Registration No. 202001024626 (1380946-V)

SUNMOW HOLDING BERHAD

(Incorporated In Malaysia)

FINANCIAL REPORT

for the financial year ended 31 December 2025

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DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	6,328,845	3,915,438

DIVIDENDS

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

Ordinary shares	RM
Single tier interim dividend of RM0.0165 per ordinary share, declared on 31 December 2025 and paid on 27 March 2026	3,860,037

The directors do not recommend the payment of a final dividend for the financial year.

Redeemable Preference Shares ("RPS")	RM
In respect of the financial year 31 December 2025	
First half-yearly RPS dividend of RM0.011158 per RPS, paid on 30 June 2025	160,844
Second half-yearly RPS dividend of RM0.011342 per RPS, paid on 31 December 2025	163,510
	324,354

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) the Company increased its issued and paid-up share capital from RM38,250,000 to RM38,251,414 following the issuance of 1,666 new ordinary shares. The shares arose from the exercise of 1,666 warrants at an exercise price of RM0.60 per warrant, totalling RM999.60. The balance of the increase in share capital represents the transfer of the fair value of warrants exercised from equity.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITY

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

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

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

DIRECTORS

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

Kong Chiong Miew
Kong Chiong Ung
Lee Yew Chen
Kio Fook Khan

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

Kong Chiong Miew
Kong Chiong Ung

DIRECTORS' INTERESTS

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

	< ------------ Number of Ordinary Shares ------------ >			
	At 1.1.2025	Bought	Sold/ Transferred	At 31.12.2025
The Company				
Direct interests:				
Kong Chiong Miew	102,515,400	-	-	102,515,400
Kong Chiong Ung	67,369,300	-	10,000,000	57,369,300
Lee Yew Chen	7,515,000	147,900	-	7,662,900
Indirect interests				
Kong Chiong Miew *	300,000	-	-	300,000
Kong Chiong Ung +	60,000	10,000,000	-	10,060,000
Lee Yew Chen #	18,994,000	-	-	18,994,000

* Deemed interested by virtue of his spouse's and children's shareholdings pursuant to Section 59(11)(c) of the Companies Act 2016

\+ Deemed interested by virtue of his spouse's and children's shareholdings pursuant of Section 59(11)(c) of the Companies Act 2016

\# Deemed interested by virtue of his indirect substantial shareholding in Bene Sky Sdn. Bhd.

	< --- Number of Redeemable Preference Shares --- >			
	At 1.1.2025	Bought	Sold/ Transferred	At 31.12.2025
The Company				
Direct interests:				
Kong Chiong Miew	4,000,000	-	-	4,000,000
Kong Chiong Ung	2,000,000	-	-	2,000,000
Lee Yew Chen	5,820,446	-	-	5,820,446
Indirect interests				
Kong Chiong Miew **	20,000	-	-	20,000
Kong Chiong Ung ++	4,000	-	-	4,000
Lee Yew Chen ##	1,266,266	-	-	1,266,266

** Deemed interested by virtue of his spouse's and children's shareholdings pursuant to Section 59(11)(c) of the Companies Act 2016

++ Deemed interested by virtue of his spouse's shareholding pursuant of Section 59(11)(c) of the Companies Act 2016

Deemed interested by virtue of his indirect substantial shareholding in Bene Sky Sdn. Bhd.

By virtue of their shareholdings in the Company, Kong Chiong Miew and Kong Chiong Ung are deemed to have interests in shares in the subsidiaries of the Company during the financial year to the extent the Company have interests, in accordance with Section 8 of the Companies Act 2016.

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" section of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 37(b) to the financial statements.

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

DIRECTORS' REMUNERATION

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

	From the Company	From the Subsidiaries	Total
	RM	RM	RM
Salaries, bonuses and other benefits	120,000	900,000	1,020,000
Defined contribution benefits	10,400	108,000	118,400
	130,400	1,008,000	1,138,400

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company were RM9,900.

INDEMNITY AND INSURANCE COSTS

No indemnities were given to, nor insurance effected for, the directors, officers, or auditors of the Company.

SUBSIDIARIES

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 6 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

AUDITORS

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

The audit fee of the Group and of the Company for the financial year were RM117,500 and RM45,000 respectively.

Signed in accordance with a resolution of the directors dated 29 APR 2026

Kong Chiong Miew

Kong Chiong Ung

Registration No. 202001024626 (1380946-V)

SUNMOW HOLDING BERHAD
(Incorporated In Malaysia)

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

We, Kong Chiong Miew and Kong Chiong Ung, being two of the directors of Sunmow Holding Berhad, state that, in the opinion of the directors, the financial statements set out on pages 15 to 76 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 29 APR 2026

Kong Chiong Miew

Kong Chiong Ung

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

I, Hee Eng Choo, MIA Membership Number : 33590, being the officer primarily responsible for the financial management of Sunmow Holding Berhad, do solemnly and sincerely declare that the financial statements set out on pages 15 to 76 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned Hee Eng Choo, NRIC Number: 820905-13-5430 at Bintulu in the State of Sarawak on this 29 APR 2026

Hee Eng Choo

Before me

PESURUHJAYA SUMPAH
NO. Q 174
ALEX BOON THAI WOO
No. Sijil Amalan Peguam: 1100
1.1.2026 - 31.12.2028
MALAYSIA

Ground Floor & 1st Floor,
Lot 917, Fortune Park,
Jalan Tanjung Batu,
97000 Bintulu, Sarawak.
P. O. BOX 2988,
97012 Bintulu, Sarawak.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants
1st Floor, Lot 4542 – Lot 4543
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Sarawak, Malaysia
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Fax +6 086 334 802
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNMOW HOLDING BERHAD

(Incorporated In Malaysia)
Registration No. 202001024626 (1380946-V)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Sunmow Holding Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 December 2025, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 15 to 76.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNMOW HOLDING BERHAD (CONT'D)

(Incorporated In Malaysia)
Registration No. 202001024626 (1380946-V)

Key Audit Matters

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

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

<table>
<tr><td colspan="2">Revenue and Cost of Sales from Construction and Property Development Activities
Refer to Note 28 in the financial statements</td></tr>
<tr><td>Key Audit Matter</td><td>How our audit addressed the Key audit Matter</td></tr>
<tr><td>The Group recorded revenue and cost from construction contracts and property development of RM133,121,881 and RM106,559,586 respectively.

Construction and property development activities represent the largest revenue stream of the Group. Significant management judgements and estimation are involved in the recognition of the revenue and its associated costs. Significant judgement and estimation are also required in determining the stage of completion, gross profit margin, cost to complete, provision for foreseeable losses and liquidated ascertained damages, if any. The estimations are subject to uncertainties that depend on the outcome of future events.

We determined this to be a key audit matter due to the complexity and judgemental nature of these activities.</td><td>Our procedures included, amongst others:-
• Perused the contracts and discussed with management to obtain full understanding of the terms and risks to assess our consideration whether revenue was recognised in accordance with percentage of completion;
• Assessed the management's bases and assumptions in determining the percentage of completion for projects, estimation of revenue and costs;
• Reviewed estimated profit margin and cost to complete;
• Tested samples of costs incurred to date by checking the contractors' payment certificates;
• Checked to subsequent documentation to identify if there are any delay in completion of contracts and penalties imposed;
• Assessed the adequacy and reasonableness of provisions for foreseeable losses as well as liquidated ascertained damages, if any.</td></tr>
</table>

Crowe

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNMOW HOLDING BERHAD (CONT'D)

(Incorporated In Malaysia)
Registration No. 202001024626 (1380946-V)

Key Audit Matters (Cont'd)

<table>
<tr><td colspan="2">Impairment of Trade Receivables and Contract Assets
Refer to Note 11 & 12 in the financial statements</td></tr>
<tr><td>Key Audit Matter</td><td>How our audit addressed the Key audit Matter</td></tr>
<tr><td>The Group has trade receivables and contract assets amounting to RM21,235,952 and RM65,676,211 respectively, representing approximately 10.76% and 33.28% of the Group's total assets as at 31 December 2025.

The Group recognises expected credit losses on trade receivables and contract assets based on an assessment of credit risk. Such assessment involved judgements and estimation uncertainty in analysing information about past events, current conditions and forecasts of future economic conditions.</td><td>Our procedures included, amongst others:-
• We obtained an understanding of the Group control over the receivables collection and the assessment of the recoverability of trade receivables and contract assets;
• We reviewed on contract assets and ageing analysis of trade receivables and test the reliability thereof;
• We reviewed subsequent cash collections for major receivables and overdue amounts;
• We reviewed subsequent progress billing for major contract assets;
• We inquired management action plans to recover overdue amounts and obtained reasonable reason on non-movement contract assets during the year;
• We compared and challenged management's view on the assessment on the expected credit loss of trade receivables and contract assets;
• We reviewed the computation of historical observed default rates and adjustment for forward-looking estimates used to develop the impairment provision matrix; and
• We evaluated the reasonableness and adequacy of the resulting expected credit loss recognised.</td></tr>
</table>

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNMOW HOLDING BERHAD (CONT'D)

(Incorporated In Malaysia)
Registration No. 202001024626 (1380946-V)

Key Audit Matters (Cont'd)

<table>
<tr><td colspan="2">Liquidity Position
Refer to Note 4 in the financial statements</td></tr>
<tr><td>Key Audit Matter</td><td>How our audit addressed the Key audit Matter</td></tr>
<tr><td>For the financial year ended 31 December 2025, the Group recorded net operating cash outflows of RM13,583,227, mainly due to the rising inventory positions, outstanding receivables and unbilled receivables on work performed on contract projects.

The increase in inventories, receivables and contract assets was mainly financed through internal earnings. As at 31 December 2025, the Group's borrowings amounted to RM21,129,166.

With regards to the above, management has considered the liquidity position of the Group, taking into account the Group's working capital requirements and funding sources available to meet its financial obligations over the next 12 months.

Given the net operating cash outflows for the financial year, we gave audit focus on the ability of the Group to maintain its working capital liquidity to meet its financial obligations.</td><td>Our procedures included, amongst others:-
• discussing with management on the Group's current financing lines; and checking the availability of trade lines and financing.
• reviewing subsequent cash collections for trade receivables; and progress claims certified for contract assets.
• evaluating the adequacy of the disclosures in the financial statements with regards to the Group's liquidity position.</td></tr>
</table>

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

Information Other than the Financial Statements and Auditors' Report Thereon (Cont'd)

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

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 and the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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:-

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNMOW HOLDING BERHAD (CONT'D)

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 relationship and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards, applied.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNMOW HOLDING BERHAD (CONT'D)

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditor's 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.

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

Sim Aik Chiam
03123/02/2027 J
Chartered Accountant

Miri, Sarawak.

SUNMOW HOLDING BERHAD
(Incorporated In Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

		The Group		The Company	
		2025	**2024**	**2025**	**2024**
	Note	RM	RM	RM	RM
			(Restated)		
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	6	-	-	29,040,000	27,040,000
Property, plant and equipment	7	12,235,452	10,325,846	17,888	20,852
Investment properties	8	17,231,143	22,464,782	-	-
Inventories	9	2,821,252	2,243,171	-	-
Deferred tax assets	10	1,280,218	-	-	-
		33,568,065	35,033,799	29,057,888	27,060,852
CURRENT ASSETS					
Inventories	9	51,594,378	20,351,953	-	-
Trade receivables	11	21,235,952	20,270,134	-	-
Contract assets	12	65,676,211	46,552,952	-	-
Other receivables, deposits and prepayments	13	16,767,580	13,583,007	5,000,000	4,300,000
Amount owing by subsidiaries	14	-	-	19,417,382	20,615,353
Fixed deposits with licensed banks	15	2,298,675	2,240,614	-	-
Cash and bank balances	16	6,231,574	21,988,071	66,314	88,694
		163,804,370	124,986,731	24,483,696	25,004,047
TOTAL ASSETS		197,372,435	160,020,530	53,541,584	52,064,899

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

SUNMOW HOLDING BERHAD
(Incorporated In Malaysia)

STATEMENTS OF FINANCIAL POSITION (CONT'D) AS AT 31 DECEMBER 2025

		The Group		The Company	
		2025	2024	2025	2024
	Note	RM	RM	RM	RM
			(Restated)		
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	38,251,414	38,250,000	38,251,414	38,250,000
Merger deficit	18	(24,539,800)	(24,539,800)	-	-
Equity reserves	18	2,000,000	2,000,000	2,000,000	2,000,000
Warrant	18	3,582,365	3,582,779	3,582,365	3,582,779
Retained profits		39,658,511	37,189,703	119,702	64,301
TOTAL EQUITY		58,952,490	56,482,682	43,953,481	43,897,080
NON CURRENT LIABILITIES					
Hire purchase liabilities	19	346,465	1,514,987	-	-
Term loans	20	1,281,888	2,583,696	-	-
Redeemable preference shares	21	-	3,621,933	-	3,621,933
Deferred tax liabilities	10	-	16,197	4,293	4,745
		1,628,353	7,736,813	4,293	3,626,678
CURRENT LIABILITIES					
Trade payables	22	45,657,867	57,498,265	-	-
Other payables, deposits and accruals	23	30,584,275	2,694,759	93,791	259,925
Contract liabilities	12	35,810,753	20,898,483	-	-
Amount owing to directors	24	307,224	307,224	-	-
Hire purchase liabilities	19	1,180,788	1,193,717	-	-
Term loans	20	1,101,671	1,406,299	-	-
Amount owing to bankers	25	11,700,000	6,600,000	-	-
Redeemable preference shares	21	5,518,354	324,354	5,518,354	324,354
Dividend payable	26	3,860,037	3,860,037	3,860,037	3,860,037
Provision for onerous contracts	27	198,060	-	-	-
Current tax liabilities		872,563	1,017,897	111,628	96,825
		136,791,592	95,801,035	9,583,810	4,541,141
TOTAL LIABILITIES		138,419,945	103,537,848	9,588,103	8,167,819
TOTAL EQUITY AND LIABILITIES		197,372,435	160,020,530	53,541,584	52,064,899

SUNMOW HOLDING BERHAD
(Incorporated In Malaysia)

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

		The Group		The Company	
		2025	2024	2025	2024
	Note	RM	RM (Restated)	RM	RM
REVENUE	28	133,760,693	154,055,249	5,360,000	4,660,000
COST OF SALES	29	(109,688,805)	(135,384,901)	-	-
GROSS PROFIT		24,071,888	18,670,348	5,360,000	4,660,000
OTHER INCOME		1,743,035	2,604,097	989,939	565,349
ADMINISTRATIVE EXPENSES		(10,469,423)	(10,169,889)	(299,540)	(796,738)
FINANCE COSTS		(2,813,188)	(917,861)	(1,896,421)	(402,951)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS	30	(3,530,736)	124,435	-	-
PROFIT BEFORE TAXATION	31	9,001,576	10,311,130	4,153,978	4,025,660
INCOME TAX EXPENSE	32	(2,672,731)	(3,143,209)	(238,540)	(187,622)
PROFIT AFTER TAX		6,328,845	7,167,921	3,915,438	3,838,038
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		6,328,845	7,167,921	3,915,438	3,838,038
TOTAL COMPREHENSIVE ATTRIBUTABLE TO:-					
Owners of the Company		6,328,845	7,167,921	3,915,438	3,838,038
EARNINGS PER SHARE (SEN)	33				
Basic		2.71	3.06		
Diluted		2.64	2.94		

SUNMOW HOLDING BERHAD
(Incorporated In Malaysia)

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

	Note	Share Capital RM	Merger Deficit RM	Equity Reserves RM	Warrant RM	Retained Profits RM	Total Equity RM
The Group							
Balance at 1 January 2024		38,250,000	(24,539,800)	2,000,000	-	33,881,819	49,592,019
Total comprehensive income for the financial year							
- As previously reported		-	-	-	-	7,187,225	7,187,225
- Prior year adjustment	41	-	-	-	-	(19,304)	(19,304)
- As restated		-	-	-	-	7,167,921	7,167,921
Issuance of warrant		-	-	-	3,582,779	-	3,582,779
Dividends:							
- by the Company	34	-	-	-	-	(3,860,037)	(3,860,037)
Balance at 1 January 2025 (restated)		38,250,000	(24,539,800)	2,000,000	3,582,779	37,189,703	56,482,682
Total comprehensive income for the financial year		-	-	-	-	6,328,845	6,328,845
Conversion from warrant to shares	17	1,414	-	-	(414)	-	1,000
Dividends:							
- by the Company	34	-	-	-	-	(3,860,037)	(3,860,037)
Balance at 31 December 2025		38,251,414	(24,539,800)	2,000,000	3,582,365	39,658,511	58,952,490

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

SUNMOW HOLDING BERHAD
(Incorporated In Malaysia)

STATEMENTS OF CHANGES IN EQUITY (CONt'D) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

The Company	Note	Share Capital RM	Equity Reserves RM	Warrant RM	Retained profits RM	Total Equity RM
Balance at 1 January 2024		38,250,000	2,000,000	-	86,300	40,336,300
Total comprehensive expenses						
for the financial period		-	-	-	3,838,038	3,838,038
Issuance of warrant		-	-	3,582,779	-	3,582,779
Dividend paid	34	-	-	-	(3,860,037)	(3,860,037)
Balance at 31 December 2024		38,250,000	2,000,000	3,582,779	64,301	43,897,080
Total comprehensive income						
for the financial year		-	-	-	3,915,438	3,915,438
Conversion of warrant to share capital	17	1,414	-	(414)	-	1,000
Dividend paid	34	-	-	-	(3,860,037)	(3,860,037)
Balance at 31 December 2025		38,251,414	2,000,000	3,582,365	119,702	43,953,481

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

SUNMOW HOLDING BERHAD
(Incorporated In Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
		(Restated)		
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	9,001,576	10,311,130	4,153,978	4,025,660
Adjustments for:				
Gain on disposal of:				
- property, plant and equipment	(88)	(939,207)		
- investment properties	(253,271)	(300,431)	-	-
Property, plant and equipment written off	198	498	-	-
Depreciation:				
- property, plant and equipment	3,550,799	2,916,532	2,964	2,855
- investment properties	451,308	325,489	-	-
- right-of-use assets	143,372	149,282	-	-
Impairment loss:				
- contract assets	2,255,968	(348,968)	-	-
- trade receivables	1,274,768	224,533	-	-
Provision for onerous contracts	198,060	-	-	-
Interest expense	2,813,188	917,861	1,896,421	402,951
Dividend income	-	-	(5,000,000)	(4,300,000)
Interest income	(310,937)	(411,042)	(989,939)	(565,349)
Operating profit/(loss) before working capital changes	19,124,941	12,845,677	63,424	(433,883)
(Increase)/decrease in inventories	(31,820,506)	13,811,798	-	-
(Increase)/decrease in trade and other receivables	(5,424,869)	(13,437,827)	-	3,536
(Increase) in contract assets	(21,379,227)	(11,389,794)	-	-
Increase/(decrease) in contract liabilities	14,912,270	(18,754,022)	-	-
Increase/(decrease) in trade and other payables	16,062,319	14,554,811	(166,134)	1,543
CASH FOR OPERATIONS	(8,525,072)	(2,369,357)	(102,710)	(428,804)
Interest expense paid	(1,254,322)	(586,425)	(324,354)	(81,751)
Interest income received	310,647	408,119	989,939	565,349
Income tax paid	(4,114,480)	(3,191,794)	(224,189)	(185,388)
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(13,583,227)	(5,739,457)	338,686	(130,594)

SUNMOW HOLDING BERHAD
(Incorporated In Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		The Group		The Company	
		2025	**2024**	**2025**	**2024**
	Note	RM	RM	RM	RM
			(Restated)		
CASH FLOWS FOR INVESTING ACTIVITIES					
Purchase of property, plant and equipment	35(a)	(5,463,165)	(1,577,020)	-	(1,080)
Purchase of investment properties	35(a)	-	(600,545)	-	-
Additional investments in an existing subsidiary		-	-	(2,000,000)	-
Dividend received		-	-	4,300,000	-
Proceed on disposal of property, plant and equipment		2,650	939,209	-	-
Proceed on disposal of investment properties		4,892,230	1,755,419	-	-
Decrease/(Increase) in pledged fixed deposits with licensed banks		(58,061)	(571,400)	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(626,346)	(54,337)	2,300,000	(1,080)
CASH FLOWS FOR FINANCING ACTIVITIES					
Banker's acceptance		-	(1,006,000)	-	-
Dividend paid		(3,860,037)	-	(3,860,037)	-
Director account		-	(200,000)	-	-
Subsidiary account		-	-	1,197,971	(7,358,941)
Drawdown of revolving credits		5,100,000	2,800,000	-	-
Drawndown of term loans		-	378,210	-	-
Proceed from redeemable preference shares		-	7,207,866	-	7,207,866
Proceed from conversion of warrants to ordinary shares		1,000	-	1,000	-
Repayment of hire purchase liabilities		(1,181,451)	(1,168,547)	-	-
Repayment of term loans		(1,606,436)	(1,150,800)	-	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(1,546,924)	6,860,729	(2,661,066)	(151,075)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(15,756,497)	1,066,935	(22,380)	(282,749)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		21,988,071	20,921,136	88,694	371,443
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	35(d)	6,231,574	21,988,071	66,314	88,694

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

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office	: No. 5-1, Jalan Radin Bagus 9, Bandar Baru Sri Petaling, 57000 Kuala Lumpur W.P. Kuala Lumpur.
Principal place of business	: F-G-01 Bintulu Paragon, Old Airport Place, 97000 Bintulu, Sarawak.

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as "the Group".

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

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

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

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

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

MFRSs and IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 121: Lack of Exchangeability

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

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3. BASIS OF PREPARATION (CONT'D)

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

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

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

4. GOING CONCERN

The financial statements of the Group have been prepared on the basis of accounting principles applicable to a going concern, notwithstanding that the Group recorded negative operating cash flows amounting to RM13,583,227.

In assessing the appropriateness of the use of the going concern assumption, management has considered the following:-

(i) Collections from the Housing Development Account (HDA);

(ii) Collection from trade receivables;

(iii) Collection from contract assets; and

(iv) Ability to utilise available revolving credit facilities.

In view of the above, management has concluded that the Group has adequate resources to continue as a going concern in the foreseeable future. Accordingly, the financial statements of the Group have been prepared on the going concern basis. Management has further determined that no material uncertainties had been identified that may cast significant doubt on the Group's ability to continue as a going concern.

5. MATERIAL ACCOUNTING POLICY INFORMATION

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

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

(a) Depreciation of Property, plant and Equipment / Investment Properties / Right-of-use Assets

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment / investment properties / right-of-use assets are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group and the Company anticipates that the residual values of its property, plant and equipment / investment properties / right-of-use assets will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Impairment of Property, Plant and Equipment / Investment Properties / Right-of-use Assets

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

(c) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(d) Impairment of Trade Receivables and Contract Assets

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

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(e) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information.

(f) Revenue Recognition for Construction Contracts

The Group recognises construction revenue by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists.

(g) Revenue and Cost Recognition of Property Development Activities

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

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

(h) Income Taxes

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

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies

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

(i) Lease Terms

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

(j) Going Concern

Management concludes there were material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern at the end of the current reporting period. The judgements applied in concluding the appropriate basis for preparing these financial statements are disclosed in Note 4 to the financial statements.

5.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

(b) Financial Liabilities

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

Redeemable preference shares are classified as financial liabilities in accordance with the substance of the contractual arrangement of the instruments.

(c) Equity

Ordinary and Redeemable Preference Shares

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

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.3 BASIS OF CONSOLIDATION

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

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

The difference between the cost of the merger and the share capital of the merger entities is reflected within equity as merger reserve or merger deficit, as appropriate. The merger deficit is adjusted against suitable reserves of the merger entities to the extent that laws or statues do not prohibit the use of such reserves.

5.4 INVESTMENT IN SUBSIDIARIES

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

5.5 PROPERTY, PLANT AND EQUIPMENT

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

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

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

Equipment	10% - 20%
Furnitures and fittings	10%
Information and technology	10%
Motor vehicles	20%
Office equipment	10%
Plant and machinery	20%
Renovation	10%
Signboard	10%

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5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.6 INVESTMENT PROPERTIES

Investment properties are initially measured at cost. Subsequent to initial recognition, the investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated using straight-line method allocate the depreciable amounts over the estimated useful lives. The principal annual depreciation periods and rates are:-.

Leasehold land	7 - 99 years
Building	7 - 99 years

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

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

5.7 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Short-term Leases and Leases of Low-value Assets

The Company apply the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Company recognise the lease payments as an operating expenses on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

The Company presents the right-of-use assets under investment properties in the statement of financial position.

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term. The right-of-use assets are included within investment properties.

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the inicial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

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5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.8 INVENTORIES

Property development costs

Property development costs are stated at the lower of cost and net realisable value. Cost comprises cost associated with the purchase of land including landowners' entitlement, conversion fee, aggregate cost of development, materials and supplies, wages and other direct expenses and an appropriate proportion of common infrastructure costs.

The property development costs of unsold units are transferred to inventories once the development is completed.

Goods

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out method and comprises all costs of purchase plus other costs incurred in bringing the inventories to their present location and condition.

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6. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2025	**2024**
	RM	RM
Unquoted shares, at cost	29,040,000	27,040,000

The details of the subsidiaries is as follows:-

Name of Subsidiaries	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2025	2024	Principal Activities
Sunmow Development Sdn. Bhd.	Malaysia	100%	100%	Property development
SM Infra Sdn. Bhd.	Malaysia	100%	100%	Trading of goods
Sunmow Construction Sdn. Bhd.	Malaysia	100%	100%	Construction contract works and provision of construction support services.

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7. PROPERTY, PLANT AND EQUIPMENT

The Group **2025**	At 1.1.2025 RM	Additions (Note 35(a)) RM	Disposal RM	Write off (Note 31) RM	Depreciation Charge (Note 31) RM	At 31.12.2025 RM
Carrying Amount						
Equipment	1,316,637	241,447	2,562	-	196,170	1,359,352
Furniture and fittings	220,501	23,440	-	198	30,130	213,613
Information and technology	404,671	43,872	-	-	56,953	391,590
Motor vehicle	1,257,116	1,100,000	-	-	663,453	1,693,663
Office equipment	172,751	27,901	-	-	42,503	158,149
Plant and machinery	6,627,590	4,026,505	-	-	2,522,426	8,131,669
Renovation	304,763	-	-	-	35,895	268,868
Signboard	21,817	-	-	-	3,269	18,548
	10,325,846	5,463,165	2,562	198	3,550,799	12,235,452

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

The Group **2024**	At 1.1.2024 RM	Additions (Note 35(a)) RM	Reclassifications RM	Disposal RM	Write off (Note 31) RM	Depreciation Charge (Note 31) RM	At 31.12.2024 RM
Carrying Amount							
Owned assets							
Electrical and fittings	117,304	-	(117,304)	-	-	-	-
Equipment	1,506,804	41,422	(37,334)	-	497	193,758	1,316,637
Furniture and fittings	186,596	32,005	30,747	-	-	28,847	220,501
Information and technology	-	159,485	294,064	-	-	48,878	404,671
Motor vehicle	1,076,033	745,335	(66,605)	-	-	497,647	1,257,116
Office equipment	467,350	28,323	(285,227)	-	1	37,694	172,751
Plant and machinery	5,465,051	3,166,500	66,605	2	-	2,070,564	6,627,590
Renovation	225,604	-	115,054	-	-	35,895	304,763
Signboard	24,316	750	-	-	-	3,249	21,817
	9,069,058	4,173,820	-	2	498	2,916,532	10,325,846

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

The Group 2025	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
Equipment	3,124,448	1,765,096	1,359,352
Furniture and fittings	386,712	173,099	213,613
Information and technology	681,526	289,936	391,590
Motor vehicles	8,445,140	6,751,477	1,693,663
Office equipment	373,030	214,881	158,149
Plant and machinery	22,396,600	14,264,931	8,131,669
Renovation	358,949	90,081	268,868
Signboard	33,880	15,332	18,548
	35,800,285	23,564,833	12,235,452

2024	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
Equipment	2,885,651	1,569,014	1,316,637
Furniture and fittings	363,522	143,021	220,501
Information and technology	637,654	232,983	404,671
Motor vehicles	7,345,140	6,088,024	1,257,116
Office equipment	345,129	172,378	172,751
Plant and machinery	18,440,095	11,812,505	6,627,590
Renovation	358,949	54,186	304,763
Signboard	33,880	12,063	21,817
	30,410,020	20,084,174	10,325,846

The Company 2025	At 1.1.2025 RM	Depreciation Charge (Note 31) RM	At 31.12.2025 RM
Carrying Amount			
Office equipment	1,080	108	972
Signboard	19,772	2,856	16,916
	20,852	2,964	17,888

2024	At 1.1.2024 RM	Additions (Note 35(a)) RM	Depreciation Charge (Note 31) RM	At 31.12.2024 RM
Carrying Amount				
Office equipment	-	1,080	-	1,080
Signboard	22,627	-	2,855	19,772
	22,627	1,080	2,855	20,852

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

The Company **2025**	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
Office equipment	1,080	108	972
Signboard	28,553	11,637	16,916
	29,633	11,745	17,888

2024	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
Office equipment	1,080	-	1,080
Signboard	28,553	8,781	19,772
	29,633	8,781	20,852

(a) Included in the property, plant and equipment of the Group and of the Company were motor vehicles and heavy machinery held under hire purchase arrangements with a total carrying amount of RM753,965 and RM1,865,550 (2024 : RM987,784 and RM2,462,350) respectively. These assets had been pledged as security for the hire purchase payables of the Group as disclosed in Note 19 to the financial statements.

(b) The Group also has leases with lease terms of 12 months or less and leases of office equipment and machinery with low value. The Group has applied the "short-term lease" and "lease of low-value asset" recognition exemptions for these leases.

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8. INVESTMENT PROPERTIES

The Group **2025**	At 1.1.2025 RM	Disposal RM	Depreciation Charge (Note 31) RM	At 31.12.2025 RM
Carrying Amount				
Owned assets				
Buildings	21,587,708	4,638,959	451,308	16,497,441
Right-of-use assets				
Leasehold land	877,074	-	143,372	733,702
	22,464,782	4,638,959	594,680	17,231,143

8. INVESTMENT PROPERTIES (CONT'D)

The Group **2024**	At 1.1.2024 RM	Additions (Note 35(a)) RM	Disposal RM	Transferred RM	Depreciation Charge (Note 31) RM	At 31.12.2024 RM
Carrying Amount						
Capital work in progress	9,758,041	600,545	366,563	(9,992,023)	-	-
Owned assets						
Buildings	11,010,075	-	653,055	11,556,177	325,489	21,587,708
Right-of-use assets						
Leasehold land	3,025,880	-	435,370	(1,564,154)	149,282	877,074
	23,793,996	600,545	1,454,988	-	474,771	22,464,782

Included in the additions are borrowing costs capitalised amounting to RM NIL (2024 : RM77,363).

8. INVESTMENT PROPERTIES (CONT'D)

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2025			
Owned assets			
Buildings	18,722,299	2,224,858	16,497,441
Right-of-use assets			
Leasehold land	2,691,262	1,957,560	733,702
	21,413,561	4,182,418	17,231,143
2024			
Owned assets			
Buildings	23,464,618	1,876,910	21,587,708
Right-of-use assets			
Leasehold land	2,691,262	1,814,188	877,074
	26,155,880	3,691,098	22,464,782

	2025 RM	2024 RM
Fair value	23,196,800	30,531,222

(a) The investment properties of the Group are leased to customers under operating leases with rental payable monthly. The leases contain initial non-cancellable period ranging from 1 (2024 : 1 to 4) years and an option that is exercisable by the customers to extend their leases for an average of 1 (2024 : 1) year. The Group normally requires 1 (2024 : 1) month of advance rental payments from the customers.

As at the reporting date, the future minimum rentals receivable under the non-cancellable operating leases are as follow:-

	2025 RM	2024 RM
Within 1 year	61,200	116,850
Between 1 and 2 years	-	85,950
Between 2 and 3 years	-	54,000
	61,200	256,800

(b) The leasehold land and buildings have been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Notes 20 and 25 to the financial statements.

(c) The fair values of the investment properties are based on directors' estimation which are arrived at by reference to market evidence of transaction prices for similar properties and recent experience in the locations and category of properties being valued. The most significant input into this valuation approach is the price per square foot of comparable properties. Adjustments are then made for differences in location, size, facilities available, market conditions and other factors in order to arrive at a common basis.

9. INVENTORIES

	The Group	
	2025	**2024**
	RM	RM
Lubricant	2,996	5,429
Material	517,799	734,009
Furniture and fittings	149,028	179,497
Goods in transit	-	1,115,517
Property development costs	53,745,807	20,560,672
	54,415,630	22,595,124
Recognised in profit or loss:-		
Inventories recognised as cost of sales	3,129,219	8,769,319

(a) The goods in transit represent goods that are being delivered to customers, where the risks and rewards of control have not yet been transferred to the customers.

(b) The movements of property development costs are analysed by:-

	The Group	
	2025	**2024**
	RM	RM
At 1 January	20,560,672	36,038,626
Additions	33,614,502	2,457,480
Transfer to cost of sales (Note 29)	(429,367)	(17,935,434)
At 31 December	53,745,807	20,560,672
Represented by:-		
Leasehold land	37,315,353	14,438,391
Development costs	16,430,454	6,122,281
	53,745,807	20,560,672
Analysed by:-		
Current assets	50,924,555	18,317,501
Non-current assets	2,821,252	2,243,171
	53,745,807	20,560,672

10. DEFERRED TAX (ASSETS)/LIABILITIES

The Group **2025**	At 1.1.2025 RM	Recognised in Profit or Loss (Note 32) RM	At 31.12.2025 RM
Deferred tax liabilities:-			
Property, plant and equipment	16,197	(6,518)	9,679
Deferred tax assets:-			
Property, plant and equipment	-	(108,549)	(108,549)
Allowance for impairment on trade receivables	-	(591,901)	(591,901)
Allowance for impairment on contract assets	-	(541,913)	(541,913)
Provision for onerous contracts	-	(47,534)	(47,534)
	-	(1,289,897)	(1,289,897)
	16,197	(1,296,415)	(1,280,218)

10. DEFERRED TAX ASSETS/LIABILITIES (CONT'D)

2024	At 1.1.2024 RM	Recognised in Profit or Loss (Note 32) RM	At 31.12.2024 RM
Deferred tax liabilities:-			
Property, plant and equipment	12,451	3,746	16,197

The Company **2025**	At 1.1.2025 RM	Recognised in Profit or Loss (Note 32) RM	At 31.12.2025 RM
Deferred tax liabilities:-			
Property, plant and equipment	4,745	(452)	4,293
2024			
Deferred tax liabilities:-			
Property, plant and equipment	5,430	(685)	4,745

At the end of the reporting period, the amounts of deferred tax assets of a subsidiary not recognised due to uncertainty of their realisation are as follows:-

	The Group	
	2025 RM	**2024** RM
Unused tax losses:		
- expires year of assessment 2035	411,254	-

No deferred tax assets are recognised in respect of these items as it is not probable that taxable profits of the subsidiary will be available against which the deductible temporary differences can be utilised.

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment.

11. TRADE RECEIVABLES

	The Group	
	2025 RM	**2024** RM
Trade receivables:-		
- third parties	22,927,246	21,461,619
- Unbilled receivables	774,959	-
	23,702,205	21,461,619
Less: Allowance for impairment losses	(2,466,253)	(1,191,485)
	21,235,952	20,270,134
Allowance for impairment losses:-		
At 1 January	1,191,485	966,952
Addition during the financial year	1,274,768	224,533
At 31 December	2,466,253	1,191,485

11. TRADE RECEIVABLES (CONT'D)

The Group's normal trade credit terms range from 14 to 90 (2024 : 21 to 60) days. Other credit terms are assessed and approved on a case-by-case basis.

12. CONTRACT ASSETS/(LIABILITIES)

	The Group	
	2025	**2024**
	RM	RM
At 1 January	35,928,086	21,945,991
Revenue recognised during the financial year	133,121,881	153,086,433
Billings to customers during the financial year	(105,648,841)	(139,104,338)
	63,401,126	35,928,086
Less: Allowance for impairment losses	(2,257,970)	(2,002)
Less: Allowance for impairment losses	(2,255,968)	-
At 31 December	61,143,156	35,926,084
Represented by:-		
Contract assets relating to construction contracts	62,024,663	45,077,417
Contract assets relating to property development activities	5,909,518	1,477,537
Less: Allowance for impairment losses	(2,257,970)	(2,002)
	65,676,211	46,552,952
Contract liabilities relating to construction contracts	(4,533,055)	-
Contract liabilities relating to property development activities	-	(10,626,868)
	61,143,156	35,926,084
Allowance for impairment losses:-		
At 1 January	2,002	350,970
Addition during the financial year	2,255,968	-
Reversal during the financial year	-	(348,968)
At 31 December	2,257,970	2,002

(a) The contract assets relating to construction contracts represent the Group's right to consideration for work completed but not yet billed as at the reporting date. The amount will be transferred to trade receivables when the Group issues billing in the manner as established in the contracts with customers.

The contract assets and liabilities relating to property development activities represent the timing difference in revenue recognition and the milestone billing in respect of the property development activities.

(b) Included in contract assets relating to construction contracts are retention sums totalling RM15,189,650 (2024 - RM16,985,259).

(c) The other contract liabilities amounting to RM31,277,698 (2024 : RM10,271,615) primarily relate to entitlement of land owners for the development projects. The amount will be recognised as revenue when the performance obligations are satisfied.

(d) The contract liabilties are analysed by:-

	The Group	
	2025	**2024**
	RM	RM
Contract liabilities arising on unsatisfied work done	4,533,055	10,626,868
Contract liabilities arising on landowner entitlement	31,277,698	10,271,615
	35,810,753	20,898,483

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM (Restated)	RM	RM
Other receivables:-				
- third parties	1,608,791	3,423,021	-	-
- dividend receivable from subsidiaries	-	-	5,000,000	4,300,000
	1,608,791	3,423,021	5,000,000	4,300,000
Deposits	4,592,167	1,678,877	-	-
Prepayments	10,566,622	8,481,109	-	-
	16,767,580	13,583,007	5,000,000	4,300,000

(a) The other receivables include RM861,760 (2024 - RM1,494,171), which is sale proceed receivable from disposal of investment properties.

(b) The prepayments include RM4,379,492 (2024 - RM5,623,027) and RM5,756,073 (2024 - RM2,485,605), which are prepaid contractors' all-risk insurance premiums and prepaid contract costs for future property development projects respectively.

14. AMOUNT OWING BY SUBSIDIARIES

The amount owing by subsidiaries included unsecured loan advances amounting to RM18,721,000 (2024 : RM19,741,000) which are repayable on demand and bear interest rate at 5.11% (2024 : 2.85% to 5.32%) per annum.

15. FIXED DEPOSITS WITH LICENSED BANKS

(a) The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest at rates ranging from 2.25% to 3.55% (2024 : 2.10% to 3.55%) per annum with maturity periods ranging from 1 to 12 (2024 : 1 to 12) months.

(b) Included in the fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM2,298,675 (2024 : RM2,240,614) which has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 25 to the financial statements.

16. CASH AND BANK BALANCES

Included in the cash and bank balances of the Group is an amount of RM4,027,661 (2024 : 20,126,839) held pursuant to Section 12 of the Housing Development (Control and Licensing) Ordinance, 2013. The amount is held at call with banks and is available only to the subsidiary involved in the property development activities.

17. SHARE CAPITAL

	The Group/The Company			
	2025	**2024**	**2025**	**2024**
	Number Of Ordinary Shares		RM	RM
Issued and paid up				
At 1 January	233,940,000	233,940,000	38,250,000	38,250,000
Conversion from warrant to ordinary shares	1,666	-	1,414	-
At 31 December	233,941,666	233,940,000	38,251,414	38,250,000

(a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at general meetings of the Company. The ordinary shares have no par value.

(b) During the financial year, 1,666 warrants were exercised, resulting in the issuance of 1,666 new ordinary shares of the Company pursuant to the terms of the warrants.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company

18. RESERVES

Details of the movements in reserves are set out in the Statements of Changes in Equity. A description of each reserves is set out below:-

(a) Merger deficit

The merger deficit represents the difference between carrying value of the assets and liabilities acquired under merger accounting to the cost of investment.

(b) Equity reserves

Equity reserves represents share gift of 4,000,000 ordinary shares by a director of the Company to eligible employees.

(c) Warrant reserves

The warrant reserve relates to the portion of proceeds from the rights shares issue ascribed to the attached warrants. As and when the warrants are exercised, the related balance in the warrant reserve will be transferred to the share capital account. Each warrant carries the right to subscribe for one (1) new ordinary share in the capital of the Company at an exercise price of RM0.60. The warrants will expire on 30 September 2028. At the expiry of the warrants, the balance in the warrant reserve will be transferred to retained earnings.

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19. HIRE PURCHASE LIABILITIES

	The Group	
	2025	**2024**
	RM	RM
Minimum hire purchase payments:		
- not later than 1 year	1,232,893	1,311,647
- later than 1 year and not later than 5 years	351,304	1,570,867
	1,584,197	2,882,514
Less: Future finance charges	(56,944)	(173,810)
Present value of hire purchase liabilities	1,527,253	2,708,704
Analysed by:-		
Current liabilities	1,180,788	1,193,717
Non-current liabilities	346,465	1,514,987
	1,527,253	2,708,704

(a) The hire purchase liabilities of the Group were secured by the Group's equipment, motor vehicles and plant and machinery under hire purchase as disclosed under Note 7 to the financial statements.

(b) The hire purchase liabilities of the Group at the end of the reporting period bore effective interest at rates ranging from 2.40% to 3.64% (2024 : 2.40% to 3.64%) per annum. The interest rates were fixed at the inception of the hire purchase arrangements.

20. TERM LOANS

	The Group	
	2025	**2024**
	RM	RM
Current liabilities	1,101,671	1,406,299
Non-current liabilities	1,281,888	2,583,696
	2,383,559	3,989,995

(a) The term loans of the Group were secured by a way of:-

   (i) first party legal charge over the Group's investment properties.

   (ii) 80% guaranteed by Syarikat Jaminan Pembiayaan Perniagaan (SJPP) under BNM Special Relief Facility and joint and several guarantee by directors.

(b) The term loans of the Group at the end of the reporting period bore effective interest at rates ranging from 3.50% to 5.01% (2024 : 3.50% to 5.01%) per annum.

(c) The term loans are repayable in monthly instalments ranging from RM2,433 to RM60,900 (2024 : RM2,433 to RM60,900) and will be fully settled on various dates between 2026 to 2032.

21. REDEEMABLE PREFERENCE SHARES

	The Group/The Company		
	Equity Component RM	Liability Component RM	Total RM
At 1 January 2025	3,582,779	3,946,287	7,529,066
Conversion to ordinary shares	(414)	-	(414)
Interest expense recognised in profit or loss (Note 31)	-	1,896,421	1,896,421
Repayment of interest (Note 35(b))	-	(324,354)	(324,354)
At 31 December 2025	3,582,365	5,518,354	9,100,719

	Equity Component RM	Liability Component RM	Total RM
At 1 January 2024	-	-	-
Issued during the year	3,582,779	3,625,087	7,207,866
Interest expense recognised in profit or loss (Note 31)	-	402,951	402,951
Repayment of interest (Note 35(b))	-	(81,751)	(81,751)
At 31 December 2024	3,582,779	3,946,287	7,529,066

	The Group/The Company	
	2025	**2024**
The liability component is analysed as below:-		
Current liabilities	5,518,354	324,354
Non-current liabilities	-	3,621,933
	5,518,354	3,946,287

As at the close of acceptance and payment for the Rights Issue of Redeemable Preference Shares ("RPS") with Warrants on 19 September 2024, the Company had received valid acceptances for a total of 14,415,733 Rights RPS at price of RM0.50 each, representing a subscription rate of 92.43% of the Rights RPS available for subscription under the Rights Issue of RPS with Warrants.

The details of valid acceptances received as at 19 September 2024 are as follows:-

	No. of Rights RPS	**%**
Total valid acceptances as at the Closing Date	14,415,733	92.43
Total Rights RPS available for subscription	15,595,962	100.00
Under-subscription	1,180,229	7.57

The successful applicants for the Rights RPS have been issued with free Warrants on the basis of 1 Warrant for every 1 Rights RPS subscribed for.

The total subscription for the redeemable preference shares amounted to RM7,207,866, which was fully allocated to new property development projects.

22. TRADE PAYABLES

	The Group	
	2025	**2024**
- third parties	33,270,277	47,297,851
- related parties	55,485	368,182
	33,325,762	47,666,033
Retention sums	12,332,105	9,832,232
	45,657,867	57,498,265

(a) The normal trade credit terms granted to the Group range from 30 to 60 (2024 : 30 to 60) days.

(b) The retention sums are expected to be settled within the periods ranging from 1 to 3 (2024 : 1 to 3) years.

23. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2025	**2024**	**2025**	**2024**
	RM	RM	RM	RM
Other payables:-				
- third parties	826,189	1,203,926	15,492	727
Accruals	29,758,086	1,490,833	78,299	259,198
	30,584,275	2,694,759	93,791	259,925

Included are accrued sub-contractor fee amounting to RM27,482,713 (2024 : RM NIL) and accrued interest of term loan repayable under bullet payment term totalling RM NIL (2024 : RM13,201).

24. AMOUNT OWING TO DIRECTORS

The amounts owing represent non-trade transactions which are unsecured, interest-free and have no fixed terms of repayment.

25. AMOUNT OWING TO BANKERS

	The Group	
	2025	**2024**
	RM	RM
Revolving credit	11,700,000	6,600,000

The revolving credits of the Group at the end of the reporting period bore interest rates ranging from 4.42% to 4.85% (2024 : 5.21% to 5.26%) per annum.

26. DIVIDEND PAYABLE

	The Group/The Company	
	2025	**2024**
	RM	RM
Single tier interim dividend of RM0.0165 (2024 - RM0.0165) per ordinary share, paid on 27 March 2026 (2024 - paid on 27 March 2025)	3,860,037	3,860,037

27. PROVISION FOR ONEROUS CONTRACTS

	The Group	
	2025	**2024**
	RM	RM
At 1 January	-	-
Provision made during the financial year	198,060	-
At 31 December	198,060	-

The provision relates to an onerous contract where the unavoidable costs of fulfilling the contract exceed the economic benefits expected to be received. Accordingly, a provision has been recognised in the financial statements for the expected loss arising from the contract.

28. REVENUE

	The Group		The Company	
	2025	**2024**	**2025**	**2024**
	RM	RM		
Revenue from Contracts with Customers				
Recognised over time				
Construction contracts	95,720,460	88,334,004	-	-
Property development	37,401,421	64,752,429	-	-
	133,121,881	153,086,433	-	-
Recognised at a point in time				
Sales of goods	568,912	898,916	-	-
Services rendered	69,900	69,900	-	-
	133,760,693	154,055,249	-	-
Revenue from Other Sources				
Dividend income	-	-	5,000,000	4,300,000
Management income	-	-	360,000	360,000
	-	-	5,360,000	4,660,000
	133,760,693	154,055,249	5,360,000	4,660,000

(a) The revenue of the Group and of the Company is derived entirely in Malaysia.

(b) The Group and the Company have applied the practical expedient for not adjusting the sales price for the effects of a significant financing component when the period between the transfer of the promised goods or services to the customer and payment by the customer is 1 year or less.

(c) The information about the performance obligations in contracts with customers is summarised as below:-

Construction services

The construction contracts include multiple distinct promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on the expected cost plus a margin approach.

Revenue from construction contracts is recognised over time in the period when the services are rendered using the input method by, determines based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs.

28. REVENUE (CONT'D)

(c) The information about the performance obligations in contracts with customers is summarised as below (cont'd):-

Construction services (Cont'd)

Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using most likely method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

Sales of Properties under Construction

For practical expediency, the Group applies the revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics in the property development business if the Group reasonably expects that the effects on the financial statements would not differ materially from recognising revenue on individual contracts (or performance obligations) within that portfolio.

The contracts contain a late penalty charge at 3% on the selling price, calculated daily. Revenue is measured at the selling price (net of discount) agreed under the contract and after considering the estimated late penalty charges which are immaterial.

Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the Company does not create an asset which an alternative use to the Company and the Company have an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract using the input method by reference to the property development cost incurred up the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract. Otherwise, revenue is recognised at a point in time when the assets has been completed and delivered to the customer.

Billings to customer are based on agreed milestones under the contracts, certified by architects. The credit period is 21 days from the date of progress billing. There is no significant financing component in the selling price as the billing is made on the normal credit terms not exceeding 12 months.

A defect liability period of 18 months is given to the customers.

Sales of goods

Revenue from sales of goods are recognised at a point in time when goods have been transferred and accepted by customers, net of discount.

Services rendered

Services income is recognised at a point in time upon completion of the service and acceptance by the customers.

(d) The information of the revenue from other sources is summarised below:-

Dividend income

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

Management income

Management fees are recognised in the period in which the services are rendered.

29. COST OF SALES

	2025 RM	2024 RM (Restated)
Included in the cost of sales are the following:-		
Property development costs		
- Direct costs	429,367	17,935,434
- Provision of onerous contracts	198,060	-
Construction costs	105,932,159	108,680,148
General trading and services	3,129,219	8,769,319
	109,688,805	135,384,901

30. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS AND CONTRACT ASSETS

	The Group	
	2025 RM	2024 RM
Impairment losses:		
- contract asset (Note 12)	2,255,968	-
- trade receivables (Note 11)	1,274,768	224,533
Reversal of impairment losses:		
- contract asset (Note 12)	-	(348,968)
	3,530,736	(124,435)

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31. PROFIT BEFORE TAXATION

	The Group		The Company	
	2025	2024	2025	2024
Profit before taxation is arrived:-	RM	RM	RM	RM
After Charging				
Auditors' remuneration:				
- current financial year	117,500	111,000	45,000	45,000
- under/(over)provision in the previous financial year	13,800	180	1,200	(750)
Depreciation:				
- property, plant and equipment	3,550,799	2,916,532	2,964	2,855
- investment properties	451,308	325,489	-	-
- right-of-use assets	143,372	149,282	-	-
Directors fee	-	200,000	-	200,000
Directors' non-fee emoluments:				
- salaries, bonuses and allowances	1,020,000	1,015,000	120,000	115,000
- defined contribution benefits	118,400	121,850	10,400	13,850
Staff costs				
- salaries, bonus and allowances	16,213,334	15,786,468	-	-
- defined contribution benefits	831,109	807,381	-	-
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- hire purchases	116,866	130,544	-	-
- term loans	148,156	125,645	-	-
- revolving credit	651,745	258,721	-	-
- redeemable preference shares	1,896,421	402,951	1,896,421	402,951
Lease expenses:				
- short-term leases	408,566	1,168,941	-	-
Property, plant and equipment written off	198	498	-	-
After Crediting				
Interest income:				
- fixed deposits with licensed banks	58,351	59,889	-	-
- loan to subsidiaries	-	-	987,824	556,998
- others	252,586	351,153	2,115	8,351
Rental income:				
- investment properties	110,100	102,600	-	-
- equipment and machineries	47,087	237,816	-	-

32. INCOME TAX EXPENSE

Income tax expenses recognised in profit or loss

	The Group		The Company	
	2025	**2024** (Restated)	**2025**	**2024**
	RM	RM	RM	RM
Income tax:-				
- current financial year	3,841,252	3,077,373	234,544	191,575
- underprovision in the previous financial year	101,856	49,928	4,448	(3,268)
	3,943,108	3,127,301	238,992	188,307
Real property gains tax	26,038	12,162	-	-
	3,969,146	3,139,463	238,992	188,307
Deferred tax (Note 10)				
- origination and reversal of temporary differences	(1,296,415)	3,746	(452)	(685)
	2,672,731	3,143,209	238,540	187,622

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and the Company is as follows:-

	The Group		The Company	
	2025	**2024**	**2025**	**2024**
	RM	RM (Restated)	RM	RM
Profit before taxation	9,001,576	10,311,130	4,153,978	4,025,660
Tax at the statutory tax rate of 24% (2024 : 24%)	2,160,378	2,474,671	996,955	966,159
Tax effects of:-				
Deferred tax assets not recognised during the current financial year	98,701	169,198	-	-
Deferred tax liabilities underaccrued in prior year	423	-	259	-
Deferred tax assets underaccrued in prior year	(312,472)	-	-	-
Differential in tax rates				
Non-deductible expenses	658,705	510,255	436,878	256,348
Non-taxable income	(60,898)	(72,355)	(1,200,000)	(1,032,000)
Permanent gain on disposal of property, plant and equipment	-	(1,033)	-	-
Tax underprovision in the previous financial year	101,856	49,928	4,448	(3,268)
Real property gains tax	26,038	12,162	-	-
Tax penalty	-	383	-	383
	2,672,731	3,143,209	238,540	187,622

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

33. EARNINGS PER SHARE

(a) Basic Earnings Per Share

The basic earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	The Group 2025 RM	The Group 2024 RM (Restated)
Profit after taxation attributable to owners of the Company (RM)	6,328,845	7,167,921
Weighted average number of ordinary shares issue	233,941,666	233,940,000
Basic earnings per ordinary share (sen)	2.71	3.06

(b) Diluted Earning Per Share

The diluted earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year and adjusted for the effects of dilutive potential ordinary shares.

	The Group 2025 RM	The Group 2024 RM (Restated)
Profit after taxation attributable to owners of the Company (RM)	6,328,845	7,167,921
Weighted average number of ordinary shares issue		
- Basic	233,941,666	233,940,000
- Effect of dilution due to conversion of RPS	6,177,457	9,714,950
	240,119,123	243,654,950
Diluted earnings/(loss) per share (sen)	2.64	2.94

There have been no other transactions involving ordinary shares between the reporting date and the date of completion of these financial statements.

34. DIVIDEND

	The Group/The Company 2025 RM	The Group/The Company 2024 RM
(a) Ordinary Shares		
Single tier interim dividend of RM0.0165 (2024 - RM0.0165) per ordinary share, based on the actual number of shares as at 10 March 2026 (2024: as at 10 March 2025)	3,860,037	3,860,037
(b) Redeemable Preference Shares		
First half-yearly dividend of RM0.011158 (2024 : RM0.005671) per preference share	160,844	81,751
Second half-yearly dividend of 0.011342 (2024 : RM NIL) per preference share	163,510	-
	324,354	81,751

35. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment and investment properties is as follows:-

	The Group		The Company	
	2025 RM	**2024** RM	**2025** RM	**2024** RM
Property, plant and equipment				
Cost of property, plant and equipment purchased	5,463,165	4,173,820	-	1,080
Less: Amount financed through hire purchase	-	2,596,800	-	-
	5,463,165	1,577,020	-	1,080

	The Group		The Company	
	2025 RM	**2024** RM	**2025** RM	**2024** RM
Investment properties				
Cost of investment properties purchased	-	600,545	-	-

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35. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

The Group **2025**	Term Loans RM	Hire purchase Liabilities RM	Revolving Credit RM	Redeemable Preference Shares RM	Total RM
At 1 January	3,989,995	2,708,704	6,600,000	3,946,287	17,244,986
Changes in Financing Cash Flows					
Proceeds from drawdown	-	-	31,800,000	-	31,800,000
Repayment of principal	(1,606,436)	(1,181,451)	(26,700,000)	-	(29,487,887)
Repayment of interest	(161,357)	(116,866)	(651,745)	(324,354)	(1,254,322)
	(1,767,793)	(1,298,317)	4,448,255	(324,354)	1,057,791
Non-cash changes					
Interest expense recognised in profit or loss	148,156	116,866	651,745	1,896,421	2,813,188
Interest expense previously recognised in accruals	13,201	-	-	-	13,201
	161,357	116,866	651,745	1,896,421	2,826,389
At 31 December	2,383,559	1,527,253	11,700,000	5,518,354	21,129,166

35. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

The Group	Term Loans RM	Hire purchase Liabilities RM	Bank Acceptance RM	Revolving Credit RM	Redeemable Preference Shares RM	Total RM
2024						
At 1 January	4,762,585	1,280,451	1,006,000	3,800,000	-	10,849,036
Changes in Financing Cash Flows						
Proceeds from drawdown	378,210	2,596,800	-	16,500,000	7,207,866	26,682,876
Repayment of principal	(1,150,800)	(1,168,547)	(1,006,000)	(13,700,000)	-	(17,025,347)
Repayment of interest	(115,409)	(130,544)	-	(258,721)	(81,751)	(586,425)
	(887,999)	1,297,709	(1,006,000)	2,541,279	7,126,115	9,071,104
Non-cash changes						
Issuance of warrant	-	-	-	-	(3,582,779)	(3,582,779)
Interest expense recognised in profit or loss	125,645	130,544	-	258,721	402,951	917,861
Interest expense recognised in accruals	(10,236)	-	-	-	-	(10,236)
	115,409	130,544	-	258,721	(3,179,828)	(2,675,154)
At 31 December	3,989,995	2,708,704	-	6,600,000	3,946,287	17,244,986

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group 2025 RM	The Group 2024 RM
Payment of short-term leases	408,566	1,168,941

35. CASH FLOW INFORMATION (CONT'D)

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2025 RM	**2024** RM	**2025** RM	**2024** RM
Fixed deposits with licensed banks	2,298,675	2,240,614	-	-
Cash and bank balances	6,231,574	21,988,071	66,314	88,694
	8,530,249	24,228,685	66,314	88,694
Less: Fixed deposits pledged to licensed banks	(434,402)	(425,891)	-	-
Less: Fixed deposits pledged to licensed banks and with tenures exceeding 3 months	(1,864,273)	(1,814,723)	-	-
	6,231,574	21,988,071	66,314	88,694

36. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2025 RM	**2024** RM	**2025** RM	**2024** RM
Directors				
Short-term employee benefits:				
- fees	-	200,000	-	200,000
- salaries, bonuses and other benefits	1,020,000	1,015,000	120,000	115,000
	1,020,000	1,215,000	120,000	315,000
Defined contribution benefits	118,400	121,850	10,400	13,850
Total directors' remuneration (Note 31)	1,138,400	1,336,850	130,400	328,850

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Group was RM9,900 (2024 - RM17,400).

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37. RELATED PARTY DISCLOSURES

(a) Subsidiaries

The subsidiaries as disclosed in Note 6 to the financial statements.

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	2025 RM	**2024** RM	**2025** RM	**2024** RM
Repayment from/(loan advance to) subsidiary	-	-	1,020,000	(6,733,961)
Management fee received or receivable from subsidiary	-	-	360,000	360,000
Interest income received or receivable from subsidiary	-	-	987,824	556,998
Legal and professional charges paid or payable to a company in which a director of the Company has a substantial financial interest	275,152	881,399	-	-
Interest expenses paid or payable to a company in which a director of the Company has a substantial financial interest	7,554	2,965	-	-
Sub-contract fees paid or payable to a company in which a director of the Company has a substantial financial interest	-	17,280	-	-
Workers' food ration paid or payable to a company in which a director of the Company has a substantial financial interest	-	291,928	-	-

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

38. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Managing Director as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 3 main reportable segments as follows:-

- Construction Segment - Involved in construction contract works and provision of construction support services.
- Trading Segment - Involved in trading of goods
- Property Development Segment - Involved in property development.

(a) The Managing Director assesses the performance of the reportable segments based on their profit before taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.

(b) Each reportable segment assets is measured based on all assets of the segment.

(c) Each reportable segment liabilities is measured based on all liabilities of the segment.

Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

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38. OPERATING SEGMENTS (CONT'D)

38.1 BUSINESS SEGMENTS

2025	Construction RM	Trading RM	Property Development RM	Corporate RM	Consolidation Adjustments RM	The Group RM
Revenue						
External revenue	95,720,460	638,812	37,401,421	-	-	133,760,693
Inter-segment revenue	40,000,227	2,687,092	-	5,360,000	(48,047,319)	-
	135,720,687	3,325,904	37,401,421	5,360,000	(48,047,319)	133,760,693

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38. OPERATING SEGMENTS (CONT'D)

38.1 BUSINESS SEGMENTS (CONT'D)

2025	Construction RM	Trading RM	Property Development RM	Corporate RM	Consolidation Adjustments RM	The Group RM
Results						
Segment profit	11,750,742	63,792	64,110	6,050,399	(6,114,279)	11,814,764
Finance costs	(1,199,158)	(8,338)	(697,095)	(1,896,421)	987,824	(2,813,188)
Profit before taxation	10,551,584	55,454	(632,985)	4,153,978	(5,126,455)	9,001,576
Segment profit/(loss) includes the followings:-						
Depreciation:						
- property, plant and equipment	3,525,028	38,338	545	2,964	(16,076)	3,550,799
- investment properties	451,308	-	-	-	-	451,308
- right-of-use assets	143,372	-	-	-	-	143,372
Gain on disposal of:						
- property, plant and equipment	(88)	-	-	-	-	(88)
- investment properties	(253,271)	-	-	-	-	(253,271)
Property, plant and equipment written off	198	-	-	-	-	198
Provision of onerous contracts	-	-	198,060	-		198,060
Interest expenses	1,199,158	8,338	697,095	1,896,421	(987,824)	2,813,188
Interest income	(130,323)	(70)	(178,429)	(989,939)	987,824	(310,937)
Impairment losses on:-						
- contract assets	2,255,968	-	-	-	-	2,255,968
- trade receivables	1,274,768	-	-	-	-	1,274,768

38. OPERATING SEGMENTS (CONT'D)

38.1 BUSINESS SEGMENTS (CONT'D)

2025	Construction RM	Trading RM	Property Development RM	Corporate RM	Consolidation Adjustments RM	The Group RM
Assets						
Segments assets	143,457,059	1,117,203	71,930,680	53,541,584	(73,954,309)	196,092,217
Unallocated assets:-						
- deferred tax assets	1,242,363	-	46,447	-	(8,592)	1,280,218
	144,699,422	1,117,203	71,977,127	53,541,584	(73,962,901)	197,372,435
Addition to non-current other than financial instruments and deferred tax assets are:-						
Property, plant and equipment	5,463,165	-	-	-	-	5,463,165
Liabilities						
Segment liabilities	107,055,469	617,350	65,707,442	9,588,103	(44,548,419)	138,419,945

38. OPERATING SEGMENTS (CONT'D)

38.1 BUSINESS SEGMENTS (CONT'D)

2024	Construction RM	Trading RM	Property Development RM	Corporate RM	Consolidation Adjustments RM	The Group RM
Revenue						
External revenue	88,334,004	968,816	64,752,429	-	-	154,055,249
Inter-segment revenue	46,139,273	8,141,820	-	4,660,000	(58,941,093)	-
	134,473,277	9,110,636	64,752,429	4,660,000	(58,941,093)	154,055,249

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38. OPERATING SEGMENTS (CONT'D)

38.1 BUSINESS SEGMENTS (CONT'D)

2024	Construction RM	Trading RM (Restated)	Property Development RM	Corporate RM	Consolidation Adjustments RM	The Group RM
Results						
Segment profit	8,084,723	221,997	3,216,145	4,428,611	(4,722,485)	11,228,991
Finance costs	(724,554)	(11,395)	(335,959)	(402,951)	556,998	(917,861)
Profit before taxation	7,360,169	210,602	2,880,186	4,025,660	(4,165,487)	10,311,130
Segment profit includes the followings:-						
Depreciation:						
- property, plant and equipment	2,909,742	19,697	313	2,855	(16,075)	2,916,532
- investment properties	325,489	-	-	-	-	325,489
- right-of-use assets	149,282	-	-	-	-	149,282
Gain on disposal:						
- property, plant and equipment	(939,207)	-	-	-	-	(939,207)
- investment properties	(300,431)	-	-	-	-	(300,431)
Property, plant and equipment written off	498	-	-	-	-	498
Interest expenses	724,554	11,395	335,959	402,951	(556,998)	917,861
Interest income	(66,522)	(150)	(336,019)	(565,349)	556,998	(411,042)
Impairment losses on:-						
- trade receivables	224,533	-	-	-	-	224,533
Reversal of impairment losses:-						
- contract assets	(348,968)	-	-	-	-	(348,968)

38. OPERATING SEGMENTS (CONT'D)

38.1 BUSINESS SEGMENTS (CONT'D)

2024	**Construction** RM	**Trading** RM (Restated)	**Property Development** RM	**Corporate** RM	**Consolidation Adjustments** RM	**The Group** RM
Assets						
Segments assets	115,226,151	4,981,830	50,227,812	52,064,899	(62,480,162)	160,020,530
<u>Addition to non-current other than financial instruments and deferred tax assets are:-</u>						
Property, plant and equipment	4,164,412	34,717	3,211	1,080	(29,600)	4,173,820
Investment properties	600,545	-	-	-	-	600,545
Liabilities						
Segment liabilities	80,665,604	4,524,282	45,372,278	8,167,819	(35,192,135)	103,537,848

38.2 GEOGRAPHICAL INFORMATION

The Group operates predominantly in Malaysia. Accordingly, the information by geographical segments is not presented.

38. OPERATING SEGMENTS (CONT'D)

38.3 MAJOR CUSTOMERS

The followings are major customers with revenue equal to or more than 10% of the Group's total revenue.

	Revenue		Segment
	2025	**2024**	
	RM	RM	
Customer #1	64,741,926	33,044,588	Construction
Customer #2	22,244,051	18,801,175	Construction

39. CAPITAL COMMITMENTS

	The Group	
	2025	**2024**
	RM	RM
Purchase of property, plant and equipment	105,500	514,100

40. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on mitigating the impact from volatility of financial instruments and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

40.1 FINANCIAL RISK MANAGEMENT POLICIES

The policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group and the Company do not have any transactions or balances denominated in foreign currencies and hence, are not exposed to foreign currency risk.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group and the Company adopt a policy of obtaining the most favourable interest rates available and oby maintaining a balanced portfolio mix of fixed and floating rate borrowings.

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

The fixed rate debt instruments of the Group and of the Company are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 20 to the financial statements.

Interest Rate Risk Sensitivity Analysis

Any reasonably possible change in the interest rates of floating rate term loans at the end of the reporting period does not have a material impact on the profit after taxation and other comprehensive income of the Group and of the Company and hence, no sensitivity analysis is presented.

(iii) Equity Price Risk

The Group and the Company do not have any quoted investments and hence, is not exposed to equity price risk.

(b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group and the Company manage their exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances and fixed deposit), the Group and the Company minimise credit risk by dealing with high credit rating counterparties.

Also, the Company's exposure to credit risk arises includes loans and advance to subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amount owing by 5 (2024 - 3) customers which constituted approximately 86% (2024 - 73%) of its trade receivables at the end of the reporting period.

(ii) Maximum exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses

The Group and the Company have an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group and the Company closely monitor the receivables' financial strength to reduce the risk of loss.

For property development, purchasers are normally supported by end-financiers which are reputable banks in Malaysia. For self-financed purchasers, the Group extends credit based upon careful evaluation of the purchases's general background. Trade receivables are monitored on an ongoing basis by the Group's credit control department.

At each reporting date, the Group and the Company evaluate whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery - despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficult of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group and the Company in full or is more than 90 days past.

<u>Trade Receivables and Contract Assets</u>

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets related to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for contract asset are a reasonable approximation of the loss rates for the trade receivables.

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rate are based on the payment profiles of sales over 36 months (2024 - 36 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The Group has identified the unemployment rate, Gross Domestic Product (GDP), inflation rate and customer price index as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

For construction contracts, the Group assessed the expected credit loss of each customer individually based on their financial information and past trends of payments. All of these customers have a low risk of default as they have a strong capacity to meet their debts.

For property development, purchasers are generally financed by loan facilities from reputable licensed financiers. In addition, the credit risk is limited as the ownership and rights to the properties sold will revert to the Group in the event of default, and the products do not suffer from physical, technological and fashion obsolescence. Therefore, there is minimal exposure to credit risk.

Allowance for Impairment Losses

The Group	Gross Amount RM	Lifetime Individual Allowance RM	Lifetime Collective Allowance RM	Carrying Amount RM
2025				
Current (not past due)	15,801,835		(238,471)	15,563,364
1 to 30 days past due	5,918,637		(501,975)	5,416,662
31 to 60 days past due	2,889,687		(172,694)	2,716,993
61 to 90 days past due	1,265,121		(506,957)	758,164
Credit impaired	(2,173,075)	(939,729)	(106,427)	(3,219,231)
Trade receivables	23,702,205	(939,729)	(1,526,524)	21,235,952
Contract assets	67,934,181	-	(2,257,970)	65,676,211
	91,636,386	(939,729)	(3,784,494)	86,912,163

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses (Cont'd)

The Group	Gross Amount RM	Lifetime Individual Allowance RM	Lifetime Collective Allowance RM	Carrying Amount RM
2024				
Current (not past due)	13,195,604	-	(188,294)	13,007,310
1 to 30 days past due	2,604,316	-	-	2,604,316
31 to 60 days past due	3,259,530	-	(1,498)	3,258,032
61 to 90 days past due	260,643	-	(24,243)	236,400
Credit impaired	2,141,526	(939,729)	(37,721)	1,164,076
Trade receivables	21,461,619	(939,729)	(251,756)	20,270,134
Contract assets	46,554,954	-	(2,002)	46,552,952
	68,016,573	(939,729)	(253,758)	66,823,086

The movements in the loss allowances in respect of trade receivables and contract assets are disclosed in Notes 11 and 12 to the financial statements respectively.

Other Receivables

The Group and the Company apply the 3-stage general approach to measuring expected credit losses for its other receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group and the Company assess whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group and the Company consider there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 90 days past due in making a contractual payment.

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables (Cont'd)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)

The Group and the Company use 3-stage general approach to reflect their credit risk and how the loss allowance is determined for each approach:-

Approach	Definition of Approach	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more then 90 days past due	Lifetime expected credit losses

The Group and the Company measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on individual basis. Other receivables are grouped based on shared credit risk characteristifcs and assesseed on collective basis.

Loss allowances is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happen (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group and the Company consider the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts using the provision matrix approach. The Group and the Company have identified the unemploymwnt rate, Gross Domestic Product (GDP), inflation rate and customer price index as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables (Cont'd)

Allowance for Impairment Losses

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group and the Company consider the licensed banks have low credit risks. In addition, some of the bank balances are insurred by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing By Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiary have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sales of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

At the end of the reporting period, there was no indication that the amount owing is not recoverable.

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting year based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting year):-

The Group	Contractual Coupon Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
2025						
Non-derivative Financial Liabilities						
Hire purchase liabilities	2.40% - 3.64%	1,527,253	1,584,197	1,232,893	351,304	-
Term Loans	3.50% - 5.01%	2,383,559	2,641,546	1,188,580	996,602	456,364
Trade payables	-	45,657,867	45,657,867	45,657,867	-	-
Other payables and accruals	-	30,584,275	30,584,275	30,584,275	-	-
Amount owing to directors	-	307,224	307,224	307,224	-	-
Amount owing to bankers	5.42% - 4.85%	11,700,000	11,961,263	11,961,263	-	-
Redeemable preference shares	4.50%	5,518,354	7,449,895	7,449,895	-	-
Dividend payable	-	3,860,037	3,860,037	3,860,037	-	-
		101,538,569	104,046,304	102,242,034	1,347,906	456,364

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (Cont'd)

The Group	Contractual Coupon Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
2024						
Non-derivative Financial Liabilities						
Hire purchase liabilities	2.40% - 3.64%	2,708,704	2,882,514	1,311,647	1,570,867	-
Term Loans	3.50% - 5.01%	3,989,995	4,419,348	1,580,012	2,214,135	625,201
Trade payables	-	57,498,265	57,498,265	57,498,265	-	-
Other payables and accruals	-	2,694,759	2,694,759	2,694,759	-	-
Amount owing to directors	-	307,224	307,224	307,224	-	-
Amount owing to bankers	5.21% - 5.26%	6,600,000	6,704,663	6,704,663	-	-
Redeemable preference shares	4.50%	3,946,287	7,774,820	324,354	7,450,466	-
Dividend payable	-	3,860,037	3,860,037	3,860,037	-	-
		81,605,271	86,141,630	74,280,961	11,235,468	625,201

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (Cont'd)

The Company	Contractual Coupon Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
2025						
Non-derivative Financial Liabilities						
Other payable and accruals	-	93,791	93,791	93,791	-	-
Redeemable preference shares	4.50%	5,518,354	7,449,895	7,449,895	-	-
Dividend payable	-	3,860,037	3,860,037	3,860,037	-	-
		9,472,182	11,403,723	11,403,723	-	-
2024						
Non-derivative Financial Liabilities						
Other payable and accruals	-	259,925	259,925	259,925	-	-
Redeemable preference shares	4.50%	3,946,287	7,774,820	324,354	7,450,466	-
Dividend payable	-	3,860,037	3,860,037	3,860,037	-	-
		8,066,249	11,894,782	4,444,316	7,450,466	-

40. FINANCIAL INSTRUMENTS (CONT'D)

40.2 CAPITAL RISK MANAGEMENT

The Group and the Company manage their capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manage their capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group and the Company include within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to equity ratio of the Group and the Company at the end of the reporting period are as follows:-

	The Group	
	2025	**2024**
	RM	RM (Restated)
Hire purchase liabilities (Note 19)	1,527,253	2,708,704
Term loans (Note 20)	2,383,559	3,989,995
Amount owing to bankers (Note 25)	11,700,000	6,600,000
	15,610,812	13,298,699
Less: Cash and cash equivalents (Note 35(d))	6,231,574	21,988,071
Net (asset)/debt	9,379,238	(8,689,372)
Total equity	58,952,490	56,482,682
Debt-to-equity ratio	16%	*

* Not applicable as the Group's cash and cash equivalents exceed its borrowings.

There was no change in the approach to capital management during the financial year.

40.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2025	**2024**	**2025**	**2024**
	RM	RM	RM	RM
Financial Assets				
Amortised Cost				
Trade receivables	21,235,952	20,270,134	-	-
Other receivables and deposits	6,200,958	5,101,898	5,000,000	4,300,000
Amount owing by subsidiaries	-	-	19,417,382	20,615,353
Fixed deposits with licensed banks	2,298,675	2,240,614	-	-
Cash and bank balances	6,231,574	21,988,071	66,314	88,694
	35,967,159	49,600,717	24,483,696	25,004,047

40. FINANCIAL INSTRUMENTS (CONT'D)

40.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	The Group		The Company	
	2025 RM	**2024** RM	**2025** RM	**2024** RM
Financial Liabilities				
Amortised Cost				
Hire purchase liabilities	1,527,253	2,708,704	-	-
Term loans	2,383,559	3,989,995	-	-
Trade payables	45,657,867	57,498,265	-	-
Other payables, deposits and accruals	30,584,275	2,694,759	93,791	259,925
Amount owing to directors	307,224	307,224	-	-
Amount owing to bankers	11,700,000	6,600,000	-	-
Redeemable preference shares	5,518,354	3,946,287	5,518,354	3,946,287
Dividend payable	3,860,037	3,860,037	3,860,037	3,860,037
	101,538,569	81,605,271	9,472,182	8,066,249

40.4 FAIR VALUE INFORMATION

At the end of the reporting period, there were no financial instruments carried at fair values in the combined historical audited statements of financial position.

The fair values of the financial assets and financial liabilities of the Group and of the Company that maturing within the next 12 months approximated their carrying amounts due to the relatively short term maturity of the financial instruments or repayable on demand terms.

The fair value of term loans that carry fixed interest rates approximated their carrying amounts as the impact of discounting is not material. The fair value is determined by discounting the relevant cash flows using current market interest rates for similar instruments ranging from 3.50% (2024 - 3.50% to 4.98%) and the fair value is within level 2

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41. PRIOR YEAR ADJUSTMENTS

The following figures have been restated to reflect the impact of cost of sales and income tax expense recorded in inappropriate accounting period. The effects of changes are as follows:

	As previously reported RM	Prior year adjustments RM	As restated RM
Statement of Financial Position (Extract):-			
Other receivables, deposits and prepayments	13,608,407	(25,400)	13,583,007
Retained profits	37,209,007	(19,304)	37,189,703
Current tax liabilities	1,023,993	(6,096)	1,017,897
Statement of Comprehensive Income (Extract):-			
Cost of sales	135,359,501	25,400	135,384,901
Income tax expense	3,149,305	(6,096)	3,143,209
Statement of Cash Flow (Extract):-			
Profit before taxation	10,336,530	(25,400)	10,311,130
(Increase) in trade and other receivables	(13,463,227)	25,400	(13,437,827)

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