

Directors' Report & Audited Financial Statements

For The Financial Year Ended 31 December 2025



DIRECTORS' REPORT

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

Principal activities

The Company's core operations comprise steel fabrication, civil construction, hot dip galvanising, and the manufacture of LPG cylinders. Through its subsidiaries, the Group is also involved in the manufacture and trading of building and steel-related products, property holding, general contracting and engineering services, and the delivery of construction and infrastructure works. Additionally, the Group undertakes projects across utility, transportation, and renewable energy sectors, including specialised fabrication and assembly activities.

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

Results

| | Group RM | Company RM |
|--------------------------------|-------------|---------------|
| Profit net of tax | 14,037,151 | 939,645 |
| Profit attributable to: | | |
| Equity holders of the parent | 14,524,235 | 939,645 |
| Non-controlling interests | (487,084) | - |
| | 14,037,151 | 939,645 |

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

Reserves and provisions

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

Dividends

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

RM

In respect of the financial year ended 31 December 2024:

| | |
|---|------------|
| First and final single tier dividend of 7.5 sen on 288,727,040 ordinary shares, declared on 24 February 2025 and paid on 24 June 2025 | 21,654,528 |
|---|------------|

At the forthcoming Annual General Meeting, a first and final single tier dividend in respect of the financial year ended 31 December 2025 of 3.8 sen per ordinary share, amounting to a dividend payable of RM10,971,628 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

Directors

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

Dato Sri Kho Kak Beng*
 Chai Woon Chew
 Lau Nai Pek
 Kho Pok Tong*
 Kho Poh Lin**
 Yong Voon Kar
 Ir. Haji Othman Bin Abdul Kadir
 Norliza Binti Mohamad Nawi
 Dr. Subbramaniam A/L Arjunan (Retired on 22 May 2025)

* These directors are also directors of the Company's subsidiaries and associate.

** This director is also a director of the Company's subsidiaries.

DIRECTORS' REPORT (CONT'D)

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

Tan Sri Abd Rahman Bin Mamat
 Dato' Anwarudin Bin Ahamad Osman
 Diwek Anak Dayus
 Dominic A/L Laah
 Ng Eng Keat
 Liew Hup Kui
 Teoh Teik Thiam
 Daniel Adam Soo (Resigned on 1 December 2025)

Directors' benefits

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 28 to the financial statements.

The directors' benefits are as follows:

| | Group 2025 RM | Company 2025 RM |
|---|---------------------|-----------------------|
| Directors' remuneration | | |
| Executive directors' remuneration: | | |
| - Other emoluments | 8,284,672 | 7,879,344 |
| - Estimated money value of benefit-in-kind | 82,069 | 82,069 |
| | 8,366,741 | 7,961,413 |
| Non-executive directors' remuneration: | | |
| - Fees | 397,898 | 397,898 |
| - Other emoluments | 157,337 | 65,000 |
| | 555,235 | 462,898 |
| Total directors' remuneration (Note 11.2) | 8,921,976 | 8,424,311 |

Indemnification of directors and officers

The Group maintains a liability insurance for the directors and officers of the Group. The amount of insurance premium effected for the directors and officers of the Group and the Company during the financial year was RM8,250. The directors and officers shall not be indemnified by such insurance for any negligence, fraud, intentional breach of the law or breach of trust proven against them.

There were no payments of indemnification during the financial year and up to the date of this report.

DIRECTORS' REPORT (CONT'D)

Directors' interests

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

| | ← Number of ordinary shares → | | | As at 31.12.2025 |
|--------------------------|-------------------------------|--------|------|---------------------|
| | As at 01.01.2025 | Bought | Sold | |
| The Company | | | | |
| Direct interest | | | | |
| Dato Sri Kho Kak Beng | 5,087,780 | 39,000 | - | 5,126,780 |
| Chai Woon Chew | 435,720 | - | - | 435,720 |
| Kho Pok Tong | 844,900 | 36,000 | - | 880,900 |
| Kho Poh Lin | 629,500 | - | - | 629,500 |
| Indirect interest | | | | |
| Dato Sri Kho Kak Beng* | 112,880,700 | - | - | 112,880,700 |
| Chai Woon Chew*** | 14,400,000 | - | - | 14,400,000 |
| Kho Pok Tong** | 112,392,620 | - | - | 112,392,620 |
| Kho Poh Lin* | 112,992,620 | - | - | 112,992,620 |

**Number of ordinary shares
Shareholdings registered in the names of directors
01.01.2025 and 31.12.2025**

Holding company

Kho Kak Beng Holding Company Sdn. Bhd.

| | |
|-----------------------|---------|
| Dato Sri Kho Kak Beng | 234,091 |
| Kho Pok Tong | 36,720 |
| Kho Poh Lin | 36,720 |

Dato Sri Kho Kak Beng, Kho Pok Tong and Kho Poh Lin, by virtue of their interests in shares of KKB Engineering Berhad, are also deemed interested in the shares of the subsidiaries to the extent of the Company's interest in these companies.

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.

* Deemed interest pursuant to Section 8 and Section 59(11)(c) of the Companies Act 2016.

** Deemed interest pursuant to Section 8 of the Companies Act 2016.

*** Deemed interest pursuant to Section 8(4)(b) of the Companies Act 2016.

Other statutory information

(a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no bad debts and that adequate allowance had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

- (i) it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
- (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT (CONT'D)

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

Holding company

The holding company is Kho Kak Beng Holding Company Sdn. Bhd., a company incorporated and domiciled in Malaysia, with its registered office located at No.22, 4th Floor, Jalan Tunku Abdul Rahman, 93100 Kuching, Sarawak.

Auditors

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

The auditors' remuneration of the Group and Company for the financial year are RM374,980 and RM228,000 respectively.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 December 2025.

Signed on behalf of the Board in accordance with a resolution of the directors dated 18 March 2026.

(Signed)

(Signed)

Dato Sri Kho Kak Beng

Yong Voon Kar

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

We, **Dato Sri Kho Kak Beng** and **Yong Voon Kar**, being two of the directors of **KKB Engineering Berhad**, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 132 to 195 are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and their cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 18 March 2026.

(Signed)

Dato Sri Kho Kak Beng

(Signed)

Yong Voon Kar

STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, **Diwek Anak Dayus**, being the officer primarily responsible for the financial management of **KKB Engineering Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 132 to 195 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed **Diwek Anak Dayus**
at Kuching in the State of Sarawak
on 18 March 2026.

(Signed)

Diwek Anak Dayus
(MIA 10988)

Before me,

Chai Sing Hoi
(Q131)
Commissioner For Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KKB ENGINEERING BERHAD (INCORPORATED IN MALAYSIA)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **KKB Engineering Berhad**, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and 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 year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 132 to 195.

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

Basis for opinion

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

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), 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 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. For the matter below, our description of how our audit addressed the matter is provided in that context.

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

Revenue Recognition Relating to Engineering and Construction Contracts

A significant proportion of the Group's and the Company's revenue is derived from engineering and construction contracts which span more than one accounting period. For the year ended 31 December 2025, the Group and the Company recorded revenue from engineering and construction contracts amounting to approximately RM97 million and RM68 million, representing 55% and 54% of the Group's and the Company's total revenue, respectively.

Revenue from engineering and construction contracts of the Group and the Company is measured using the input method, which is based on actual costs incurred for the work performed up to the balance sheet date relative to the total estimated budgeted costs of the contracts, in accounting for the progress towards complete satisfaction of the Group's and the Company's performance obligations.

Management estimates the revenue and the budgeted costs at the inception of the contracts and regularly assesses the progress of the construction works as well as the financial impact arising from changes in scopes, claims, foreseeable losses and liquidated ascertained damages. The process to measure revenue and budgeted costs, including the determination of the appropriate timing of revenue recognition, involves significant management judgement and estimates and these factors may give rise to a risk of inappropriate recognition of revenue. Considering the above, we determined this to be a key audit matter.

Our audit procedures to address these areas of audit focus include the following:

- Obtained an understanding of the process and internal controls over the accuracy and timing of revenue recognised in the financial statements, including the controls maintained by management in estimating the total budgeted costs on each contract;
- Reviewed each contract and obtained an understanding of the salient terms and conditions of the contract;
- Evaluated the assumptions applied in estimating the budgeted costs for engineering and construction contracts by examining documentary evidence such as letters of award issued to contractors, bill of quantities, supplier quotations for materials sourced to support the budgeted costs;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KKB ENGINEERING BERHAD (INCORPORATED IN MALAYSIA) (CONT'D)

Key audit matters (cont'd)

Revenue Recognition Relating to Engineering and Construction Contracts (cont'd)

- Considered the historical accuracy of management's budgets and assessed the reasonableness of the margins on each contract by comparing to similar engineering and construction contracts in the past;
- Assessed the competency of the management's experts involved in preparing the budgeted costs;
- Evaluated the determination of the progress towards complete satisfaction of the Group's and the Company's performance obligations by examining supporting evidence such as contractors' progress claims and suppliers' invoices;
- Assessed the financial implications arising from the potential delays in the execution of the projects; and
- Reviewed project minutes of discussions between key project team members and the key representatives from the customer to understand the status of the ongoing projects.

The Group's and the Company's disclosures on revenue recognition are included in the material accounting policy information in Note 2.22 to the financial statements, as well as the significant accounting judgements and estimates in Note 3(a) to the financial statements.

Impairment of contract assets

As at the reporting date, the Group's and the Company's contract assets stood at RM272 million. The contract assets account for 35% of the Group's total assets. We focused on this area due to the quantum and the significant estimation required to assess the allowance for expected credit losses ("ECL").

Our procedures to address this area of focus included, amongst others, the following:

- Assessed if there are objective evidence of impairment;
- Evaluated management's assessment of the expected credit loss after taking into considerations of subsequent billings, certification of progress claims, approval of variation orders and history of past collections.
- Where the claims have not been approved as at the reporting date, we have reviewed, amongst others, the status of the project and the cause of the delay in the certification of the progress claims, the instructions of the customer for the work performed and the enforceability of the subsidiary's contractual rights to those claims; and
- Assessed the adequacy of the disclosures in the financial statements in accordance with the requirements of MFRS 9.

Information other than the financial statements and auditors' report thereon

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

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

Responsibilities of the directors for the financial statements

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KKB ENGINEERING BERHAD (INCORPORATED IN MALAYSIA) (CONT'D)

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

Other matters

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

(Signed)

ERNST & YOUNG PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

(Signed)

LOW KHUNG LEONG
No. 02697/01/2027 J
Chartered Accountant

Kuching, Malaysia
Date: 18 March 2026

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

| | Note | Group | | Company | |
|--|------|---------------|---------------|---------------|--------------|
| | | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Revenue from contracts with customers | 4 | 177,047,466 | 634,264,477 | 124,833,268 | 114,556,725 |
| Dividend income from subsidiaries and associate | | - | - | - | 18,283,750 |
| Revenue | | 177,047,466 | 634,264,477 | 124,833,268 | 132,840,475 |
| Cost of sales | | (139,415,197) | (530,658,101) | (106,572,877) | (86,709,662) |
| Gross profit | | 37,632,269 | 103,606,376 | 18,260,391 | 46,130,813 |
| Selling and distribution expenses | | (428,822) | (1,200,847) | (235,515) | (256,693) |
| Administrative expenses | | (34,307,618) | (46,262,882) | (19,261,521) | (21,080,870) |
| Other operating expenses | | (3,341,281) | (8,058,709) | (4,018,002) | (2,994,037) |
| Other operating income | 9(a) | 9,190,316 | 2,448,420 | 4,018,106 | 2,386,640 |
| Operating profit/(loss) | | 8,744,864 | 50,532,358 | (1,236,541) | 24,185,853 |
| Finance costs | 7 | (2,273,635) | (5,545,493) | (17,716) | (2,896) |
| Finance income | 8 | 1,547,123 | 1,969,496 | 1,840,800 | 1,585,356 |
| Other income | 9(b) | 6,135,306 | 6,330,572 | 2,764,193 | 1,953,291 |
| Share of results of associates | | 750,595 | 2,361,023 | - | - |
| Profit before tax | 10 | 14,904,253 | 55,647,956 | 3,350,736 | 27,721,604 |
| Income tax expense | 12 | (867,102) | (15,184,976) | (2,411,091) | (3,706,437) |
| Profit for the year, net of tax, representing total comprehensive income for the year | | 14,037,151 | 40,462,980 | 939,645 | 24,015,167 |
| Attributable to: | | | | | |
| Equity holders of the parent | | 14,524,235 | 26,201,970 | 939,645 | 24,015,167 |
| Non-controlling interests | | (487,084) | 14,261,010 | - | - |
| | | 14,037,151 | 40,462,980 | 939,645 | 24,015,167 |

| | Note | Group | |
|--|------|-------------|-------------|
| | | 2025 sen | 2024 sen |
| Earnings per share attributable to equity holders of the parent | | | |
| Basic | 13 | 5.03 | 9.07 |

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

| | Note | Group | | Company | |
|--|------|--------------------|--------------------|--------------------|--------------------|
| | | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 14 | 122,348,850 | 129,143,604 | 104,864,715 | 111,045,491 |
| Investment in subsidiaries | 15 | - | - | 30,714,895 | 32,707,401 |
| Investment in associates | 16 | 13,035,384 | 12,284,789 | 100,000 | 100,000 |
| Deferred tax assets | 12 | 5,844,783 | 6,373,640 | - | - |
| | | 141,229,017 | 147,802,033 | 135,679,610 | 143,852,892 |
| Current assets | | | | | |
| Inventories | 17 | 79,172,030 | 53,467,354 | 17,639,632 | 13,577,553 |
| Trade and other receivables | 19 | 36,274,528 | 97,401,585 | 52,997,635 | 49,637,418 |
| Contract assets | 20 | 272,012,416 | 303,292,235 | 5,809,172 | 4,859,870 |
| Other current assets | 21 | 10,690,039 | 3,245,048 | 3,120,379 | 1,925,076 |
| Short term funds | 22 | 196,849,260 | 164,947,439 | 76,547,034 | 104,683,427 |
| Cash and short-term deposits | 23 | 37,411,464 | 53,158,426 | 18,171,799 | 11,646,712 |
| | | 632,409,737 | 675,512,087 | 174,285,651 | 186,330,056 |
| TOTAL ASSETS | | 773,638,754 | 823,314,120 | 309,965,261 | 330,182,948 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Issued capital | 26 | 175,254,461 | 175,254,461 | 175,254,461 | 175,254,461 |
| Retained earnings | | 231,212,167 | 238,342,460 | 113,532,161 | 134,247,044 |
| Equity attributable to equity holders of the parent | | 406,466,628 | 413,596,921 | 288,786,622 | 309,501,505 |
| Non-controlling interests | | 168,261,892 | 53,748,976 | - | - |
| TOTAL EQUITY | | 574,728,520 | 467,345,897 | 288,786,622 | 309,501,505 |
| Non-current liabilities | | | | | |
| Deferred tax liabilities | 12 | 6,605,635 | 5,298,002 | 5,025,218 | 4,810,610 |
| Lease liabilities | 24 | 91,521 | - | 91,521 | - |
| | | 6,697,156 | 5,298,002 | 5,116,739 | 4,810,610 |
| Current liabilities | | | | | |
| Contract liabilities | 20 | 23,548,528 | 16,504,635 | - | 1,057,772 |
| Lease liabilities | 24 | 91,448 | 42,678 | 85,606 | 39,104 |
| Trade and other payables | 25 | 168,379,869 | 329,005,217 | 15,976,294 | 14,773,957 |
| Income tax payable | | 193,233 | 5,117,691 | - | - |
| | | 192,213,078 | 350,670,221 | 16,061,900 | 15,870,833 |
| TOTAL LIABILITIES | | 198,910,234 | 355,968,223 | 21,178,639 | 20,681,443 |
| TOTAL EQUITY AND LIABILITIES | | 773,638,754 | 823,314,120 | 309,965,261 | 330,182,948 |

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

| | Note | ← Equity attributable to equity holders of the parent → | | | Non-controlling interests | Total equity |
|---|------|---|-------------------------|--------------|---------------------------|--------------|
| | | Issued capital (Note 26) RM | Retained earnings RM | Total RM | | |
| At 1 January 2025 | | 175,254,461 | 238,342,460 | 413,596,921 | 53,748,976 | 467,345,897 |
| Total comprehensive income/(loss) | | - | 14,524,235 | 14,524,235 | (487,084) | 14,037,151 |
| Issuance of redeemable preference share by a subsidiary | | - | - | - | 115,000,000 | 115,000,000 |
| Transactions with owners | | | | | | |
| Dividends on ordinary shares | 29 | - | (21,654,528) | (21,654,528) | - | (21,654,528) |
| At 31 December 2025 | | 175,254,461 | 231,212,167 | 406,466,628 | 168,261,892 | 574,728,520 |
| At 1 January 2024 | | 175,254,461 | 232,351,383 | 407,605,844 | 51,244,216 | 458,850,060 |
| Total comprehensive income | | - | 26,201,970 | 26,201,970 | 14,261,010 | 40,462,980 |
| Transactions with owners | | | | | | |
| Dividends on ordinary shares | 29 | - | (20,210,893) | (20,210,893) | - | (20,210,893) |
| Dividends paid to non-controlling interests | 15 | - | - | - | (11,756,250) | (11,756,250) |
| At 31 December 2024 | | 175,254,461 | 238,342,460 | 413,596,921 | 53,748,976 | 467,345,897 |

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

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

| | Note | Issued capital (Note 26) RM | Retained earnings RM | Total equity RM |
|---------------------------------|------|-----------------------------------|-------------------------|--------------------|
| At 1 January 2025 | | 175,254,461 | 134,247,044 | 309,501,505 |
| Total comprehensive income | | - | 939,645 | 939,645 |
| Transactions with owners | | | | |
| Dividends on ordinary shares | 29 | - | (21,654,528) | (21,654,528) |
| At 31 December 2025 | | 175,254,461 | 113,532,161 | 288,786,622 |
| At 1 January 2024 | | 175,254,461 | 130,442,770 | 305,697,231 |
| Total comprehensive income | | - | 24,015,167 | 24,015,167 |
| Transactions with owners | | | | |
| Dividends on ordinary shares | 29 | - | (20,210,893) | (20,210,893) |
| At 31 December 2024 | | 175,254,461 | 134,247,044 | 309,501,505 |

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

| | Note | Group | | Company | |
|--|---------|--------------|---------------|-------------|--------------|
| | | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Operating activities | | | | | |
| Profit before tax | | 14,904,253 | 55,647,956 | 3,350,736 | 27,721,604 |
| Adjustments to reconcile profit before tax to net cash flows: | | | | | |
| Depreciation of property, plant and equipment | 10 | 8,184,432 | 10,089,125 | 7,195,656 | 8,620,864 |
| Property, plant and equipment written off | 10 | 16 | 1,221 | 16 | 1,221 |
| Gain on disposal of property, plant and equipment | 9(a) | (129,210) | - | (129,210) | - |
| Dividend income | 9(b) | (2,338,487) | (2,196,207) | (970,993) | (1,104,103) |
| Dividend income from subsidiaries | | - | - | - | (18,243,750) |
| Dividend income from an associate | | - | - | - | (40,000) |
| Fair value changes in short term funds | 9(b) | (3,796,819) | (4,134,365) | (1,793,200) | (849,188) |
| Interest income from financial assets | 8 | (1,547,123) | (1,969,496) | (1,840,800) | (1,585,356) |
| Finance costs | 7 | 2,273,635 | 5,545,493 | 17,716 | 2,896 |
| Impairment loss on trade receivables | 10 | 11,101 | 324,300 | 11,101 | 324,300 |
| Reversal of impairment loss on trade receivables | 9(a) | (5,352,549) | (47,000) | (1,203,439) | (47,000) |
| Net unrealised foreign exchange (gain)/loss | 9(a),10 | - | (179,691) | - | 537 |
| Obsolete inventories written off | 10 | - | 1,164,640 | - | - |
| Net (reversal of write down)/write down of inventories | 9(a),10 | (279,133) | 1,329,957 | 128,485 | 334,864 |
| Impairment loss in a subsidiary | 10 | - | - | 1,992,506 | 281,978 |
| Impairment of goodwill | 10 | - | 1,632,667 | - | - |
| Share of results of associates | | (750,595) | (2,361,023) | - | - |
| Total adjustments | | (3,724,732) | 9,199,621 | 3,407,838 | (12,302,737) |
| Operating cash flows before changes in working capital | | | | | |
| | | 11,179,521 | 64,847,577 | 6,758,574 | 15,418,867 |
| Working capital adjustments: | | | | | |
| Decrease/(increase) in receivables | | 66,462,928 | (16,940,302) | (2,170,028) | (359,517) |
| Increase in inventories | | (25,425,543) | (4,432,065) | (4,190,564) | (1,445,437) |
| Decrease/(increase) in contract assets | | 31,279,819 | (178,858,460) | (949,302) | 17,569,747 |
| Increase/(decrease) in contract liabilities | | 7,043,893 | 6,663,512 | (1,057,772) | (785,299) |
| (Decrease)/increase in payables | | (45,625,348) | 163,630,765 | 1,202,337 | (5,446,121) |
| Increase in other current assets | | (2,235,943) | (36,170) | (1,458,065) | (36,170) |
| Total changes in working capital | | 31,499,806 | (29,972,720) | (8,623,394) | 9,497,203 |
| Cash flows generated from/(used in) operating activities | | | | | |
| | | 42,679,327 | 34,874,857 | (1,864,820) | 24,916,070 |
| Interest paid | | (2,273,635) | (5,545,493) | (17,716) | (2,896) |
| Net taxes paid | | (9,164,118) | (15,797,444) | (1,933,721) | (3,046,182) |
| Net cash flows generated from/(used in) operating activities | | | | | |
| | | 31,241,574 | 13,531,920 | (3,816,257) | 21,866,992 |

STATEMENTS OF CASH FLOWS

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

| | Note | Group | | Company | |
|---|------|---------------------|---------------------|---------------------|---------------------|
| | | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Investing activities | | | | | |
| Proceeds from disposal of property, plant and equipment | | 135,805 | - | 135,805 | - |
| Acquisition of property, plant and equipment | 14 | (1,104,641) | (3,832,835) | (771,383) | (3,116,060) |
| Dividend received from subsidiaries | | - | - | - | 18,243,750 |
| Dividend received from an associate | | - | 40,000 | - | 40,000 |
| Investment in short term funds | | (109,225,206) | (121,605,496) | (37,101,293) | (76,004,745) |
| Redemption of short term funds | | 83,458,691 | 159,476,749 | 68,001,879 | 51,003,550 |
| Interest received | | 1,552,700 | 1,966,197 | 1,842,949 | 1,583,443 |
| Net cash flows (used in)/generated from investing activities | | (25,182,651) | 36,044,615 | 32,107,957 | (8,250,062) |
| Financing activities | | | | | |
| Repayment of principal portion of lease liabilities | 24 | (151,357) | (138,659) | (112,085) | (92,560) |
| Dividends paid to shareholders of the Company | 29 | (21,654,528) | (20,210,893) | (21,654,528) | (20,210,893) |
| Dividends paid by subsidiary to non-controlling interests | | - | (11,756,250) | - | - |
| Increase in short-term deposits with maturity more than 3 months | | (418,949) | (409,811) | (210,208) | (205,906) |
| Decrease in deposits pledged for bank guarantee | | - | 519,100 | - | 519,100 |
| Net cash flows used in financing activities | | (22,224,834) | (31,996,513) | (21,976,821) | (19,990,259) |
| Net (decrease)/increase in cash and cash equivalents | | (16,165,911) | 17,580,022 | 6,314,879 | (6,373,329) |
| Cash and cash equivalents at 1 January | | 42,490,235 | 24,910,213 | 6,286,563 | 12,659,892 |
| Cash and cash equivalents at 31 December | 23 | 26,324,324 | 42,490,235 | 12,601,442 | 6,286,563 |

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

1. Corporate information

The consolidated financial statements of KKB Engineering Berhad and its subsidiaries (collectively, the "Group") for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the directors on 18 March 2026. KKB Engineering Berhad (the "Company") is a limited company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Lot 865, Section 66, Jalan Kilang, Bintawa Industrial Estate, 93450 Kuching, Sarawak.

The principal activities of the Company are steel fabrication, civil construction, hot dip galvanising and the manufacture of LPG cylinders. The principal activities of the subsidiaries are set out in Note 15. There have been no significant changes in the nature of the principal activities during the financial year.

The Company regards Kho Kak Beng Holding Company Sdn. Bhd., a company incorporated and domiciled in Malaysia with its registered office located at No.22, 4th Floor, Jalan Tunku Abdul Rahman, 93100 Kuching, Sarawak, as its holding company.

2. Basis of preparation and material accounting policy information

2.1 Basis of preparation

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

These financial statements have been prepared on a historical cost basis, except otherwise disclosed in the material accounting policies below and are presented in Ringgit Malaysia ("RM") which is also the functional currency of the Group.

The Group and the Company have prepared the financial statements on the basis that they will continue to operate as going concerns.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that, in the current financial year, the Group and the Company adopted the following standards and amended MFRSs, which are effective for annual financial periods as follows:

| Description | Effective for annual periods beginning on or after |
|---|--|
| Amendments to MFRS 121: Lack of Exchangeability | 1 January 2025 |

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments did not have a material impact on the Group's or the Company's financial statements.

2.3 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of these financial statements are disclosed below. The Group and the Company intend to adopt these new and amended standards and interpretations, if applicable, when they become effective.

| Description | Effective for annual periods beginning on or after |
|---|--|
| Annual Improvement to MFRS Accounting Standards - Volume 11 | 1 January 2026 |
| Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity | 1 January 2026 |
| Amendments to MFRS 9: Financial Instruments and MFRS 7: Financial Instruments: Disclosures: Amendments to the Classification and Measurement of Financial Instruments | 1 January 2026 |

NOTES TO THE FINANCIAL STATEMENTS

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

2. Basis of preparation and material accounting policy information (cont'd)

2.3 Standards issued but not yet effective (cont'd)

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of these financial statements are disclosed below. The Group and the Company intend to adopt these new and amended standards and interpretations, if applicable, when they become effective. (cont'd)

| Description | Effective for annual periods beginning on or after |
|---|--|
| MFRS 18: Presentation and Disclosure in Financial Statements | 1 January 2027 |
| MFRS 19: Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |
| Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency | 1 January 2027 |
| Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred |

The directors do not expect any material impact to the financial statements from the adoption of the above pronouncements in the period of initial application except for the following:

MFRS 18 Presentation and Disclosure in Financial Statements

In June 2024, the MASB issued MFRS 18, which replaces MFRS 101 Presentation of Financial Statements. MFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to MFRS 107 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

The Group and Company are currently working to identify the impact the amendments will have on the primary financial statements and notes to the financial statements.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

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

2. Basis of preparation and material accounting policy information (cont'd)

2.4 Basis of consolidation (cont'd)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

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

2. Basis of preparation and material accounting policy information (cont'd)

2.5 Current versus non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.6 Foreign currencies

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates.

Monetary assets and liabilities denominated in foreign currencies are subsequently translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss when incurred.

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

2. Basis of preparation and material accounting policy information (cont'd)

2.7 Property, plant and equipment (cont'd)

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

Leasehold land is depreciated over the remaining lease term. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, as follows:

| | |
|--------------------------------|--------------|
| Buildings | 50 years |
| Plant, machinery and tools | 5 - 10 years |
| Motor vehicles | 5 years |
| Office furniture and equipment | 5 - 10 years |

Capital work-in-progress is not depreciated as these assets are not available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-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 the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

2.8 Subsidiaries

A subsidiary is an entity controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the separate financial statements of the Company, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

Dividend income is recognised when the Company's right to receive payment is established.

2.9 Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Impairments and reversals are presented within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

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

2. Basis of preparation and material accounting policy information (cont'd)

2.9 Investment in associates and joint ventures (cont'd)

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.10 Impairment of non-financial assets

An assessment is made at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of an asset's or cash-generating units ("CGU")'s fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These forecast calculations generally cover a period of one or more years.

Impairment losses are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the asset's or CGU's recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's 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, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

Goodwill is tested for impairment annually at the reporting date and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

NOTES TO THE FINANCIAL STATEMENTS

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

2. Basis of preparation and material accounting policy information (cont'd)

2.11 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the practical expedient has been applied, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the practical expedient has been applied are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of business model.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual costs held while financial asset classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

(a) Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(b) Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

(c) Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

NOTES TO THE FINANCIAL STATEMENTS

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

2. Basis of preparation and material accounting policy information (cont'd)

2.11 Financial assets (cont'd)

Subsequent measurement (cont'd)

For purposes of subsequent measurement, financial assets are classified in four categories: (cont'd)

(d) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the statements of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company have transferred their rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - (a) the Group or the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Group or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group or the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group or the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group or the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group or the Company could be required to repay.

2.12 Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group 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).

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

2. Basis of preparation and material accounting policy information (cont'd)

2.12 Impairment of financial assets (cont'd)

For trade receivables and contract assets, 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 recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix for trade receivables that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group and the Company apply the low credit risk simplification. At every reporting date, the Group and the Company evaluate whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group and the Company reassess the internal credit rating of the debt instrument. In addition, the Group and the Company consider that there has been a significant increase in credit risk when contractual payments are more than 90 days past due.

The Group and the Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group or by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.13 Fair value measurement

Fair value is 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset 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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- | | | |
|---------|---|---|
| Level 1 | - | Quoted (unadjusted) market prices in active markets for identical assets or liabilities. |
| Level 2 | - | Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. |
| Level 3 | - | Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. |

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.14 Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's and the Company's cash management.

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

2. Basis of preparation and material accounting policy information (cont'd)

2.15 Inventories

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

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase costs on a weighted average cost basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. These costs are assigned on a weighted average cost basis.

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

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when 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.

2.17 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

(b) Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

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

2. Basis of preparation and material accounting policy information (cont'd)

2.17 Financial liabilities (cont'd)

Subsequent measurement (cont'd)

(b) Financial liabilities at amortised cost (loans and borrowings) (cont'd)

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.18 Financial guarantee contracts

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

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs when the likelihood of default by the debtors is more than probable. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group or the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.19 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset.

All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs are incurred in connection with the borrowing of funds.

2.20 Employee benefits

(a) Short-term benefits

Wages, salaries, allowances, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and 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 compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

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

2. Basis of preparation and material accounting policy information (cont'd)

2.21 Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are classified within the same line item as the corresponding underlying assets would be presented if they were owned. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use 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 | over period of the lease |
| Buildings | 1 to 2 years |
| Motor vehicles | 5 years |

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

(b) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and by the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use their incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to their short-term leases (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). They also apply the lease of low-value assets recognition exemption to leases 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.

As a lessor

Leases in which the Group or the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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

2. Basis of preparation and material accounting policy information (cont'd)

2.22 Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group or the Company expects to be entitled in exchange for those goods or services. The Group and the Company have generally concluded that they are the principal in its revenue arrangements.

(a) Sale of manufacturing goods

Revenue from sale of manufacturing goods consist of a single performance obligation and is recognised at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods or collection from customers.

(b) Engineering and construction works

The Group and the Company recognise construction revenue over time as the project being constructed has no alternative use to the Group and the Company and they have an enforceable right to the payment for the performance completed to date. The stage of completion is measured using the input method, which is based on the costs incurred relative to total estimated costs.

The Group and the Company consider whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group and the Company consider the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Group and the Company estimate the amount of consideration to which they will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(ii) Significant financing component

When the Group or the Company receive short-term advances from their customers, using the practical expedient in MFRS 15, the Group or the Company do not adjust the promised amount of consideration for the effects of a significant financing component if they expect, at contract inception, that the period between the transfer of the promised goods or services to the customer and when the customer pays for that goods or services will be one year or less.

Contract balances

(a) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group or the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(b) Trade receivables

A receivable represents the right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

(c) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group or the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group or the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group or the Company performs under the contract.

NOTES TO THE FINANCIAL STATEMENTS

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

2. Basis of preparation and material accounting policy information (cont'd)

2.23 Taxes

(a) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group and the Company rely on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The Group and the Company offset deferred tax assets and deferred tax liabilities if and only if they have a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

2. Basis of preparation and material accounting policy information (cont'd)

2.23 Taxes (cont'd)

(c) Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.24 Segment reporting

For management purposes, the Group is organised into operating segments based on its products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 5, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.25 Issued capital and share issuance expenses

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs and are not remeasured subsequently. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.26 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group or the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and the Company.

2.27 Dividend

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity.

2.28 Events after the reporting period

If the Group or the Company receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its consolidated financial statements. The Group or the Company will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group or the Company will not change the amounts recognised in its consolidated financial statements, but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

3. Significant accounting estimates and judgements

The preparation of the Group's and 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 end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

NOTES TO THE FINANCIAL STATEMENTS

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

3. Significant accounting estimates and judgements (cont'd)

Key sources of estimation uncertainty

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

(a) Revenue from contracts with customers

The Group and the Company applied the following estimates that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Revenue Recognition Relating to Engineering and Construction Contracts

Revenue from engineering and construction contracts is recognised over time in accordance with MFRS 15 because the assets being constructed have no alternative use to the Group and the Company has an enforceable right to payment for performance completed to date.

The Group applies the input method as the measure of progress, as it provides the most reliable depiction of the Group's performance in transferring services to the customer, given the direct relationship between costs incurred and the fulfilment of the contract obligations.

Determining the stage of completion involves the use of significant judgement, particularly in estimating the total contract costs, the amount of variable consideration arising from variation orders, and the expected costs to complete. These estimates affect the amount of revenue recognised during the year. A 5% increase in the total estimated cost of the current ongoing projects would have decrease the revenue and profit for the year by RM3,734,377. Similarly, a 5% cost saving would have increase the revenue and profit for the year by RM4,127,469.

(b) Determining the recoverability of contract assets

The Group and the Company assess expected credit losses ("ECLs") on contract assets using the simplified approach, applying a lifetime ECL based on historical observed default rates. These historical loss rates are then adjusted to reflect forward-looking information, including expectations of future economic conditions relevant to these customers.

Included in contract assets is an amount of RM256,074,342 relating to uncertified claims on work performed on the Pan Borneo Highway project pending certification by Jabatan Kerja Raya Sarawak ("JKRS"). There is a significant delay in the approval of the certification during the year due to the formation of new quantity surveying team known as Cawangan Pembangunan Lebuh Raya by JKRS on 1 October 2025 to take over the existing duty of Pan Borneo Highway Unit. The Group anticipates the matter to be resolved in 2026 with full collection of the outstanding amounts. Historically, the Group has not encountered any material default by this customer. All claims are supported by valid work performed in accordance with the contract with the customer. Consequently, no allowance for expected credit loss was recorded for contract assets as at reporting date. In the event JKRS does not approve 5% of the claims submitted, the Group will record an impairment loss of RM12,803,717 on the contract assets.

4. Revenue from contracts with customers

4.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's and the Company's revenue from contracts with customers:

| | Group | | Company | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Sale of goods | 80,068,290 | 17,899,754 | 56,872,648 | 7,469,454 |
| Engineering and construction works | 96,979,176 | 616,364,723 | 67,960,620 | 107,087,271 |
| Total revenue from contracts with customers | 177,047,466 | 634,264,477 | 124,833,268 | 114,556,725 |
| Timing of revenue recognition | | | | |
| At a point in time | 86,538,036 | 21,042,290 | 62,233,167 | 13,895,149 |
| Over time | 90,509,430 | 613,222,187 | 62,600,101 | 100,661,576 |
| Total revenue from contracts with customers | 177,047,466 | 634,264,477 | 124,833,268 | 114,556,725 |

NOTES TO THE FINANCIAL STATEMENTS

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

4. Revenue from contracts with customers (cont'd)

4.1 Disaggregated revenue information (cont'd)

The Group's Engineering Division experienced substantially lower billable work as several major contracts reached their tail-end phases. In addition, the Group experienced an industry-wide delays in the award of new major oil and gas contracts resulted in fewer active projects compared with the prior financial year.

This slowdown contributed to a transitional period with reduced engineering-related work.

Despite the decrease in engineering-related revenues, the Manufacturing Division recorded improved performance, particularly in the supply of **mild steel concrete-lined pipes** and **LPG cylinders**.

Management considers the decline in revenue to be reflective of the Group's contract cycle and market conditions rather than indicative of any fundamental change in demand for its core capabilities. The Group continues to actively tender for new projects and is positioned to benefit from future infrastructure development in Sarawak and Sabah, Sarawak water supply grid programme and oil & gas development programme under the Petronas activity outlook.

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (Note 5):

| | Sales of goods | | Engineering and construction works | |
|--|-----------------------------|----------------------------|------------------------------------|------------------------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Revenue | | | | |
| External customer | 80,068,290 | 17,899,754 | 96,979,176 | 616,364,723 |
| Inter-segment | 57,274,814 | 13,672,455 | 4,392,593 | 111,755,997 |
| Inter-segment eliminations | 137,343,104 (57,274,814) | 31,572,209 (13,672,455) | 101,371,769 (4,392,593) | 728,120,720 (111,755,997) |
| Total revenue from contracts with customers | 80,068,290 | 17,899,754 | 96,979,176 | 616,364,723 |

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

4. Revenue from contracts with customers (cont'd)

4.2 Contract balances

| | Group | | Company | |
|--------------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
| | 31 December 2025 RM | 31 December 2024 RM | 31 December 2025 RM | 1 January 2024 RM |
| Trade receivables (Note 19) | 34,107,448 | 88,487,955 | 39,630,328 | 43,778,389 |
| Contract assets (Note 20) | 272,012,416 | 303,292,235 | 5,809,172 | 4,859,870 |
| Contract liabilities (Note 20) | (23,548,528) | (16,504,635) | - | (1,057,772) |
| | | (9,841,123) | | (1,843,071) |

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 (2024: 30 to 60) days.

Contract assets relate to the Group's and the Company's right to consideration for work completed but not yet billed at reporting date. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities relate to work not yet completed by the Group and the Company which are billed at reporting date.

Details on the contract assets and liabilities are disclosed in Note 20.

NOTES TO THE FINANCIAL STATEMENTS

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

4. Revenue from contracts with customers (cont'd)

4.2 Contract balances (cont'd)

Set out below is the amount of revenue recognised from:

| | Group | | Company | |
|---|------------|------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Amounts included in contract liabilities at the beginning of the year | 16,158,507 | 9,344,615 | 1,057,772 | 1,843,071 |

4.3 Performance obligations

Information about the Group's performance obligations are summarised below:

Sale of manufacturing goods

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 60 (2024: 30 to 60) days from delivery.

Engineering and construction works

For engineering and construction works where the Group and the Company satisfy their performance obligations over time, management has determined that a cost-based input method provides a faithful depiction of the Group's and the Company's performance in transferring control of engineering and construction works to the customers, as it reflects the Group's and the Company's efforts incurred to date relative to the total inputs expected to be incurred for the construction works. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the completion of the construction works.

The estimated total construction and other related costs are based on contracted amounts, and in respect of amounts not contracted for, management relies on past experience and knowledge of the project engineers to make estimates of the amounts to be incurred. The normal credit term ranges from 30 to 60 (2024: 30 to 60) days. Other credit terms are assessed and approved on a case-by-case basis.

Remaining performance obligations

The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December, are as follows:

| | Group | | Company | |
|--------------------|-------------|------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Within one year | 233,047,184 | 86,727,870 | 48,227,091 | 36,799,137 |
| More than one year | 45,626,924 | 25,629,953 | 6,112,522 | 25,629,953 |

The remaining performance obligations expected to be recognised relate primarily to engineering and construction works.

5. Segment information

(a) Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

NOTES TO THE FINANCIAL STATEMENTS

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

5. Segment information (cont'd)

(b) Business segments

The Group is organised into two major business segments:

- (i) Manufacturing - manufacturing of LPG cylinders, steel pipes and related products.
- (ii) Engineering and construction - civil engineering works and construction, steel fabrication and hot dip galvanising.

(c) Geographical segments

Segment analysis by geographical locations has not been presented as the Group's operations are predominantly conducted in Malaysia.

(d) Allocation basis and transfer pricing

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results have reflected the elimination of transfers between business segments.

| | Manufacturing RM | Engineering and construction RM | Adjustments and eliminations RM | Total RM |
|---|---------------------|--|--|--------------------|
| 2025 | | | | |
| Revenue from contracts with customers | | | | |
| External revenue | 80,068,290 | 96,979,176 | - | 177,047,466 |
| Inter-segment revenue | 57,274,814 | 4,392,593 | (61,667,407) | - |
| Total revenue | 137,343,104 | 101,371,769 | (61,667,407) | 177,047,466 |
| Results | | | | |
| Profit/(loss) from operations | 18,984,661 | (2,557,368) | - | 16,427,293 |
| Finance costs | - | (2,273,635) | - | (2,273,635) |
| Share of results of associates | 788,256 | (37,661) | - | 750,595 |
| Profit/(loss) before tax | 19,772,917 | (4,868,664) | - | 14,904,253 |
| Income tax (expense)/credit | (3,248,277) | 2,381,175 | - | (867,102) |
| Profit/(loss) for the year, net of tax | 16,524,640 | (2,487,489) | - | 14,037,151 |
| Other disclosures | | | | |
| Capital expenditure | 366,666 | 1,029,623 | - | 1,396,289 |
| Depreciation of property, plant and equipment | 720,769 | 7,463,663 | - | 8,184,432 |
| Finance income | 169,513 | 1,377,610 | - | 1,547,123 |
| Cost of inventories recognised as an expense in cost of sales | 57,271,585 | 4,793,078 | - | 62,064,663 |
| Project cost | - | 81,169,135 | - | 81,169,135 |
| Employee benefits expense | 9,603,900 | 35,961,104 | - | 45,565,004 |

NOTES TO THE FINANCIAL STATEMENTS

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

5. Segment information (cont'd)

(d) Allocation basis and transfer pricing (cont'd)

| | Manufacturing RM | Engineering and construction RM | Adjustments and eliminations RM | Total RM |
|---|---------------------|--|--|--------------|
| 2024 | | | | |
| Revenue from contracts with customers | | | | |
| External revenue | 17,899,754 | 616,364,723 | - | 634,264,477 |
| Inter-segment revenue | 13,672,455 | 111,755,997 | (125,428,452) | - |
| Total revenue | 31,572,209 | 728,120,720 | (125,428,452) | 634,264,477 |
| Results | | | | |
| (Loss)/profit from operations | (4,584,049) | 63,416,475 | - | 58,832,426 |
| Finance costs | (387) | (5,545,106) | - | (5,545,493) |
| Share of results of associates | 426,895 | 1,934,128 | - | 2,361,023 |
| (Loss)/profit before tax | (4,157,541) | 59,805,497 | - | 55,647,956 |
| Income tax credit/(expense) | 3,694,193 | (18,879,169) | - | (15,184,976) |
| (Loss)/profit for the year, net of tax | (463,348) | 40,926,328 | - | 40,462,980 |
| Other disclosures | | | | |
| Capital expenditure | 248,546 | 3,662,154 | - | 3,910,700 |
| Depreciation of property, plant and equipment | 837,298 | 9,251,827 | - | 10,089,125 |
| Finance income | 109,352 | 1,860,144 | - | 1,969,496 |
| Cost of inventories recognised as an expense in cost of sales | 20,983,557 | 3,860,494 | - | 24,844,051 |
| Project cost | - | 514,379,770 | - | 514,379,770 |
| Employee benefits expense | 6,506,731 | 75,214,681 | - | 81,721,412 |

6. Capital management

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratios in order to support their businesses and maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 31 December 2024.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group and the Company include within net debt, lease liabilities, trade and other payables, less short term funds and cash and short-term deposits. Capital comprises equity attributable to equity holders of the parent.

NOTES TO THE FINANCIAL STATEMENTS

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

6. Capital management (cont'd)

| | Note | 2025 RM | Group 2024 RM | 2025 RM | Company 2024 RM |
|---|------|---------------|---------------------|--------------|-----------------------|
| Lease liabilities | 24 | 182,969 | 42,678 | 177,127 | 39,104 |
| Trade and other payables | 25 | 168,379,869 | 329,005,217 | 15,976,294 | 14,773,957 |
| Less: Short term funds | 22 | (196,849,260) | (164,947,439) | (76,547,034) | (104,683,427) |
| Cash and short-term deposits | 23 | (37,411,464) | (53,158,426) | (18,171,799) | (11,646,712) |
| Net (cash)/debt | | (65,697,886) | 110,942,030 | (78,565,412) | (101,517,078) |
| Equity attributable to equity holders of the parent | | 406,466,628 | 413,596,921 | 288,786,622 | 309,501,505 |
| Capital and net debt | | N/A* | 524,538,951 | N/A* | N/A* |
| Gearing ratio | | N/A* | 21.15% | N/A* | N/A* |

* Not applicable as the Group and the Company were in a net cash position. Please refer to Note 25 for the reasons behind the decrease in trade payables.

7. Finance costs

| | 2025 RM | Group 2024 RM | 2025 RM | Company 2024 RM |
|---|------------|---------------------|------------|-----------------------|
| Interest expense on financial liabilities: | | | | |
| - related party (Note 28(a)(iv)) | 2,253,992 | 5,540,295 | - | - |
| - lease liabilities (Note 24) | 19,643 | 5,142 | 17,716 | 2,840 |
| - bank overdraft | - | 56 | - | 56 |
| | 2,273,635 | 5,545,493 | 17,716 | 2,896 |

8. Finance income

| | 2025 RM | Group 2024 RM | 2025 RM | Company 2024 RM |
|--|------------|---------------------|------------|-----------------------|
| Interest income from: | | | | |
| - financial assets at amortised cost: | | | | |
| - short-term deposits | 1,378,930 | 1,967,496 | 538,199 | 687,727 |
| - third party | 168,193 | 2,000 | 168,193 | 2,000 |
| | 1,547,123 | 1,969,496 | 706,392 | 689,727 |
| - subsidiaries | - | - | 1,134,408 | 895,629 |
| | 1,547,123 | 1,969,496 | 1,840,800 | 1,585,356 |

NOTES TO THE FINANCIAL STATEMENTS

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

9. Other income

| | Group | | Company | |
|---|------------|------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| (a) Operating income | | | | |
| Gain on disposal of property, plant and equipment | 129,210 | - | 129,210 | - |
| Insurance compensation | 23,765 | 81,700 | 23,765 | 81,700 |
| Unrealised foreign exchange gain | - | 179,691 | - | - |
| Rental income: | | | | |
| - subsidiaries | - | - | 239,000 | 374,500 |
| - associate | 96,000 | 114,000 | - | - |
| - third parties | 1,201,693 | 162,979 | 714,793 | 83,779 |
| Reversal of impairment loss on trade receivables (Note 19(a)) | 5,352,549 | 47,000 | 1,203,439 | 47,000 |
| Reversal of write down of inventories | 416,035 | - | - | - |
| Miscellaneous income | 1,971,064 | 1,863,050 | 1,707,899 | 1,799,661 |
| | 9,190,316 | 2,448,420 | 4,018,106 | 2,386,640 |
| (b) Non-operating income | | | | |
| Dividend income from short term funds at fair value through profit or loss | 2,338,487 | 2,196,207 | 970,993 | 1,104,103 |
| Fair value changes in short term funds at fair value through profit or loss | 3,796,819 | 4,134,365 | 1,793,200 | 849,188 |
| | 6,135,306 | 6,330,572 | 2,764,193 | 1,953,291 |

10. Profit before tax

The following amounts have been included in arriving at profit before tax:

| | Group | | Company | |
|---|------------|------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Employee benefits expense (Note 11.1) | 45,565,004 | 81,721,412 | 26,280,118 | 48,004,067 |
| Non-executive directors' remuneration (Note 11.2): | | | | |
| - fees | 397,898 | 440,748 | 397,898 | 440,748 |
| - other emoluments | 157,337 | 168,262 | 65,000 | 66,000 |
| Auditors' remuneration: | | | | |
| - statutory audits | 374,980 | 358,080 | 228,000 | 220,000 |
| - other services | 165,200 | 193,400 | 66,600 | 72,000 |
| Depreciation of property, plant and equipment (Note 14) | 8,184,432 | 10,089,125 | 7,195,656 | 8,620,864 |
| Impairment loss on investment in a subsidiary (Note 15) | - | - | 1,992,506 | 281,978 |
| Expenses relating to short-term leases and low-value assets (Note 24) | 611,058 | 1,706,359 | 299,164 | 960,462 |
| Impairment loss on trade receivables (Note 19(a)) | 11,101 | 324,300 | 11,101 | 324,300 |
| Property, plant and equipment written off | 16 | 1,221 | 16 | 1,221 |
| Unrealised foreign exchange loss | - | - | - | 537 |
| Realised foreign exchange loss | 318,373 | 158,918 | 153,933 | 38,039 |
| Obsolete inventories written off | - | 1,164,640 | - | - |
| Write down of inventories | 136,902 | 1,329,957 | 128,485 | 334,864 |
| Impairment of goodwill | - | 1,632,667 | - | - |

NOTES TO THE FINANCIAL STATEMENTS

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

11.1 Employee benefits expense

| | Group | | Company | |
|---|------------|------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Salaries, wages, allowances and overtime | 38,428,613 | 69,846,460 | 21,083,938 | 40,571,700 |
| Social security contributions and employment insurance scheme | 498,524 | 945,337 | 258,566 | 593,030 |
| Contributions to defined contribution plan | 3,619,487 | 6,588,771 | 1,881,359 | 3,350,845 |
| Other benefits | 3,018,380 | 4,340,844 | 3,056,255 | 3,488,492 |
| | 45,565,004 | 81,721,412 | 26,280,118 | 48,004,067 |

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM8,284,672 (2024: RM8,053,891) and RM7,879,344 (2024: RM7,648,563), respectively.

11.2 Directors' remuneration

| | Group | | Company | |
|---|------------|------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Executive directors' remuneration: | | | | |
| - other emoluments | 8,284,672 | 8,053,891 | 7,879,344 | 7,648,563 |
| - estimated money value of benefit-in-kind | 82,069 | 97,579 | 82,069 | 97,579 |
| | 8,366,741 | 8,151,470 | 7,961,413 | 7,746,142 |
| Non-executive directors' remuneration (Note 10): | | | | |
| - fees | 397,898 | 440,748 | 397,898 | 440,748 |
| - other emoluments | 157,337 | 168,262 | 65,000 | 66,000 |
| | 555,235 | 609,010 | 462,898 | 506,748 |
| Total directors' remuneration | 8,921,976 | 8,760,480 | 8,424,311 | 8,252,890 |

12. Income tax expense

The major components of income tax expense for the years ended 31 December 2025 and 2024 are:

| | Group | | Company | |
|---|-------------|-------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Statements of profit or loss and other comprehensive income: | | | | |
| Current income tax: | | | | |
| - Malaysian income tax | 2,341,626 | 18,566,203 | 2,231,000 | 1,824,684 |
| - Over provision in respect of previous years | (3,311,014) | (108,047) | (34,517) | (122,882) |
| | (969,388) | 18,458,156 | 2,196,483 | 1,701,802 |
| Deferred tax: | | | | |
| - Relating to origination and reversal of temporary differences | 271,617 | (3,147,442) | (310,921) | 2,121,715 |
| - Under/(over) provision in respect of previous years | 1,564,873 | (125,738) | 525,529 | (117,080) |
| | 1,836,490 | (3,273,180) | 214,608 | 2,004,635 |
| Income tax expense reported in the statements of profit or loss | 867,102 | 15,184,976 | 2,411,091 | 3,706,437 |

NOTES TO THE FINANCIAL STATEMENTS

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

12. Income tax expense (cont'd)

Reconciliations of tax expense and the accounting profit multiplied by the applicable corporate tax rate for 2025 and 2024 are as follows:

| | 2025 RM | Group 2024 RM |
|---|-------------|---------------------|
| Accounting profit before tax | 14,904,253 | 55,647,956 |
| Tax at Malaysian statutory tax rate of 24% (2024: 24%) | 3,577,021 | 13,355,509 |
| Adjustments: | | |
| Dividend income not subject to tax | (558,233) | (527,090) |
| Income not subject to tax | (911,732) | (1,035,631) |
| Non-deductible expenses | 544,194 | 1,994,702 |
| Deferred tax assets recognised on previously unrecognised reinvestment allowances, tax losses and unabsorbed capital allowances | (1,003,920) | (2,380,164) |
| Deferred tax assets not recognised on unutilised tax losses, unutilised reinvestment allowances, unabsorbed capital allowances, and other temporary differences | 2,036,461 | 4,578,080 |
| Under/(over) provision of deferred tax in respect of previous years | 1,564,873 | (125,738) |
| Over provision of income tax in respect of previous years | (3,311,014) | (108,047) |
| Share of results of associates | (180,143) | (566,645) |
| Utilisation of previously unrecognized tax losses and capital allowances | (890,405) | - |
| Income tax expense reported in the statement of profit or loss | 867,102 | 15,184,976 |

| | 2025 RM | Company 2024 RM |
|--|------------|-----------------------|
| Accounting profit before tax | 3,350,736 | 27,721,604 |
| Tax at Malaysian statutory tax rate of 24% (2024: 24%) | 804,177 | 6,653,185 |
| Adjustments: | | |
| Dividend income not subject to tax | (233,038) | (4,653,085) |
| Income not subject to tax | (430,368) | (203,934) |
| Non-deductible expenses | 785,595 | 1,270,597 |
| Deferred tax assets not recognised on unutilised tax losses, unutilised reinvestment allowances, unabsorbed capital allowances and other temporary differences | 993,713 | 879,636 |
| Under/(over) provision of deferred tax in respect of previous years | 525,529 | (117,080) |
| Over provision of income tax in respect of previous years | (34,517) | (122,882) |
| Income tax expense reported in the statement of profit or loss | 2,411,091 | 3,706,437 |

Income tax is calculated at the Malaysian statutory tax rate of 24% (2024: 24%) of the estimated assessable profit for the year.

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

12. Income tax expense (cont'd)

Deferred tax

Deferred tax relates to the following:

| Group | As at 1 January 2024 RM | Recognised in profit or loss RM | As at 31 December 2024 RM | Recognised in profit or loss RM | As at 31 December 2025 RM |
|---|---------------------------------------|---|---|---|---|
| Deferred tax liabilities: | | | | | |
| Property, plant and equipment | (6,161,723) | 863,721 | (5,298,002) | (1,307,633) | (6,605,635) |
| Deferred tax assets: | | | | | |
| Unutilised tax losses | - | 3,577,382 | 3,577,382 | 503,380 | 4,080,762 |
| Unutilised reinvestment allowances | 2,476,110 | (2,476,110) | - | - | - |
| Unabsorbed capital allowances | 12,569 | 239,099 | 251,668 | (209,530) | 42,138 |
| Expected credit loss of trade receivables | 1,475,502 | (936,442) | 539,060 | (505,849) | 33,211 |
| Provision for slow-moving inventories | - | - | - | 322,096 | 322,096 |
| Advance tax on project revenue | - | 2,005,530 | 2,005,530 | (638,954) | 1,366,576 |
| | 3,964,181 | 2,409,459 | 6,373,640 | (528,857) | 5,844,783 |
| | (2,197,542) | 3,273,180 | 1,075,638 | (1,836,490) | (760,852) |

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

12. Income tax expense (cont'd)

Deferred tax (cont'd)

Deferred tax relates to the following: (cont'd)

| | As at 1 January 2024 RM | Recognised in profit or loss RM | As at 31 December 2024 RM | Recognised in profit or loss RM | As at 31 December 2025 RM |
|---|-------------------------------|---------------------------------------|---------------------------------|---------------------------------------|---------------------------------|
| Company | | | | | |
| Deferred tax liabilities: | | | | | |
| Property, plant and equipment | (5,766,237) | 402,449 | (5,363,788) | 196,401 | (5,167,387) |
| Deferred tax assets: | | | | | |
| Unutilised reinvestment allowances | 2,476,110 | (2,476,110) | - | - | - |
| Unabsorbed capital allowances | 12,569 | 2,475 | 15,044 | (15,044) | - |
| Provision for slow-moving inventories | - | - | - | 118,018 | 118,018 |
| Expected credit loss of trade receivables | 471,583 | 66,551 | 538,134 | (513,983) | 24,151 |
| | 2,960,262 | (2,407,084) | 553,178 | (411,009) | 142,169 |
| | (2,805,975) | (2,004,635) | (4,810,610) | (214,608) | (5,025,218) |

NOTES TO THE FINANCIAL STATEMENTS

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

12. Income tax expense (cont'd)

Deferred tax (cont'd)

Deferred tax relates to the following: (cont'd)

| | Group | | Company | |
|--|-------------|-------------|-------------|-------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Reflected in the statements of financial position as follows: | | | | |
| Deferred tax assets, net | 5,844,783 | 6,373,640 | - | - |
| Deferred tax liabilities, net | (6,605,635) | (5,298,002) | (5,025,218) | (4,810,610) |
| | (760,852) | 1,075,638 | (5,025,218) | (4,810,610) |

At the reporting date, the Group and the Company have the following for offset against future taxable income:

| | Group | | Company | |
|------------------------------------|------------|------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Unutilised tax losses | 44,419,433 | 41,564,474 | - | - |
| Unutilised reinvestment allowances | 14,024,372 | 14,028,907 | 14,024,372 | 14,028,907 |
| Unabsorbed capital allowances | 8,956,234 | 5,782,485 | 4,140,471 | 62,682 |
| Other temporary differences | 5,562,905 | 26,097,083 | 580,736 | 2,242,228 |
| | 72,962,944 | 87,472,949 | 18,745,579 | 16,333,817 |

Deferred tax assets have not been recognised in respect of the following items:

| | Group | | Company | |
|--|------------|------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Unutilised tax losses | 27,315,952 | 26,658,715 | - | - |
| Unutilised reinvestment allowances | 14,024,372 | 14,028,907 | 14,024,372 | 14,028,907 |
| Unabsorbed capital allowances | 8,854,775 | 4,731,739 | 4,140,471 | - |
| Other temporary differences | 261,871 | 15,431,180 | - | - |
| | 50,456,970 | 60,850,541 | 18,164,843 | 14,028,907 |
| Deferred tax asset not recognised at 24% | 12,109,673 | 14,604,130 | 4,359,562 | 3,366,938 |

Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Group and the Company were able to recognise all unrecognised deferred tax assets, the profit would increase by RM12,109,673 (2024: RM14,604,130) and RM4,359,562 (2024: RM3,366,938), respectively. The utilisation of these tax losses and reinvestment allowances is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation.

NOTES TO THE FINANCIAL STATEMENTS

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

12. Income tax expense (cont'd)

Deferred tax (cont'd)

Pursuant to Section 44(5F) of the Act, the unutilised tax losses and reinvestment allowances can only be carried forward until the following years of assessment:

| | Group | | Company | |
|--|------------|------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Unutilised tax losses to be carried forward until: | | | | |
| - Year of assessment 2028 | 2,492,977 | 6,675,626 | - | - |
| - Year of assessment 2029 | 1,122,789 | 1,122,789 | - | - |
| - Year of assessment 2030 | 13,876,743 | 13,876,743 | - | - |
| - Year of assessment 2031 | 1,494,932 | 3,031,304 | - | - |
| - Year of assessment 2032 | 1,040,556 | 3,421,090 | - | - |
| - Year of assessment 2033 | 6,273,319 | 7,766,529 | - | - |
| - Year of assessment 2034 | 6,110,033 | 5,670,393 | - | - |
| - Year of assessment 2035 | 12,008,084 | - | - | - |
| | 44,419,433 | 41,564,474 | - | - |
| Unutilised reinvestment allowances to be carried forward until: | | | | |
| - Year of assessment 2026 | 14,024,372 | 14,028,907 | 14,024,372 | 14,028,907 |

13. Earnings per share ("EPS")

Basic EPS is calculated by dividing the profit for the year, net of tax, attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following table reflects the income and share data used in the basic EPS calculations:

| | Group | |
|--|-------------|-------------|
| | 2025 | 2024 |
| Profit net of tax, attributable to equity holders of the parent (RM) | 14,524,235 | 26,201,970 |
| Number of ordinary shares for basic EPS | 288,727,040 | 288,727,040 |
| Basic earnings per share (sen) | 5.03 | 9.07 |

There is no dilution in the earnings per share for the current and previous year end as there are no dilutive potential ordinary shares outstanding at the end of the reporting period.

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

14. Property, plant and equipment

| Group | Leasehold land RM | Buildings RM | Plant, machinery and tools RM | Motor vehicles RM | Office furniture and equipment RM | Capital work-in- progress RM | Total RM |
|-----------------------|----------------------|-----------------|--|-------------------------|--|---------------------------------------|-------------|
| Cost | | | | | | | |
| At 1 January 2025 | 65,894,904 | 92,381,655 | 129,264,608 | 9,308,803 | 13,250,110 | 1,329,785 | 311,429,865 |
| Additions | - | 291,648 | 535,326 | 123,040 | 238,628 | 207,647 | 1,396,289 |
| Disposals/written off | - | (457,207) | (393,865) | (94,000) | - | - | (945,072) |
| Reclassification | - | 1,522,432 | - | - | - | (1,522,432) | - |
| At 31 December 2025 | 65,894,904 | 93,738,528 | 129,406,069 | 9,337,843 | 13,488,738 | 15,000 | 311,881,082 |
| At 1 January 2024 | 65,894,904 | 92,315,247 | 126,178,794 | 9,160,402 | 12,886,494 | 1,129,737 | 307,565,578 |
| Additions | - | 77,865 | 3,085,814 | 148,401 | 373,666 | 224,954 | 3,910,700 |
| Disposals/written off | - | (11,457) | - | - | (10,050) | - | (21,507) |
| Transfer | - | - | - | - | - | (24,906) | (24,906) |
| At 31 December 2024 | 65,894,904 | 92,381,655 | 129,264,608 | 9,308,803 | 13,250,110 | 1,329,785 | 311,429,865 |

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

14. Property, plant and equipment (cont'd)

| Group (cont'd) | Leasehold land RM | Buildings RM | Plant, machinery and tools RM | Motor vehicles RM | Office furniture and equipment RM | Capital work-in-progress RM | Total RM |
|--|-----------------------------|------------------------|---|-----------------------------|---|---------------------------------------|--------------------|
| Accumulated depreciation | | | | | | | |
| At 1 January 2025 | 21,326,977 | 26,228,628 | 114,640,975 | 8,752,748 | 11,336,933 | - | 182,286,261 |
| Depreciation charge for the year (Note 10) | 1,422,687 | 2,068,213 | 3,953,006 | 245,073 | 495,453 | - | 8,184,432 |
| Disposals/written off | - | (457,207) | (387,255) | (93,999) | - | - | (938,461) |
| At 31 December 2025 | 22,749,664 | 27,839,634 | 118,206,726 | 8,903,822 | 11,832,386 | - | 189,532,232 |
| At 1 January 2024 | 19,904,290 | 24,217,097 | 109,235,515 | 8,326,413 | 10,534,107 | - | 172,217,422 |
| Depreciation charge for the year (Note 10) | 1,422,687 | 2,022,988 | 5,405,460 | 426,335 | 811,655 | - | 10,089,125 |
| Disposals/written off | - | (11,457) | - | - | (8,829) | - | (20,286) |
| At 31 December 2024 | 21,326,977 | 26,228,628 | 114,640,975 | 8,752,748 | 11,336,933 | - | 182,286,261 |
| Net carrying amount | | | | | | | |
| At 31 December 2025 | 43,145,240 | 65,898,894 | 11,199,343 | 434,021 | 1,656,352 | 15,000 | 122,348,850 |
| At 31 December 2024 | 44,567,927 | 66,153,027 | 14,623,633 | 556,055 | 1,913,177 | 1,329,785 | 129,143,604 |

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

14. Property, plant and equipment (cont'd)

| Company | Leasehold land RM | Buildings RM | Plant, machinery and tools RM | Motor vehicles RM | Office furniture and equipment RM | Capital work-in- progress RM | Total RM |
|-----------------------|----------------------|-----------------|--|-------------------------|--|---------------------------------------|-------------|
| Cost | | | | | | | |
| At 1 January 2025 | 54,514,256 | 79,408,099 | 105,550,772 | 4,870,262 | 7,368,875 | 1,329,785 | 253,042,049 |
| Additions | - | 250,108 | 205,976 | 123,040 | 234,720 | 207,647 | 1,021,491 |
| Disposals/written off | - | (416,854) | (393,865) | (94,000) | - | - | (904,719) |
| Reclassification | - | 1,522,432 | - | - | - | (1,522,432) | - |
| At 31 December 2025 | 54,514,256 | 80,763,785 | 105,362,883 | 4,899,302 | 7,603,595 | 15,000 | 253,158,821 |
| At 1 January 2024 | 54,514,256 | 79,370,292 | 103,020,101 | 4,721,862 | 7,166,890 | 1,129,737 | 249,923,138 |
| Additions | - | 37,807 | 2,530,671 | 148,400 | 212,035 | 224,954 | 3,153,867 |
| Disposals/written off | - | - | - | - | (10,050) | - | (10,050) |
| Transfer | - | - | - | - | - | (24,906) | (24,906) |
| At 31 December 2024 | 54,514,256 | 79,408,099 | 105,550,772 | 4,870,262 | 7,368,875 | 1,329,785 | 253,042,049 |

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

14. Property, plant and equipment (cont'd)

| Company (cont'd) | Leasehold land RM | Buildings RM | Plant, machinery and tools RM | Motor vehicles RM | Office furniture and equipment RM | Capital work-in-progress RM | Total RM |
|--|-----------------------------|------------------------|---|-----------------------------|---|---------------------------------------|--------------------|
| Accumulated depreciation | | | | | | | |
| At 1 January 2025 | 17,745,175 | 20,919,148 | 92,597,751 | 4,543,687 | 6,190,797 | - | 141,996,558 |
| Depreciation charge for the year (Note 10) | 1,242,546 | 1,779,143 | 3,720,210 | 182,885 | 270,872 | - | 7,195,656 |
| Disposals/written off | - | (416,854) | (387,255) | (93,999) | - | - | (898,108) |
| At 31 December 2025 | 18,987,721 | 22,281,437 | 95,930,706 | 4,632,573 | 6,461,669 | - | 148,294,106 |
| At 1 January 2024 | 16,502,629 | 19,192,329 | 87,594,425 | 4,253,847 | 5,841,293 | - | 133,384,523 |
| Depreciation charge for the year (Note 10) | 1,242,546 | 1,726,819 | 5,003,326 | 289,840 | 358,333 | - | 8,620,864 |
| Disposals/written off | - | - | - | - | (8,829) | - | (8,829) |
| At 31 December 2024 | 17,745,175 | 20,919,148 | 92,597,751 | 4,543,687 | 6,190,797 | - | 141,996,558 |
| Net carrying amount | | | | | | | |
| At 31 December 2025 | 35,526,535 | 58,482,348 | 9,432,177 | 266,729 | 1,141,926 | 15,000 | 104,864,715 |
| At 31 December 2024 | 36,769,081 | 58,488,951 | 12,953,021 | 326,575 | 1,178,078 | 1,329,785 | 111,045,491 |

NOTES TO THE FINANCIAL STATEMENTS

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

14. Property, plant and equipment (cont'd)

- (i) During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM1,396,289 (2024: RM3,910,700) and RM1,021,491 (2024: RM3,153,867) respectively, of which RM291,648 (2024: RM77,865) and RM250,108 (2024: RM37,807) were acquired by means of lease arrangements by the Group and the Company, respectively.

(ii) Right-of-use assets

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

| | Leasehold land RM | Buildings RM | Total RM |
|--|----------------------|-----------------|-------------|
| Group | | | |
| At 1 January 2025 | 44,567,927 | 41,781 | 44,609,708 |
| Additions | - | 291,648 | 291,648 |
| Depreciation charge for the year (Note 24) | (1,422,687) | (157,023) | (1,579,710) |
| At 31 December 2025 | 43,145,240 | 176,406 | 43,321,646 |
| At 1 January 2024 | 45,990,614 | 99,718 | 46,090,332 |
| Additions | - | 77,865 | 77,865 |
| Depreciation charge for the year (Note 24) | (1,422,687) | (135,802) | (1,558,489) |
| At 31 December 2024 | 44,567,927 | 41,781 | 44,609,708 |
| Company | | | |
| At 1 January 2025 | 36,769,081 | 38,443 | 36,807,524 |
| Additions | - | 250,108 | 250,108 |
| Depreciation charge for the year (Note 24) | (1,242,546) | (117,778) | (1,360,324) |
| At 31 December 2025 | 35,526,535 | 170,773 | 35,697,308 |
| At 1 January 2024 | 38,011,627 | 90,171 | 38,101,798 |
| Additions | - | 37,807 | 37,807 |
| Depreciation charge for the year (Note 24) | (1,242,546) | (89,535) | (1,332,081) |
| At 31 December 2024 | 36,769,081 | 38,443 | 36,807,524 |

The Group and the Company have lease contracts for assets used in their operations.

There are several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised.

NOTES TO THE FINANCIAL STATEMENTS

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

14. Property, plant and equipment (cont'd)

(ii) Right-of-use assets (cont'd)

The table below describes the nature of the Group's and of the Company's leasing activities by type of right-of-use assets recognised on the statements of financial position:

| | Leasehold land | Buildings |
|--|-------------------|-----------|
| Group | | |
| At 31 December 2025 | | |
| No. of right-of-use assets leased | 11 | 5 |
| No. of leases with extension options | - | 5 |
| No. of leases with variable lease payments | - | - |
| No. of leases with termination options | - | - |
| At 31 December 2024 | | |
| No. of right-of-use assets leased | 11 | 5 |
| No. of leases with extension options | - | 5 |
| No. of leases with variable lease payments | - | - |
| No. of leases with termination options | - | - |
| Company | | |
| At 31 December 2025 | | |
| No. of right-of-use assets leased | 6 | 3 |
| No. of leases with extension options | - | 3 |
| No. of leases with variable lease payments | - | - |
| No. of leases with termination options | - | - |
| At 31 December 2024 | | |
| No. of right-of-use assets leased | 6 | 3 |
| No. of leases with extension options | - | 3 |
| No. of leases with variable lease payments | - | - |
| No. of leases with termination options | - | - |

- (iii) The Group and the Company leased warehouses with carrying amount of RM878,612 and RM582,269 to a third party during the financial year. The carrying amount of the warehouse represents an insignificant portion of the warehouses owned by the Group and the Company. Accordingly, no reclassification has been made to classify the warehouse as investment properties.

The rental receivable from the lease arrangement is disclosed in Note 24.

NOTES TO THE FINANCIAL STATEMENTS

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

15. Investment in subsidiaries

| | Company | |
|----------------------------------|-------------|-------------|
| | 2025 RM | 2024 RM |
| Unquoted shares, at cost | 38,452,895 | 38,452,895 |
| Less: Impairment in subsidiaries | (7,738,000) | (5,745,494) |
| | 30,714,895 | 32,707,401 |

There were no new business acquisitions during the financial year.

During the financial year, the Company conducted an impairment review on the recoverable amount of its investment in subsidiaries which have been sustaining continuing operational losses. The review gave rise to the recognition of an impairment loss of RM1,992,506 (2024: RM281,978) as disclosed in Note 10. The estimated recoverable amount of the investment is nil (2024: RM1,992,506), derived using the fair value less cost to sell.

Details of the subsidiaries, all of which are incorporated in Malaysia and audited by Ernst & Young PLT, Malaysia, are shown below:

| Name of company | Principal activities | Proportion (%) of ownership interest | |
|---|--|--------------------------------------|-------|
| | | 2025 | 2024 |
| Direct subsidiaries of the Company | | | |
| KKB Universal Roofing (Sarawak) Sdn. Bhd. | Manufacturing of uPVC roofing sheets and pipes and other related products | 100 | 100 |
| Harum Bidang Sdn. Bhd. | Manufacturing and trading of steel pipes and other related steel products | 90 | 90 |
| Optima Line Engineering Sdn. Bhd. | Property holding | 100 | 100 |
| KKB Industries (Sabah) Sdn. Bhd. | Manufacturing of steel pipes and pipe specials and steel fabrication | 100 | 100 |
| KKB Builders Sdn. Bhd. | To carry on trade or business as building contractor, civil engineering, earthworks, water engineering works and other contracting services | 100 | 100 |
| KKBWCT Joint Venture Sdn. Bhd. | Construction works for the "Proposed Development and Upgrading of Pan Borneo Highway in the State of Sarawak, Malaysia – Phase 1 (Works Package Contract – WPC-09: Sungai Arip Bridge to Bintulu Airport Junction) | 70 | 70 |
| OceanMight Sdn. Bhd. | General trading, construction and maintenance services, steel structural fabrication, provision of structural assemblies and engineering services | 60.81 | 60.81 |
| KKB Energy Sdn. Bhd. | To undertake construction and manufacturing of utility projects and parts, transportation projects and other related support services relating to renewable energy such as hydrogen electrolysers assembly and processes and to carry on the business of other engineering and construction services as contractors and sub-contractors for all kinds of constructional, structural, civil engineering, electrical, mechanical works, building, roads, bridges, stations, towers and all other activities relating to renewable energy | 100 | 100 |
| Subsidiary of Harum Bidang Sdn. Bhd. | | | |
| HB Pipes Sdn. Bhd. | Property holding | 90 | 90 |

NOTES TO THE FINANCIAL STATEMENTS

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

15. Investment in subsidiaries (cont'd)

Financial information of subsidiaries that have material non-controlling interests is provided below:

| Name of company | Country of incorporation | Proportion (%) of equity interest held by non-controlling interests | |
|--------------------------------|--------------------------|---|-------|
| | | 2025 | 2024 |
| Harum Bidang Sdn. Bhd. Group | Malaysia | 10 | 10 |
| KKBWCT Joint Venture Sdn. Bhd. | Malaysia | 30 | 30 |
| OceanMight Sdn. Bhd. | Malaysia | 39.19 | 39.19 |

Accumulated balances of material non-controlling interests:

| | 2025 RM | 2024 RM |
|--------------------------------|-------------|------------|
| Harum Bidang Sdn. Bhd. Group | 5,803,749 | 5,153,809 |
| KKBWCT Joint Venture Sdn. Bhd. | 114,985,702 | 853,931 |
| OceanMight Sdn. Bhd. | 47,472,441 | 47,741,236 |
| | 168,261,892 | 53,748,976 |

Profit/(loss) allocated to material non-controlling interests:

| | 2025 RM | 2024 RM |
|--------------------------------|------------|------------|
| Harum Bidang Sdn. Bhd. Group | 649,940 | (268,714) |
| KKBWCT Joint Venture Sdn. Bhd. | (868,229) | (48,654) |
| OceanMight Sdn. Bhd. | (268,795) | 14,578,378 |
| | (487,084) | 14,261,010 |

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

15. Investment in subsidiaries (cont'd)

The summarised financial information of the subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit or loss and other comprehensive income for the year.

| | Harum Bidang Sdn. Bhd. Group | | KKBWCT Joint Venture Sdn. Bhd. | | OceanMight Sdn. Bhd. | |
|--|---------------------------------|--------------|-----------------------------------|---------------|----------------------|---------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Revenue from contracts with customers | 56,895,267 | 13,494,363 | - | 267,343,140 | 32,811,648 | 353,375,796 |
| Cost of sales | (48,336,680) | (15,224,279) | - | (262,019,780) | (33,436,344) | (281,739,610) |
| Finance income | 76,215 | 115,518 | 37,460 | 109,618 | 662,229 | 1,082,082 |
| Other income | 489,652 | 462,528 | - | 18,682 | 7,303,112 | 4,037,359 |
| Administrative expenses | (1,497,998) | (1,447,378) | (271,086) | (89,927) | (12,111,923) | (22,783,654) |
| Distribution expenses | (27,052) | (12,922) | - | - | - | (595) |
| Other expenses | (84,095) | (1,781,017) | (10,700) | (19,733) | (1,010,475) | (1,113,310) |
| Finance costs | (145,708) | (149) | (2,253,992) | (5,540,295) | (1,927) | (1,917) |
| Profit/(loss) before tax | 7,369,601 | (4,393,336) | (2,498,318) | (198,295) | (5,783,680) | 52,856,151 |
| Income tax (expense)/credit | (870,192) | 1,706,200 | (395,779) | 36,116 | 5,097,760 | (15,654,550) |
| Total comprehensive income/(loss) | 6,499,409 | (2,687,136) | (2,894,097) | (162,179) | (685,920) | 37,201,601 |
| Attributable to non-controlling interests | 649,940 | (268,714) | (868,229) | (48,654) | (268,795) | 14,578,378 |
| Dividend paid to non-controlling interests | - | - | - | - | - | 11,756,250 |

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

15. Investment in subsidiaries (cont'd)

The summarised financial information of the subsidiaries are provided below. This information is based on amounts before inter-company eliminations. (cont'd)

Summarised statement of financial position as at 31 December:

| | Harum Bidang Sdn. Bhd. Group | | KKBWCT Joint Venture Sdn. Bhd. | | OceanMight Sdn. Bhd. | |
|--|---------------------------------|-------------------|-----------------------------------|------------------|----------------------|--------------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Property, plant and equipment (non-current) | 4,121,816 | 4,293,919 | 756,000 | 787,000 | 1,029,536 | 1,360,204 |
| Deferred tax assets (non-current) | 428,428 | 1,277,408 | - | - | 3,285,493 | 1,859,701 |
| Contract assets (current) | - | - | 256,074,342 | 269,187,727 | 11,387,550 | 35,067,002 |
| Inventories (current) | 30,547,988 | 34,819,667 | - | - | 5,855 | 5,855 |
| Short term funds and cash and short-term deposits (current) | 22,028,274 | 11,975,059 | 527,413 | 24,523 | 113,084,591 | 86,017,325 |
| Trade and other receivables and other current assets (current) | 1,774,782 | 779,373 | 14,245 | 30,592,331 | 14,940,367 | 35,068,496 |
| Trade and other payables (current) | (863,804) | (1,607,351) | (142,230,780) | (297,556,264) | (22,456,308) | (29,818,695) |
| Income tax payable (current) | - | - | - | - | - | (4,948,504) |
| Contract liabilities (current) | - | - | - | - | (129,447) | (2,780,095) |
| Lease liabilities (current) | - | - | - | - | (5,842) | (3,574) |
| Deferred tax liabilities (non-current) | - | - | (188,880) | (188,880) | - | - |
| Total equity | 58,037,484 | 51,538,075 | 114,952,340 | 2,846,437 | 121,141,795 | 121,827,715 |
| Attributable to: | | | | | | |
| Equity holders of parent | 52,233,735 | 46,384,266 | (33,362) | 1,992,506 | 73,669,354 | 74,086,479 |
| Non-controlling interests | 5,803,749 | 5,153,809 | 114,985,702 (a) | 853,931 | 47,472,441 | 47,741,236 |
| Summarised cash flow information for the year: | | | | | | |
| Operating | 9,689,071 | (8,252,712) | 465,430 | (235,410) | 23,497,090 | (1,002,559) |
| Investing | (15,638,204) | 15,532,885 | 37,460 | 109,618 | (40,336,997) | 48,574,600 |
| Financing | - | - | - | - | (248,014) | (30,240,387) |
| Net (decrease)/increase in cash and cash equivalents | (5,949,133) | 7,280,173 | 502,890 | (125,792) | (17,087,921) | 17,331,654 |

NOTES TO THE FINANCIAL STATEMENTS

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

15. Investment in subsidiaries (cont'd)

Note (a) During the financial year, KKBWCT Joint Venture Sdn. Bhd. ("KKBWCT") issued redeemable preference shares ("RPS") with a nominal value of RM115,000,000 to a non-controlling shareholder of KKBWCT. The issuance was effected through an offset against an amount due to a non-controlling shareholder of an equivalent amount. The salient terms of the RPS are disclosed below.

The RPS are perpetual in tenure and do not confer any fixed dividend rights; dividends, if any, may be declared at the discretion of the directors of KKBWCT. The RPS are redeemable at the option of KKBWCT at a redemption price to be determined by the shareholders, subject to applicable lender consents. KKBWCT is under no obligation to redeem the RPS.

RPS holders are entitled to receive notices and financial reports and to attend general meetings, but have limited voting rights relating to, among others, dividend on the RPS, reduction of the share capital and the winding up of KKBWCT. The RPS are non-transferable without KKBWCT's prior written consent and rank pari passu with existing preference shares, ahead of ordinary shares but behind all secured and unsecured obligations.

The entire amount of RPS has been classified as part of non-controlling interests in the consolidated financial statements.

16. Investment in associates

| | Group | | Company | |
|----------------------------------|------------|------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Unquoted shares, at cost | 100,000 | 100,000 | 100,000 | 100,000 |
| Share of post-acquisition profit | 12,935,384 | 12,184,789 | - | - |
| | 13,035,384 | 12,284,789 | 100,000 | 100,000 |

Represented by:

| | 2025 RM | 2024 RM |
|--|-------------------|-------------------|
| Current assets | 15,728,626 | 13,611,670 |
| Non-current assets | 16,552,259 | 16,717,051 |
| Current liabilities | (432,554) | (292,000) |
| Non-current liabilities | (10,062) | (74,940) |
| Equity | 31,838,269 | 29,961,781 |
| Group share of equity – 40% (2024: 40%) | 12,735,308 | 11,984,713 |
| Consolidation adjustments | 300,076 | 300,076 |
| Group's carrying amount of the investment | 13,035,384 | 12,284,789 |

NOTES TO THE FINANCIAL STATEMENTS

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

16. Investment in associates (cont'd)

The associates, which are incorporated in Malaysia, are:

| Name of company | Principal activities | Proportion (%) of ownership interest | |
|--|--|--------------------------------------|------|
| | | 2025 | 2024 |
| Held by the Company | | | |
| Edisi Optima Sdn. Bhd. | To carry on the trade or business as contractors for construction works and general engineering, and service provider for the requalification and repairs of LPG cylinders | 40 | 40 |
| Held through Edisi Optima Sdn. Bhd. | | | |
| OceanMight Sdn. Bhd. | General trading, construction and maintenance services, steel structural fabrication, provision of structural assemblies and engineering services | 5.50 | 5.50 |

The summarised statement of profit or loss and other comprehensive income of the associate not adjusted for the proportion of ownership interest held by the Group is as follows:

| | Edisi Optima Sdn. Bhd. | |
|---|------------------------|-----------|
| | 2025 | 2024 |
| | RM | RM |
| Profit before tax | 2,390,830 | 5,398,847 |
| Profit for the year, representing total comprehensive income for the year | 1,970,802 | 5,187,337 |

The associate had no contingent liabilities or capital commitments as at 31 December 2025 and 2024.

17. Inventories

| | Group | | Company | |
|--------------------------------|------------|------------|------------|------------|
| | 2025 | 2024 | 2025 | 2024 |
| | RM | RM | RM | RM |
| At cost | | | | |
| Raw materials | 68,630,854 | 36,076,693 | 11,048,516 | 6,339,294 |
| Work-in-progress | 1,643,088 | 3,272,640 | 990,343 | 503,085 |
| Consumables | 781,190 | 953,684 | 558,623 | 656,575 |
| Finished goods | 2,089,871 | 3,556,331 | 1,159,276 | 2,316,328 |
| Others | 458,637 | 1,539,026 | 108,094 | 1,043,281 |
| | 73,603,640 | 45,398,374 | 13,864,852 | 10,858,563 |
| At net realisable value | | | | |
| Raw materials | 3,645,925 | 5,729,088 | 2,119,245 | 564,736 |
| Work-in-progress | 184,410 | 56,356 | - | - |
| Finished goods | 1,738,055 | 2,283,536 | 1,655,535 | 2,154,254 |
| | 5,568,390 | 8,068,980 | 3,774,780 | 2,718,990 |
| | 79,172,030 | 53,467,354 | 17,639,632 | 13,577,553 |

During the year, the amounts of inventories recognised as an expense in cost of sales of the Group and of the Company were RM62,064,663 (2024: RM24,844,051) and RM6,890,059 (2024: RM6,480,584), respectively.

NOTES TO THE FINANCIAL STATEMENTS

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

18. Financial assets and financial liabilities

18.1 Financial assets

| | Group | | Company | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Financial assets at fair value through profit or loss | | | | |
| Short term funds | 196,849,260 | 164,947,439 | 76,547,034 | 104,683,427 |
| Debt instruments at amortised cost | | | | |
| Trade and other receivables | 36,274,528 | 97,401,585 | 52,997,635 | 49,637,418 |
| Cash and short-term deposits | 37,411,464 | 53,158,426 | 18,171,799 | 11,646,712 |
| | 73,685,992 | 150,560,011 | 71,169,434 | 61,284,130 |
| Total financial assets | 270,535,252 | 315,507,450 | 147,716,468 | 165,967,557 |

18.2 Financial liabilities

| | Group | | Company | |
|--|--------------------|--------------------|-------------------|-------------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Current interest-bearing loans and borrowings | | | | |
| Lease liabilities | 91,448 | 42,678 | 85,606 | 39,104 |
| Non-current interest-bearing loans and borrowings | | | | |
| Lease liabilities | 91,521 | - | 91,521 | - |
| Total interest-bearing loans and borrowings | 182,969 | 42,678 | 177,127 | 39,104 |
| Other financial liabilities at amortised cost, other than interest-bearing loans and borrowings | | | | |
| Current | | | | |
| Trade and other payables | 168,379,869 | 329,005,217 | 15,976,294 | 14,773,957 |
| Total financial liabilities at amortised cost | 168,562,838 | 329,047,895 | 16,153,421 | 14,813,061 |

NOTES TO THE FINANCIAL STATEMENTS

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

18. Financial assets and financial liabilities (cont'd)

18.3 Fair values

(a) Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

| | Note |
|---------------------------------------|------|
| Trade and other receivables (current) | 19 |
| Trade and other payables (current) | 25 |
| Cash and short-term deposits | 23 |

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, due to their short-term and interest-bearing nature. In addition to that, trade receivables and trade payables are subject to normal trade credit terms.

The Group and the Company hold investments in money market and income funds (classified as "short term funds") as part of their cash management activities. These funds are measured at fair value through profit or loss. The fair value of money market and income fund units is determined based on the fund's published net asset value ("NAV") at the reporting date. The NAV is derived using observable market inputs such as short-term interest rates and credit spreads. As these inputs are observable but the funds are not actively traded on a public exchange, the investment is classified within **Level 2** of the fair value hierarchy.

(b) Fair value hierarchy

The Group and the Company classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table provides the fair value measurement hierarchy of the Group's and the Company's assets and liabilities.

Quantitative disclosures of the fair value measurement hierarchy as at 31 December 2025 and 31 December 2024 were as follows:

| | Date of Valuation | Level 1 RM | Level 2 RM | Level 3 RM | Total RM |
|---------------------------------------|----------------------|---------------|---------------|---------------|-------------|
| Group | | | | | |
| Assets measured at fair value: | | | | | |
| Short term funds | 31 December 2025 | - 196,849,260 | | - | 196,849,260 |
| | 31 December 2024 | - 164,947,439 | | - | 164,947,439 |
| Company | | | | | |
| Assets measured at fair value: | | | | | |
| Short term funds | 31 December 2025 | - 76,547,034 | | - | 76,547,034 |
| | 31 December 2024 | - 104,683,427 | | - | 104,683,427 |

There have been no transfers between the fair value hierarchy during the financial year.

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

18. Financial assets and financial liabilities (cont'd)

18.4 Financial instruments risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The Group's and the Company's principal financial instruments comprise short term funds, cash and short-term deposits. The main purpose of these financial instruments is to manage the Group's funding and liquidity requirements. The Group and the Company have other financial assets and liabilities such as trade receivables and trade payables, which arise directly from their operations.

The Board of Directors with the assistance of professionals and advisers as Internal Auditors, Management Executive Committee and Risk and Sustainability Committee has the overall responsibility for the establishment and oversight of the Group's risk management framework.

The Executive Chairman together with Management Executive Committee, represented by Group Managing Director, Executive Director, Group Chief Financial Officer, Chief Operating Officer, Senior General Manager (Group Commercial and Project) and General Manager (Project Development) are the top management responsible for the implementation of decisions and policies formulated by the Board. The Risk and Sustainability Committee comprising Group Managing Director, Executive Director and senior management staff who are responsible under their respective scope of work for the day-to-day operations carry out risk identification, evaluate, monitor and formulate mitigation strategies on risks identified and periodically review risk management processes and policies. The audit committee provides independent oversight to the effectiveness of the risk management process.

The key financial risks include credit risk, liquidity risk, interest rate risk, market price risk and foreign currency exchange risk.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objective, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group's and the Company's objectives are to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company trade only with recognised and creditworthy third parties. It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables' balances are monitored on an ongoing basis to ensure that the Group's and the Company's exposure to bad debts is not significant. The Group and the Company have in place a policy and procedure for extending credit terms and the collection of overdue receivables from their customers.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

The Group's and the Company's exposure to credit risk is influenced by the individual characteristics of each customer. The receivable balance consists of business customers which are spread across a diverse range of industries. The Group and the Company determine concentration of credit risk by monitoring the industry sector profile of their trade receivables on an ongoing basis.

At the end of the reporting period, approximately:

- 89% (2024: 84%) of the Group's trade receivable and contract assets were due from 2 major customers. One of these customers contributed 31% of the Group's revenue in the current year, while in prior year the two major customers collectively contributed 82%.
- 48% (2024: 37%) of the Company's trade receivable and contract assets were due from 2 major customers which contributed to 48% (2024: 7%) of the Company's revenue.
- 0% and 50% (2024: 0% and 60%) of the Group's and Company's trade and other receivables respectively, were balances with other related parties.

NOTES TO THE FINANCIAL STATEMENTS

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

18. Financial assets and financial liabilities (cont'd)

18.4 Financial instruments risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed as below:

Deposits with banks and other financial institutions, short term funds that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Exposure to credit risk for trade receivables and contract assets

Recognition and measurement of impairment loss

The following table provides information about exposure to credit risk and expected credit loss for trade receivables of the Group as at 31 December 2025 and 31 December 2024:

| | Expected credit loss rate in % | Total gross carrying amount RM | Expected credit loss RM | Net carrying amount RM |
|----------------------------|--------------------------------------|--------------------------------------|-------------------------------|------------------------------|
| Group | | | | |
| At 31 December 2025 | | | | |
| Trade receivables | | | | |
| Current (not past due) | - | 23,079,768 | - | 23,079,768 |
| Days past due: | | | | |
| 1-90 days | - | 10,320,464 | - | 10,320,464 |
| 91-180 days | - | 305,459 | - | 305,459 |
| 181-360 days | - | - | - | - |
| More than 360 days | 18.85 | 495,101 | 93,344 | 401,757 |
| | | 11,121,024 | 93,344 | 11,027,680 |
| | | 34,200,792 | 93,344 | 34,107,448 |
| Contract assets | - | 272,012,416 | - | 272,012,416 |
| At 31 December 2024 | | | | |
| Trade receivables | | | | |
| Current (not past due) | - | 43,504,965 | - | 43,504,965 |
| Days past due: | | | | |
| 1-90 days | - | 34,262,626 | - | 34,262,626 |
| 91-180 days | - | 287,493 | - | 287,493 |
| 181-360 days | - | 221,603 | - | 221,603 |
| More than 360 days | 34.74 | 15,646,060 | 5,434,792 | 10,211,268 |
| | | 50,417,782 | 5,434,792 | 44,982,990 |
| | | 93,922,747 | 5,434,792 | 88,487,955 |
| Contract assets | - | 303,292,235 | - | 303,292,235 |

NOTES TO THE FINANCIAL STATEMENTS

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

18. Financial assets and financial liabilities (cont'd)

18.4 Financial instruments risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Exposure to credit risk for trade receivables and contract assets (cont'd)

Recognition and measurement of impairment loss (cont'd)

The following table provides information about exposure to credit risk and expected credit loss for trade receivables of the Company as at 31 December 2025 and 31 December 2024:

| | Expected credit loss rate in % | Total gross carrying amount RM | Expected credit loss RM | Net carrying amount RM |
|----------------------------|--------------------------------------|--------------------------------------|-------------------------------|------------------------------|
| Company | | | | |
| At 31 December 2025 | | | | |
| Trade receivables | | | | |
| Current (not past due) | - | 27,439,839 | - | 27,439,839 |
| Days past due: | | | | |
| 1-90 days | - | 10,180,458 | - | 10,180,458 |
| 91-180 days | - | 305,459 | - | 305,459 |
| 181-360 days | - | 836,383 | - | 836,383 |
| More than 360 days | 6.41 | 927,643 | 59,454 | 868,189 |
| | | 12,249,943 | 59,454 | 12,190,489 |
| | | 39,689,782 | 59,454 | 39,630,328 |
| Contract assets | - | 5,809,172 | - | 5,809,172 |
| At 31 December 2024 | | | | |
| Trade receivables | | | | |
| Current (not past due) | - | 19,610,009 | - | 19,610,009 |
| Days past due: | | | | |
| 1-90 days | - | 2,434,920 | - | 2,434,920 |
| 91-180 days | - | 287,493 | - | 287,493 |
| 181-360 days | - | 1,553,807 | - | 1,553,807 |
| More than 360 days | 5.92 | 21,143,952 | 1,251,792 | 19,892,160 |
| | | 25,420,172 | 1,251,792 | 24,168,380 |
| | | 45,030,181 | 1,251,792 | 43,778,389 |
| Contract assets | - | 4,859,870 | - | 4,859,870 |

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company manage their liquidity risk by maintaining adequate reserves, access to a number of sources of banking facilities which are sufficient to meet anticipated funding requirements, and reserve borrowing facilities by continuously monitoring its forecasts and actual cash flows and matching the maturity profiles of financial assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

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

18. Financial assets and financial liabilities (cont'd)

18.4 Financial instruments risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

At the end of the reporting period, approximately 50% (2024: 100%) of the Group's lease liabilities (Note 24) will mature within one year based on the carrying amount reflected in the financial statements. 48% (2024: 100%) of the Company's lease liabilities will mature within one year after the reporting period.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

| | ← Within one year RM | Group One to five years RM | → Total RM |
|---|----------------------------|---------------------------------------|--------------------|
| Financial liabilities | | | |
| At 31 December 2025 | | | |
| Trade and other payables | 169,282,557 | - | 169,282,557 |
| Lease liabilities | 103,200 | 96,200 | 199,400 |
| Total undiscounted financial liabilities | 169,385,757 | 96,200 | 169,481,957 |
| At 31 December 2024 | | | |
| Trade and other payables | 337,187,741 | - | 337,187,741 |
| Lease liabilities | 44,000 | - | 44,000 |
| Total undiscounted financial liabilities | 337,231,741 | - | 337,231,741 |
| Company | | | |
| | ← Within one year RM | Company One to five years RM | → Total RM |
| Financial liabilities | | | |
| At 31 December 2025 | | | |
| Trade and other payables | 16,002,193 | - | 16,002,193 |
| Lease liabilities | 97,300 | 96,200 | 193,500 |
| Total undiscounted financial liabilities | 16,099,493 | 96,200 | 16,195,693 |
| At 31 December 2024 | | | |
| Trade and other payables | 14,802,367 | - | 14,802,367 |
| Lease liabilities | 40,400 | - | 40,400 |
| Total undiscounted financial liabilities | 14,842,767 | - | 14,842,767 |

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

18. Financial assets and financial liabilities (cont'd)

18.4 Financial instruments risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

The Group has utilised bank guarantee facilities amounting to RM44,748,859 (2024: RM35,807,507) provided by certain banks.

Included in trade payables is an amount of RM130,339,008 (2024: RM268,632,818) payable to two related parties, including a non-controlling shareholder of a subsidiary. This non-controlling shareholder also acts as the sub-contractor appointed by the subsidiary to perform works for the Pan Borneo Highway project.

The non-controlling shareholder has agreed not to demand payment of the outstanding amount until the related contract assets of RM256,074,342, as disclosed in Note 20, have been collected from the customer.

(c) Interest rate risk

Interest rate risk is the risk that the future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to market risk for changes in interest rates relates primarily to the short-term deposits with licensed banks and floating rate advances given to/by related parties.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 25 basis points higher/lower, with all other variables held constant, the Group's and the Company's profit net of tax would have been RM21,066 (2024: RM238,844) lower/higher and RM59,484 (2024: RM38,775) higher/lower, arising mainly as a result of higher/lower interest income from short-term deposits, higher/lower interest expense/interest income from advances given by/to related parties.

(d) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company are exposed to market price risk and the risk of impairment in the value of investments held. The Group and the Company manage the risk of impairment by evaluating investment opportunities, continuously monitoring the performance of investments held and assessing market risk relevant to which the investments operate.

At the end of the reporting period, 100% (2024: 100%) of the Group's and the Company's short term funds are investment in money market/income funds that invest in highly liquid assets, which are readily convertible to cash.

Sensitivity analysis for short term funds' price risk

At the end of the reporting period, if prices for short term funds increase by 5% with all other variables being held constant, the Group's and the Company's profit net of tax will be RM9,842,463 (2024: RM8,247,372) and RM3,827,352 (2024: RM5,234,171) higher as a result of higher fair value gain on fair value through profit or loss investments in short term funds. A 5% decrease in the underlying short term funds' prices would have had the equal but opposite effect to the amounts shown above.

(e) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Currency risks as defined by MFRS 7 arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency.

NOTES TO THE FINANCIAL STATEMENTS

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

18. Financial assets and financial liabilities (cont'd)

18.4 Financial instruments risk management objectives and policies (cont'd)

(e) Foreign currency risk (cont'd)

The Group and the Company had United States Dollar ("USD") and European Dollar ("EUR") denominated net monetary assets. Impact of fluctuations of currency on profit before tax is shown below:

| | Group | | (Decrease)/increase | | Company | |
|------------------------|------------|------------|---------------------|------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| RM/USD - Strengthen 5% | (79,072) | (129,661) | (79,072) | | - | |
| RM/USD - Weaken 5% | 79,072 | 129,661 | 79,072 | | - | |
| RM/EUR - Strengthen 5% | - | (882) | - | | - | |
| RM/EUR - Weaken 5% | - | 882 | - | | - | |

The currency exposure profile of the Group's and the Company's financial assets and liabilities is disclosed as follows:

| Group | Financial assets/(liabilities) in other non-functional currency | |
|------------------------|---|-----------|
| | USD RM | EUR RM |
| 2025 | | |
| Cash and bank balances | 1,581,453 | - |
| 2024 | | |
| Cash and bank balances | 2,447,902 | - |
| Trade receivables | 3,051,495 | 370,314 |
| Trade payables | (2,906,186) | (352,680) |
| Company | | |
| 2025 | | |
| Cash and bank balances | 1,581,453 | - |

18.5 Changes in liabilities arising from financing activities

| | Group | | Company | |
|---|------------|------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| At 1 January | 42,678 | 103,472 | 39,104 | 93,857 |
| Acquisition of new leases (Note 24) | 291,648 | 77,865 | 250,108 | 37,807 |
| Repayment of principal portion of lease liabilities (Note 24) | (151,357) | (138,659) | (112,085) | (92,560) |
| At 31 December | 182,969 | 42,678 | 177,127 | 39,104 |

NOTES TO THE FINANCIAL STATEMENTS

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

19. Trade and other receivables

| | Group | | Company | |
|--|------------|-------------|------------|-------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Trade receivables | | | | |
| Third parties | 30,345,398 | 92,731,251 | 22,167,823 | 18,902,264 |
| Retention sums on engineering and construction contracts | 3,855,394 | 1,191,496 | 3,855,394 | 1,191,496 |
| Amounts due from subsidiaries | - | - | 13,666,565 | 24,936,421 |
| | 34,200,792 | 93,922,747 | 39,689,782 | 45,030,181 |
| Less: Allowance for expected credit loss | (93,344) | (5,434,792) | (59,454) | (1,251,792) |
| Trade receivables, net | 34,107,448 | 88,487,955 | 39,630,328 | 43,778,389 |
| Other receivables | | | | |
| Amounts due from subsidiaries | - | - | 12,541,740 | 4,869,077 |
| Sundry receivables | 1,569,801 | 7,964,418 | 274,848 | 142,448 |
| Deposits | 597,279 | 949,212 | 550,719 | 847,504 |
| | 2,167,080 | 8,913,630 | 13,367,307 | 5,859,029 |
| Total trade and other receivables | 36,274,528 | 97,401,585 | 52,997,635 | 49,637,418 |

(a) Trade receivables

Trade receivables are generally non-interest bearing except for the amounts due from subsidiaries which earn interest at 5.50% (2024: 5.50%) per annum.

The Group's and the Company's normal trade credit term range from 30 to 60 days (2024: 30 to 60 days). Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The information about the credit exposures are disclosed in Note 18.4(a).

Receivables that are impaired

Set out below is the movement in the allowance for expected credit losses of trade receivables:

| | Group | | Company | |
|--|-------------|------------|-------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Movement in allowance accounts: | | | | |
| At 1 January | 5,434,792 | 6,106,755 | 1,251,792 | 1,923,755 |
| Written off | - | (949,263) | - | (949,263) |
| Impairment for the year (Note 10) | 11,101 | 324,300 | 11,101 | 324,300 |
| Reversal (Note 9(a)) | (5,352,549) | (47,000) | (1,203,439) | (47,000) |
| At 31 December | 93,344 | 5,434,792 | 59,454 | 1,251,792 |

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments or debtors that have usually settled their debts beyond the prescribed credit terms. These receivables are not secured by any collateral or credit enhancements.

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

19. Trade and other receivables (cont'd)

(b) Other receivables

Other receivables of the Group and of the Company are unsecured, non-interest bearing and are receivable on demand except for amounts due from subsidiaries amounting to RM12,541,740 (2024: RM4,869,077), which earn interest at the rate of 5.50% (2024: 5.50%) per annum.

20. Contract assets and contract liabilities

Contract assets

As at 31 December 2025, the Group and the Company have contract assets of RM272,012,416 (2024: RM303,292,235) and RM5,809,172 (2024: RM4,859,870), respectively.

Contract assets mainly represent work completed on the Pan Borneo Highway project pending certification by Jabatan Kerja Raya Sarawak ("JKRS"). There is a significant delay in the approval of the certification during the year due to the formation of new quantity surveying team known as Cawangan Pembangunan Lebuhraya by JKRS on 1 October 2025 to take over the existing duty of Pan Borneo Highway Unit. The Group anticipates the matter to be resolved in 2026 with full collection of the outstanding amounts. Historically, the Group has not encountered any material default by this customer. All claims are supported by valid work performed in accordance with the contract with the customer. Consequently, no allowance for expected credit loss was recorded for contract assets as at reporting date.

Contract liabilities

| | Group | | Company | |
|------------------------------------|--------------|---------------|-------------|-------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| At 1 January | 16,504,635 | 9,841,123 | 1,057,772 | 1,843,071 |
| Revenue recognised during the year | (37,671,776) | (313,980,324) | (3,128,421) | (3,072,767) |
| Billings during the year | 44,715,669 | 320,643,836 | 2,070,649 | 2,287,468 |
| At 31 December | 23,548,528 | 16,504,635 | - | 1,057,772 |

Contract liabilities represent mainly advances secured from customers. The increase in contract liabilities is attributable to advances secured from customers, in line with the increased performance from the Manufacturing Division.

Information about the credit exposures is disclosed in Note 18.4(a).

21. Other current assets

| | Group | | Company | |
|----------------------------|------------|------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Tax recoverable | 8,417,926 | 3,208,878 | 1,626,144 | 1,888,906 |
| Prepaid operating expenses | 2,272,113 | 36,170 | 1,494,235 | 36,170 |
| | 10,690,039 | 3,245,048 | 3,120,379 | 1,925,076 |

22. Short term funds

| | Group | | Company | |
|--|-------------|-------------|------------|-------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Current | | | | |
| Fair value through profit or loss | | | | |
| Short term funds | 196,849,260 | 164,947,439 | 76,547,034 | 104,683,427 |

Short term funds are investments in money market/income funds in Malaysia. These funds invest in highly liquid assets which are readily convertible to cash.

NOTES TO THE FINANCIAL STATEMENTS

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

23. Cash and short-term deposits

| | Group | | Company | |
|---|------------|------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Short-term deposits with licensed banks | 11,087,140 | 10,668,191 | 5,570,357 | 5,360,149 |
| Cash at banks and on hand | 26,324,324 | 42,490,235 | 12,601,442 | 6,286,563 |
| Cash and bank balances | 37,411,464 | 53,158,426 | 18,171,799 | 11,646,712 |

Certain amounts of cash at banks earn interest at floating rates based on daily bank deposits rates. Short-term deposits are made for varying periods of between one day and six months (2024: one day and six months) depending on the immediate cash requirements of the Group and of the Company and earn interest at the respective short-term deposits rates. The weighted average effective interest rates as at 31 December 2025 for the Group and the Company were 3.60% (2024: 3.90%) and 3.60% (2024: 3.90%) per annum, respectively.

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following at the end of the reporting period:

| | Group | | Company | |
|--|--------------|--------------|-------------|-------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Cash and bank balances | 37,411,464 | 53,158,426 | 18,171,799 | 11,646,712 |
| Less: Short-term deposits with maturity more than 3 months | (11,087,140) | (10,668,191) | (5,570,357) | (5,360,149) |
| Cash and cash equivalents | 26,324,324 | 42,490,235 | 12,601,442 | 6,286,563 |

24. Lease liabilities

Group and Company as lessees

The Group and the Company have lease contracts for various items of land and buildings used in their operations. Leases of buildings generally have a lease term between 2 and 3 years. The Group and the Company also have certain leases of buildings and motor vehicles with lease terms of 12 months or less and leases of equipment with low value. The Group and the Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

| | Group | | Company | |
|---------------------------|------------|------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| At 1 January | 42,678 | 103,472 | 39,104 | 93,857 |
| Additions | 291,648 | 77,865 | 250,108 | 37,807 |
| Interest charged (Note 7) | 19,643 | 5,142 | 17,716 | 2,840 |
| Payment of: | | | | |
| - Principal | (151,357) | (138,659) | (112,085) | (92,560) |
| - Interest | (19,643) | (5,142) | (17,716) | (2,840) |
| At 31 December | 182,969 | 42,678 | 177,127 | 39,104 |
| Analysed as: | | | | |
| Current | 91,448 | 42,678 | 85,606 | 39,104 |
| Non-current | 91,521 | - | 91,521 | - |
| | 182,969 | 42,678 | 177,127 | 39,104 |

NOTES TO THE FINANCIAL STATEMENTS

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

24. Lease liabilities (cont'd)

Group and Company as lessees (cont'd)

The interest rates of the Group and of the Company are as follows:

| | Group | | Company | |
|-------------------|-----------|-------------|-----------|-------------|
| | 2025 % | 2024 % | 2025 % | 2024 % |
| Lease liabilities | 8.64 | 4.25 - 8.64 | 8.64 | 4.25 - 8.64 |

The following are the amounts recognised in profit or loss:

| | Group | | Company | |
|---|------------|------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Depreciation of right-of-use assets (Note 14) | 1,579,710 | 1,558,489 | 1,360,324 | 1,332,081 |
| Interest expense on lease liabilities (Note 7) | 19,643 | 5,142 | 17,716 | 2,840 |
| Expenses relating to leases of low-value assets (Note 10) | 37,676 | 53,353 | 15,841 | 25,065 |
| Expenses relating to short-term leases (Note 10) | 573,382 | 1,653,006 | 283,323 | 935,397 |

The Group and the Company had total cash outflows for leases amounting to RM782,058 (2024: RM1,850,160) and RM428,965 (2024: RM1,055,862), respectively.

There were no leases with residual value guarantee or leases which have yet to commence of which the Group and the Company have committed.

The Group and the Company also committed to short-term leases amounting to RM252,667 (2024: RM260,636) and RM195,667 (2024: RM105,050), respectively.

Lessor

As disclosed in Note 14(iii), the Group lease a warehouse to a 3rd party during the financial year. Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

| | Group | | Company | |
|-------------------|------------|------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Within one year | 1,367,038 | 106,900 | 572,038 | 20,000 |
| One to five years | 428,679 | 75,000 | 188,679 | - |
| | 1,795,717 | 181,900 | 760,717 | 20,000 |

25. Trade and other payables

| | Group | | Company | |
|--|-------------|-------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Current | | | | |
| Trade payables | | | | |
| Third parties | 14,226,995 | 28,223,714 | 3,730,780 | 2,924,949 |
| Related parties | 130,339,008 | 268,632,818 | - | - |
| Retention sums on construction contracts | 13,043,170 | 20,409,951 | 2,264,180 | 1,731,944 |
| Amounts due to subsidiaries | - | - | 470,897 | 516,549 |
| | 157,609,173 | 317,266,483 | 6,465,857 | 5,173,442 |

NOTES TO THE FINANCIAL STATEMENTS

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

25. Trade and other payables (cont'd)

| | Group | | Company | |
|---------------------------------------|-------------|-------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Current (cont'd) | | | | |
| Other payables | | | | |
| Sundry payables | 8,953,313 | 7,948,065 | 8,560,580 | 7,787,305 |
| Accruals | 1,817,383 | 3,790,669 | 949,857 | 1,813,210 |
| | 10,770,696 | 11,738,734 | 9,510,437 | 9,600,515 |
| Total trade and other payables | 168,379,869 | 329,005,217 | 15,976,294 | 14,773,957 |

(a) Trade payables

Included in the related party is an amount due to a non-controlling corporate shareholder of a subsidiary. The reduction in the amount due to a related party is explained in Note 15(a).

Trade payables are generally non-interest bearing, except for amounts due to non-controlling corporate shareholder and subsidiaries which bear interest at rates ranging from 5.50% to 6.00% (2024: 5.50% to 6.00%) per annum. During the financial year, part of the amount due to the non-controlling shareholder were capitalised into redeemable preference shares as disclosed in Note 15(a). The normal trade credit terms granted to the Group and the Company range from 30 to 90 days (2024: 30 to 90 days).

(b) Sundry payables

These amounts are unsecured, repayable on demand and non-interest bearing.

26. Issued capital

| | ← Group and Company → | | | |
|--|------------------------------|-------------|-------------|-------------|
| | Number of ordinary shares | | Amount | |
| | 2025 | 2024 | 2025 RM | 2024 RM |
| Issued and fully paid, at no par value: | | | | |
| At 1 January and 31 December | 288,727,040 | 288,727,040 | 175,254,461 | 175,254,461 |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All the ordinary shares rank equally with regards to the Company's residual assets.

27. Commitments

Capital expenditure as at the end of the reporting period is as follows:

| | Group | | Company | |
|-------------------------------------|------------|------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Capital commitments | | | | |
| Approved and contracted for: | | | | |
| Property, plant and equipment | 612,821 | 402,458 | - | 122,408 |

NOTES TO THE FINANCIAL STATEMENTS

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

28. Related party transactions

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and the Company and related parties took place at terms agreed between the parties during the financial year:

| | | | Company | |
|--|-------------|--------------|-------------|----------------|
| | 2025 | | 2025 | 2024 |
| | RM | | RM | RM |
| (i) Transactions with subsidiaries: | | | | |
| Income | | | | |
| Sales to: | | | | |
| Harum Bidang Sdn. Bhd. | 1,404,021 | | 252,639 | |
| KKBWCT Joint Venture Sdn. Bhd. | 393,402 | | 2,801,221 | |
| OceanMight Sdn. Bhd. | 6,110,534 | | 88,748,066 | |
| KKB Industries (Sabah) Sdn. Bhd. | 25,200 | | 139,510 | |
| Rental income received from: | | | | |
| KKB Universal Roofing (Sarawak) Sdn. Bhd. | 3,000 | | 12,000 | |
| Harum Bidang Sdn. Bhd. | 36,000 | | 36,000 | |
| OceanMight Sdn. Bhd. | 200,000 | | 326,500 | |
| Interest income received from: | | | | |
| Harum Bidang Sdn. Bhd. | 145,540 | | - | |
| KKB Industries (Sabah) Sdn. Bhd. | 726,639 | | 635,944 | |
| KKB Universal Roofing (Sarawak) Sdn. Bhd. | 180,657 | | 182,809 | |
| Optima Line Engineering Sdn. Bhd. | 81,117 | | 76,636 | |
| HB Pipes Sdn. Bhd. | 167 | | 149 | |
| KKB Energy Sdn. Bhd. | 288 | | 91 | |
| Expenditure | | | | |
| Purchases from: | | | | |
| Harum Bidang Sdn. Bhd. | 56,834,487 | | 13,267,074 | |
| KKB Industries (Sabah) Sdn. Bhd. | 455,100 | | 75,325 | |
| KKB Builders Sdn. Bhd. | 264,000 | | 314,513 | |
| | | | | |
| | | Group | | Company |
| | 2025 | | 2025 | 2024 |
| | RM | RM | RM | RM |
| (ii) Transactions with an associate, Edisi Optima Sdn. Bhd.: | | | | |
| Income | | | | |
| Provision of miscellaneous services such as machinery/ equipment, labour etc | 991,005 | 992,322 | 114,856 | 335,361 |
| Rental income | 96,000 | 114,000 | - | - |
| Expenditure | | | | |
| Cost of miscellaneous services such as machinery/ equipment, labour etc | 164,232 | 108,327 | 164,232 | 108,327 |

NOTES TO THE FINANCIAL STATEMENTS

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

28. Related party transactions (cont'd)

(a) Sale and purchase of goods and services (cont'd)

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and the Company and related parties took place at terms agreed between the parties during the financial year: (cont'd)

(iii) Transactions with related companies of investors, Cahya Mata Sarawak Berhad and/or Sarawak Economic Development Corporation:

| | Group | | Company | |
|---|------------|------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Expenditure | | | | |
| Purchase of cement, etc: CMS Infra Trading Sdn. Bhd. | 1,777,558 | 334,152 | - | - |

(iv) Transactions with a non-controlling shareholder of a subsidiary:

| | Group | | Company | |
|---|------------|------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Expenditure | | | | |
| Interest expense paid to: WCT Berhad | 2,253,992 | 5,540,295 | - | - |
| Purchases from: WCT Berhad | - | 94,355,417 | - | - |

(v) Transactions with companies in which certain directors (*) of the Company have substantial financial interest and/or also directors:

| | Group | | Company | |
|---|------------|------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Expenditure | | | | |
| Short-term lease expense paid to: KKB Development Sdn. Bhd.* | 114,600 | 107,800 | 71,400 | 71,400 |
| KKB Realty Sdn. Bhd.* | 79,200 | 79,200 | 19,200 | 19,200 |
| Sepang Kaya Sdn. Bhd.* | 133,300 | 132,683 | 133,300 | 132,683 |

* Dato Sri Kho Kak Beng, Kho Pok Tong and Kho Poh Lin

NOTES TO THE FINANCIAL STATEMENTS

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

28. Related party transactions (cont'd)

(a) Sale and purchase of goods and services (cont'd)

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and the Company and related parties took place at terms agreed between the parties during the financial year: (cont'd)

(vi) Transactions with a director:

| | Group | | Company | |
|--|------------|------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Expenditure | | | | |
| Short-term lease expense paid to: Dato Sri Kho Kak Beng | 76,800 | 76,800 | 28,800 | 28,800 |

(vii) Transactions with person/company connected with certain directors of the Company:

| | Group | | Company | |
|---|------------|------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Expenditure | | | | |
| Short-term lease expense paid to: Kho Siew Lan | 19,200 | 19,200 | - | - |
| House of Favourites | 12,000 | 12,000 | 12,000 | 12,000 |

(b) Compensation of key management personnel

The remuneration of directors and other member of key management during the year was as follows:

| | Group | | Company | |
|--|------------|------------|------------|------------|
| | 2025 RM | 2024 RM | 2025 RM | 2024 RM |
| Short-term employee benefits | 11,900,225 | 11,791,719 | 10,659,854 | 10,568,306 |
| Post-employment benefits: Defined contribution plan | 685,722 | 689,287 | 578,481 | 585,500 |
| | 12,585,947 | 12,481,006 | 11,238,335 | 11,153,806 |
| Included in the total key management personnel are: | | | | |
| Directors' remuneration (Note 11.2) | 8,839,907 | 8,662,901 | 8,342,242 | 8,155,311 |

NOTES TO THE FINANCIAL STATEMENTS

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

29. Dividends

| | 2025 | | 2024 | |
|---|------------------|-------------------|------------------|-------------------|
| | Sen per share | RM | Sen per share | RM |
| Recognised during the financial year: | | | | |
| Dividends on ordinary shares: | | | | |
| - First and final single tier dividend for year 2023 | - | - | 7 | 20,210,893 |
| - First and final single tier dividend for year 2024 | 7.5 | 21,654,528 | - | - |
| | | <u>21,654,528</u> | | <u>20,210,893</u> |
| Proposed but not recognised as a liability as at 31 December: | | | | |
| Dividends on ordinary shares subject to shareholders' approval at the AGM: | | | | |
| - First and final single tier dividend for year 2024 | - | - | 7.5 | 21,654,528 |
| - First and final single tier dividend for year 2025 | 3.8 | 10,971,628 | - | - |
| | | <u>10,971,628</u> | | <u>21,654,528</u> |

At the forthcoming Annual General Meeting, a first and final single tier dividend in respect of the financial year ended 31 December 2025, of 3.8 sen per ordinary share, amounting to a dividend payable of RM10,971,628 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

30. Significant Subsequent Events – Impact of the Middle East Conflict

The Group continues to monitor the evolving geopolitical situation arising from the ongoing conflict involving Iran and the wider Middle East region. While the Group has no direct operations or financial exposure to the affected territories, the conflict has contributed to heightened global macro-economic uncertainty. The Group has observed several indirect market effects, including surging energy prices, higher transportation costs and increasing raw material costs.

Despite these macro-economic pressures, the Group remains financially resilient, supported by a solid cash position, low levels of debt, and comfortable liquidity, ensuring that operations continue without significant disruption.

Given the inherently unpredictable nature of geopolitical conflicts and associated macro-economic effects, the Group will continue to closely monitor developments, reassess market conditions, and update its financial estimates and risk assessments as necessary.

OTHER DISCLOSURES

(1) RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

In accordance with Section 3.1.5 of Practice Note 12 and Para 10.09(2)(b) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a breakdown of the aggregate value of recurrent related party transactions conducted during the financial year ended 31 December 2025 pursuant to the Shareholder Mandate are disclosed as follows:-

| TYPE OF THE RECURRENT RELATED PARTY TRANSACTIONS MADE | NAME OF THE RELATED PARTIES | ACTUAL VALUE OF RECURRENT RELATED PARTY TRANSACTIONS MADE DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 RM |
|--|--|--|
| Sales of fabricated/galvanised steel products | Edisi Optima Sdn Bhd ("EOSB") * | 12,250 |
| Provision of miscellaneous services such as machineries/equipment, labour etc | Edisi Optima Sdn Bhd ("EOSB") * | 102,606 |
| Payment of cost of miscellaneous services such as machineries/equipment, labour etc | Edisi Optima Sdn Bhd ("EOSB") * | 164,232 |
| Sub-Total | | 279,088 |
| Purchase of cement and other related products | CMS Infra Trading Sdn Bhd ("CMSIT") ** | 1,777,558 |
| Sub-Total | | 1,777,558 |
| Sales of fabricated/galvanised steel products, structural steel works and other related products | OceanMight Sdn Bhd ("OMSB") *** | 5,832,546 |
| Rental of yard facilities including machineries/equipment, factories and office building | OceanMight Sdn Bhd ("OMSB") *** | 200,000 |
| Provision of miscellaneous services such as machineries/equipment/facilities, labour/ sub-contract works etc | OceanMight Sdn Bhd ("OMSB") *** | 277,988 |
| Sub-Total | | 6,310,534 |

Relationship of the Related Parties with KKB Group: -

- * *Dato' Anwarrudin Bin Ahmad Osman, who is a shareholder of KKB is also a Director and Major Shareholder of Edisi Optima Sdn. Bhd. Dato' Anwarrudin Bin Ahmad Osman resigned as Director of KKB on 1 June 2018.*
- ** *Subsidiaries and/or related companies of Major Shareholders, Cahya Mata Sarawak Berhad ("CMSB") and Sarawak Economic Development Corporation ("SEDC"). CMSIT is Person Connected with CMSB and SEDC.*
- *** *Dato' Anwarrudin Bin Ahmad Osman is a Director of OceanMight Sdn. Bhd. ("OMSB"). Dato' Anwarrudin Bin Ahmad Osman is also a Major Shareholder and Director of EOSB. EOSB is a Shareholder of OMSB. Dato' Anwarrudin has indirect interest in OMSB via EOSB pursuant to Section 8 of the Companies Act 2016.*

(2) OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no options, warrants or convertible securities issued or exercised during the financial year ended 31 December 2025.

(3) NON-AUDIT FEES

The non-audit fees paid to the external auditors during the financial year ended 31 December 2025 amounted to RM165,200.

(4) VARIATION IN RESULTS

There were no variances of 10% or more for the audited results of the Group from the unaudited results as announced on 12 February 2026.

OTHER DISCLOSURES (CONT'D)

(5) SHARE BUY-BACKS

The Company did not undertake any share buy-back exercise for the financial year ended 31 December 2025.

(6) AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR") PROGRAMME

The Company did not sponsor any ADR or GDR programme during the financial year ended 31 December 2025.

(7) SANCTIONS AND/OR PENALTIES IMPOSED

There were no sanctions and/or penalties imposed by the relevant regulatory bodies on the Company and its subsidiaries, Directors or Management during the financial year ended 31 December 2025.

(8) PROFIT GUARANTEE

No profit guarantee was provided by the Company and its subsidiaries during the financial year ended 31 December 2025.

(9) STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

For the financial year ended 31 December 2025, there were no proceeds raised by the Company from any Corporate Proposals.

(10) MATERIAL CONTRACTS

There were no material contracts of the Group, involving Directors' and major shareholders' interest, entered into during the financial year or still subsisting as at the end of the financial year ended 31 December 2025.

(11) REVALUATION POLICY

The Group did not adopt any revaluation policies on landed properties for the financial year ended 31 December 2025.

(12) 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

| Total Income | Remarks | Group | |
|-------------------------------|---------|--------------------|--------------------|
| | | 2025 (RM) | 2024 (RM) |
| Revenue | | 177,047,466 | 634,264,477 |
| Other income | | 15,325,622 | 8,778,992 |
| Interest/Finance income | | 1,547,123 | 1,969,496 |
| Share of profit of associates | | 750,595 | 2,361,023 |
| Total | | 194,670,806 | 647,373,988 |
| Total Assets | | 773,638,754 | 823,314,120 |

(b) Business Activities

| Shariah Non-Compliant Activities | Remarks | Group | |
|---|---------------------------------------|------------------|------------------|
| | | 2025 (RM) | 2024 (RM) |
| Dividend income received from conventional instruments | | 1,488,448 | 1,033,229 |
| Interest income | | 719,433 | 738,517 |
| Other activities deemed non-compliant according to Shariah principles | Fair value gain from short term funds | 1,658,141 | 887,744 |
| Total | | 3,866,022 | 2,659,490 |

OTHER DISCLOSURES (CONT'D)

(c) Component of Financial Position

(i) Cash Component

| Islamic Account/Instruments | Remarks | Group | |
|-----------------------------|---------|--------------------|--------------------|
| | | 2025 (RM) | 2024 (RM) |
| Short term funds | | 94,349,620 | 88,656,989 |
| Deposits with licensed bank | | 11,087,140 | 10,668,191 |
| Cash at bank | | 8,704,242 | 26,003,336 |
| Total Cash | | 114,141,002 | 125,328,516 |

| Conventional Account/Instruments | Remarks | Group | |
|----------------------------------|---------|--------------------|-------------------|
| | | 2025 (RM) | 2024 (RM) |
| Short term funds | | 102,499,640 | 76,290,450 |
| Cash in hand | | 9,983 | 9,067 |
| Cash at banks | | 17,610,099 | 16,477,832 |
| Total Cash | | 120,119,722 | 92,777,349 |

(ii) Debt Component

| Islamic Financing | Remarks | Group | |
|------------------------|---------|--------------|--------------|
| | | 2025 (RM) | 2024 (RM) |
| Current | | - | - |
| Non-Current | | - | - |
| Total Financing | | - | - |

| Conventional Borrowing | Remarks | Group | |
|------------------------|---------|--------------|--------------|
| | | 2025 (RM) | 2024 (RM) |
| Current | | - | - |
| Non-Current | | - | - |
| Total Debt | | - | - |

ANALYSIS OF SHAREHOLDINGS AS AT 25 MARCH 2026

| | | |
|-------------------------------|---|------------------|
| Issued Capital | : | RM175,254,461 |
| Total number of Issued Shares | : | 288,727,040 |
| Class of Share | : | Ordinary Shares |
| Voting Rights | : | 1 vote per share |

Analysis of Holdings

| Size of Holdings | No. of Holders | Total Holdings | % |
|--|----------------|--------------------|---------------|
| Less than 100 shares | 70 | 3,045 | 0.00 |
| 100 – 1,000 shares | 367 | 228,650 | 0.08 |
| 1,001 – 10,000 shares | 1,238 | 6,497,519 | 2.25 |
| 10,001 – 100,000 shares | 559 | 15,516,496 | 5.37 |
| 100,001 to less than 5% of issued shares | 82 | 73,424,470 | 25.43 |
| 5% and above of issued shares | 3 | 193,056,860 | 66.87 |
| Total | 2,319 | 288,727,040 | 100.00 |

List of Substantial Shareholders

| Names | Direct Interest | % | Indirect Interest | % |
|---|-----------------|-------|-------------------|-------|
| 1. KHO KAK BENG HOLDING COMPANY SDN. BHD. | 112,392,620 | 38.93 | - | - |
| 2. CAHYA MATA SARAWAK BERHAD | 51,680,000 | 17.90 | - | - |
| 3. SARAWAK ECONOMIC DEVELOPMENT CORPORATION | 30,935,040 | 10.71 | - | - |
| 4. DATO SRI KHO KAK BENG | 5,182,680 | 1.80 | 112,392,620* | 38.93 |
| 5. KHO POK TONG | 895,900 | 0.31 | 112,392,620* | 38.93 |
| 6. KHO POH LIN | 629,500 | 0.22 | 112,392,620* | 38.93 |
| 7. DATIN SRI LIEW MOI FAH | 296,000 | 0.10 | 112,392,620* | 38.93 |
| 8. KHO POH JOO | 192,080 | 0.07 | 112,392,620* | 38.93 |

* Deemed interested by virtue of his/her substantial interest in Kho Kak Beng Holding Company Sdn. Bhd.

Directors' Interest

| Names | Direct Interest | % | Indirect Interest | % |
|------------------------------------|-----------------|------|-------------------|-------|
| 1. DATO SRI KHO KAK BENG | 5,182,680 | 1.80 | 112,880,700* | 39.10 |
| 2. KHO POK TONG | 895,900 | 0.31 | 112,392,620+ | 38.93 |
| 3. KHO POH LIN | 629,500 | 0.22 | 112,992,620# | 39.13 |
| 4. CHAI WOON CHEW | 435,720 | 0.15 | 14,400,000¥ | 4.99 |
| 5. LAU NAI PEK | - | - | - | - |
| 6. YONG VOON KAR | - | - | - | - |
| 7. IR. HAJI OTHMAN BIN ABDUL KADIR | - | - | - | - |
| 8. NORLIZA BINTI MOHAMAD NAWI | - | - | - | - |

* Deemed interested by virtue of his substantial interest in Kho Kak Beng Holding Company Sdn. Bhd. and the interest of his spouse and child in the Company pursuant to Section 8 and Section 59(1)(c) of the Companies Act 2016 respectively

+ Deemed interested by virtue of his substantial interest in Kho Kak Beng Holding Company Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016

Deemed interested by virtue of her substantial interest in Kho Kak Beng Holding Company Sdn. Bhd. and the interest of her spouse in the Company pursuant to Section 8 and Section 59(1)(c) of the Companies Act 2016 respectively

¥ Deemed interested by virtue of his interest in Laman Satria Sdn. Bhd. pursuant to Section 8(4)(b) of the Companies Act 2016

ANALYSIS OF SHAREHOLDINGS AS AT 25 MARCH 2026 (CONT'D)

Thirty Largest Shareholders

| | Names | Holdings | |
|-----|---|-------------|-------|
| | | No. | % |
| 1. | KHO KAK BENG HOLDING COMPANY SDN. BHD. | 110,441,820 | 38.25 |
| 2. | CAHYA MATA SARAWAK BERHAD | 51,680,000 | 17.90 |
| 3. | SARAWAK ECONOMIC DEVELOPMENT CORPORATION | 30,935,040 | 10.71 |
| 4. | LAMAN SATRIA SDN. BHD. | 14,400,000 | 4.99 |
| 5. | RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR PUI CHENG WUI | 12,800,000 | 4.43 |
| 6. | DATO SRI KHO KAK BENG | 5,016,680 | 1.74 |
| 7. | WONG CHONG SEN | 5,000,000 | 1.73 |
| 8. | PUI BOON HEAN | 4,653,800 | 1.61 |
| 9. | CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF) | 4,600,000 | 1.59 |
| 10. | CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF) | 3,034,100 | 1.05 |
| 11. | TAN HEONG MING | 2,404,000 | 0.83 |
| 12. | KHO KAK BENG HOLDING COMPANY SDN. BHD. | 1,950,800 | 0.68 |
| 13. | PUI CHENG WUI | 1,252,400 | 0.43 |
| 14. | KHO POK TONG | 871,900 | 0.30 |
| 15. | HLIB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHAN YEU WAI | 835,800 | 0.29 |
| 16. | LAW SOOK TENG | 650,200 | 0.23 |
| 17. | KHO POH LIN | 629,500 | 0.22 |
| 18. | TING ING THAI | 600,000 | 0.21 |
| 19. | TAN JIN KOK | 520,500 | 0.18 |
| 20. | CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LSMCF) | 493,770 | 0.17 |
| 21. | CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. GREAT EASTERN TAKAFUL BERHAD (MEKAR) | 478,700 | 0.17 |
| 22. | PUI BOON KENG | 432,200 | 0.15 |
| 23. | TING ING SOON | 400,000 | 0.14 |
| 24. | PUBLIC INVEST NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIEW MUI LAM (C) | 387,000 | 0.13 |
| 25. | LIM JOO YOKE | 386,000 | 0.13 |
| 26. | LIM LI HUI | 383,700 | 0.13 |
| 27. | ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YEONG YOK HOONG (7003189) | 381,000 | 0.13 |
| 28. | KENANGA NOMINEES (TEMPATAN) SDN. BHD. RAKUTEN TRADE SDN. BHD. FOR PUI CHENG WUI | 378,700 | 0.13 |
| 29. | HLB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHAI WOON CHEW | 371,400 | 0.13 |
| 30. | TEO BOK NAM @ TEO BAK NAM | 360,000 | 0.13 |

LIST OF PROPERTIES AS AT 31 DECEMBER 2025

| Location | Land Area | Tenure | Description | Age of Building | Net Book Value (RM'000) | Date of Revaluation/ Acquisition * |
|---|-------------|----------------------------------|--|-----------------------|-------------------------|------------------------------------|
| KKB ENGINEERING BERHAD Reg. No.: 197601000528 (26495-D) Lot 777, Block 5 Muara Tebas Land District Kuching, Sarawak | 68.2 Acres | Leasehold Expiring in 2058 | - Land - Office & Factory Building | 27 years | 73,770 | 15.04.2008* |
| KKB ENGINEERING BERHAD Reg. No.: 197601000528 (26495-D) Lot 1949, Section 66, Jalan Kilang Bintawa Industrial Estate Kuching, Sarawak | 5.214 Acres | Leasehold Expiring in 2054 | - Land - Factory Building | 9 months | 10,751 | 30.09.2020* |
| KKB INDUSTRIES (SABAH) SDN. BHD. Reg. No.: 200401036627 (675138-T) No. 11-13, Jalan 1G KKIP Selatan Lots 13, 14, & 15 (IZ 4) Kota Kinabalu Industrial Park Kota Kinabalu, Sabah | 10.42 Acres | Leasehold Expiring in 2098 | - Land - Office & Factory Building | 20 years 11 months | 9,655 | 29.01.2005* |
| KKB ENGINEERING BERHAD Reg. No.: 197601000528 (26495-D) Lot 2045, Section 66, Jalan Kilang Bintawa Industrial Estate Kuching, Sarawak | 5.365 Acres | Leasehold Expiring in 2044 | - Land - Factory Building | 32 years | 5,943 | 31.12.1999 |
| HARUM BIDANG SDN. BHD. Reg. No.: 199601035034 (407387-U) Lot 1382, Block 7 Muara Tebas Land District Kuching, Sarawak | 1.581 Acres | Leasehold Expiring in 2060 | - Land - Office & Factory Building | 25 years 6 months | 2,675 | 31.12.1999 |
| KKB ENGINEERING BERHAD Reg. No.: 197601000528 (26495-D) Lot 865, Section 66, Jalan Kilang Bintawa Industrial Estate Kuching, Sarawak | 1.181 Acres | Leasehold Expiring in 2034 | - Land - Office & Factory Building | 31 years | 1,173 | 31.12.1999 |
| HB PIPES SDN. BHD. Reg. No.: 197901003653 (48210-A) Lot 893, Block 7 Muara Tebas Land District Kuching, Sarawak | 3.606 Acres | Leasehold Expiring in 2053 | - Land | - | 1,229 | 17.01.2003* |
| KKB ENGINEERING BERHAD Reg. No.: 197601000528 (26495-D) Lot 1952, Section 66, Jalan Kilang Bintawa Industrial Estate Kuching, Sarawak | 1.002 Acres | Leasehold Expiring in 2043 | - Land - Office & Factory Building | 40 years | 1,135 | 31.12.1999 |
| OPTIMA LINE ENGINEERING SDN. BHD. Reg. No.: 199701024514 (440012-H) Lot 1111, Block 7 Muara Tebas Land District Kuching, Sarawak | 2.369 Acres | Leasehold Expiring in 2058 | - Land - Office & Factory Building | 25 years | 879 | 31.12.1999 |
| KKB UNIVERSAL ROOFING (SARAWAK) SDN. BHD. Reg. No.: 197801005879 (43031-T) Lot 1382, Section 66, Jalan Kilang Bintawa Industrial Estate Kuching, Sarawak | 0.953 Acres | Leasehold Expiring in 2040 | - Land - Factory Building | 45 years | 746 | 31.12.1999 |

LIST OF PROPERTIES AS AT 31 DECEMBER 2025 (CONT'D)

| Location | Land Area | Tenure | Description | Age of Building | Net Book Value (RM'000) | Date of Revaluation/ Acquisition * |
|--|-------------|--|------------------------------|----------------------|-------------------------|------------------------------------|
| KKB ENGINEERING BERHAD Reg. No.: 197601000528 (26495-D) Lot 1016, Section 66, Jalan Kilang Bintawa Industrial Estate Kuching, Sarawak | 1.001 Acres | Leasehold Expiring in 2036 | - Land - Factory Building | 29 years | 634 | 31.12.1999 |
| KKB ENGINEERING BERHAD Reg. No.: 197601000528 (26495-D) 701, Block A, Kelana Business Centre 97, Jalan SS7/2 Petaling Jaya, Selangor | 0.037 Acres | Leasehold Expiring in 2092 | - Office Building | 30 years | 232 | 31.12.1999 |
| KKB ENGINEERING BERHAD Reg. No.: 197601000528 (26495-D) Lot 1455, Block 7 Parcel No. B-1-9A & 9B B-2-9A & 9B, B-3-9A & 9B Muara Tebas Land District Kuching, Sarawak | 0.099 Acres | Leasehold Expiring in 2059 | - Staff Quarters | 24 years | 199 | 02.10.2000* |
| KKB INDUSTRIES (SABAH) SDN. BHD. Reg. No.: 200401036627 (675138-T) Lot No. B202-02-03 (2-1-3) Ground Floor, Block 202 Seri Maju Apartment Jalan Sepanggar Kuala Menggatal Kota Kinabalu, Sabah | 0.014 Acres | Parent Title Expiring in 2081 | - Staff Quarters | 15 years 9 months | 50 | 12.04.2010* |
| KKB INDUSTRIES (SABAH) SDN. BHD. Reg. No.: 200401036627 (675138-T) Lot No. B201-05-19 Third Floor, Block B201 Seri Maju Apartment Jalan Sepanggar Kuala Menggatal Kota Kinabalu, Sabah | 0.014 Acres | Parent Title Expiring in 2081 | - Staff Quarters | 15 years 9 months | 48 | 12.04.2010* |

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fiftieth Annual General Meeting ("AGM") of KKB Engineering Berhad ("KKB" or "the Company") will be held at Abell Hotel, No. 22, 4th Floor, Jalan Tunku Abdul Rahman, 93100 Kuching, Sarawak on Friday, 22 May 2026 at 10:00 a.m. to transact the following businesses, with or without modifications:

AGENDA

AS ORDINARY BUSINESS:

- | | | |
|------|---|---------------------------------|
| a. | To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon. | [Please refer to Note A] |
| b. | To approve the payment of a First and Final Single Tier Dividend of 3.8 sen per ordinary share in respect of the financial year ended 31 December 2025 as recommended by the Directors. | Ordinary Resolution 1 |
| c. | To approve the following payments to Non-Executive Directors: | |
| i) | Directors' fees amounting to RM367,290 for the financial year ending 31 December 2026 (FYE2025: RM397,898); and | Ordinary Resolution 2 |
| ii) | Meeting allowances up to RM64,000 for the financial year ending 31 December 2026 (FYE2025: RM65,000). | Ordinary Resolution 3 |
| d. | To re-elect the following Directors who retire pursuant to Clause 22.2 of the Company's Constitution: | |
| i) | Dato Sri Kho Kak Beng | Ordinary Resolution 4 |
| ii) | Mr. Lau Nai Pek | Ordinary Resolution 5 |
| iii) | Ir. Haji Othman bin Abdul Kadir | Ordinary Resolution 6 |
| e. | To re-appoint Ernst & Young PLT as auditors of the Company until the conclusion of the next annual general meeting and to authorize the Board of Directors to fix their remuneration. | Ordinary Resolution 7 |

AS SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following ordinary resolutions:

- | | | |
|----|---|------------------------------|
| f. | Authority to Issue Shares | Ordinary Resolution 8 |
| | <p>"THAT, pursuant to Sections 75 and 76 of the Companies Act 2016 ("the Act") and subject always to the Company's Constitution and approvals from the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company at the time of submission to the authority AND THAT the Directors be and are also hereby empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company.</p> <p>AND THAT pursuant to Section 85(1) of the Act read together with Clause 18.2 of the Company's Constitution, this resolution if passed shall have the effect of the Shareholders having agreed to irrevocably waive their Pre-emptive Rights pursuant to Section 85(1) of the Act and Clause 18.2 of the Constitution of the Company in respect of the new shares to be allotted and issued by the Company pursuant to Sections 75 and 76 of the Act."</p> | |
| g. | Proposed renewal of Shareholder Mandate for recurrent related party transactions of a revenue or trading nature ("Proposed Shareholder Mandate") | Ordinary Resolution 9 |
| | <p>"THAT, subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into any of the categories of related party transactions which are recurrent, of a revenue or trading nature and which are necessary for the Company and its subsidiaries' day-to-day operations as outlined in Sections 3.2 to 3.4 of the Circular to Shareholders dated 21 April 2026 ("Circular"), with the specific related parties mentioned therein subject further to the followings:</p> <p>i) the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the interest of the minority shareholders; and</p> | |

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

- ii) disclosure is made in the annual report a breakdown of the aggregate value of the transactions conducted pursuant to the Proposed Shareholder Mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under Paragraph 10.09(1) of the Main Market Listing Requirements ("MMLR"), and amongst others, based on the following information:
- the type of the recurrent related party transactions made; and
 - the names of the related parties involved in each type of the recurrent related party transactions made and their relationship with the Company.

AND THAT such approval will continue to be in force until:

- i) the conclusion of the next AGM of the Company, at which time it will lapse, unless by an ordinary resolution passed at the meeting, the authority is renewed;
- ii) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340(2) of the Act [but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act]; or
- iii) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier;

AND THAT the Board of Directors of the Company ("the Board") be and is hereby authorized to sign, execute and deliver on behalf of the Company all necessary documents, and do all such acts and things as may be required or relevant for or in connection with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be imposed or permitted by the relevant authorities;

AND THAT the estimated value given on the recurrent related party transactions specified in Section 3.4 of the Circular being provisional in nature, the Board be and is hereby authorized to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the review procedures as set out in Section 3.6 of the Circular."

- h. To transact any other business which may properly be transacted at an annual general meeting, due notice of which shall have been previously given in accordance with the Company's Constitution.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN that a First and Final Single Tier Dividend of 3.8 sen per ordinary share in respect of the financial year ended 31 December 2025, if approved at the Fiftieth AGM, will be paid on 16 June 2026 to depositors whose names appear in the Record of Depositors on 3 June 2026.

A depositor shall qualify for entitlement only in respect of:

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

BY ORDER OF THE BOARD OF DIRECTORS

VOON JAN MOI (MAICSA 7021367)
SSM Practising Certificate No.: 202008001906
Company Secretary

Kuching, Sarawak
Dated: 21 April 2026

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

A. Explanatory Note on Ordinary Business

This agenda item is meant for discussion only and hence it will not be put forward for voting.

B. Explanatory Notes on Special Business

Pursuant to Paragraph 8.27(3) of the MMLR, appended hereunder are the explanatory notes on the proposed ordinary resolutions 8 and 9.

1) Proposed Ordinary Resolution 8

- **Authority to Issue Shares**

The effect of the Ordinary Resolution 8, if passed, will give the Directors of the Company, from the date of the Fiftieth AGM, authority to allot and issue shares up to 10% of the total number of issued shares of the Company for such purposes as the Directors may deem fit and in the interest of the Company. The authority, unless revoked or varied by the Company in general meeting, until the conclusion of the next AGM of the Company.

The Company is seeking the approval from the shareholders on the renewed mandate for the purpose of a possible fund-raising exercise including but not limited to placement of shares for the purpose of funding future investment project(s), working capital and/or acquisitions and to avoid any delay and cost in convening general meetings to specifically approve such an issue of shares. As at to-date, no new ordinary shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM of the Company held on 22 May 2025.

2) Proposed Ordinary Resolution 9

- **Proposed renewal of Shareholder Mandate for recurrent related party transactions of a revenue or trading nature**


Paragraph 10.09 of the MMLR states that with regard to related party transactions which are recurrent, of a revenue or trading nature and which are necessary for day-to-day operations ("RRPT"), a listed issuer may seek a shareholder mandate.

The proposed resolution 9, if passed, will authorize the Company and each of its subsidiaries to enter into RRPT with the mandated related parties as identified in Section 3.3 of the Circular, which are necessary for KKB Group's day-to-day operations, provided that such transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the interest of the minority shareholders.

By obtaining the Shareholder Mandate, the necessity to convene separate meetings from time to time to seek shareholders' approval as and when such RRPT occur would not arise. This would reduce substantial administrative time and costs associated with the convening of such meetings without compromising on the corporate objectives of KKB Group or adversely affecting the business opportunities available to KKB Group.

NOTES:

- 1. A member entitled to attend, speak and vote at the AGM is entitled to appoint a proxy or proxies to attend, speak and vote in his stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, speak and vote at the AGM of the Company shall have the same rights as the member to speak at the AGM.*
- 2. A member of the Company entitled to attend, speak and vote at this AGM shall not be entitled to appoint more than two (2) proxies to attend, speak and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*
- 3. If the appointor is a corporation, the form of proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorized.*
- 4. Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds. An exempt authorized nominee refers to an authorized nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.*
- 5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Lot 865, Section 66, Jalan Kilang, Bintawa Industrial Estate, 93450 Kuching, Sarawak not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof.*
- 6. A depositor whose name appears in the Record of Depositors as at 15 May 2026 shall be entitled to attend the AGM and to speak and vote thereat.*



STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING (“AGM”)

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Details of individuals who are standing for election and retirement as Directors

There are no individuals who are standing for election as Directors at the forthcoming 50th AGM of the Company other than the Directors standing for re-election. The profiles of the Directors are stated on pages 78 to 83 of the Annual Report 2025.

2. General mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

Details on the authority to allot and issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in Explanatory Note for Ordinary Resolution 8 of the Notice of 50th AGM.



| | |
|-----------------------|--|
| Number of shares held | |
| CDS Account No. | |

I/We (Name in full) (NRIC/Company No.)

of (Address)

being a member/members of KKB ENGINEERING BERHAD ("the Company"), hereby appoint

..... (Name in full) (NRIC No.) of

..... (Address) or failing him/her the Chairman of the Meeting as my/our proxy to vote

for me/us and on my/our behalf at the Fiftieth Annual General Meeting ("AGM") of the Company to be held at Abell Hotel, No. 22, 4th Floor, Jalan Tunku Abdul Rahman, 93100 Kuching, Sarawak on Friday, 22 May 2026 at 10.00 a.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below:

| ORDINARY RESOLUTIONS | | FOR | AGAINST |
|----------------------|---|-----|---------|
| 1. | To approve a First and Final Single Tier Dividend of 3.8 sen per ordinary share in respect of the financial year ended 31 December 2025 as recommended by the Directors. | | |
| 2. | To approve the payment of Directors' fees amounting to RM367,290 for the financial year ending 31 December 2026 (FYE 2025: RM397,898). | | |
| 3. | To approve the payment of Directors' meeting allowances up to RM64,000 for the financial year ending 31 December 2026 (FYE 2025: RM65,000). | | |
| 4. | To re-elect as Director, Dato Sri Kho Kak Beng who retires in accordance with Clause 22.2 of the Company's Constitution and being eligible, offers himself for re-election. | | |
| 5. | To re-elect as Director, Mr. Lau Nai Pek who retires in accordance with Clause 22.2 of the Company's Constitution and being eligible, offers himself for re-election. | | |
| 6. | To re-elect as Director, Ir. Haji Othman bin Abdul Kadir who retires in accordance with Clause 22.2 of the Company's Constitution and being eligible, offers himself for re-election. | | |
| 7. | To re-appoint Ernst & Young PLT as auditors of the Company and to authorize the Directors to fix their remuneration. | | |
| 8. | To empower the Directors to issue shares. | | |
| 9. | To approve the proposed renewal of Shareholder Mandate for recurrent related party transactions of a revenue or trading nature. | | |

Please indicate "X" in the appropriate box against each resolution how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit, or at his discretion, abstain from voting.

Shareholding Represented by Proxy 1

Shareholding Represented by Proxy 2

Dated this day of 2026

.....
 Signature of shareholder(s)/common seal

Notes:

1. A member entitled to attend, speak and vote at the AGM is entitled to appoint a proxy or proxies to attend, speak and vote in his stead. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, speak and vote at the AGM of the Company shall have the same rights as the member to speak at the AGM.
2. A member of the Company entitled to attend, speak and vote at this AGM shall not be entitled to appoint more than two (2) proxies to attend, speak and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. If the appointor is a corporation, the form of proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorized.
4. Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds. An exempt authorized nominee refers to an authorized nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Lot 865, Section 66, Jalan Kilang, Bintawa Industrial Estate, 93450 Kuching, Sarawak not less than forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof.
6. A depositor whose name appears in the Record of Depositors as at 15 May 2026 shall be entitled to attend the AGM and to speak and vote thereat.

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KKB ENGINEERING BERHAD

Registration No.: 197601000528 (26495-D)

Lot 865, Section 66, Jalan Kilang
Bintawa Industrial Estate
93450 Kuching
P O Box 832, 93716 Kuching
Sarawak, Malaysia

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KKB ENGINEERING BERHAD

[Registration No.: 197601000528 (26495-D)]

Head Office:

Lot 865, Section 66, Jalan Kilang
Bintawa Industrial Estate, 93450 Kuching
P O Box 832, 93716 Kuching, Sarawak, Malaysia

Tel: (6082) 333 877 (10 Lines)

Fax: (6082) 331 152

Email: kkbeb@kkbeb.com.my

Corporate Office:

No. 22, 4th Floor, Jalan Tunku Abdul Rahman
93100 Kuching, Sarawak, Malaysia

Tel: (6082) 419 877

Fax: (6082) 419 977

Email: kpl@kkbeb.com.my

Sabah Branch Office:

No. 11-13, Jalan 1G KKIP Selatan, Lots 13, 14 & 15 (IZ 4)

Kota Kinabalu Industrial Park
88460 Kota Kinabalu, Sabah, Malaysia

Tel: (6088) 495 240 (3 Lines)

Fax: (6088) 495 340

Email: chutv@kkbis.com.my

Website:

www.kkbeb.com.my