverse range of expertise, PMHB’s Board of Directors provides overarching direction for the Group’s sustainability agenda. In carrying out this role, the Board is committed to creating sustainable long-term shareholder value through prudent oversight of investments and strategic priorities that support the continued advancement of the Group’s business interests.

The Board also exercises oversight over the implementation of the Group’s EES initiatives. Its responsibilities extend from setting the Group’s strategic direction and upholding high standards of corporate governance to ensuring that sustainability considerations are embedded in key decision-making processes. The Board also plays a critical role in shaping the frameworks and oversight mechanisms that reinforce PMHB’s commitment to transparency, integrity and accountability across all levels of the organisation.



SUSTAINABILITY WORKING COMMITTEE



The Sustainability Working Committee supports the implementation of the Group’s sustainability agenda by monitoring progress against established targets and ensuring alignment with PMHB’s policies, priorities and best practices. Comprising representatives from the Group’s key sustainability focus areas, the Committee meets quarterly to review performance, identify gaps and recommend the necessary refinements.

PMHB’s objective of strengthening its sustainability governance framework supports our broader goal to enhance the effectiveness of our strategic oversight, implementation and reporting. Further details on the Group’s corporate governance and risk management frameworks are set out in the Statement on Corporate Governance and the Statement on Risk Management and Internal Control in this Annual Report.



EXECUTIVE COMMITTEE



The Executive Committee, led by the Managing Director (“MD”) and comprising the Chief Financial Officer (“CFO”) and Chief Operating Officer (“COO”), is responsible for steering the Group’s sustainability agenda at the management level. It oversees the ongoing development and review of PMHB’s sustainability framework, while ensuring that related priorities and initiatives remain aligned with the Group’s broader strategic direction.

In carrying out this role, the Executive Committee reports regularly to the Board on the progress of sustainability matters and provides management oversight of the Group’s Sustainability Statement and Policy. It also guides the setting of sustainability targets, stakeholder engagement efforts and the identification of material EES matters relevant to the Group’s sustainability reporting.



STAKEHOLDER ENGAGEMENT

Stakeholder engagement is a central pillar of the Group’s sustainability approach, supporting the continued development of our operations, relationships and market presence. By placing stakeholder interests at the heart of our business, we seek to maintain meaningful engagement across the various stages of our projects, enabling us to better understand expectations, address concerns proactively and build enduring relationships.

This process is guided by a structured approach that identifies and prioritises key stakeholder groups based on their influence on, and exposure to, our operations and supply chain. The Group’s framework for assessing stakeholder expectations and responding through appropriate communication channels is outlined in the Stakeholder Engagement Matrix.



OUR SUSTAINABILITY COMMITMENT

SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT

STAKEHOLDER	STAKEHOLDER EXPECTATIONS	ENGAGEMENT METHODS	HOW WE MEET OUR STAKEHOLDER'S EXPECTATIONS
Clients	<ul style="list-style-type: none"> Project to be completed on time, within budget and good quality. Full compliance with authorities' rules and regulations with minimal penalties or summons. Zero fatalities. Proper project management and communications. 	<ul style="list-style-type: none"> Progress meeting (fortnightly). Site walk with client (ad hoc). Client satisfaction survey (upon completion of the project). 	<ul style="list-style-type: none"> QLASSIC score of 73% and above. Submission of monthly progress reports on time. Achieve a minimum 80% client satisfaction rate. All correspondences to be answered within 24-48 hours. Designate a dedicated point of contact for clients, such as a Project Manager or Contract Manager, to ensure clear communication and efficient project coordination.
Authorities and Regulators	<ul style="list-style-type: none"> Compliance with rules and regulations. 	<ul style="list-style-type: none"> Site inspections. Audits. Accreditation. Training sessions. 	<ul style="list-style-type: none"> Implement weekly internal site meeting and site inspection on health, safety and environment ("HSE") issues, 5S methodology, Green Building Index ("GBI") matters to ensure compliance. Regularly attend training sessions/seminars/conferences/discussions to improve work methods and get updates on new regulations.
Employees	<ul style="list-style-type: none"> Attractive pay-out and job security. Career development and progression. Good HSE practices. Fair and equal treatment. 	<ul style="list-style-type: none"> Annual Staff Survey. Annual Appraisal. Staff activities. 	<ul style="list-style-type: none"> Organise Corporate Social Responsibilities ("CSR") activities to encourage off-site relationships with stakeholders. Implement a transparent and equitable reward system that recognises and incentivises performance based on merit. Provide regular updates on Group-related news and progress via the Group intranet. Respond to feedback on the matters raised by staff via all the engagement activities to assure them that the Group cares and will act upon the requests /concerns which are deemed right for the Group.
Business Partners (Suppliers and Sub-contractors)	<ul style="list-style-type: none"> Timely payment. Fair and transparent procurement processes. Safe work sites. 	<ul style="list-style-type: none"> Safety toolbox meetings. Weekly meetings. Transparent tender processes. Suppliers and sub-contractors evaluation. 	<ul style="list-style-type: none"> Achieve a minimum of 75% in Grade C and above rating for supplier evaluations. Achieve a 75% in Grade B- and above rating for sub-contractor evaluations. Organise factory/warehouse visits.

OUR SUSTAINABILITY COMMITMENT

SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT (CONT'D)

STAKEHOLDER	STAKEHOLDER EXPECTATIONS	ENGAGEMENT METHODS	HOW WE MEET OUR STAKEHOLDER'S EXPECTATIONS
Media	<ul style="list-style-type: none"> Timely and transparent financial and corporate information. 	<ul style="list-style-type: none"> Press conferences. Corporate website. Press releases. 	<ul style="list-style-type: none"> Organise meetings with the media after the general meeting. Upload press releases on the website for easy access by the media.

STAKEHOLDER PRIORITISATION

To ensure that stakeholder interests and concerns are addressed in a timely and effective manner, the Group undertakes an annual stakeholder prioritisation assessment. Through this process, stakeholders are classified into two principal categories based on their degree of dependence on the Group and their capacity to influence its operations. This enables PMHB to direct its engagement efforts and resources in a more focused and strategic manner. The results of the latest assessment are set out in the following table.

STAKEHOLDER GROUP	DEPENDENCY ON THE COMPANY 1 = LOWEST DEPENDENCY 4 = HIGHEST DEPENDENCY	INFLUENCE ON THE COMPANY 1 = LEAST INFLUENCE 4 = STRONG INFLUENCE
Employees	4	4
Sub-contractors	4	4
Consultants	2	4
Clients	3	4
Government/Local Authorities	2	4
Suppliers	3	3
Competitors	1	4
Bankers	2	2
Media	1	1
Community	1	1



OUR SUSTAINABILITY COMMITMENT

SUSTAINABILITY STATEMENT

The Group's Stakeholder Prioritisation Matrix was derived from a structured evaluation of information gathered through the stakeholder prioritisation exercise. This process assessed stakeholder groups based on the extent to which their views, interests and engagement may influence the Group's strategic direction and long-term growth. Based on the outcome of this assessment, seven stakeholder groups were identified as falling within the High Dependency–High Influence category, reflecting their significant relevance to the Group. The remaining stakeholder groups were classified under the Low Dependency–High Influence category, as presented in this Statement.

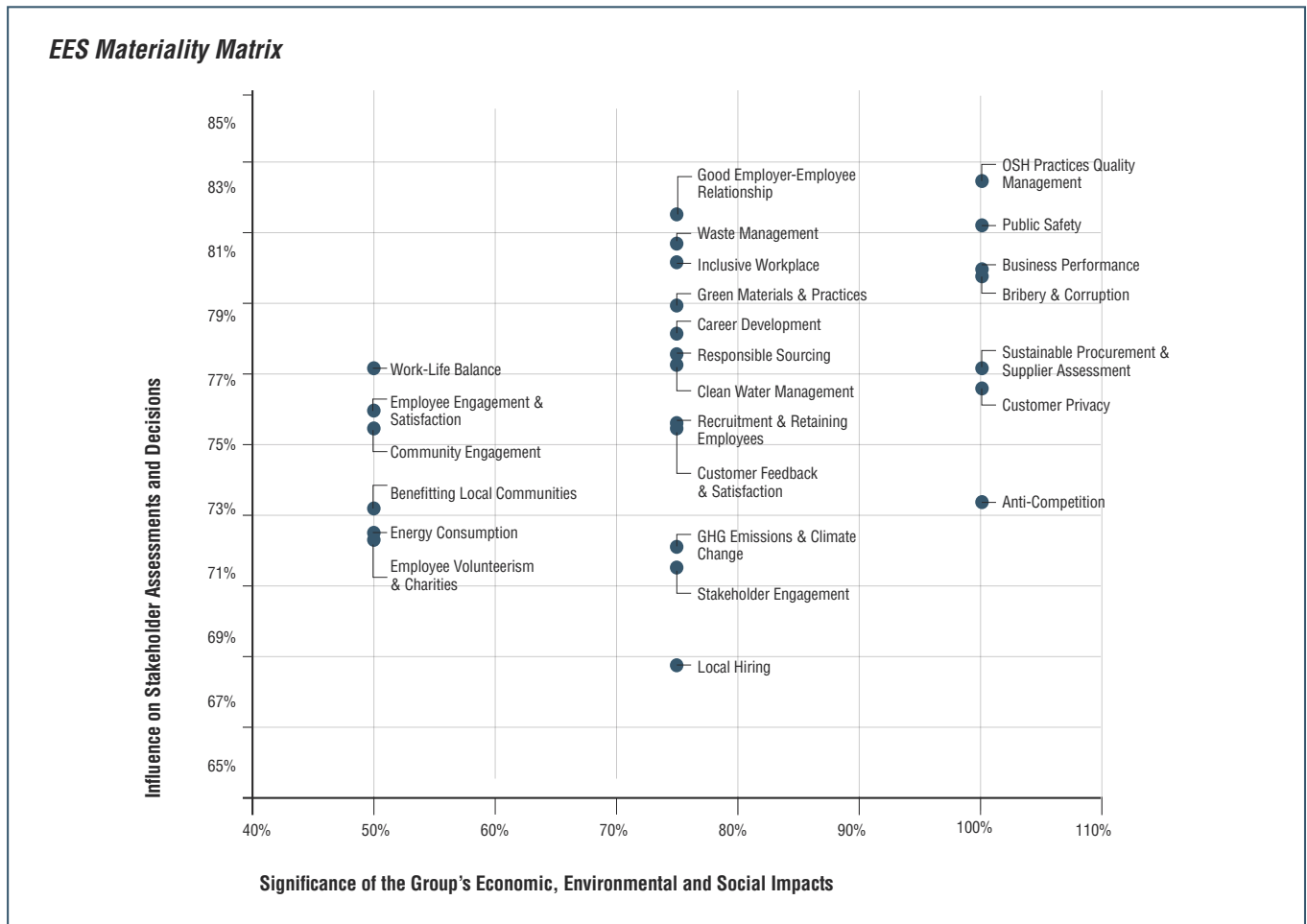
STAKEHOLDERS DEPENDENCY	High Dependency	CONSULT/ INVOLVE		COLLABORATE/ EMPOWER (Maximum Attention)	
Low Dependency	KEEP INFORMED (Minimal Effort)		INFORM/ ENGAGE		
	Community	1) Competitors 2) Media			3) Consultants 4) Clients 5) Government/ Local Authorities 6) Bankers 7) Suppliers
	No Influence	Low Influence	Some Influence		Formal Power/High Influence
STAKEHOLDER INFLUENCE ON THE ORGANISATION					

MATERIAL MATTERS

STAKEHOLDERS	PARAMETERS
Clients	Existing and past clients who have engaged the Company in jobs - both private and public organisations.
Authorities and Regulators	Governments, local councils, the Construction Industry Development Authority or Construction Industry Development Board ("CIDB"), Standard and Industrial Research Institute of Malaysia ("SIRIM"), the Fire Department, and the regulators for GBI or GBI certification.
Consultants	Professionals who have a direct influence on the Company's operations including architectural, structural, electrical, mechanical, and landscaping professionals.
Employees	Permanent, contractual and interns; locals and foreign workers.
Business Partners (Suppliers and Sub-contractors)	Product and service providers.
General Public and Community	People living/working within a 5 km radius of our workplaces; Other non-governmental organisations ("NGOs") with influence.
Bankers/Financiers	Financing bodies that conduct monetary transactions with the Company.

SUSTAINABILITY STATEMENT

PMHB’s current Materiality Matrix continues to be informed by the outcomes of its earlier assessments, which remain broadly relevant to the Group’s business activities and operating environment in the financial year ended 31 December 2025 (“FY2025”). As there were no significant changes to the nature of the Group’s core operations during the year, the existing material matters continued to provide a sound basis for evaluating sustainability priorities and stakeholder expectations. The Matrix also remained a key reference point in guiding the Group’s sustainability direction and ongoing implementation efforts.



UPHOLDING GOOD ECONOMIC PRACTICES

STRATEGIC DIRECTION

In FY2025, the Group remained focused on strengthening its core businesses as the foundation for sustainable long-term growth. This continued emphasis reflects our commitment to building a resilient business that is better positioned to respond to evolving market conditions, changing customer expectations and broader economic uncertainties. The continuous refinement of our strategic approach enables PMHB to enhance operational discipline, deploy resources more effectively, improve decision-making and respond with greater agility to both risks and opportunities. In doing so, the Group is better placed to preserve value, support future expansion and deliver more consistent outcomes over the long term.

Further details on the Group’s strategic direction, as well as its financial and operational performance, are provided in the Management Discussion and Analysis section of this Annual Report.

OUR SUSTAINABILITY COMMITMENT

SUSTAINABILITY STATEMENT

2025 SUSTAINABILITY ROADMAP (TARGETS AND ACHIEVEMENTS)

Environment	
Target	Achievements
Allowable Construction Waste	Achieved
• Steel 7%	5%
• Concrete 5%	3%
• Timber 10%	6%
Zero Environmental Summons/Notices	Achieved

Health & Safety	
Target	Achievements
Zero Fatality	Achieved
Zero Lost Time	Achieved
Zero Stop Work Orders	Achieved
Zero dengue cases	Achieved

Labour	
Target	Achievements
Annual Staff Survey	Achieved
3 Major Festive Celebrations	Achieved
Minimum 14 training hours per employee	Not Achieved
4 CSR Programmes	
Internship	Not Achieved
i) 10 Headquarter ("HQ")	i) 0 HQ
ii) 25 Site	ii) 10 Site
8 Scholarships	12 Scholarships

Product Quality	
Target	Achievements
QLASSIC 73%	Mirai - QLASSIC 78% (Not Achieved - client requirement: 80%) LFR3 - QLASSIC 82% (Achieved) TNB - QLASSIC 76% (Achieved) TNB - BuildQAS 80.5% (Pesona Metro's initiative)
80% Customer Satisfaction	Mirai - 58.0% (Not Achieved) LFR3 - 84.4% (Achieved) TNB - 95.6% (Achieved)
75% Sub-Contract Grade B	Mirai - 57.7% (Not Achieved) LFR3 - 70.1% (Not Achieved) TNB - 100% (Achieved)
75% Supplier Grade C and above	Supplier Evaluation 2025 - 100% (Achieved)

For a more comprehensive understanding of the sustainability matters outlined above, please refer to the relevant sections of this Sustainability Statement.

STRENGTHENING THE MARKET ECOSYSTEM

PMHB places strong emphasis on building a dependable and responsible value chain that supports both business continuity and national economic development. As a participant in Malaysia's construction sector, the Group works closely with suppliers, subcontractors, clients and other business partners to support project delivery, strengthen operational resilience and sustain long-term growth. Through PMSB, its principal subsidiary, PMHB continues to contribute to domestic development by undertaking projects that support the built environment and broader economic activity.

Since its establishment in 1996, PMHB has expanded from a modest operation into an established construction group with a workforce of approximately 400 employees across permanent and contract roles. This growth reflects the Group's continued investment in the people and capabilities needed to support its operations. While the Group draws on a mix of local and foreign labour to meet operational requirements and specialised trade needs, it remains committed to developing a capable workforce that can support the consistent delivery of quality projects.

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The Group also maintains a clear commitment to local procurement as part of its broader support for the domestic economy. Key construction materials, including cement, steel and timber, are sourced locally where practicable, enabling PMHB to support Malaysian businesses, strengthen domestic supply chains and retain greater economic value within the country. This approach also helps to reduce reliance on imports, improve supply stability and mitigate exposure to external market volatility. Additionally, PMHB continues to uphold fair procurement practices and adopt appropriate construction methods and technologies to enhance efficiency, quality and long-term sectoral contribution.

SUPPLY CHAIN MANAGEMENT		2023	2024	2025
Proportion of spending on local suppliers	Percentage	100%	100%	100%



TRANSPARENT MARKETPLACE PRACTICES

Transparent marketplace practices are a prime aspect of PMHB’s approach to responsible business conduct. The Group operates in accordance with the regulatory requirements governing Malaysia’s construction industry, including those of the CIDB, and is subject to regular SIRIM audits. As a Main Market-listed company, PMHB also complies with Bursa Malaysia Securities Berhad’s Main Market Listing Requirements (“MMLR”), reflecting its commitment to transparency, accountability and high standards of governance.

PMHB also maintains a clear zero-tolerance stance on bribery and corruption. This commitment is embedded in the Group’s internal policies and reinforced through employee education and awareness. Since 2019, the PMHB Induction Programme has introduced new employees to the Group’s ethical expectations and its position against white-collar crime. This is complemented by the Zero Tolerance Policy in the Group Employee Handbook, which sets out the standards expected of employees and supports the consistent application of ethical business practices across the organisation.

To support strong governance and transparent business practices, PMHB has put in place a range of policies and controls that promote accountability, ethical conduct and procedural integrity across the organisation. These include the following:

- **Code of Conduct:** Defines the standards of ethical behaviour, integrity and business conduct expected of all employees.
- **Corporate Governance Overview Statement:** Included in the Annual Report, this statement outlines the responsibilities of the Board and its committees, while the Board Charter is publicly accessible on the Group’s website.
- **Open Tender Policy:** Promotes fairness and transparency in subcontractor selection by requiring tender box openings to be attended by at least three out of five committee members, including one member from a different department to preserve impartiality.
- **Whistleblowing Policy:** Establishes a secure mechanism for reporting financial irregularities, compliance breaches and other misconduct. The policy is detailed in the Employee Handbook and published on the Group’s website at www.pesona.com.my.

OUR SUSTAINABILITY COMMITMENT

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PMHB reviews and strengthens its governance framework to ensure it remains aligned with evolving regulatory expectations and compliance requirements. The Board exercises oversight of governance-related risks and the effectiveness of related controls, including those introduced in response to Section 17A of the MACC Act 2009. In parallel, the Group's Anti-Corruption and Anti-Bribery Policy and Procedures have been incorporated into the Code of Conduct, supporting compliance with Bursa Securities' MMLR and reinforcing PMHB's zero-tolerance stance on corruption and unethical conduct.

COMMON INDICATORS	UNIT	2023	2024	2025
Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	2%	3%	4%
Executive	Percentage	14%	9%	11%
Non-executive/Technical Staff	Percentage	18%	10%	14%
General Workers	Percentage	0%	0%	0%
Percentage of operations assessed for corruption-related risks	Percentage	100%	100%	100%
Confirmed incidents of corruption and action taken	Number	0	0	0

OUR COMMITMENT TO EXCELLENCE

PMHB continues to uphold high standards across its operations, as reflected in the external recognition received during the year. Further details on the awards and recognitions received by the Group are provided in the Social: Occupational Health and Safety section of this Statement.

UPHOLDING GOOD ENVIRONMENTAL PRACTICES



CHAMPIONING ENVIRONMENTAL STEWARDSHIP THROUGH GREEN 5S PRACTICES

PMHB manages the environmental aspects of its operations through practical measures applied across its project sites. The Group promotes accountability among employees, subcontractors and suppliers through training and awareness programmes designed to support compliance, strengthen site practices and uphold consistent operational standards.

Green 5S is one of the frameworks adopted in this effort. As one of the earlier construction companies in Malaysia to implement the 5S methodology, PMHB uses this framework to strengthen site organisation, housekeeping and safety. All project sites undergo audits by the SIRIM Green 5S team to assess compliance with the required standards. In 2017, The Mews project site became the Group's first site to record a Zero Non-Conformance Report in a SIRIM Green 5S Audit.

During FY2025, PMHB carried out eight Green 5S awareness training sessions across its project sites and 12 additional sessions at Headquarters. The programme was supported by 70 weekly 5S site coordination and surveillance sessions, alongside 12 5S audits at Headquarters.

The SIRIM Green 5S Audits provide an independent assessment of PMHB's implementation of 5S practices across its project sites. These audits enable the Group to measure compliance, identify areas for improvement and monitor progress towards achieving Zero Non-Conformance. Through this disciplined approach, PMHB strengthens site management standards and reinforces its reputation as a responsible and well-managed construction company.

OUR SUSTAINABILITY COMMITMENT

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Seven-Year SIRIM 5S External Audit Results

YEAR OF AUDIT	PROJECT SITES	NUMBER OF NON-CONFORMANCE REPORTS	NUMBER OF ISSUES UNDER OBSERVATION
2023	MKR, Bon Kiara	0	1
2024	LFR3, Cyberjaya	1	11
2025	KLGCC	0	5

ENVIRONMENTAL EDUCATION AND WORKPLACE PRACTICES

PMHB applies environmental controls through a combination of site procedures, staff engagement and regular management oversight. These measures support compliance with applicable requirements and help ensure that environmental considerations are addressed during project execution. Project teams receive periodic updates and take part in internal knowledge-sharing sessions to strengthen awareness, improve coordination and support more consistent implementation across sites.

The Group's Green 5S performance reflects the discipline applied in maintaining site standards. To support this, PMHB invests in environmental education to build practical understanding among employees and reinforce expected standards of conduct at site level. The following table shows the number of environmental education sessions delivered to staff from 2023 to 2025:

Green 5S Performance			
	2023	2024	2025
Project Sites (5S Audits)	19	40	36
HQ (5S Talks)	12	12	12
Induction Programme	1	3	3
5S Site Surveillance	98	94	70
SIRIM G5S Certification	0	1	4
HQ 5S Audits	12	12	12

Employee behaviour also forms part of the Group's environmental management approach. From the point of entry into the organisation, new employees are introduced to PMHB's sustainability commitments and expected workplace practices, including the principles of reduce, reuse and recycle. These expectations are reinforced through internal initiatives such as the Styrofoam Food Packaging Campaign, which remained in force throughout FY2025. The campaign prohibits the use of plastic and polystyrene food and beverage containers across workplaces and project sites, supporting the reduction of non-biodegradable waste and the wider use of reusable alternatives.



MATERIALS MANAGEMENT

As part of our conservation practices, the Group applies a materials management approach across its construction sites to improve the control, use and handling of construction materials. By managing materials more carefully throughout the project cycle, PMHB is able to reduce avoidable wastage, improve resource use and support more efficient site operations. This also helps to lower disposal volumes and related costs, while reducing the amount of waste generated through project activities.

RAW MATERIALS MANAGEMENT

To support better waste management, PMHB adopts a procurement approach that gives due consideration to local sourcing and project-specific material requirements. Procurement budgets are planned in line with the scale and needs of each project to help avoid over-ordering and unnecessary material losses. This Statement focuses on the three principal construction materials, which together represent approximately 80% of the Group's total raw material usage.

OUR SUSTAINABILITY COMMITMENT

SUSTAINABILITY STATEMENT

Material Used			
	2023	2024	2025
Steel Bar (tonnes)	19,310	13,618	13,406
Concrete (m ³)	310,767	168,594	167,933
Timber (tonnes)	922	893	2,247

The Group also applies defined material wastage limits across its projects to support tighter control over construction resource usage. The table below presents the volume of waste generated from the Group's ongoing projects in FY2025. With the exception of steel bar waste, which recorded a marginal increase, waste volumes were lower than those reported in the preceding year.

Material Wastage (%)				
	Allowable	2023	2024	2025
Steel Bar (tonnes)	7%	4%	5%	5%
Concrete (m ³)	5%	3%	5%	3%
Timber (tonnes)	10%	8%	7%	6%

PMHB remains focused on strengthening its materials management approach to improve resource efficiency and reduce construction waste. The progress achieved to date reflects stronger control over material usage, effective site-level oversight and the commitment of project teams in managing wastage more closely. Going forward, the Group will continue to refine its practices and work with site teams to reduce avoidable losses, improve material planning and support more efficient use of resources across its operations.

UTILITIES MANAGEMENT

Similar to our approach to raw materials, the Group manages the use of construction materials and site utilities through close monitoring and tighter operational control across its project sites. This includes resources such as diesel, petrol, water and electricity, which are tracked to support more efficient usage, reduce avoidable losses and improve overall site discipline. Through this approach, we seek to limit unnecessary consumption and strengthen resource management across our operations.

WATER CONSERVATION

To manage water use more efficiently, PMHB utilises harvested rainwater for selected site activities such as cleaning and washing, thereby reducing reliance on treated water sources where practicable. This is supported by rainwater harvesting systems integrated into project sites as part of the Group's water management approach. Water consumption is monitored in relation to operational needs, including workforce size, to strengthen usage control and drive improvement. In FY2025, the Group achieved a 53% reduction in water usage.

Water Usage	2023	2024	2025
Project Sites	131	162	76
HQ	1	1	1



OUR SUSTAINABILITY COMMITMENT

SUSTAINABILITY STATEMENT

DIESEL

During the early stages of construction, diesel is used to power site machinery and equipment before a stable electricity supply becomes available. As projects progress and permanent or more reliable electrical infrastructure is put in place, site operations shift gradually towards greater electricity use. In FY2025, the Group recorded lower diesel consumption alongside higher electricity usage, reflecting the advancement of its ongoing projects into more electricity-dependent phases.

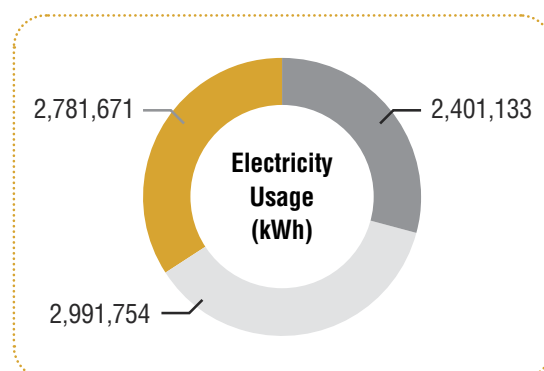
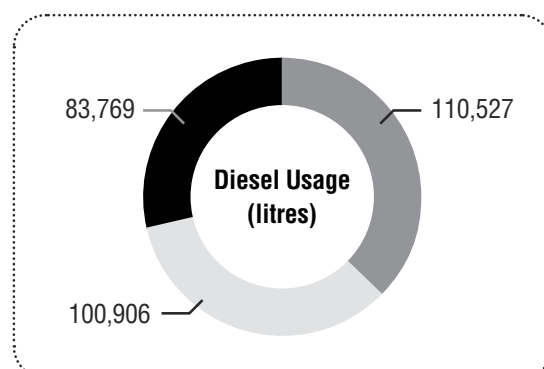
Diesel Usage (litres)	2023	2024	2025
Project Sites	110,527	100,906	83,769
HQ	7,374	9,717	7,956

Electricity Usage (kWh)	2023	2024	2025
Project Sites	2,401,133	2,991,754	2,781,671
HQ	120,707	125,664	136,936

Note: Bursa Malaysia requires total energy consumption to be recorded in megawatt-hours (MWh) and this is reflected in the prescribed Bursa table.

Petrol consumption within the Group arises mainly from travel between headquarters and project sites undertaken to support operational and workforce needs. While representing a relatively modest component of the Group's overall resource use, petrol remains closely monitored as part of PMHB's commitment to prudent resource management and improved operational discipline. In FY2025, the Group achieved a reduction in petrol consumption, in line with its broader efforts to strengthen efficiency and support its longer-term sustainability priorities.

Petrol Usage (litres)	2023	2024	2025
Project Sites	46,641	42,813	41,099
HQ	76,574	71,886	66,506



ENERGY

In FY2025, the Group's energy consumption decreased by 8%, mainly due to the completion of several projects carried over from the preceding year.

ENERGY MANAGEMENT	UNIT	2023	2024	2025
Total energy consumption	Megawatt	2,522	5,258	4,812

OUR SUSTAINABILITY COMMITMENT

SUSTAINABILITY STATEMENT



MONITORING ENERGY USE AND EMISSIONS PROFILE

PMHB tracks key operational inputs to assess its greenhouse gas (“GHG”) emissions and strengthen oversight of resource consumption across its activities. Emissions are primarily driven by fuel usage for machinery and transport, as well as electricity consumption at project sites and support facilities. Through regular monitoring, the Group is able to identify trends, improve efficiency and support more disciplined resource management.

The table below presents a consolidated overview of resource consumption and estimated carbon emissions for FY2025, providing a basis for evaluating the Group’s operational footprint and guiding future reduction efforts.

FY2025 Resource Consumption and Estimated Carbon Emissions

Resource Category	Scope	Total Consumption	Estimated Carbon Emissions (kgCO ₂ e)
Water Usage (m ³)	Project Sites	75,951	26,135
	Headquarters	953	331
Diesel Usage (litres)	Project Sites	83,769	224,500
	Headquarters	7,956	21,323
Electricity Usage (kWh)	Project Sites	2,781,671	2,478,469
	Headquarters	136,936	122,010
Petrol Usage (litres)	Project Sites	41,099	96,995
	Headquarters	66,507	156,955

SUSTAINABILITY STATEMENT

WASTE MANAGEMENT

General waste is managed through a practical framework that focuses on preventing waste before it arises. Rather than relying solely on disposal measures, the Group places attention on how materials are specified, procured, handled and used at site level. This helps to reduce unnecessary losses and strengthen overall project efficiency. The framework is centred on the following priorities:

- Improving the reuse of formwork materials and increasing the use of recyclable alternatives.
- Cutting down waste linked to packaging from purchased goods.
- Reducing rework that leads to wasted materials, added cost and time loss.
- Improving site handling practices to avoid material damage.
- Tightening purchasing accuracy to avoid excess or unusable materials that cannot be recovered for further use.

The following initiatives support the implementation of this approach.

Waste Management Targets and Programmes

Optimising Formwork Usage

To reduce waste arising from conventional formwork usage, PMHB has progressively increased the use of reusable formwork systems across its project sites. These include table forms, jump forms, aluminium forms and proprietary system formworks, all of which support repeated use and stronger material control. Timber formwork remains in use only where specific structural or design requirements make it necessary.

The Group has maintained a 90% system formwork utilisation rate since 2019, reflecting a disciplined approach to limiting timber dependence through continued investment in durable and reusable formwork assets. This supports more efficient material use and better waste management across the Group’s construction activities.

Formwork Usage (%)			
	2023	2024	2025
Timber Form	10%	10%	10%
System Form	90%	90%	90%



Minimising Packaging Waste

In support of its longer-term sustainability objectives, the Group applies practical reuse measures to reduce waste arising from protective packaging, which constitutes a significant portion of total site waste. Materials such as timber pallets, crates, cardboard boxes, plastic wrapping and metal strapping are repurposed for temporary site uses, including wall systems, walkways, fencing and barriers. This supports more efficient material use and helps reduce the amount of construction waste requiring disposal.

Minimising Rework

The Group also works to reduce construction rework through the use of digital planning and coordination tools, including Building Information Modelling (“BIM”) and Virtual Design and Construction (“VDC”). By carrying out more detailed design reviews and coordination checks at the planning stage, PMHB is better able to identify potential clashes, resolve issues early and reduce the likelihood of errors during execution. This supports better cost control, improves the use of time and materials, and strengthens overall project efficiency. Oversight of these processes is led by the Group’s dedicated BIM team, which supports effective coordination and integration throughout the construction cycle.

OUR SUSTAINABILITY COMMITMENT

SUSTAINABILITY STATEMENT

Minimising Instances of Damaged Materials

The Group uses the 5S system as a practical tool to strengthen material management across its construction sites. By improving the way materials are stored, handled and organised, PMHB is able to reduce material damage, maintain better site order and support more efficient project execution. This includes the following practices:

- Placing steel bar bundles on prefabricated steel frames to keep them off damp ground and reduce exposure to corrosion.
- Allocating designated storage areas for scaffolding materials, including smaller components, with floor-level collection boxes provided to prevent loss and support orderly returns.
- Identifying fragile materials for special handling and applying a first-in, first-out approach to materials with expiry dates to reduce unnecessary spoilage and waste.

This disciplined approach supports stronger site control, better material preservation and more efficient day-to-day operations.

**RECYCLING EFFORTS**

In FY2025, PMHB sustained its waste reduction efforts through recycling initiatives at both headquarters and project sites. In collaboration with non-governmental organisations, the Group supported the collection and recycling of suitable materials from the workplace and employees' homes, while encouraging greater employee participation in responsible waste practices.

At project sites, PMHB also recovered recyclable materials from construction waste streams, repurposed suitable debris where feasible and directed recyclable items to designated recycling facilities. These measures support better waste management and reduce the volume of waste sent for disposal.

Recycling Efforts (kg)						
	2023		2024		2025	
	HQ	Site	HQ	Site	HQ	Site
Carton Boxes, Cardboards and Papers	741	28,902	3,213	35,041	3,106	33,885
Plastics and PVC	55	2,130	68	4,761	66	4,604
Metal, Aluminium and Iron	21	814	4	1,120	4	1,083
Others (glass, shrink wrap film, scrap PVC pipes)		3,198		3,859		3,732

SUSTAINABILITY STATEMENT

POLLUTION CONTROL AND MANAGEMENT

Prior to the commencement of construction, the Group assesses the potential environmental impacts of each project and establishes the controls required under the applicable Environmental Management Plan (“EMP”). PMHB engages a sustainability consultant to support the implementation and oversight of EMP requirements, including a monthly monitoring regime covering water quality, air quality, noise and vibration in accordance with Department of Environment Malaysia requirements.

These measures are supported by a series of site-level controls aimed at preventing contamination and managing environmental risks during construction. Among them are metal drip trays for the containment of oil leaks, grease and oil interceptors for canteen and kitchen areas, and the proper maintenance of Imhoff tanks for wastewater handling. Water browsers are also deployed to reduce dust, while water jets and wash troughs are used to clean lorries and vehicle tyres prior to exiting site.

Environmental Parameter	Monitoring Scope	Frequency	Purpose
Noise	Active project sites	Quarterly	To assess noise levels against allowable limits and support mitigation where required
Dust (TSP)	Active project sites	Quarterly	To monitor dust levels arising from construction activities and guide site control measures
Vibration	Active project sites	Quarterly	To assess vibration levels and manage potential disturbance to surrounding areas
Water Quality	Active project sites	Quarterly	To monitor selected discharge and water quality indicators against applicable standards

OUR COMMITMENT TO IMPLEMENTING GOOD ENVIRONMENTAL MANAGEMENT SYSTEMS

The Group manages environmental matters through a structured framework aligned with ISO 14001:2015, which is implemented through its principal subsidiary, PMSB. This framework supports a systematic approach to managing environmental risks, meeting compliance obligations and strengthening operational controls across the Group’s activities. It is underpinned by the following principles:

- **Planned environmental management:** A structured planning approach is applied to address environmental risks, regulatory obligations and stakeholder expectations.
- **Risk-based assessment:** Environmental issues are evaluated through a risk-focused approach to support stronger controls and better decision-making.
- **Leadership responsibility:** Designated leaders within PMSB oversee environmental management efforts and support alignment with environmental management system objectives.
- **Pollution prevention and responsible resource use:** The Group seeks to prevent pollution and manage natural resources with due care across its operations.
- **Process-based implementation:** Environmental management is integrated into operational processes to support consistency and measurable results.
- **Performance improvement:** Practical measures are applied to improve the management of emissions, effluents and other environmental impacts.
- **Lifecycle consideration:** Environmental impacts are considered across the wider lifecycle of construction activities.
- **Business integration:** Environmental objectives are embedded into relevant business functions to support implementation and compliance.

Through this framework, PMHB strengthens the consistency, accountability and effectiveness of its environmental management practices in line with recognised international standards.

OUR SUSTAINABILITY COMMITMENT

SUSTAINABILITY STATEMENT

UPHOLDING GOOD SOCIAL PRACTICES
SOCIAL: LABOUR AND DECENT WORKPLACE PRACTICES


PMHB is committed to maintaining a workplace that is grounded in fairness, mutual respect and equal opportunity. The Group's approach to human resource management is guided by policies set out in the Employee Handbook, which support inclusive employment practices and the fair treatment of employees across the organisation. In line with this, PMHB seeks to provide a working environment in which individuals are valued on the basis of capability, conduct and contribution, irrespective of race, background, gender or age.

As the Group continues to strengthen its workforce, it remains focused on attracting and retaining individuals from diverse backgrounds who can contribute to the organisation's performance and long-term development. This reflects PMHB's aim of fostering a professional and inclusive workplace culture that supports growth, capability-building and shared standards of excellence.


COMPOSITION OF THE BOARD

There were no changes to the composition of the Board during FY2025, providing continuity in oversight, governance and strategic deliberation.

PMHB remains committed to maintaining a well-balanced Board comprising individuals with the appropriate mix of experience, expertise and perspectives to support effective decision-making. This diversity of thought and professional background strengthens boardroom deliberations, enhances the quality of oversight and enables the Board to guide the Group's long-term direction with greater depth and perspective.

PMHB'S WORKFORCE

A capable and committed workforce serves as the foundation to PMHB's ability to deliver its business priorities effectively. As at December 2025, PMHB employed 304 employees, compared with 263 in the preceding year. This reflects the scale of the Group's operations and the importance of maintaining a capable and adaptable workforce to support business requirements.

In line with its commitment to sound workforce planning and talent management, PMHB tracks employee composition and workforce trends on an ongoing basis. The following table sets out the Group's workforce profile and movements over the past three years, providing an overview of how its employee base has developed over time.

OUR SUSTAINABILITY COMMITMENT

SUSTAINABILITY STATEMENT

	2023		2024		2025	
	No.	%	No.	%	No.	%
Total Number of Employees	288	NIL	263	NIL	304	NIL
Total Number of General Workers	419	NIL	382	NIL	340	NIL
Gender						
Management Male	59	20%	56	21%	62	20%
Management Female	7	2%	10	4%	14	5%
Executive Male	56	19%	58	22%	65	21%
Executive Female	40	14%	38	14%	50	17%
Non-executive/Technical Male	96	33%	75	29%	88	29%
Non-executive/Technical Female	30	11%	26	10%	25	8%
Total	288	100%	263	100%	304	100%
General Workers Male	418	100%	381	100%	340	100%
General Workers Female	1	0%	1	0%	0	0%
Total	419	100%	382	100%	340	100%
Age						
Management Under 30	3	1%	0	0%	1	0.4%
Management Between 30-50	42	15%	43	16%	49	16%
Management Above 50	21	7%	23	9%	26	9%
Executive Under 30	24	8%	22	8%	20	7%
Executive Between 30-50	62	22%	62	24%	83	27%
Executive Above 50	10	3%	12	5%	12	4%
Non-executive/Technical Under 30	46	16%	29	11%	29	10%
Non-executive/Technical Between 30-50	65	23%	57	22%	68	22%
Non-executive/Technical Above 50	15	5%	15	6%	16	5%
Total	288	100%	263	100%	304	100%
General Workers Under 30	186	45%	160	42%	147	43%
General Workers Between 30-50	232	55%	221	58%	192	56%
General Workers Above 50	1	0%	1	0%	1	0.3%
Total	419	100%	382	100%	340	100%
Percentage of Directors (Gender & Age)						
Male Directors	4	80%	3	60%	3	60%
Female Directors	1	20%	2	40%	2	40%
Total Directors	5	100%	5	100%	5	100%
Directors Under 30	0	0%	0	0%	0	0%
Directors Between 30-50	1	20%	1	20%	1	20%
Directors Above 50	4	80%	4	80%	4	80%
Total Directors	5	100%	5	100%	5	100%

OUR SUSTAINABILITY COMMITMENT

SUSTAINABILITY STATEMENT

PMHB recognises the importance of workforce diversity in strengthening organisational capability and building a more inclusive workplace. In particular, the Group remains mindful of the need to support greater female participation within the construction sector, where workforce representation has traditionally been less balanced.

The Group also values diversity across its workforce composition and seeks to maintain an inclusive working environment that reflects Malaysia's multicultural landscape. While Malay and Chinese employees comprise the larger share of the workforce, PMHB continues to employ individuals from Indian and other ethnic backgrounds, supporting a workplace culture built on respect, inclusion and equal opportunity.

Employee Race (Diversity)	2023		2024		2025	
	No.	%	No.	%	No.	%
Malay	168	58%	159	60%	190	63%
Chinese	97	34%	86	33%	95	31%
Indian	20	7%	15	6%	16	5%
Others	3	1%	3	1%	3	1%
Total	288	100%	263	100%	304	100%

In FY2025, our staff turnover rate dropped to 22% from 30% in the previous year. Regardless of the decline, we view turnover as a constructive development that contributes to the Company's long-term sustainability by introducing fresh ideas and perspectives. This dynamic shift supports a culture of innovation and continuous growth, creating opportunities for younger employees to step into roles vacated by departing senior staff. By fostering this cycle of renewal, we ensure a workplace that remains agile, progressive, and adaptable to industry changes.

Total Number of Employees/General Workers that Resigned	2023	2024	2025
Management	6	8	11
Executive	27	27	19
Non-executive/ Technical	28	46	33
Total	61	81	63
General Workers	25	37	42
Total	25	37	42

Employee Type of Employment	2023		2024		2025	
	No.	%	No.	%	No.	%
Permanent	112	39%	105	40%	117	38%
Contractual	176	61%	158	60%	187	62%
Total	288	100%	263	100%	304	100%
Employee Nationality						
Malaysian	288	100%	263	100%	304	100%
Non-Malaysian	0	0%	0	0%	0	0%
Total	288	100%	263	100%	304	100%

OUR SUSTAINABILITY COMMITMENT

SUSTAINABILITY STATEMENT

Employee Type of Skills	2023		2024		2025	
	No.	%	No.	%	No.	%
Technical	228	79%	206	78%	242	80%
Non-Technical	60	21%	57	22%	62	20%
Total	288	100%	263	100%	304	100%
Employee Year of Service						
< 1 year	72	25%	36	14%	74	24%
1 - < 3 years (1-3)	32	11%	54	21%	63	21%
3 - < 6 years (4-6)	45	16%	33	13%	23	8%
6 - < 10 years (7-10)	69	24%	53	20%	52	17%
> 10 years	70	24%	87	32%	92	30%
Total	288	100%	263	100%	304	100%

	2023	2024	2025
	Percentage	Percentage	Percentage
Employee Turnover Rate	23%	30%	22%
General Worker Turnover Rate	8%	9%	12%

HUMAN RIGHTS

We remain committed to upholding the rights, welfare and dignity of our workforce across all areas of operation. This includes maintaining appropriate living and working conditions for site personnel, supported by practical measures aimed at safeguarding wellbeing, hygiene, safety and basic comfort.

These measures include:

- Providing separate sanitary facilities for male and female workers to support privacy and hygiene.
- Maintaining a designated cooking area equipped with fire extinguishers and wash stations to promote cleanliness and safety.
- Allocating a dedicated space for worship within workers' accommodation.
- Providing a common area with a television for use during rest periods.
- Ensuring access to clean drinking water through a water dispenser.
- Providing sleeping areas with beds to support rest and recovery.
- Implementing structured break arrangements, comprising a 30-minute break after every 1.5 to 2 hours of work and a 60-minute lunch break.

The Group also maintains a clear zero-tolerance stance on forced labour, child labour and all forms of modern slavery. PMHB seeks to ensure that all workers are treated fairly and with respect, without discrimination on the basis of nationality, gender or age. In this regard, all workers are required to meet applicable legal and industry requirements, including holding a valid CIDB Green Card issued by the Construction Industry Development Board of Malaysia.

For office-based employees, the Group's policies relating to fair treatment and employee benefits are set out in the Employee Handbook.

OUR SUSTAINABILITY COMMITMENT

SUSTAINABILITY STATEMENT

WORK-LIFE INTEGRATION

Given the demanding nature of the construction industry, PMHB recognises the importance of maintaining a work environment that supports the health and wellbeing of its employees. The Group regards employee wellbeing as an important contributor to workforce resilience, operational effectiveness and long-term organisational performance.

On this basis, we implement measures intended to support both the physical and mental wellbeing of its employees, in line with its commitment our employees, in line with our commitment to a safe, responsible and supportive workplace.

Sports For Physical and Mental Wellbeing

We support employee wellbeing through measures that encourage healthier and more balanced working routines. This is in line with our view that workforce health contributes not only to individual welfare, but also to morale, productivity and day-to-day operational effectiveness.

In support of this, employees are encouraged to take part in recreational and fitness activities organised at headquarters and project sites, including weekly futsal, bowling and badminton sessions. A fitness centre located near headquarters is also available to employees, offering gym facilities, heated showers and group exercise classes. In FY2025, we organised 102 physical activities as part of our broader effort to promote active lifestyles across the workforce.



EDUCATION AND PERSONAL DEVELOPMENT

Supporting the development of future industry talent forms part of the Company's contribution to Malaysia's economic progress. Through structured undergraduate internship programmes, students are offered practical exposure to construction site operations and corporate functions, helping to bridge academic learning with workplace application. During the year under review, the Company continued to provide interns with meaningful experience aimed at strengthening their industry readiness and supporting their professional development.

Internship Programme

In FY2025, 10 interns were placed across the Group's construction sites to gain direct exposure to practical, industry-relevant work. This formed part of an ongoing sponsorship collaboration with Universiti Tunku Abdul Rahman ("UTAR"), through which students are given opportunities to build workplace experience and strengthen their readiness for future employment.

	Target	2023	2024	2025
Interns at HQ	10	2	0	0
Interns at Project Sites	25	13	13	10
Total		15	13	10

OUR SUSTAINABILITY COMMITMENT

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Broadening Student Learning Through Sustainability Education

As part of PMHB's Education and Personal Development initiatives, the Group supports learning opportunities that broaden student perspectives and build practical understanding of sustainability-related issues beyond the classroom. In FY2025, this included support for two educational programmes organised in collaboration with UTAR, aimed at strengthening environmental awareness and exposing students to real-world sustainability practices.

The first was PMHB's sponsorship of the "Save Soil" sustainability forum held on 8 July 2025 at UTAR Sungai Long Campus. The programme engaged more than 190 foundation students and 200 online participants in discussions on soil health, sustainable agriculture, ecological resilience and sustainable urban living. Featuring both international and local speakers, the forum introduced participants to practical approaches such as urban farming, regenerative agriculture and sustainable design, while encouraging greater awareness of environmental responsibility.

This was followed by PMHB's support for a half-day educational visit to Homegrown Farms in Semenyih on 15 November 2025, involving 36 accounting students and three academic staff members. The visit provided direct exposure to sustainable and regenerative farming practices, including organic cultivation, composting, aquaponics, waste management and biodiversity conservation. It also highlighted the relevance of ESG considerations within professional disciplines such as accounting, particularly in relation to governance, reporting and decision-making.

Through these initiatives, PMHB supported broader student learning, strengthened practical sustainability awareness and contributed to the development of future graduates better prepared for a more sustainability-focused economy.

Training and Development

In FY2025, the Group maintained its focus on strengthening employee capability through structured learning and development initiatives. On average, each employee completed eight training hours during the year, compared with 19 hours in the financial year ended 31 December 2024 ("FY2024"). While the overall training hours varied year on year, the Group remained focused on providing employees with relevant learning opportunities aligned with operational needs and professional development priorities.

The training provided during the year spanned a range of technical, functional and professional development areas, equipping employees with the skills and knowledge required to perform effectively and contribute more meaningfully to the Group's ongoing growth.



Total Hours of Training per Employee Category	2023	2024	2025
Management	1,087	2,140	528
Executive	814	1,504	872
Non-executive/Technical	478	1,360	1,004
Total	2,379	5,004	2,404
General Workers	0	0	364
General Workers Total	0	0	364

OUR SUSTAINABILITY COMMITMENT

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EMPLOYEE REWARD AND RECOGNITION PRACTICES

Acknowledging employee contribution is an important aspect of PMHB's human capital approach. In doing so, we aim to commend performance, commitment and service in a manner that reinforces accountability, supports employee engagement and promotes a workplace culture aligned with its operational standards and long-term objectives.

Employee Recognition Awards

To this end, we have established a range of awards to acknowledge employee dedication, service and performance across different areas of the business. These awards recognise individuals and teams whose conduct and contributions support the Group's standards and operational objectives. They include the following:

- *PMHB Good Action Award*
Presented to employees or project teams whose initiative and actions have improved work processes, productivity or delivery outcomes.
- *PMHB HSE Excellence Award*
Presented to employees who demonstrate strong commitment to health, safety and environmental practices, in line with the Group's standards and industry requirements.
- *PMHB Good Attendance Award*
Presented to employees who maintain strong attendance and punctuality records throughout the year.
- *10-Year and 20-Year Long Service Awards*
Presented to employees in recognition of long-standing service and sustained contribution to the Group over 10 and 20 years respectively.
- *PMHB Green 5S Award*
Presented to employees and project sites that demonstrate effective implementation of 5S practices, strong workplace organisation and active staff engagement in maintaining site standards.

Annual Appraisal

In addition to formal recognition awards, we undertake annual performance appraisals to support employee development and career progression. At the end of each financial year, employees are assessed based on their performance, competencies and relevant behavioural attributes. This process provides a structured basis for recognising contribution, identifying development needs and supporting decisions relating to rewards and progression.

The appraisal process also enables the Group to identify areas where further training or capability-building may be required. Through this approach, PMHB supports employee growth while aligning individual development with the Group's operational requirements and longer-term business objectives.

EMPLOYEE WELFARE AND BENEFITS

PMHB maintains a structured employee benefits framework aimed at supporting workforce welfare, workplace readiness and fair employment practices across the organisation. Core benefits include health insurance, medical claims, paid and special leave, as well as travel and outstation allowances. The Group also provides additional support measures to strengthen employee wellbeing and working conditions, including the following:

- Housing accommodation for employees from overseas and outstation locations.
- Equal access to medical benefits and group health insurance across all job grades.
- Sanitary toilet facilities on alternate floors of high-rise construction sites.
- Provision of masks and Personal Protective Equipment ("PPE") for site-based employees.

These benefits are provided on an equitable basis to support fair and inclusive treatment across the workforce. As part of the onboarding process, all new employees attend a mandatory Employee Induction Programme within their first month of employment. The programme covers the Group's work culture, employee benefits, health and safety practices, quality and environmental standards, as well as its policies on fairness and equality.

In addition, employees are required to comply with the standards of professional conduct set out in the Employee Handbook, including the Group's policies on ethics, anti-corruption and anti-bribery.

To strengthen employee engagement and better understand workplace sentiment, PMHB carried out its sixth company-wide employee survey in FY2025, receiving valuable feedback from 150 respondents out of a total workforce of 304 employees.

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EMPLOYEE ENGAGEMENT

Effective communication and employee engagement are important to sustaining a cohesive and well-functioning organisation. In this regard, PMHB provides employees with opportunities to connect through initiatives such as corporate social responsibility activities, sports programmes, festive celebrations and the Group’s Annual Dinner. These engagements help to strengthen working relationships, encourage open interaction and support stronger communication across different levels of the organisation.

Alongside these activities, the Group also undertakes broader engagement efforts aimed at reinforcing workplace culture, strengthening team cohesion and fostering a more inclusive and supportive working environment. These initiatives contribute to a more connected workforce and support alignment with the Group’s values, priorities and wider business direction.

Major Festival Celebrations			
	2023	2024	2025
Chinese New Year	Lion Dance	Lion Dance	Lion Dance
Hari Raya Aidilfitri	Decorations	Hari Raya Lunch	Hari Raya Lunch
Deepavali	Kolam	Kolam	Kolam



Annual Employee Survey

To further strengthen our commitment to workforce development, PMHB conducted its sixth organisation-wide employee survey in FY2025. The survey, which was open to all employees across the Group, recorded 150 responses and surpassed our minimum participation benchmark of 25%. This exercise forms part of our ongoing efforts to build a responsive and inclusive workplace by capturing meaningful employee feedback, enabling us to better understand workforce perspectives and support continuous organisational improvement.

Greater Use of Technology Platforms

The Group uses digital communication tools to support timely information flow across its operations. Platforms such as WhatsApp enable employees to exchange updates in real time, improving coordination, project monitoring and day-to-day responsiveness.

PMHB also uses its internal intranet platform, eBoard, as a central channel for corporate announcements, project updates and information on Group-wide initiatives. Together, these tools help strengthen internal coordination and ensure employees remain informed of key developments across the organisation.

OUR SUSTAINABILITY COMMITMENT

SUSTAINABILITY STATEMENT

SOCIAL: OCCUPATIONAL HEALTH AND SAFETY

DRIVING CONSISTENT HEALTH AND SAFETY PRACTICES

Safeguarding health and safety is fundamental to PMHB’s operations and an essential part of long-term value creation. A safe working environment supports workforce wellbeing, reduces operational disruption, strengthens project execution and helps protect the Group’s people, reputation and business continuity. In this regard, PMHB anchors its approach in a formal Health and Safety Policy, which guides the standards, responsibilities and controls applied across its operations.

Guided by this policy, the Group adopts a structured and preventive approach to occupational safety and health (“OSH”), with clear requirements communicated across the workforce to strengthen awareness, accountability and compliance. This provides the foundation for a stronger safety culture and supports more consistent implementation of health and safety practices across project sites and other operating locations.

This approach is further reinforced through the adoption of ISO 45001:2018, the internationally recognised standard for occupational health and safety management systems. The standard strengthens PMHB’s OSH framework by promoting systematic risk management, continuous improvement and stronger leadership accountability. It also places greater responsibility on management to integrate health and safety considerations into procurement and operational processes, supporting a more disciplined and effective approach to workplace safety across the organisation.

RECOGNISED FOR GOOD HEALTH AND SAFETY MEASURES

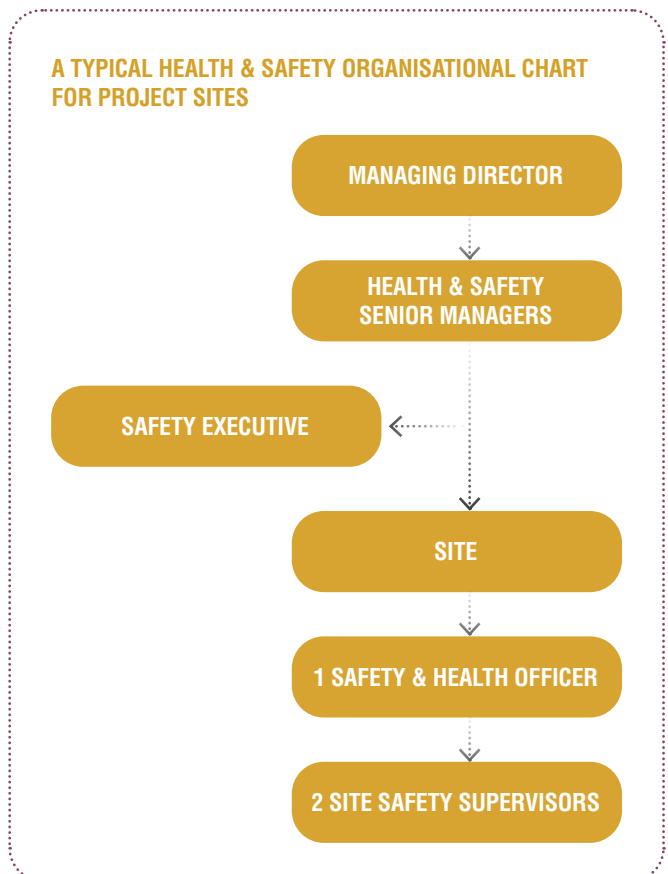
Acknowledging good safety practices is one of the ways PMHB strengthens health and safety standards across its project sites. By recognising employees who demonstrate strong safety awareness and compliance, the Group promotes personal accountability and supports more consistent site discipline. This recognition framework complements the Group’s wider health and safety efforts and reflects the importance placed on individual responsibility in maintaining safe working conditions.

To support objective assessment at site level, PMHB also adopts the Safety and Health Assessment System in Construction (“SHASSIC”), developed by the Construction Research Institute of Malaysia (“CREAM”) under CIDB, as part of its approach to monitoring and maintaining health and safety performance.



This is supported by a standardised health and safety workflow applied across the Group’s operations. The workflow provides a clear structure for managing safety responsibilities, work processes and compliance requirements, helping to ensure that activities are carried out in a controlled and responsible manner. Through this approach, PMHB strengthens risk management, protects its workforce and assets, and supports a safer working environment across its project sites.

The chart below sets out the standard organisational structure for health and safety management within the Group.



OUR SUSTAINABILITY COMMITMENT

SUSTAINABILITY STATEMENT



SAFETY EFFORTS

Safety performance across PMHB's project sites is supported by a set of defined requirements and monitoring measures applied throughout the year. These are intended to strengthen site controls, support regulatory compliance and promote more consistent health and safety practices across the Group's operations.

The table below sets out the Group's principal health and safety requirements and key performance indicators for FY2025, together with the corresponding performance achieved during the year. These measures reflect PMHB's ongoing focus on maintaining disciplined safety practices, regulatory compliance and structured site-level oversight across its operations.

Health and Safety Requirement / KPI	FY2025 Performance
Minimum of 1 Safety and Health Officer ("SHO") and 2 Site Safety Supervisors ("SSS") at each site	Achieved
Minimum of 1 on-the-job coaching session for workers per week	Achieved
Minimum of 1 occupational safety and health ("OSH") training session for employees every half year	Achieved
Minimum of 1 occupational safety and health ("OSH") training session for subcontractors every half year	Achieved
Minimum of 1 internal recordable audit conducted quarterly	Achieved
Safety KPIs established in accordance with ISO and POSH planning requirements	Achieved
Emergency Response Plan ("ERP") drill conducted quarterly	Achieved
Weekly Walk About Site Safety Inspection ("WWASSI") conducted	Achieved
100% pass rate for the CIDB credential programme for site supervisors	Achieved
Minimum of 2 external training sessions per year under the Continuous Education Programme for safety officers	Achieved
Minimum of 2 larviciding sessions per week at each site	Achieved
Minimum of 1 on-the-job coaching session for workers per week	Achieved
Minimum of 1 fogging session per week at each site	Achieved

OUR SUSTAINABILITY COMMITMENT

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Our OSH performance is also built upon the following key initiatives, which provide a practical basis for strengthening implementation, improving oversight and supporting more consistent safety performance across the Group's operations:

Training

In FY2025, PMHB delivered a mix of safety learning activities across its operations to ensure that personnel understood the requirements of their roles and the precautions needed at site level. The training provided during the year was shaped by work scope, site conditions and the nature of the hazards involved, with the objective of reducing preventable incidents and strengthening safe work execution.

The Group's safety training programmes included the following:

- **On-site practical instruction**
Delivered by Safety Officers and Site Safety Supervisors, these sessions focused on task-specific safety requirements for workers operating in higher-risk site environments.
- **In-house safety briefings and instruction**
Conducted by the Group's safety leadership and relevant personnel, these sessions covered internal safety procedures, control measures and Hazard Identification, Risk Assessment and Risk Control ("HIRARC") requirements.
- **External safety courses**
Provided for personnel involved in more specialised or higher-risk activities, these programmes combined formal instruction with practical application to strengthen technical understanding and safe work practices.

Taken together, these programmes helped strengthen workforce preparedness, improve understanding of site risks and support safer day-to-day operations across the Group.

Inspections

Throughout FY2025, project sites were subject to routine inspection visits from headquarters as part of the Group's safety monitoring process. These visits provided an added layer of oversight over site-level performance and served to verify that established safety requirements and operational targets were being properly implemented across active projects.

The inspections covered a broad range of equipment and site practices, including the use and condition of major machinery such as tower cranes, mobile cranes, passenger hoists, air compressors, oxy-tanks, forklifts and bobcats. Checks also

extended to smaller tools and safety equipment, including welding sets, fire extinguishers and ladders, to ensure that they were properly maintained, safely used and in line with the Group's site safety requirements.

Internal Audit

Each project site undergoes a quarterly internal audit led by the Senior Safety and Health Manager to assess safety records, documentation and site practices against the Group's required standards.

This is supported by the implementation of training and safety programmes across headquarters and project sites, strengthening oversight and reinforcing consistent safety practices throughout the Group's operations.

Our Safety Performance in FY2025

In FY2025, the Group recorded zero Lost Time Injury Rate ("LTIR") incidents, an improvement from one incident reported in the previous year. This outcome reflects the effectiveness of the Group's safety measures and ongoing efforts to strengthen site-level controls and workforce awareness.

During the year, PMHB also achieved zero medical treatment injury cases across a total of 7,714,066 man-hours worked, with the Accident Frequency Rate remaining at 0. These results underscore the Group's continued focus on maintaining disciplined safety practices and reinforcing a safer working environment across its operations.



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Health and Safety	Unit	2023	2024	2025
Lost Time Incident Rate (“LTIR”)	Rate	0	1	0
Number of Employees Trained on Health and Safety Standards	Number	26	50	62

BEHAVIOUR BASED SAFETY PROGRAMME

The Behaviour-Based Safety (“BBS”) programme is aimed at strengthening safety ownership across project teams, regardless of role or level of experience. Led by the Head of Project at each site, it places greater responsibility on frontline supervisors to drive safe work practices, reinforce accountability and improve day-to-day safety leadership.

The programme includes the following elements:

- Identifying gaps in safety awareness and understanding within project teams.
- Conducting one-to-one coaching to address specific safety issues.
- Providing targeted guidance to correct observed weaknesses.
- Observing work practices to assess hazard recognition and response.
- Demonstrating correct procedures through safety personnel where required.
- Recognising employees who consistently uphold safety standards.
- Identifying and correcting unsafe behaviour to support lasting improvement.

Through this programme, PMHB seeks to strengthen safety discipline at site level and foster more consistent safety behaviour across its operations.



DATA PRIVACY AND SECURITY

PMHB regards data privacy and information protection as important components of responsible business conduct. Protecting sensitive information is essential to maintaining stakeholder trust, supporting legal and regulatory compliance, and reducing risks associated with unauthorised access, misuse or cyber-related threats.

Accordingly, the Group applies appropriate safeguards and internal controls to protect client, employee and business information, while promoting responsible data management practices across the organisation. These efforts support the integrity of the Group’s operations and reinforce stakeholder confidence in PMHB’s governance standards.

Health and Safety	Unit	2023	2024	2025
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0

OUR SUSTAINABILITY COMMITMENT

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SOCIAL: COMMUNITY/SOCIETY

The Group continues to play an active role in supporting the wider community through initiatives that create meaningful social value. We recognise that responsible business goes beyond operational performance and includes contributing to the development of individuals and communities in practical and lasting ways.

In FY2025, the Group resumed its scholarship programme as part of its continued support for education. Through this initiative, we aim to assist deserving students in pursuing their studies and to help ease the financial burden associated with higher education. The programme forms part of our broader commitment to investing in future talent and contributing to social progress in the communities we serve.

Scholarship Programme			
	2023	2024	2025
Total Annual Scholarship Amount	RM25,000	RM9,500	RM76,825
Number of New Scholars	-	1	12

SOCIAL: PRODUCT RESPONSIBILITY

Delivering projects to the required quality standard remains central to PMHB’s business performance and long-term credibility. Construction quality affects client satisfaction, operational efficiency, rectification costs and the Group’s ability to sustain trust across its project portfolio. For this reason, PMHB applies a structured quality management approach to strengthen workmanship standards and support more consistent project delivery.

One of the tools used in this process is the Quality Assessment System in Construction (“QLASSIC”), which serves as an independent measure of workmanship and finishes. PMHB’s Quality Assurance and Control team has set a minimum QLASSIC score of 73% for all projects as an internal benchmark for quality performance.

To support achievement of this standard, the Group undertakes the following:

- Internal QLASSIC induction training for project teams.
- A dedicated QLASSIC Corner or Museum at each site to reinforce awareness of required standards.
- Quarterly QLASSIC audits throughout the construction phase.
- A final QLASSIC audit and postmortem review upon project completion.



OUR SUSTAINABILITY COMMITMENT

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The following table outlines the Group's QCLASSIC Scores for its various projects over the years:

QCLASSIC Scores			
Project	2023	2024	2025
Tria Seputeh (Qclassic)	81%		
MIRAI (Qclassic)			78%
LFR3 (Qclassic)			82%
TNB Gold (Qclassic)			76%
TNB Gold (BuildQAS)			80%

CUSTOMER SATISFACTION

Customer satisfaction remains an important indicator of how effectively the Group meets client expectations across project execution, communication and technical delivery. To this end, PMHB assesses service and delivery quality through direct client feedback, as part of its effort to strengthen accountability and improve project outcomes.

The Group's customer satisfaction assessment covers several core areas:

- **Overall project delivery**
Evaluating whether the completed work meets expected quality standards and project requirements.
- **Responsiveness and client support**
Assessing how effectively the Group addresses client needs, queries and issues arising during project implementation.
- **Technical capability:**
Considering the level of professional competence and technical execution demonstrated by project teams.

To support closer coordination and timely issue resolution, PMHB also conducts fortnightly site meetings with clients and consultants. These meetings provide a structured platform to review project progress, address operational or technical matters, and record key instructions and decisions for follow-up. This helps to strengthen communication, improve alignment and support more disciplined project management.

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For FY2025, the Group recorded customer satisfaction scores of 57.7% for Mirai, 84.4% for LFR3 and 95.6% for TNB Gold respectively. These results provide project-level insight into client perceptions and help inform areas for further improvement.

Customer Satisfaction Rating			
	2023	2024	2025
Less 50%	0	0	0
50% - <80%	73% (Lot 15)	0	58% (MIRAI)
>= 80%	0	93% (Ativo Annexe)	84% (LFR3) 96% (TNB Gold)



SUBCONTRACTOR EVALUATION

In 2025, PMHB continued to maintain exceptional quality standards across all facets of its operations, extending this dedication to its subcontractors, who play a crucial role in the Group's success. Acknowledging the value these partners bring, PMHB has refined its evaluation framework to ensure that subcontractors meet the Company's stringent quality expectations. Upon the completion of each project, subcontractor performance is rigorously assessed through structured dialogue sessions that evaluate all aspects of their work processes.

To uphold accountability, subcontractors are graded using a letter-based system, with a minimum acceptable rating set at 'B-'. Those receiving a Grade C are granted a one-year period to enhance their performance through targeted training initiatives. First-time underperformers are issued formal warnings, with continued failure to meet PMHB's standards resulting in termination.

To sustain and elevate quality standards across its subcontractor network, PMHB actively refreshes its pool of service providers, striving for at least 75% of subcontractors to achieve a Grade B or higher. As part of this initiative, PMHB is strengthening its subcontractor selection process, implementing more stringent assessments of skills and experience. Additionally, the Group is set to conduct various training sessions, including technical meetings and structured induction programmes, to further develop subcontractors' competencies. These measures reaffirm PMHB's commitment to fostering a culture of excellence and continuous improvement across its value chain.

Sub-Contractor Evaluation	Target: 75% and above		
	2023	2024	2025
50% - <80%	51.7% (Seputeh)	95.0% (Ativo Annexe)	100% (TNB Gold)

SUSTAINABILITY STATEMENT



SUPPLIER EVALUATION

The Group conducts a formal annual review of its suppliers to assess whether they continue to meet the Group’s procurement standards in relation to quality, delivery performance and overall reliability. This process provides a structured basis for evaluating supplier suitability and supports the maintenance of a dependable and high-performing supply base.

Under this framework, suppliers are graded according to performance, with Grade C representing the minimum acceptable standard for continued engagement. Suppliers assessed at Grade D are removed from PMHB’s approved panel for the subsequent year. This mechanism supports stronger supplier accountability and helps preserve the integrity of the Group’s procurement ecosystem.

In FY2025, 94% of the Group’s suppliers attained Grade B. This outcome reflects the overall strength of PMHB’s supplier base and supports the Group’s broader objective of sustaining a reliable, quality-driven procurement network.

Supplier Evaluation	Target: 75% Grade C and above		
	2023	2024	2025
Grade A	3%	0%	6%
Grade B	92%	100%	94%
Grade C	5%	0%	0%
Grade D	0%	0%	0%

MOVING FORWARD INTO 2026

As we move forward, the Group intends to build on its operational strengths while maintaining a clear focus on long-term value creation. This will involve raising standards across project execution, sharpening internal capabilities and embedding more disciplined practices across the business. At the same time, PMHB will continue to manage its environmental and social responsibilities with due care, recognising that sustained business performance depends not only on commercial outcomes, but also on how the Group conducts itself and delivers impact over time.

STATEMENT OF ASSURANCE

This Sustainability Statement has not been subject to external assurance, as the Group is presently focused on further enhancing its Sustainability Strategic Framework in accordance with the latest standards and expectations of Bursa Securities. PMHB remains committed to strengthening its sustainability reporting practices and will assess the adoption of external assurance as its reporting framework continues to mature.

OUR SUSTAINABILITY COMMITMENT

SUSTAINABILITY STATEMENT

BURSA PRESCRIBED TABLE

Date & Time: 2026-04-28_12:51:56
FYE 31/12/2025Pesona Metro Holdings Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti-corruption	Percentage of employees who have received training on anti-corruption - Management	Percentage	4%	-	No assurance
Anti-corruption	Percentage of employees who have received training on anti-corruption - Executive	Percentage	11%	-	No assurance
Anti-corruption	Percentage of employees who have received training on anti-corruption - Non-executive	Percentage	14%	-	No assurance
Anti-corruption	Percentage of operations assessed for corruption-related risks	Percentage	100%	-	No assurance
Anti-corruption	Confirmed incidents of corruption-related risks	Number	0	-	No assurance
Community/Society	Total amount invested in the community	MYR	199,625	-	No assurance
Community/Society	Total number of beneficiaries of the investment in communities	Number	500	-	No assurance
Diversity	Management - Male	Percentage	20%	-	No assurance
Diversity	Management - Female	Percentage	5%	-	No assurance
Diversity	Executive - Male	Percentage	21%	-	No assurance
Diversity	Executive - Female	Percentage	17%	-	No assurance
Diversity	Non-executive/Technical - Male	Percentage	29%	-	No assurance
Diversity	Non-executive/Technical - Female	Percentage	8%	-	No assurance
Diversity	General workers - Male	Percentage	100%	-	No assurance
Diversity	General workers - Female	Percentage	0%	-	No assurance
Diversity	Management under 30	Percentage	1%	-	No assurance

OUR SUSTAINABILITY COMMITMENT

SUSTAINABILITY STATEMENT

BURSA PRESCRIBED TABLE

Pesona Metro Holdings Berhad BMLR Transition Period		Date & Time: 2026-04-28_12:51:56 FYE 31/12/2025			
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Management between 30-50	Percentage	16%	-	No assurance
Diversity	Management above 50	Percentage	8%	-	No assurance
Diversity	Executive under 30	Percentage	7%	-	No assurance
Diversity	Executive between 30-50	Percentage	27%	-	No assurance
Diversity	Executive above 50	Percentage	4%	-	No assurance
Diversity	Non-executive/Technical under 30	Percentage	10%	-	No assurance
Diversity	Non-executive/Technical between 30-50	Percentage	22%	-	No assurance
Diversity	Non-executive/Technical above 50	Percentage	5%	-	No assurance

OUR SUSTAINABILITY COMMITMENT

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BURSA PRESCRIBED TABLE

Pesona Metro Holdings Berhad
IFRS S1

Date & Time: 2026-04-28_12:51:56
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	General workers under 30	Percentage	43%	-	No assurance
Diversity	General workers between 30-50	Percentage	56%	-	No assurance
Diversity	General workers above 50	Percentage	1%	-	No assurance
Diversity	Directors - Male	Percentage	60%	-	No assurance
Diversity	Directors - Female	Percentage	40%	-	No assurance
Diversity	Directors under 30	Percentage	0%	-	No assurance
Diversity	Directors between 30-50	Percentage	20%	-	No assurance
Diversity	Directors above 50	Percentage	80%	-	No assurance
Energy management	Total energy consumption	Megawatt	4,812	-	No assurance
Health and safety	Number of work-related fatalities	Number	0	-	No assurance
Health and safety	Lost time incident rate	Rate	0	-	No assurance
Health and safety	Number of employees trained on health and safety standards	Number	62	-	No assurance
Labour practices and standards	Total hours of training - Management	Hours	528	-	No assurance
Labour practices and standards	Total hours of training - Executive	Hours	872	-	No assurance
Labour practices and standards	Total hours of training - Non-executive/Technical	Hours	1,004	-	No assurance
Labour practices and standards	Total hours of training - General workers	Hours	364	-	No assurance
Labour practices and standards	Percentage of employees that are contractors or temporary staff	Percentage	62%	-	No assurance

OUR SUSTAINABILITY COMMITMENT

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BURSA PRESCRIBED TABLE

Sustainability Matter		Metric	Measurement Unit	2025	Target	Assurance
Labour practices and standards	Total number of employee turnover - Management	Number	11	-	No assurance	
Labour practices and standards	Total number of employee turnover - Executive	Number	19	-	No assurance	
Labour practices and standards	Total number of employee turnover - Non-executive/Technical	Number	33	-	No assurance	
Labour practices and standards	Total number of employee turnover - General workers	Number	42	-	No assurance	
Labour practices and standards	Number of substantiated complaints concerning human rights violations	Number	0	-	No assurance	
Supply chain management	Proportion of spending on local suppliers	Percentage	100%	-	No assurance	
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	-	No assurance	
Water	Total volume of water used	Megalitres	77	-	No assurance	

Pesona Metro Holdings Berhad
 IFRS S1
 Date & Time: 2026-04-28_12:51:56
 FYE 31/12/2025



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) is committed to adopting the principles and best practices of the Malaysian Code on Corporate Governance (“Code”) as well as the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

This Statement provides an overview of how the Group has applied the principles and best practices of the Code during the financial year ended 31 December 2025 (“FY2025”), as well as its key focus areas and future priorities in relation to corporate governance practices. The detailed application of each best practice as set out in the Code during FY2025 is disclosed in the Corporate Governance Report (“CG Report”), which is available on the Company’s website at www.pesona.com.my and the website of Bursa Securities.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

The Board acknowledges that a well-defined corporate governance structure is essential for the effective execution of strategies and business plans, vigilant performance monitoring, and prudent risk management. The Board guides and monitors the affairs of the Group on behalf of the shareholders and retains full and effective control over the Group. Key matters reserved for the Board’s approval include, but are not limited to, setting the overall Group strategy and direction, approving major corporate plans, approving quarterly and annual financial statements, and monitoring the Group’s financial and operational performance.

The Board is guided by a Board Charter, which sets out matters specifically reserved for the Board, as well as the authority and discretion delegated to the Managing Director. This structured delegation is further cascaded by the Managing Director to the Senior Management team within the Group.

To enhance oversight in specific areas, the Board has established three Board Committees, namely the Audit Committee (“AC”), Nomination Committee (“NC”) and Remuneration Committee (“RC”), each operating within clearly defined Terms of Reference. These Committees support the Board in carrying out its responsibilities and provide recommendations for the Board’s consideration. Notwithstanding this, the Board retains ultimate responsibility for all decisions.

At each Board meeting, the respective Chairmen of the Board Committees presents reports and minutes of the Committee meetings to keep the Board informed of key matters deliberated.

The Board provides stewardship of the Group’s strategic direction and operations to deliver sustainable value to its stakeholders. The Board recognises the importance of sustainability, including economic, environmental, social and governance (“EESG”) consideration, and has integrated these elements into the Company’s strategy, governance framework and decision-making processes.

2. CODE OF CONDUCT AND ETHICS

The Company has established a Directors’ Code of Conduct & Ethics, which applies to all Directors and employees of the Company and its subsidiaries (“the Group”). Directors are expected to act in good faith, in the best interests of the Company, and to exercise due diligence in the discharge of their duties.

In addition, the Company has formalised a Conflict of Interest Policy to ensure that actual, potential, and perceived conflicts of interest involving employees, including Directors, and the Group are properly identified, disclosed, and managed.

Directors are required to declare any interests in transactions involving the Group and to abstain from deliberations and voting on such matters at Board and general meetings. The AC reviews all related party transactions and conflict of interest situation within the Group to ensure that they do not compromise the Group’s integrity.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

2. CODE OF CONDUCT AND ETHICS (CONT'D)

For employees, the Code of Conduct is set out in the Group's human resource policies and procedures.

The Directors' Code of Conduct & Ethics is available on the Company's website at www.pesona.com.my.

3. WHISTLEBLOWING POLICY

The Company has established a Whistleblowing Policy, which provides a formal avenue for employees and external stakeholders to raise legitimate concerns regarding potential misconduct, unethical behaviour, or irregularities without fear of reprisal, retaliation, or intimidation. All disclosures are treated with strict confidentiality and are independently and objectively investigated, with appropriate actions taken when necessary.

The Policy outlines clear reporting channels, including lodge reports directly to the Chairman of the AC, to ensure that concerns are escalated and addressed in a timely and transparent manner. Whistleblowers acting in good faith are afforded protection against any form of adverse consequences.

During FY2025, there were no reported incidents of human rights violations.

The Whistleblowing Policy was last reviewed by the AC on 18 April 2024 and is available on the Company's website at www.pesona.com.my.

4. ANTI-BRIBERY AND CORRUPTION POLICY

In accordance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 on corporate liability, the Board has adopted an Anti-Bribery and Corruption Policy to provide guidance to the Group, its personnel, and business associates, with the aim of promoting a strong culture of good governance and ethical conduct, as well as preventing the occurrence of bribery and corrupt practices.

The Policy outlines the Group's zero-tolerance approach towards all forms of bribery and corruption and sets out the responsibilities of Directors, employees and associated persons in ensuring compliance with applicable laws and regulations.

As part of its control measures, the Group has adopted a "No Gift Policy", whereby Directors and employees are prohibited from offering or accepting gifts, hospitality, or other benefits that could improperly influence, or be perceived to influence, business decisions. Any exceptions are subject to strict internal guidelines, including declaration and approval requirements.

Management conducts periodic reviews and assessments of the Policy to ensure that it remains relevant, appropriate, and effective in addressing bribery and corruption risks within the Group.

The Anti-Bribery and Corruption Policy was last reviewed by the AC on 18 April 2024 is available on the Company's website at www.pesona.com.my.

5. STRATEGIES PROMOTING SUSTAINABILITY

The Board places strong emphasis on corporate sustainability, encompassing ESG aspects across the Group's operations, including workplace practices, community engagement, and environmental stewardship.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

5. STRATEGIES PROMOTING SUSTAINABILITY (CONT'D)

To ensure effective oversight of sustainability risks and opportunities, the Board is committed to maintaining the necessary competencies and knowledge. The Board continuously keeps abreast of evolving sustainability agendas and regulatory developments through formal training programmes, management presentations, structured reading, and ongoing discussions.

A comprehensive report on the Group's sustainability activities, including its strategies, priorities, targets, and performance against these targets, is set out in the Sustainability Statement within this Annual Report.

6. ACCESS TO INFORMATION AND ADVICE

The Board has full and unrestricted access to all information pertaining to the Group to enable it to discharge its duties effectively.

Board members are provided with meeting agendas and reports, encompassing both qualitative and quantitative information, in a timely manner prior to each meeting. This allows Directors sufficient time to review the materials and facilitates informed discussions and effective decision-making.

The Board also has direct access to Management for clarification and further information, where necessary.

In addition, the Board may seek independent professional advice, where required, in furtherance of its duties at the Company's expense.

7. QUALIFIED AND COMPETENT COMPANY SECRETARIES

The Board has independent and unrestricted access to the advice and services of suitably qualified and competent Company Secretaries to ensure the effective functioning of the Board.

The Company Secretaries support the Board in fulfilling its fiduciary duties and play an advisory role, particularly in relation to the Company's Constitution, Board policies and procedures, and compliance with applicable regulatory and statutory requirements, as well as corporate governance practices.

The Company Secretaries attend all Board and Board Committee meetings and ensure that meetings are properly convened, and that the deliberations and decisions of the Board and Board Committees are accurately recorded and properly maintained.

The Company Secretaries also continuously undertake relevant professional development and training programmes to keep themselves abreast of regulatory changes and developments in corporate governance.

8. BOARD CHARTER

The Board is guided by a Board Charter, which outlines the roles, responsibilities, and authorities of the Board and its members. It also defines the respective roles of the Chairman, Managing Director, Executive and Non-Executive Directors, Senior Independent Director, Independent Directors, individual Directors, and the Company Secretaries, including a formal schedule of matters reserved for the Board's consideration and decision.

The Board Charter is reviewed periodically to ensure it remains aligned with the needs of the Company and any regulatory developments affecting the discharge of the Board's duties and responsibilities. The Board Charter is available on the Company's website at www.pesona.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

9. BOARD COMPOSITION

The Board currently comprises five (5) members, consisting of one (1) Non-Independent Executive Director (the Managing Director), one (1) Non-Independent Non-Executive Director (the Board Chairman), and three (3) Independent Non-Executive Directors (“INEDs”), in compliance with Paragraph 15.02(1) of the MMLR and the Code.

The Board is of the view that its current size is appropriate, taking into account the Group’s scope and scale of operations. The Board members collectively possess a diverse mix of qualifications, skills, and experience. None of the Directors are active politicians.

A brief profile of each Director is presented on pages 20 to 22 of this Annual Report. The Directors come from diverse professional and entrepreneurial backgrounds, bringing with them a broad range of skills and experience that enable effective oversight of the Group. The INEDs, in particular, bring independent perspectives and objective judgement to Board deliberations and decision-making, thereby providing effective checks and balances.

There is a clear division of responsibilities between the Chairman of the Board and the Managing Director to ensure an appropriate balance of power, authority, and accountability, such that no individual has unfettered powers of decision-making.

The Managing Director is primarily responsible for the implementation of the Company’s strategic plans and policies as approved by the Board, as well as the day-to-day management and operations of the Group.

The Chairman of the Board, who is a Non-Independent Non-Executive Director, provides leadership to the Board and ensures its effective functioning in discharging its responsibilities.

10. APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Company established a Directors’ Fit and Proper Policy on 29 June 2022 to enhance its governance framework in relation to the quality and integrity of the Board. The Board and the NC undertake fit and proper assessments prior to the appointment of any candidate as Director, as well as when making recommendations for the re-election of retiring Directors.

The appointment of new Directors is a matter for collective decision by the Board, upon the recommendation of the NC. In evaluating candidates, the NC considers, among others, the required mix of skills, experience, expertise, integrity, and the ability to devote sufficient time and commitment to effectively discharge their responsibilities.

The Company Secretaries are responsible for ensuring that all procedures relating to the appointment of new Directors are properly carried out in accordance with applicable laws and regulatory requirements.

In accordance with the Company’s Constitution, all newly appointed Directors are subject to retirement at the next Annual General Meeting (“AGM”) subsequent to their appointment and are eligible for re-election. The Constitution further provides that at least one-third of the Directors, including the Managing Director, shall retire by rotation at each AGM, and each Director shall retire at least once every three years, but shall be eligible for re-election.

The NC, upon its review and evaluation of the performance and contribution of the retiring Directors, will recommend to the Board for approval, and thereafter to the shareholders for approval at the AGM, where appropriate.

Mr Wie Hock Beng and Puan Salwa Binti Shamshuddin are subject to retirement at the forthcoming AGM. Their profiles are set out on page 21 of this Annual Report. Being eligible, they have offered themselves for re-election.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

11. NOMINATION COMMITTEE

The NC comprises entirely Non-Executive Directors, a majority of whom are Independent Directors, and is chaired by an Independent Non-Executive Director.

The Terms of Reference of the NC were last reviewed on 30 November 2022 and is available on the Company's website at www.pesona.com.my.

The NC assists the Board in overseeing matters relating to the selection and appointment of Directors, succession planning, boardroom diversity, training programmes for Directors, as well as the annual assessment of the effectiveness of the Board as a whole, its Committees, and the contribution of each individual Director.

The Directors' Fit and Proper Policy guides the NC and the Board in their review and assessment of candidates for appointment to the Board, as well as Directors seeking re-election, in compliance with the MMLR.

All candidates for appointment as Directors, as well as Directors who are subject to retirement and re-election at the AGM, are required to complete a fit and proper declaration via a self-declaration form. The NC assesses whether such candidates meet the fit and proper criteria before making recommendations to the Board for consideration and approval.

The NC adopts a structured, transparent, and rigorous approach in the appointment of new Directors, ensuring that nominations align with the Company's strategic direction, with due emphasis on diversity, leadership qualities, and the skills required for an effective Board. The following factors, among others, are considered by the NC during the selection process:-

- (i) skills, knowledge, expertise, experience, professionalism, character, integrity, reputation and competence;
- (ii) commitment, including time commitment;
- (iii) boardroom diversity, including gender, age, ethnicity, cultural background, and skills; and
- (iv) in the case of candidates for Independent Directors, the ability to exercise independent judgement and discharge the responsibilities expected of Independent Directors.

In identifying suitable candidates, the NC may obtain recommendations from existing Board members, major shareholders, or seek professional advice and/or utilise independent external search sources.

During FY2025, the NC met once and carried out the following activities in the discharge of its duties:

- assessed the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director, including the required mix of skills, experience, and other core competencies, and reported its findings to the Board;
- reviewed the independence of the Independent Directors based on the criteria set out in the MMLR and the Code;
- reviewed the terms of office and performance of the AC and each of its members;
- reviewed the size and composition of the Board and Board Committees;
- reviewed and recommended to the Board the re-election of Directors who are due to retire at the AGM; and
- reviewed the training programmes attended by the Directors and determined their training needs.

On 27 February 2026, the NC conducted its annual evaluation of the performance of the Board, Board Committees, and individual Directors, and reported its findings, together with its recommendations, to the Board. This evaluation exercise required the Directors and/or NC members to complete a set of evaluation forms individually or collectively. The results were collated by the Company Secretaries, and a summary of the findings was presented to the NC for deliberation.

Based on the annual evaluation, the Board is satisfied that the performance of the Board as a whole, the Board Committees, and the contribution of each individual Director are satisfactory. The Board also considers that it has the appropriate mix of skills, competencies, and experience to discharge its duties effectively, and that the current size and composition are appropriate.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**11. NOMINATION COMMITTEE (CONT'D)**

The Board further views that its composition fairly reflects the interests of minority shareholders.

The NC also reviewed the assessment and evaluation results of the Directors who are due to retire at the forthcoming 15th AGM, taking into consideration their fit and proper declarations, skill sets, experience, professional qualifications, contributions, and time commitment, before recommending their re-election to the Board for approval.

Mr Wie Hock Beng and Puan Salwa Binti Shamshuddin are due to retire by rotation at the forthcoming 15th AGM. Both Directors, being eligible, have offered themselves for re-election.

The Company has adopted a Diversity Policy to ensure that the Board comprises a diverse mix of perspectives, experience, and skills necessary for effective oversight of the Group. Diversity includes, but is not limited to, gender, age and ethnicity.

The Board currently comprises two (2) female directors out of five (5) members, representing 40% of the total Board composition. The Company strives to maintain a Board consisting of talented, experienced, and dedicated Directors with a diverse mix of expertise, skills, and backgrounds that are aligned with the nature and requirements of the Group's business environment.

The NC is responsible for the implementation, monitoring, and periodic review of the Board Diversity Policy.

The breakdown of the Board by gender, age, and ethnicity as at 31 December 2025 is as follows:-

GENDER		AGE		ETHNICITY	
Male	3	40 – 49	1	Malay	1
Female	2	50 – 59	2	Chinese	4
		Above 60	2	Indian	-

12. INDEPENDENT DIRECTORS

The INEDs play a key role in strengthening the Board's governance framework, particularly through their active participation in Board Committees and their provision of independent oversight and objective judgement.

During FY2025, the Board, through the NC, conducted an annual assessment of the independence of its Independent Director and was satisfied that they have met the criteria of "Independence" as prescribed under the MMLR of Bursa Securities and the Code. The Board is also of the view that the Independent Directors have consistently demonstrated independence of character and judgement, and have constructively challenged Management in the Board's deliberations and decision-making processes.

At present, none of the INEDs have served in that capacity for more than nine (9) years.

13. TIME COMMITMENT

The Directors are aware of the time commitment required to effectively discharge their responsibilities in relation to the Group. An annual meeting calendar is prepared in advance, agreed upon by the Directors, and reviewed on a quarterly basis to facilitate proper planning and attendance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

13. TIME COMMITMENT (CONT'D)

The Board is satisfied with the level of time commitment demonstrated by the Directors in discharging their duties during FY2025. All Directors have shown full commitment in the discharge of their responsibilities and have attended all Board meetings held during FY2025.

The details of the attendance of each Board member are as follows:-

NAME OF DIRECTOR	DESIGNATION	DIRECTORSHIP	ATTENDANCE OF MEETINGS
Wie Hock Kiong	Chairman	Non-Independent and Non-Executive	5/5
Wie Hock Beng	Managing Director	Non-Independent and Executive	5/5
Salwa Binti Shamshuddin	Director	Independent and Non-Executive	5/5
Dr. Yong Mun Ching	Director	Independent and Non-Executive	5/5
Yeong Yok Hoong	Director	Independent and Non-Executive	5/5

14. DIRECTORS' TRAINING

In addition to the Mandatory Accreditation Program ("MAP"), Directors are encouraged to attend relevant training programmes conducted by qualified professionals to enhance their knowledge and competencies in areas pertinent to the Group's operations and business.

The Directors will continue to attend appropriate training programmes to keep abreast of the latest developments in the industry, regulatory requirements, and corporate governance practices, in compliance with the MMLR.

During the financial year under review, the Directors attended the following professional development programmes:-

NAME OF DIRECTOR	LIST OF PROGRAMMES
Wie Hock Kiong	MAP Part II: Leading for Impact
Wie Hock Beng	MAP Part II: Leading for Impact
Salwa Binti Shamshuddin	MAP Part II: Leading for Impact
Dr. Yong Mun Ching	(1) Strata Law & Management: Periods & Legislation Explained (2) Building Legislation and its Maintenance Management (3) MAP Part II: Leading for Impact (4) Save Soil-Advocacy for a sustainable future (5) Teaching for Impact: MIA Sustainability Train the Trainers 2025 (Series 1) (6) Teaching for Impact: MIA Sustainability Train the Trainers 2025 (Series 2)
Yeong Yok Hoong	MAP Part II: Leading for Impact

In addition, the Board is regularly updated on developments in laws and regulations, evolving commercial risks, and sustainability matters that may impact the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**15. REMUNERATION COMMITTEE**

The Board has established a RC, comprising the following Directors, a majority of whom are Independent Directors:

NAME OF DIRECTOR	DESIGNATION	DIRECTORSHIP
Dr. Yong Mun Ching	Chairperson	Independent Non-Executive Director
Wie Hock Kiong	Member	Non-Independent Non-Executive Director
Salwa Binti Shamshuddin	Member	Independent Non-Executive Director
Yeong Yok Hoong	Member	Independent Non-Executive Director

The RC reviews, on an annual basis, the remuneration packages, reward structure, and fringe benefits applicable to the Managing Director, Executive Director, and Senior Management, and makes recommendations to the Board. The Board as a whole determines the remuneration of the Managing Director and the Executive Director, with each Director abstaining from deliberations and decisions in respect of his or her own remuneration.

In determining the level of remuneration for the Managing Director, Executive Director, and Senior Management, the RC takes into consideration remuneration packages offered by comparable companies to ensure alignment with market practices. The RC may obtain independent professional advice, where necessary.

The remuneration package for the Managing Director comprises a fixed salary and allowances, while the remuneration of the Non-Executive Directors consists of annual fees, meeting allowances, and reimbursement of expenses incurred in connection with attending Board and Board Committee meetings.

Meetings of the RC are held as and when necessary, and at least once a year. During the financial year under review, the RC met once, and all members registered full attendance.

The Terms of Reference of the RC were last reviewed on 18 April 2024 and are available on the Company's website at www.pesona.com.my.

16. DIRECTORS' REMUNERATION

The Company aims to set remuneration at a level that is sufficient to attract and retain Directors of the calibre required to lead the Company successfully, taking into consideration relevant factors such as the scope of responsibilities, required skills, expertise, and experience.

The remuneration of the Managing Director is determined by the RC, after giving due consideration to compensation levels for comparable positions in similar Malaysian public listed companies.

The Board has adopted a Remuneration Policy and Procedures for Directors and Senior Management, which aim to attract, develop, and retain high-performing and motivated Directors and Senior Management through a competitive remuneration framework.

The Remuneration Policy and Procedures for Directors and Senior Management are available on the Company's website at www.pesona.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

16. DIRECTORS' REMUNERATION (CONT'D)

The details of the remuneration of each individual Director for FY2025 are as follows:

NAME OF DIRECTOR	SALARY/ FEES RM'000	BONUS & EPF RM'000	OTHER BENEFITS RM'000	TOTAL RM'000
Executive				
Wie Hock Beng	720	355	16	1,091
Non-Executive				
Wie Hock Kiong	120	-	4	124
Yeong Yok Hoong	96	-	4	100
Salwa Binti Shamshuddin	72	-	4	76
Dr. Yong Mun Ching	72	-	4	76

17. SENIOR MANAGEMENT'S REMUNERATION

Remuneration paid to the Senior Management during the year in bands of RM50,000 is as follows:

	SENIOR MANAGEMENT
From RM100,000 to RM150,000	1
From RM350,001 to RM400,000	2
From RM450,001 to RM500,000	1
From RM500,001 to RM550,000	2
From RM650,001 to RM700,000	1
From RM800,001 to RM850,000	1

In view of confidentiality and privacy considerations, the Board has opted not to disclose the names of Senior Management personnel and the detailed breakdown of their remuneration, including salary, bonuses, benefits in kind, and other emoluments.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. AUDIT COMMITTEE

The Company has established an AC comprising four (4) Non-Executive Directors, a majority of whom are Independent Directors.

The AC is entrusted by the Board with, among others, reviewing the Group's financial reporting, ensuring the objectivity and effectiveness of the Group's internal audit function and external audit processes, overseeing related party transactions and conflict of interest situations, as well as assessing the adequacy and effectiveness of the Group's internal control and risk management framework.

Further details of the AC and its activities are set out in the AC Report in this Annual Report.

2. COMPLIANCE WITH APPLICABLE FINANCIAL REPORTING STANDARDS

In presenting the annual financial statements and quarterly results to shareholders, the Board aims to provide a balanced, clear, and comprehensive assessment of the Group's financial position and prospects.

In preparing the financial statements, the Directors have taken the necessary steps to ensure that applicable accounting policies are applied consistently and are supported by reasonable and prudent judgements and estimates. The Directors have also ensured that all relevant and applicable accounting standards have been complied with.

The role of the AC in reviewing and reporting on the Group's financial information is set out in the AC Report in this Annual Report.

3. ASSESSMENT OF SUITABILITY AND INDEPENDENCE OF EXTERNAL AUDITORS

The AC reviews the appointment, performance, and remuneration of the External Auditors annually before making recommendations to the Board for approval and subsequently to the shareholders for approval of the re-appointment of the External Auditors of the Company at the AGM.

The AC also held a private session with the External Auditors during FY2025, without the presence of the Executive Director and Management, to facilitate open discussion of any issues arising from the audit.

During the financial year, the AC assessed the performance and independence of the External Auditors and was satisfied with the suitability and independence of UHY Malaysia PLT as External Auditors of the Company. The External Auditors had also confirmed their independence in accordance with their firm's policies prior to the commencement of the audit.

4. SOUND FRAMEWORK TO MANAGE RISKS

The Company has established a robust framework for the oversight and management of material business risks.

As directed by the Board, Management has implemented appropriate risk management systems and internal controls, and reports regularly to the Board and Senior Management. Management is responsible for monitoring the effectiveness of risk management systems and is required to report to the AC on significant risk exposures on a quarterly basis.

The risk management framework is presented in the Statement on Risk Management and Internal Control in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

5. INTERNAL CONTROL FUNCTION

To maintain independence in the management of the internal control environment and in compliance with the MMLR, the Company has outsourced the Group's internal audit function to Resolve IR Sdn. Bhd.

The outsourced Internal Auditors report independently and directly to the AC on the internal audit function of the Group. The AC, together with the Internal Auditors, agreed on the scope and annual internal audit plan, and reviews all audit findings arising therefrom, which are reported to the AC through at least three (3) audit visits during FY2025.

The AC also met with the Internal Auditors once during FY2025, without the presence of the Executive Director and Management, to facilitate open discussion of any issues arising from the internal audit process.

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

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

1. CORPORATE DISCLOSURE POLICY

The Company is committed to maintaining a high standard in the dissemination of relevant and material information relating to the development of the Group. The Company also places strong emphasis on the timely and equitable dissemination of information to shareholders and the investing public.

The Annual Report provides comprehensive information on the Group, while the quarterly and annual financial results announcements provide investors with up-to-date financial information. The Group's investor relations activities are aimed at fostering and maintaining positive relationships with stakeholders through active two-way communication, promoting a high standard of integrity and transparency through timely, accurate, and full disclosure, and enhancing stakeholders' understanding of the Group's core businesses and operations, thereby enabling investors to make informed decisions in valuing the Company's shares.

The Managing Director and Senior Management engage with analysts, institutional shareholders and investors, where appropriate. At general meetings, the Board encourages shareholders' participation and responds to their questions.

The primary contact for investor relations matters is as follows:

Corporate Communications

Telephone Number : 03-8941 0818
Fax Number : 03-8941 0871

2. LEVERAGE ON INFORMATION TECHNOLOGY FOR EFFECTIVE DISSEMINATION OF INFORMATION

The Company leverages various formal channels for the effective dissemination of information to shareholders and stakeholders, particularly through its Annual Report, announcements to Bursa Securities, media releases, the Company website, and investor relations activities.

In addition to mandatory public disclosures via Bursa LINK, the Company's website at www.pesona.com.my provides comprehensive corporate, financial, and non-financial information.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS (CONT'D)

3. CONDUCT OF GENERAL MEETINGS

The Board recognises that the AGM is an important platform for engagement with the shareholders of the Company. The Notice of the AGM ("the Notice") and the Annual Report were circulated to shareholders at least 28 days prior to the meeting. The additional time provided allows shareholders to make the necessary arrangements to attend, participate, and vote at the AGM, as well as to review the Annual Report and the information supporting the proposed resolutions.

The Company provides shareholders with sufficient information for the AGM, including details on voting entitlements and the right to appoint a proxy. Shareholders may attend and vote in person or appoint a proxy to attend and vote on their behalf.

The Notice includes key information such as the date, time, and venue of the AGM, the shareholders' right to appoint a proxy, and details of the resolutions to be tabled. All resolutions are voted on by poll, and an independent scrutineer is appointed to validate the votes in pursuance to the MMLR of Bursa Securities.

At the 14th AGM held during the financial year, shareholders were encouraged to raise questions, and the Chairman together with the Chief Financial Officer addressed all questions and comments raised by shareholders and proxies.

All resolutions set out in the Notice of the 14th AGM held on 25 June 2025 were duly passed by way of poll voting. The results of the AGM were announced to Bursa Securities on the same day.

The minutes of the 14th AGM were published on the Company's website on 23 July 2025, within 30 business days after the AGM.

PRIORITIES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2026

The Board recognises that sound corporate governance is critical to the sustainability and resilience of the Group, particularly in the construction and property development industry, which is characterised by cyclical demand, cost fluctuations, regulatory requirements, and evolving market conditions. Against this backdrop, during the financial year under review, the Board remained focused on its core responsibilities, with an emphasis on prudent project management, cost control, risk management, and the delivery of sustainable long-term value to shareholders.

In light of the increasing importance of sustainability, the Board will continue to strengthen its focus on integrating environmental, social and governance ("ESG") consideration into the Group's operations and decision-making processes, particularly in areas such as sustainable construction practices, efficient resource and energy management, regulatory compliance, and responsible development planning.

The Group will also enhance its ESG disclosures and reporting practices to provide stakeholders with greater transparency on its sustainability initiatives, including environmental impact, workplace safety, and community engagement, as well as its overall sustainability performance.

This Corporate Governance Overview Statement was approved by the Board on 17 April 2026.



AUDIT COMMITTEE REPORT

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

The AC was established to assist the Board in fulfilling its responsibilities relating to the financial statements and reporting practices, risk management framework and internal control system, internal and external audit processes, related party transactions and conflict of interest situations, as well as compliance matters. The AC is governed by a clearly defined Terms of Reference which is available on the Company’s corporate website at www.pesona.com.my. The Terms of Reference was last reviewed by the AC on 28 February 2024.

MEMBERS OF THE AUDIT COMMITTEE

The AC comprises four Non-Executive Directors, with the majority being Independent Directors, as follows:

<u>Designation</u>	<u>Name of AC members</u>
Chairman	Yeong Yok Hoong Independent Non-Executive Director
Members	Wie Hock Kiong Non-Independent Non-Executive Director
	Salwa Binti Shamshuddin Independent Non-Executive Director
	Dr. Yong Mun Ching Independent Non-Executive Director

Dr. Yong Mun Ching is a member of the Malaysian Institute of Accountants (MIA) and the Malaysian Institute of Certified Public Accountants (MICPA). The composition of AC meets the requirements of Paragraph 15.09(1)(c)(i) of the MMLR of Bursa Securities.

All members of the AC are financially literate and none of the members were former key audit partners of the Company’s existing External Auditors.

MEETINGS AND ATTENDANCE

The AC held five meetings during the FY2025, all of which were attended by its members, as shown below:-

Audit Committee members	Meetings Attended	Percentage of Attendance
Yeong Yok Hoong	5/5	100%
Wie Hock Kiong	5/5	100%
Salwa Binti Shamshuddin	5/5	100%
Dr. Yong Mun Ching	5/5	100%

AUDIT COMMITTEE REPORT

MEETINGS AND ATTENDANCE (CONT'D)

The AC meets at least once every quarter. The Managing Director and Chief Financial Officer are invited to all AC meetings to facilitate direct communication on the Group's financial results and to clarify matters relating to operations. Representatives of the External and Internal Auditors are also invited to attend the meetings to present their audit plans, audit findings and reports.

Following each AC meeting, the Chairman of the AC reports to the Board on matters discussed, as well as the AC's recommendation, where relevant, for the Board's consideration. All deliberations during AC meetings, including issues tabled and the rationale adopted for decisions, are properly recorded.

SUMMARY OF WORK PERFORMED BY THE AUDIT COMMITTEE

Summary of work carried out by the AC in discharging its duties and responsibilities for FY2025 included the following:-

- (a) Reviewed the unaudited quarterly financial results for each quarter and made recommendations to the Board for approval and release to Bursa Securities. The review included an assessment of the appropriateness of the accounting policies applied and any significant adjustments arising from the audit. The AC sought explanations from the Managing Director and Chief Financial Officer on material changes in financial performance, trade receivables, and other key components of the financial position. The AC also discussed pertinent issues that could significantly impact the Group's results and cash flows.
- (b) Reviewed the financial statements for FY2025 and recommended the same to the Board for approval. The AC communicated with the External Auditors, with particular focus on significant matters highlighted, including financial reporting issues, significant judgements made by Management, the going concern assumption, completeness of disclosures, and compliance with applicable approved accounting standards and other legal and regulatory requirements.
- (c) Reviewed the External Auditors' audit plan for FY2025, covering the scope of work, materiality thresholds, audit methodology, areas of audit emphasis, and audit timeline, to ensure the work carried out was adequate.
- (d) Reviewed the External Auditors' report on key audit matters in relation to the relevant disclosures in the audited financial statements for FY2025. The External Auditors also shared their observations and areas for improvement with the AC.
- (e) Reviewed the audit and non-audit fees, as well as the services provided by the External Auditors for FY2025.
- (f) Met privately with the External Auditors at the AC meetings held on 27 February 2026 and 17 April 2026 to confirm that there were no restrictions on the scope of the audit for FY2025 and to discuss material issues arising during the course of audit. The External Auditors did not raise any major concerns and confirmed that they had received full co-operation from Management throughout the audit.
- (g) Reviewed the internal audit reports presented by the Internal Auditors, including deliberation on major findings, Management's responses, and the Internal Auditors' recommendations.
- (h) Reviewed the follow-up reports issued by the Internal Auditors and the status of mitigating measures taken by Management to ensure that all key risks and control weaknesses were properly addressed.
- (i) Met privately with the Internal Auditors once to discuss material issues that arose during the course of the internal audit. The Internal Auditors did not raise any major concerns and confirmed that they had received co-operation from Management.
- (j) Reviewed and approved the revised internal audit plan for FY2025 and the proposed internal audit plan for FY2026 to ensure adequate scope of work and coverage of the Group's internal controls based on key risk areas.

AUDIT COMMITTEE REPORT

SUMMARY OF WORK PERFORMED BY THE AUDIT COMMITTEE (CONT'D)

Summary of work carried out by the AC in discharging its duties and responsibilities for FY2025 included the following:- (Cont'd)

- (k) Reviewed related party transactions and recurrent related party transactions (“RRPTs”) to ensure that such transactions were carried out on arm’s length basis and were not detrimental to the interests of the minority shareholders.
- (l) Reviewed any conflict of interest situations that arose, persisted, or may have arisen during FY2025.
- (m) Reviewed the quarterly progress reports on risk management prepared by Management.
- (n) Reviewed the Statement on Risk Management and Internal Control, AC Report, Management Discussion and Analysis, Corporate Governance Overview Statement, and Corporate Governance Report, and recommended the same to the Board for inclusion in the 2025 Annual Report.
- (o) Reviewed the Circular to Shareholders in relation to the proposed renewal of shareholders’ mandate for RRPTs of a revenue or trading nature and recommended to the Board for approval prior to the issuance to the shareholders.

The AC, had on 27 February 2026, reviewed and assessed the performance, competency and independence of the External Auditors for FY2025. The assessment covered, among others, the following criteria:-

- quality and scope of work of the External Auditors, and how they maintain or update the audit plan in response to changing risks and circumstances;
- quality of reports provided to the AC;
- amount of non-audit fees paid or payable to the External Auditors or their affiliated firms;
- competency and resources of the audit firm;
- level of understanding of the Group’s business; and
- communication with the AC regarding new and applicable accounting practices and auditing standards, and their impact on the Company’s financial statements.

Based on the assessment conducted, the AC was satisfied that Messrs UHY Malaysia PLT possessed the competency, independence, experience, and resources required to fulfil their duties effectively. The External Auditors also confirmed to the AC that, in their professional judgement, they are independent within the meaning of the relevant regulatory and professional requirements, and that the objectivity of the audit engagement partner and audit staff is not impaired.

Based on the recommendation of the AC, the Board will table the re-appointment of Messrs UHY Malaysia PLT as External Auditors of the Company at the 15th Annual General Meeting for shareholders’ approval.

INTERNAL AUDIT FUNCTION

The internal audit function, which reports directly to the AC, is outsourced to Resolve IR Sdn Bhd. The Internal Auditors have developed an annual audit plan to support the execution of internal control reviews.

Activities carried out by the Internal Auditors during FY2025 included the following:-

- (a) Performed audit work in accordance with the pre-approved internal audit plan, which principally focused on the construction activities of the main subsidiary, Pesona Metro Sdn Bhd. The internal audit was conducted using a risk-based approach and guided by the International Professional Practice Framework.



AUDIT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION (CONT'D)

Activities carried out by the Internal Auditors during FY2025 included the following:- (Cont'd)

- (b) Reviewed the Group's systems of internal control to ensure the safeguarding of assets, maintenance of accurate records and transactions, compliance with relevant laws and regulations, adherence to established policies and procedures, as well as operational efficiency.
- (c) Made recommendations to Management for improvements to the existing system of internal controls and work processes, where necessary.
- (d) Reviewed and provided comments on the effectiveness and adequacy of existing internal control policies and procedures.
- (e) Followed up on the implementation of corrective action plans to ensure that appropriate actions had been taken to address previous internal audit findings.

The AC, on 27 February 2026, reviewed the adequacy of the scope, functions, competency and resources of the internal audit function for FY2025 to ensure its effectiveness and efficiency. Based on the assessment conducted, the AC was satisfied with the competency and independence of the outsourced Internal Auditors in carrying out their duties during the financial year.

The cost incurred for the internal audit function for FY2025 was RM69,000 (FY2024: RM69,000).

For further information on the internal audit function, please refer to the Statement on Risk Management and Internal Control in the 2025 Annual Report.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

1. INTRODUCTION

The Board of Directors (“Board”) of Pesona Metro Holdings Berhad is pleased to present the Statement on Risk Management and Internal Control (“SORMIC”) for the financial year ended 31 December 2025 (“FY2025”), issued in compliance with Paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

2. BOARD RESPONSIBILITY

The Board acknowledges that it is their overall responsibility to establish and maintain a sound risk management framework and internal control system to cover all aspects of the Group’s business and to safeguard the interest of its shareholders. This responsibility requires Directors to establish procedures, controls and policies and to seek continuous assurance that the system is operating adequately and effectively in respect of the strategic direction, financial, operational, compliance, and risk management policies and procedures for the period under review.

The Board is also aware that a sound risk management framework and internal control system provide reasonable and not absolute assurance that the Group will not be hindered in achieving its business objectives and strategies. It should also be appreciated that the risk management framework and internal control system is designed to manage and control risks appropriately rather than a definitive system designed for the total avoidance of risks or for eliminating the risk of failure. For the FY2025, the Company has undertaken processes to review its risk management framework.

In the meantime, the Board maintains full control over strategic, financial, organisational and compliance issues and has put in place a structure with formal lines of responsibility.

3. CONTROL STRUCTURE & RISK MANAGEMENT FRAMEWORK

The Group has established a Risk Assessment, Monitoring and Reporting Framework to proactively identify, evaluate and manage key risk areas. The framework aims to provide an integrated and organised approach entity-wide. In addition, it has established a formal database of risk areas and mitigating measures are clearly stated in the risk registers. The key risk areas, their exposures, existing controls and the actions taken or mitigation factors are summarised and presented to the Audit Committee on a quarterly basis.

The day-to-day operations are monitored by the Managing Director. This control is carried out through Senior Management in respect of the commercial, financial and operational aspects of the Company. The Managing Director and Senior Management meet regularly to discuss such matters during management meetings.

Risk management is regarded by the Board to be an integral part of managing the Group’s business operations. There is an ongoing process of identifying the major risks that could potentially and significantly impact on the Group’s business objectives, and the Company has assigned the respective Heads of Department to manage the risks within their departments. Significant risks identified and the corresponding internal controls implemented are discussed at management meetings.

The Board and Senior Management also acknowledge that the development of an effective internal control system is an ongoing process and to this end maintains a continuous commitment to strengthening the existing internal control environment of the Group.

The Board assumed the following specific responsibilities in respect of internal control function in the Group with the assistance of the Internal Auditors:-

- a) Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks through internal audit review; and
- b) Reviewing the adequacy and integrity of the Group’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

4. INTERNAL AUDIT FUNCTION

In order to maintain total independence in the management of the internal control environment and remain in compliance with the MMLR of Bursa Securities, the Company has appointed Resolve IR Sdn Bhd (“Resolve”) to manage the Group’s internal audit function on an outsourced basis.

The Internal Auditors report independently and directly to the Audit Committee in respect of the internal audit function. The Audit Committee together with the Internal Auditors agree on the scope and planned internal audit activity annually and all audit findings arising therefrom are reported to the Audit Committee on a periodic basis.

The Internal Auditors have unrestricted access to all documents and records of the Group deemed necessary in the performance of their duties and independently review the risk identification procedures and control processes implemented by Management. They also review the internal controls in the key activities of the Group’s business based on the risk profiles of the business units in the Group. In addition, the Internal Auditors carry out periodic assignments to ensure that the policies and procedures established by the Board are complied with by Management. All reports and findings arising from these reviews are discussed primarily with the respective process custodians prior to a formal report being presented to the Audit Committee.

As an additional function to the Group, the Internal Auditors also provide business improvement recommendations for the consideration of Management and the Board to assist in the continuous development of a more efficient and comprehensive internal control environment.

During the year under review and based on the Internal Audit Plan for FY2025, the following areas are the internal audit compliance reviews undertaken by the Internal Auditors:

- 1) Project Capital Expenditure Controls and Approval;
- 2) Construction Management; and
- 3) Procurement of Materials and Services.

The findings arising from the above reviews have been reported to Management for their response and subsequently for Audit Committee’s review and deliberation.

The total cost incurred in managing the Group’s internal audit function for FY2025 was RM69,000.

5. OTHER KEY INTERNAL CONTROL ELEMENTS

- Clearly defined terms of reference, authorities and responsibilities of the various committees which include the Audit Committee, Nomination Committee and Remuneration Committee.
- Well-defined organisational structure with clear lines for segregation of duties, accountability and delegation of responsibilities to Senior Management and the respective division heads, including appropriate authority limits to ensure accountability and approval responsibility.
- Budgets are prepared annually for the business or operating units and approved by the Board. The budgets including operational, financial and capital expenditure requirements and performance, are monitored on a monthly basis and the business objectives and plans are reviewed in the monthly management meetings attended by division and business unit heads. The Managing Director meets regularly with Senior Management to consider the Group’s financial performance, business initiatives and other management and corporate issues.
- There are regular Board meetings and Board papers are distributed in advance to all Board members who are entitled to receive and access all relevant information. Decisions of the Board are only made after the required information is made available and deliberated on by the Board. The Board maintains complete and effective control over the strategies and direction of the Group.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

5. OTHER KEY INTERNAL CONTROL ELEMENTS (CONT'D)

- The Audit Committee is tasked to review the effectiveness of the Group's system of internal control. The Audit Committee comprises of non-executive members of the Board, with the majority being Independent Directors. The Audit Committee is not restricted in any way in the conduct of its duties and has unrestricted access to the Internal and External Auditors of the Company and to all employees of the Group. The Audit Committee is also entitled to seek other third party independent professional advice as and when necessary in the performance of its responsibility.
- The Audit Committee reviews all the internal control issues identified by the External and Internal Auditors and action taken by Management in respect of the findings arising therefrom. Findings are communicated to Management and the Audit Committee with recommendations for improvement and subsequently follow up to ensure all agreed recommendations are implemented. The internal audit plan is structured on a risk-based approach and is reviewed and approved by the Audit Committee.
- All proposals for material capital and investment opportunities are reviewed by Senior Management and approved by the Board prior to expenditure being committed.
- There are sufficient reports generated in respect of the business and operating units to enable proper review of the operational, financial and regulatory environment. Management Accounts are prepared timely and on a monthly basis and are reviewed by the Managing Director and Senior Management.
- The professionalism and competency of staff are enhanced through a structured training and development programme. A performance appraisal system is in place with established key performance indicators to measure and review staff performance on an annual basis.
- The appointment of Resolve to manage the internal audit function of the Group on an outsourced basis will ensure greater independence and accountability.

6. CONCLUSION

For the FY2025, the Board is of the view that there is no significant weakness in the system of internal control, contingencies, or uncertainties that could result in material loss and adversely affect the Group. The Board will continue taking necessary measures to enhance and strengthen the Group's internal control structure and the management of risks.

7. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement for inclusion in the Annual Report for the FY2025 and nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.



DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required under the Companies Act 2016 ("Act") to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year, and of their financial performance and cash flows for the financial year then ended.

During the preparation of the financial statements for the financial year ended 31 December 2025, the Directors have:-

- (i) applied appropriate and relevant accounting policies consistently and in accordance with applicable approved accounting standards;
- (ii) made judgements and estimates that are reasonable and prudent; and
- (iii) applied the going concern basis in the preparation of the financial statements.

The Directors have a general responsibility to keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy to ensure compliance with the Act, as well as to take reasonable steps to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities.

The Statement was approved by the Board on 17 April 2026.

ADDITIONAL COMPLIANCE INFORMATION

AUDIT AND NON-AUDIT FEES

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

	Group RM	Company RM
Audit fees	180,000	42,000
Non-audit fees	5,000	5,000

RECURRENT RELATED PARTY TRANSACTIONS (“RRPTS”)

The recurrent related party transactions of a revenue or trading nature of the Group conducted pursuant to the shareholders' mandate during the financial year ended 31 December 2025 are as follows:

No.	Nature of Transaction	Transacting Parties	Interested Related Parties	Aggregate Value (RM'000)
1.	Provision of construction services for the main building, mechanical and electrical services, external works, within lot boundary, landscape and ancillary works for “Cadangan Pembangunan 2 Blok Pangsapuri 52 Tingkat (1,260 unit) di atas PT 50023, Jalan Impian, Mukim Petaling, Bukit Jalil, Kuala Lumpur” awarded by Gaya Kuasa Sdn. Bhd., for a total contract sum of RM410,500,685.64.	Pesona Metro Sdn. Bhd. or other subsidiaries of Pesona Metro Group	Wie Hock Kiong Wie Hock Beng Chin May Yong	159,779

MATERIAL CONTRACTS INVOLVING THE INTERESTS OF DIRECTORS, CHIEF EXECUTIVE WHO IS NOT A DIRECTOR OR MAJOR SHAREHOLDERS

Save as disclosed in the financial statements and the RRPTs set out in the Circular to Shareholders dated 30 April 2026, there were no material contracts entered into by the Company and its subsidiaries involving the interests of the Directors, Chief Executive who is not a Director or major shareholders, which were still subsisting as at the end of the financial year under review or entered into since the end of the previous financial year.

ADDITIONAL COMPLIANCE INFORMATION

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 the Group's business activities and interest-based financial position.

a. Group Total Income and Total Assets

	Group	
	2025 (RM)	2024 (RM)
Total Income		
Revenue	705,923,913	511,883,067
Other income	1,332,599	1,832,430
Interest income	837,384	523,081
Total	708,093,896	514,238,578
Total Assets	925,037,929	794,649,213

b. Business Activities

	Group	
	2025 (RM)	2024 (RM)
Shariah Non-Complaint Activities		
Interest income	833,894	475,183
Total	833,894	475,183

c. Component of Financial Position

(i) Cash Component

	Group	
	2025 (RM)	2024 (RM)
Islamic Account/ Instruments		
Cash at bank (exclude cash in hand)	56,028,094	14,118,711
Deposits with licensed bank	11,387,147	48,092,520
Total Borrowings	67,415,241	62,211,231

ADDITIONAL COMPLIANCE INFORMATION

c. Component of Financial Position (Cont'd)

(i) Cash Component (Cont'd)

Conventional Account/ Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Cash at bank (exclude cash in hand)		55,416,000	36,064,962
Deposits with licensed bank		3,490,656	2,560,460
Cash held under Conventional Housing Development Accounts		3,146,275	758,410
Other cash equivalents (please specify in the remarks column)	cash in hand	214,637	262,673
Total Cash		62,267,568	39,646,505

(ii) Debt Component

Islamic Financing	Group	
	2025 (RM)	2024 (RM)
Current		
Sukuk	15,000,000	15,000,000
Bank borrowings	59,876,029	-
Non-current		
Sukuk	155,000,000	170,000,000
Total Financing	229,876,029	185,000,000

Conventional Borrowing	Group	
	2025 (RM)	2024 (RM)
Current		
Bank borrowings	52,643,986	49,972,407
Non-current		
Bank borrowings	1,615,800	1,394,643
Total Debt	54,259,786	50,067,050



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DIRECTORS' REPORT

The Directors of Pesona Metro Holdings Berhad have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year other than as disclosed in Note 7 to the financial statements.

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	54,525,858	20,139,140
Attributable to:		
Owners of the Parent	39,181,619	20,139,140
Non-controlling interests	15,344,239	-
	54,525,858	20,139,140

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

In respect of the financial year ended 31 December 2024, the Directors declared a single tier final dividend of 0.75 sen per ordinary share, paid on 15 May 2025, amounting to RM5,212,381.

In respect of the financial year ended 31 December 2025, the Directors declared a single tier interim dividend of 1.4 sen per ordinary share, announced on 27 February 2026, paid on 27 March 2026, amounting to RM9,729,778.

The financial statements for the current financial year do not reflect the dividends declared/proposed on 27 February 2026. Such dividends will be accounted for in equity as an appropriation of retained earnings for the financial year ending 31 December 2026.

ISSUE OF SHARES AND DEBENTURES

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

DIRECTORS' REPORT

SHARE OPTIONS

No options were granted to any parties by the Company during the financial year to take up unissued share.

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:

Wie Hock Beng*
 Wie Hock Kiong*
 Salwa Binti Shamshuddin*
 Yeong Yok Hoong
 Dr. Yong Mun Ching

* Director of the Company and of its subsidiary companies

DIRECTORS OF SUBSIDIARY COMPANIES

The following is a list of Directors of 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:

Maszeallan Bin Mohamad
 Datuk Hj Subhi Bin Dziauddin
 Wie Jay Sern

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:

Interests in the Company	Number of ordinary shares			At 31.12.2025
	At 1.1.2025	Acquired	Disposed	
Direct interests:				
Wie Hock Beng	8	-	-	8
Indirect interests:				
Wie Hock Beng ¹	120,000,000	-	-	120,000,000
Wie Hock Kiong ¹	290,000,010	4,650,000	-	294,650,010

¹ Deemed interest held pursuant to Section 8 of the Companies Act 2016 via their family companies, Sincere Goldyear Sdn. Bhd. and Kombinasi Emas Sdn. Bhd.

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES (CONT'D)

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 Director 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 and shown in Note 30 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, 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 33(b) to the financial statements.

Neither during nor at the end of the financial year, was the Company or any of its subsidiary companies a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

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	989,500	14,000
Directors' fees	384,000	360,000
Defined contribution plans	115,200	-
	1,488,700	374,000

INDEMNITY AND INSURANCE COSTS

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act, 2016 in Malaysia.

No indemnity was given to or for of the Company.

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 adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONT'D)

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps: (Cont'd)
- (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 it necessary to write off any 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.

SUBSIDIARY COMPANIES

The details of the subsidiary companies are disclosed in Note 7 to the financial statements.

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DIRECTORS' REPORT

AUDITORS' REMUNERATION

The details of the auditors' remuneration for the financial year are as follows:

	Group RM	Company RM
Auditors' Remuneration		
- Statutory audit	180,000	42,000
- Non-statutory audit:		
- UHY Malaysia PLT	5,000	5,000
	185,000	47,000

AUDITORS

The Auditors, UHY Malaysia PLT have indicated their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 17 April 2026.

WIE HOCK BENG

WIE HOCK KIONG

KUALA LUMPUR

FINANCIAL STATEMENTS



STATEMENT BY DIRECTORS

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

The Directors of Pesona Metro Holdings Berhad, state that, in their opinion, the accompanying financial statements are drawn up in accordance with the 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 the 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 17 April 2026.

WIE HOCK BENG

KUALA LUMPUR

WIE HOCK KIONG

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, Chong Kien Eng @ Teo Kien Eng (MIA Membership No: CA 16812) being the Officer primarily responsible for the financial management of Pesona Metro 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.

CHONG KIEN ENG @ TEO KIEN ENG

Subscribed and solemnly declared by the abovenamed Chong Kien Eng @ Teo Kien Eng at Kuala Lumpur, this 17 April 2026.

Before me,

COMMISSIONER FOR OATHS

FINANCIAL STATEMENTS



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

PESONA METRO HOLDINGS BERHAD

[Registration No.: 201101029741 (957876-T)] (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Pesona Metro 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 policies information, as set out on pages 109 to 187.

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 PESONA METRO HOLDINGS BERHAD

[Registration No.: 201101029741 (957876-T)] (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Key audit matter	How our audit addressed the key audit matter
<p>Recognition of revenue from construction contract and property development cost</p> <p>Refer to Note 2(c) (Significant accounting judgements, estimates and assumptions), Note 3(o) (Revenue recognition), Note 11 (Contract assets/liabilities) and Note 25 (Revenue) to the financial statements.</p> <p>A significant proportion of the Group's revenues and profits are derived from long-term construction contracts and property development which span more than one accounting period. The Group uses the input method to measure the progress towards complete satisfaction of performance obligations. The progress is determined based on the certified work-to-date corroborated by the level of completion of the construction and property development based on actual costs incurred to-date over the total estimated costs.</p> <p>We focused on this area because management applies significant judgement in determining the stage of completion, the extent of contract costs incurred, and the estimated total contract revenue.</p>	<p>Our audit procedures performed in this area included, amongst others:</p> <ul style="list-style-type: none"> • Understood the Group's procedures of reviews and approval over contract costs allocations, budgets setting and monitoring of actual costs to assess the reliability of budgets; • Reviewed management's workings on the computation of percentage-of-completion, compared the quantity surveyors' reports and sub-contractors' claims and certificate against the stage of completion of the contracts, to ascertain the reasonableness of the stage of completion recognised in the profit or loss; • Performed recalculation on the percentage of completion at the reporting date for mathematical accuracy; • Evaluated the reasonableness of the estimated total construction costs and property development costs in light of supporting evidence such as budgets, letters of award, contracts, approved purchase orders, quotations, sub-contractors' tender documents and any variation orders; • Agreed samples of costs incurred to date to invoices and/or progress claims and assessed the adequacy of accruals of costs made; and • Assessed the adequacy and reasonableness of the disclosures in the financial statements.

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.

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PESONA METRO HOLDINGS BERHAD

[Registration No.: 201101029741 (957876-T)] (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PESONA METRO HOLDINGS BERHAD

[Registration No.: 201101029741 (957876-T)] (Incorporated in Malaysia)

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

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

- 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 to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

FINANCIAL STATEMENTS



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

PESONA METRO HOLDINGS BERHAD

[Registration No.: 201101029741 (957876-T)] (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

OTHER MATTERS

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

UHY Malaysia PLT
202406000040 (LLP0041391-LCA) & AF1411
Chartered Accountants

TEOH WEI YEIN
Approved Number: 03655/04/2026 J
Chartered Accountant

KUALA LUMPUR

17 April 2026

FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM Restated	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	42,384,503	43,456,729	-	-
Investment properties	5	12,084,743	10,979,121	-	-
Intangible assets	6	69,439,073	72,545,735	-	-
Investments in subsidiary companies	7	-	-	248,754,500	247,854,500
Concession receivables	8	111,976,306	116,984,940	-	-
Trade receivables	9	42,140,132	37,277,042	-	-
Total non-current assets		278,024,757	281,243,567	248,754,500	247,854,500
Current assets					
Property development costs	10	130,372,820	115,175,878	-	-
Contract assets	11	65,812,684	59,139,138	-	-
Concession receivables	8	5,008,634	4,430,751	-	-
Trade receivables	9	283,698,304	197,209,698	-	-
Other receivables	12	30,791,945	33,087,809	5,000	5,000
Amounts due from subsidiary companies	13	-	-	20,601,169	221,950
Amount due from an associated company	14	-	-	-	-
Tax recoverable		1,645,976	2,504,636	169	1,143
Fixed deposits with licensed banks	15	14,877,803	50,652,980	-	-
Cash and bank balances	16	114,805,006	51,204,756	197,252	178,482
Total current assets		647,013,172	513,405,646	20,803,590	406,575
Total assets		925,037,929	794,649,213	269,558,090	248,261,075

FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION (CONT'D)

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM Restated	2025 RM	2024 RM
EQUITY					
Share capital	17	194,031,751	194,031,751	194,031,751	194,031,751
Reverse acquisition reserve	18	(91,000,000)	(91,000,000)	-	-
Retained earnings		104,459,631	70,490,393	27,535,318	12,608,559
Equity attributable to owners of the Company		207,491,382	173,522,144	221,567,069	206,640,310
Non-controlling interests		49,426,165	34,081,926	-	-
Total equity		256,917,547	207,604,070	221,567,069	206,640,310
LIABILITIES					
Non-current liabilities					
Trade payables	19	24,389,484	16,249,220	-	-
Sukuk liabilities	20	155,000,000	170,000,000	-	-
Bank borrowings	21	1,615,800	1,394,643	-	-
Lease liabilities	22	1,734,375	516,662	-	-
Deferred tax liabilities	23	10,826,383	13,146,790	-	-
Total non-current liabilities		193,566,042	201,307,315	-	-
Current liabilities					
Contract liabilities	11	100,773,657	33,242,248	-	-
Trade payables	19	204,947,548	219,870,454	-	-
Other payables	24	36,368,950	68,212,337	108,021	121,585
Amount due to subsidiary companies	13	-	-	27,883,000	26,499,180
Sukuk liabilities	20	15,000,000	15,000,000	-	-
Bank borrowings	21	112,520,015	48,672,407	20,000,000	15,000,000
Lease liabilities	22	556,553	200,650	-	-
Tax Payable		4,387,617	539,732	-	-
		474,554,340	385,737,828	47,991,021	41,620,765
Total liabilities		668,120,382	587,045,143	47,991,021	41,620,765
Total equity and liabilities		925,037,929	794,649,213	269,558,090	248,261,075

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

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
Construction contracts		494,364,657	485,817,829	-	-
Concession finance income		15,835,719	16,346,928	-	-
Revenue from property development		194,009,890	8,460,102	-	-
Revenue from other sources		1,713,647	1,258,208	21,001,604	10,607,132
Total Revenue	25	705,923,913	511,883,067	21,001,604	10,607,132
Construction costs		(438,086,036)	(434,436,818)	-	-
Property development cost		(138,486,978)	(5,951,730)	-	-
Assets and facilities management and maintenance services		(6,549,538)	(4,315,336)	-	-
Changes in inventories of finished goods and work in progress		(316,999)	(2,862,214)	-	-
Other income		2,169,983	2,355,511	-	-
Employee benefit expenses		(12,843,448)	(9,065,096)	(374,000)	(328,000)
Depreciation and amortisation expenses		(14,142,324)	(14,285,334)	-	-
Other expenses		(19,960,627)	(9,541,982)	(466,086)	(1,120,996)
Net loss on impairment of financial instruments		-	-	(22,000)	(22,000)
Finance costs	26	(11,711,167)	(8,552,159)	-	-
Profit before tax	27	65,996,779	25,227,909	20,139,518	9,136,136
Taxation	28	(11,470,921)	(2,917,128)	(378)	(1,650)
Profit for the financial year, representing total comprehensive income for the financial year		54,525,858	22,310,781	20,139,140	9,134,486
Profit attributable to:					
Owner of the Parent		39,181,619	20,148,907	20,139,140	9,134,486
Non-controlling interests		15,344,239	2,161,874	-	-
		54,525,858	22,310,781	20,139,140	9,134,486
Total comprehensive income attributable to:					
Owner of the Parent		39,181,619	20,148,907	20,139,140	9,134,486
Non-controlling interests		15,344,239	2,161,874	-	-
		54,525,858	22,310,781	20,139,140	9,134,486
Earnings per share:					
- Basic and diluted earnings per share (sen)	29	5.64	2.90		

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

FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Group	Note	Attributable to Owners of the Parent					Non-Controlling Interests RM	Total Equity RM
		Share Capital RM	Non-Distributable	Distributable	Total RM			
			Reverse Acquisition Reserve RM	Retained Earnings RM				
At 1 January 2025, as previously reported		194,031,751	(91,000,000)	70,490,393	173,522,144	28,468,301	201,990,445	
Purchase price allocation ("PPA") adjustment		-	-	-	-	5,613,625	5,613,625	
At 1 January 2025, as restated		194,031,751	(91,000,000)	70,490,393	173,522,144	34,081,926	207,604,070	
Profit for the financial year, representing total comprehensive income for the financial year		-	-	39,181,619	39,181,619	15,344,239	54,525,858	
Transaction with owners:								
Dividend on ordinary shares	31	-	-	(5,212,381)	(5,212,381)	-	(5,212,381)	
Total transactions with owners		-	-	(5,212,381)	(5,212,381)	-	(5,212,381)	
At 31 December 2025		194,031,751	(91,000,000)	104,459,631	207,491,382	49,426,165	256,917,547	
At 1 January 2024		194,031,751	(91,000,000)	53,816,419	156,848,170	24,364,246	181,212,416	
Profit for the financial year, representing total comprehensive income for the financial year								
- As previously restated		-	-	20,148,907	20,148,907	2,161,874	22,310,781	
- Prior year adjustments	38	-	-	-	-	5,613,625	5,613,625	
Restated balance		-	-	20,148,907	20,148,907	7,775,499	27,924,406	
Transaction with owners:								
Acquisition of subsidiary company		-	-	-	-	1,942,181	1,942,181	
Dividend on ordinary shares	31	-	-	(3,474,933)	(3,474,933)	-	(3,474,933)	
Total transactions with owners		-	-	(3,474,933)	(3,474,933)	1,942,181	(1,532,752)	
At 31 December 2024		194,031,751	(91,000,000)	70,490,393	173,522,144	34,081,926	207,604,070	

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Company	Note	Share Capital RM	Distributable		Total Equity RM
			Retained Earnings RM		
At 1 January 2025		194,031,751	12,608,559		206,640,310
Profit for the financial year, representing total comprehensive income for the financial year		-	20,139,140		20,139,140
Transaction with owners:					
Dividends on ordinary shares	31	-	(5,212,381)		(5,212,381)
At 31 December 2025		194,031,751	27,535,318		221,567,069
At 1 January 2024		194,031,751	6,949,006		200,980,757
Profit for the financial year, representing total comprehensive income for the financial year		-	9,134,486		9,134,486
Transaction with owners:					
Dividends on ordinary shares	31	-	(3,474,933)		(3,474,933)
At 31 December 2024		194,031,751	12,608,559		206,640,310

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

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 before tax	65,996,779	25,227,909	20,139,518	9,136,136
Adjustments for:				
Amortisation of concession right	3,106,662	3,106,662	-	-
Depreciation of property, plant and equipment	11,035,662	11,178,672	-	-
Gain on fair value adjustment of investment properties	(35,622)	-	-	-
Gain on disposal of:				
- property, plant and equipment	(480,344)	(485,988)	-	-
- investment properties	-	(29,275)	-	-
Impairment loss on amount due from subsidiary companies	-	-	22,000	22,000
Interest expenses	11,711,167	8,552,159	-	-
Interest income	(2,443,763)	(1,714,962)	(1,604)	(7,132)
Dividend income	-	-	(21,000,000)	(10,600,000)
Property, plant and equipment written off	5,840	55,851	-	-
Redemption premium on Sukuk Wakalah	-	1,617,300	-	-
Operating profit/(loss) before working capital changes	88,896,381	47,508,328	(840,086)	(1,448,996)
Changes in working capital:				
Property development costs	(15,196,942)	(6,175,878)	-	-
Contract assets	(6,673,546)	(29,360,923)	-	-
Concession receivables	4,430,751	3,919,542	-	-
Trade and other receivables	(89,263,823)	104,295,238	-	-
Contract liabilities	67,531,411	21,006,876	-	-
Trade and other payables	(38,446,045)	(96,959,758)	(13,564)	(36,530)
	(77,618,194)	(3,274,903)	(13,564)	(36,530)
Cash generated from/(used in) operations	11,278,187	44,233,425	(853,650)	(1,485,526)
Tax refunded	280,526	75,199	2,593	-
Tax paid	(9,365,307)	(5,481,603)	(1,996)	(176)
	(9,084,781)	(5,406,404)	597	(176)
Net cash from/(used in) operating activities	2,193,406	38,827,021	(853,053)	(1,485,702)
Cash Flows From Investing Activities				
Interest received	2,651,150	1,533,725	1,604	7,132
Dividend received	-	-	21,000,000	10,600,000

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Cash Flows From Investing Activities (Cont'd)					
Purchases of property, plant and equipment	4(c)	(8,776,453)	(6,688,992)	-	-
Purchases of investment properties		(1,070,000)	(1,589,121)	-	-
(Advances to)/Repayment from subsidiary companies		-	-	(19,017,400)	40,221,719
Proceeds from disposals of property, plant and equipment		1,272,253	821,545	-	-
Proceeds from disposals of investment properties		-	919,275	-	-
Acquisition of a subsidiary company	7(b)	-	(36,202,130)	-	(40,800,000)
Addition of investment in a subsidiary company	7(b)	-	-	(900,000)	-
Changes in fixed deposits pledged with licensed banks		45,775,176	(19,415,039)	-	-
Changes in pledged cash and bank balances		(39,031,138)	172,276	-	-
Net cash (used in)/from investing activities		820,988	(60,448,461)	1,084,204	10,028,851
Cash Flows From Financing Activities					
Interest paid		(11,928,250)	(6,295,634)	-	-
Repayment of lease liabilities		(411,116)	(1,492,977)	-	-
Issuance of sukuk liabilities		-	185,000,000	-	-
Repayment of sukuk liabilities		(15,000,000)	(105,000,000)	-	-
Redemption premium on Sukuk Wakalah		-	(1,617,300)	-	-
Changes in bank borrowings		64,106,464	(21,786,141)	5,000,000	(5,000,000)
Dividend paid	31	(5,212,381)	(3,474,933)	(5,212,381)	(3,474,933)
Net cash generated from/(used in) financing activities		31,554,717	45,333,015	(212,381)	(8,474,933)
Net changes in cash and cash equivalents		34,569,111	23,711,575	18,770	68,216
Cash and cash equivalents at the beginning of the financial year		41,524,305	17,812,730	178,482	110,266
Cash and cash equivalents at the end of the financial year		76,093,416	41,524,305	197,252	178,482
Cash and cash equivalents at the end of the financial year comprise:					
Fixed deposits with licensed banks	15	14,877,803	50,652,980	-	-
Cash and bank balances	16	114,805,006	51,204,756	197,252	178,482
		129,682,809	101,857,736	197,252	178,482
Less: Fixed deposits pledged with licensed banks		(4,877,803)	(50,652,979)	-	-
Less: Pledged cash and bank balances		(43,273,475)	(86,192)	-	-
Less: Restricted cash and bank balances		(5,438,115)	(9,594,260)	-	-
		76,093,416	41,524,305	197,252	178,482

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

FINANCIAL STATEMENTS



NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

1. Corporate Information

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.

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year other than as disclosed in Note 7 to the financial statements.

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	Lack of Exchangeability
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The adoption of the new standards and amendments to standards did not have any significant impact on the financial statements of the Group and of the Company.

Standards issued but not yet effective

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

		Effective dates for financial periods beginning on or after
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026

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 (Cont'd)

The adoption of the new standards and amendments to standards did not have any significant impact on the financial statements of the Group and of the Company. (Cont'd)

		Effective dates for financial periods beginning on or after
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	Annual Improvements to MFRS Accounting Standards Volume 11	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability Disclosure	1 January 2027
Amendments to MFRS 19	Subsidiaries without Public Accountability Disclosure	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027

The Group and the Company intend to adopt the above MFRSs and amendments when they become effective.

The initial application of the abovementioned accounting standards or amendments are not expected to have any significant financial impacts on the financial statements of the Group and of the Company. A brief discussion on the above significant new MFRSs and amendments to MFRSs that may be applicable to the Group and the Company are summarised below.

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 much 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)****Standards issued but not yet effective (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 and has been rounded to nearest 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 of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

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:

Revenue from construction contracts

Construction revenue and costs are recognised over the period of the contract in the profit or loss by reference to the progress towards complete satisfaction of that performance obligation.

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

The progress towards complete satisfaction of performance obligation is measured based on the physical proportion of contract work-to-date certified by professional consultants. Significant judgement is required in determining the progress based on the certified work-to-date corroborated by the level of completion of the construction based on actual costs incurred to-date over the total estimated construction costs. The total estimated construction costs are based on approved budgets, which require assessments and judgments to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, the Group evaluates based on past experience, the work of specialists and a continuous monitoring mechanism.

The contract assets and contract liabilities of the Group arising from construction contracts are disclosed in Note 11.

Revenue from property development contracts

Property development costs comprise all costs that are directly attributable to the development activities including costs associated with the acquisition of land, costs related directly to a specific property development activity and costs attributable to the development activities in general can be allocated to the project.

Property development revenue comprises the selling price agreed in the sale and purchase agreement and any additional revenue due to variation in development work.

When the development and construction activities have commenced and the financial outcome of the development activities can be reliably estimated, property development revenue is recognised for the development units sold and determined by reference to the stage of completion of the development activity at the end of the reporting year. Stage of completion is determined based on the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

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 from property development contracts (Cont'd)

When the outcome of a property development activity cannot be estimated reliably, property development revenue is recognised only to the extent of the property development costs incurred that it is probable will be recoverable, and the associated property development costs on the development units sold are recognised as expense in the year in which they are incurred.

Any expected loss on a specific property development activity is recognised as an expense immediately (including any further costs expected to be incurred over the defects liability period).

Property development revenue and expenses recognised are immediately written back as soon as rescission or revocation of sale occurs.

Where revenue recognised in the statement of comprehensive income exceeds billings to purchasers, the balance is shown as accrued billings under trade receivables (within current assets). Where the billings to purchasers exceed revenue recognised in the statement of comprehensive income, the balance is shown as progress billings under trade payables (within current liabilities).

Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the value in use is disclosed in Note 6 to the financial statements.

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**(i) Subsidiaries**

In the Company's separate financial statements, investment in subsidiaries are stated at cost less any accumulated impairment losses.

(ii) Business combination

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. Material Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(iii) Goodwill on consolidation

Goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(k)(i).

(i) Measurement basis

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of an asset.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the asset will flow to the Group and to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset over its estimated useful life. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for its intended use.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Building	50 years
Motor vehicles	5 years
Office equipment	5 years
Furniture and fittings	5 years
Plant and machineries	10 years
Computers	3 ¹ / ₃ - 10 years
Renovation	5 years

The useful lives and depreciation method are reviewed at each reporting period end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(c) Leases

(i) Group as a lessee

- **Right-of-use ("ROU") assets**

Right-of-use ("ROU") assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land and building	Over the remaining lease period
Motor vehicles	5 years
Plant and machineries	10 years

- **Lease liabilities**

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

- **Short term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(d) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequently, investment properties are measured at fair value which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are valued by independent professionally qualified valuers, having appropriate recognised professional qualifications and recent experience in the locations and segments of the investment properties valued. The management team reviewed and discussed the valuations, including valuation processes, performed by the independent valuers for financial reporting purposes.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. Material Accounting Policies (Cont'd)

(d) Investment properties (Cont'd)

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the reporting period of retirement or disposal.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(e) Intangible assets

(i) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair values at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(ii) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

See accounting policy Note 3(k)(i) to the financial statements on impairment of non-financial assets for intangible assets.

(f) Financial assets

Initial recognition and measurement

Financial assets of the Group are classified, at initial recognition, and subsequently measured at amortised cost and fair value through profit or loss whilst all financial assets of the Company are measured at amortised cost.

The Group's and the Company's financial assets at amortised cost and fair value through profit and loss are disclosed in Note 35(a).

The Group's financial assets at fair value through profit or loss includes investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. Material Accounting Policies (Cont'd)**(f) Financial assets (Cont'd)**Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group has performed its assessment based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. In making this assessment, the Group also takes into consideration that it would maintain its name as the registered owner of the properties until full settlement is made by the purchasers or the purchasers’ end-financiers.

(g) Financial liabilitiesInitial recognition and measurement

Financial liabilities of the Group and the Company are classified, at initial recognition, as financial liabilities at amortised cost.

The Group’s and the Company’s financial liabilities at amortised cost are disclosed in Note 35(a).

(h) Property development costs and completed properties

Property under development consists of the costs 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 and amenities and other related costs. The asset is subsequently recognised as an expense in profit or loss when and as the control of the asset is transferred to the customer.

Property 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 are incident 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 applicable selling expenses.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. Material Accounting Policies (Cont'd)

(i) Contract assets and contract liabilities

Contract assets is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings to date and deposits or advances received from customers.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, deposits with banks and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(k) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets and investment property measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. Material Accounting Policies (Cont'd)**(k) Impairment of assets (Cont'd)****(i) Non-financial assets (Cont'd)**

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase..

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables, other receivables, contract assets and inter-company balances, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(l) Share capital**(i) Ordinary shares**

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. Material Accounting Policies (Cont'd)**(l) Share capital (Cont'd)****(ii) Distribution of non-cash assets to owners of the Company**

The distribution of non-cash assets to owners is recognised as dividend payable when the dividend was approved by shareholders. The dividend payable is measured at the fair value of the assets to be distributed. At the end of the reporting period and on the settlement date, the Company reviews the carrying amount of the dividend payable, with any changes in the fair value of the dividend payable recognised in equity. When the Company settles the dividend payable, the difference between the carrying amount of the dividend distributed and the carrying amount of the dividend payable is recognised as a separate line item in profit or loss.

(m) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

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

Any reimbursement that the Group and the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

(i) Warranties

Provisions for the expected cost of warranty obligations are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's obligation. The Group does not provide such service-type warranties on products.

(ii) Onerous Contract

Provision for onerous contracts are recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. Material Accounting Policies (Cont'd)**(n) Employee benefits****(i) Short term employee benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensation absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(o) Revenue recognition**(i) Revenue from contracts with customers**

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Groups recognises revenue from the following major sources:

(a) Revenue from construction contracts

A construction contract is a contract specifically negotiated for the construction of an assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use. Hence, it is accounted for as a single performance obligation.

Revenue and profit for construction contracts are recognised over time arising from the fulfillment of the following criteria:

- (i) The customer of the construction contracts simultaneously receives and consumes the benefits provided as the construction service progress.
- (ii) The construction service relates to the creation or enhancement of an asset or a combination of assets which the customer controls.
- (iii) The construction service does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. Material Accounting Policies (Cont'd)

(o) Revenue recognition (Cont'd)

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

(a) Revenue from construction contracts (Cont'd)

Revenue is recognised over the period of the contract using the input method to measure the progress towards complete satisfaction of the performance obligations under the construction contract by reference to the actual cost incurred for work performed to-date, i.e. based on the level of completion of the physical proportion of contract work to-date certified by professional accountants over the estimated total costs for each contract.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date. The state of completion of a construction contract is determined based on the proportion that the contract cost incurred for work performed to-date bear to the estimated total cost for the contract.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agree in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is only included in contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim. Variation claim gives rise to variable consideration which is estimated at either the expected value or most likely amount and included in revenue to the extent that it is highly probable that the revenue will not be reversed. No element of financing is deemed present as the payment schedule and credit term as disclosed as it to the financial statements are consistent with the market practice.

The customer pay according to the progress claim submitted to them based on the progress of the construction measured over time. If the construction services rendered by the Group exceed the payments, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised. Further details on the accounting policy of contract assets and contract liabilities are disclosed in Note 3(i) to the financial statements.

(b) Revenue from property development

The Group recognises revenue from property development over time when control over the property has been transferred to the customers. The properties have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to-date. Revenue from property development is measured at the fixed transaction price agreed under the sales and purchase agreement

Revenue is recognised over the period of the contract using input method to measure the progress towards complete satisfaction of the performance obligations under the sale and purchase agreement, i.e. based on the proportion of property development costs incurred for work performed up to the end of the reporting period as a percentage of the estimated total costs of development of the contract.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. Material Accounting Policies (Cont'd)**(o) Revenue recognition (Cont'd)****(i) Revenue from contracts with customers (Cont'd)****(b) Revenue from property development (Cont'd)**

The Group becomes entitled to invoice customers for construction of promised properties based on achieving a series of performance-related milestones (i.e. progress billing). The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the progress billing exceeds the revenue recognised to-date, the Group recognises a contract liability for the difference. There is not considered to be a significant financing component in contracts with customers as the period between the recognition of revenue and the progress billing is always less than one year.

Revenue from sale of completed properties is recognised at a point in time, being when the control of the properties has been passed to the purchasers. And, it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the properties sold.

The Group provides warranties for general repairs of defects as required by law. These assurance-type warranties are accounted for under MFRS 137 *Provision, Contingent Liabilities and Contingent Assets*.

(c) Sale of goods

The Group manufactures and trading of polyurethane products and construction materials. Revenue from sale of goods is recognised at the point in time upon control of the products has transferred, being the products are delivered to the customer.

Following delivery of the goods to the customers, the customers have full discretion over the goods, and bears the risks of obsolescence and loss in relation to the goods.

Revenue is recognised based on the price specified in the contract net of the rebates, discounts and taxes. Under the standard contract terms, customers have a right of return within 30 days. At the point of sale, a refund liability and a corresponding adjustment to revenue are recognised for those product expected to be returned. At the same time, it has a right to recover the product when customers exercise their right of return, so consequently recognises a right to returned goods asset and a corresponding adjustment to the cost of inventories recognised in profit or loss. The Group does not have such contract terms with its customers on right of return.

A receivable is recognised by the Group when the goods are delivered as this represents the point in time at which the right to consideration is unconditional, because only the passage of time is required before payment is due. No element of financing is deemed present as the revenue recognised with a credit term of 30 to 120 days which is consistent with market practice.

Revenue from maintenance and management services in relation to the concession is recognised based on monthly fixed fee (at point in time) during the period of concession.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

3. Material Accounting Policies (Cont'd)

(o) Revenue recognition (Cont'd)

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

(d) Maintenance and management services income

Revenue from maintenance and management services in relation to the concession is recognised based on monthly fixed fee (at point in time) during the period of concession.

(e) Concession finance income

Concession finance income in relation to the concession is recognised over the concession period based on the Concession Agreement with the Government of Malaysia.

(f) Rental income

Rental income is accounted for on a straight-line basis over the lease terms.

(g) Commission income

Commission income is recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided and has a present right to payment for the services.

(ii) Interest income

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

Significant financing component

The Group receives short-term advances from its customers. Using the practical expedient in MFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that goods or service will be one year or less.

(p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

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3. Material Accounting Policies (Cont'd)**(p) Borrowing costs (Cont'd)**

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(q) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

NOTES TO THE FINANCIAL STATEMENTS

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3. Material Accounting Policies (Cont'd)

(s) Service concession arrangements

The Group recognises the consideration received or receivable as a financial asset to the extent that it has an unconditional right to receive cash or another financial asset for the construction services. Financial assets are accounted for in accordance with the accounting policy set out in Note 3(h) to the financial statements.

When the Group has contractual obligations that it must fulfill under the agreement:

- (i) to maintain the infrastructure to a specified standard; or
- (ii) to restore the infrastructure when the infrastructure has deteriorated below a specified condition.

The Group recognises and measures these contractual obligations in accordance with the accounting policy for provisions in Note 3(p) to the financial statements. Repairs and maintenance and other expenses that are routine in nature are expensed and recognised in profit or loss as incurred.

(t) Fair value measurement

Fair value of an asset or a liability 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 of 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.

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 Company can access at the measurement date.
- Level 2: inputs 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.

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4. Property, Plant and Equipment

Group	At Cost					At 31 December RM
	At 1 January RM	Additions RM	Disposals RM	Written off RM		
2025						
Freehold land	3,358,392	-	-	-	-	3,358,392
Building	151,808	-	-	-	-	151,808
Long term leasehold land and building						
- ROU	7,609,349	-	-	-	-	7,609,349
Motor vehicles						
- Owned	8,270,751	1,370,768	(1,051,653)	-	-	8,589,866
- ROU	827,871	1,475,434	-	-	-	2,303,305
Office equipment	3,648,041	590,772	(317,001)	(9,898)		3,911,914
Furniture and fittings	357,089	-	-	-	-	357,089
Plant and machineries						
- Owned	138,511,320	6,995,246	(3,866,170)	(8,979)		141,631,417
- ROU	603,480	-	-	-	-	603,480
Computers	2,920,649	328,965	-	-	-	3,249,614
Renovation	2,774,575	-	-	-	-	2,774,575
	169,033,325	10,761,185	(5,234,824)	(18,877)		174,540,809

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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

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

Group	Accumulated depreciation					Carrying amount
	At 1 January	Disposals	Charge for the financial year	Written off	At 31 December	
2025	RM	RM	RM	RM	RM	RM
Freehold land	-	-	-	-	3,036	3,355,356
Building	48,070	-	3,036	-	48,070	103,738
Long term leasehold land and building						
- ROU	844,991	-	92,304	-	937,295	6,672,054
Motor vehicles						
- Owned	8,228,633	(992,453)	169,499	-	7,405,679	1,184,187
- ROU	41,238	-	378,013	-	419,251	1,884,054
Office equipment	3,427,929	(312,892)	143,326	(8,174)	3,250,189	661,725
Furniture and fittings	354,679	-	813	-	355,492	1,597
Plant and machineries						
- Owned	107,338,727	(3,137,570)	9,906,391	(4,863)	114,102,685	27,528,732
- ROU	261,508	-	60,348	-	321,856	281,624
Computers	2,784,951	-	92,974	-	2,877,925	371,689
Renovation	2,245,870	-	188,958	-	2,434,828	339,747
	125,576,596	(4,442,915)	11,035,662	(13,037)	132,156,306	42,384,503

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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

4. Property, Plant and Equipment

	At Cost						
	At 1 January RM	Additions RM	Acquisitions through business combination RM	Disposals RM	Written off RM	Reclassification RM	At 31 December RM
Freehold land	3,358,392	-	-	-	-	-	3,358,392
Building	151,808	-	-	-	-	-	151,808
Long term leasehold land and building	7,609,349	-	-	-	-	-	7,609,349
- ROU							
Motor vehicles	9,548,930	23,321	-	(1,738,200)	-	436,700	8,270,751
- Owned	436,700	827,871	-	-	-	(436,700)	827,871
- ROU	3,672,123	60,732	106,011	(158,650)	(32,175)	-	3,648,041
Office equipment	354,684	1,300	1,105	-	-	-	357,089
Furniture and fittings							
Plant and machineries	120,060,798	6,353,666	-	(751,428)	(76,473)	12,924,757	138,511,320
- Owned	13,528,237	-	-	-	-	(12,924,757)	603,480
- ROU	2,785,477	76,102	60,250	-	(1,180)	-	2,920,649
Computers	1,829,777	-	944,798	-	-	-	2,774,575
Renovation							
	163,336,275	7,342,992	1,112,164	(2,648,278)	(109,828)	-	169,033,325

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

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

Group	Accumulated depreciation						Carrying amount
	At 1 January	Acquisitions through business combination	Disposals	Charge for the financial year	Written off	Reclassification	
	RM	RM	RM	RM	RM	RM	RM
2024							
Freehold land	-	-	-	-	-	-	3,358,392
Building	45,034	-	-	3,036	-	48,070	103,738
Long term leasehold land and building							
- ROU	752,687	-	-	92,304	-	844,991	6,764,358
Motor vehicles							
- Owned	9,506,902	-	(1,728,879)	28,466	(25,875)	8,228,633	42,118
- ROU	422,144	-	-	41,238	(422,144)	41,238	786,633
Office equipment	3,349,300	62,064	(158,650)	201,090	-	3,427,929	220,112
Furniture and fittings	353,169	92	-	1,418	-	354,679	2,410
Plant and machineries							
- Owned	90,726,174	-	(425,192)	10,679,560	(26,923)	107,338,727	31,172,593
- ROU	6,586,268	-	-	60,348	-	261,508	341,972
Computers	2,737,168	9,243	-	39,719	(1,179)	2,784,951	135,698
Renovation	1,829,777	384,600	-	31,493	-	2,245,870	528,705
	116,308,623	455,999	(2,312,721)	11,178,672	(53,977)	125,576,596	43,456,729

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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

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

- (a) The long term leasehold land and building's remaining period of lease term is 66 (2024: 67) years.
- (b) Assets held under finance leases arrangement

Included in the property, plant and equipment of the Group under finance leases arrangement with carrying amount are as follows:

	Group	
	2025 RM	2024 RM
Plant and machineries	281,624	341,972
Motor vehicles	1,884,054	786,633
	2,165,678	1,128,605

The leased assets are pledged for the related financing facilities as disclosed in Note 21 to the financial statements.

- (c) The aggregate additional cost for property, plant and equipment of the Group during the financial year acquired under finance lease arrangement and cash payment are as follows:

	Group	
	2025 RM	2024 RM
Aggregate costs	10,761,185	7,342,992
Less: Lease financing (Note 22)	(1,984,732)	(654,000)
Cash payments	8,776,453	6,688,992

5. Investment Properties

	Freehold land and buildings RM	Leasehold land and buildings RM	Capital work-in progress RM	Total RM
Group				
2025				
At 1 January	7,064,378	3,680,000	234,743	10,979,121
Additions	-	-	1,070,000	1,070,000
Change in fair value recognised in profit and loss	35,622	-	-	35,622
At 31 December	7,100,000	3,680,000	1,304,743	12,084,743
Included in the above are:				
At fair value	7,100,000	3,680,000	-	10,780,000
At cost	-	-	1,304,743	1,304,743

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5. Investment Properties (Cont'd)

	Freehold land and buildings RM	Leasehold land and buildings RM	Capital work-in progress RM	Total RM
Group				
2024				
At 1 January	6,600,000	3,680,000	-	10,280,000
Additions	1,354,378	-	234,743	1,589,121
Disposal	(890,000)	-	-	(890,000)
At 31 December	7,064,378	3,680,000	234,743	10,979,121
Included in the above are:				
At fair value	7,064,378	3,680,000	-	10,744,378
At cost	-	-	234,743	234,743

(a) Investment properties under leases

Investment properties of a subsidiary company refer to three lots of freehold land and buildings and two lots of leasehold land and buildings that are leased to third companies. Each of the leases is subsequently renewed and negotiated with the lessee on an average renewal period of 2 years. No contingent rents are charged.

(b) Fair value basis of investment properties

The investment properties are re-measured annually at fair value based on market values determined by independent qualified valuers amounting to RM10,780,000 (2024: RM10,744,378). The independent professional qualified valuers hold recognised relevant professional qualifications and have recent experience in the locations and segment of the investment properties valued. There was no material transfer between Level 1, Level 2 and Level 3 during the current financial year.

	Level 2 RM	Total RM
Group		
2025		
Commercial properties	10,780,000	10,780,000
2024		
Commercial properties	10,744,378	10,744,378

Level 2 fair value

The fair values have been derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as location and property size. The most significant input into this valuation approach is price per square foot of comparable properties.

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5. Investment Properties (Cont'd)

(c) Income and expenses recognised in profit or loss

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

	Group	
	2025	2024
	RM	RM
Rental income	449,178	376,203
Direct operating expenses:		
- income generating investment properties	101,964	38,649

(d) Investment properties under construction

Investment properties under construction which are stated at cost comprise service apartments under construction in Malaysia. Management concludes that due to the nature and amount of remaining projects risks, the fair value cannot be reliably determined.

(e) Investment property of the Group amounting to RM3,654,743 (2024: RM2,549,121) has been charged to secure banking facilities granted as disclosed in Note 21 to the financial statements.

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6. Intangible Assets

	Goodwill on Consolidation RM	Concession Right RM	Total RM
Group			
2025			
Cost			
At 1 January/31 December	35,970,337	62,133,241	98,103,578
Accumulated amortisation and impairment losses			
At 1 January	3,034,543	22,523,300	25,557,843
Amortisation for the financial year	-	3,106,662	3,106,662
At 31 December	3,034,543	25,629,962	28,664,505
Carrying Amount			
At 31 December	32,935,794	36,503,279	69,439,073
2024			
Restated			
Cost			
At 1 January	3,034,543	62,133,241	65,167,784
Acquisition of a subsidiary company [Note 7(b)]	32,935,794	-	32,935,794
At 1 January/31 December	35,970,337	62,133,241	98,103,578
Accumulated amortisation and impairment losses			
At 1 January	3,034,543	19,416,638	22,451,181
Amortisation for the financial year	-	3,106,662	3,106,662
At 31 December	3,034,543	22,523,300	25,557,843
Carrying Amount			
At 31 December	32,935,794	39,609,941	72,545,735

(a) Goodwill on consolidation

Acquisition of Gaya Kuasa Sdn. Bhd. ("GKSB")

Goodwill on consolidation has been allocated to the Group's cash generating unit ("CGU") identified according to the business segment as property development.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

6. Intangible Assets (Cont'd)**(a) Goodwill on consolidation (Cont'd)**Acquisition of Gaya Kuasa Sdn. Bhd. ("GKSB")(Cont'd)

The recoverable amount of the CGU is determined based on value-in-use calculation using cash flow projections approved by the management covering the three-year property development period. The key assumption used for value-in-use calculation is based on future projections of the Group in Malaysia as follows:

	Growth Rate		Discount Rate	
	% 2025	% 2024	% 2025	% 2024
Gaya Kuasa Sdn. Bhd.	(i)	(i)	9.16	9.16

(i) Growth rate : Based on expected projection of sales generated from property development projects.

(ii) Discount rate (pre-tax) : The pre-tax discount rate reflects specific risks relating to the relevant CGU.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources. The management believes that a reasonably possible change in the key assumptions on which management has based on its determination of the CGU's recoverable amount would not cause the CGU's carrying amount to exceed its recoverable amount.

Sensitivity test

The management believes that a reasonably possible change in the above key assumptions on which management has based on its determination of the CGU's recoverable amount would not cause the CGU's carrying amount to exceed its recoverable amount.

(b) Concession right

This is a 20-year concession (expected to expire in 2037) granted by the Government of Malaysia to Budaya Positif Sdn. Bhd., a wholly-owned subsidiary company of SEP Resources (M) Sdn. Bhd. in which 70% owned subsidiary company of the Company, for design, development and maintenance of the Student's Residential Building Blocks ("Student Hostel") of Universiti Malaysia Perlis ("UNIMAP") in Padang Siding, Perlis Indera Kayangan, as disclosed in Note 8 to the financial statements.

The concession right is amortised over the concession period and of an average remaining amortisation period of 11 years (2024: 12 years).

Impairment testing for concession right

No impairment assessment was performed on the concession right as there was no indication of impairment during the financial year.

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7. Investments in Subsidiary Companies

	Company	
	2025 RM	2024 RM
In Malaysia		
Unquoted shares, at cost	251,770,798	250,870,798
Less: Accumulated impairment loss	(3,016,298)	(3,016,298)
	<u>248,754,500</u>	<u>247,854,500</u>

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	<u>3,016,298</u>	<u>3,016,298</u>

The impairment loss was recognised due to impairment indicators noted, where the subsidiary companies reported continuous losses. The impairment loss was recognised in expenses in the statements of profit or loss and other comprehensive income.

Details of the subsidiary companies are as follows:

Name of company	Place of business/ country of incorporation	Effective interest		Principal activities
		2025 %	2024 %	
Pesona Metro Sdn. Bhd.	Malaysia	100	100	Engage in construction work
Pesona Asset Management Sdn. Bhd.	Malaysia	100	100	Building maintenance services
Megah Mestika Sdn. Bhd.	Malaysia	100	100	Investment holding
SEP Resources (M) Sdn. Bhd.	Malaysia	70	70	Investment holding
Lumayan Metro Sdn. Bhd.	Malaysia	100	100	Property development and construction work
Gaya Kuasa Sdn. Bhd.	Malaysia	51	51	Real property development
Held through Pesona Metro Sdn. Bhd.:				
Imej Mayang Sdn. Bhd.	Malaysia	100	100	Trading and supply of ready-mixed concrete and to carry on business as insurances brokers and agents
Insamewah Sdn. Bhd.	Malaysia	100	100	Trading in construction materials
Ratus Syabas Sdn. Bhd.	Malaysia	100	100	Property investment holding and construction works

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7. 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 %	
Held through Megah Mestika Sdn. Bhd.:				
Awana Infra Sdn. Bhd.	Malaysia	100	100	Investment holding
Held through SEP Resources (M) Sdn. Bhd.:				
Budaya Positif Sdn. Bhd.	Malaysia	70	70	Development of facilities through private finance initiatives

(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 allocated to non-controlling interests		Accumulated non-controlling interests	
	2025 %	2024 %	2025 RM	2024 RM	2025 RM	2024 RM
SEP Resources (M) Sdn. Bhd. and its subsidiary company ("SEP"Group)	30	30	1,573,360	1,645,268	27,582,874	26,009,514
Gaya Kuasa Sdn. Bhd. ("GKSB")	49	49	13,770,879	516,006	21,843,291	8,072,412

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.

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7. Investments in Subsidiary Companies (Cont'd)

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

(i) Summarised statements of financial position

	SEP Group		GKSB	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-current assets	112,472,069	117,612,866	978,252	620,882
Current assets	130,743,550	138,206,946	194,033,567	138,866,110
Non-current liabilities	(155,297,510)	(170,394,049)	(719,490)	(22,601)
Current liabilities	(23,514,063)	(28,627,313)	(156,183,668)	(134,446,459)
Net assets	64,404,046	56,798,450	38,108,661	5,017,932

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

	SEP Group		GKSB	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue	36,879,823	32,214,322	194,009,890	8,460,102
Profit for the financial year, representing total comprehensive income for financial year	7,605,597	7,845,290	33,090,728	1,054,297

(iii) Summarised statements of cash flows

	SEP Group		GKSB	
	2025 RM	2024 RM	2025 RM	2024 RM
Net cash from/(used in) operating activities	13,838,321	17,914,946	2,536,714	(743,372)
Net cash from/(used in) investing activities	13,367,603	(83,468,905)	(265,523)	(1,440)
Net cash from/(used in) financing activities	(27,799,897)	66,892,119	2,418,751	449,521
Net changes in cash and cash equivalents	(593,973)	1,338,160	4,689,942	(295,291)

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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

7. Investments in Subsidiary Companies (Cont'd)

(b) Acquisition of subsidiary companies

- (i) On 10 November 2025, the Company subscribed 900,000 ordinary shares in LMSB for a total cash consideration of RM900,000 only.
- (ii) On 18 October 2024, the Company completed the acquisition of 51% equity interest in Gaya Kuasa Sdn. Bhd. ("GKSB"). The total cash consideration was RM40,800,000. On 13 October 2025, the Group has completed the Purchase Price Allocation ("PPA") exercise in accordance with *MFRS 3* Business Combination to determine the fair values of identifiable net assets and liabilities of Gaya Kuasa Sdn. Bhd.. The details arising from the acquisition are as follows:

	As previously reported 2024 RM	Group PPA Adjustment RM	As Restated 2024 RM
Identifiable assets acquired and liabilities assumed			
Property, plant and equipment (Note 4)	656,165	-	656,165
Property development costs (Note 10)	93,925,819	15,074,181	109,000,000
Contract assets (Note 11)	17,092,301	-	17,092,301
Trade receivables	11,384,273	-	11,384,273
Others receivables, deposits and prepayment	4,268,418	-	4,268,418
Tax recoverable	6,027	-	6,027
Fixed deposits with licensed financial institution	877,575	-	877,575
Cash and bank balances	3,720,295	-	3,720,295
Trade payables	(38,636,390)	-	(38,636,390)
Other payables and accrued liabilities	(73,220,051)	-	(73,220,051)
Deferred tax liabilities (Note 23)	(22,601)	(3,617,803)	(3,640,404)
Bank borrowings	(16,088,197)	-	(16,088,197)
	<u>3,963,634</u>	<u>11,456,378</u>	<u>15,420,012</u>
Net cash outflows arising from acquisition of a subsidiary company			
Purchase consideration settled in cash	40,800,000	-	40,800,000
Less: Cash in hand of subsidiary acquired	(4,597,870)	-	(4,597,870)
Net cash outflows arising from acquisition of subsidiary	<u>36,202,130</u>	<u>-</u>	<u>36,202,130</u>
Goodwill arising from acquisition			
Fair value of consideration transferred	40,800,000	-	40,800,000
Non-controlling interest, based on their proportionate interest in the recognised amounts of the assets of the acquiree	1,942,181	5,613,625	7,555,806
Fair value of identifiable assets acquired	<u>(3,963,634)</u>	<u>(11,456,378)</u>	<u>(15,420,012)</u>
	<u>38,778,547</u>	<u>(5,842,753)</u>	<u>32,935,794</u>

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8. Concession Receivables

	Group	
	2025 RM	2024 RM
Concession receivables:		
- Non-current	111,976,306	116,984,940
- Current	5,008,634	4,430,751
	116,984,940	121,415,691

In 2013, a subsidiary company, Budaya Positif Sdn. Bhd. had entered into a Concession Agreement (“CA”) with the Government of Malaysia and UNIMAP for the design, development and maintenance of Student Hostel for UNIMAP in Padang Siding, Perlis Indera Kayangan through Public Private Partnership (“the Project”). The construction period of the Project is 2.5 years, thereafter, followed by maintenance of the Project for a period of 20 years (“Concession Period”).

In consideration of the subsidiary company completed and making available the Student Hostel, and subject to the terms and conditions of the CA, UNIMAP shall pay a sublease rental and asset management service charges on a monthly basis until the end of the Concession Period, at rates which are stipulated in the CA.

The movement of the concession receivables during the financial year are as follows:

	Group	
	2025 RM	2024 RM
Concession receivables:		
At 1 January	121,415,691	125,335,233
Transferred to trade receivables	(20,266,470)	(20,266,470)
Concession finance income (Note 25)	15,835,719	16,346,928
At 31 December	116,984,940	121,415,691

9. Trade Receivables

	Group	
	2025 RM	2024 RM
Non-current		
Retention sums		
- third parties	(b) 42,140,132	37,277,042

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9. Trade Receivables (Cont'd)

	Group	
	2025 RM	2024 RM
Current		
Trade receivables		
- third parties	258,410,664	153,160,341
(a)	<u>258,410,664</u>	<u>153,160,341</u>
Retention sums		
- third parties	25,287,640	44,049,357
(b)	<u>25,287,640</u>	<u>44,049,357</u>
	<u>283,698,304</u>	<u>197,209,698</u>
	<u>325,838,436</u>	<u>234,486,740</u>

(a) Trade receivables

Trade receivables are recognised at amount stated on their original certificate of claims which represent their fair value on initial recognition.

The Group's normal trade credit terms are from 30 days to 90 days (2024: 30 days to 90 days). Other credit terms are assessed and approved on a case by case basis.

(b) The retention sums of the Group relating to construction work-in-progress are unsecured, interest-free and are expected to be collected as follows:

	Group	
	2025 RM	2024 RM
Within one year	25,287,640	44,049,357
After one year	42,140,132	37,277,042
	<u>67,427,772</u>	<u>81,326,399</u>

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10. Property Development Costs

	Group	
	2025 RM	2024 RM
Leasehold land, at cost		
At beginning of financial year	19,978,323	-
Acquisition through business combination	-	19,978,323
At end of financial year	19,978,323	19,978,323
Cumulative property development costs		
At beginning of financial year	387,793,674	-
Acquisition through business combination	-	375,666,066
Recognised during the year	158,416,720	12,127,608
At end of financial year	546,210,394	387,793,674
Total land cost and development expenditure	566,188,717	407,771,997
Cumulative cost recognised in profit or loss		
Less: Cost recognised in profit or loss		
At beginning of financial year	(292,596,119)	-
Acquisition through business combination	-	(286,644,389)
Reversal during the year	(4,732,800)	-
Recognised during the year	(138,486,978)	(5,951,730)
At end of financial year	(435,815,897)	(292,596,119)
Carrying amount		
At end of financial year	130,372,820	115,175,878

Leasehold land of the Group amounting to RM19,978,323 (2024: RM19,978,323) has been charged to secure banking facilities granted as disclosed in Note 21 to the financial statements.

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11. Contract Assets/(Liabilities)

	Note	Group	
		2025 RM	2024 RM
Contract assets			
Construction activities	(a)	29,287,119	36,612,343
Property development activities	(b)	36,525,565	22,526,795
		<u>65,812,684</u>	<u>59,139,138</u>
Contract liabilities			
Construction activities	(a)	(100,773,657)	(33,242,248)

(a) Construction activities

	Group	
	2025 RM	2024 RM
Contract costs incurred to date	945,492,013	957,408,158
Add: Attributable profits	42,457,865	33,363,477
	<u>987,949,878</u>	<u>990,771,635</u>
Less: Progress billings	(1,059,436,416)	(987,401,540)
	<u>(71,486,538)</u>	<u>3,370,095</u>
Presented as:		
Contract assets	29,287,119	36,612,343
Contract liabilities	(100,773,657)	(33,242,248)
	<u>(71,486,538)</u>	<u>3,370,095</u>

The contract assets primarily relate to the Group's rights to consideration for work completed on construction contracts but not yet billed at the reporting date. Typically, the amount generally will be billed within 90 days and payment is expected within 60 days.

The contract liabilities primarily relate to the advance consideration received from a customer for a construction contract, which revenue is recognised over time during the construction. The contract liabilities as expected to be recognised as revenue over a period of 90 days.

The transaction price allocated to the performance obligations that are unsatisfied (or partially satisfied) as at 31 December 2025 is RM3,153,870,731 (2024: RM3,039,494,771) where the Group expects to recognise it as revenue over the next 3 (2024: 3) years.

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11. Contract Assets/(Liabilities) (Cont'd)

(b) Property development activities

	Group	
	2025 RM	2024 RM
Property development revenue recognised to date		
At beginning of financial year	60,058,818	-
Acquisition through business combination	-	51,598,716
Recognised during the year	194,009,890	8,460,102
At end of financial year	254,068,708	60,058,818
Less: Progress billings		
At beginning of financial year	37,532,023	-
Acquisition through business combination	-	34,506,415
Recognised during the year	180,011,120	3,025,608
At end of financial year	217,543,143	37,532,023
Presented as:		
Contract assets	36,525,565	22,526,795

Contract assets in relation to property development activities represent the excess of revenue recognised in profit or loss over billings to purchasers as at the reporting date. This unbilled amount for work completed will be transferred to trade receivables when the right to bill becomes unconditional.

The costs incurred to date on construction contracts include the following charges made during the financial year:

	Note	Group	
		2025 RM	2024 RM
Short-term leases:			
- Plant and machineries		5,154,200	6,314,057
- Premises		153,910	146,280
Secondment of staff	30	2,529,439	2,957,058
Staff costs:			
- Salaries and other emoluments	30	29,161,803	30,309,886
- EPF contribution	30	1,719,465	1,547,171

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12. Other Receivables

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other receivables	24,743,661	27,749,132	-	-
Deposits	5,125,500	4,542,952	5,000	5,000
Prepayments	922,784	795,725	-	-
	<u>30,791,945</u>	<u>33,087,809</u>	<u>5,000</u>	<u>5,000</u>

Included in the Group's other receivables are advances to sub-contractors amounting to RM20,993,849 (2024: RM22,622,822) and advance payments made to acquire property, plant and equipment amounting to RM748,200 (2024: 1,753,986).

13. Amount Due from/(to) Subsidiary Companies

	Company	
	2025 RM	2024 RM
Amount due from subsidiary companies	20,828,589	427,370
Less: Accumulated impairment losses	(227,420)	(205,420)
	<u>20,601,169</u>	<u>221,950</u>
Amount due to subsidiary companies	<u>(27,883,000)</u>	<u>(26,499,180)</u>

Non-trade balances are unsecured, interest-free advances and are repayable on demand.

Movement in the allowance for impairment losses of amount due from subsidiary companies are as follows:

	Company	
	2025 RM	2024 RM
Company		
Credit impaired		
At 1 January	205,420	183,420
Impairment loss recognised	22,000	22,000
At 31 December	<u>227,420</u>	<u>205,420</u>

Amount due from subsidiary companies that are individually determined to be impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments.

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14. Amount Due from an Associated Company

	Group and Company	
	2025 RM	2024 RM
Amount due from an associated company	2,300,000	2,300,000
Less: Accumulated impairment loss	(2,300,000)	(2,300,000)
	-	-

Non-trade balance is unsecured, interest-free advances and is repayable on demand.

There is no movement in the allowance for impairment losses on amount due from an associated company during the financial year.

15. Fixed Deposits with Licensed Banks

The fixed deposits of the Group amounting to RM4,877,803 (2024: RM50,652,980) are pledged to licensed banks as security for banking borrowings and sukuk liabilities granted to the Group as disclosed in Note 20 and 21 to the financial statements.

The interest rates of the fixed deposits of the Group range from 1.65% to 3.70% (2024: 2.25% to 3.72%) per annum and mature with range from 1 month to 12 months (2024: 1 month to 12 months).

16. Cash and Bank Balances

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	111,658,731	50,446,346	197,252	178,482
Housing Developments Accounts	3,146,275	758,410	-	-
	114,805,006	51,204,756	197,252	178,482

Cash held under the Housing Development Accounts which are not freely available or use represent monies received from purchasers of residential properties less payments or withdrawals in accordance with the Housing Development (Controls and Licensing) Act, 1966, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulations, 2002.

The interest rates of cash held under Housing Development Accounts at the reporting date bearing interest ranging from 1.30% to 1.47% (2024: 1.30% to 1.47%) per annum.

Included in cash and bank balances is an amount of RM43,273,475 (2024: RM86,192) pledged to Sukuk liabilities issued by a subsidiary company as disclosed in Note 20 to the financial statements and an amount of RM5,438,015 (2024: RM9,594,260) is cash restricted for payment of a concession project.

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17. Share Capital

	Group and Company			
	Number of shares Units		Amount	
	2025	2024	2025	2024

Issued and fully paid

At 1 January/ 31 December	694,986,660	694,986,660	194,031,751	194,031,751
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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.

18. Reverse Acquisition Reserve

	Group	
	2025 RM	2024 RM

Issued and paid up share capital of the Company (legal holding) after reverse acquisition of Pesona Metro Sdn. Bhd.	96,000,000	96,000,000
Reversal of PMSB's share capital pursuant to reverse acquisition exercise	(5,000,000)	(5,000,000)
Reverse acquisition reserve	91,000,000	91,000,000

19. Trade Payables

	Group	
	2025 RM	2024 RM

Non-current

Retention sum on contracts	24,389,484	16,249,220
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Current

Trade payables	149,602,104	151,890,310
Trade accruals	27,531,825	31,059,532
Retention sum on contracts	27,813,619	36,920,612
	204,947,548	219,870,454
	229,337,032	236,119,674

Included in trade accruals is mainly the provision for costs to complete the construction of projects.

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19. Trade Payables (Cont'd)

The normal trade credit terms granted to the Group range from 30 to 60 days (2024: 30 to 60 days). Other credit terms are assessed and approved on a case by case basis. Whereas, retention sums are payable upon the expiry of the defect liability periods of the respective construction contracts. The defect liability periods of the construction contracts are between 18 to 30 months (2024: 12 to 30 months).

20. Sukuk Liabilities

	Group	
	2025 RM	2024 RM
Sukuk Wakalah		
- Non-current	155,000,000	170,000,000
- Current	15,000,000	15,000,000
	170,000,000	185,000,000

The Sukuk Wakalah is secured by the following:

- (i) Charge by SEP Resources (M) Sdn. Bhd. ("SEP") over its shareholding in Budaya Positif Sdn. Bhd. ("Budaya Positif");
- (ii) Charge by Pesona Metro Holdings Berhad ("Pesona Metro"), director and shareholder over their shareholdings in SEP;
- (iii) An assignment and charge by SEP over dividends and distributions from Budaya Positif (Dividends Assignment);
- (iv) An assignment and charge by SEP over receivables from Budaya Positif including Murabahah Stocks;
- (v) A charge over the Murabahah Stocks (secured by a charge over Budaya Positif's Designated Accounts and a debenture over its assets);
- (vi) A first-ranking assignment and charge over the SEP's Designated Accounts;
- (vii) A debenture by SEP creating first fixed and floating charges over all its present and future assets; and
- (viii) Corporate guarantee by the Company.

On 26 September 2024, the Company early redeemed the existing Sukuk Wakalah of RM105,000,000 and issued new Islamic medium term notes of up to RM185,000,000 in nominal value based on the Shariah principle of Wakalah Bi Al-Istithmar ("ASEAN Sustainability SRI Sukuk Wakalah"), to be guaranteed by the Guarantor vide a corporate guarantee.

The new Sukuk Wakalah comprises twelve (12) Tranches as follows:

- (i) the first tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due on 26 September 2025. The Sukuk Wakalah bears a profit rate of 4.50% per annum payable semi-annually in arrears, was fully redeemed during the financial year;
- (ii) the second tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due on 25 September 2026. The Sukuk Wakalah bears a profit rate of 4.55% per annum payable semi-annually in arrears;
- (iii) the third tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due on 24 September 2027. The Sukuk Wakalah bears a profit rate of 4.60% per annum payable semi-annually in arrears;
- (iv) the fourth tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due on 26 September 2028. The Sukuk Wakalah bears a profit rate of 4.65% per annum payable semi-annually in arrears;
- (v) the fifth tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due on 26 September 2029. The Sukuk Wakalah bears a profit rate of 4.70% per annum payable semi-annually in arrears;

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20. Sukuk Liabilities (Cont'd)

The new Sukuk Wakalah comprises twelve (12) Tranches as follows: (Cont'd)

- (vi) the sixth tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due on 26 September 2030. The Sukuk Wakalah bears a profit rate of 4.75% per annum payable semi-annually in arrears;
- (vii) the seventh tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due on 26 September 2031. The Sukuk Wakalah bears a profit rate of 4.80% per annum payable semi-annually in arrears;
- (viii) the eighth tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due on 24 September 2032. The Sukuk Wakalah bears a profit rate of 4.85% per annum payable semi-annually in arrears;
- (ix) the ninth tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due on 26 September 2033. The Sukuk Wakalah bears a profit rate of 4.90% per annum payable semi-annually in arrears;
- (x) the tenth tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due on 26 September 2034. The Sukuk Wakalah bears a profit rate of 4.95% per annum payable semi-annually in arrears;
- (xi) the eleventh tranche of RM15,000,000 in nominal value of Sukuk Wakalah which is due on 26 September 2035. The Sukuk Wakalah bears a profit rate of 5.0% per annum payable semi-annually in arrears; and
- (xii) the twelfth tranche of RM20,000,000 in nominal value of Sukuk Wakalah which is due on 26 September 2036. The Sukuk Wakalah bears a profit rate of 5.05% per annum payable semi-annually in arrears.

21. Bank Borrowings

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Secured				
Invoice financing	9,344,730	16,045,724	-	-
Revolving credit	102,700,305	32,129,000	20,000,000	15,000,000
Term loan	2,090,780	1,892,326	-	-
	<u>114,135,815</u>	<u>50,067,050</u>	<u>20,000,000</u>	<u>15,000,000</u>
Analysed as:				
Non-current				
Term loan	1,615,800	1,394,643	-	-
Current				
Invoice financing	9,344,730	16,045,724	-	-
Revolving credit	102,700,305	32,129,000	20,000,000	15,000,000
Term loan	474,980	497,683	-	-
	<u>112,520,015</u>	<u>48,672,407</u>	<u>20,000,000</u>	<u>15,000,000</u>
	<u>114,135,815</u>	<u>50,067,050</u>	<u>20,000,000</u>	<u>15,000,000</u>

(a) Term loans

The term loans are secured by the following:

- (i) first party charged over the investment property of the Group as disclosed in Note 5 to the financial statements; and
- (ii) corporate guarantee by the Company;

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21. Bank Borrowings (Cont'd)

(b) Invoice financing, revolving credit and bank overdrafts

The invoice financing, revolving credit and bank overdrafts are secured by the following:

- (i) pledge over the Group's fixed deposits with licensed banks as disclosed in Note 15 to the financial statements; and
- (ii) corporate guarantee by the Company;

(c) Included in the revolving credit and term loan are the borrowings for Gaya Kuasa Sdn Bhd ("GKSB") which are secured by the following:

- (i) corporate guarantee by the Company and personal guarantee by a Director;
- (ii) assignment of insurance policy;
- (iii) debenture by GKSB; and
- (iv) fixed party charge over one parcel of a subsidiary company's leasehold land as disclosed in Note 10.

The Group's interest rates per annum are as follows:

	Group		Company	
	2025 %	2024 %	2025 %	2024 %
Invoice financing	5.31% - 5.78%	5.54% - 5.89%	-	-
Revolving credit	4.77% - 5.85%	5.10% - 5.52%	4.99% - 5.24%	5.22% - 5.30%
Term loan	5.02% - 5.90%	5.20% - 5.43%	-	-

22. Lease Liabilities

	Group	
	2025 RM	2024 RM
At 1 January	717,312	1,556,289
Additions (Note 4(c))	1,984,732	654,000
Accretion of interest (Note 26)	37,478	38,512
Payments	(448,594)	(1,531,489)
At 31 December	2,290,928	717,312
Presented as:		
Non-current	1,734,375	516,662
Current	556,553	200,650
	2,290,928	717,312

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22. Lease Liabilities (Cont'd)

The maturity analysis of lease liabilities of the Group at the end of reporting period:

	Group	
	2025	2024
	RM	RM
Within one year	629,129	229,706
Between one to two years	632,868	146,412
Between two to five years	1,204,524	416,141
	2,466,521	792,259
Less: Future finance charges	(175,593)	(74,947)
Present value of minimum lease payments	2,290,928	717,312

Lease obligations

The finance lease payables are secured by a charge over the leased assets as disclosed in Note 4(b) to the financial statements. The interest rates for the leases are ranging from 2.19% - 2.49% (2024: 2.24% to 3.25%) per annum.

23. Deferred Tax Liabilities

	Group	
	2025	2024
	RM	RM Restated
At 1 January	13,146,790	10,251,985
Acquisition of subsidiary company	-	3,640,404
Recognised in profit or loss	(2,320,407)	(745,599)
At 31 December	10,826,383	13,146,790

The net deferred tax liabilities and assets shown on the statements of financial position after appropriate offsetting are as follows:

	Group	
	2025	2024
	RM	RM Restated
Deferred tax liabilities	10,826,383	13,146,790

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23. Deferred Tax Liabilities (Cont'd)

The components and movements of deferred tax liabilities and assets prior to offsetting are as follows:

Deferred tax liabilities

	Property, plant and equipment RM	Concession right RM	Total RM
Group			
2025			
At 1 January	3,640,404	9,506,386	13,146,790
Recognised in profit or loss	(1,574,808)	(745,599)	(2,320,407)
At 31 December	2,065,596	8,760,787	10,826,383
2024			
Restated			
At 1 January	-	10,251,985	10,251,985
Acquisition of subsidiary company	3,640,404	-	3,640,404
Recognised in profit or loss	-	(745,599)	(745,599)
At 31 December	3,640,404	9,506,386	13,146,790

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2025 RM	2024 RM
Unutilised tax losses	6,046,431	6,210,462
Unabsorbed capital allowances	-	21,122,114
Other temporary differences	34,645,866	41,114,278
	40,692,297	68,446,854

Deferred tax assets have not been recognized 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.

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24. Other Payables

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other payables	8,658,205	31,102,134	59,021	12,453
Accruals	10,745,465	24,530,067	49,000	109,132
Deposits received	6,965,280	258,165	-	-
Amount due to directors	10,000,000	12,321,971	-	-
	36,368,950	68,212,337	108,021	121,585

Included in other payables is an amount of RM Nil (2024: RM16,533,417) owing to companies in which a director of the Company has financial interests. These amounts are non-trade in nature, unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash.

25. Revenue

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from contracts with customers				
Construction contracts	482,882,238	477,303,104	-	-
Property development	194,009,890	8,460,102	-	-
Concession finance income (Note 8)	15,835,719	16,346,928	-	-
Maintenance and management services	11,420,645	8,441,373	-	-
Commission income	61,774	73,352	-	-
	704,210,266	510,624,859	-	-
Revenue from other sources				
Interest income	1,606,379	1,191,880	1,604	7,132
Dividend income	-	-	21,000,000	10,600,000
Rental income	107,268	66,328	-	-
	1,713,647	1,258,208	21,001,604	10,607,132
	705,923,913	511,883,067	21,001,604	10,607,132
Timing of revenue recognition				
At a point in time	11,482,419	8,514,725	-	-
Over time	692,727,847	502,110,134	-	-
	704,210,266	510,624,859	-	-

Revenue from contracts with customers recognised for the Group in the current financial year included RM33,242,248 (2024: RM12,235,372) that was included in the contract liabilities at the beginning of the financial year.

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25. Revenue (Cont'd)

Breakdown of the Group's revenue from contract with customers:

	Construction RM	Development RM	Concession RM	Total RM
Group				
2025				
Construction contracts	482,882,238	194,009,890	-	676,892,128
Concession finance income	-	-	15,835,719	15,835,719
Maintenance and management service	-	-	11,420,645	11,420,645
Commission income	61,774	-	-	61,774
	<u>482,944,012</u>	<u>194,009,890</u>	<u>27,256,364</u>	<u>704,210,266</u>
2024				
Construction contracts	477,303,104	8,460,102	-	485,763,206
Concession finance income	-	-	16,346,928	16,346,928
Maintenance and management service	-	-	8,441,373	8,441,373
Commission income	73,352	-	-	73,352
	<u>477,376,456</u>	<u>8,460,102</u>	<u>24,788,301</u>	<u>510,624,859</u>

26. Finance Costs

	Group	
	2025 RM	2024 RM
Interest expenses on:		
Invoice financing and bankers' acceptance	306,598	803,011
Revolving credit	2,578,752	1,641,090
Bank overdrafts	31,545	49,445
Sukuk liabilities	8,668,116	5,949,589
Term loan	88,678	70,512
Lease liabilities	37,478	38,512
	<u>11,711,167</u>	<u>8,552,159</u>

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27. Profit Before Tax

Profit 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	180,000	140,722	42,000	42,000
- non-statutory audit				
- UHY Malaysia PLT	5,000	13,000	5,000	13,000
- other auditors	69,000	69,000	-	-
- under provision in prior year	3,800	-	-	-
Amortisation of concession right	3,106,662	3,106,662	-	-
Depreciation of property, plant and equipment	11,035,662	11,178,672	-	-
Directors' remuneration				
- Fees	384,000	330,000	360,000	312,000
- Other emoluments	14,000	16,000	14,000	16,000
Property, plant and equipment written off	5,840	55,851	-	-
Short term lease expenses	46,800	46,800	-	-
Gain on disposal of:				
- property, plant and equipment	(480,344)	(485,988)	-	-
- investment properties	-	(29,275)	-	-
Gain on fair value adjustment of investment properties	(35,622)	-	-	-
Redemption premium on Sukuk Wakalah	-	1,617,300	-	-
Interest income	(2,443,763)	(1,714,962)	(1,604)	(7,132)
Dividend income	-	-	(21,000,000)	(10,600,000)
Impairment loss on amount due from subsidiary companies	-	-	22,000	22,000
Rental income	(375,510)	(376,203)	-	-

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28. Taxation

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Tax expenses for the financial year:				
Current tax provision	13,640,139	3,591,163	377	1,650
Under provision in prior years	151,189	71,564	1	-
	<u>13,791,328</u>	<u>3,662,727</u>	<u>378</u>	<u>1,650</u>
Deferred tax: (Note 23)				
Relating to origination and reversal of temporary differences	(2,320,407)	(745,599)	-	-
	<u>(2,320,407)</u>	<u>(745,599)</u>	<u>-</u>	<u>-</u>
	<u>11,470,921</u>	<u>2,917,128</u>	<u>378</u>	<u>1,650</u>

The 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 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 before tax	65,996,779	25,227,909	20,139,518	9,136,136
Taxation at statutory tax rate of 24% (2024: 24%)	15,839,227	6,054,699	4,833,485	2,192,673
Income not subject to tax	(235,700)	(132,690)	(5,040,000)	(2,544,000)
Expenses not deductible for tax purposes	1,313,919	2,243,864	206,892	352,977
Taxable income not included in profit or loss	1,063,380	940,690	-	-
Deferred tax assets not recognised	(937)	152	-	-
Utilisation of previously unrecognised deductible expenses	-	(270,824)	-	-
Utilisation of previously unrecognised deferred tax	(6,660,157)	(5,990,327)	-	-
Under provision of income tax expense in prior years	151,189	71,564	1	-
Tax expense for the financial year	<u>11,470,921</u>	<u>2,917,128</u>	<u>378</u>	<u>1,650</u>

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28. 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 the tax authorities.

	Group	
	2025	2024
	RM	RM
Unutilised tax losses	6,046,431	6,210,462
Unabsorbed capital allowances	-	21,634,428
	6,046,431	27,844,890

Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, the unutilized tax losses of the Group and of the Company will be imposed with a time limit of utilisation. Any accumulated unutilised tax losses brought forward can be carried forward for a maximum period of 7 consecutive years of assessment. With effect from year of assessment 2024, unutilised tax losses that were allowed to be carried forward up to seven consecutive years was extended to a maximum of ten consecutive years of assessment under the current tax legislation. The unabsorbed capital allowances do not expire under current 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	
	2025	2024
	RM	RM
Unutilised tax losses to be carried forward until:		
- Year of assessment 2031	4,464,221	4,631,210
- Year of assessment 2032	1,579,252	1,579,252
- Year of assessment 2034	2,958	-
	6,046,431	6,210,462

29. Earnings per Share

The basic earnings per share is calculated based on the consolidated profit 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 as follows:

	Group	
	2025	2024
	RM	RM
Profit for the financial year, attributable to owners of the Parent	39,181,619	20,148,907
Weighted average number of ordinary shares in issue (in units)	694,986,660	694,986,660
Basic earnings per share (sen)	5.64	2.90

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29. Earnings per Share (Cont'd)

The diluted earnings per share of the Group is equal to the basic earnings per share as the Group does not have any dilutive potential ordinary shares in issue.

30. Staff Costs

	Note	Group	
		2025 RM	2024 RM
Staff costs		49,852,742	43,238,013
Add:			
Secondment of staff from a third party		3,209,462	3,538,287
		<u>53,062,204</u>	<u>46,776,300</u>
Less:			
Capitalised in construction costs	11	(33,410,707)	(34,814,115)
		<u>19,651,497</u>	<u>11,962,185</u>

Included in the staff costs are contributions made to the Employees Provident Fund under a defined contribution plan for the Group amounting to RM1,370,999 (2024: RM899,918).

Included in staff costs is aggregate amount of remuneration and defined benefit contributions received and receivables by the Executive Directors of the Company and of the subsidiary companies during the financial year as below:

	Group	
	2025 RM	2024 RM
Salary and other emoluments	975,500	795,500
Defined benefit contributions	115,200	93,600
	<u>1,091,700</u>	<u>889,100</u>

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31. Dividends

	Group and Company	
	2025 RM	2024 RM
<u>In respect of the financial year 31 December 2023</u>		
A final dividend of 0.50 sen per ordinary share, paid on 15 May 2024	-	3,474,933
<u>In respect of the financial year 31 December 2024</u>		
A interim dividend of 0.75 sen per ordinary share, paid on 15 May 2025	5,212,381	-
	<u>5,212,381</u>	<u>3,474,933</u>

The Board of Directors recommend the payment of a single tier interim dividend of 1.4 sen per ordinary share in respect of the current financial year ended 31 December 2025 on 27 February 2026, and paid on 27 March 2026, amounting to RM9,729,778.

The financial statements for the current financial year do not reflect the dividends declared/proposed on 27 February 2026. Such dividends will be accounted for in equity as an appropriation of retained earnings for the financial year ending 31 December 2026.

32. 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:

	Financing Cash Flows			Other Changes (i) RM	At 31 December RM
	At 1 January RM	Drawdown RM	Repayment RM		
2025					
Group					
Sukuk liabilities	185,000,000	-	(15,000,000)	-	170,000,000
Invoice financing	16,045,724	38,597,509	(45,238,267)	(60,236)	9,344,730
Revolving credit	32,129,000	191,531,858	(120,983,090)	22,537	102,700,305
Term loan	1,892,326	3,132,400	(2,933,946)	-	2,090,780
Lease liabilities	717,312	1,984,732	(411,116)	-	2,290,928
	<u>235,784,362</u>	<u>235,246,499</u>	<u>(184,566,419)</u>	<u>(37,699)</u>	<u>286,426,743</u>

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32. 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)

	Financing Cash Flows			Acquisition of subsidiary company (Note 7(b)) RM	Other Changes (i) RM	At 31 December RM
	At 1 January RM	Drawdown RM	Repayment RM			
2024						
Group						
Sukuk liabilities	105,000,000	185,000,000	(105,000,000)	-	-	185,000,000
Invoice financing	12,577,504	73,283,299	(69,796,579)	-	(18,500)	16,045,724
Bankers' acceptance	11,987,317	-	(12,000,000)	-	12,683	-
Revolving credit	30,342,028	12,429,000	(25,320,000)	14,700,000	(22,028)	32,129,000
Term loan	885,990	3,889,080	(4,270,941)	1,388,197	-	1,892,326
Lease liabilities	1,556,289	654,000	(1,492,977)	-	-	717,312
	162,349,128	275,255,379	(217,880,497)	16,088,197	(27,845)	235,784,362

	Financing Cash Flows			At 31 December RM
	At 1 January RM	Drawdown RM	Repayment RM	
2025				
Company				
Revolving credit	15,000,000	25,000,000	(20,000,000)	20,000,000
2024				
Company				
Revolving credit	20,000,000	-	(5,000,000)	15,000,000

The cash flows from bank borrowings make up the net amount of proceed from or repayments of bank borrowings in the statements of cash flows.

(i) Other changes include unpaid and overpaid interests.

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33. 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, certain members of senior management and chief executive officers of major subsidiary companies of the Group.

The Group and the Company have related party relationships with its subsidiary companies, other related parties and key management personnel.

(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:

	2025 RM	2024 RM
Related party transactions		
Group		
Other Related Parties*:		
Progress billing received/receivable	159,779,011	37,430,259
Year end balances		
Company		
Receivable from related parties:		
- Subsidiary companies	20,601,169	221,950
Payable to related parties:		
- Subsidiary companies	27,883,000	26,499,180

* The nature and relationship between the Group and the related parties are those companies in which a Director of the Company has a financial interest.

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33. Related Party Disclosures (Cont'd)

(c) Compensation of key management personnel

Information regarding compensation of key management personnel is as follows:

	Group	
	2025 RM	2024 RM
Short-term employee benefits		
- Salaries and other emoluments	5,989,045	4,113,783

Key management personnel include personnel having authority and responsibilities for planning, directing and controlling the activities of the entity, including any Directors of the Company.

34. Segmental Information

For management purposes, the Group is organised into business units based on their products and services, and has four reportable segments as follows:

Construction works	Construct building, infrastructure and project planning cum implementation contractor
Concession	Maintenance service of Student Hostel
Investment holding	Investment holding
Property development	Real estate activities with own or leased property

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss, and is measured consistently with profit or loss in the consolidated financial statements.

Information about segment liabilities is neither included in the internal management reports nor provided regularly to the management. Hence, no disclosure is made on segment liabilities.

No geographical segment reporting is made as the Group's activities are carried out within Malaysia.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

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34. Segmental Information (Cont'd)

	Construction and trading RM	Property Development RM	Concession, maintenance and interest RM	Investment holding RM	Adjustments and eliminations* RM	Per consolidated financial statements RM
2025						
Revenue						
External sales	483,051,280	194,009,890	28,861,139	1,604	-	705,923,913
Inter-segment	167,893,481	-	16,498,602	21,000,000	(205,392,083)	-
Total revenue	650,944,761	194,009,890	45,359,741	21,001,604	(205,392,083)	705,923,913
Results						
Segment results	32,186,405	45,093,997	19,019,439	20,159,914	(27,563,374)	88,896,381
Interest income	423,997	389,373	9,645,800	1,604	(8,017,011)	2,443,763
Finance costs	(1,187,986)	(1,855,065)	(16,686,800)	-	8,018,684	(11,711,167)
Depreciation of property, plant and equipment	(10,606,426)	(295,802)	(133,434)	-	-	(11,035,662)
Other non-cash items	511,850	(1,724)	-	(22,000)	(3,084,662)	(2,596,536)
Profit before tax	21,327,840	43,330,779	11,845,005	20,139,518	(30,646,363)	65,996,779
Taxation	(717,808)	(10,240,052)	(2,833,090)	(378)	2,320,407	(11,470,921)
Profit before tax	20,610,032	33,090,727	9,011,915	20,139,140	(28,325,956)	54,525,858
Assets						
Additions to non-current assets	11,176,290	654,895	-	-	-	11,831,185
Segment assets	569,167,213	183,049,738	370,667,447	269,360,669	(610,367,106)	781,877,961
Unallocated assets	64,733,008	11,307,185	55,091,170	197,420	-	131,328,783
Total assets	645,076,511	195,011,818	425,758,617	269,558,089	(610,367,106)	925,037,929

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34. Segmental Information (Cont'd)

	Construction and trading RM	Property Development RM	Concession, maintenance and interest RM	Investment holding RM	Adjustments and eliminations* RM	Per consolidated financial statements RM
2025						
Non-cash (income)/expenses						
Property, plant and equipment written off	4,116	1,724	-	-	-	5,840
Impairment loss on amount due from subsidiary companies	-	-	-	22,000	(22,000)	-
Amortisation of concession right	-	-	-	-	3,106,662	3,106,662
Fair value gain on investment properties	(35,622)	-	-	-	-	(35,622)
Gain on disposals of property, plant and equipment	(480,344)	-	-	-	-	(480,344)
	(511,850)	1,724	-	22,000	3,084,662	2,596,536

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34. Segmental Information (Cont'd)

2024	Construction and trading RM	Property Development RM	Concession, maintenance and interest RM	Investment holding RM	Adjustments and eliminations* RM	Per consolidated financial statements RM
Restated Revenue						
External sales	477,435,652	8,460,102	25,973,049	7,132	-	511,875,935
Inter-segment	9,529,083	-	11,790,026	10,600,000	(31,911,977)	7,132
Total revenue	486,964,735	8,460,102	37,763,075	10,607,132	(31,911,977)	511,883,067
Results						
Segment results	36,582,320	1,363,540	18,813,354	9,151,004	(18,401,890)	47,508,328
Interest income	277,008	188,470	6,581,735	7,132	(5,339,383)	1,714,962
Finance costs	(2,408,901)	(193,669)	(12,190,862)	-	6,241,273	(8,552,159)
Depreciation of property, plant and equipment	(11,106,849)	(36,723)	(35,100)	-	-	(11,178,672)
Other non-cash items	459,412	-	(1,617,300)	(22,000)	(3,084,662)	(4,264,550)
Profit before tax	23,802,990	1,321,618	11,551,827	9,136,136	(20,584,662)	25,227,909
Taxation	(505,501)	(267,321)	(2,888,255)	(1,650)	745,599	(2,917,128)
Profit before tax	23,297,489	1,054,297	8,663,572	9,134,486	(19,839,063)	22,310,781
Assets						
Additions to non-current assets	8,269,862	1,440	660,811	-	-	8,932,113
Segment assets	445,099,472	132,310,931	394,369,647	248,081,450	(538,506,775)	681,354,725
Unallocated assets	35,820,118	7,174,621	61,188,011	179,625	-	104,362,375
Total assets	489,189,452	139,486,992	456,218,469	248,261,075	(538,506,775)	794,649,213

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34. Segmental Information (Cont'd)

	Construction and trading RM	Property Development RM	Concession, maintenance and interest RM	Investment holding RM	Adjustments and eliminations* RM	Per consolidated financial statements RM
2024						
Non-cash expenses/(income)						
Property, plant and equipment written off	55,851	-	-	-	-	55,851
Impairment loss on amount due from subsidiary companies	-	-	-	22,000	(22,000)	-
Redemption premium	-	-	(1,617,300)	-	-	(1,617,300)
Amortisation of concession right	-	-	-	-	3,106,662	3,106,662
Gain on disposal of property, plant and equipment	(485,988)	-	-	-	-	(485,988)
Gain on disposal of investment properties	(29,275)	-	-	-	-	(29,275)
	(459,412)	-	(1,617,300)	22,000	3,084,662	4,264,550

* Inter-segment revenue, profit and transactions are adjusted and eliminated.

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35. 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
At amortised cost				
Financial assets				
Concession receivables	116,984,940	121,415,691	-	-
Trade receivables	325,838,436	234,486,740	-	-
Other receivables	29,869,161	32,292,084	5,000	5,000
Amount due from subsidiary companies	-	-	20,601,169	221,950
Fixed deposits with licensed banks	14,877,803	50,652,980	-	-
Cash and bank balances	114,805,006	51,204,756	197,252	178,482
Total financial assets	602,375,346	490,052,251	20,803,421	405,432
Financial liabilities				
Trade payables	229,337,032	236,119,674	-	-
Other payables	36,368,950	68,212,337	108,021	121,585
Sukuk liabilities	170,000,000	185,000,000	-	-
Lease liabilities	2,290,928	717,312	-	-
Bank borrowings	114,135,815	50,067,050	20,000,000	15,000,000
Total financial liabilities	552,132,725	540,116,373	20,108,021	15,121,585

(b) Financial risk management

The Group's and the Company'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 their credit, liquidity, and interest rate risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board, and the Group's and the Company's policy are not to engage in speculative transactions.

(i) Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from the individual characteristics of each customer, loans and advances to subsidiary companies and financial guarantee given to banks for credit facilities granted to related companies and third parties. There are no significant changes as compared to prior year.

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35. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis via the Group's management reporting procedures and action will be taken for stagnant contract assets.

At each reporting date, the Group assesses whether any of the contract assets are credit impaired.

The gross amounts of credit impaired contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Concentration of credit risk

As at the end of the financial year, the Group has 3 (2024: 7) major contract customers accounted for approximately 96% (2024: 95%) of the total contract assets.

Recognition and measurement of impairment loss

As there are only a few contract customers, the Group assessed the risk of loss of each customer individually based on their financial information and past trend of payments, where applicable. All these customers have low risk of default because there is no history of default from these customers. The Group is of the view that loss allowance is not material and hence, it is not provided for.

The aged analysis of contract assets as at the end of the reporting period:

	Gross amount RM	Allowance for impairment RM	Net balance RM
Group			
2025			
- Current	65,812,684	-	65,812,684

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35. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Contract assets (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The aged analysis of contract assets as at the end of the reporting period: (Cont'd)

	Gross amount RM	Allowance for impairment RM	Net balance RM
Group			
2024			
- Current	59,139,137	-	59,139,137

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis via the Group's management reporting procedures and action will be taken for long overdue debts. Majority of the trade receivables are from construction and concession receivables.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statement of financial position.

The Group receives collaterals in the form of properties from certain trade receivables in which the Group is permitted to sell the collateral in the absence of default. There are no specific terms and conditions to use the collaterals.

Concentration of credit risk

As at the end of the financial year, the Group has 9 (2024: 7) major customers and accounted for approximately 91% (2024: 69%) of the trade receivables outstanding.

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35. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 30 days. The retention sums are due upon the expiry of the defect liability period stated in the respective construction contracts. The Group's debt recovery process is that when invoices which are exceeded credit terms, the Company will start to initiate a structured debt recovery process which is monitored by sales team.

The Group uses an allowance matrix to measure ECLs for trade receivables for all segments except for construction and development segment. Consistent with the debt recovery process, invoices which are exceeded credit terms will be considered as credit impaired.

Loss rates are based on actual credit loss experience over the past three years. Nevertheless, the Group believes that the forward-looking factors are immaterial for the purpose of calculation impairment for the year.

For construction contracts, as there are only a few contract customers, the Group assessed the risk of loss of each customer individually based on their financial information and past trend of payments, where applicable. All these customers have low risk of default because there is no history of default from these customers. The Group is of the view that loss allowance is not material and hence, it is not provided for.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at reporting period.

	Gross amount RM	Allowance for impairment RM	Net balance RM
Group			
2025			
Current	102,706,623	-	102,706,623
<i>Past due not impaired</i>			
- Less than 30 days	51,300,639	-	51,300,639
- 31 to 60 days	18,894,817	-	18,894,817
- More than 60 days	152,936,357	-	152,936,357
	223,131,813	-	223,131,813
	325,838,436	-	325,838,436

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

35. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at reporting period. (Cont'd)

	Gross amount RM	Allowance for impairment RM	Net balance RM
Group			
2024			
Current	127,559,292	-	127,559,292
<i>Past due not impaired</i>			
- Less than 30 days	17,899,970	-	17,899,970
- 31 to 60 days	3,339,853	-	3,339,853
- More than 60 days	85,687,625	-	85,687,625
	106,927,448	-	106,927,448
	234,486,740	-	234,486,740

Cash and cash equivalents

Risk management objectives, policies and processes for managing the risk

The cash and cash equivalents are held in hand and banks and financial institutions. The Group and the Company have a credit policy in place to control credit risk by deposit with banks and financial institutions with good credit rating.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Recognition and measurement of impairment loss

These banks and financial institutions have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

35. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Other receivables

Risk management objectives, policies and processes for managing the risk

Credit risks on other receivables are mainly arising from advances to sub-contractors and deposits paid for tendering projects. These deposits will be refunded upon unsuccessful in tendering the projects. The Group and the Company manage the credit risk on an ongoing basis via the Group and the Company's management reporting procedures and action will be taken for long outstanding debts.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Recognition and measurement of impairment loss

These other receivables have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Group provides secured loans and advances to subsidiary companies. The Group monitors the ability of the subsidiary companies to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiary companies has low credit risk because there is no indication of going concern from subsidiary companies. Consequently, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

35. Financial Instruments (Cont'd)**(b) Financial risk management (Cont'd)****(i) Credit risk (Cont'd)****Financial guarantees**

Risk management objectives, policies and processes for managing the risk

The Group provides bank guarantees to the third parties in respect of contracts entered into by a subsidiary company. The Company provides corporate guarantees to banks in respect of banking facilities granted to certain subsidiary companies.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk of the Group and of the Company amounting to RM120,602,632 (2024: RM182,121,592) representing the guarantee amount to the third parties and outstanding banking facilities of the subsidiary companies as at the end of the reporting period respectively.

Recognition and measurement of impairment loss

The Group and the Company assumes that there is a significant increase in credit risks when a subsidiary's financial position deteriorates significantly. The Group and the Company considers a financial guarantee to be credit impaired when:

- 1) the subsidiary is unlikely to repay its credit obligation to the bank in full; or
- 2) the subsidiary is continuously loss making and is having a deficit shareholders' fund with no plan to turnaround the business

(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 principally from its various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

35. 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	204,947,549	24,389,483	-	-	229,337,032	229,337,032
Other payables	36,368,950	-	-	-	36,368,950	36,368,950
Leases liabilities	629,129	632,868	1,204,524	-	2,466,521	2,290,928
Sukuk Liabilities	22,989,253	22,302,849	51,633,267	122,047,884	218,973,253	170,000,000
Bank borrowings	112,673,377	712,286	949,060	-	114,334,723	114,135,815
Financial guarantee*	-	-	-	-	-	-
Total undiscounted financial liabilities	377,608,258	48,037,486	53,786,851	122,047,884	601,480,479	552,132,725
2024						
Trade payables	219,870,454	2,404,137	13,845,083	-	236,119,674	236,119,674
Other payables	68,212,337	-	-	-	68,212,337	68,212,337
Leases liabilities	229,706	146,412	416,141	-	792,259	717,312
Sukuk Liabilities	23,668,116	22,989,253	64,851,260	131,132,740	242,641,369	185,000,000
Bank borrowings	48,723,016	717,030	749,106	-	50,189,152	50,067,050
Financial guarantee*	-	-	-	-	-	-
Total undiscounted financial liabilities	360,703,629	26,256,832	79,861,590	131,132,740	597,954,791	540,116,373

* At the end of the reporting period, financial guarantee liabilities have not been recognised as there is no indication that the subsidiaries would default on repayment and probability that the financial guarantee contracts will be called by third parties is remote. Consequently, the amount is RM Nil.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

35. 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
Company						
2025						
Other payables	108,021	-	-	-	108,021	108,021
Amount due to subsidiary companies	27,883,000	-	-	-	27,883,000	27,883,000
Bank borrowings	20,000,000	-	-	-	20,000,000	20,000,000
Total undiscounted financial liabilities	47,991,021	-	-	-	47,991,021	47,991,021
2024						
Other payables	121,585	-	-	-	121,585	121,585
Amount due to subsidiary companies	26,499,180	-	-	-	26,499,180	26,499,180
Bank borrowings	15,000,000	-	-	-	15,000,000	15,000,000
Total undiscounted financial liabilities	41,620,765	-	-	-	41,620,765	41,620,765

The Group and the Company provides unsecured financial guarantee to banks in respect of credit facilities granted to certain subsidiary companies and monitors on an ongoing basis the performance of the subsidiary companies. At end of the financial year, there was no indication that the subsidiary companies would default on repayment.

Financial guarantee has not been recognised since the fair value on initial recognition was deemed not material.

The maximum amount of the financial guarantees issued to the banks for subsidiary companies' borrowings is limited to the amount utilised by the subsidiary companies, amounting to RM120,602,632 (2024: RM182,121,592). The earliest period any of the financial guarantees can be called upon by the financial institutions is within the next 12 months. At end of the financial year, there was no indication that the subsidiary companies would default on repayment.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

35. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(iii) Market risks

Market risk is the risk that changes in market prices, such as interest rates and other prices that will affect the Group's financial position or cash flows.

(a) Interest rate risk

The Group's investments in fixed rate deposits with licensed banks and its fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows:

	2025 RM	2024 RM
Group		
Fixed rate instruments		
Financial asset		
Fixed deposits with licensed banks	14,877,803	50,652,980

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

35. Financial Instruments (Cont'd)

(b) Financial risk management (Cont'd)

(iii) Market risks (Cont'd)

(a) Interest rate risk (Cont'd)

Exposure to interest rate risk (Cont'd)

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows: (Cont'd)

	2025 RM	2024 RM
Group (Cont'd)		
Financial liabilities		
Sukuk liabilities	170,000,000	185,000,000
Lease liabilities	2,290,928	717,312
	<hr/>	<hr/>
Floating rate instrument		
Financial liability		
Bank borrowings	114,135,815	50,067,050
	<hr/>	<hr/>
Company		
Floating rate instrument		
Financial liability		
Bank borrowings	20,000,000	15,000,000
	<hr/>	<hr/>

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

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 profit before taxation by RM1,141,358 (2024: RM500,671) and of the Company's profit before taxation by RM200,000 (2024: RM150,000) respectively, 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

35. Financial Instruments (Cont'd)

(c) Fair value information

The carrying amounts of receivables and payables, cash and cash equivalents and borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

	Fair value of financial instruments not carried at fair value Level 3 RM	Total fair value RM	Carrying amount RM
Group			
2025			
Financial assets			
Concession receivables	111,976,306	111,976,306	111,976,306
Financial liabilities			
Sukuk liabilities	155,000,000	155,000,000	155,000,000
2024			
Financial assets			
Concession receivables	116,984,940	116,984,940	116,984,940
Financial liabilities			
Sukuk liabilities	170,000,000	170,000,000	170,000,000

Fair value disclosed in the financial statements is categorised within the Level 3 fair value hierarchy which is described as inputs for the asset or liability that are based on unobservable market data.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

35. Financial Instruments (Cont'd)

	Group	
	2025	2024
	RM	RM

Approved and contracted for:

- Acquisition of property, plant and equipment	15,053,892	13,872,300
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37. Capital Management

The Group's and the Company's management manages its capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern and maintains an optimal capital structure, so as to maximise shareholders value. The management reviews the capital structure by considering the cost of capital and the risks associated with the capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Total capital managed at Group level, which comprises shareholders' funds, cash and cash equivalents and bank borrowings.

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Total loans and borrowings	286,426,743	235,784,362	20,000,000	15,000,000
Less: Cash and equivalents	(76,093,416)	(41,524,305)	(197,252)	(178,482)
Net debt	210,333,327	194,260,057	19,802,748	14,821,518
Total equity	256,917,547	207,604,070	221,567,069	206,640,310
Gearing ratio	0.82	0.94	0.09	0.07

There were no changes in the Group's and the Company's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

38. Comparative Information

The following reclassification were made to the financial statements of prior financial year to be consistent with current financial year presentation.

During the previous financial year, the Group has acquired Gaya Kuasa Sdn Bhd. The fair values of identifiable assets acquired and liabilities assumed were determined on a provisional basis as at 31 December 2024 and were finalised during the financial year. Comparative figures have been adjusted as below:

Statements of Financial Position

	As previously reported RM	PPA Adjustment RM	As restated RM
Group			
ASSETS			
Non-current assets			
Intangible assets	78,388,488	(5,842,753)	72,545,735
Current assets			
Property development costs	100,101,697	15,074,181	115,175,878
EQUITY			
Non-controlling interests	28,468,301	5,613,625	34,081,926
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	9,528,987	3,617,803	13,146,790

39. Date of Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 17 April 2026.

OTHER INFORMATION

LIST OF PROPERTIES

EXISTING USE	LAND AREA (AS PER LAND TITLE) (SQUARE FEET)	BUILD UP AREA (SQUARE FEET)	TENURE / DATE OF EXPIRY OF LEASE	ADDRESS	DATE OF ACQUISITION (S&P DATE)	APPROXIMATE AGE OF BUILDING	NBV @ 31/12/2025 RM
Shop Office (3 Floors)	2,131.25	5,717.57	Leasehold 99 years expiring on 05.01.2091 (Balance 66 years)	No.19,19A & 19B , Jalan SB Indah 1/18, Taman Sungai Besi Indah, 43300 Seri Kembangan, Selangor Darul Ehsan.	20/8/2003	27 years	1,500,000
Investment Property (1 ½ Floor)	1,668.40	2,142.02	Freehold	No.9 - PT 9078, Jalan Industri Putra 1, Precinct 14, 62050 Putrajaya.	28/8/2007	15 years	1,200,000
Investment Property (1 ½ Floor)	1,668.40	2,142.02	Freehold	No.11- PT 9077, Jalan Industri Putra 1, Precinct 14, 62050 Putrajaya.	28/8/2007	15 years	1,200,000
Store	216,171.61	-	Freehold	Lot 4627, Jalan Broga Besar, 71750 Broga, Negeri Sembilan.	3/8/2009	-	1,068,358
Store	215,891.75	-	Freehold	Lot 4628, Jalan Broga Besar, 71750 Broga, Negeri Sembilan.	23/10/2012	-	2,390,735
Investment Property (Shop Office)	1,173.27	2,922.40	Leasehold 99 years expiring on 08.07.2098 (Balance 73 years)	No.7, Jalan MU Empat, Medan Universiti, 02600 Arau, Perlis	26/3/2015	10 years	580,000
Investment Property (Shop Office)	1,173.27	2,922.40	Leasehold 99 years expiring on 08.07.2098 (Balance 73 years)	No.5, Jalan MU Empat, Medan Universiti, 02600 Arau, Perlis	26/3/2015	10 years	580,000
Head Office (3 1/2 Floors)	1,530.94	5,900.52	Leasehold 99 years expiring on 05.01.2091 (Balance 66 years)	No.39, Jalan Sungai Besi Indah 1/19, Taman Sungai Besi Indah, 43300 Seri Kembangan, Selangor Darul Ehsan.	12/7/2016	22 years	3,046,026

OTHER INFORMATION

LIST OF PROPERTIES

EXISTING USE	LAND AREA (AS PER LAND TITLE) (SQUARE FEET)	BUILD UP AREA (SQUARE FEET)	TENURE / DATE OF EXPIRY OF LEASE	ADDRESS	DATE OF ACQUISITION (S&P DATE)	APPROXIMATE AGE OF BUILDING	NBV @ 31/12/2025 RM
Head Office (3 1/2 Floors)	1,530.94	5,965.14	Leasehold 99 years expiring on 05.01.2091 (Balance 66 years)	No.41, Jalan Sungai Besi Indah 1/19, Taman Sungai Besi Indah, 43300 Seri Kembangan, Selangor Darul Ehsan.	12/7/2016	22 years	3,046,026
Investment Property	1,407.00	2,347.00	Freehold	G-01, Third Avenue, Jalan Teknokrat 3, Cyberjaya 4, 63000 Cyberjaya, Selangor.	15/1/2016	8 years	3,350,000
Investment Property - 1 Serviced Apartment	-	635	Leasehold land 99 years expiring on 1.12.2114 (Balance 89 years)	Parcel No.20-03 (Type A1), Residensi Eaton H.S.(D) 119912, PT78, Seksyen 63, Bandar KL, Daerah KL, Negeri WP KL	6/3/2017	4 years	1,000,000
Investment Property - 1 Condominium	-	764	Leasehold land 99 years expiring on 1.05.2113 (Balance 88 years)	Parcel No.C-22-03A (Type X5), Residensi Tria Seputeh H.S.(D) 52985, Lot 20032, Seksyen 98, Bandar KL, Daerah KL, State of WP KL.	24/7/2019	3 years	600,000
Investment Property - 1 Retail Shop	-	1,937.5	Freehold	Parcel No.01-07 (Retail Shop), Selangorku Pr1ma Lakefront Homes, Persiaran Sepang, Cyber 11, 63000 Cyberjaya, Selangor Geran 339961 Lot 108634 in the Mukim Dengkil, District of Sepang, State of Selangor	29/12/2023	3 years	1,350,000
Investment Property (CWIP) - 1 Condominium	-	3,078.48	Freehold	Parcel No.A-30-3, Bon Kiara Geran Mukim & No. of Title GM9659, Lot No.82251 in the Mukim Batu, District of Kuala Lumpur, State of Kuala Lumpur	2/2/2024	-	1,304,743

OTHER INFORMATION

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

Number of Shares Issued : 694,986,660 ordinary shares
 Class of Shares : Ordinary shares
 Voting Right : One vote per ordinary share
 Number of Shareholders : 11,005

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	TOTAL SHAREHOLDINGS	%
Less than 100 shares	5,859	50,585	0.007
100 – 1,000 shares	2,648	895,781	0.129
1,001 – 10,000 shares	1,313	6,511,912	0.937
10,001 – 100,000 shares	951	34,720,033	4.996
100,001 to less than 5% of issued shares	232	226,918,339	32.651
5% and above of issued shares	2	425,890,010	61.280
Total	11,005	694,986,660	100.00

SUBSTANTIAL SHAREHOLDERS

According to the Register of Substantial Shareholders under Section 144 of the Companies Act 2016, the following are the substantial shareholders of the Company:

SHAREHOLDINGS	DIRECT INTEREST		INDIRECT INTEREST	
	NO. OF SHARES	%	NO. OF SHARES	%
Wie Hock Beng	8	*	120,000,000#	17.266
Wie Hock Kiong	-	-	306,621,210^	44.119
Sincere Goldyear Sdn Bhd	120,000,000	17.266	-	-
Kombinasi Emas Sdn Bhd	306,621,210	44.119	-	-

Note:-

* Negligible

Deemed interested by virtue of his interest in Sincere Goldyear Sdn Bhd pursuant to Section 8 of the Companies Act 2016

^ Deemed interested by virtue of his interest in Kombinasi Emas Sdn Bhd pursuant to Section 8 of the Companies Act 2016

OTHER INFORMATION

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

DIRECTORS' SHAREHOLDINGS

DIRECTORS	DIRECT INTEREST		INDIRECT INTEREST	
	NO. OF SHARES	%	NO. OF SHARES	%
Wie Hock Kiong	-	-	306,621,210 [^]	44.119
Wie Hock Beng	8	*	120,000,000 [#]	17.266
Salwa Binti Shamshuddin	-	-	-	-
Dr. Yong Mun Ching	-	-	-	-
Yeong Yok Hoong	-	-	-	-

*Note:-*** Negligible**# Deemed interested by virtue of his interest in Sincere Goldyear Sdn Bhd pursuant to Section 8 of the Companies Act 2016**^ Deemed interested by virtue of his interest in Kombinasi Emas Sdn Bhd pursuant to Section 8 of the Companies Act 2016***30 LARGEST SHAREHOLDERS AS AT 31 MARCH 2026**

NO.	DIRECTORS	NO. OF SHARES	%
1.	KOMBINASI EMAS SDN BHD	305,890,010	44.013
2.	SINCERE GOLDFEEL SDN BHD	120,000,000	17.266
3.	ADVANCE HARVEST SDN BHD	23,391,000	3.366
4.	CHIN GUEK HONG	23,191,000	3.337
5.	YEOH CHOOI PHIN	22,985,400	3.307
6.	SHIN KAO JACK	18,333,300	2.638
7.	KENANGA NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR MOHAMAD BOLHAIR BIN REDUAN	8,950,000	1.288
8.	KAN FUI MAN	8,880,000	1.278
9.	AYBANK NOMINEES (TEMPATAN) SDN BHD - NATIONAL TRUST FUND (IFM KAF) (446190)	8,000,000	1.151
10.	WIE HOCK KOW	8,000,000	1.151
11.	CHANG YOOCK CHAI	5,095,000	0.733
12.	CONSTANT UPTREND HOLDINGS SDN BHD	4,236,800	0.610
13.	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD - ETSW SBS (CLIENTS' ACC)	4,175,400	0.601
14.	IKATAN GENERASI SDN BHD	3,370,000	0.485
15.	KOK FATT KONG	2,620,100	0.377

OTHER INFORMATION

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

30 LARGEST SHAREHOLDERS AS AT 31 MARCH 2026 (CONT'D)

NO.	DIRECTORS	NO. OF SHARES	%
16.	NAVI CAPITAL LTD	2,092,700	0.301
17.	ANG MUI LAN	2,000,000	0.288
18.	CHANG YOCK CHAI	1,870,000	0.269
19.	SU MING YAW	1,604,100	0.231
20.	LIM YAU CHONG	1,551,200	0.223
21.	BOY SHAN SHAN	1,451,000	0.209
22.	LEW MING KIET	1,302,900	0.187
23.	MAYBANK NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR BEH HUI XUE	1,200,000	0.173
24.	HEW PEI-LI	1,188,000	0.171
25.	GAN KOK HWA	1,131,000	0.163
26.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR TAN AH YAN (B TINGGI-CL)	1,100,000	0.158
27.	LIM SIEW HEONG	1,100,000	0.158
28.	LAU KIEN HUNG	1,010,000	0.145
29.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. - HOU SIU KEE	1,000,000	0.144
30.	CIMSEC NOMINEES (TEMPATAN) SDN BHD - CIMB FOR HOU SIU KEE (PB)	1,000,000	0.144
TOTAL		587,718,910	84.565

PROXY FORM

CDS Account No.
No. of shares held



PESONA METRO

PESONA METRO HOLDINGS BERHAD
Registration No. 201101029741 (957876-T)

I/We _____ Tel: _____
[Full name in block, NRIC/Passport/Company No.]
of _____
[Full address]

being member(s) of PESONA METRO HOLDINGS BERHAD, hereby appoint:

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and (if more than one (1) proxy)

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the meeting, as my/our proxy/proxies to vote for me/us on my/our behalf at the 15th Annual General Meeting of the Company which will be held at **The Vertical, Connexion Conference & Event Centre, The Zenith (Level M1), Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Thursday, 25 June 2026 at 10.30 a.m.** or at any adjournment thereof, and to vote as indicated below:

Description of Resolution	Resolution	For	Against
To approve the payment of Directors' fees of RM384,000.00 for the financial year ending 31 December 2026 to be paid quarterly in arrears.	Ordinary Resolution 1		
To approve the payment of Directors' benefits up to an aggregate amount of RM35,000.00 for the period from 26 June 2026 until the next annual general meeting of the Company.	Ordinary Resolution 2		
To re-elect Mr. Wie Hock Beng as Director.	Ordinary Resolution 3		
To re-elect Puan Salwa Binti Shamshuddin as Director.	Ordinary Resolution 4		
To re-appoint UHY Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 5		
Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016.	Ordinary Resolution 6		
Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	Ordinary Resolution 7		
Proposed Share Buy-Back Authority.	Ordinary Resolution 8		

(Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.)

Signed this _____ day of _____, 2026

Signature*
Member

* Manner of execution:

- If you are an individual member, please sign where indicated.
- If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - at least two (2) authorised officers, one of whom shall be a director; or
 - any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

NOTES:

1. For the purpose of determining who shall be entitled to attend, speak and vote at this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 19 June 2026. Only a member whose name appears on this Record of Depositors shall be entitled to attend, speak and vote at this meeting or appoint proxy(ies) to attend, speak and vote on his behalf.
2. A member of the Company who is entitled to attend, speak and vote at a general meeting may appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, speak and vote in his place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to attend, speak and vote instead of the member at the general meeting.
4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
6. Where a member, an authorised nominee or an exempt authorised nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportion of his shareholdings to be represented by each proxy.
7. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the 15th Annual General Meeting or adjourned general meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
To be deposited with the Company's Share Registrar, 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, Malaysia or alternatively, the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia
 - (ii) By electronic means via Vistra Share Registry and IPO (MY) portal ("The Portal") at <https://srmy.vistra.com>
Please refer to the Administrative Guide of the 15th Annual General Meeting for further information on electronic submission of proxy form via The Portal.
8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the general meeting or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
9. Please ensure **ALL** the particulars as required in the proxy form are completed, signed and dated accordingly.
10. Last day, date and time for lodging the proxy form is **Tuesday, 23 June 2026 at 10.30 a.m.**
11. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please deposit the ORIGINAL OR DULY CERTIFIED certificate of appointment of authorised representative executed in the manner as stated in the proxy form with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia if this has not been lodged with the Company's Share Registrar earlier.
12. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
 - a. National Registration Identity card (NRIC) (Malaysian), or
 - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - c. Passport (Foreigner).
13. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 15th Annual General Meeting will be put to vote by way of poll.

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AFFIX
STAMP

The Share Registrar

Pesona Metro Holdings Berhad
(Registration No. 201101029741) (957876-T)
c/o 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

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www.pesona.com.my

PESONA METRO HOLDINGS BERHAD

(Registration No. 201101029741) (957876-T)

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