

JBB BUILDERS INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 1903



2025 **ANNUAL REPORT**

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dato' Ng Say Piyu (*Chairman*)
Mr. Lam Fung Eng
Mr. Ng Chong Boon

Non-executive Director

Datin Ngooi Leng Swee

Independent non-executive Directors

Mr. Tai Lam Shin (*Lead independent non-executive Director*)
Mr. Chan Tsun Choi, Arnold
Ms. Chan Pui Kwan

AUDIT COMMITTEE

Mr. Tai Lam Shin (*Chairman*)
Mr. Chan Tsun Choi, Arnold
Ms. Chan Pui Kwan

REMUNERATION COMMITTEE

Mr. Tai Lam Shin (*Chairman*)
Dato' Ng Say Piyu
Ms. Chan Pui Kwan

NOMINATION COMMITTEE

Dato' Ng Say Piyu (*Chairman*)
Mr. Tai Lam Shin
Mr. Chan Tsun Choi, Arnold
Ms. Chan Pui Kwan

COMPANY SECRETARY

Ms. Lam Lam

AUTHORISED REPRESENTATIVES (FOR THE PURPOSE OF THE LISTING RULES)

Mr. Lam Fung Eng
Ms. Lam Lam

AUTHORISED REPRESENTATIVE (FOR THE PURPOSE OF THE COMPANIES ORDINANCE)

Ms. Lam Lam

AUDITOR

Crowe Malaysia PLT

E-2-3 Pusat Komersial Bayu Tasek
Persiaran Southkey 1, Kota Southkey
80150 Johor Bahru, Johor, Malaysia

LEGAL ADVISORS AS TO HONG KONG LAW

Ma Tang & Co.

Rooms 1508-1513, Nan Fung Tower
88 Connaught Road Central
Central
Hong Kong

PRINCIPAL BANKERS

DBS Bank (HK) Limited

16/F The Center
99 Queen's Road Central
Hong Kong

Bank of Communications Co., Ltd., Hong Kong Branch

20/F, Henley Building
5 Queen's Road Central
Central
Hong Kong

Corporate Information

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17th Floor, Menara Affin
80, Jalan Raja Chulan
50200 Kuala Lumpur
Malaysia

AmBank Islamic Berhad

Level 31, Metropolis Tower
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80300 Johor Bahru
Malaysia

Maybank Islamic Berhad

Level 8, Office Tower
Johor Bahru City Square
No. 108, Jalan Wong Ah Fook
80000 Johor Bahru
Malaysia

Citibank N. A.

5 Changi Business Park Crescent
Singapore 486027

REGISTERED OFFICE

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Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS IN MALAYSIA

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Taman Tampoi Utama
81200 Johor Bahru
Malaysia

PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

18 Howard Road
#08-07 Novelty Bizcentre
Singapore

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1222, 12/F, Soundwill Plaza II – Midtown
1-29 Tang Lung Street
Causeway Bay
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

STOCK NAME/CODE

JBB BUILDERS/1903

COMPANY'S WEBSITE

www.jbb.com.my

Chairman's Statement

Dear Shareholders,

On behalf of the board of directors (the “**Board**” or “**Directors**”), I am pleased to present you the chairman's statement and the annual results of JBB Builders International Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) for the year ended 30 June 2025.

COMPANY OVERVIEW

The Group is an established engineering contractor which mainly engaged in the business of marine construction services, and building and infrastructure services in Malaysia and Singapore.

BUSINESS REVIEW

The Group focuses on execution of the existing contracts and realising the value of the properties on hand by selling the properties in the market during the year ended 30 June 2025. The Group's revenue increased from approximately RM329.3 million for the year ended 30 June 2024 to approximately RM427.0 million for the year ended 30 June 2025. The Group recorded profit for the year attributable to owners of the Company of approximately RM1.3 million for the year ended 30 June 2025 as compared with approximately RM3.0 million for the year ended 30 June 2024.

The decrement was contributed from (i) provision of liquidated and ascertained damages due to the delay on the completion of building and infrastructure contracts; (ii) the increase of general and administrative expenses due to the increase of staff costs arising from the increase of number of staff and increase of staff salaries provided to employees, increase of legal and professional fees and the increase of stamp duty paid arising from the disposal of deposits paid for acquisition of investment properties; and (iii) the impairment loss on trade receivables and contract assets due to the increase in balances of trade receivables and contract assets, and slowdown of collection from the customers, while partially offsetting by the significant increase in revenue and so the gross profit with overall increase of construction works being performed for the year ended 30 June 2025 as compared with the year ended 30 June 2024.

OUTLOOK

Given (i) the Johor-Singapore Special Economic Zone (the “**JS-SEZ**”) agreement has officially been signed which aims to boost trade and strengthen economic connectivity between the two nations in early January 2025; (ii) Johor Bahru-Singapore Rapid Transit System Link project is expected to begin service in early January 2027; and (iii) there are significant foreign investment in data centers, the market sentiment is strong with the roll out of the public projects in the upcoming future. The JS-SEZ offers businesses and investors the opportunity to tap into Singapore's value chain, rapidly growing regional markets and the global market at a lower cost, with greater potential for growth and expansion. It aims to enhance regional economic development and cross-border business interactions, ease the flow of labour to build a dynamic and integrated labour market, build a holistic business ecosystem and enhance ease of doing business, and improve connectivity and cost-effectiveness in trade. The Group is optimistic on the construction business in Malaysia and Singapore and of the view that these offer good prospects to the Group. However, the construction industry remains competitive and short of labour. The inflationary pressures impose negative impact on the Group's profitability.

Chairman's Statement

Despite the above, the Group remains vigilant in monitoring the uncertainties faced by the Group and market development, in order to stay abreast of business opportunities in the operating countries. The Group keeps optimising its business models and portfolios to solidify its market competitiveness by participating in different tenders actively to safeguard the return to the shareholders of the Company (the **"Shareholders"**).

The Group is committed to achieving high standard of corporate governance by reference to the Corporate Governance Code as set out in the Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **"Stock Exchange"** or **"HKEx"**) (the **"Listing Rules"**) (the **"CG Code"**) issued by the Stock Exchange. Through transparent and accountable policies, we believe these can help achieve our long-term objectives, maximise our long-term return and performance, and benefit our employees.

The Group also acknowledges the importance of sustainability and climate-related risks and opportunities and it is incorporated into our business decision making process in order to align with our long-term strategy.

APPRECIATION

The Board would like to express its sincere gratitude to the Shareholders, business partners and customers of the Group for their continued support, guidance and contribution to the Group and appreciation to our management and employees for their hard work and dedication.

Dato' Ng Say Piyu

Chairman

Hong Kong, 23 September 2025

Management Discussion and Analysis

BUSINESS REVIEW

The Group is an established engineering contractor which engaged in three major types of services:

- Marine construction services – core business, which can be categorised into:
 - (a) reclamation and related works, which includes land reclamation and other marine civil works. Reclamation may involve soil investigation, hydrographic survey, pre-reclamation design, sand handling/filling, ground treatment, sand surcharge removal work and other related works. Marine civil works generally include construction of jetty, channel-crossing works, maintenance dredging and river diversion; and
 - (b) marine transportation, which involves transportation of marine sand and the filling material normally used in land reclamation, including the loading of marine sand extracted from the approved sand source onto sand carriers and carriage and delivery of marine sand to designated sites where the marine sand is unloaded to be used for land reclamation.
- Building and infrastructure services – the services include general building works in construction of properties and infrastructure works.
- Trading business of marine gas oil – the trading of marine gas oil.

During the year ended 30 June 2025, the Group had completed 3 marine construction contracts (including 2 contracts generated from a non-wholly owned subsidiary before disposal) which were related to reclamation and related works with original contract sum in aggregate of approximately RM53.4 million, and a building and infrastructure contract with original contract sum of approximately RM18.3 million.

As at 30 June 2025, the Group had 3 ongoing marine construction contracts comprising 1 reclamation and related works contract and 2 marine transportation contracts with original contract sum in aggregate of approximately RM1,312.1 million (including estimated original contract sum of contracts which stated at unit rate at time of award), and 3 ongoing building and infrastructure contracts with original contract sum in aggregate of approximately RM152.4 million.

As at 30 June 2024, there were a total of 3 tenders and 2 quotations with expected contract sum in aggregate of approximately RM176.9 million submitted (including a revised quotation submitted subsequently). As at 30 June 2024, the results of the said tenders and quotations had not yet been released. During the year ended 30 June 2025, the Group had submitted 2 quotations for marine construction contracts and 7 tenders and 2 quotations for building and infrastructure contracts with original contract sum in aggregate of approximately RM717.3 million, and the Group had been awarded 2 contracts with original contract sum in aggregate of approximately RM6.5 million. As at 30 June 2025, there were 2 tenders and 2 quotations with expected contract sum in aggregate of approximately RM522.4 million submitted but thus far no results has been returned.

Management Discussion and Analysis

Disposal of a non-wholly owned subsidiary

During the year ended 30 June 2025, the Group entered into a sale agreement to dispose Gabungan Jasapadu Sdn. Bhd. ("**Gabungan**"), a 50% non-wholly owned subsidiary of the Group which engages in the business of land-based machinery works and rental, to Mr. Toh Ang Poo (the "**Disposal A**"), who together with his spouse, held 50% shares of Gabungan before the Disposal A. The consideration of the Disposal A was RM1.0 million and the net assets of Gabungan before the Disposal A was approximately RM0.9 million. A gain on disposal of approximately RM0.6 million was recognised.

The Board is of the view that the Disposal A will present a one-off opportunity for the Group to recoup investment costs and realise assets, turning long-term assets into working capital before the retained earnings being used up and fixed assets being obsolete. The financial results of the Group can be improved. It can also allow the Group to focus its resources on other existing projects which would be having better prospect. The Group can also maintain business relationship with Gabungan and further cooperate in construction projects in future. There was no material adverse impact on its financial position and on the business and operation of the Group. Such transaction constitutes connected transaction as defined under Chapter 14A of the Listing Rules. However, such transaction is fully exempt from all disclosure and independent shareholders' approval requirements under Chapter 14A of the Listing Rules as (i) the transaction is conducted on normal commercial terms or better; and (ii) the transaction is de minimis under Rule 14A.76(1) of the Listing Rules.

Partial disposal of a joint venture

During the year ended 30 June 2025, the Group entered into a share sale agreement to dispose 35% shareholdings of JBB Kimlun Sdn. Bhd. ("**JBB Kimlun**") to a Malaysia incorporated limited company independent to the Group (the "**Disposal B**"). JBB Kimlun, an indirect non-wholly owned subsidiary of the Company under the Companies Ordinance and the Listing Rules, is a joint venture formed between JBB Builders Sdn. Bhd. and Kimlun Sdn. Bhd. as to 60% and 40% respectively, for the purpose of carrying out building construction general service contracts tendered under a property development project for the construction of a 15-storey office complex building (MBJB) with 7-storey vehicle parking basements erected on PTD 233331, Jalan Lingkaran Dalam, Mukim Plentong, Daerah Johor Bahru, Negeri Johor, Malaysia. The consideration of the Disposal B was RM150,000 and the net assets of JBB Kimlun before the Disposal B was approximately RM397,000. A gain on disposal of approximately RM11,000 was recognised.

The Board is of the view that by restructuring the shareholdings of JBB Kimlun with the involvement of Malaysian shareholder, it would help exposing the Group to more business opportunities and have positive impact to the public perception on the background of the Group. Such transaction constitutes connected transaction as defined under Chapter 14A of the Listing Rules. However, such transaction is fully exempt from all disclosure and independent shareholders' approval requirements under Chapter 14A of the Listing Rules as (i) the transaction is conducted on normal commercial terms or better; and (ii) the transaction is de minimis under Rule 14A.76(1) of the Listing Rules.

As at 30 June 2025, the Group had 25% interests in JBB Kimlun and JBB Kimlun remains as the joint venture of the Group while it is no longer an indirect non-wholly owned subsidiary of the Company under the Companies Ordinance and the Listing Rules.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

Revenue increased by approximately RM97.7 million or 29.7% from approximately RM329.3 million for the year ended 30 June 2024 to approximately RM427.0 million for the year ended 30 June 2025. The significant increase in revenue for the year ended 30 June 2025 was primarily due to the increase in volume of work generated from new contracts in relation to reclamation and related works and building and infrastructure services awarded since 2024 with more construction works performed during the year ended 30 June 2025, while partially offsetting by (i) the overall decrease in volume of sand transported generated from marine transportation contracts in Singapore; (ii) no trading business of marine gas oil for the year ended 30 June 2025; and (iii) the completion of certain contracts which contributed to a certain portion of revenue for the year ended 30 June 2024.

Marine construction services

Revenue from marine construction services represented approximately 89.1% of the total revenue for the year ended 30 June 2025. It increased by approximately RM71.7 million or 23.2% from approximately RM308.8 million for the year ended 30 June 2024 to approximately RM380.5 million for the year ended 30 June 2025.

Revenue from reclamation and related works, which represented approximately 28.8% of the total revenue from marine construction services for the year ended 30 June 2025, increased by approximately RM82.6 million or 307.1% from approximately RM26.9 million for the year ended 30 June 2024 to approximately RM109.5 million for the year ended 30 June 2025. Such increase was mainly due to the increase in volume of work generated from new contracts awarded during the year ended 30 June 2024 with progressive work performed during the year ended 30 June 2025, while partially offsetting by the decrease in volume of work performed upon the completion of certain contracts which contributed to a certain portion of revenue for the year ended 30 June 2024.

Revenue from marine transportation, which represented approximately 71.2% of the total revenue from marine construction services for the year ended 30 June 2025, decreased by approximately RM10.9 million or 3.9% from approximately RM281.9 million for the year ended 30 June 2024 to approximately RM271.0 million for the year ended 30 June 2025. Such decrease was mainly due to the overall decrease in volume of sand transported generated from marine transportation contracts in Singapore for the year ended 30 June 2025.

Building and infrastructure services

Revenue from building and infrastructure services represented approximately 10.9% of the total revenue for the year ended 30 June 2025. Revenue from building and infrastructure services increased by approximately RM28.3 million or 155.5% from approximately RM18.2 million for the year ended 30 June 2024 to approximately RM46.5 million for the year ended 30 June 2025. Such increase was mainly due to the increase in volume of work performed from new contracts awarded since 2024 with progressive work performed during the year ended 30 June 2025, while partially offsetting by the decrease in volume of work performed for building and infrastructure services upon the completion of certain contracts which contributed to a certain portion of revenue for the year ended 30 June 2024.

Management Discussion and Analysis

Trading business of marine gas oil

There was no revenue generated from trading business of marine gas oil for the year ended 30 June 2025 compared with approximately RM2.3 million for the year ended 30 June 2024. Given that marine gas oil industry is competitive and our subcontractors mainly demand the marine gas oil from cheaper source suppliers, the Group expects to focus its business on construction in upcoming future.

Gross profit and gross profit margin

Gross profit increased by approximately RM9.4 million or 113.3% from approximately RM8.3 million for the year ended 30 June 2024 to approximately RM17.7 million for the year ended 30 June 2025. The overall gross profit margin increased from approximately 2.5% for the year ended 30 June 2024 to approximately 4.1% for the year ended 30 June 2025.

The increment of gross profit was primarily caused by the increase in revenue as abovementioned and the higher gross profit margin of certain new contracts awarded since 2024 with progressive work performed during the year ended 30 June 2025 compared with other ongoing contracts, while partially offsetting by (i) the provision of liquidated and ascertained damages due to the delay on the completion of building and infrastructure contracts; and (ii) the additional costs incurred for additional works performed during the finalisation of certain final accounts, which contributed to gross loss under the segment of building and infrastructure services.

Other revenue

The other revenue decreased from approximately RM5.8 million for the year ended 30 June 2024 to approximately RM5.7 million for the year ended 30 June 2025, which was mainly due to (i) the decrease in income of arrangement of marine transportation related activities for our subcontractors and suppliers at the site areas amounted to approximately RM0.6 million for the year ended 30 June 2025; (ii) the decrease in interest income on deposits placed in the Group's banks in Malaysia during the year ended 30 June 2025 as a result of the decrease in fixed deposits placed in banks; and (iii) the decrease in imputed interest income on contract assets in relation to part of the balances owing from a customer to be settled by instalments in more than one year given that the balances have been substantially received, while partially offsetting by interest income on trade receivables owing from a customer of approximately RM2.1 million as such customer requested for instalment settlement of the contract sum after the whole construction works completed.

Other net income

Other net income was approximately RM1.5 million for the year ended 30 June 2025. It mainly included (i) gain on disposal of deposits paid for acquisition of investment properties of approximately RM1.3 million; (ii) gain on disposal of Gabungan of approximately RM572,000; (iii) gain on partial disposal of JBB Kimlun of approximately RM11,000; (iv) fair value loss on investment properties of approximately RM700,000; and (v) the recognition of the foreign exchange gain of approximately RM259,000 arising from the translation of foreign currency denominated balances into Ringgit Malaysia.

Other net income was approximately RM0.5 million for the year ended 30 June 2024. It mainly included (i) gain on disposal of deposits paid for acquisition of investment properties of approximately RM314,000; (ii) reversal for impairment loss on deposits paid for acquisition of investment properties of approximately RM181,000; and (iii) the recognition of the foreign exchange loss of approximately RM51,000 arising from the translation of foreign currency denominated balances into Ringgit Malaysia.

Management Discussion and Analysis

(Allowance)/reversal for impairment loss on trade receivables and contract assets

During the year ended 30 June 2025, taking into account of the increase in balances of trade receivables and contract assets, certain customers who cannot fulfill the instalment repayment schedule, and expected loss rate applied based on historical credit loss experience, adjusting factors that are specific to the debtors and assessment of both current and forecasted general economic conditions (including the consideration of the expected loss rate performed by an independent valuer), impairment loss of approximately RM1.6 million was recognised for the year ended 30 June 2025.

During the year ended 30 June 2024, with the improvement of collection from the customers and the agreement of the settlement plan with customers of long aged trade receivables, the credit risk on these customers are significantly decreased, reversal of allowance for impairment loss on trade receivables and contract assets of approximately RM5.7 million was recognised for the year ended 30 June 2024.

General and administrative expenses

General and administrative expenses increased by approximately RM3.5 million or 21.6% from approximately RM16.2 million for the year ended 30 June 2024 to approximately RM19.7 million for the year ended 30 June 2025. Such increase was mainly due to the increase of staff costs arising from the increase of number of staff and increase of staff salaries provided to employees, increase of legal and professional fees and the increase of stamp duty paid arising from the disposal of deposits paid for acquisition of investment properties.

Finance costs

Finance costs decreased from approximately RM1.0 million for the year ended 30 June 2024 to approximately RM0.6 million for the year ended 30 June 2025, which was mainly due to the decrease of interest on bank loans arising from the reduction of balances of bank loans, and the decrease of imputed interest on contract assets.

Income tax expenses

Income tax expenses of approximately RM1.7 million was recorded for the year ended 30 June 2025 as compared with approximately RM0.8 million for the year ended 30 June 2024. The increase was mainly due to the increment of taxable profit of a Singapore subsidiary and a Malaysia subsidiary for the year ended 30 June 2025 as compared with the year ended 30 June 2024.

Profit for the year attributable to owners of the Company

Due to the abovementioned items, the Group reported profit attributable to owners of the Company of approximately RM1.3 million for the year ended 30 June 2025 as compared with approximately RM3.0 million for the year ended 30 June 2024.

Management Discussion and Analysis

Final dividends

Considering the financial results for the year ended 30 June 2025, expected working capital requirements, and current and future business conditions and strategies, the Board does not recommend to declare any final dividends for the year ended 30 June 2025 (2024: nil).

CORPORATE FINANCE AND RISK MANAGEMENT

Liquidity and Financial Resources/Capital Structure

The Group finances its working capital requirements through a combination of cash generated from operations, Shareholder's equity and banking facilities.

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

As at 30 June 2025, the Group had cash and cash equivalents of approximately RM71.5 million (2024: RM94.1 million) and pledged bank deposits of approximately RM9.2 million (2024: RM8.1 million) and fixed deposits with maturity over three months of approximately RM5.7 million (2024: nil). The decrement was mainly due to the net operating and financing activities cash outflows and negative effect of foreign exchange rate changes while netting off the net investing activities cash inflows during the year ended 30 June 2025. All are denominated in Hong Kong dollars, United States dollars, Singapore dollars and Ringgit Malaysia.

As at 30 June 2025, the Group had lease liabilities of approximately RM0.7 million (2024: RM0.7 million) carrying interest rate ranging from 4.3% to 8.5% (2024: ranging from 4.3% to 8.5%). All are denominated in Hong Kong dollars and Ringgit Malaysia. As at 30 June 2025, the Group had bank loans of approximately RM6.4 million (2024: RM10.5 million) carrying interest rate at 7.2% (2024: 7.2%). All are denominated in Ringgit Malaysia. The Group had unutilised banking facilities of approximately RM122.0 million (2024: RM47.0 million).

The Group continued to maintain a healthy liquidity position. The current ratio decreased from approximately 1.7 times as at 30 June 2024 to approximately 1.6 times as at 30 June 2025 which was mainly due to the significant increase in contract liabilities, which contributed to the increase of current liabilities in a larger portion than that of the current assets. The gearing ratio decreased from approximately 8.2% as at 30 June 2024 to approximately 5.4% as at 30 June 2025 which is calculated based on the total loans and borrowings (which represent bank loans and lease liabilities) divided by total equity at the end of the year. The decrease of gearing ratio was mainly due to the decrease of total bank loans and lease liabilities from approximately RM11.2 million as at 30 June 2024 to approximately RM7.1 million as at 30 June 2025.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to Shareholders, return capital to Shareholders, or sell assets to reduce debt. No changes in the objective, policies or processes for managing capital were made during the years ended 30 June 2025 and 2024.

Management Discussion and Analysis

The management of the Group reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital and the risk associated with each class of capital. Based on recommendation of the management, the Group will balance its overall capital structure through the payment of dividends as well as issue of new debt or the redemption of the debt.

There had been no material change in the capital structure of the Group during the year ended 30 June 2025.

Capital commitments

As at 30 June 2025, the Group had capital commitments of approximately RM81,000 (2024: RM81,000).

Pledge of assets

As at 30 June 2025, pledged bank deposits of approximately RM9.2 million (2024: RM8.1 million) have been pledged to banks as security for banking facilities granted to the Group with approximately RM6.8 million (2024: RM5.8 million) related to performance bonds. Pledged bank deposits related to performance bonds include (i) minimum amount of deposits pledged to banks for facility lines for performance bonds; (ii) sinking fund (calculated at 6% of the progress payment from the particular contract related to the corresponding performance bonds); and (iii) interest income of deposits pledged to banks.

Deposits paid for acquisition of investment properties with carrying amount of approximately RM12.9 million (2024: RM12.9 million) and assets classified as held for sale with carrying amount of approximately RM1.5 million (2024: investment properties with carrying amount of approximately RM2.2 million) as at 30 June 2025 were pledged to a bank as security for bank facilities granted to the Group.

Contingent liabilities

As at 30 June 2025, the Group did not have contingent liabilities in respect of performance bonds for contracts in favour of customers (2024: nil). It is in the process of arranging the performance bond related to a new contract awarded in 2024. Meanwhile, such customer accepts additional portion of retention receivables in lieu of performance bond until the performance bond is ready.

The performance bonds were given by banks in favour of some of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and its customers. If the Group fails to provide satisfactory performance to its customers to whom performance bonds have been given, such customers may demand the banks to pay to them the sum or sums stipulated in such demand. The Group will then become liable to compensate such banks accordingly. The performance bonds will be released based on the terms of the respective contracts for the relevant customers. The performance bonds were secured and guaranteed by (i) deposits with licensed banks of approximately RM6.8 million; and (ii) corporate guarantees given by the Company as at 30 June 2025.

Risk management

Credit risk

The Group's credit risk is primarily attributable to trade and other receivables, contract assets, fixed deposits with maturity over three months, pledged bank deposits and cash at banks. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Management Discussion and Analysis

Trade receivables and contract assets

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate. Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at 30 June 2025, approximately 49% (2024: 61%) of the total gross trade receivables and contract assets was due from the Group's largest customer and approximately 99% (2024: 91%) of the total gross trade receivables and contract assets were due from the Group's five largest customers.

For certain large customers or customers with a high risk of default, the Group assesses the risk of loss of each customer individually based on their financial information, past trends of payments and external credit rating, where applicable.

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime expected credit losses, which is calculated using a provision matrix. The Group segments its trade receivables and contract assets based on geographic regions, due to different loss patterns experienced in the different regions.

Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Other receivables and deposits

The management of the Group makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable. The management of the Group believes that there is no significant increase in credit risk of other receivables and deposits since initial recognition and the Group provided impairment based on 12 months expected credit losses. As at 30 June 2025 and 2024, the Group assessed the expected credit losses for other receivables and deposits were insignificant and thus no loss allowance was recognised.

Cash and cash equivalents, fixed deposits with maturity over three months and pledged bank deposits

Cash and cash equivalents, fixed deposits with maturity over three months and pledged bank deposits are mainly placed with reputable financial institutions with high credit-ratings assigned by international credit-rating agencies. There has been no recent history of default in relation to these financial institutions.

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.

Management Discussion and Analysis

The Group is exposed to fair value interest rate risk in relation to the Group's fixed-rate short-term fixed deposits with maturity over three months, pledged bank deposits and lease liabilities. The management of the Group considers that the Group's exposure from these fixed-rate short-term fixed deposits with maturity over three months, pledged bank deposits and lease liabilities to interest rate risk is not significant.

The Group's interest rate risk arises primarily from cash at banks and bank loans. Cash at banks and bank loans at variable rates expose the Group to cash flow interest rate risk. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of Malaysia base lending rate from the Group's bank loans denominated in Ringgit Malaysia.

Foreign currency exchange risk

The Group undertakes certain transactions denominated in foreign currencies, hence exposure to exchange rate fluctuations arises. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure closely and to keep the net exposure to an acceptable level. The Group will consider hedging significant foreign currency exposure should the need arise.

For the risks and uncertainties faced by the Group, please refer to the section headed "Risk Factors" in the prospectus of the Company dated 25 April 2019 (the "**Prospectus**") and section headed "Principal risks and uncertainties facing the Group" under the "Directors' Report" (on pages 23 to 25) of this annual report.

SIGNIFICANT INVESTMENTS HELD

Save as disclosed in this annual report and the circular of the Company dated 19 July 2022, the Group did not hold any significant investments during the year ended 30 June 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the Prospectus, circular of the Company dated 19 July 2022 and this annual report, the Group did not have other plans for material investments and capital assets as at 30 June 2025.

MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in this annual report, the Group did not have any material acquisitions and disposals of subsidiaries, associates or joint ventures during the year ended 30 June 2025.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this annual report, there were no other important events affecting the Group that have occurred since 30 June 2025 and up to the date of this annual report.

EMPLOYEES AND REMUNERATION POLICIES

Excluding the Directors, the total number of full-time employees of the Group increased from 64 as at 30 June 2024 to 68 as at 30 June 2025 for the expansion of the business activities.

The Group determines the remuneration of its employees with references to market rates and individual's qualifications, experience, skills, performance and contributions. The Group regularly reviews compensation and benefits policies as well as the individual performance of employees and encourages the employees to pursue their professionalism and personal goals.

Management Discussion and Analysis

The Board determined the remuneration of the Directors based on recommendation from the remuneration committee of the Company. The Board took into consideration a number of relevant factors such as salaries paid by comparable companies, job responsibilities, duties and scope, employment conditions elsewhere in the Group, market practices, financial and non-financial performance, and desirability of performance-based remuneration. The remuneration committee of the Company will determine the overall amount of each component of remuneration, taking into account both quantitative and qualitative assessment of performance. No individual Director or any of his/her associates is involved in deciding his/her own remuneration.

No equity-based remuneration (e.g. share options or grants) with performance-related elements shall be granted to independent non-executive Directors. This measure aims to ensure the independent non-executive Directors are demonstrating objective judgement throughout their tenure. This is because equity-based remuneration with performance-related elements may lead to bias in their decision-making and compromise their objectivity and independence.

The Company adopted a share option scheme so that the Company may grant options to the eligible persons as incentives or rewards for their contributions to the Group. In addition, employees are always encouraged to attend job-related seminars, webinars, courses and programs organised by professional or educational institutions, in Malaysia, Singapore, Hong Kong or other jurisdiction.

PROSPECTS

During the year ended 30 June 2025, the Group mainly focused on executing the existing contracts, including (i) a reclamation and related works and marine transportation contract for the land reclamation works and mixed development in the district of Mukim Plentong, Johor; (ii) a reclamation and related works contract for the Maharani Energy Gateway Project in Muar; (iii) a building and infrastructure contract for the construction of a new ultra-modern 5 storey court complex in Johor Bahru, Malaysia including construction of a main building, mechanical and electrical works, interior design, infrastructure works, and landscapes and ancillary building works; and (iv) a building and infrastructure contract of a new ultra-modern 5 storey court complex in Johor with original contract sum in aggregate of approximately RM0.6 billion. The delivery of marine transportation works in Singapore remains stable. Other than those completed contracts, it is expected that these contracts will enhance and strengthen the revenue and profitability of the Group in the near future.

Given (i) the Johor-Singapore Special Economic Zone (the “**JS-SEZ**”) agreement has officially been signed which aims to boost trade and strengthen economic connectivity between the two nations in early January 2025; (ii) Johor Bahru-Singapore Rapid Transit System Link project is expected to begin service in early January 2027; and (iii) there are significant foreign investment in data centers, the market sentiment is strong with the roll out of the public projects in the upcoming future. The JS-SEZ offers businesses and investors the opportunity to tap into Singapore’s value chain, rapidly growing regional markets and the global market at a lower cost, with greater potential for growth and expansion. It aims to enhance regional economic development and cross-border business interactions, ease the flow of labour to build a dynamic and integrated labour market, build a holistic business ecosystem and enhance ease of doing business, and improve connectivity and cost-effectiveness in trade. The Group is optimistic on the construction business in Malaysia and Singapore and of the view that these offer good prospects to the Group. However, the construction industry remains competitive and short of labour. The inflationary pressures impose negative impact on the Group’s profitability.

Management Discussion and Analysis

In September 2025, the consortium of JBB Builders (M) Sdn. Bhd. (a wholly-owned subsidiary of the Company), and Samaiden Sdn. Bhd. (a wholly-owned subsidiary of Samaiden Group Berhad which is a company listed on Bursa Malaysia Securities Berhad (stock code: 0223)) (the “**Consortium**”), received a letter of notification from the Energy Commission of Malaysia. The letter notified the Consortium that it had been selected as a shortlisted bidder to undertake the development of large-scale solar photovoltaic plant of 99.99 MW in Segamat, Johor, Malaysia (the “**Project**”). No legally binding or definitive agreement has yet been entered into among JBB Builders (M) Sdn. Bhd., Samaiden Sdn. Bhd. and the Energy Commission of Malaysia. It is expected that a special purpose vehicle may be incorporated to implement the Project. Further announcement(s) will be made in accordance with the Listing Rules and applicable laws as and when appropriate, and as and when the transaction(s) contemplated thereunder is/are materialised.

The Group believes its liquidity position remains healthy by considering the cash and cash equivalents in hand, available banking facilities, tight cost control measures and capital commitments. The Group is closely monitoring the situation and uncertainties faced by the Group and will pursue the opportunities should the business and financial situation allowed. The Group keeps optimising its business models and portfolios to solidify its market competitiveness by participating in different tenders actively, especially on marine construction services. At the same time, the Group is focusing on executing the existing awarded construction works in order to deliver the quality work on schedule. The Group is actively realising the value of the properties on hand by selling the properties in the market. The Group will leverage its financial position, extensive network from its management, strong quality management system and resources available to implement appropriate business strategies to mitigate the potential adverse impact on its business operations and to ensure sustained value creation.

USE OF PROCEEDS

The net proceeds of the global offering of the ordinary shares of the Company (the “**Shares**”) received by the Company were approximately HK\$125.2 million (approximately RM62.6 million)^(Note 1), after deduction of underwriting fees and related listing expenses, of which HK\$15.0 million of the total amount of fees and expenses in connection with the global offering of the Shares had been paid from the proceeds of the pre-IPO investments. Set out below is the breakdown of use of net proceeds from the global offering of the Shares from 10 May 2019 (the “**Listing Date**”) up to 30 June 2025:

Use of net proceeds as at 30 June 2025	Percentage of net proceeds ^(Note 2) %	Original allocation of the net proceeds ^(Note 1) RM million	Revised allocation of the unutilised net proceeds ^(Note 3) RM million	Amount utilised as at 30 June 2025 RM million	Unutilised net proceeds balance as at 30 June 2025 RM million	Expected timeline on utilising the remaining proceeds ^(Note 4)
Acquiring one rebuilt sand carrier from one of the existing subcontractors for marine transportation services	57.9	36.2	–	–	–	N/A
Purchasing new land-based machineries	7.3	4.6	–	–	–	N/A
Satisfying performance bonds requirement of prospective projects	23.4	14.7	14.7	(4.0)	10.7	By June 2028
Upgrading the information technology and project management systems	0.6	0.4	0.4	(0.3)	0.1	By June 2028
Recruiting and expanding management team for the building and infrastructure works	3.4	2.1	2.1	(1.7)	0.4	By June 2028
Working capital and general corporate purposes	7.4	4.6	4.6	(4.6)	–	N/A
Funding and capital requirements for new contracts	–	–	40.8	(40.8)	–	By June 2028
	100.0	62.6	62.6	(51.4)	11.2	

Management Discussion and Analysis

As at 30 June 2025, approximately RM11.2 million (representing approximately 17.9% of the net proceeds from the global offering) had not yet been utilised. The unutilised portion of the net proceeds were deposited in the Group's banks in Malaysia.

Notes:

- (1) The net proceeds allocated for each specific use have been adjusted proportionally in the manner as stated in the Prospectus due to the difference between the estimated net proceeds and the actual net proceeds received.
- (2) Such utilisation of the net proceeds was in accordance with the proposed allocations as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.
- (3) On 23 February 2024, the Board has resolved to reallocate part of the unutilised net proceeds as at 31 December 2023 in the sum of approximately RM40.8 million, which was originally allocated for acquiring one rebuilt sand carrier and for purchasing new land-based machineries, to the use of funding and capital requirements for new contracts awarded to the Group. For further details, please refer to the section headed "Change in Use of Proceeds" of the announcement of the Company dated 23 February 2024.
- (4) The expected timeline on utilising the remaining proceeds is the best estimation of the Directors based on: (i) the latest information provided by the customers on the expected commencement date of the construction contracts previously secured; (ii) ongoing contracts on hand; and (iii) the present business and economic environment including the consequential impact of COVID-19 outbreak, as of the date of this annual report. In view of the above, the Directors expect the remaining proceeds will be utilised alongside the resumption of the economic activities in general by the year ending 30 June 2028 should the market and economic situation require, and would be subject to change based on the future development of market conditions.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Dato' Ng Say Piyu ("**Dato' Ng**"), aged 72, is the co-founder of our Group and has been appointed as our Chairman and executive Director since 30 April 2018. Dato' Ng is primarily responsible for overall business planning, corporate strategies and overall management of our Group. Dato' Ng is also the chairman of nomination committee, member of remuneration committee and a director of various subsidiaries of the Company. Dato' Ng has over 45 years of experience in the construction industry. From 1980 to 1983, he was a quantity surveyor in Jabatan Kerja Raya (Public Works Department Malaysia), during which he was mainly responsible for negotiation, procurement and construction management. From 1983 to 1993, Dato' Ng briefly worked as a project manager in PC Holdings Sdn. Bhd., a construction company in Malaysia; and subsequently served in SBBU Sdn. Bhd. (a subsidiary of Urban Development Authority Malaysia) with his last position as a senior project manager, where he was responsible for managing property development projects. From 1994 to 1997, he was appointed as a director of Idealland Sdn. Bhd., a company engaged in mixed property development projects. From 1998 to 2006, he became an entrepreneur actively investing in mixed property development in Malaysia. Since 2007, he began actively investing in the business of sand processing and trading.

Dato' Ng graduated from the Polytechnic of Wales (presently known as University of Glamorgan), United Kingdom, with a Bachelor of Science in Quantity Surveying in July 1980.

Dato' Ng is the spouse of Datin Ngooi Leng Swee ("**Datin Ngooi**") (a non-executive Director), and the uncle of Mr. Lam Fung Eng (an executive Director) and Mr. Ng Chong Boon (an executive Director).

Mr. Lam Fung Eng, aged 49, has been appointed as our executive Director since 10 May 2018. Mr. Lam is primarily responsible for overall corporate strategies and policies formulation, business development and general management of our Group. He is currently a director of various subsidiaries of the Company. Mr. Lam has over 25 years of experience in contract management in Malaysia's construction industry. Prior to joining our Group, Mr. Lam was a contract executive from November 1999 to August 2001 in Perwik Sdn. Bhd., in which he was responsible for the preparation of tender and negotiation with subcontractors and suppliers. From September 2001 to December 2003, he worked in Kumpulan Jayaputera Sdn. Bhd. with his last position as an assistant contract manager, and was responsible for assisting in the contract management of construction projects. From April 2004 to April 2008, he served as a contract manager of Prosmier Construction Sdn. Bhd., during which he was responsible of pre and post-contract management, including tender procurement and site valuation. From May 2008 to April 2012, he was appointed as a director of Full Alliance Sdn. Bhd., during which he was primarily responsible for overseeing the contract department of the company.

Mr. Lam graduated from the Nottingham Trent University, United Kingdom, with a Bachelor of Science majoring in quantity surveying in June 2000.

Mr. Lam is the nephew of Dato' Ng (an executive Director) and Datin Ngooi (a non-executive Director), and a cousin of Mr. Ng Chong Boon (an executive Director).

Biographical Details of Directors and Senior Management

Mr. Ng Chong Boon, aged 54, has been appointed as our executive Director since 10 May 2018. Mr. Ng is primarily responsible for the overall management of our business operation as well as project management and supervision. He is currently a director of various subsidiaries of the Company. Mr. Ng has over 30 years of experience in project management in Malaysia's construction industry. Prior to joining our Group, he was a quantity surveyor from January 1995 to February 1996 in JB Bergabung Consult, a consulting quantity surveying firm, and was mainly responsible for tender preparation. From March 1996 to May 1997, he served as a senior project executive of Seri Alam Properties Sdn. Bhd., a company engaged in mixed property development, and was responsible for risk management and operation of construction projects. From May 1997 to May 2000, he served as a contract manager of Dubon Berhad, a construction company, and was responsible for overseeing project operation and financial management of projects. From June 2000 to April 2011, he served as a project manager of SSB Construction Sdn. Bhd., a construction company, where he was responsible for conducting general project management.

Mr. Ng graduated from Glasgow Caledonian University, United Kingdom, with a Bachelor of Science majoring in quantity surveying in November 1995.

Mr. Ng is the nephew of Dato' Ng (an executive Director) and Datin Ngooi (a non-executive Director), and a cousin of Mr. Lam Fung Eng (an executive Director).

NON-EXECUTIVE DIRECTOR

Datin Ngooi, aged 71, has been appointed as our non-executive Director since 30 April 2018. Datin Ngooi is primarily responsible for the overall strategic management and corporate development. She is the co-founder of our Group and has been serving as a director of JBB Builders (M) Sdn. Bhd. ("**JBB Builders**") since its incorporation. Datin Ngooi has over 30 years of experience in management. From 1995 to 2000, Datin Ngooi was a senior IT manager of Malaysia Shipyard & Engineering Sdn. Bhd., a company engaged in ship repairing and conversion, where she was responsible for planning and directing the responsibilities of the IT department. In May 1996, she founded Computer Landmark Sdn. Bhd. (presently known as JBB Builders) and commenced business of computers trading in the capacity of a director. She remained as a director of JBB Builders since it commenced business as a subcontractor in the marine construction industry in 2012.

Datin Ngooi graduated from Aston University, United Kingdom, with a Bachelor of Science majoring in computer science in June 1982.

Datin Ngooi is the spouse of Dato' Ng (an executive Director), and the aunt of Mr. Lam Fung Eng (an executive Director) and Mr. Ng Chong Boon (an executive Director).

Biographical Details of Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tai Lam Shin, aged 67, has been appointed as our independent non-executive Director since 11 April 2019. He was designated as the lead independent non-executive Director on 24 April 2025. He is mainly responsible for supervising and providing independent judgement to our Board. He is also the chairman of audit committee and remuneration committee and a member of nomination committee. Mr. Tai has over 41 years of experience in management and accounting services. From January 1984 to January 2007, Mr. Tai worked at Ernst & Young with his last position being a senior manager, and he was responsible for overseeing accounting and financial activities, as well as advising his clients on corporate governance matters. From April 2008 to December 2016, he served as an audit director of Moore Stephens Associates & Co., and was responsible for providing audit services to public and private companies of various industries. Since June 2014, Mr. Tai has been serving as an independent non-executive director of Keck Seng (Malaysia) Berhad, a company listed on Bursa Malaysia (stock code: 3476), and is currently the chairman of its audit committee, and the member of its nominating committee and remuneration committee. Since June 2016, he has also been serving as an independent non-executive director of MCE Holdings Berhad, a company listed on Bursa Malaysia (stock code: 7004). He was re-designated as a non-independent non-executive director on 10 August 2022, and is currently the member of its audit and risk management committee and the nomination and remuneration committee. On 1 July 2019, Mr. Tai is appointed as an independent non-executive director of White Horse Berhad, a company listed on Bursa Malaysia (stock code: 5009). He was re-designated as a senior independent non-executive director on 25 March 2025, and is currently the chairman of its audit committee and nomination committee.

Mr. Tai has been admitted as a Chartered Accountant of the Malaysian Institute of Accountants (MIA) in June 1987, and has been certified as a Fellow of The Chartered Association of Certified Accountants (FCCA), United Kingdom in February 1992.

Mr. Chan Tsun Choi, Arnold (陳進財), aged 65, has been appointed as our independent non-executive Director since 25 May 2020. He is mainly responsible for supervising and providing independent judgement to our Board. He is also a member of the audit committee and nomination committee. Mr. Chan has over 39 years of experience in financial industry. From June 1986 to December 1990, Mr. Chan worked at The China State Bank, Ltd. Hong Kong Branch with his last position being a deputy manager under the investment department, and he was responsible for credit control and investment activities. From December 1990 to July 1993, Mr. Chan worked at Unicoopjapan (H.K.) Ltd. with his last position being a senior manager and he was responsible for controlling and overseeing the treasury and finance operations, and advising investment opportunities in People's Republic of China for Japanese investors. From July 1993 to December 1997, Mr. Chan worked at China Development Investment Management Limited with his last position being the head of China business department and he was responsible for investment opportunities identification, project management and corporate finance. From January 1998 to December 2019, Mr. Chan worked at Dragages Hong Kong Limited, a subsidiary of Bouygues Construction, with his last position as special advisor to chairman. He was the structured finance director and project finance director of Dragages Hong Kong Limited from March 2005 to March 2019. He was responsible for fund raising activities and financing for construction projects in Hong Kong and Asia Pacific. On 4 June 2020, Mr. Chan is appointed as an independent non-executive director of Harbour Equine Holdings Limited (formerly known as Shen You Holdings Limited), a company listed on GEM of the Stock Exchange (stock code: 8377), and is currently member of its audit, nomination and remuneration committee. On 26 August 2022, Mr. Chan is appointed as an independent non-executive director of Upbest Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 335), and is currently the chairman of its audit committee and member of its nomination and remuneration committee.

Biographical Details of Directors and Senior Management

Mr. Chan obtained a degree of Bachelor of Business Administration from The Chinese University of Hong Kong in December 1986. He obtained a postgraduate diploma in Banking and Finance from the City Polytechnic of Hong Kong (presently known as City University of Hong Kong) and a degree of Master of Science in Finance from City University of Hong Kong in November 1990 and November 1995, respectively.

Mr. Chan was admitted as an associate of The Institute of Management (presently known as Chartered Management Institute) in the United Kingdom in January 1990 and was admitted as a fellow in March 2018. He was admitted as a member of The International Institute of Management in February 1997. He was admitted as Certified Practising Accountant of the Australian Society of Certified Practising Accountants (presently known as CPA Australia) in August 1997 and was awarded a fellow membership in July 2015. He was admitted as associate of Hong Kong Society of Accountants (presently known as Hong Kong Institute of Certified Public Accountants) in December 1997 and certified as fellow member in May 2015. He was admitted as member of Hong Kong Securities Institute (presently known as Hong Kong Securities and Investment Institute) in December 1998 and certified as fellow member in November 2014. He obtained Chartered Financial Analyst from CFA Institute in September 2007.

Ms. Chan Pui Kwan (陳佩君), aged 59, has been appointed as our independent non-executive Director since 11 April 2019. She is mainly responsible for supervising and providing independent judgement to our Board. She is also a member of audit committee, remuneration committee and nomination committee. Ms. Chan has over 23 years of experience in the corporate consultancy industry. In April 2002, she founded SINOVA Management Consultancy Limited (later renamed to ANT-SINOVA (Hong Kong) Limited), a company engaged in the provision of advice and support to investors entering into the PRC market, and remained as the chief executive officer until September 2012. Since September 2012, Ms. Chan was appointed as the chief executive officer of Delta Think (HK) Limited, a company engaged in the provision of business development consultancy services to private and public companies. Since July 2014, she has been serving as the non-executive director of DT Capital Limited, a company listed on the Main Board of the Stock Exchange (stock code: 356), and was subsequently appointed as the chairman of its board in July 2014.

Ms. Chan has been acting as a licensed representative of Hua Yu Investment Management Limited for Type 6 (Advising on Corporate Finance) and Type 9 (Asset Management) regulated activities since June 2016 and September 2015 respectively.

Ms. Chan also actively participates in community service and holds advisory positions in various institutions. She is at present a member of the board of directors of Hong Kong Science and Technology Parks Corporation as well as a member of the Competition Commission (Hong Kong). Ms. Chan has also been appointed as a member of the advisory committee of Enhancing Self-Reliance Through District Partnership Programme (ESR) as well as a non-official member of the Trade and Industry Advisory Board (TIAB) since 1 July 2020 and 1 January 2022 respectively. Ms. Chan is also a member of the Advisory Board of the Dutch Chamber of Commerce from October 2020. In December 2009, Ms. Chan was selected as one of “China’s 100 Outstanding Female Entrepreneurs”.

Biographical Details of Directors and Senior Management

SENIOR MANAGEMENT

Mr. Eddy Bin Daud, aged 64, joined our Group in March 2015 and is the general manager (contract and planning) of our Company. He is mainly responsible for overseeing the contracts and planning department of our Group. Mr. Daud has over 35 years of experience in the construction industry of Malaysia. Prior to joining our Group, he worked in BW Perunding Sdn. Bhd., an engineering firm, from June 1990 to July 1994 with his last position as a project manager, where he was responsible for management of turnkey construction projects. From July 1994 to September 1997, he served as a general manager (operations) in Southern Water Corporation Sdn. Bhd., a water treatment plant operator, and was in charge of the operations and maintenance of water treatment plants. From July 2000 to September 2004, he worked in Dr Nik & Associates Sdn. Bhd., an engineering and project management consultant firm, with his last position as a senior project manager, and was responsible for the management of dredging and reclamation works of construction projects. From October 2004 to February 2015, he served as a senior manager (contracts and commercial) in Malaysian Maritime & Dredging Corporation Sdn. Bhd., a dredging and reclamation contractor, during which he was in charge of the design and operation of construction projects.

Mr. Daud obtained a degree of Bachelor of Science in Civil Engineering from Aston University, United Kingdom, in July 1984. He is a registered professional engineer (CIVIL) with practicing certificate with the Board of Engineers of Malaysia and has been certified as a member of the Institution of Engineers Malaysia in July 1989.

COMPANY SECRETARY

Ms. Lam Lam (林琳), aged 37, joined our Group as a financial controller in April 2018, and was also appointed as our company secretary since 10 May 2018. She is mainly responsible for managing the financial operations as well as overseeing the company secretarial and compliance affairs of our Group. Prior to joining our Group, she was employed by the Hong Kong office of Deloitte Touche Tohmatsu from October 2010 to April 2018 with her last position being a manager in the audit function, where she was responsible for providing audit services for Hong Kong and overseas clients.

Ms. Lam obtained a degree of Bachelor of Business Administration in Accounting and Finance from the University of Hong Kong in November 2010, and was included on the Dean's Honor List of Faculty of Business and Economics for the academic year 2009/2010. She has been certified as a member of the Hong Kong Institute of Certified Public Accountants since January 2014 and certified as fellow member since February 2022. In September 2025, she is granted the Certificate in Accounting and Business by the Hong Kong Institute of Certified Public Accountants. She has been certified as a financial risk manager of the Global Association of Risk Professionals since April 2016. She also earned a certificate in Sustainability and Climate Risk from the Global Association of Risk Professionals in November 2021.

Directors' Report

The Directors are pleased to present their annual report and the audited consolidated financial statements for the year ended 30 June 2025.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries and joint venture are set out in notes 29 and 15 to the consolidated financial statements, respectively. There were no significant changes to the Group's principal activities during the year ended 30 June 2025.

BUSINESS REVIEW

Review of the Group's business and analysis of the Group's performance using financial key performance indicators during the year and an indication of the likely future development of the Group's business are provided in the sections headed "Chairman's Statement" (on pages 4 to 5), "Management Discussion and Analysis" (on pages 6 to 17), "Corporate Governance Report" (on pages 42 to 68), "Financial Summary" (on page 218) and "Notes to the Consolidated Financial Statements" (on pages 149 to 216) of this annual report.

Principal risks and uncertainties facing the Group

The Group's business operation, financial condition and results may be affected by certain risks and uncertainties pertaining to the Group's business. The principal risks and uncertainties identified by the Group are set out as follows which are by no means exhaustive or comprehensive:

The Group's future business from marine construction services and building and infrastructure services is dependent on the contracts on hand and its ability to secure new contracts

The Group's contracts are on a non-recurring and project-by-project basis and secured through tendering or quotation process. There is no guarantee that the Group will continue to secure new contracts after the completion of the existing awarded contracts and that the Group will always be able to maintain similar levels of profitability in the future.

The Group's profitability may be adversely affected by the delay or change of sizable contracts

There are unforeseeable conditions after the contracts are awarded and/or during the execution of the contracts, such as time required to obtain approval on the commencement of marine construction works from the authorities from the customers, additional standard operating procedures imposed by the authorities, change of design layout requested by the customers, adverse weather conditions, unexpected geological conditions, unexpected technical problems and additional resources required, etc. These may lead to the Group's project costs to increase unexpectedly, affect the timing on generating the revenue for the Group and the Group's profitability which caused by gross profit margin compression.

Directors' Report

The Group's revenue may be substantially different from the original contract sum due to factors such as variation orders/adjustments

The aggregate amount of revenue that the Group is able to derive from a contract may be different from the original contract sum specified in the relevant contract due to factors such as variation orders (including additions, modifications and/or cancellations of certain contract works) placed by its customers from time to time during the course of execution or adjustments made. As such, there is no assurance that the amount of revenue derived from the ongoing/awarded contracts will not be substantially different from the original contract sum as specified in the relevant contracts. The Group's financial condition may be adversely affected by any decrease in the Group's revenue and gross profit margin as a result of variation orders/adjustments.

The Group's performance is dependent on the general economic conditions and government policies of the markets in which the Group operated

The construction industry is cyclical in nature and depends on the market conditions. Any downturn in the construction sector and/or reduction in the overall value and number of contracts due to, amongst other reasons, economic downturn, change of government policies and/or civil unrest, delay on approval for funding proposals for public works contracts may correspondingly reduce the demand for the Group's construction services. These also affect the pricing of the diesel which in turn affects the demand of marine gas oil for trading. As such, the Group's revenue and profitability may be adversely affected.

The Group's credit risk may be increased and liquidity may be affected due to the delays in collections from our customers

The credit terms in relation to the settlement of amounts due from customers vary from contract to contract. The credit terms also vary according to the nature of the transactions, with settlement typically ranging from 30 to 90 days from the invoice date. For contracts in relation to reclamation and related works and building and infrastructure services, the Group is required to submit interim payment applications to customers usually on a monthly basis or by stages after specified project milestones are completed, and final accounts after the construction works have been completed as per terms of the contracts. The invoices are issued to the customers after the customers issue interim payment certificates or finalisation of final accounts. For marine transportation services, invoices are issued upon the completion of the transportation services once or twice every month. Any delay on the certification of interim payment applications and final accounts from the customers will affect the timing of issuing the invoices and hence the collection. If the Group's customers experience financial distress or are unable to settle their payments or release the retention monies or performance bonds to the Group in a timely manner or at all, the Group's financial condition and results of operations could be materially and adversely affected.

Occasionally, customers may request settlement of their payment by instalments or may even request settlement of their payment only after the completion of construction works during the negotiation of the contracts. At the same time, our contracts require us to commit a certain amount of cash and other resources prior to receiving any payments from our customers as a result of our payments being dependent on work progress and subject to retention money. As such, we typically incur significant costs associated with a project at the beginning of the contract or before achieving the relevant project milestones. If we are not able to maintain a sufficient amount of working capital and cash flows for meeting these cost requirements, our capacity to undertake new contracts may be limited and accordingly, our liquidity, financial performance and results of operations may be adversely affected.

Directors' Report

The Group's business may be affected by the environmental and climate related risks

The potential adverse impacts of climate change on the natural environment and physical systems, such as infrastructure, property, and ecosystems has the potential to disrupt the Group's assets and services in marine construction, as extreme weather events such as floods and heat waves are expected to be more frequent due to climate change, and their impacts are predicted to intensify over time. It is also anticipated that the existing policies and regulations will be tightened with more restrictions on the current technologies and practices of marine construction services, as well as the capacity for greenhouse gas emissions in accordance with the Malaysia and Singapore's net zero commitment for the purpose of reaching carbon neutrality by 2050 and 2060 respectively. These environmental and climate related risks may affect the labour productivity and project progress, damage machinery and infrastructure, increase the operating costs, insurance premiums and liquidity risk.

For others risks and uncertainties facing the Group, please refer to the section headed "Risk Factors" in the Prospectus.

For review of the Group's environmental policies and performance, compliance with the relevant laws and regulations that have a significant impact on the Group and understanding of the Group's key relationships with its employees, customers and suppliers and others that have a significant impact on the Group, please see section headed "Corporate Governance Report" (on pages 42 to 68) and "Environmental, Social and Governance Report" (on pages 69 to 137) of this annual report and discussions as follows:

Environmental policies and performance

We are environmentally aware and we ensure that environmental compliance and protection measures are properly implemented for the contracts. We have established, maintained and worked through regular review for the continuous improvement of the Environmental Management System which clearly states and provides for the implementation of environment target for offices operations and project execution which contributes to the prevention of environmental pollution. We recognise the importance of sustainability and strive to minimise the burden on the environment by reducing the municipal waste and energy, promoting reuse and recycle and controlling the air quality, water, soil, ambient noise and biodiversity from the procurement and design stage of the projects. The Group has also adopted measures and work procedures governing environmental protection compliance that are required to be followed under the relevant contract.

Please refer to more details as per section headed "Environmental, Social and Governance Report" (on pages 69 to 137) of this annual report.

Directors' Report

Compliance with relevant laws and regulations

Our Group has adopted internal control measures to monitor the continuous compliance with relevant laws and regulations such as the Companies Law of the Cayman Islands, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Securities and Futures Ordinance, the Listing Rules and other rules and regulations implemented in relevant jurisdictions. During the year ended 30 June 2025, as far as the Board is aware, having made all reasonable queries, there was no non-compliance in material aspects with the relevant laws and regulations that have a significant impact on the business and operation of our Group during the year ended 30 June 2025.

Our Group continues to commit to comply with the relevant laws and regulations.

Key relationships with employees

We recognise our employees as our most valuable assets and the key to business growth and success. As at 30 June 2025, we had a total of 68 (2024: 64) employees (excluding the Directors) in Hong Kong, Malaysia and Singapore. To attract new talents, retain high quality employees and bring our Group's continued success in the future, we value their supports and contributions at all times. Our Group regularly reviews compensation and benefits policies as well as the individual performance of employees and encourages our employees to pursue their professionalism and personal goals. Employees' handbook, code of conduct and corporate governance policies are established and communicated with our employees and emphasis on honesty, integrity and fairness with an aim to protect our Group's interests and reputation. In addition, whistleblowing policy, anti-corruption policy, anti-competition policy and anti-fraud policy are established to encourage employees to report any violation within our Group.

We are committed to providing a respectable, safe and healthy working environment for both our employees and employees of our subcontractors and encourages collaboration and cooperation between employees and across departments. We also strive to promote a motivating and supportive culture, workforce diversity and equal opportunity in our offices and sites.

RESULTS

The results of the Group for the year ended 30 June 2025 and the Group's financial position at that date are set out in the Group's consolidated financial statements on page 143 to 145 of this annual report.

DIVIDENDS

Considering the financial results for the year ended 30 June 2025, expected working capital requirements, and current and future business conditions and strategies, the Board does not recommend to declare any final dividend for the year ended 30 June 2025 (2024: nil).

There is no arrangement under which a Shareholder has waived or agreed to waive any dividends.

Directors' Report

DIVIDEND POLICY

The recommendation of the payment of any dividends is subject to the discretion of the Board, and any declaration of final dividend will be subject to the approval of our Shareholders.

In proposing any dividend payout, the Board shall take into account the following criteria, including:

- the Company and its subsidiaries' actual and expected financial results;
- general financial conditions of the Group;
- current and future business conditions and strategies;
- retained earnings and distributable reserves of the Company;
- the level of the Group's debts to equity ratio, return on equity and financial covenants to which the Group is subject;
- any contractual restrictions on payment of dividends by the Company to its Shareholders or by the Company's subsidiaries to the Company;
- the Group's expected working capital requirements and future expansion plans;
- liquidity position;
- statutory and regulatory restrictions; and
- other factors that the Board deems appropriate.

The Company's ability to pay dividends is also subject to the requirements of the Listing Rules and all relevant applicable laws, rules and regulations in the Cayman Islands, Hong Kong and the amended and restated Memorandum and Articles of Association of the Company.

Dividends may be paid out by way of cash or by other means that the Directors consider appropriate.

The Board will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

Directors' Report

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the right to attend and vote at the annual general meeting, the register of members of the Company will be closed from 13 November 2025 to 18 November 2025, both days inclusive, during which no transfer of Shares will be registered. In order to be entitled to attend and vote at the annual general meeting, unregistered holders of Shares should ensure that all transfers of Shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the office of the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 12 November 2025. The record date for determining the right to attend and vote at the annual general meeting is 18 November 2025.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the year ended 30 June 2025 and up to the date of this report, the Board is of the view that the Company had adopted and complied with all applicable code provisions set out in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company adopted the Model Code for Securities Transactions by the Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions of the Company by the Directors. The Company had made specific enquiry with all the Directors and the Directors confirmed that they have complied with the required standard as set out in the Model Code regarding securities transactions by the Directors during the year ended 30 June 2025 and up to the date of this annual report.

FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 217 of this annual report.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year are set out in note 26(b) to the consolidated financial statements.

SHARE OPTION SCHEME

Pursuant to the written resolutions passed on 11 April 2019, the Company has conditionally adopted a share option scheme (the "**Share Option Scheme**"), which became unconditional and effective on the Listing Date.

(a) Purpose and Participants of the Share Option Scheme

The purpose of the Share Option Scheme is to enable our Company to grant options to the employee, director, adviser, consultant, service provider, agent, customer, partner or joint-venture partner of our Company or any subsidiary who is in full-time or part-time employment with or otherwise engaged by our Company or any subsidiary at the time when an option is granted to such employee, director, adviser, consultant, service provider, agent, customer, partner or joint-venture partner or any person who, in the absolute discretion of the Board (the "**Eligible Participants**"), has contributed or may contribute to our Group as incentive or reward for their contribution to our Group to subscribe for the Shares thereby linking their interest with that of our Group.

Directors' Report

(b) Grant and acceptance of options

Subject to the terms of the Share Option Scheme, the Board shall be entitled at any time within 10 years after the adoption date of the Share Option Scheme to make an offer to any Eligible Participants as the Board may in its absolute discretion select to subscribe for such number of Shares as the Board may determine. An offer shall be made to an Eligible Participant in writing in such form as our Directors may determine from time to time and shall remain open for acceptance by the Eligible Participant concerned for a period of 21 days from the date upon which it is made provided that no such offer shall be open for acceptance after the 10th anniversary of the adoption date of the Share Option Scheme or the termination of the same.

An offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the offer duly signed by the Eligible Participant, together with a remittance in favour of our Company of HK\$1.00 by way of consideration for the grant thereof is received by our Company within 21 days from the date of offer or within such time as may be determined by the Board.

Any offer may be accepted by an Eligible Participant in respect of less than the total number of Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof.

(c) Subscription price of Shares

The subscription price for Shares under the Share Option Scheme shall be determined at the discretion of our Directors but in any event will not be less than the highest of:

- (i) the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the offer date of the particular option, which must be a business day;
- (ii) the average closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the offer date of that particular option; and
- (iii) the nominal value of a Share on the offer date of particular option.

Directors' Report

(d) Maximum number of Shares

- (i) Subject to (ii) below, the maximum number of Shares in respect of which option may be granted at any time under the Share Option Scheme together with options which may be granted under any other share option schemes for the time being of our Company shall not in aggregate exceed such number of Shares as equals 10% issued share capital of our Company at the Listing Date (the “**Scheme Mandate Limit**”) unless Shareholders’ approval has been obtained pursuant to the subparagraph immediately below. On the basis of a total of 500,000,000 Shares in issue as at the Listing Date, the relevant limit will be 50,000,000 Shares which represent 10% of the issued Shares at the Listing Date. As at the date of this annual report, the number of Shares available for issue is 50,000,000 Shares, representing approximately 10% of the issued Shares at the date of this annual report.

Our Company may seek approval by its Shareholders in general meeting to refresh the Scheme Mandate Limit provided that the total number of Shares available for issue upon exercise of all options which may be granted under the Share Option Scheme and any other schemes of our Group must not exceed 10% of the issued share capital of our Company at the date of approval of refreshing of the Scheme Mandate Limit. Options previously granted under the Share Option Scheme and any other share option schemes of our Group (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme or any other share option schemes or exercised options) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. Our Company shall send a circular to our Shareholders containing the information required under the Listing Rules.

Our Company may authorise our Directors to grant options to specified Eligible Participants beyond the Scheme Mandate Limit if the grant of such options is specifically approved by our Shareholders in general meeting. In such case, our Company must send a circular to our Shareholders in connection with the general meeting at which their approval will be sought containing a generic description of the specified Eligible Participants who may be granted such options, the number and terms of the option to be granted, the purpose of granting options to the specified Eligible Participants with an explanation as to how the terms of the options serve such purpose, the information and disclaimer required under the Listing Rules and such further information as may be required by the Stock Exchange from time to time.

- (ii) The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share options schemes of our Group must not exceed 30% of the Shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of our Group if this will result in the limit being exceeded.

Directors' Report

- (iii) Unless approved by our Shareholders in the manner set out below, the total number of Shares issued and to be issued upon exercise of the options granted and to be granted to each grantee (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the Shares in issue. Where any further grant of options to an Eligible Participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by Shareholders in general meeting with such Eligible Participant and his close associates (or his associates if the Eligible Participant is a connected person) abstaining from voting. Our Company must send a circular to our Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the options to be granted (and options previously granted to such Eligible Participant), and such information as may be required under the Listing Rules from time to time. The number and terms (excluding the subscription price) of options to be granted to such Eligible Participant must be fixed before Shareholders' approval and the date of meeting of the Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.
- (iv) The exercise of any option shall be subject to our Shareholders in general meeting approving any necessary increase in the authorised share capital of our Company. Subject thereto, our Directors shall make available sufficient of the then authorised but unissued share capital of our Company to allot the Shares on the exercise of any option.

(e) Exercise of options

An option may be exercised at any time during the period to be determined and identified by the Board to each grantee at the time of making an offer for the grant of an option, but in any event no later than 10 years from the date of grant.

Subject to terms of the Share Option Scheme, an option shall be exercisable in whole or in part in the circumstances by giving notice in writing to our Company stating that the option is thereby exercised and the number of Shares in respect of which it is so exercised. Each such notice must be accompanied by a remittance for the full amount of the subscription price for Shares in respect of which the notice is given. After receipt of the notice and remittance and, where appropriate, receipt of the auditors' certificate, our Company shall within 30 days of the date upon which an option is effectively exercised (being the date of such receipt by the secretary of our Company) allot the relevant Shares to the grantee (or his personal representative(s)) credited as fully paid and instruct the relevant share registrar to issue to the grantee (or his personal representative(s)) a share certificate in respect of the Shares so allotted.

Though there is no specified minimum period under the Share Option Scheme for which an option must be held or the performance target which must be achieved before an option can be exercised under the terms and conditions of the Share Option Scheme, our Directors may make such grant of options, subject to such terms and conditions in relation to the minimum period of such options to be held and/or the performance targets to be achieved as our Directors may determine in their absolute discretion.

Directors' Report

(f) Duration, administration and remaining life of the Share Option Scheme

The Share Option Scheme shall be valid and effective commencing from the adoption date of the Share Option Scheme until the termination date as provided therein (which being the close of business of our Company on the date which falls 10 years from the date of the adoption of the Share Option Scheme), after which period no further options will be granted but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme.

The Share Option Scheme shall be subject to the administration of our Board whose decision on all matters arising in relation to the Share Option Scheme or its interpretation or effect shall (save as otherwise provided therein and in the absence of manifest error) be final and binding on all persons who may be affected thereby.

The remaining life of the Share Option Scheme is approximately 3 years and 6.5 months (to be expired on 10 April 2029).

No option had been granted, exercised, lapsed nor cancelled under the Share Option Scheme since the adoption of the Share Option Scheme up to the date of this report.

For details of the Share Option Scheme, please refer to the section headed "Statutory and General Information — E. Share Option Scheme" in Appendix IV to the Prospectus.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into during the year or subsisted at the end of the year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the year ended 30 June 2025.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's amended and restated Memorandum and Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

TAX RELIEF

The Company is not aware of any relief from taxation available to Shareholders by reason of their holding of the Shares.

Directors' Report

RESERVES

Details of the movements of the reserves of the Group during the year are set out in the consolidated statement of changes in equity to the consolidated financial statements on page 146 of this annual report.

Details of the movements of the reserves of the Company during the year are set out in note 32 to the consolidated financial statements.

The Company's reserves available for distribution to Shareholders as at 30 June 2025 amounted to approximately RM114.0 million.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year are set out in note 13 to the consolidated financial statements.

PROPERTIES

Details of the movements in the investment properties and deposits paid for acquisition of investment properties of the Group during the year are set out in notes 14 and 16(a) to the consolidated financial statements respectively.

Particulars of the major properties of the Group are set out on pages 219 to 222 of this annual report.

BANK LOANS

Details of bank loans of the Group as at 30 June 2025 are set out in note 23 to the consolidated financial statements.

EMPLOYEE RETIREMENT BENEFITS

Details of employee retirement benefits of the Group during the year are set out in note 36 to the consolidated financial statements.

CHARITABLE DONATIONS

During the year ended 30 June 2025, the Group made charitable and other donations amounting to approximately RM0.4 million (2024: RM0.5 million).

MAJOR CUSTOMERS AND SUBCONTRACTORS

During the year ended 30 June 2025, the aggregate revenue attributable to the Group's largest and five largest customers amounted to approximately 63.5% and 99.8% of the Group's revenue, respectively. The largest and five highest suppliers accounted for approximately 46.5% and 85.6% of the Group's direct costs, respectively.

Southern Diggers Enterprise Sdn. Bhd. ("**Southern Diggers**"), which is approximately 33.3% owned by Mr. Toh Ang Poo, a connected person of our Company as at 30 June 2024, is one of our top five largest suppliers for the year ended 30 June 2024.

Directors' Report

Save as disclosed above, none of the Directors of the Company or any of their close associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's number of issued shares) had any beneficial interest in the Group's five largest customers or suppliers for the years ended 30 June 2025 and 2024.

Key relationships with customers

We have built a solid and diversified base of customers with whom we have maintained stable business relationships throughout the years. Our key customers include a renowned Malaysian housing developer backed by a prominent Australian diversified development company with global projects, a joint venture indirectly owned by a Malaysia listed company and Johor State Government, property developers based in Malaysia, Singapore and overseas. We are also the preferred transportation agent of the sole authorised agent of sand concession owners in Johor.

Relationships with customers are one of the key drivers of our Group's success. We provide integrated solutions with strong execution capabilities to our customers throughout the different stages of a project, ensuring that marine construction projects are executed efficiently and organised. We also provide professional and quality services for building and infrastructure projects.

We place great importance on our customers' feedback and suggestions, as we aim to endeavour to improve and leverage our existing customer relationships to continually identify areas for enhancement, further develop new business opportunities, expand our customer base, build a strong reputation in the industry, and maintain long-term profitability and business growth.

Key relationships with suppliers and subcontractors

Our Group has established and maintained a strong and mutually beneficial working relationship with a network of suppliers and subcontractors. Our Directors believe that this relationship enables us to have greater flexibility in pricing and selection, and secures our competitive position in bidding for new projects. Additionally, it helps to mitigate the risk of shortage or delay in delivery, which could cause material disruption to project execution.

We proactively communicate with our suppliers and subcontractors to ensure their commitment to delivering high-quality services. We have established a comprehensive management system and provide our subcontractors with our supplier code of conduct, safety manuals and regular updates on safety matters. This ensures that our subcontractors meet our quality standards, uphold professionalism, and maintain ethical standards and business conduct at all times, including all relevant rules and regulations, as well as their responsibilities and policies relating to code of conduct, quality control, work safety, environmental sustainability, human rights and social sustainability, ethics and corporate integrity, safety and health, protection of the Group's information, records, and assets, and use of personal information. We evaluate our existing subcontractors at least annually based on their delivery promptness, cost, workmanship quality, responsiveness, and corrective actions. This helps us to decide whether to sustain, discontinue, or increase our business with them.

Directors' Report

DIRECTORS

The Directors of the Company during the year and up to the date of this report were:

Executive Directors:

Dato' Ng Say Piyu (*Chairman*)
Mr. Lam Fung Eng
Mr. Ng Chong Boon

Non-executive Director:

Datin Ngooi Leng Swee

Independent non-executive Directors:

Mr. Tai Lam Shin (*Lead independent non-executive Director*)
Mr. Chan Tsun Choi, Arnold
Ms. Chan Pui Kwan

In accordance with article 84(1) of the Company's Articles of Association, Dato' Ng Say Piyu, Datin Ngooi Leng Swee and Ms. Chan Pui Kwan shall retire from office by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election at the annual general meeting.

The Company has received from each independent non-executive Directors of the Company written annual confirmations of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all the independent non-executive Directors are independent.

Biographical details of Directors and senior management of the Group are set out on pages 18 to 22 of this annual report.

DIRECTORS' SERVICE CONTRACTS

The Directors have entered into service agreements or letters of appointment with the Company for a term of three years unless and until terminated by a three months' notice in writing served by either party, the details are as follows:

Name of Directors	Date of Commencement
Dato' Ng	10 May 2025
Mr. Lam Fung Eng	10 May 2025
Mr. Ng Chong Boon	10 May 2025
Datin Ngooi	10 May 2025
Mr. Tai Lam Shin	10 May 2025
Mr. Chan Tsun Choi, Arnold	25 May 2023
Ms. Chan Pui Kwan	10 May 2025

Directors' Report

Each of the executive Directors and non-executive Director shall also be entitled to a bonus for each financial year of the Company which is at the discretion of the Board and determined by reference to the operating results of the Group for the financial year concerned, salaries paid by comparable companies, performance of each Director concerned and based on the recommendation from the remuneration committee of our Company.

Save as disclosed above, none of the Directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Articles of Association, every Director shall be entitled to be indemnified out of the assets or profits of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto.

The Board resolved and the Company has taken out and maintained Directors' and officer's liability insurance that provides appropriate cover for the Directors and officers of the Company.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as disclosed in the paragraph headed "Connected Transactions" and note 30 to the consolidated financial statement in this annual report, there was no transaction, arrangement or contract of significance to which the Company or the Company's holding companies, subsidiaries or fellow subsidiaries was a party and in which a Director or a connected entity of a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the date of this report, none of the Directors and their respective close associates was considered to be interested in the businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules at the end of the year or at any time during the year.

DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS

The Directors' fees are subject to Shareholders' approval at general meetings. Their emoluments are determined by the Board with reference to Directors' duties, responsibilities and performance and the results of the Group.

Details of the remuneration of the Directors of the Company and five highest paid individuals during the year are set out in notes 8 and 9 to the consolidated financial statements respectively.

Directors' Report

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

At as 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("SFO")) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO to be recorded in the register referred to therein or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Listing Rules were as follows:

Long positions in the Shares

Name of Director	Capacity/Nature of interests	Total number of Shares/ underlying Shares held	Approximate percentage of issued share capital
Dato' Ng	Interest in a controlled corporation ⁽²⁾	181,816,500(L)	36.36%
	Interest of spouse ⁽³⁾	161,233,500(L)	32.25%
	Beneficial owner	12,432,000(L)	2.49%
	Interest held jointly with Datin Ngooi ⁽⁶⁾	355,482,000(L)	71.10%
Datin Ngooi	Interest in a controlled corporation ⁽⁴⁾	161,233,500(L)	32.25%
	Interest of spouse ⁽⁵⁾	194,248,500(L)	38.85%
	Interest held jointly with Dato' Ng ⁽⁶⁾	355,482,000(L)	71.10%
Mr. Lam Fung Eng	Beneficial owner	6,216,000(L)	1.24%
Mr. Ng Chong Boon	Beneficial owner	6,216,000(L)	1.24%

Notes:

- (1) The letter "L" denotes a person's "long position" (as defined under Part XV of the SFO) in such Shares.
- (2) Dato' Ng beneficially owns 100% of the share capital of JBB Jade Investment Limited. By virtue of the SFO, Dato' Ng is deemed to be interested in 181,816,500 Shares held by JBB Jade Investment Limited, representing approximately 36.36% of the entire issued share capital of our Company.
- (3) Dato' Ng is the spouse of Datin Ngooi. Accordingly, Dato' Ng is deemed, or taken to be, interested in all the Shares in which Datin Ngooi is interested for the purpose of SFO.
- (4) Datin Ngooi beneficially owns 100% of the share capital of JBB Berlian Investment Limited. By virtue of the SFO, Datin Ngooi is deemed to be interested in 161,233,500 Shares held by JBB Berlian Investment Limited, representing approximately 32.25% of the entire issued share capital of our Company. Subsequent to the year ended 30 June 2025, JBB Berlian Investment Limited disposed 100,000,000 Shares to placees, independent third parties to the Group, through a placing agent ("Placing"). Thereafter, Datin Ngooi is deemed to be interested in 61,233,500 Shares held by JBB Berlian Investment Limited, representing approximately 12.25% of the entire issued share capital of our Company. For details, please refer to the announcements of the Company dated 8 April 2025 and 11 July 2025.
- (5) Datin Ngooi is the spouse of Dato' Ng. Accordingly, Datin Ngooi is deemed, or taken to be, interested in all the Shares in which Dato' Ng is interested for the purpose of SFO.

Directors' Report

- (6) Pursuant to the confirmatory deed dated 16 May 2018, Dato' Ng and Datin Ngooi are parties acting in concert (having the meaning ascribed to it under The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission). As such, Dato' Ng and Datin Ngooi together control approximately 71.10% of the entire issued share capital of the Company. Subsequent to the year ended 30 June 2025 and upon the completion of the Placing, Dato' Ng and Datin Ngooi together control approximately 51.10% of the entire issued share capital of the Company.

Save as disclosed above, as at 30 June 2025, none of the Directors and chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) or pursuant to section 352 of the SFO, required to be recorded in the register or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangements 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 with the exception of granting of share options to subscribe for Shares under the Share Option Scheme.

CONTRACT OF SIGNIFICANCE

Save as disclosed in this annual report, at no time during the year had the Company or any of its subsidiaries entered into any contract of significance with the controlling shareholder of the Company (as defined in the Listing Rules) ("**Controlling Shareholders**") or any of its subsidiaries, nor had any contract of significance been entered into for the services provided by the Controlling Shareholder or any of its subsidiaries to the Company or any of its subsidiaries.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, so far as is known to the Directors, the interests or short positions of the persons (other than a Director or chief executive of the Company) in the Shares or underlying Shares which are required to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Long positions in the Shares

Name of Shareholders	Capacity/Nature of interests	Total number of Shares/ underlying Shares held	Approximate percentage of issued share capital
JBB Jade Investment Limited	Beneficial owner	181,816,500(L) ^{(1) (2)}	36.36%
JBB Berlian Investment Limited	Beneficial owner	161,233,500(L) ^{(1) (3)}	32.25%

Note:

- (1) The letter "L" denotes a person's "long position" (as defined under Part XV of the SFO) in such Shares.
- (2) The 181,816,500 Shares are held by JBB Jade Investment Limited, which is wholly owned by Dato' Ng, the executive Director of the Company. Dato' Ng is the spouse of Datin Ngooi.

Directors' Report

- (3) The 161,233,500 Shares are held by JBB Berlian Investment Limited, which is wholly owned by Datin Ngooi, the non-executive Director of the Company. Datin Ngooi is the spouse of Dato' Ng. Subsequent to the year ended 30 June 2025 and upon the completion of the Placing, 61,233,500 Shares are held by JBB Berlian Investment Limited.

Save as disclosed above, as at the date of this report, no person, other than the Directors and chief executive of the Company, whose interests are set out in the section headed "Directors and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company" above, had registered an interest or short position in the Shares or underlying Shares that was required to be recorded pursuant to section 336 of the SFO.

DEED OF NON-COMPETITION UNDERTAKING

In order to confirm that competition will not occur in the future, each of our Controlling Shareholders as covenantors (each a "**Covenantor**", and collectively, the "**Covenantors**") have signed the Deed of Non-competition dated 11 April 2019 ("**Deed of Non-Competition**") with us to the effect that they will not, and will confirm each of their respective associates not to, directly or indirectly take part in, or hold any rights or interests or otherwise be involved in, any business which may be in competition with our business.

In accordance with the Deed of Non-Competition, each Covenantor undertakes that, from the Listing date and ending on the occurrence of the earliest of (i) the date on which, in relation to any Covenantor, it/he/she, together with its/his/her associates, whether individually or taken together, ceases to be interested in 30% (or such other amount as may from time to time be specified in the Listing Rules as being the threshold for determining a controlling shareholder of a company) or more of the entire issued share capital of our Company, provided that the Deed of Non-Competition shall continue to be in full force and effect as against the other Covenantors; or (ii) the date on which the Shares cease to be listed on the Main Board of the Stock Exchange (other than suspension of trading of the Shares for any other reason); or (iii) the date on which the Covenantors beneficially own or become interested jointly or severally in the entire issued share capital of our Company; it/he/she will not, and will use its/his/her best endeavours to procure any Covenantor, its/his/her associates and any company directly or indirectly controlled by the Covenantor not to, either on its/his/her own or in conjunction with any body corporate, partnership, joint venture or other contractual agreement, whether directly or indirectly, whether for profit or not, carry on, participate in, hold, engage in, acquire or operate, or provide any form of assistance to any person, firm or company (except members of our Group) to conduct any business which, directly or indirectly, competes or may compete with the business of our Company or any of its subsidiaries, including the provision of marine construction services, building and infrastructure services and any related services.

For details of the Deed of Non-Competition, please refer to the section headed "Relationship with the Controlling Shareholders – Deed of Non-Competition" in the Prospectus. The Company has received confirmations from the Controlling Shareholders confirming their compliance with the Deed of Non-Competition for disclosure in this annual report for the period from the Listing Date to the date of this report. The independent non-executive Directors have also reviewed the compliance and enforcement status of the Deed of Non-Competition, and are of the view that the Controlling Shareholders have abided by the undertakings contained in the Deed of Non-Competition for the period from the Listing Date to the date of this report.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 30 June 2025 and up to the date of this annual report.

Directors' Report

CONNECTED TRANSACTIONS

During the year ended 30 June 2025, the Group had entered into the following transactions which constitute the continuing connected transactions under Chapter 14A of the Listing Rules, details of which are set out below:

Non-exempt Continuing Connected Transactions with Southern Diggers

Construction Works

Upon the completion of a letter of award and supplementary agreement entered with Southern Diggers in relation to the service of construction work of upgrading existing Kempas Interchange at North South Highway at Jalan Kempas Lama, Johor, Malaysia ("**Construction Works**"), on 22 June 2022, 20 July 2023 and 24 April 2025, JBB Builders entered into a new letter of award, a supplemental agreement I and a supplemental agreement II with Southern Diggers respectively to perform the remaining parts of the Construction Works with original contract sum of RM16,380,451.67 ("**Southern Diggers Construction Work Subcontract Agreement**"). The contract is commenced from July 2022 and completed in December 2023.

During the year ended 30 June 2025, JBB Builders subcontracting work receiving from Southern Diggers in relation to Southern Diggers Construction Work Subcontract Agreement amounted to approximately RM2.1 million (annual cap for 2025: RM2.3 million). The transaction amount does not exceed the relevant amount capped for the year ended 30 June 2025.

For further details of the continuing connected transactions as mentioned above, please refer to the announcements dated 1 August 2019, 30 June 2021, 22 June 2022, 20 July 2023 and 24 April 2025.

Annual Review of Non-exempt Continuing Connected Transaction

The independent non-executive Directors have reviewed and confirmed that the above non-exempt continuing connected transaction has been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Accounting Standards Board and with reference to Practice Note 740, Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group in accordance with Rule 14A.56 to the Listing Rules.

In respect of the continuing connected transactions, the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules for the year ended 30 June 2025.

Directors' Report

Related Party Transactions

Details of the material related party transactions under normal course of business are set out in note 30 to the consolidated financial statements. These transactions did not fall under the definition of connected transactions or continuing connected transactions, which are required to comply with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this annual report, there have been no other important events affecting our Group that have occurred after 30 June 2025 and up to the date of this report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the best knowledge of its Directors, as at the date of this annual report, the Company has maintained a sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

CORPORATE GOVERNANCE

The Company's corporate governance principles and practices are set out in the Corporate Governance Report on pages 42 to 68 of this annual report.

AUDIT COMMITTEE

The Company established the audit committee on 11 April 2019 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and code provision D.3.3 in Part 2 "Principles of Good Corporate Governance, Code Provisions and Recommended Best Practices" of the CG Code ("**Part 2 of the CG Code**"). The primary duties of the audit committee are, amongst other things, to review and supervise the financial reporting processes and internal control systems and risk management of the Group.

The audit committee of the Company had reviewed the accounting principles and policies adopted by the Group and the financial reporting matters including annual results and the audited consolidated financial statements of the Group for the year ended 30 June 2025.

INDEPENDENT AUDITOR

The consolidated financial statements for the year ended 30 June 2025 have been audited by Crowe Malaysia PLT. A resolution will be submitted to the forthcoming annual general meeting to reappoint Crowe Malaysia PLT, being eligible and offering themselves for reappointment as auditor of the Company.

On behalf of the Board

Dato' Ng Say Piyu

Chairman

Hong Kong, 23 September 2025

Corporate Governance Report

INTRODUCTION

The Company is committed to achieving high standards of corporate governance to safeguard the interests of Shareholders and other stakeholders. The Board believes that good and effective corporate governance practices are essential to enhance the corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

CORPORATE STRATEGY, BUSINESS MODEL AND CULTURE

The Board should be committed to the Company's purpose, values and strategy, and satisfy itself that the same are aligned with the Company's culture. All Directors must act with integrity, lead by example, and promote the desired culture. The Board should instil such culture into the Company and continually reinforce the same across the organisation values of acting lawfully, ethically and responsibly. Board evaluations are conducted annually through questionnaires by considering different aspects, including but not limited to Board's diversity, composition of the Board, quality of information, quality of decision making, Boardroom's activities and Board's relationship with other management staff.

Our Vision and Mission

We aim to become a leading construction services and management services provider in South East Asia in particular Malaysia and Singapore through delivering high quality standards, reliable services with professional expertise and continuously leveraging our competitive strength and presence in the industry with sustainable financial growth.

Our mission is to continuously commit to providing high quality services to our customers; building trust with our business partners; providing a diversified, healthy and safe working environment for our people; and achieving fair return and reward to Shareholders.

Our Values

Accountability; integrity; leadership; professionalism; quality; respect; safety; teamwork and collaboration; and trust.

Our Strategies

Employees: We build trust and respectfulness to our employees. We view employees as valuable assets to the Company and provide talent development through incentive measurement and training. We evaluate their performance periodically to ensure all employees to be accountable for their actions.

Governance: We lead by example. We promote integrity and commit to ethical behaviour. We perform work under operating procedures with authority and establish consequence policy for non-compliance.

Business: We engage into projects with proper risk management. We provide all round solutions and quality services and maintain client satisfaction. We also maintain good relationship with suppliers and subcontractors to deliver high quality services in a timely manner. We strive for zero-accident. We track profit and finance to determine productivity and evaluate periodically through different channels. We maintain open and effective communication to improve and grow the business.

Corporate Governance Report

Our Success Measurement

We mainly measure our performance by references to revenue growth, gross profit margin, profit margin and revenue and gross profit by segment.

Our Culture

To align our purpose, values, strategies and business models, we adopt (a) tone from the top, (b) accountability, (c) effective communication and challenge, and (d) appropriate incentive scheme.

- Our management promotes, monitors, and assesses the risk culture of the Company; considers the cultural impact on safety and soundness; and makes changes where necessary.
- Board members and employees at all levels understand the Company's core values and its approach to risk. These enable them to perform their prescribed roles, and to be aware that they are held accountable for their actions in relation to the Company's risk-taking behaviour.
- We promote an environment of open communication and effective challenge in which we encourage suggestion of a range of views in our decision-making process. We also allow for testing of current practices; stimulate a positive, critical attitude among employees; and promote an environment of open and constructive engagement.
- Performance and talent management encourage and reinforce maintenance of the Group's desired risk management behaviour. Financial and non-financial incentives support the core values and risk culture at all levels of the Group.

We measure and assess our culture by references to the staff turnover rate, whistleblowing data, feedback from our stakeholders through different forms, including annual performance appraisals, surveys and questionnaires, compliance with the regulations, internal control policies, and findings located by our internal control reviewer.

To ensure that the desired culture and expected behaviours are clearly communicated to all employees, we circulate the latest code of conduct and corporate governance related internal control policies periodically and provide relevant training if necessary. We also held routine meeting between (a) the management and the Board, (b) the management and the employees at all levels, and (c) the management and our stakeholders. Company's publications including annual report, interim report and circular are published on the Company's website.

Other than abovementioned communication means, whistleblowing channels with involvement of independent non-executive Directors are implemented for sharing ideas and concerns on any misconduct or misalignment identified. Customers, subcontractors and employees are engaged periodically in the form of meetings, assessment, evaluation forms or surveys to understand their opinions and concerns of our Group. We also welcome enquires from stakeholders through enquiry@jbb.com.my. All misconduct or misalignment identified through whistleblowing channels will be addressed to our whistleblowing committee which comprises of the audit committee, company secretary of the Company and legal and human resources manager. All whistleblowing reports received and related actions will be communicated to the Board and the audit committee of the Company at least once annually.

Corporate Governance Report

Favourable remuneration packages are provided to our employees and Board members with annual appraisals and performance evaluation being assessed. Please refer to sections headed “Employees and remuneration policies” of “Management Discussion and Analysis” (on pages 14 to 15) and “Remuneration Policy” of “Corporate Governance Report” (on page 56) of this annual report. The Company’s values and culture (including expected behaviours) are embedded in the recruitment criteria. Training and materials are provided to Directors and employees to refresh their knowledge, exercise their duties and develop the required competencies and, more broadly, the elements supporting a sound risk culture, including effective challenge and open communication.

We believe a desired culture with above measures developed promotes productivity and improves employees’ experience which in turn build a strong workforce. These can help improve our corporate governance and improve our Group’s performance.

Evaluation of culture

During the year ended 30 June 2025, the Company evaluated the implementation of the desired corporate culture by references to the key financial and non-financial performance indicators (including the revenue growth, gross profit margin, profit margin, revenue and gross profit by segment, staff turnover rate and whistleblowing data). The Company also considered feedback from our stakeholders to identify if there were any irregularities need to be reported. Self evaluation form is performed to cross check if all the culture related policies are probably implemented and adopted. Based on the evaluation, the Board considered that the Company’s culture is probably adopted and no material misalignment or deviations are identified need to be dealt with.

The Board will monitor and evaluate the Company’s culture on an annual basis, to ensure its effectiveness.

CORPORATE GOVERNANCE PRACTICES

During the year ended 30 June 2025 and up to the date of this report, the Board is of the view that the Company had adopted and complied with all applicable code provisions set out in the CG Code.

The Company will continue reviewing and enhancing its corporate governance practices to comply with the increasingly tightened regulatory requirements, and to meet the rising expectation on the Company.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company had adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions of the Company by the Directors.

Having made specific enquiry, all Directors confirmed that they have complied with the required standard as set out in the Model Code during the year ended 30 June 2025 and up to the date of this report. The Company was not aware of any non-compliance with the Model Code by the Directors.

The Company had also established model code no less exacting than the required standard set out in Model Code (the “**Employees Model Code**”) for securities transactions by employees and the Directors who are likely to be in possession of inside information of the Company. The Company was not aware of any non-compliance with the Employees Model Code during the year ended 30 June 2025 and up to the date of this report.

Corporate Governance Report

BOARD OF DIRECTORS

The Board oversees the Group's businesses, strategic decisions and performance and should take decisions objectively in the best interests of the Company.

Board Composition

As at the date of this report, the Board comprised three executive Directors, one non-executive Director and three independent non-executive Directors. The list of all Directors is set out below:

	Length of Tenure	Current Period of Appointment
Executive Directors:		
Dato' Ng Say Piyu (<i>Chairman</i>)	6 years	10 May 2025 – 9 May 2028
Mr. Lam Fung Eng	6 years	10 May 2025 – 9 May 2028
Mr. Ng Chong Boon	6 years	10 May 2025 – 9 May 2028
Non-executive Director:		
Datin Ngooi Leng Swee	6 years	10 May 2025 – 9 May 2028
Independent non-executive Directors:		
Mr. Tai Lam Shin (<i>Lead independent non-executive Director</i>)	6 years	10 May 2025 – 9 May 2028
Mr. Chan Tsun Choi, Arnold	5 years	25 May 2023 – 24 May 2026
Ms. Chan Pui Kwan	6 years	10 May 2025 – 9 May 2028

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business. The Board also includes a balanced composition of executive and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board which can effectively exercise independent judgement.

Biographical details and the relationships among the members of the Board are set out in section headed "Biographical Details of Directors and Senior Management" on pages 18 to 22 of this annual report.

A list showing the role and functions of Directors and whether they are independent non-executive Directors is maintained on the website of the Stock Exchange and the Company and will be updated when necessary.

Board Meetings

Code provision C.5.1 in Part 2 of the CG Code stipulates that the Board meetings should be held at least four times a year at approximately quarterly intervals with active participation of the majority of the Directors, either in person or through electronic means of communications.

Corporate Governance Report

During the year ended 30 June 2025, six Board meetings were held involving the active participation of Directors, either in person or through electronic means of communication. Apart from regular Board meetings, Chairman also held a meeting with the independent non-executive Directors without the presence of other Directors in July 2024. Directors made a positive contribution to the development of the Company's strategy and policies through independent, constructive and informed comments during these meetings.

Notices of regular Board meetings are sent to all Directors at least 14 days before the meetings. The agenda together with all relevant meeting materials are sent to all Directors at least 3 days before each regular Board meetings and meeting of Board committees to enable them to make informed decisions with adequate information. The Board and each Director also have direct and independent access to the management whenever necessary.

All minutes of Board meetings, meetings of Board committees and general meetings are prepared and kept by the company secretary and are open for inspection at reasonable time on reasonable notice by any Director, and are recorded in sufficient detail the matters considered and decisions reached. Every Director is entitled to have access to Board papers and related materials and access to the advice and services of the company secretary. In addition, the Company enables the Directors, in discharge of their duties, to seek independent professional advice in appropriate circumstances.

A summary of the attendance record of each Director at the Board and Board committee meetings held during the year ended 30 June 2025 is set out in the table below:

Name of Director	No. of meeting attended/No. of meeting held				2024 Annual General Meeting
	Board	Audit Committee	Nomination Committee	Remuneration Committee	
Number of meetings held	6	3	2	1	1
Executive Directors:					
Dato' Ng	6/6	N/A	2/2	1/1	1/1
Mr. Lam Fung Eng	6/6	N/A	N/A	N/A	1/1
Mr. Ng Chong Boon	5/6	N/A	N/A	N/A	1/1
Non-executive Director:					
Datin Ngooi	5/6	N/A	N/A	N/A	1/1
Independent non-executive Directors:					
Mr. Tai Lam Shin (Lead independent non-executive Director)	6/6	3/3	2/2	1/1	1/1
Mr. Chan Tsun Choi, Arnold	6/6	3/3	2/2	N/A	1/1
Ms. Chan Pui Kwan	5/6	3/3	2/2	1/1	1/1

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company, and is collectively responsible for promoting its success by directing and supervising the Company's affairs. Directors take decisions objectively in the interests of the Company.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

Corporate Governance Report

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

The management of the Company provides and updates the Directors with information on the business activities and development of the Group in a timely manner to enable them to make informed decisions on all major matters of the Company.

All Directors have full and timely access to all the information of the Company and advice and services of the company secretary. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his/her responsibilities to the Company.

The Board reserves for its decision on all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management under the supervision of the executive Directors.

Directors' Liabilities Insurance

During the year ended 30 June 2025 and up to date of this report, the Company has arranged for appropriate insurance cover in respect of the legal actions against the Directors.

Continuous Professional Development of Directors

To ensure Directors' contribution to the Board remains informed and relevant, all Directors must participate in continuous professional development to develop and refresh their knowledge and skills for a proper understanding of the Company's business, operations and governance policies and full awareness of their responsibilities under statute and common law, the Listing Rules, legal and other regulatory requirements.

Every Director must receive continuous professional development in each financial year of the Company, which must at least cover: (i) the roles, functions and responsibilities of the Board, its committees and its Directors, and board effectiveness ("**Topic 1**"); (ii) the Company's obligations and Directors' duties under Hong Kong law and the Listing Rules, and key legal and regulatory developments (including Listing Rule updates) relevant to the discharge of such obligations and duties ("**Topic 2**"); (iii) corporate governance and environmental, social and governance ("**ESG**") matters (including developments on sustainability or climate-related risks and opportunities relevant to the issuer and its business ("**Topic 3**"); (iv) risk management and internal controls ("**Topic 4**"); and (v) updates on industry-specific developments, business trends and strategies relevant to the Company ("**Topic 5**") (altogether, the "**Topics**").

Corporate Governance Report

Every Director newly appointed at the beginning has received a comprehensive, formal and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. In future, any other newly appointed Directors who (i) have no prior experience as a director of an issuer listed on the Main Board and GEM of the Stock Exchange; or (ii) have not served as a director of an issuer listed on the Main Board or GEM of the Stock Exchange within the three years prior to their appointment (the "**First-time Directors**"), must complete no less than 24 hours of the continuous professional development within 18 months of the date of their appointment. First-time Directors who have served as a director of an issuer listed on an exchange other than the Main Board or GEM of the Stock Exchange within the three years prior to their appointment must complete no less than 12 hours of the continuous professional development within 18 months of the date of their appointment.

During the year ended 30 June 2025, training activities including in-house briefings, seminars/webinars held by professional organisations and relevant reading materials including legal and regulatory updates and seminars' handouts covering the Topics have been provided to the Directors for their reference and studying. All the Directors have also provided the Company a confirmation of training they received during the year ended 30 June 2025, including (i) the total number of hours of continuous professional development completed; (ii) the format or mode of each continuous professional development taken, including whether an external or internal provider was used or whether the professional development was the result of self-study, number of hours completed, the training topics covered and a description of the relevant training provider(s).

The continuous professional development of the Directors for the year ended 30 June 2025 are summarised as follows:

	Format / Mode Taken (1: in-house briefings; 2: seminars/webinars held by professional organisations; 3: reading materials on relevant topics)	Training Topics Covered
Executive Directors:		
Dato' Ng Say Piyu (<i>Chairman</i>)	1,3	Topic 1,2,3,4,5
Mr. Lam Fung Eng	1,3	Topic 1,2,3,4,5
Mr. Ng Chong Boon	1,3	Topic 1,2,3,4,5
Non-executive Director:		
Datin Ngooi Leng Swee	1,3	Topic 1,2,3,4,5
Independent non-executive Directors:		
Mr. Tai Lam Shin (<i>Lead independent non-executive Director</i>)	1,2,3	Topic 1,2,3,4,5
Mr. Chan Tsun Choi, Arnold	2,3	Topic 1,2,3,4,5
Ms. Chan Pui Kwan	2,3	Topic 1,2,3,4,5

Corporate Governance Report

Chairman and Chief Executive Officer

Code provision C.2.1 in Part 2 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The position of the Chairman is held by Dato' Ng. The responsibility of the Chairman is clearly established and set out in writing. The Chairman is responsible for providing leadership and management of the Board to ensure that the Board acts in the best interests of the Group and Board meetings are planned and conducted effectively. With the support of the company secretary and other senior management, the Chairman is responsible for ensuring that all Directors are properly briefed on issues arising at Board meetings and receive adequate, clear, complete and reliable information in a timely manner. The Chairman is primarily responsible for ensuring the Board works effectively, performs its responsibilities and discusses all key and appropriate issues in a timely manner, and approving the agenda for each Board meeting, taking into account, where appropriate, matters proposed by other Directors for inclusion in the agenda. The Chairman also takes primary responsibility for establishment and implementation of good corporate governance practices procedures. The Chairman actively encourages Directors to make a full and active contribution to the Board's affairs and encourages Directors with different views to voice their concerns, allows sufficient time for discussion of issues and ensures Board decisions fairly reflect Board consensus. The Chairman ensures that appropriate steps are taken to provide effective communication with Shareholders and that their views are communicated to the Board as a whole. The Chairman promotes a culture of openness and debate by facilitating the effective contribution of non-executive Directors in particular and ensuring constructive relations between executive and non-executive Directors.

The Company has no position as the chief executive officer. The day-to-day management of the Group's business is handled by the executive Directors and senior management collectively without the involvement of Chairman. The Board believes that the present arrangement is adequate to ensure an effective management and control of the Group's present business operations with the balance of power and authority. The Board continually reviews the effectiveness of the Group's corporate governance structure to assess whether any changes, including the appointment of a chief executive officer, are necessary.

Independent Non-executive Directors

During the year ended 30 June 2025, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors, representing at least one-third of the Board with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise. Independent non-executive Directors are appointed for a term of three years, subject to retirement by rotation and re-election in accordance with the Company's Articles of Association.

The Company has received from each independent non-executive Directors of the Company written annual confirmations of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all the independent non-executive Directors are independent.

Lead Independent Non-Executive Director

During the year ended 30 June 2025, the Board designated Mr. Tai Lam Shin as the lead independent non-executive Director.

Corporate Governance Report

The primary responsibility of the lead independent non-executive Director would be to facilitate and strengthen communication: among independent non-executive Directors; between independent non-executive Directors and the rest of the Board; and with Shareholders. A lead independent non-executive Director should serve as a channel of communication to enable Shareholders, in particular minority Shareholders, to understand the actions taken by independent non-executive Directors in the performance of their responsibilities, and as an intermediary between Directors and Shareholders where contact through normal communication channels is inadequate. As independent non-executive Directors are not responsible for the day-to-day management of the Company, the Stock Exchange would not expect a lead independent non-executive Director to discuss the Company's results and operational matters with potential investors or Shareholders. Each Board committee chairman and the lead independent non-executive Director would be expected to attend the Company's annual general meeting. However, a lead independent non-executive Director would not be solely responsible for answering queries from Shareholders at an annual general meeting and the Company would be free to determine who, from its management or Board, was best placed to answer such queries. A lead independent non-executive Director offers a clear point of contact for potential investors and existing Shareholders providing them with independent insight on aspects of the Company's governance such as the quality of Board discussions on matters including corporate strategy and independent non-executive Director performance (e.g. their scrutiny of loans granted by the Company to external parties and connected transactions).

The lead independent non-executive Director designation is not intended to create a separate or higher level of responsibility or liability relative to other independent non-executive Directors on the Board. All Directors would still be subject to the same fiduciary duties and bear the same responsibilities in respect of the Company on whose Board they serve.

The designation of a lead independent non-executive Director would strengthen, not weaken, the overall level of independent oversight on the Board. The role of lead independent non-executive Director is also not intended to duplicate other existing Board roles, for example the chairman of Board committees, and should instead complement and co-exist with, the roles of other Board members and Shareholder communication channels. The duties of the three mandatory Board committees under the Listing Rules and the lead independent non-executive Director would remain separately set out in the CG Code. Each Board committee chairman oversees the work of their committee. The lead independent non-executive Director may liaise with the chairmen to understand how each committee has discharged its responsibilities.

The Board chairman has overall responsibility for ensuring the effective functioning of the Board and constructive Shareholder communication. The lead independent non-executive Director supports this by strengthening the effectiveness of the independent non-executive Directors and facilitating a two-way dialogue with investors. The lead independent non-executive Director also serves as an independent contact point for sensitive issues to be raised on the Board.

Appointment and Re-election of Directors

Each of the executive Directors, non-executive Director and independent non-executive Directors has entered into service agreement or letter of appointment with the Company setting out the key terms and conditions of their appointment for a term of three years and to continue thereafter unless and until terminated by not less than three months' notice in writing served by either party or the other.

Independent non-executive Directors are appointed for a term of three years, subject to re-election. In determining the independence of the Directors, the Board follows the requirements set out in the Listing Rules.

Corporate Governance Report

In accordance with article 83(3) of the Company's Articles of Association, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Directors so appointed shall hold office only until the first annual general meeting of the Company after his/her appointment and shall then be eligible for re-election.

In accordance with article 84(1) of the Company's Articles of Association, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires.

Mechanisms on Ensuring Independent Views and Inputs are Available to the Board (the "Mechanisms")

To ensure independent views and input are available to the Board, the Mechanisms are implemented as follows:

- (a) Nomination committee shall refer to the Listing Rules' requirement in relation to independent non-executive Directors.
- (b) In recruiting independent non-executive Directors, nomination committee shall assess if the candidate(s) would be independent with reference to the relevant guidelines set out in the Listing Rules. Nomination committee shall also consider other factors, including but not limited to his/her time commitment and qualification.
- (c) Nomination committee shall assess the independence of independent non-executive Directors.
- (d) Nomination committee shall review the structure, size and composition of the Board by taking into account of various aspects, including the Company's Board diversity policy ("**Board Diversity Policy**") and measurable objectives to achieve Board diversity, on an annual basis. Nomination committee shall also recommend to the Board complement(s) on the Company's corporate strategy, businesses and objectives.
- (e) Nomination committee shall assess if the existing Board composition would (i) avoid entrenchment; (ii) be receptive to new ideas and perspectives; (iii) foster diverse perspectives within the Board; (iv) generate new ideas; and (v) generate business strategies that is in line with an evolving business environment and challenges, at least once a year. Nomination committee shall regard Board diversity as one of the factors to evaluate effectiveness of the Board.
- (f) Nomination committee shall evaluate the performance of the Directors, including independent non-executive Directors, by considering various aspects, including but not limited to quality of input, time contributions, attendance of various Board and Board committees' meetings and performance metrics of climate related issues, at least annually.
- (g) Nomination committee shall conduct a formal evaluation of the Board's performance at least every two years internally or by an external reviewer. Nomination committee shall then inform and make recommendations to the Board, including the findings of the Board performance review, significant areas of improvement (if identified during the Board performance review), and measures taken or planned as a result of the Board performance review.

Corporate Governance Report

- (h) Nomination committee shall ensure the Board has the necessary expertise and skills, including overseeing climate-related issues, and arrange training where appropriate.
- (i) Director may seek advices from external independent professional advisors at the Company's expense to perform their duties by giving written notice to the Company Secretary with reasonable grounds.

The nomination committee will review the Mechanism on an annual basis to ensure its effectiveness and recommend the same to the Board for approval.

BOARD COMMITTEES

The Board has established three committees, namely, the audit committee, remuneration committee and nomination committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the audit committee, remuneration committee and nomination committee are posted on the Stock Exchange's website and the Company's website and are available to Shareholders upon request.

The majority of the members of each Board committee are independent non-executive Directors and the list of the chairman and members of each Board committee is set out in the section headed "Corporate Information" on page 2 of this annual report.

Audit Committee

The Company established the audit committee on 11 April 2019 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and code provision D.3.3 in Part 2 of the CG Code. The audit committee consists of three independent non-executive Directors, namely Mr. Tai Lam Shin, Mr. Chan Tsun Choi, Arnold and Ms. Chan Pui Kwan. Mr. Tai Lam Shin is the chairman of the audit committee.

The primary duties of the audit committee include, but not limited to the following:

- (a) to make recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and approve the remuneration and terms of engagement of the external auditor, and deal with any questions of its resignation or dismissal;
- (b) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- (c) to discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;
- (d) to develop and implement policy on engaging an external auditor to supply non-audit services;
- (e) to monitor integrity of the Company's financial statements and annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and review significant financial reporting judgments contained in them;
- (f) to review the Company's financial controls, risk management and internal control systems;

Corporate Governance Report

- (g) to discuss the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems;
- (h) to consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- (i) where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;
- (j) to review the Group's financial and accounting policies and practices;
- (k) to review the external auditor's management letter, any material queries raised by the external auditor to management about accounting records, financial accounts or systems of control and management's response;
- (l) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- (m) to report to the Board on the matters set out in the CG Code in Appendix C1 to the Listing Rule;
- (n) to review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters;
- (o) to act as the key representative body for overseeing the Company's relations with the external auditor;
- (p) to establish a whistleblowing policy and system for employees to raise concerns, in confidence and anonymity, with the audit committee about possible improprieties in any matter related to the Company;
- (q) to establish policy(ies) and system(s) that promote and support anti-corruption laws and regulations; and
- (r) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board.

The full terms of reference of the audit committee are available on the Stock Exchange's website and the Company's website.

The audit committee held three meetings during the year ended 30 June 2025 during which the audit committee had, among other things:

- (a) discussed and approved the nature and scope of the audit and reporting obligations;
- (b) reviewed the accounting principles and policies adopted by the Group and the financial reporting matters including annual results and audited consolidated financial statements of the Group for the year ended 30 June 2024, and interim results and unaudited condensed consolidated financial statements of the Group for the six months ended 31 December 2024;
- (c) reviewed the changes in financial reporting standards and assessed their potential impacts on the Group's financial statements;

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- (d) made recommendations to the Board on the re-appointment of external auditor, and the terms of engagement with the consideration of the calibre, quality processes, independence and governance of the external auditor, audit scope included, performance of the audit team, communications with the management and audit committee, and the reasonability of the audit fee by references to the Guidelines for Effective Audit Committees – Selection, Appointment and Reappointment of Auditors issued by Accounting and Financial Reporting Council;
- (e) reviewed the independence of external auditor;
- (f) performed annual review of the non-exempt continuing connected transactions of the Group for the year ended 30 June 2024;
- (g) reviewed the effectiveness of the Group's risk assessment and internal control systems;
- (h) reviewed the scope 3 greenhouse gas emissions emission inventory report prepared by an independent consultant;
- (i) reviewed the ESG report for the year ended 30 June 2024;
- (j) reviewed the proposal of the ESG services for the financial year ended 30 June 2025;
- (k) reviewed the arrangements employees of the Company to use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters;
- (l) developed and reviewed the Company's policies and practices on corporate governance based on the latest Listing Rules requirements, including the consultation conclusions on review of corporate governance code and related Listing Rules issued by the Stock Exchange in December 2024, and made recommendations to the Board;
- (m) reviewed the Company's corporate governance compliance matters; and
- (n) reviewed the policy on the Group's purposes, values, strategies and culture; and the effectiveness of the overall culture enhancement initiatives.

The audit committee also met the external auditors once without the presence of the executive Directors.

Remuneration Committee

The Company established the remuneration committee on 11 April 2019 with written terms of reference in compliance with Rules 3.25 to 3.27 of the Listing Rules and paragraph E.1 in Part 2 of the CG Code. The remuneration committee consists of three members, including Dato' Ng, and two independent non-executive Directors, namely Mr. Tai Lam Shin and Ms. Chan Pui Kwan. Mr. Tai Lam Shin is the chairman of the remuneration committee.

The primary duties of the remuneration committee include, but not limited to the following:

- (a) to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;

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- (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) to determine, with delegated responsibility or make recommendations to the Board, on the remuneration packages of individual executive Directors and senior management;
- (d) to make recommendations to the Board on the remuneration of executive Directors, non-executive Directors, independent non-executive Directors and senior management;
- (e) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (f) to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (g) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (h) to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration; and
- (i) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

The full terms of reference of the remuneration committee are available on the Stock Exchange's website and the Company's website.

The remuneration committee held one meeting during the year ended 30 June 2025 during which the remuneration committee had, among other things:

- (a) reviewed the remuneration policy for Directors and senior management of the Company ("**Remuneration Policy**") and made amendments in relation to remuneration of independent non-executive Directors for Board approval;
- (b) reviewed the remuneration packages of the executive Directors, non-executive Director, independent non-executive Directors and senior management for the year ended 30 June 2024;
- (c) made recommendations to the Board on the remuneration packages of the executive Directors, non-executive Director, independent non-executive Directors and senior management for the year ended 30 June 2025 with reference to companies with comparable business or scale; and
- (d) reviewed the matters relating to share schemes under Chapter 17 of the Listing Rules.

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Details of the remuneration of the senior management are set out in note 30(a) to the consolidated financial statements for the year ended 30 June 2025 and as follows:

	Number of employee(s)
HK\$Nil to HK\$1,000,000	3
HK\$1,000,001 to HK\$1,500,000	2

Remuneration Policy

The Board determined the remuneration of the Directors based on recommendation from the remuneration committee. The Board took into consideration a number of relevant factors such as salaries paid by comparable companies, job responsibilities, duties and scope, employment conditions elsewhere in the Group, market practices, financial and non-financial performance, and desirability of performance-based remuneration. The remuneration committee will determine the overall amount of each component of remuneration, taking into account both quantitative and qualitative assessment of performance (including but not limited to environmental, social, governance, business sustainability like responding to climate change and compliance-related factors and performance metrics) by using balanced judgement and considers scorecard of measures instead of mathematical calculation. No individual director or any of his/her associates is involved in deciding his/her own remuneration.

No equity-based remuneration (e.g. share options or grants) with performance-related elements shall be granted to independent non-executive Directors. This measure aims to ensure the independent non-executive Directors are demonstrating objective judgement throughout their tenure. This is because equity-based remuneration with performance-related elements may lead to bias in their decision-making and compromise their objectivity and independence.

The remuneration committee shall conduct an annual review of the Remuneration Policy with reference to companies with comparable business or scale and recommend remuneration adjustments, if appropriate, and recommend the same to the Board for approval.

Nomination Committee

The Company established the nomination committee on 11 April 2019 with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 in Part 2 of the CG Code. The nomination committee consists of four members, including Dato' Ng and three independent non-executive Directors, namely Mr. Tai Lam Shin, Mr. Chan Tsun Choi, Arnold and Ms. Chan Pui Kwan. Dato' Ng is the chairman of the nomination committee.

The primary duties of the nomination committee include, but not limited to the following:

- to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, assist the Board in maintaining a board skills matrix, and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- to establish and review the policies and procedures on how to identify individuals suitably qualified to become Board members and to select or make recommendations to the Board on the selection of individuals nominated for directorships;
- to assist the Board in establishing the Board Diversity Policy;

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- (d) to establish and review the policies and procedures on the selection, appointment and re-appointment of Directors, which shall at all times consider the potential contributions one could bring to the Board in terms of qualifications, skills, experience, independence and gender diversity;
- (e) to assess the independence of independent non-executive Directors;
- (f) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman; and
- (g) to support the Company's regular evaluation of the Board's performance.

The full terms of reference of the nomination committee are available on the Stock Exchange's website and the Company's website.

In assessing the Board composition, the nomination committee would take into account various aspects as well as factors concerning Board diversity as set out in section headed "Board Diversity Policy" in this annual report. The nomination committee will discuss any revisions which may be required, and recommend any such revisions to the Board for consideration and approval.

In identifying and selecting suitable candidates for directorships, the nomination committee would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board.

The nomination committee held two meetings during the year ended 30 June 2025 during which the nomination committee had, among other things:

- (a) reviewed the Board Diversity Policy;
- (b) reviewed the nomination policy of Directors ("**Nomination Policy**");
- (c) made amendments to the Nomination Policy in relation to (i) the Board performance review; (ii) the directorship of independent non-executive Directors; (iii) the assessment of Directors' time commitment and contribution to the Board by nomination committee; and (iv) the tenure of long serving independent non-executive Directors based on the latest Listing Rules requirements, including the consultation conclusions on review of corporate governance code and related Listing Rules issued by the Stock Exchange in December 2024, and made recommendations to the Board;
- (d) reviewed the structure, size, diversity and composition of the Board and Board committees;
- (e) reviewed the performance of the Directors, Board and Board committees;
- (f) considered and recommended to the Board the re-election of the retiring Directors at the forthcoming annual general meeting;
- (g) assessed the independence of the independent non-executive Directors; and
- (h) considered the designation of the lead independent non-executive Director and made recommendations to the Board.

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Nomination Policy of Directors

The Company has adopted a Nomination Policy which sets out the criteria and process in the nomination and appointment of Directors in order to nominate suitable candidates to the Board.

Pursuant to the Nomination Policy, the Company shall consider, among other things, the following factors in assessing the suitability of a proposed candidate for directorships:

- (a) reputation for integrity;
- (b) qualifications including professional qualifications, skills, knowledge, accomplishment and experience that are relevant to the Company's business and corporate strategy;
- (c) the structure, size, composition and needs of the Board and its respective Board committees at the time, taking into account of succession planning, where appropriate;
- (d) commitment in respect of available time and relevant interest;
- (e) Board Diversity Policy and any measurable objectives adopted by the Board for achieving diversity on the Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. Single gender board is not considered to achieve Board diversity;
- (f) any information obtained through third party references or background checks;
- (g) an independent non-executive Director must not concurrently hold more than six directorships of issuers listed on the Main Board or GEM;
- (h) requirement for the Board to have independent non-executive Directors in accordance with the Listing Rules and whether the candidates would be considered independent with reference to the independence guidelines set out in the Listing Rules; and
- (i) must not include an independent non-executive Director who has served on the Board as an independent non-executive Director for a period of nine years or more, as at the conclusion of the Company's annual general meeting that follows the end of the Director's nine year tenure.

The Board delegated certain duties under the Nomination Policy to the nomination committee. The nomination committee may consult any source it deems appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, recommendations from personnel agents or as proposed by Shareholders with due consideration. Proposed candidates will be asked to submit the necessary personal information, together with their written consent to be appointed as a Director and to the public disclosure of their personal data on any documents or the relevant websites and other information deemed necessary in relation to their nomination or otherwise pursuant to applicable legal and regulatory requirements. The nomination committee may request candidates to provide additional information and documents, if considered necessary. The nomination committee will review and take reasonable steps to verify the information obtained from the candidate and seek clarification, where required. The nomination committee may, at its discretion, invite any candidate to meet with nomination committee to assist them in their consideration of the proposed nomination or recommendation. The nomination committee will then submit its nomination proposal to the Board for consideration and approval.

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For the proposed appointment of any candidate at a general meeting of the Company, the nomination committee should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship and make a recommendation to the Board for its consideration and the Board will, at its discretion, make a recommendation to the Shareholders. Details of the proposed candidate including his/her/their personal particulars and the Board's recommendation will be included in a circular to be sent to the Shareholders for consideration in accordance with the applicable Listing Rules. Until the issue of such circular, the nominated candidate shall not assume that he/she/they has/have been proposed by the Board to stand for election at the Company's general meeting.

The nomination committee will review the Nomination Policy annually to ensure its continued effectiveness and recommend the same to the Board for approval.

Board Performance Review and Directors' time commitment

Board performance review was conducted internally through conducting questionnaires in terms of the performance of the Board, each of the Board committees and each of the Directors during the year ended 30 June 2025.

The evaluation of the Board performance was performed by each of the Board members by considering different aspects, including but not limited to (i) Board mix, composition and skills; (ii) strategic plan and performance; (iii) Board's oversight of risks and internal controls; (iv) performance of Directors; (v) quality and timeliness of information; (vi) quality of decision making; (vii) Board culture and dynamics (including the Board practices, Boardroom activities and Board's relationship with the management; (viii) compliance and training; (ix) stakeholders' engagement; and (xi) suggestions on the performance and assessment criteria of the Board, areas that required attention and improvement and ways of improvement on Board functions;

The evaluation of the Board committees' performance was performed by each of the Board committees' members which primarily considered (i) the composition of each of the Board committees; (ii) the ability, knowledge and experience of the Board committees' members; (iii) the appropriateness of the responsibilities and time commitment of the Board committees' members; (iv) number and length of Board committees' meeting arranged; (v) quality of communications and participation during the meetings; (vi) the adequacy of the resources available; and (vii) the availability of information provided for discussion and decision making purposes.

The evaluation of the performance of each of the Directors was performed by each of the Directors (other than himself or herself) by considering the (i) contribution of interaction; (ii) quality of input; (iii) understanding of the respective roles and responsibilities; (iv) governance; (v) knowledge of the industry and environment; and (vi) effective behaviour and relationship of each of the Directors. These included the assessment of the Directors' time commitment and contribution to the Board.

The summary of the questionnaires were presented and discussed during the meeting of nomination committee and recommended to the Board for approval.

The nomination committee also performs assessment of each Director's time commitment and contribution to the Board, as well as the Director's ability to discharge his or her responsibilities effectively, taking into account professional qualifications and work experience, existing directorships of the Company and other significant external time commitments of such director and other factors or circumstances relevant to the Director's character, integrity, independence and experience (the "**Assessment**").

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Based on the questionnaires on the evaluation of the performance of the Board, each of the Board committees and each of the Directors, and the Assessment during the year ended 30 June 2025, no findings on the Board performance review and no significant areas of improvement were identified.

The Board will perform the Board performance review on annual basis, and explore to widen the involvement of the stakeholders, for example, to involve auditor, senior management, advisor, employees on the review. The next Board performance review was conducted in September 2025.

DIVERSITY

Board Diversity Policy

The Company has a Board Diversity Policy whereby it recognises and embraces the benefits of a diversity of Board members with an aim to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. Board diversity has been achieved through consideration of a number of factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of services. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Single gender board does not achieve Board diversity.

The Board will take opportunities to increase the proportion of female members over time when selecting and making recommendation on suitable candidates for Board appointments. The Board would ensure that appropriate balance of gender diversity is achieved with reference to stakeholders' expectation and international and local recommended best practices, and in accordance with the Listing Rules, with the ultimate goal of bringing the Board to gender parity. The Board also aspires to have an appropriate proportion of Directors who have direct experience in the Group's core markets and different ethnic backgrounds to embody the Group's strategy.

The Board sets the below targets and timelines for achieving gender diversity on its Board with the targets to be reviewed regularly:

- (i) the Board shall have at least 30% members for each gender to be effective from financial year ending 30 June 2028; and
- (ii) each of the Board committee shall have at least 30% members for each gender to be effective from financial year ending 30 June 2028.

To achieve the above target, the Board and nomination committee shall monitor the targets at least once annually; review the rotation plan of each of the Board members at least once annually for succession planning; and if new Directors are required, select candidates based on the Company's Nomination Policy.

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During the year ended 30 June 2025 and as at the date of this report, the Board comprises seven Directors, two of which are female. The following tables further illustrate the diversity of the Board members as of the date of this report:

Age	Gender	Years of services	Professional experience
40–49 (14.2%)	Female (28.6%)	Over 5 years (100.0%)	Accounting and finance (28.6%)
50–59 (28.6%)	Male (71.4%)		Administrative management (14.3%)
60–69 (28.6%)			Construction industry (42.8%)
70–79 (28.6%)			Corporate consultancy (14.3%)

The Group focuses on its construction business through delivering high quality services, commitment to achieving high standard of corporate governance, maintenance of effectiveness of the Company's and its subsidiaries' risk management and internal control systems, and maintenance of sustainability on the business.

Considering (i) the Directors have years of professional experience in construction, contract management, project management, management, accounting, financial and corporate consultancy industry which enable the Board to identify strategic opportunities and threats, whilst develop and implement plans to achieve corporate objectives, understand the Company's business daily operations, market development, competitors, technology and innovation; (ii) the Directors demonstrate their ability to lead corporate teams and implement plans and policies, ability to read and comprehend corporate accounts, financial materials and financial reporting requirements; (iii) appropriate Board committees are set up to implement, manage and oversee risk management and internal control systems for legal and regulatory compliance to maintain the corporate governance framework; (iv) the Board has experience at a senior level with responsibilities for people management and successful implementation of change; (v) each of the Directors are accountable and commit to ethical standards and culture of integrity; (vi) effective and active communications, contributions and advices are provided by the Directors during Boardroom activities; (vii) contribution to the Board diversity in terms of age, gender, cultural background; (viii) the Board has understanding and knowledge of emerging topics like artificial intelligence, ESG and sustainability to ensure that the Company is forward-thinking; and (ix) Directors have qualifications in the accounting and finance field to assist the Board in its decision-making, the nomination committee is of the view that the current combination of skills, experience and diversity of the Directors serves the Company's purpose, values, strategy and desired culture and so the Board is sufficiently diverse.

The nomination committee will review the Board Diversity Policy on an annual basis, to ensure its effectiveness and recommend the same to the Board for approval. Moving forwards, in view of the majority of the independent non-executive Directors will be regarded as long serving independent non-executive Directors (served on the Board for a period of nine years or more) after three years, the Board plans to acquire the Directors with experience in accounting, financial, corporate consultancy, environmental and sustainability areas in the near future.

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Gender Diversity

To maintain balance of gender composition of human resources at all levels, gender diversity targets are set across the workforce. The strategic planning team will identify and define specific target group based on a set of robust indicators, including expectation on the size of each of the department in the future in terms of possible growth and contractions, possible scenarios for restructuring, changes in the number of positions for female in the department, and the possible barriers which may be encountered. Based on the existing composition of workforce and the nature of the construction industry which is male workforce intensive, it is targeted to maintain at least 30% of female workforce (including senior management) across the Group. The targets will be revisited periodically based on the abovementioned consideration. The strategic planning team will review the employee turnover and recruitment data for women and men in the target group identified on a yearly basis and shall inform the management should the gender target be not met.

Gender ratio by category as at 30 June 2025:

	Male	Female
Workforce (including senior management)	72.1%	27.9%
– Administrative	40.0%	60.0%
– Project	97.4%	2.6%
Senior management	50.0%	50.0%
Directors	71.4%	28.6%
Audit committee	66.7%	33.3%
Nomination committee	75.0%	25.0%
Remuneration committee	66.7%	33.3%

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision A.2.1 in Part 2 of the CG Code.

The Board had reviewed the Company's corporate governance policies and practices (including the code of conduct), training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Employees Model Code, and the Company's compliance with the CG Code and disclosure in this report.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the Company's risk management and internal control systems; and (ii) confirms that the Company's risk management and internal control systems are appropriate and effective for the purposes set out in code provision D2 in Part 2 of the CG Code. The Board acknowledges that such risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

Corporate Governance Report

Main Features of the Risk Management and Internal Control Systems

The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives. Such risks would include, amongst others, material risks relating to ESG.

The Board is responsible to determine the business strategies and objectives of the Group, and evaluate and determine the nature and extent of risks it is willing to take in achieving the Group's strategic objectives. The Board is responsible for ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems for the purpose of dealing with identified risks, safeguarding the Company's assets, preventing and detecting fraud, misconduct and loss, ensuring the accuracy of the Company's financial reports and achieving compliance with applicable laws and regulations. The Board oversees management in the design, implementation and monitoring of the risk management and internal control systems, on an ongoing basis. The Board is also responsible for ensuring that the effectiveness of the Company's and its subsidiaries' risk management and internal control systems is reviewed at least annually, and management should provide a confirmation to the Board on the effectiveness of these systems.

The Board, with the help of audit committee, ensures that the review of the effectiveness of the Company's and its subsidiaries' risk management and internal control systems, which shall be conducted at least annually, is adequately resourced. The scope of the review should cover all material controls, including financial, operational and compliance controls, and should, in particular, consider: (a) the changes, since the last annual review, in the nature and extent of significant risks (including ESG risks) and the Company's ability to manage and respond to changes in its business and the external environment; (b) the scope and quality of management's ongoing monitoring of risks (including ESG risks) and of the internal control systems, and where applicable, the work of its internal audit function and other assurance providers; (c) the extent and frequency of communication of monitoring results to the Board (or Board committee(s)) for the purposes of assessing the adequacy and the effectiveness of the Company's risk management and internal control systems; (d) significant control failings or weaknesses identified during the review of the risk management and internal control systems, and the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Company's financial performance or condition, and any remedial measures taken to address such control failings or weaknesses; (e) the effectiveness of the Company's processes for financial reporting and Listing Rules compliance; and (f) the adequacy of resources (internal and external) for designing, implementing and monitoring the risk management and internal control systems, including staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, and financial reporting functions, as well as those relating to the Company's ESG performance and reporting.

The audit committee is responsible for assisting the Board to perform its responsibilities of risk management and internal control systems; overseeing the Group's risk management and internal control systems on an ongoing basis; reviewing the effectiveness of the Group's risk management and internal control systems, which shall be conducted at least annually, is adequately resourced. The scope of the review should cover all material controls, including financial, operational and compliance controls, and should, in particular, consider (a) the changes, since the last annual review, in the nature and extent of significant risks and the Company's ability to manage and respond to changes in its business and the external environment; (b) the scope and quality of management's ongoing monitoring of risks and of the internal control systems, and the work of its internal audit function and other assurance providers; (c) the extent and frequency of communication of monitoring results to the Board; (d) significant control failings or weaknesses identified during the review of the risk management and internal control systems, and any remedial measures taken to address such control failings or weaknesses; (e) the effectiveness of the Company's processes for financial reporting and Listing Rules compliance; and (f) the adequacy of resources for designing, implementing and monitoring the risk management and internal control systems. The audit committee shall consider major findings on risk management and internal control matters, and reports and makes recommendations to the Board.

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Management of the Group designs, implements and maintains appropriate and effective risk management and internal control systems; identifies, evaluates and manages the risk (including ESG risks), that may potentially impact the major processes of the operations; monitors risk (including ESG risks) and takes measures to mitigate risk in day-to-day operations; gives prompt responses to and follow up the findings on risk management and internal control matters raised by the external independent consultant (the “**Consultant**”) and provides confirmation to the Board and the audit committee on the effectiveness of the risk management and internal control systems.

Internal control policies are established for the timely, accurate and complete disclosure of discloseable information, including inside information and any other information required to prevent a false market in the Company’s securities. Please refer to “Disclosure of Inside Information” for more details.

There were no significant changes during the reporting period in (i) the Company’s assessment of risks (including ESG risks) and (ii) the risk management and internal control systems.

Responsibilities of an External Independent Consultant (the “Consultant”)

The Group currently has no internal audit function and during the year under review, the Company engaged the Consultant instead of recruiting a team of an internal audit staff to conduct review of the risk management and internal control systems once every half year as the Board considers that it is more cost effective.

The Consultant worked closely with the Group to identify risk components in different aspects through interviews with the Group’s management. The Consultants assisted the Group to perform a comprehensive risk assessment on internal control system including but not limited to ESG (including climate)-related areas at least once every three years and determined a review plan (the “**Review Plan**”) which is to assist the Group to evaluate the adequacy and effectiveness of the Group’s risk management and internal control systems.

The Review Plan outlined the direction and overall internal audit strategy covering high risk areas annually and lower risk areas every two to three years. The Consultant will discuss with the management if there is any changes in the operations and business of the Group to further assess if there would be any changes on the risk levels every year. The Review Plan will be updated semi-annually based on the results of internal audit performed by the Consultant, the changes in governance practices and the revised risk assessment. The review will be performed on a half-yearly basis to allow wider and more in-depth coverage of business processes by location. Findings and recommendations resulting from the review were reported to and discussed with the audit committee and the Board once every half year.

Details of the Review of the Risk Management and Internal Control Systems

The Consultant assisted the Board to perform review of the risk management and internal control systems in relation to governance and compliance oversight function, financial accounting and reporting function, treasury and cash flow management, marketing and disclosure of sensitive information, and environmental monitoring and reporting of the Company during July 2024 to August 2024. A new risk assessment was performed in January 2025. The Consultant then assisted the Board to perform review of the risk management and internal control systems in relation to financial accounting and reporting function, treasury and cash flow management, revenue and accounts receivable collection, subcontracting function, human resources and payroll function and environmental monitoring and reporting of our principal Malaysia and Singapore subsidiaries, and procurement function and information system control and network security function of our principal Malaysia subsidiary during June 2025 to July 2025, while assisted the Board to perform review of the risk management and internal control systems in relation to governance and compliance oversight function, financial accounting and reporting function, treasury and cash flow management, marketing and disclosure of sensitive information, and environmental monitoring and reporting of the Company during July 2025 to August 2025.

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The Consultant did not identify significant internal control failings or weaknesses during the above reviews in the current reporting period, and there were no significant internal control failings or weaknesses previously reported that remain unresolved. All the above reviews and risk assessment have been reported to the audit committee. Based on the reports by the Consultant and our external auditor, there were no internal control deficiencies and recommendations from the audit committee. The Board concludes that the risk management and internal control systems are appropriate and effective. No significant areas of concern were identified.

Whistleblowing policy is in place to allow stakeholders to raise concerns in confidence and anonymity with the committee which comprises of audit committee, company secretary of the Company and legal and human resources manager, about possible improprieties in any matter related to the Company. Anti-corruption policy is developed to adopt ethical and anti-corruption business practices, high standard of integrity and zero tolerance to corruption. No improprieties cases were received during the year ended 30 June 2025.

DISCLOSURE OF INSIDE INFORMATION

The Group set up “Inside Information Policy” which set out the disclosure requirements, procedures for the handling and dissemination of inside information which ensure Shareholders and the public are provided with full, accurate and timely information about the activities and the financial condition of the Group.

The Inside Information Policy covers the following:

- the Group conducts its affairs with close regard to the disclosure requirement under the Listing Rules as well as the “Guidelines on Disclosure of Inside Information” published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has formulated inside information policies and disclosed its policies on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and its website;
- the Group has strictly prohibited unauthorised use of confidential or inside information; and
- the Group regularly reminds the Directors and employees about due compliance with all policies regarding the inside information, as well as keeps them apprised of the latest regulatory updates.

DIRECTORS’ RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Company for the year ended 30 June 2025, and confirmed that the consolidated financial statements of the Company were prepared in accordance with statutory requirements and applicable accounting standards.

The Directors confirm that, to the best of their knowledge and having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor’s Report on pages 138 to 142 of this annual report.

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AUDITORS' REMUNERATION

The audit committee had reviewed and ensured the independence and objectivity of the external auditors. Details of the fees paid or payable to external auditors for the year ended 30 June 2025 are as follows:

Types of services provided by the external auditors	For the year ended 30 June 2025 RM'000
Audit services	408
Non-audit services	
– Interim review	37
– Review of continuing connected transactions	20
Total	465

COMPANY SECRETARY

The Company has appointed Ms. Lam Lam, who is an employee of the Company as its company secretary to oversee the company secretarial and compliance affairs of the Group. The biography of Ms. Lam is set out in the section headed “Biographical Details of Directors and Senior Management” in this annual report. Ms. Lam has confirmed that during the year ended 30 June 2025, she has taken no less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

The Board is responsible for the approval of the selection, appointment or dismissal of the company secretary. The company secretary has knowledge of the Company's affairs and reports to the Chairman. All Directors have access to the advice and services of the company secretary on corporate governance and Board practices and matters. The company secretary helps ensure good information flow within the Board and that the Board policies and procedures are followed.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual Directors. All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules, unless otherwise required by the Listing Rules and poll results will be posted on the websites of the Stock Exchange and of the Company after each general meeting.

Corporate Governance Report

Convening an Extraordinary General Meeting by Shareholders

Pursuant to Article 58 of the Company's Articles of Association, any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, on a one vote per Share basis, shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting ("**EGM**") to be called by the Board for the transaction of any business or resolution specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such EGM, the requisitionist(s) himself (themselves) may convene a physical meeting at only one location which will be the principal place of the meeting, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

For the avoidance of doubt, the requisitionists must state his/her/their full name, contact details, identification, shareholdings in the Company, reasons to convene an EGM, the agenda of the EGM including the details of the business(es) proposed to be transacted at the EGM clearly in the originally signed written requisition and deposit the same to the Board or company secretary of the Company.

Putting Forward Enquiries to The Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Putting Forward Proposals at General Meetings

There are no provisions governing Shareholders' rights to put forward proposals or move resolutions at an annual general meeting under the Company's Articles of Association or the laws of the Cayman Islands. Shareholders who wish to put forward proposals or move a resolution may however, require an EGM to be called by the Board as set out in above procedures.

As regards to the procedures for Shareholders to propose a person for election as a Director, please refer to "Procedures for Shareholders to Propose a Person for Election as a Director of the Company" which is available on the Company's website at www.jbb.com.my.

Contact Details

Shareholders may send their enquiries or proposed resolutions or requests as mentioned above to the following:

Name:	Ms. Lam Lam, the company secretary
Address:	Room 1222, 12/F, Soundwill Plaza II – Midtown, 1-29 Tang Lung Street, Causeway Bay, Hong Kong
Fax:	(852) 3896 1015/(607) 2414 889
Email:	enquiry@jbb.com.my ; lamlam@jbb.com.my

For the avoidance of doubt, Shareholder must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address, and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

Corporate Governance Report

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

Constitutional Documents

A special resolution was passed by the Shareholders approving certain amendments to the Company's Articles of Association at the annual general meeting held on 22 November 2022. The amended Articles of Association of the Company is available on the websites of the Stock Exchange and of the Company.

Shareholders' Communication Policy

The Company has adopted the Shareholders' communication policy ("**Shareholders' Communication Policy**") which aims to set out the provisions with the objective of maintaining effective and timely dissemination of the Company's information to its Shareholders and the market, including its financial performance, strategic goals and plans, material developments and governance, in order to enable Shareholders to exercise their rights in a timely and informed manner, and to allow Shareholders and the investment community to engage actively with the Company.

Formal meetings (including general meetings) and other communications through websites are the primary forum for communication by the Company with the Shareholders and for Shareholders' participation. Board members, including the chairman of the Board, the chairman of the Board committees (or in their absence, members of the Board committees or failing them, the duly appointed delegates), and the external auditor of the Company will attend the annual general meetings to answer questions and enquires from the Shareholders and will develop a balanced understanding of the views of the Shareholders. Shareholders are given sufficient advance notice of Shareholders' meetings and the Company should provide sufficient information to enable Shareholders to familiarise themselves with the detailed procedures for conducting a poll, and should arrange to address questions from Shareholders in the Shareholders' meetings.

Enquiries and suggestions from Shareholders or investors to the Board are welcomed by mail to the Company's principal place of business in Hong Kong at Room 1222, 12/F, Soundwill Plaza II – Midtown, 1-29 Tang Lung Street, Causeway Bay, Hong Kong or via email to enquiry@jbb.com.my for the attention of the Investor Relations Department. Inquiries are dealt with in an informative and timely manner.

For effective communication, the Company maintains a website at www.jbb.com.my, where information and updates on the Company's business developments, financial information and other information are available for public access.

During the year ended 30 June 2025, Board has reviewed the Shareholders' Communication Policy and concluded that it remains effective by reference to other listed issuers in Hong Kong. During the year ended 30 June 2025, other than the annual general meeting held in November 2024, no other engagement with Shareholders were conducted.

For the information of Dividend Policy of the Company, please refer to the section headed "Directors' Report" (on page 27) in this annual report.

Environmental, Social and Governance Report

ABOUT THE REPORT

We are delighted to introduce our 2025 environmental, social, and governance (“**ESG**”) report (the “**Report**”), which provides an overview of JBB Builders International Limited (hereafter the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”, “**we**”, or “**our**”) and their progress in achieving sustainable outcomes. While fostering enduring relationships with stakeholders, including the community and industry partners. We remain committed to upholding the highest standards of reliability.

Our business scope includes marine construction (encompassing reclamation and associated activities, as well as marine transportation), and building and infrastructure works. Boasting a robust reputation and substantial expertise in Malaysia and Singapore, we have effectively completed key contracts in these fields, reinforcing our standing as a trustworthy collaborator.

Scope of the Report

This Report assesses our Group’s ESG management strategies and related achievements across our operational framework, primarily encompassing reclamation and associated activities, marine transportation, and building and infrastructure projects in Malaysia and Singapore, alongside administrative functions in Hong Kong, for the period from 1 July 2024 to 30 June 2025 (the “**Reporting Period**”, “**Year**” or “**2025**”). Unless indicated otherwise, the reporting boundary is consistent with that of earlier years, covering the subsidiaries listed below:

Business Segment	Entity	Location
Corporate office	The Company	Hong Kong
Reclamation and related works, building and infrastructure works	JBB Builders (M) Sdn. Bhd.	Malaysia
Marine transportation	JBB Builders (M) Sdn. Bhd.	Malaysia
	JBB Resources (Singapore) Private Limited	Singapore

Environmental, Social and Governance Report

Reporting Standard

This Report has been prepared in accordance with the ESG Reporting Code set out in Appendix C2 of the Listing Rules. Throughout the Report, we adopt a rigorous reporting approach based on the principles of:

Reporting Principle	Description
Materiality	We have conducted a comprehensive materiality assessment to identify the key topics that are relevant to our stakeholders and have a significant impact on our business. The results from this assessment are presented in the section entitled, “Materiality Assessment”.
Quantitative	In accordance with the ESG Reporting Code, we revealed our ESG performance with the aid of environmental and social key performance indicators (“ KPIs ”) using robust methodologies, so that the effectiveness of our ESG policies and management systems can be evaluated and validated.
Balance	We have calculated and presented the environmental and social KPIs with reference to the ESG Reporting Code. Robust methodologies were adopted as outlined in the respective sections of this Report. We have included data comparisons over years to provide an unbiased comparison of our ESG performance from time to time.
Consistency	The same methodologies, standards, and reporting scope have been maintained for this Report, and are consistent with those in previous years’ reports. This ensures that our ESG performance is presented in a transparent and comparable manner.

This Report has been reviewed and approved by the board of directors (the “**Board**”).

Contact and Feedback

We are dedicated to cultivating robust ties with the community and adhering to the utmost levels of corporate accountability. Your input is essential in enabling us to enhance our approaches and elevate our sustainability outcomes. If you have any remarks or recommendations, please feel free to contact us at enquiry@jbb.com.my.

Environmental, Social and Governance Report

ABOUT US

From 2012 onwards, JBB Builders, as a primary subsidiary within our Group, has established itself as a leading marine construction company in Malaysia, focusing on delivering extensive marine construction projects.

Emphasising marine construction services, JBB Builders leverages its proficiency in overseeing and synchronising multiple subcontractors, enabling it to focus on essential activities like sand management and placement, which are vital to the reclamation procedures. Throughout its activities, JBB Builders methodically organises, aligns, and monitors its in-house technical staff and outside experts, delivers an array of specialised offerings such as hydrographic assessments, preliminary reclamation planning, and sand management and placement. Our Group's business framework entails serving as the main contractor while assigning responsibilities to subcontractors, all under the careful oversight of its project personnel, facilitating a streamlined method, especially for adaptable marine construction endeavours.

One of our notable accomplishments encompasses the achievement of ISO 9001:2015 certification by JBB Builders, reflecting our commitment to quality management practices in the domains of building and infrastructure construction, reclamation and dredging works, and the development of coastal and river safeguarding frameworks.

As we place a strong emphasise on the welfare of our employees, we are proud to have established an extensive Health, Safety, and Environmental Framework at work. This framework embodies our dedication to providing a secure and healthy workplace for every person in our organisation. By means of careful preparation, execution, and ongoing enhancement measures, we aim to achieve our safety targets of reducing fatalities and injuries by promoting a culture in the workplace where health and safety of our staff are of utmost importance. Our resolve to sustain superior standards in health and safety not only shields our personnel but also bolsters our essential principles of accountability, honesty, and concern for our individuals.

STATEMENT FROM DIRECTOR

The Board believes that a robust governance framework is essential for integrating sustainability considerations into business strategies. As such, we are committed to operating sustainably and fostering growth by maintaining and enhancing the Group's economic, environmental, human capital, social, and governance aspects in the long term. By embedding sustainability across our business and maintaining our holistic view of sustainability, this enables us to partner with our clients as they navigate their own sustainability journeys. Our team is dedicated to this mission, equipped with the expertise to provide tailored advices based on their specific business needs, industry challenges, and regulatory requirements.

We continuously enhance our sustainability initiatives, as detailed in this Report, while actively engaging our employees in the process to cultivate a workplace culture that values inclusion, diversity, and equity. We are committed to instilling such culture and fostering an environment where everyone feels safe to express their unique identities and perspectives, which enriches our Group and our stakeholders.

In view of the impacts are expected to be intensified over time, we are dedicated to enhancing both our performance and transparency in this sustainability continuously.

Environmental, Social and Governance Report

ESG GOVERNANCE

Our ESG Governance Structure

Our Group underscores the value of robust ESG governance practices besides promoting long-term business achievements. Our Risk Management and Internal Control Policy outlines the responsibilities of the Board and senior executives in cultivating a culture of responsibility and in handling risks proficiently. A strong ESG governance structure not only facilitates the rollout of an all-encompassing ESG strategy throughout the organisation but also strengthens ties with stakeholders. To bolster senior management’s supervision of ESG issues, we have embedded ESG governance within the corporate governance system, forming an “ESG Working Group” consisting of Board members and heads of departments.



The ESG Working Group consists of five principal governing entities: The Board, Audit Committee, Executive Directors, Company Secretary, and Department Heads. Representing the Board, the Audit Committee monitors our Group’s risk management structure. The Board bears the duty of supervising our Group’s ESG governance framework. The table below outlines the specific functions and duties of each governing entity within the ESG Working Group.

Environmental, Social and Governance Report

Governing Body	Roles and Responsibilities
The Board	- o Overseeing the assessment of our Group's environmental and social effects; - o Ensuring the implementation of robust ESG risk management and internal control mechanisms; - o Verifying that our Group's ESG policies conform to regulatory requirements and investor anticipations; - o Defining the management methodology, strategy, priorities, and goals; - o Regularly reviewing our Group's achievements in relation to ESG objectives and targets; - o Authorising and assigning duties to the ESG Working Group; and - o Approving the ESG Report.
Audit Committee	- o Evaluating adequacy of resources (internal/external) for risk management/ internal controls, including staff qualifications/experience, training, budget for accounting, internal audit, financial reporting, and ESG performance/ reporting; - o Ensuring establishment and maintenance of effective risk management and internal control systems to handle identified risks, safeguard assets, prevent/detect fraud/misconduct/loss, ensure accurate financial reports, and comply with laws/regulations; and - o Evaluating scope/quality of management's ongoing monitoring of risks and internal controls, including ESG, internal audit and other assurance providers.
Executive Directors	- o Determining choices concerning ESG-linked objective establishment and supporting dialogue throughout the organisation on applicable issues; - o Evaluating our Group's threshold for risk endurance and its competence in alleviating those risks proficiently; - o Directing the rollout of ESG measures and tracking developments in risk governance; - o Encouraging a leadership-oriented method for ESG topics to incorporate ESG elements into our Group's decision frameworks; and - o Joining periodic ESG Working Group gatherings to devise ESG approaches and elevate ESG consciousness throughout our Group.
Company Secretary	- o Closely monitoring developments in ESG-related laws and regulations that may affect our Group's business and operations, offering advice to the Board as required; and - o Consistently preparing ESG-related reports for examination by the Executive Directors, supporting the oversight of ESG-related risks.
Department Heads	- o Executing ESG policies and protocols, collecting departmental feedback on ESG issues, and delivering reports to the Executive Directors; - o Defining ESG-linked goals, supervising ESG-associated risks, and deploying effective actions to mitigate ESG-related risks in everyday activities; and - o Delivering information to the Board and Audit Committee to appraise the effectiveness of the risk management and internal control framework.

Environmental, Social and Governance Report

Intended Outcomes:

The specific functions and duties of the Board, as outlined in the table above, are intended to guarantee their understanding of ESG risks and opportunities associated with our Group. Similarly, for the remaining governing entities, the outlined functions and duties are structured to fulfil the subsequent goals: (1) detection of ESG risks and opportunities that correspond with strategic aims; (2) appraisal and alleviation of the consequences arising from ESG risks and opportunities; (3) rollout of appropriate and effective ESG risk management and internal control mechanisms; and (4) routine evaluation of ESG outcomes in comparison to established goals and targets.

Risk Identification and Assessment

Our Group considers carefully the factors that contribute to or increase risk, including issues such as past experience of failure to meet objectives; quality of personnel; significant changes, such as increased competition; legislative, regulatory and personnel changes; market developments, and the significance of particular activities to our Group and their complexity. Risks identified by peer companies and stakeholder engagement shall be considered with the help of external independent consultants/internal control reviewers.

ESG Risk Management

Our ESG Risk Management processes include:

- Board Supervision: The Board oversees sustainability issues, risk governance, internal controls, and ESG reporting, convening periodic sessions to address the ESG methodology and outcomes.
- External ESG Risk Assessment: An independent consultant was hired to perform an in-depth ESG risk analysis throughout the Reporting Period to identify primary ESG risks facing our Group.
- Climate-linked Risks: The Board appraises recognised ESG risks, encompassing those related to climate along with associated opportunities, providing perspectives to boost our Group's ESG achievements.
- Stakeholder Interactions: Ongoing interactions with stakeholders are carried out to ascertain the significance of ESG topics to the operations and interested parties, subsequently incorporating them into the ESG policy structure.
- Audit Committee Evaluation: The Audit Committee conducts yearly evaluations of the identified substantial ESG topics to optimise our Group's ESG risk governance processes.

The Board reviews the risk management and internal control policy regularly to ensure its effectiveness. It will then be communicated to all employees for implementation. Minutes are prepared to document the meetings hold for discussion and approval of the risk management and internal control policies.

Environmental, Social and Governance Report

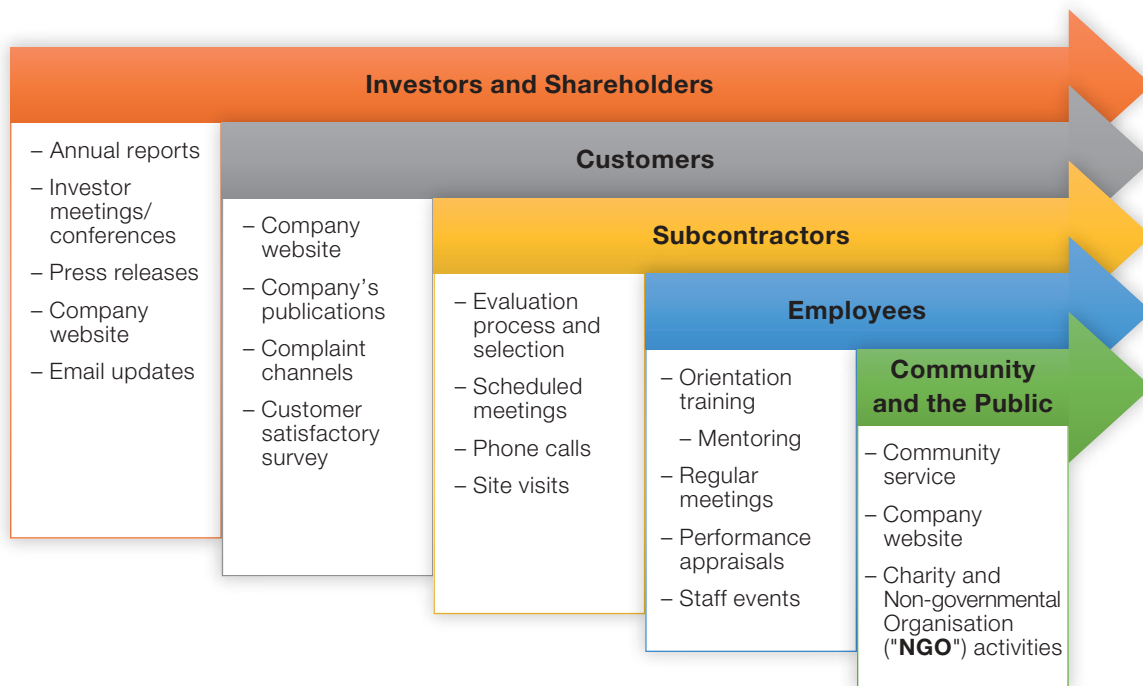
In 2025, our Group has identified top five material ESG risks, which are summarised as follows:

Risks	Implications	Our Responses
Widespread Diseases	Disease outbreaks can disrupt workforce availability and supply chain operations, posing health risks and operational delays.	We comply with the Prevention and Control of Infectious Disease Act 1988 and enforce strict health protocols. All employees complete health declarations during onboarding, and we maintain a proactive safety culture supported by our Occupational Safety, Health, and Environment (“ OSHE ”) Policy and rigorous site inspections to safeguard health and continuity.
Insufficient Staff Training on ESG Policies	Lack of ESG awareness among staff may lead to non-compliance, reputational risks, and missed opportunities for sustainable growth.	We invest in comprehensive training programs for all levels of staff, including Board members. Our Employment Training and Development Policy ensures ongoing education in ESG, corporate governance, and safety standards, fostering a strong risk culture and informed workforce.
Climate Transition Risk (Policy, Technology, Market and Reputation)	Failure to adapt to evolving climate policies, technologies, and market expectations may increase long-term costs and damage reputation.	We actively monitor regulatory developments and integrate ESG considerations into strategic planning. Through continuous training and stakeholder engagement, we ensure our teams are equipped to respond to climate-related transitions and maintain competitiveness.
Climate Physical Risk (Acute and chronic)	Extreme weather events and long-term climate shifts may disrupt marine construction and reclamation operations, affecting assets and services.	We conduct job safety analyses and enforce permit systems for hazardous tasks to mitigate physical risks. Our OSHE Policy and site-specific risk assessments help ensure operational resilience against climate-related disruptions.
Subcontracting Risk	Poor subcontractor performance may compromise ESG standards, project quality, and safety compliance.	We apply stringent oversight and quality control measures across all project phases. Subcontractors are expected to comply with our ESG and safety protocols, and we conduct regular evaluations to ensure alignment with our standards.

Environmental, Social and Governance Report

STAKEHOLDER ENGAGEMENT

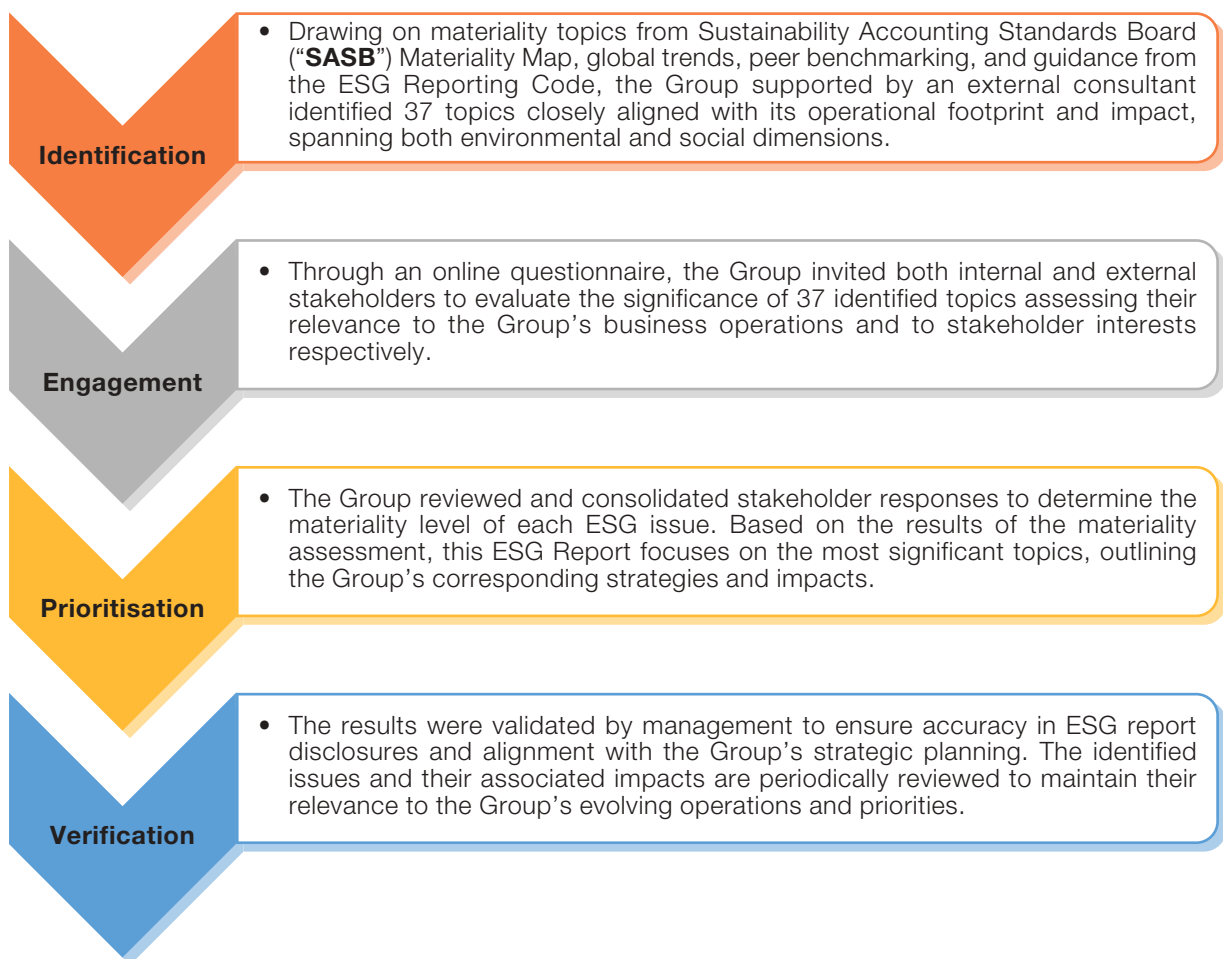
Transparent communication with stakeholders is a key priority for our Group, enabling a deeper understanding of their perspectives and expectations regarding ESG priorities and the related environmental and social impacts of our operations. By actively gathering feedback through various communication channels and addressing stakeholder concerns, our Group aims to continuously strengthen its ESG governance practices.



Environmental, Social and Governance Report

MATERIALITY ASSESSMENT

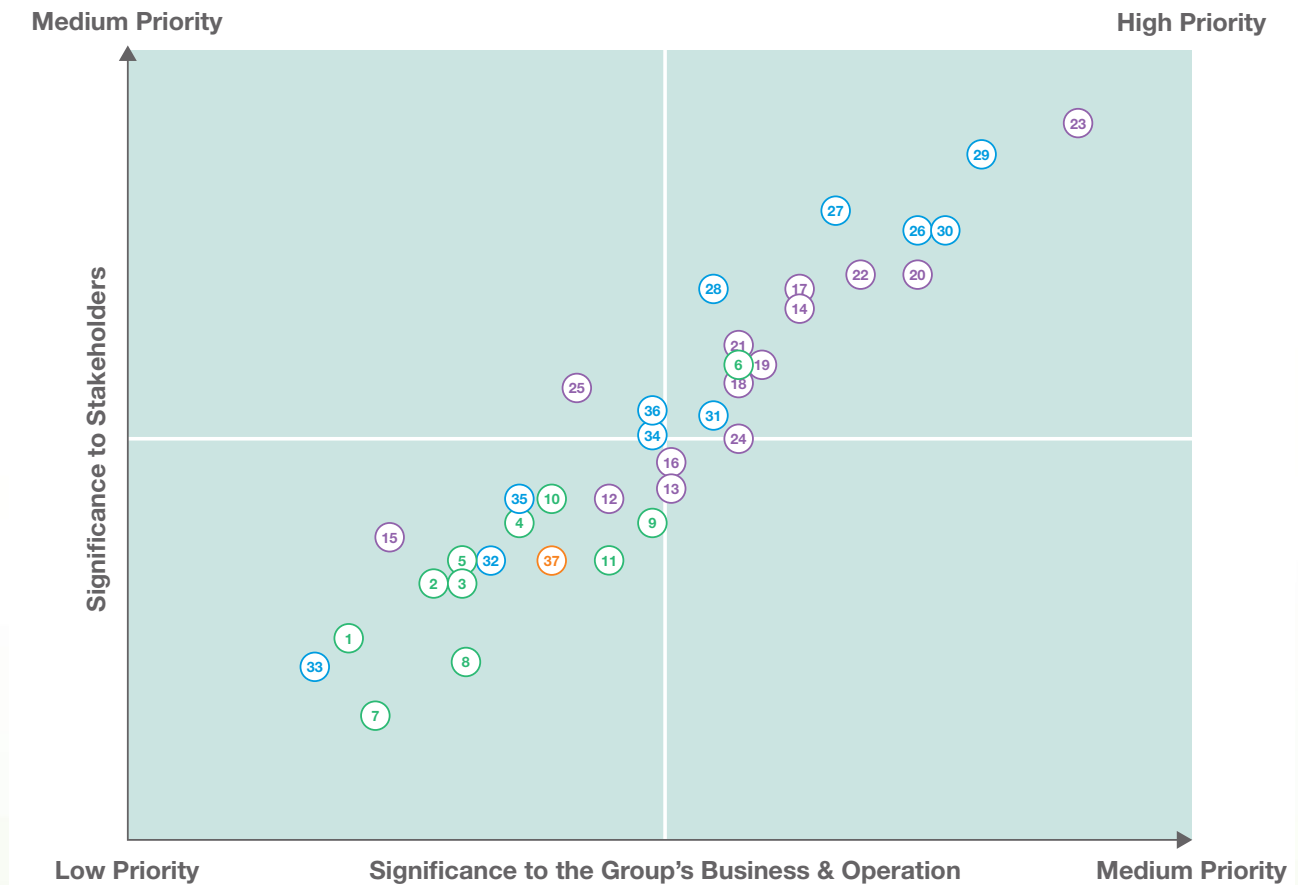
To gain a comprehensive understanding of our ESG strategy and performance, our Group engaged an independent consultant to collect insights from a diverse range of stakeholders. To enhance the accuracy and inclusiveness of our materiality assessment, surveys were conducted with key groups including the Board, senior management, employees, customers, subcontractors, and suppliers. Their feedback has been thoughtfully integrated into relevant sections of this Report. Through meaningful engagement and responsiveness to stakeholder input, our Group remains committed to continuously advancing its ESG initiatives and aligning with stakeholder expectations.



Environmental, Social and Governance Report

The significance of the 37 ESG-related issues is plotted in the materiality matrix, considering the influence on stakeholders and our business operations. The top right quadrant lists out the most material issues, whereas the least material issues are located at the bottom left.

Materiality Matrix



Environmental, Social and Governance Report

○ Environment

1. Air emission
2. Air quality
3. Ecological impacts
4. Energy efficiency (for example, electricity, gas, fuel)
5. Energy management
6. Environmental compliance
7. Green supply chain management
8. Greenhouse gas emission
9. Physical impacts of climate change
10. Waste & hazardous materials management
11. Water & wastewater management

○ Employment

12. Community relations
13. Customer welfare
14. Data security
15. Diversity & Inclusion
16. Diversity & equal opportunity
17. Employee development (for example, promotion, capability building)
18. Employee engagement
19. Employee retention
20. Employee training
21. Human rights
22. Labour rights (for example, working hours, rest periods, working conditions)
23. Occupational health and safety
24. Prevention of child labour & forced labour
25. Shareholder rights

○ Community

37. Community involvement (for example, donation, voluntary activities)

Social

○ Operation

26. Business ethics (for example, anti-corruption, money laundering prevention)
27. Critical incident risk management
28. Customer privacy
29. Customer satisfaction
30. Customer service quality and complaints management
31. Intellectual property
32. Marketing and product and service labelling compliance (for example, advertising, factual and non-misleading information disclosure)
33. Product design & lifecycle management
34. Product quality & safety
35. Responsible supply chain due diligence
36. Socio-economic compliance (for example, accounting and tax, provision of products and services, competition, labour issue)

The materiality assessment offers key insights into ESG risks and opportunities across our operations. The following findings inform the creation of strategic initiatives that tackle the most ESG concerns and optimise resource distribution.

Furthermore, it helps us align more closely with stakeholder needs, boosting their trust and satisfaction with our operations. By pinpointing and ranking essential ESG issues, we integrate these concerns into our core decision-making processes.

Utilising the materiality assessment strategically empowers our Group to generate sustained value for stakeholders, reduce potential risks, and make meaningful contributions to society and the environment.

Environmental, Social and Governance Report

Main Concerns from Stakeholders	Our Responses	Sections
Occupational Health and Safety	The Group is firmly committed to ensuring a safe and healthy workplace for all employees. We have implemented a structured safety management framework and comprehensive OSHE policies across all operations. Through regular Health, Safety, and Environment (“ HSE ”) Committee meetings, safety training, and strict compliance with legal standards, we continue to foster a work environment that prioritises employee well-being and injury prevention.	OUR EMPLOYEES AND PROSPERITY – Healthy and Safe Workplace
Customer Satisfaction	The Group is committed to delivering high-quality, client-focused services with reliability and care. Through International Organisation for Standardisation (“ ISO ”) 9001:2015-aligned quality systems, structured project management, and proactive client communication, we ensure that every project meets or exceeds expectations. We value customer feedback and conduct satisfaction surveys to continuously improve our services, reflecting our dedication to excellence and long-term client relationships.	VALUE CHAIN – Reliable Services
Customer Service Quality and Complaints Management	The Group is committed to delivering reliable and responsive customer service throughout every project phase. We maintain open communication channels, conduct satisfaction surveys, and empower clients to share feedback and defect lists, ensuring timely resolution and continuous improvement.	VALUE CHAIN – Reliable Services
Business Ethics (for example, anti-corruption, money laundering prevention)	The Group upholds the highest standards of integrity and ethical conduct across all operations. Guided by a comprehensive Code of Conduct and robust policies, including anti-corruption, anti-fraud, and whistleblowing, we ensure full compliance with relevant laws and regulations. Regular training and strict internal controls reinforce our commitment to transparency and accountability.	VALUE CHAIN – Business Ethics
Critical Incident Risk Management	Our Group is well-prepared to handle emergency situations through clearly defined procedures that outline the appropriate actions, points of contact, and designated evacuation areas for various types of emergencies. In the event of an accident or incident, a formal report is filed in accordance with relevant regulations, followed by a timely investigation. Corrective actions are then implemented, and potential improvements are discussed during review meetings to proactively prevent future occurrences.	OUR EMPLOYEES AND PROSPERITY – Healthy and Safe Workplace

Environmental, Social and Governance Report

OUR SUSTAINABILITY ALIGNMENT

In 2015, the United Nations launched the 2030 Agenda for Sustainable Development, introducing 17 Sustainable Development Goals (“**SDGs**”) aiming at eradicating poverty, safeguarding the planet, and promoting peace and prosperity by 2030.

As a forward-thinking and responsible company, we have aligned our ESG governance and initiatives with the seven SDGs that are most relevant to our stakeholders and core business operations. Further details on our actions and commitments can be found in the following sections.



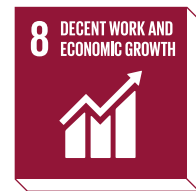
OUR PEOPLE –
Healthy and Safe
Workplace



OUR PEOPLE –
Fair and Diverse Workplace



ECO-FRIENDLY
OPERATIONS



OUR PEOPLE –
Employment Conditions



VALUE CHAIN – Supply
Chain Management;
ECO-FRIENDLY
OPERATIONS



CLIMATE CHANGE
PREPAREDNESS

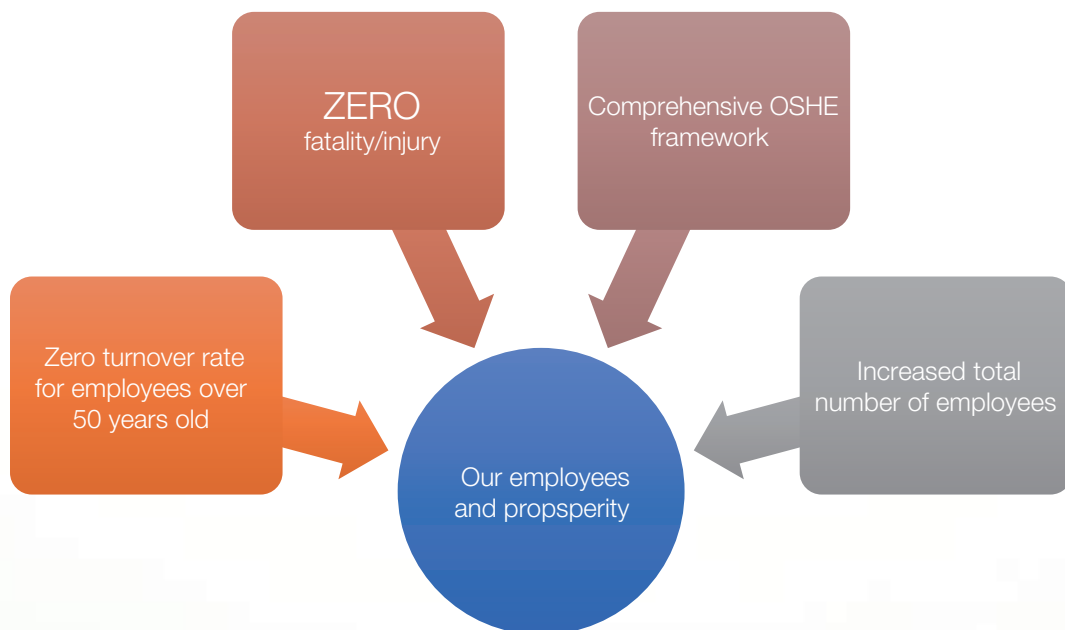


ECO-FRIENDLY
OPERATIONS

Environmental, Social and Governance Report

OUR EMPLOYEES AND PROSPERITY

At the heart of our values is a strong commitment to the well-being of our employees and a sincere recognition of their contributions to our Group. In return for their dedication, we uphold high standards in key areas of employment ethics including fair compensation, transparent recruitment practices, and adequate rest periods. This commitment reflects our goal of fostering a supportive and respectful work environment where employee welfare is a top priority.



Our Group is dedicated to fostering equal opportunities and views employee diversity as a key strength. We cultivate a culture of fairness across all aspects of employment, firmly opposing any forms of discrimination or harassment including derogatory remarks based on race or ethnicity. In addition, we actively promote gender equality in the workplace by ensuring equitable treatment in daily interactions and leadership development. We embrace the value of diverse talent, regardless of gender or personal characteristics.

To effectively measure and advance gender equality within our workforce, our Group has established a comprehensive Gender Diversity Policy. This policy reflects our commitment to meaningful progress by setting practical targets such as reducing turnover rates and maintaining gender balance across all organisational levels. It includes clearly defined, measurable gender ratio goals that are regularly reviewed and adjusted as necessary. The methodology for identifying and calculating gender ratios is detailed within the Gender Diversity Policy, which forms part of our broader Labour Policy.

Environmental, Social and Governance Report

Alongside our commitment to gender diversity, our Group places strong emphasis on promoting age diversity within the organisation. We value the unique perspectives and experiences that a multi-generational workforce brings, recognising that individuals of different age groups contribute meaningfully to our collective success. By fostering age diversity, we aim to build an inclusive workplace where employees of all ages feel respected, valued, and empowered to share their knowledge and skills.

Through initiatives such as mentorship programmes, flexible work arrangements, and career development opportunities tailored to various career stages, we support the growth and well-being of our employees across all age demographics. This focus reflects our belief in cultivating a workforce that mirrors the diversity of society and is well-equipped to thrive in a dynamic business environment. Upholding exceptional employment standards and ensuring a safe working environment are top priorities for our Group. We achieve this by actively minimising health risks and promoting employee well-being. To support transparency and comparability, the following section presents employment statistics as of the end of the Reporting Period and for the fiscal year 2024.

Number of Employees		2025	2024
Total Number ¹		66	60
By gender	Male	74.24%	73.33%
	Female	25.76%	26.67%
By age group	Below 30	6.06%	6.67%
	30 – 50	74.24%	75.00%
	Over 50	19.70%	18.33%
By geographical region	Hong Kong	1.52%	1.67%
	Singapore	12.12%	13.33%
	Malaysia	86.36%	85.00%
By employment type	Senior Management	3.03%	3.33%
	Middle Management	13.64%	13.33%
	General Staff	83.33%	83.33%
Employee Turnover Rate ²		2025	2024
Total Turnover Rate		7.94%	7.21%
By gender	Male	8.60%	2.50%
	Female	6.06%	19.35%
By age group	Below 30	50.00%	80.00%
	30 – 50	6.38%	4.55%
	Over 50	0.00%	0.00%
By geographical region	Hong Kong	0.00%	0.00%
	Singapore	0.00%	0.00%
	Malaysia	9.26%	8.42%

¹ The number excludes the Directors.

² The turnover rate is calculated by dividing the employees in the specified category leaving employment by the average number of employees in the specified category.

Environmental, Social and Governance Report

Healthy and Safe Workplace

SDG 3: Good Health and Well-being

In alignment with the goal to “Ensure healthy lives and promote well-being for all at all ages”.

We recognise our responsibility as employers to prioritise the health and well-being of our workforce. We are committed to maintaining a safe and healthy working environment for all employees, reflecting our dedication to their overall welfare and long-term sustainability.



Aligned with SDG 3: Good Health and Well-being, our Group is committed to cultivating a safe and healthy work environment that places employee well-being at the forefront. We actively promote a balanced work-life culture to enhance overall wellness. To safeguard both our workforce and neighbouring communities, we have implemented a structured safety management framework and comprehensive safety policies across all company premises and operations.

As outlined in our Code of Conduct Handbook and Safety Manual, our Group is committed to maintaining a safe, healthy, and productive workplace for all employees. We recognise that alcohol and substance abuse can negatively impact individual health, job performance, and overall workplace safety. In line with our commitment to employee well-being and operational integrity, we maintain a strict policy ensuring that our work environment is free from alcohol, drugs, and related issues.

In adherence to applicable laws and regulations, our Group is committed to maintaining a secure workplace and protecting employees from occupational hazards. During the Reporting Period, there were no significant instances of non-compliance. Reflecting our dedication to enhancing the quality of the work environment, we have established specific health and safety guidelines that align with legal requirements, environmental standards, and sustainable practices. Our OSHE Policy developed in accordance with global standards applies to all employees and temporary staff across our Group and its affiliates.

Environmental, Social and Governance Report

Our Group implements robust measures to safeguard the security of its business facilities, including the regular conduct of workplace safety and health inspections. Any instances of non-compliance are promptly reported during scheduled Health and Safety Committee (the “**Committee**”) meetings. This standardised procedure ensures that our Group remains fully comply with both legal requirements and internal policies.

Greater Emphasis on Worker Health & Safety Culture

Employers must promote a **strong safety culture** by:

Conducting daily toolbox meetings and safety briefings by the supervisory staff.

Encouraging workers to **report any hazards** without fear of retaliation.

Implementing a comprehensive **behaviour-based safety programme** to reinforce safe work practices and **evaluate** the effectiveness.

Workers are given greater protection under the amended OSHE, allowing them to refuse unsafe work conditions without repercussions.

Integration of Advanced Technology for Safety Compliance

Employers are encouraged to adopt **digital solutions** such as:

AI-powered hazard detection on construction sites.

Drones for site inspections and safety monitoring.

Wearable safety devices that track worker movements and alert them to potential hazards.

Digital record-keeping for incident reporting and safety audits are essential to demonstrate compliance.

Environmental, Social and Governance Report

Aspect	Relevant Laws and Regulations	Jurisdiction
Workers' Health and Safety	- Construction Industry Development Board Act 1994 - Occupational Safety and Health (Amendment) Act 2022 - Occupational Safety and Health (Construction Work) (Design and Management) Regulations 2024 - Prevention and Control of Infectious Disease Act 1988 - Worker's Standard Accommodation and Amenities (Amendment) 2019	Malaysia
Working Environment	- Workplace Safety and Health Act - Occupational Safety and Health Ordinance (Cap. 509) - Employees' Compensation Ordinance (Cap. 282) - Environmental Quality (Amendment) Act 2024 - Prescribed Activities (Open Burning) Order 2000 - Environmental Quality (Scheduled Wastes) Regulations 2005	Singapore Hong Kong Malaysia

Safety Targets

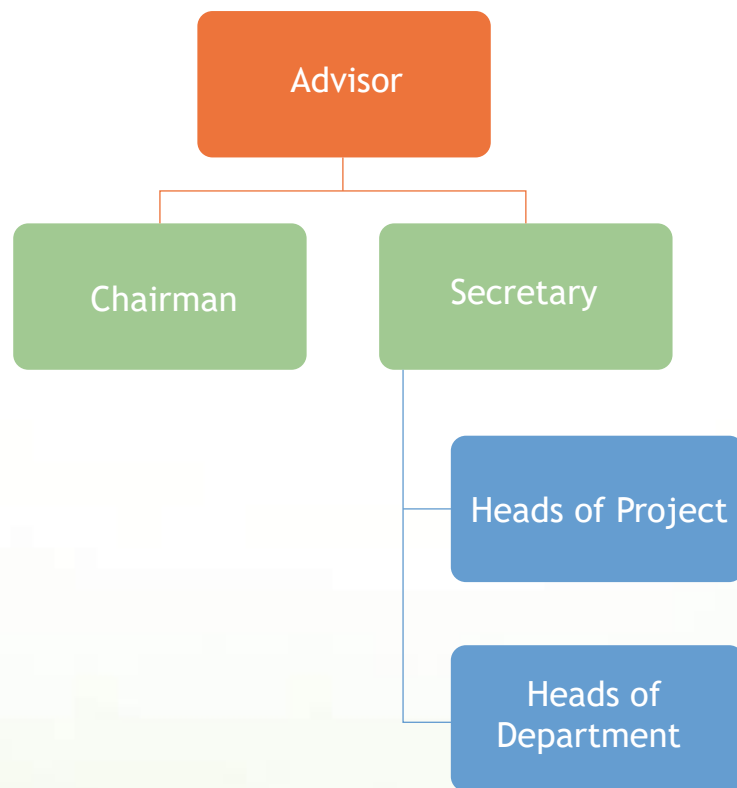
Driven by the belief that accidents and injuries are preventable through effective safety and health management, our Group successfully achieved its safety and health targets for 2025. Building on this success, we remain committed to pursuing these targets in 2026, reinforcing our dedication to a safe and healthy workplace for all.



Environmental, Social and Governance Report

Safety Management

Our Group places the highest priority on employee well-being, with all health and safety matters overseen by the Committee. Project and department heads are responsible for reporting directly to the Committee's chairperson and advisor. The Committee's responsibilities include reviewing health and safety protocols, ensuring their effective implementation, and monitoring compliance. It also provides oversight and support in the event of accidents, near-misses, hazardous incidents, occupational illnesses, or any breaches of health and safety guidelines. To maintain high standards, the Committee conducts monthly walkthrough inspections to ascertain adherence to all relevant health and safety regulations.



Environmental, Social and Governance Report

Committee meeting at site office



Safety Operations

Protecting the safety of our workforce is a core pillar of our Group's operational framework. As part of our onboarding process, all new employees are required to complete a health declaration form to confirm their physical capability to meet the demands of the work environment. In our proactive approach to workplace safety, our Group provides essential protective equipment including safety harnesses, vests, and helmets and enforces their proper use rigorously across all operational sites.

At the core of our safety commitment is the OSH Policy. A key aspect of our safety culture is to let every employee thoroughly understands the OSH Policy and the associated regulatory framework. The OSH Policy is communicated to our employees clearly during training sessions, project briefings, and throughout various stages of project execution. We believe that our collective dedication to safety forms the foundation of our risk mitigation efforts and supports the creation of a secure and resilient working environment.

The Management of Infectious Disease Training Certificate



Environmental, Social and Governance Report

To enhance hazard awareness and strengthen risk management, our Group conducts job safety analyses at all construction sites. Supervisors and inspectors systematically assess and document site-specific risks, implement robust control measures, and assign clear responsibilities to ensure the safety and well-being of our workforce. In addition, regular inspections of machinery and equipment are conducted to promptly identify and address any defects that could compromise safety.

To effectively manage health and safety risks associated with hazardous tasks such as working at heights or in extreme conditions, our Group enforces a stringent permit system. Employees are required to obtain necessary permits in accordance with safety regulations and scheduled inspections before commencing such activities. As outlined in our Employee Handbook, failure to comply with safety instructions at project sites is considered as misconduct and may result in disciplinary action. Our Group takes immediate steps to address any system malfunctions that could pose serious health and safety risks. We maintain a zero-tolerance policy toward non-compliance with safety procedures, and mechanisms are in place to revoke rights and permissions where necessary.

Safety signage and guardrails



Environmental, Social and Governance Report



Machinery and equipment safety inspection



To maintain a safe and orderly construction environment, our Group conducts regular on-site housekeeping and road cleaning. A clean and well-organised site significantly reduces the risk of accidents caused by tripping over debris, tools, or materials, common hazards at construction settings. Moreover, a tidy workspace improves hazard visibility, enabling workers to identify potential dangers such as exposed wires, uneven surfaces, or unsafe equipment more easily.

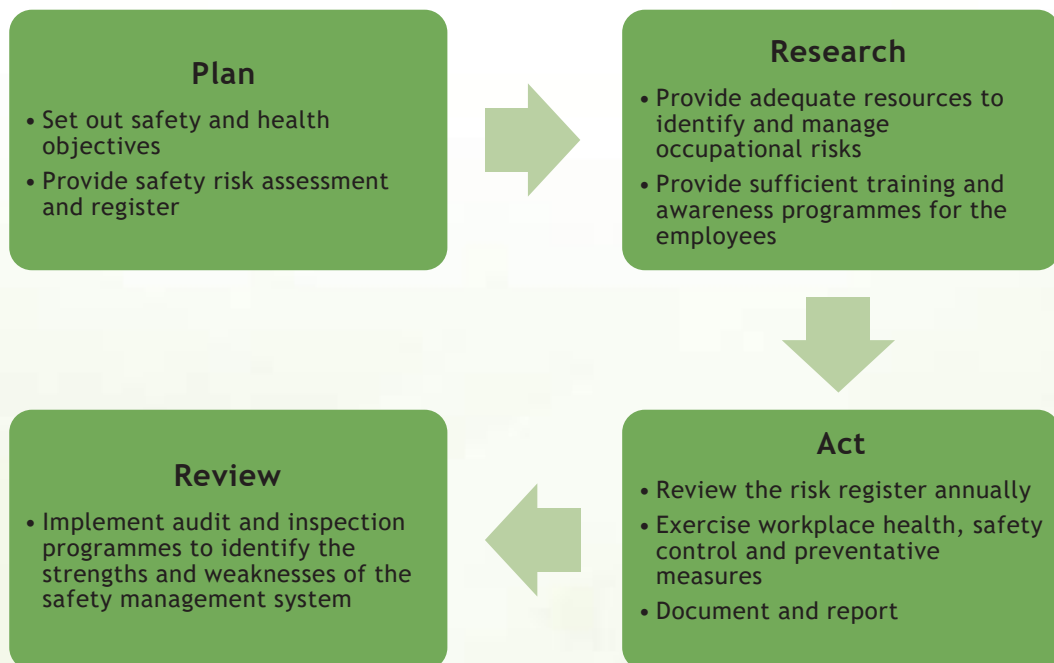
Environmental, Social and Governance Report

Regular housekeeping and site cleaning



Our HSE Framework

Our Group's HSE Manual establishes a comprehensive framework to uphold quality control in health and safety risk management, in alignment with the commitments outlined in our OSHE Policy. A structured safety management system is in place to monitor employee conduct during high-risk site activities, such as fire hazards and the operation of tools and machinery, ensuring strict adherence to safety protocols. To enforce compliance, penalties are imposed for violations of established rules and regulations. This framework enables our Group to effectively manage health and safety risks across all operational areas.



Environmental, Social and Governance Report

Safety Training

To continuously enhance our workforce's safety knowledge across key areas including project safety, emergency response, accident investigation, and firefighting, our Group has implemented an annual training schedule. This plan includes safety orientation sessions covering a wide range of topics, such as our safety and health regulations, best practices for safe work execution, and procedures for reporting accidents. These training sessions are designed to reinforce awareness, preparedness, and compliance throughout all levels of the organisation.

Safety Training



Incident Handling

Our Group is well-prepared to handle emergency situations through clearly defined procedures that outline the appropriate actions, points of contact, and designated evacuation areas for various types of emergencies. In the event of an accident or incident, a formal report is filed in accordance with relevant regulations, followed by a timely investigation. Corrective actions are then implemented, and potential improvements are discussed during review meetings to proactively prevent future occurrences.

Chemical Safety

Chemical safety is one of the most critical considerations on construction sites, as improper handling of hazardous substances can pose serious risks to workers' health and safety. To mitigate these risks, our Group enforces a strict permit system that requires employees to obtain authorisation before handling chemicals or hazardous materials. Subcontractors must submit a self-declaration in advance, specifying the intended use and storage location of each chemical for review. The Safety Department is responsible for verifying and evaluating the safety information of all chemical items. Additionally, we maintain a well-organised chemical registry to track and manage the substances stored on-site.

	2025	2024	2023
Number of lost days due to work-related injuries	0	0	0
Number of work-related fatalities	0	0	0

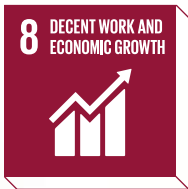
Environmental, Social and Governance Report

Employment Conditions

SDG 8: Decent Work and Economic Growth

In support of SDG 8 – “Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all”

The Group is committed to stimulating sustainable economic development in the regions where we operate. We do so by creating meaningful job opportunities for local workers, contributing to inclusive growth and long-term community resilience.



We place high importance on labour rights and actively listen to our employees to foster a fair and supportive work environment. In response to their needs and feedback, we have developed a comprehensive compensation package designed to enhance motivation and job satisfaction. Performance-based wage increases, and discretionary bonuses are offered in proportion to individual appraisals and our Group's overall profitability, reinforcing our commitment to rewarding excellence and promoting decent work for all.

We are committed to promoting sustainable work-life balance through well-crafted policies that support a healthy lifestyle for all employees. In alignment with international labour rights, we ensure a fair and equitable work environment where eligible employees are fully entitled to a comprehensive range of paid leave options including relocation, medical, paternity, maternity, marriage, compassionate, and emergency leave. Additionally, we offer diverse allowances to support essential living standards, such as housing, travel, and relocation, reinforcing our dedication to employee well-being and quality of life.

We firmly believe that everyone deserves equal rights and opportunity to work. Our priority is to offer employment primarily to local workers, selecting individuals based on their skills and capabilities. We are dedicated to supporting their professional growth, empowering them to make meaningful contributions to their families and communities.

Environmental, Social and Governance Report

Fair and Diverse Workplace

SDG 5: Gender Equality

“Achieve gender equality and empower all women and girls.”

The Group maintains a strict zero-tolerance policy against any form of discrimination towards women. We actively condemn such behaviours and are committed to fostering an inclusive and respectful workplace where all individuals are treated with dignity and fairness.



Our pledge to equitable employment practices is highlighted by our commitment to cultivating a workplace rooted in diversity, equality, and inclusion. We address any occurrences of bias, exclusion, or harassment fairly, regardless of an individual's age, ethnicity, race, nationality, gender, marital status, religious convictions, or sexual orientation. Within our employment structure, individuals with health conditions or disabilities are neither denied opportunities nor sidelined. Our Group firmly condemns the use of child labour and has established several policies to prevent and prohibit such practices, including forced labour.

We firmly support gender equality throughout our work setting. To realise this aim, we have introduced a Gender Diversity Policy that outlines our resolve to investigate innovative approaches for hiring, choosing, and elevating female applicants or staff. Our aim is to increase female involvement at every organisational tier to attain an even gender distribution within our personnel. To gauge our development, we have defined a desired gender balance that we will routinely examine to verify consistency with our aims.

We will quantify and set a target to reach the desired gender ratio based on the current workforce, department needs and requirements. The establishment of a target-setting team, also known as the strategic planning team, will determine the target group and timeline for achieving diversity within our Group.

The strategic planning team will identify and define a specific target group based on a set of robust indicators. The process of defining the specific target group will involve the head of each department, who will determine their realistic targets. These department analysis and targets can then be combined to form an overall organisation target.

Environmental, Social and Governance Report

Our policy encapsulates our view that gender equilibrium in the workplace is not merely morally appropriate but also advantageous to our operations. We appreciate the advantageous role of diversity, which brings innovative thoughts, viewpoints, and techniques for addressing challenges.

Our Group complies with all applicable laws and regulations pertaining to remuneration and dismissal, hiring and promotion, working hours, rest intervals, equal opportunities, diversity, anti-discrimination, and additional benefits and welfare provisions. No significant breaches of these laws took place that could have a substantial effect on our Group during the Reporting Period.

Aspect	Relevant Laws and Regulations	Jurisdiction
Workers' Health and Safety	• Employment Act 1955	Malaysia
	• Employment Act	Singapore
	• Employment Ordinance (Cap. 57)	Hong Kong

Child and Forced Labour-free Workplace

Our Group is dedicated to maintaining ethical employment standards that protect the rights of both potential candidates and current employees. We strongly denounce child or forced labour, signifying that our Group maintains a strict zero-tolerance policy towards such immoral practices within our operational activities. To uphold this commitment, our Group prevents child labour by adhering to the standards defined by the International Labour Organisation and develops policies against these practices grounded in the established definitions. Our Human Resources Division manages the full recruitment process, ensuring rigorous adherence to labour guidelines. Periodic training is provided to employees to ensure there are no forced labour practices among our Group. Any improper employment practices, if any, must be immediately ceased.

Our Group adheres to every relevant law and regulation focused on prohibiting child and forced labour. No substantial breaches of these laws took place that might have a notable effect on our Group during the Reporting Period.

Aspect	Relevant Laws and Regulations	Jurisdiction
Workers' Health and Safety	• Children and Young Persons (Employment) Act 1966	Malaysia
	• Employment (Children and Young Persons) Regulations	Singapore
	• Employment Ordinance (Cap. 57)	Hong Kong

Environmental, Social and Governance Report

Child Labour

We are dedicated to fostering moral and accountable business operations. In alignment with this pledge, we have established a Child Labour Policy that prevents the use of “Child Labour” as defined and outlined by the International Labour Organisation.

Our Group forbids hiring child labour as defined by the International Labour Organisation. We are dedicated to adhering to every relevant child labour regulation, encompassing aspects like compensation, work hours, overtime, and workplace environments. We further oppose any types of child exploitation. We anticipate that our business collaborators and affiliates will maintain comparable benchmarks and comply with the governing laws of the nations in which they conduct operations.

Minimum Age Convention, 1973 (No. 138) sets the general minimum age for admission to employment or work at 15 years (13 for light work) and the minimum age for hazardous work at 18 (16 under certain strict conditions). It provides the possibility of initially setting the general minimum age at 14 (12 for light work) where the economy and educational facilities are insufficiently developed.

Therefore, in the recruitment procedures, our Human Resources Department confirms the age of candidates by acquiring their legitimate identification documents issued by recognised authorities before starting employment, to verify that candidates are at least 15 years old for general positions and 18 years old for roles involving hazards. We guarantee that this Child Labour Policy is executed and refined to meet industry benchmarks and leading practices. In the event of a breach of this Child Labour Policy and its guidelines, or if child labour is utilised, the child is required to halt work at once, and our Human Resources Department will implement all essential measures to conform to the relevant laws and regulations without any delays.

Our Group is dedicated to advancing moral and accountable business operations, and we approach our obligation to avert child labour with the highest level of seriousness. We ensure that every child is entitled to a youthful childhood phase, formal learning, and a protected and nurturing atmosphere in which they become mature and thrive.

Forced Labour

Our Group is dedicated to advancing moral and accountable business operations. In alignment with this pledge, we have established a Forced Labour Policy that adheres to the “Forced Labour” definition as specified by the International Labour Organisation. According to Forced Labour Convention, 1930 (No. 29), forced or compulsory labour is all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.

Our Group forbids the hiring of forced labour that aligns with the above definition. Every employee must have the entitlement to begin and end employment willingly and without restriction, free from any intimidation or sanction, while accounting for the statutory rights and duties of both entities in the employment dynamic. Compulsion must not be applied in any situation to menace staff or compel them to consent to or continue in a role. Menaces or the deployment of aggression, molestation, or bullying targeted at labours, their relatives, or their proximate contacts shall not be utilised to scare specific employees or the entire personnel.

Environmental, Social and Governance Report

We guarantee that salaries are disbursed consistently and straightly to the staff members. Non-monetary compensation must not be utilised to create indebtedness for an employee, and remuneration in the form of vouchers or promissory notes is forbidden, along with any payment methods that result (deliberate or otherwise) in removing the employee's capacity to conclude their employment. Staff members must not be subjected to debt servitude or obligated to labour to repay a debt that has been genuinely accumulated or inherited. Personnel should not be restricted, incarcerated, or otherwise confined at the work premises or in accommodations managed by the employer, whether inside or outside of working hours. Unlawful curbs on employees' liberty of movement are banned.

Our Human Resources Department bears the duty of guaranteeing that this Forced Labour Policy is executed and refined in line with sector benchmarks and optimal methods. We deliver regular training sessions to staff to confirm that no forced labour occurs within our Group. Additionally, we have formulated a Whistleblowing Policy, and any detected forced labour must be reported via the whistleblowing mechanism in accordance with the Whistleblowing Policy.

We are dedicated to advancing moral and accountable business operations, and we approach our obligation to avert forced labour with the utmost seriousness. We maintain that every staff member is entitled to function in a secure and wholesome setting, free from any form of coercion or exploitation.

Learning and Development

We recognise the vital role in preserving our Group's and our workforce's competitiveness through the acquisition of professional abilities, expertise, and industry insights. We regard our staff as essential resources, and we strive to keep them.

Therefore, we have invested considerable effort in determining the employees' training and growth requirements, while emphasising their advancement and educational prospects. Our Employment Training and Development Policy stipulates that coaching, mentoring, and training must be offered to Board members, executives, new recruits, and other personnel.

During the Reporting Period, an extensive assortment of comprehensive training programs, highlighting the variety of skills developed, was delivered to our employees. Our training encompassed broad and targeted sessions through seminars and focus groups, accordingly. Training and materials are provided to Directors and employees at all levels periodically for them to refresh their knowledge, exercise their duties and develop the required competencies and, more broadly, the elements supporting a sound risk culture, including effective challenge and open communication.

We make sure that ongoing training events are organised to equip our employees with in-depth understanding of sector-specific competencies. The training topics covered the understanding of ISO 9001: 2015 Quality Management System for new employees, impact of digitalisation and artificial intelligence ("AI") on workers and health, and other corporate governance sessions addressing anti-corruption, ESG and standard HSE guidelines.

Moreover, training for new employees includes providing them with induction training to help them swiftly adapt to the new working environment, covering topics such as company profile and code of conduct. Employees are always encouraged to attend job-related seminars, webinars, courses and programs organised by professional or educational institutions, in Malaysia, Singapore, Hong Kong or other jurisdictions.

Environmental, Social and Governance Report

Training sessions regarding the latest internal control and corporate governance policies are provided, including the management of each department responsible for circulating and communicating the latest internal control policies to the employees of each of their respective department periodically.

Human Resources Department also provides training for current employees to understand their duties through in-house briefings, relevant reading materials, training conducted by external professional organisations or parties for employees to safely discharge their duties, including but not limited to the professional knowledge and safe working at sites (land and marine).

Our strategy for delivering an all-encompassing training framework arises from our Group's objectives not just to improve quality oversight by complying with our OSHE Policy, but also to leverage training initiatives in building a workplace that encourages equilibrium between security and aspiration.

The following outlines the various categories of training we offer to our personnel.

Industry Skills & Knowledge Training	Health & Safety Training	Corporate Governance Training	External ESG Training	Induction Training
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Impact of digitalisation and AI on workers & health training



Understanding JKR contract training



Environmental, Social and Governance Report

Employee Training		2025	2024
Total Number of Training Hours		707.88	431.18
Average Training Hours ³ per Employee (% of employees who received training) ⁴		11.24 (92.06%)	7.77 (88.29%)
By gender	Male	10.00 (88.17%)	6.28 (85.00%)
	Female	14.72 (103.03%)	11.62 (96.77%)
By employment type	Senior Management	26.94 (100.00%)	29.84 (100.00%)
	Middle Management	11.06 (82.35%)	8.75 (87.50%)
	General Staff	10.67 (93.33%)	6.63 (87.91%)

Employee Motivation

Our yearly performance review procedure demonstrates our dedication to staff growth and encouragement. We seek to pinpoint opportunities for enhancement and boost general employee enthusiasm. If a staff member exhibits reduced performance standards, we offer assistance via customised performance enhancement strategies. These strategies are crafted to recognise particular domains for advancement and deliver essential tools and direction. Top-achieving employees are acknowledged for their outstanding inputs through salary increments and/or optional incentives. This cultivates an atmosphere of appreciation and compensation throughout our Group.

VALUE CHAIN

We acknowledge our duty as a trusted partner to our clients and partner with them to reliably produce outstanding initiatives within the stipulated schedules. Our commitment to sustain mutual principles and criteria likewise applies to our subcontractors, while we endeavour to nurture lasting bonds across our activities. We attach considerable importance to building extended alliances with both clients and commercial collaborators, appreciating their vital role in our accomplishments. To realise this, we proactively interact with our subcontractors and personnel, collaborating closely to confirm that our services consistently satisfy and surpass client expectations and requirements.

³ It is calculated by dividing the employees who received training in the specified category by the average number of employees in the specified category.

⁴ The percentage of employees who received training includes employees who left the Group during the Reporting Period.

Environmental, Social and Governance Report

Supply Chain Management

SDG 12: Responsible Consumption and Production

“To ensure sustainable consumption and production patterns”.

We actively engage subcontractors in discussions about environmental considerations and ensure that all sustainable and green procurement standards are consistently upheld across our operations.



Delivering efficient and reliable services is essential to meeting our clients' expectations, and robust supply chain management plays a pivotal role in achieving this. It serves as a direct indicator of our Group's operational excellence. We maintain active collaboration with our subcontractors to comprehensively implement ESG principles, embedding these objectives into our manufacturing and operational workflows. Through ongoing communication, we assess the extent to which ESG practices are integrated into their internal processes. This ensures alignment with our standards and specifications, reinforcing our commitment to ESG values across the entire supply chain.

Selection of Subcontractors

We implement a rigorous screening process for potential subcontractors, beginning with a comprehensive self-assessment form that enables our Group to gain a clear understanding of their capabilities and limitations. This multi-faceted evaluation covers ESG-related risks, management policies and procedures, performance metrics, quality systems, business history, reputation, and track record. Subcontractors are required to complete a detailed questionnaire addressing key criteria such as environmental quality and assurance, pollution control, labour rights, health and safety compliance, audit protocols, supply chain management, quality assurance, and anti-corruption and anti-bribery measures.

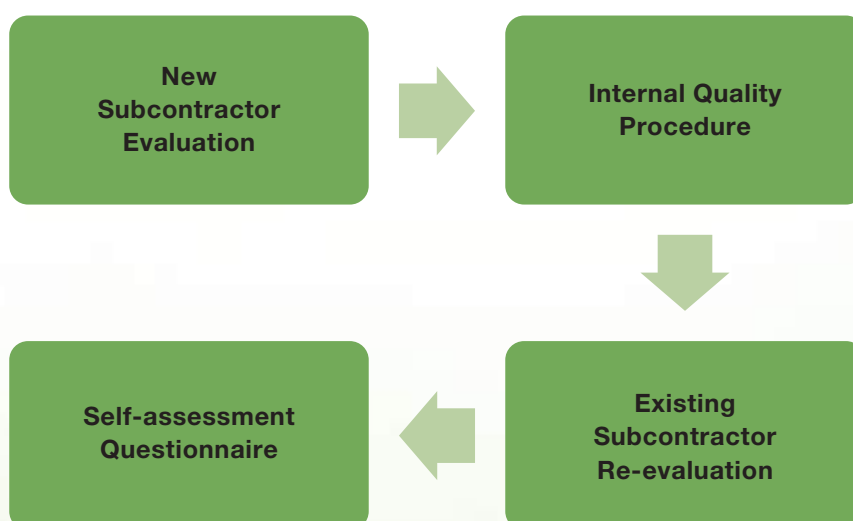
Environmental, Social and Governance Report

All the contracts with suppliers and subcontractors shall include the clause and statement in relation to health and safety, employment and labour, confidentiality and non-disclosure, protection of our Group intellectual property rights, data protection, anti-corruption and anti-fraud, taking initiative to prepare and reduce all the possible impact and loss from adverse weather conditions and unforeseeable climate change, compliance with “Supplier Code of Conduct”, “Air Quality Control Procedure”, “Pollutant Discharge Procedure”, “Wastewater Management Procedure”, “Hazardous Waste Management Procedure” and all applicable laws and standards including but not limited to environmentally-related acts.

We conduct thorough evaluations of both ongoing and past projects to assess subcontractors’ competencies in managing environmental factors. Existing subcontractors undergo re-evaluation either upon project completion or at least annually to ensure continued alignment with our environmental standards. Preference is given to suppliers and subcontractors who implement the ISO 14001 Environmental Management System, hold relevant sustainability certifications, and demonstrate compliance with ESG standards, applicable laws and regulations.

As part of our internal quality procedures, we assess subcontractors’ performance across key areas including quality assurance, environmental management, and health & safety using a standardised rating scale from 1 to 5. Subcontractors who meet our criteria are added to our approved list following management review and approval.

The selection and evaluation process is outlined below:



Subcontractor Engagement and Management

Through our screening process, we establish that compliance with environmental regulations is mandatory for all qualified subcontractors. Certified subcontractors are added to our Approved Subcontractor List for future engagement. On-site operations are governed by strict regulations and continuous monitoring to ensure alignment with internal policies, with any deviations triggering immediate corrective actions. Regular site inspections are conducted to verify subcontractors’ adherence to ESG standards, and any instances of non-compliance must be promptly addressed.

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Routine site meetings between our Group and subcontractors are held to strengthen communication, address operational concerns, and deliver ESG-focused training. Existing subcontractors undergo periodic reassessments based on criteria such as operational efficiency, quality performance, and implementation of corrective actions to maintain high standards and regulatory compliance. Subcontractors who fall short of the required benchmarks are obligated to initiate improvement plans to rectify identified deficiencies within their processes.

Green Procurement

Our Group is committed to minimising purchases that may contribute to environmental degradation by carefully evaluating the environmental impact of each procurement decision, including equipment, machinery, and general goods. Additionally, we encourage our subcontractors to align with our Green Procurement practices by prioritising environmentally sustainable products whenever it is operationally feasible.

Our Group's Procurement Principles	
Prefer	Avoid
– Products with a high rate of recycling – Products with more recyclable content – Products with less packaging – Products with higher energy efficiency – Products made by using green technology or with green fuels – Products with lower water consumption – More durable products	– Single-use disposable products – Products that are more water consuming – Over-packaging products – Products which emit a huge amount of irritating or toxic substances during installation, use and disposal

Supplier Code of Conduct

Our Group has established a Supplier Code of Conduct that defines our core expectations for suppliers and subcontractors, ensuring they uphold a high level of professionalism, ethical standards, and responsible business practices. The Code addresses key areas including compliance with laws and regulations, environmental sustainability, human rights and social responsibility, ethical conduct and corporate integrity, workplace health and safety, protection of our Group's data and assets, and responsible use of personal information. To ensure ongoing compliance, our Group conducts regular surveys to monitor adherence among business partners.

Environmental, Social and Governance Report

During the Reporting Period, our Group engaged with 47 subcontractors supplying sand and marine gas oil, sourced from Malaysia and Singapore. A summary of supplier distribution statistics is presented in the table below:

Supplier Distribution	2025	2024
Total number of subcontractors and/or suppliers	47	40
By geographical region (% of subcontractors and/or suppliers)		
Malaysia	44 (93.62%)	36 (90.00%)
Singapore	3 (6.38%)	4 (10.00%)

Reliable Services

Our Group consistently demonstrates its commitment to clients through the successful delivery of major maritime construction projects and related services. We strive to provide premium, client-focused solutions by deploying highly trained and specialised personnel to meet diverse needs with efficiency and reliability. During the Reporting Period, there were no instances of material non-compliance with laws and regulations related to health and product safety, advertising, labelling, or privacy matters.

Quality Services

Our commitment to delivering high-quality products and services that meet client expectations and comply with legal requirements is reinforced by the quality management system implemented in our Malaysian operations, which is aligned with the international standard ISO 9001:2015.

Training on understanding international standard ISO 9001:2015



Environmental, Social and Governance Report



To ensure consistent delivery of high-quality services throughout each project phase, our Group has implemented a series of robust project management systems. These systems also govern interactions with subcontractors, who are required to comply with our Group's stringent protocols to maintain the quality of their products and services. Upon receiving construction drawings from clients, our Group conducts a thorough review to identify any errors or discrepancies, establish a project timeline, and make necessary adjustments in accordance with defined quality standards.

Our Group places strong emphasis on maintaining effective communication with clients, recognising it as a key factor in delivering high-quality products and services. Any discrepancies are addressed through detailed discussions and analysis to resolve challenges collaboratively. Project and contract managers are appointed to oversee progress and provide scheduled updates, while the planning department sets clear progress milestones for each project. Additionally, project managers and quantity surveyors are responsible for tracking timelines and implementing corrective actions in the event of delays.



Our Group dedicates resources, enforces policies, and applies maximum effort to consistently deliver products and services of the highest quality aiming not only to meet but to exceed clients' expectations. Our flexible approach allows clients to submit defect lists when products do not meet their expectations, enabling us to implement timely and effective adjustments.

Customer feedback and suggestions are highly valued by us, as they play a vital role in identifying opportunities for improvement and fostering a dynamic environment for delivering even higher quality services. To support this, a customer satisfaction survey is conducted at the conclusion of each project, covering aspects such as project design, management, and overall quality. The results are reviewed during management meetings, where client input is carefully analysed and summarised to guide future actions. Notably, during the Reporting Period, our Group did not receive any complaints regarding its products or services.



Data Privacy

We are firmly committed to conducting business with transparency, honesty, and integrity. To uphold these values, we have implemented a Data Protection Policy that outlines clear expectations and requirements for handling personal data. All client data is processed in accordance with applicable laws and regulations, and disclosure to third parties is strictly prohibited unless consent is provided or disclosure is legally mandated. This policy applies to all personal data processed by our Group and forms part of our broader compliance framework. We only collect data that is relevant and necessary for our operations and maintain robust security systems to prevent unauthorised access. Employees are required to adhere to this policy, and those who are found responsible for non-compliance will be subject to disciplinary action. In addition, we safeguard our assets and resources including intellectual property and ensure the confidentiality of sensitive business information. The policy is regularly reviewed for effectiveness and communicated to all employees to ensure proper implementation.

Environmental, Social and Governance Report

The principles outlined below reflect the core of our Data Protection Policy:



Intellectual Property

We are dedicated to safeguarding our intellectual property rights, including trademarks, patents, copyrights, designs, inventions, programs, and documentation. All works created by eligible employees are retained as our Group's intellectual property, and prior authorisation is required for any use of these assets, including our Group's logo. During the Reporting Period, no instances of non-compliance with laws and regulations concerning intellectual property violations were observed. We take any infringements seriously and will pursue legal action against parties found to have violated our rights. This commitment to protecting intellectual property supports the continued development of innovative products and services that benefit our clients and stakeholders.

Environmental, Social and Governance Report

BUSINESS ETHICS

Our Group is committed to being a trustworthy partner to clients and stakeholders by upholding strong moral principles across all areas of operation. Any actions that may compromise our Group's reputation or integrity are strictly prohibited and will result in serious consequences. To ensure ethical conduct and compliance with applicable laws and regulations, our Group has established a comprehensive Code of Conduct, supported by additional policies including the Anti-Corruption Policy, Anti-Fraud Policy, Policy Against Anti-Competition, and Reporting Channels and Whistleblowing Policy, as outlined below.

Code of Conduct	Anti-Corruption Policy	Anti-Fraud Policy	Policy Against Anti-Competition	Reporting Channels and Whistleblowing Policy
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We fully comply with all applicable laws and regulations concerning bribery, extortion, fraud, and money laundering. During the Reporting Period, there were no instances of material non-compliance that could significantly impact our Group, nor were there any concluded legal cases involving corrupt practices against us or its employees.

Aspect	Relevant Laws and Regulations	Jurisdiction
Anti-corruption	• Anti-Corruption Commission Act 2009	Malaysia
	• Prevention of Corruption Act	Singapore
	• Prevention of Bribery Ordinance (Cap. 201)	Hong Kong

Code of Conduct

Our Group's Code of Conduct sets out the basic standards of behaviour that is expected of all our employees. All employees have the responsibility to safeguard our Group's assets entrusted in their care from loss, theft or misuse. Employees must not post any sensitive information of our Group, customers, suppliers and sub-contractors to internet. This includes business dealings, financial arrangements, transactions or accounts relating to the Group. All employees are required to strictly adhere to "Password Setting Policy", "Information Technology Security Policy", "Price Sensitive Information Policy" and "Inside Information Policy".

Anti-Corruption

Our Group's Anti-Corruption Policy strictly prohibit all forms of bribery and corruption in business activities. This includes offering, accepting, or authorising any financial or non-financial advantages, such as gifts, entertainment, or hospitality. We maintain accuracy and consistency across all company documentation, including books, invoices, records, accounts, funds, and assets. Anti-corruption compliance is a key consideration during the subcontractor selection process, where thorough due diligence is conducted to ensure adherence to our standards.

Environmental, Social and Governance Report

Our Group requires employees to disclose any potential conflicts of interest to senior management and the Human Resources Department. Regular anti-corruption training and workshops are conducted to ensure all employees understand and comply with our Group's standards and guidelines. In 2025, our Group has conducted anti-corruption training to staffs, strengthening ethical standards and promote integrity across our operations. Additionally, the Human Resources Department offers anti-corruption compliance consultation services to support employees in maintaining ethical conduct.

Our Group has implemented comprehensive procedures under its Anti-Corruption Policy to uphold ethical standards. We strictly prohibit all forms of bribery and corruption, including offering, soliciting, or accepting any financial or other advantage, such as gifts, services, or hospitality to gain business or secure improper benefits. This applies to interactions with both public officials and private entities. We regularly assess risks in our operations, review internal controls, and prohibit facilitation payments, which are considered bribes. Sponsorships and charitable donations are only permitted for recognised non-profit organisations and must be transparent, properly recorded, and approved by the Human Resources Department and Executive Directors. Donations must not be made to individuals, in cash, or at the request of public officials. Employees must report any solicitation or extortion immediately to the Head of Legal and Human Resources and are required to attend annual anti-corruption training.

Anti-Fraud

Fraud poses serious risks to a business's revenue, assets, reputation, and information. To mitigate these risks, our Group has implemented an Anti-Fraud Policy that outlines procedures for identifying, reporting, and investigating potential fraud. The policy provides clear guidance to employees on how to detect, and report suspected fraudulent activities.

To proactively address fraud risks, our Group conducts regular fraud risk assessments to identify vulnerable areas and implement appropriate mitigation measures. These assessments help uncover potential threats such as inaccurate financial reporting, fraudulent billing, or asset misappropriation. To manage these risks effectively, our Group has established a dedicated risk management team that specialises in identifying and addressing fraud-related concerns.

The risk management group shall conduct its investigation upon receiving reports of perpetrated or suspected fraud from an employee. The investigation may be investigated internally and/or involve one or more of the following: external auditors, forensic professionals and the regulatory authorities.

Adequate procedures will be implemented to track actions taken in response to concerns raised and to ensure that appropriate and timely follow-up actions are taken. Notwithstanding that the report is anonymous, the investigating team will evaluate the information provided based on its credibility and materiality, considering the supporting evidences, and distinguish between a genuine whistle-blowing concern and a grievance.

The risk management team is responsible for ensuring the timely investigation and resolution of matters within four weeks. If any member of the team is suspected of being involved in the fraud, they will automatically abstain from attending the meeting.

This team collaborates closely with all departments and employees to ensure comprehensive risk coverage. Our strong commitment to fraud prevention is essential to preserving the integrity of our business, protecting assets, and maintaining stakeholder trust.

Environmental, Social and Governance Report

Anti-Competition

Our Group is committed to fostering a fair, inclusive, and respectful work environment. As part of this commitment, all employees are expected to comply with international competition laws and regulations to uphold fair market practices. This ensures that our Group's business operations remain ethical, transparent, and aligned with global standards.

Our Group's Policy of Anti-Competition reinforces our commitment to preventing all forms of anti-competitive behaviour. This policy strictly prohibits practices that undermine fair market competition, including price-fixing, market allocation, and bid rigging. All employees are required to fully comply with this policy to ensure that our Group's business operations remain ethical and lawful.

Business practices and strategies should be reviewed periodically to avoid any potential anti-competitive behaviours and practices to happen across our Group.

Training, guidance and updated regulations are provided to all employees periodically regarding prohibition of anti-competitive behaviours and practices coordinated by the Human Resources Department.

To support the Policy of Anti-Competition, our Group has established an internal awareness and reporting system that empowers employees to report any suspected anti-competitive behaviours. This initiative encourages a culture of accountability, enabling employees to actively contribute to safeguarding our Group's integrity and reputation by speaking up when they observe conduct that violates the policy.

All employees who violate the Policy of Anti-Competition are subject to disciplinary action, up to and including dismissal and may be subject to individual criminal and/or civil prosecution in relevant jurisdictions. All relevant third parties who violate the Policy are subject to termination of all commercial relationships with our Group.

Moreover, due diligence is required to be performed for all new customers, suppliers, subcontractors and other third parties to be engaged with. Background search shall be performed for new hires and external professional parties, consultants and any other individuals.

Reporting Channels and Whistleblowing Policy

Our Group has established formal reporting procedures to enable employees to report any instances of non-compliance or violations of the Code of Conduct, Anti-Corruption Policy, Anti-Fraud Policy, or Policy of Anti-Competition. Reports can be submitted through various channels, including in-person, written communication, or by phone, depending on the nature of the situation. All complaints are treated with seriousness and investigated promptly, with findings reported to the Board and the Audit Committee.

Furthermore, our Group provides whistleblowing mechanisms that allow employees and stakeholders to report any instances of business misconduct directly to the management team. The Whistleblowing Policy clearly defines the scope of reporting and ensures that all submissions are handled with integrity and confidentiality. Individuals who provide credible information are protected from retaliation and will not face any adverse consequences from our Group.

Environmental, Social and Governance Report

COMMUNITY ENGAGEMENT

Our Group is dedicated to making a meaningful contribution to the communities in which it operates, recognising that its success is closely tied to their well-being and development. Our efforts focus on key areas including culture, education, environment, health, social welfare, and sports, which are core pillars of our Group's Community Investment Policy. This policy guides our initiatives to create positive social impact while remaining aligned with our broader commitment to social responsibility and community betterment.

We remain committed to uplifting our local community through various forms of financial assistance. During the Reporting Period, we contributed approximately RM0.4 million in donations, sponsorships, and other community support initiatives.

ECO-FRIENDLY OPERATIONS

SDG 6: Clean Water and Sanitation

"To ensure sustainable consumption and production patterns"

SDG14: Life Below Water

"To conserve and sustainably use the oceans, seas and marine resources for sustainable development"

In alignment with the objectives of SDG 6 (Clean Water and Sanitation) and SDG 14 (Life Below Water), we have implemented stringent procedures for managing wastewater discharge. These measures are designed to protect the quality and safety of local water sources and the surrounding marine environment. We actively contribute to the preservation of clean water resources and the conservation of marine biodiversity. Our commitment to these goals is detailed in the Wastewater Management Procedure, which is thoroughly outlined in this section.

Environmental, Social and Governance Report



Our Group is committed to adopting a sustainable and environmentally responsible approach across all areas of our operations. Given our proximity to coastal regions, we are acutely aware of the potential environmental impacts of construction activities, including the generation of hazardous and non-hazardous waste, air pollutants, and greenhouse gas (“GHG”) emissions. Despite these challenges, our dedication to protecting coastal and marine ecosystems remains steadfast.

To uphold this commitment, we have established comprehensive environmental policies and procedures, including our Environmental Policy and Environmental and Natural Resources Management Policy. These frameworks guide our efforts to safeguard these vital ecosystems. As outlined in our Environmental Policy, we conduct regular reviews of our Environmental Management System to drive continuous improvement and ensure the effective implementation of environmental targets.

From the earliest stages of each project, we strive to minimise environmental impact. We also work closely with our subcontractors to ensure full compliance with our environmental standards. The following principles outline our approach to environmental stewardship in engineering, procurement, and construction activities.

Environmental Principles

Environmental Principles



- 1) Adherence to all relevant environmental laws, regulations, and standards.



- 2) Minimising adverse impacts on the environment through measures that include:
 - Limiting consumption of resources and energy; and
 - Working to prevent pollution of air, water, and soil



- 3) Promoting the selection of vendors who demonstrate a proactive commitment to environmentally responsible manufacturing practices during procurement.

Environmental, Social and Governance Report



Our Group ensures full compliance with all applicable environmental laws and regulations concerning air and GHG emissions, discharges to water and land, and resource usage. During the Reporting Period, there were no instances of material non-compliance that could have significantly impacted our Group. Furthermore, we did not encounter any issues related to sourcing water that meets our operational requirements.

Aspect	Relevant Laws and Regulations	Jurisdiction
Environment	• Ambient Air Quality Standard	Malaysia
	• Environmental Quality Act 1974	
	• Environmental Quality (Amendment) Act 2024	
	• Environmental Quality (Scheduled Wastes) Regulations 2005	
	• Environmental Quality (Sewage and Industrial Effluents) Regulations 1979	
	• Environmental Protection and Management Act 1999	Singapore
	• Air Pollution Control Ordinance (Cap. 311)	Hong Kong

The following summarises the environmental procedures that we practise on-site:

Pollutant Discharge Procedures

- Thoroughly identify, monitor, and manage all forms of discharge, emissions, and deposits involving environmentally hazardous substances, pollutants, and waste materials;
- Ensure full compliance with the Environmental Quality Act 2024 of Malaysia, including all relevant regulations governing pollution prevention, waste management, emissions control, and environmental protection measures;
- Effectively manage all types of environmental discharges and emissions including pollutants, waste, noise, and the placement or deposit of hazardous substances to prevent harm to the environment and ensure regulatory compliance; and
- Strictly prohibit the discharge of waste into water bodies to safeguard aquatic ecosystems and maintain water quality standards.

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Air Quality Control Procedures

- Outline all measures and practices implemented to control and maintain air quality throughout the construction phase;
- Ensure adherence to Malaysia's Ambient Air Quality Standard to maintain safe and acceptable levels of air pollutants throughout operations;
- Minimise and manage the environmental impact of air emissions resulting from site operations;
- Establish and implement dust control measures on-site, including cleaning vehicle tires before accessing public roads and regularly wetting down construction areas and access routes to reduce fugitive dust emissions;
- Maintain vehicles and machinery in optimal condition, including regular tuning and proper tire inflation, to reduce exhaust emissions and enhance operational efficiency;
- Restrict site clearing activities strictly to designated project areas and promptly stabilise disturbed land to minimise dust accumulation and airborne particulate matter; and
- Engage a qualified environmental consultant to conduct air quality monitoring and sampling, with all collected samples sent to accredited laboratories for detailed analysis.

Wastewater Management Procedures

- Identify and describe the various types of wastewaters generated during the construction phase, including sources such as equipment cleaning, concrete mixing, and site runoff;
- Ensure full compliance with Environmental Quality (Amendment) Act 2024 of Malaysia, which governs pollution control, environmental protection, and sustainable resource management across all operational activities;
- Separate domestic sewage from construction-related wastewater and surface runoff to ensure proper treatment and prevent cross-contamination;
- Install on-site wastewater treatment facilities, such as septic tanks, to enhance the quality of effluent prior to the desludging process;
- Provide appropriate sanitation facilities on-site, including fixed toilets and portable units at designated work areas, to ensure hygiene and convenience for workers;
- Engage a certified contractor to conduct regular on-site desludging activities to ensure proper wastewater management and environmental compliance; and
- Conduct regular self-monitoring assessments to verify that effluent discharge consistently meets the required environmental standards.

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Hazardous waste management procedures

- Ensure proper management and documentation of all scheduled and non-scheduled waste generated by our Group;
- Ensure full compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005, including proper handling, storage, labelling, treatment, and disposal of scheduled wastes as defined by Malaysian law; and
- Ensure proper waste management by placing all waste in clearly labelled containers, promoting recycling and reuse of materials, disposing of non-recyclable waste appropriately, segregating waste in designated areas, recording and transferring scheduled waste to approved storage facilities, and participating in relevant training programs to maintain compliance and awareness.



Emission Management and Resource Conservation

Our Group is dedicated to managing emissions responsibly and conserving resources as part of our broader sustainability strategy. We have made substantial progress in transitioning towards a low-carbon and resilient business model, underscoring our commitment to minimising our environmental footprint. This is reflected in our proactive adoption of renewable energy and the integration of energy-efficient practices across our operations.

Outlined below are our key policies aimed at reducing emissions. A central focus of our efforts is promoting sustainable behaviours among our employees, such as encouraging economy class travel and the use of video conferencing for business engagements. By fostering these behavioural shifts, we strive to lower our environmental impact and cultivate a culture of sustainability throughout our organisation.

As part of our commitment to energy conservation, we regularly conduct training sessions to enhance employees' awareness and understanding of energy-efficient practices. These sessions equip our staff with the knowledge to make informed decisions that support our sustainability objectives. We also promote simple yet impactful habits, such as switching off lights, air conditioning, and equipment when not in use, and maximising the use of natural lighting and optimal room temperatures to improve overall energy efficiency.

Aligned with our commitment to ESG principles, we have engaged a professional consultant to conduct a comprehensive assessment of our Scope 3 GHG emissions. As a result, we will begin reporting our Scope 3 GHG inventory in our upcoming ESG report. Our approach focuses on identifying key emission sources and establishing a robust tracking system to monitor progress. By prioritising Scope 3 emissions, we aim to significantly reduce our environmental impact and set ambitious sustainability targets for the future.

Moreover, our efforts to calculate and analyse Scope 3 GHG emissions reflect our commitment to a comprehensive approach to emissions management. By expanding our Scope 3 inventory and strengthening our data collection processes, we are working towards a deeper understanding of our overall emissions profile. This detailed analysis enables us to pinpoint areas for improvement and implement targeted strategies to effectively reduce our total emissions.

Environmental, Social and Governance Report

Our commitment to emissions management goes beyond internal initiatives to encompass a comprehensive approach to monitoring and analysing our energy consumption. Through regular data collection and analysis, we gain valuable insights into usage patterns, enabling us to make informed decisions and drive continuous improvements in our energy management practices.

Building on our achievement of receiving the ESG Committee Prize at the InnoESG Prize 2021 jointly awarded by the SocietyNext Foundation, UNESCO HK Association Glocal Peace Centre, and the Rotary Action Group for Peace alongside our ISO 9001:2015 certification, we are making meaningful progress towards our environmental objectives. These recognitions highlight our ongoing commitment to sustainability and motivate us to further strengthen our efforts in creating a positive impact on the planet and our communities.

We remain committed to advancing our environmental goals. We aim to implement innovative strategies and sustainable practices that not only reduce our environmental footprint but also contribute to a more sustainable future for all. Through continued dedication and collaboration, we strive to drive lasting positive change for both our Group and the wider community.

Waste Management



During our site and office operations, the generation of various types of waste including general, hazardous, and construction waste are unavoidable. Nevertheless, we actively implement a comprehensive set of waste management policies and procedures aimed at minimising the environmental impact associated with waste disposal.

To ensure the safe and effective management of hazardous waste, we strictly follow our Hazardous Waste Management Procedure. This includes storing hazardous materials in designated, secure areas in accordance with established protocols. All containers used must meet rigorous safety standards and be clearly labelled for proper identification. Our storage facilities are carefully constructed and maintained to prevent any risk of spills or leaks. Strict limits are enforced on both the quantity and duration of hazardous waste storage. Furthermore, only trained personnel equipped with appropriate protective gears are authorised to handle hazardous waste. Collection and disposal are carried out exclusively by licensed contractors to ensure full regulatory compliance.

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For general waste management, we follow a structured classification system to determine recyclability. Recyclable and reusable materials are either sold to scrap merchants or retained for future use, while non-recyclable items are disposed of responsibly, with detailed records maintained for traceability. Our commitment to environmental protection also extends to air quality control. In accordance with our Air Quality Control Procedure, on-site burning of waste is strictly prohibited. This policy plays a vital role in maintaining a clean and healthy environment and in preventing air pollution and its associated risks.

To foster environmental awareness and promote resource conservation among employees, we have established green office principles across our operations. Staff are encouraged to practice reuse, recycling, and energy conservation in their daily activities. In addition, we conduct annual waste management training sessions to educate employees on best practices for waste reduction and responsible disposal.

Our Group adheres to all relevant laws and regulations concerning waste generation and handling, which include proper packaging, labelling, sorting, and storage prior to disposal. During the Reporting Period, there were no instances of material non-compliance that could have had a significant impact on our Group.

Aspect	Relevant Laws and Regulations	Jurisdiction
Waste	• Environmental Quality (Scheduled Wastes) Regulations • First Schedule (Regulation 2) of Environment Quality (Schedule Waste) Regulation 2005 • Guidelines for Packaging, Labelling and Storage of Scheduled Wastes	Malaysia

Environmental Performance

We have begun collecting Scope 3 GHG data during the Reporting Period as part of our commitment to effective emissions management. Recognising the importance of expanding our Scope 3 inventory, we plan to strengthen our data collection efforts in the coming years. This comprehensive strategy allows us to analyse GHG emissions by location and category, ultimately enhancing our capability to manage our overall emissions more effectively. The categories of Scope 3 GHG Emissions below are selected based on the Group's business nature and significance of income.

Environmental, Social and Governance Report

Environmental Performance Data (Scope 3) ^{5 6 7 8 9 10 11 12}	Unit	2025
Total Scope 3 GHG Emissions¹³	tCO₂e	19,045.46
– Category 1: Purchased Goods and Services ¹⁴	tCO ₂ e	91.81
– Category 2: Capital Goods ¹⁵	tCO ₂ e	92.56
– Category 4: Upstream Transportation and Distribution ¹⁶	tCO ₂ e	18,396.07
– Category 5: Waste Generated in Operations ¹⁷	tCO ₂ e	0.02
– Category 6: Business Travel ¹⁸	tCO ₂ e	45.32
– Category 7: Employee Commuting ¹⁹	tCO ₂ e	99.54
– Category 8: Upstream Leased Assets ²⁰	tCO ₂ e	320.14
Intensity (By size of workforce)	tCO ₂ e per employee	288.57
Intensity (By Revenue)	tCO ₂ e per revenue in million	44.62

⁵ Scope 3 Category 3 Fuel- and Energy-related activities (not included in Scope 1 or Scope 2) is not applicable at this stage. We will explore such data collection and calculation method in the future.

⁶ Scope 3 Category 9 Downstream Transportation and Distribution was not applicable, we did not distribute products to customers.

⁷ Scope 3 Category 10 Processing of Sold Products was not applicable because we did not sell physical products.

⁸ Scope 3 Category 11 Use of Sold Products was absent during the Reporting Period as we did not sell any marine gas oil consumption.

⁹ Scope 3 Category 12 End-of-life Treatment of Sold Products was not applicable, we did not sell any product that requires end-of-life treatment.

¹⁰ Scope 3 Category 13: Downstream Leased Assets were not included in the Scope 3 inventory during the reporting period. We will improve data collection in this area in the future.

¹¹ Scope 3 Category 14 Franchises were not applicable, we did not own any franchises.

¹² Scope 3 Category 15 Investments were not applicable, we did not own any investment as major operations.

¹³ Scope 3 represents indirect GHG emissions (not included in Scope 2) generated that occur in the value chain of an issuer, including both upstream and downstream emissions. It is calculated with reference to the US Environmentally-Extended Input-Output ("USEEIO") Model published in 2022 and Department for Environment, Food and Rural Affairs ("DEFRA") published in 2023.

¹⁴ Scope 3 Category 1 Purchased Goods and Services mainly includes cleaning service, consultancy fee, food and refreshment, hardware, printing and stationery, repair and maintenance, surveyor fee, telephone charges and internet, training fee, accounting fee and professional fee etc. It is calculated using spend-based methodology with reference to the USEEIO Model published in 2022. The data was initially collected in Ringgit Malaysia ("RM") and converted to United States Dollar ("USD") based on the exchange rate as of 30 June 2025.

¹⁵ Scope 3 Category 2 Capital Goods includes motor vehicles, furniture, fixtures and equipment, leasehold improvements, and plant and machinery. It is calculated using spend-based methodology with reference to the USEEIO Model published in 2022. The data was initially collected in Ringgit Malaysia ("RM") and converted to USD based on the exchange rate as of 30 June 2025.

¹⁶ Scope 3 Category 4 Upstream Transportation and Distribution, includes marine gas oil ("MGO") transportation and the transportation of equipment. It is calculated using a spend-based methodology with reference to the USEEIO Model published in 2022. The data for the transportation of equipment was initially collected in RM and converted to USD based on the exchange rate as of June 30, 2025, using the conversion rate of 1 RM = 0.24 USD. The consumption volume is determined by estimating the MGO consumption per cubic meter (m³) of sand delivered, as provided by the vessel owners based on different types of vessels, measured in liters.

¹⁷ Scope 3 Category 5 Waste Generated in Operations includes paper waste, plastic waste and toner cartridge. It is calculated with reference to DEFRA Waste Disposal Guidelines published in 2023.

¹⁸ Scope 3 Category 6 Business Travel includes air travel and others. It is calculated using the International Civil Aviation Organisation ("ICAO") to convert the travelling distance into emissions of passengers' CO₂/journey.

¹⁹ Scope 3 Category 7 Employee Commuting includes data on the commuting methods of 74 employees (including resigned employees during the Reporting Period), such as car (petrol), rental car and motorbike. It is calculated with reference to DEFRA Passenger Vehicles Guidelines published in 2023.

²⁰ Scope 3 Category 8 Upstream Leased Assets includes the leased office, sites or hostel and motor vehicles. It is calculated with reference to It is calculated with reference to 2017 Clean Development Mechanism ("CDM") Electricity Baseline for Malaysia, the Intergovernmental Panel on Climate Change ("IPCC")'s methodology of GHG emissions calculation from combustion.

Environmental, Social and Governance Report

Our Group's overall environmental performance data, including Scope 1, 2 and 3 emissions, for the Reporting Period and the year 2024 are summarised in the table below.

Environmental Performance Data (Overall)		Unit	2025	2024
Air Emissions	Nitrogen oxides ("NO _x ")	kg	103.50	107.15
	Sulphur oxides ("SO _x ") ²¹	kg	1.03	0.75
	Particulate Matter ("PM")	kg	8.60	9.22
Energy Consumption²²	Total energy consumption	MWh	844.07	600.59
	Total energy intensity			
	– By size of workforce	MWh per employee	13.43	10.49
	– By revenue ²³	MWh per revenue in million	2.81	4.28
	Direct energy consumption	MWh	639.16	482.58
	– Diesel	MWh	264.38	204.68
	– Unleaded petrol	MWh	374.78	277.90
	Indirect energy consumption	MWh	204.91	118.01
	– Purchased electricity ²⁴	MWh	204.91	118.01
GHG Emissions²⁵	Total GHG emission	tCO₂e	19,351.05²⁶	202.16
	– Scope 1 ²⁷	tCO ₂ e	168.92	122.73
	– Scope 2 ²⁸	tCO ₂ e	136.67	78.71
	– Scope 3	tCO ₂ e	19,045.46 ²⁹	0.72 ³⁰
	Total GHG emission intensity			
	– By size of workforce	tCO ₂ e per employee	293.20	3.37
Water Consumption	– By revenue	tCO ₂ e per revenue in million	45.34	0.62
	Freshwater³¹	m³	16,829.00	5,042.00
	Intensity			
	– By size of workforce ³²	m ³ per employee	295.25	98.86
Waste³⁴	– By revenue ³³	m ³ per revenue in million	107.99	119.54
Hazardous Waste	Toner cartridge ³⁵	tonne	0.0078	0.0108
	Chemical waste	tonne	0.00	0.00
	Lubricant oil	tonne	0.00	0.00
Non-hazardous Waste	Total hazardous waste	tonne	0.0078	0.011
	Intensity			
	– By size of workforce	tonne per employee	0.00014	0.00021
	– By revenue	tonne per revenue in million	0.00005	0.00026
	Waste plastic ³⁶	tonne	1.45	1.48
Paper Consumption	Waste paper ³⁷	tonne	1.43	1.46
	Total non-hazardous waste	tonne	2.88	2.94
	Intensity			
	By size of workforce	tonne per employee	0.05	0.06
	By revenue	tonne per revenue in million	0.02	0.07
Paper Consumption	Office paper	tonne	0.91	1.54
	Intensity			
	By size of workforce	tonne per employee	0.01	0.03
	By revenue	tonne per revenue in million	0.0021	0.0047

Environmental, Social and Governance Report

During the year ended 30 June 2025, there was an increase in air emissions of sulphur oxides compared to the financial year ended 30 June 2024. This rise was primarily attributed to increased vehicle usage, driven by more frequent site visits for tendering activities, engagement in new projects, meetings with potential clients, and more vehicles' movement for survey process and project monitoring purposes.

Compared to the financial year ended 30 June 2024, there was an increase in energy consumption per project generating revenue and per tender/quotation submitted during the year ended 30 June 2025. This increase is primarily due to heightened business activity, including greater use of diesel and unleaded petrol for vehicle travel related to business meetings, site visits, project monitoring, and increase in daily site operation to minimise the delays and capture the targeted progress. The frequency of travel was influenced by the size, nature and stage of ongoing projects, which required increased on-site engagement and coordination.

For the year ended 30 June 2025, emission intensity is disclosed based on revenue rather than the number of projects, in line with the approach adopted in the previous financial year ended 30 June 2024.

An increase in indirect energy consumption was observed during the year ended 30 June 2025. This was primarily driven by additional operational demands of a building project which required more manpower support to complete the project at sites, contributing to the rise in indirect energy consumption for the Reporting Period.

The calculation methodology referenced the GHG Protocol — Emission Factors from Cross-Sector Tools, as well as the emission factors outlined in Appendix 2: Reporting Guidance on Environmental KPIs from the "How to Prepare an ESG Report" published by HKEx.

The increase in total GHG emission from 2024 to 2025 was due to the expansion of scope 3 calculations. For details about our Group's scope 3 categories, please refer to the "Environmental Performance Data (Scope 3)" table.

Scope 1 emissions refer to direct greenhouse gas emissions resulting from the use of unleaded petrol and diesel by company vehicles operating in Malaysia and Singapore. This increase in Scope 1 from 2024 to 2025 was primarily due to heightened business activity, including greater use of diesel and unleaded petrol for vehicle travel related to business meetings, site visits, and project monitoring. The frequency of travel was influenced by the size, nature and stage of ongoing projects, which required increased on-site engagement and coordination.

Scope 2 emissions represent indirect greenhouse gas emissions from the consumption of purchased electricity at office locations and project sites in Malaysia and Singapore. The increase in Scope 2 emissions was primarily driven by higher electricity consumption at JBB Builders (M) Sdn. Bhd., which experienced increased business activity and operational demands of a building project which required more manpower support to complete the project at site during the Reporting Period.

The increase in Scope 3 emissions from 2024 to 2025 was due to the expansion of Scope 3 categories. For details of the Group's scope 3 categories, please refer to the "Environmental Performance Data (Scope 3)" table.

Scope 3 emissions in 2024 encompass other indirect greenhouse gas emissions, primarily generated from business air travel by employees across Hong Kong, Malaysia, and Singapore.

Water consumption increased during the year ended 30 June 2025, primarily due to prolonged activity at existing project sites and continued use of site office facilities. As these projects progressed through resource-intensive phases, the Group bore responsibility for the associated water usage, contributing to the overall rise in consumption during the Reporting Period.

For water consumption, hazardous waste, non-hazardous waste and wastepaper, the workforce is presented for Malaysia only because share offices are used in Singapore and Hong Kong.

For water consumption, hazardous waste and non-hazardous waste, the revenue is presented for Malaysia only because share offices are used in Singapore and Hong Kong.

The weight figures are based on estimates. We plan to refine the measurement methodology in future Reporting Periods, where feasible.

The toner cartridge is recollected by service providers.

Waste plastic primarily originates from food packaging, as most staff purchase meals from external vendors for lunch.

Paper is primarily used for administrative and operational purposes, including the completion of existing projects and preparatory work for newly awarded ones—such as project setup, final account settlements, and tasks under the defect liability period, which are not counted under revenue-generating projects or submitted tenders/quotations.

Environmental, Social and Governance Report

Environmental Target Achievements

As a socially responsible organisation, we are deeply committed to reducing emissions and actively supporting the global transition to a low-carbon economy. To uphold this commitment, we have set ambitious environmental targets that guide our actions and decision-making. The table below provides a summary of these targets and our performance during the Reporting Period. By transparently sharing our progress, we aim to demonstrate our steadfast dedication to environmental sustainability and contribute meaningfully to the collective fight against climate change.

	Targets	Target Achievements	Status
Energy Consumption	Our goal is to replace all currently used construction vehicles, machinery, and electrical appliances with high-efficiency models or those bearing energy-saving certifications, aiming to achieve full implementation by the 2030 financial year.	We incorporate energy efficiency considerations into our purchasing decisions, consistently prioritising high-efficiency vehicles and machinery, as well as products certified with energy-saving labels, in line with our environmental commitment.	2025 
			2030 
	We aim to collaborate exclusively with subcontractors capable of providing high-efficiency vehicles, machinery, and electrical appliances certified with energy-saving labels, with the goal of achieving this by the end of the 2030 financial year, where feasible.	We consider ESG-related risks, relevant management practices, and the environmental management systems of subcontractors as key criteria in our selection process. Our self-assessment questionnaire includes sections under greenhouse gas emissions such as: 'Does your group use high-efficiency vehicles, machinery, and electrical appliances, or those certified with energy-saving labels?' and 'Does your group utilise renewable energy?' These assessments allow us to evaluate subcontractor performance, and we prioritise working with suppliers and subcontractors who meet these standards.	2025 
			2030 
	We aim to reduce the average energy consumption of diesel and unleaded petrol by 2%, 5%, and 10% per unit of revenue by financial year ending 30 June 2025, 2030 and 2035 respectively from its financial year ended 30 June 2023 baseline.	Our Group has successfully experienced a decrease in unleaded petrol and diesel consumption, we remain committed to achieving our 2025 average energy consumption of diesel and unleaded petrol targets through ongoing efficiency measures and sustainable practices. Following is our current progress: - Diesel oil intensity has decreased from 0.84 in 2023 to 0.62 in 2025. - Unleaded petrol intensity has decreased from 1.12 in 2023 to 0.88 in 2025.	2025 
			2030 

Environmental, Social and Governance Report

	Targets	Target Achievements	Status
	We aim to reduce the average energy consumption of purchased electricity by 2%, 5%, and 10% per unit of revenue by financial year ending 30 June 2025, 2030, and 2035 respectively from its financial year ended 30 June 2023 baseline.	Our electricity consumption intensity decreased from 1.90 MWh in 2023 to 1.31 MWh in 2025. We are committed This is due to our efforts in implementing more effective measures in order to reduce electricity consumption.	2025 
			2030 
Paper Consumption	We aim to replace all existing printers with models that require user login for copying and printing, enabling us to track individual paper usage. This initiative is targeted for completion in next replacement or before the end of the 2025 financial year.	As part of our ongoing efforts to modernise printing and filing systems, we actively promote the use of electronic communication tools among staff to help reduce unnecessary paper consumption. Additionally, we emphasise the importance of recycling used paper and encourage double-sided printing and copying to further minimise our environmental impact.	2025 
	We aim to transition all departments from physical to electronic filing by leveraging the Enterprise Resource Planning (“ERP”) system and online servers. This change will apply to all documents currently in place, unless physical filing is required by local laws or regulations.		
	We aim to reduce the average paper consumption by 2%, 5% and 10% per unit of revenue to be generated by financial year ending 30 June 2025, 2030 and 2035 respectively from its financial year ended 30 June 2023 baseline.	Paper consumption intensity has shown a successful reduction, decreasing from 0.0028 tonnes in 2023 to 0.0021 tonnes in 2025 which is more than 10%. We will continue to promote electronic documentation, encouraging double-sided printing, and reinforcing paper recycling practices across the Group. These initiatives not only help conserve resources but also demonstrate our commitment to sustainability and responsible resource management.	2025 
			2030 

Environmental, Social and Governance Report

	Targets	Target Achievements	Status
Air Emissions	We aim to reduce the average emission of SO _x by 2%, 5% and 10% per number of projects generating revenue and tenders/quotations submitted by financial year ending 30 June 2025, 2030 and 2035 respectively from its financial year ended 30 June 2023 baseline.	SO _x emissions intensity have significantly decreased from the 2023 baseline of 0.0031 kg to just 0.0024 kg in 2025 which is more than 10%.	2025 
		We are pleased to have achieved our 2025 targets, due to the effectiveness of our strategies and our commitment to regularly reviewing progress and identifying opportunities for improvement.	2030 
		By continuously refining our approach in alignment with our sustainability objectives, we aim to ensure a meaningful environmental impact and long-term success.	
	We aim to reduce the average emission of NO _x by 2%, 5% and 10% per unit of revenue to be generated by financial year ending 30 June 2025, 2030 and 2035 respectively from its financial year ended 30 June 2023 baseline.	NO _x emissions intensity have decreased from the 2023 baseline of 0.35 kg to 0.24 kg in 2025 which is more than 10%.	2025 
		Currently, we are developing targeted action plans aimed at minimising emissions and reinforcing sustainable practices across our operations.	2030 
	We aim to reduce average PM emissions by 2%, 5%, and 10% per unit of revenue by financial year ending 2025, 2030, and 2035 respectively from its financial year ended 30 June 2023 baseline.	PM emissions intensity have decreased from the 2023 baseline of 0.030 kg to 0.020 kg in 2025 which is more than 10%. We remain strongly committed to further minimising emissions through sustained action.	2025 
		To achieve our emission reduction goals, we have already implemented a range of mitigation strategies focused on promoting environmental sustainability. These include enhancing operational efficiency, upgrading emission control technologies, prioritising partnerships with eco-conscious subcontractors, and exploring cleaner alternative energy sources. We remain committed to advancing these efforts as part of our broader sustainability objectives.	2030 

Environmental, Social and Governance Report

	Targets	Target Achievements	Status
Water Consumption	Our goal is to establish collection points at all sites to capture excess withdrawn water and repurpose it for cleaning, spraying, irrigation, and other uses by the financial year ending 30 June 2030.	We are currently working to optimise water usage by conducting regular inspections of water facilities to prevent leaks. In addition, we are actively educating our staff on the importance of water conservation.	2030 
	We aim to reduce the average consumption of ground water and water supply from pipes by 2%, 5% and 10% by financial year ending 30 June 2025, 2030 and 2035 respectively from its financial year ended 30 June 2023 baseline.	In 2023, our water consumption intensity was recorded at 28.54 m³. By 2025, this figure increased to 107.99 m³ due to the significant increase of consumption of the sites offices of a building project which required more manpower support to complete the project at sites.	2025 
		Despite these challenges, we remain committed to improving our water efficiency and will continue to disclose our progress in future reports.	2030 
Waste	We aim to reduce average hazardous waste generation per unit of revenue by 2%, 5%, and 10% by the financial year ending 30 June 2025, 2030, and 2035 respectively from its financial year ended 30 June 2023 baseline.	Hazardous waste intensity decreased from 0.014 kg in 2023 to 0.00005 kg in 2025 which is more than 10%.	2025 
		We are pleased to achieve beyond our 2025 targets, due to our efforts in adopting a more comprehensive and responsible approach to hazardous waste reduction and disposal. Although this broader scope has initially led to higher reported figures, it reflects our commitment to transparency and continuous improvement in sustainable waste management.	2030 
	Since 1 July 2020, we have aimed to install recycling bins at all offices and sites to collect recyclable materials such as metals and aluminium, plastic bottles, waste paper, ink cartridges, carton boxes, and other recyclables.	We have established recycling bins and collection points for reusable items to promote resource recycling and reuse.	Since 2020 
	Starting from 1 July 2020, we aim to establish collection points at all offices for reusable items such as stationery and non-confidential single-sided used paper, to promote reuse and reduce waste.	Moving forward, we will continue encouraging staff to make use of these facilities and enhance their awareness of the importance of recycling and sustainable practices.	Since 2020 

Environmental, Social and Governance Report

Targets	Target Achievements	Status
Since 1 July 2020, single-use plastic items such as cutlery, bags, straws, and stirrers have been removed from all pantry areas to support our waste reduction efforts.	Plastic waste intensity has been significantly decreased from 0.49 tonnes in 2023 to 0.01 tonnes in 2025.	2025 
We aim to reduce the average plastic waste by 2%, 5% and 10% per unit of revenue to be generated by financial year ending 30 June 2025, 2030 and 2035 respectively from its financial year ended 30 June 2023 baseline.	Looking ahead, we are committed to reducing plastic waste by strengthening our sustainable procurement practices, exploring alternative packaging solutions, and raising employee awareness. Through targeted waste reduction initiatives and responsible sourcing, we aim to meet our plastic waste reduction targets and foster a more environmentally conscious workplace.	2030 
We aim to reduce the average wastepaper by 2%, 5% and 10% per unit of revenue to be generated by financial year ending 30 June 2025, 2030 and 2035 respectively from its financial year ended 30 June 2023 baseline.	Wastepaper intensity has been decreased from 0.05 in 2023 to 0.01 in 2025.	2025 
	To support this goal, we remain active in reviewing our current waste management practices, identifying opportunities for waste minimisation and recycling, and implementing strategies to enhance paper usage efficiency.	2030 
	By promoting paperless initiatives where feasible and strengthening our recycling programmes, our Group is taking meaningful steps toward achieving its wastepaper reduction objectives and fostering a more sustainable workplace.	

Environmental, Social and Governance Report

CLIMATE CHANGE PREPAREDNESS

SDG 13: Climate Action

“Take urgent action to combat climate change and its impacts”.

We have made significant progress in enhancing our resilience to climate-related challenges and strengthening our ability to withstand natural disasters. By proactively addressing climate risks, we are taking concrete steps to safeguard our operations, protect the environment, and support the communities in which we operate. Our continued commitment to SDG 13 reflects our dedication to building a sustainable future and ensuring the long-term viability of our marine construction activities.



In the face of a rapidly changing global climate, the marine construction industry is increasingly challenged by the impacts of climate change. With rising temperatures and more frequent extreme weather events, we recognise the urgent need to prioritise climate resilience. Climate change presents serious risks to our operations, the environment, and the communities we serve.

As part of our commitment to climate preparedness, we have conducted a comprehensive climate scenario analysis. This has enabled us to evaluate the potential effects of various climate scenarios on our projects, operations, and supply chain. By incorporating these insights into our decision-making processes, we are better positioned to identify vulnerabilities, capitalise on opportunities, and implement adaptive strategies that support the long-term resilience and sustainability of our business.

Environmental, Social and Governance Report

Physical Risks

Climate physical risk refers to the potential negative effects of climate change on the natural environment and physical systems, including infrastructure, properties, and ecosystems. In a business-as-usual scenario (Scenario 1), the worst-case outlook with a projected global mean temperature increase of nearly 4° C by 2100. The climate physical risk to our Group's operations is significantly higher compared to other scenarios. The table below outlines the climate physical risk to our Group's business operations.

Climate Hazards	Period of Influence	Potential Impacts
Cyclones and Hurricanes	Acute, short-to-medium term	• Cyclones and hurricanes can result in high winds and heavy rainfall, which can cause flooding, landslides, and damage to infrastructure. • As the wind speeds during extreme weather events are expected to increase under Scenario 1, it could lead to delays in construction projects, damage to equipment, and loss of materials, resulting in increased costs and financial losses.
Flooding	Acute, short-to-medium term	• Reclamation projects are often based on low-lying coastal areas, which are particularly vulnerable to flooding during heavy rainfall or high tides. • Floods can damage infrastructure, equipment, and materials, leading to delays and increased costs. • This may lead to erosion of the reclaimed land and compromise its stability, making it unsuitable for construction activities.
Storm Surges	Acute, short-to-medium term	• Storm surges occur when strong winds push seawater onto the shore, leading to flooding and inundation of low-lying areas.

Environmental, Social and Governance Report

Climate Hazards	Period of Influence	Potential Impacts
Rising Sea Levels	Chronic, medium-to-long term	• One-third of Singapore's land is less than 5 metres above sea level. As sea levels continue to rise, they can lead to increased flooding and inundation of low-lying coastal areas, including reclaimed land. • Saltwater may intrude into freshwater sources, making them unsuitable for construction activities or other purposes. • This may lead to increased costs for marine construction businesses as our Group may need to invest in desalination or other water treatment technologies.
Rising Mean Temperatures	Chronic, medium-to-long term	• As temperatures continue to rise, they could lead to materials such as concrete and asphalt degrading more quickly, as well as the machinery used in construction services. • High temperatures reduce their lifespan and increase the need for maintenance and replacements.
Heat Waves	Chronic, medium-to-long term	• High temperatures make it more difficult for workers to carry out construction activities, particularly those involving physical labour. • Under Scenario 1, there would be a higher loss of labour activity due to heat stress.

Environmental, Social and Governance Report

Transition Risks

In addition to physical risks, Malaysia and Singapore's commitments to achieving net-zero emissions by 2050 and 2060, respectively, are expected to drive changes in existing policies and regulations. Scenario 3, which focuses on transitioning to a lower-carbon economy, poses a higher transition risk. The table below outlines the climate transition risk to our Group's business operations.

Risk	Impact Period	Potential Impacts
Carbon Pricing	Short-to-medium term	In 2023/24, our Group has emitted a total of 202.16 tCO ₂ e, including 122.73 tCO ₂ e of Scope 1 emission, 78.71 tCO ₂ e Scope 2 emission and 0.72 tCO ₂ e Scope 3 emission. There might be a growing trend of GHG emission with the business growth, as well as the enhancement of Scope 3 emission.

Global

- According to the Global Energy and Climate Model by the International Energy Agency ("IEA"), it is suggested that the global average carbon price should reach US\$90 to US\$140 per tCO₂e by 2030 to align with the net zero emissions by 2050 scenario³⁸.

Singapore

- Singapore, with the vision of reaching carbon neutrality by 2060, has implemented an even more aggressive carbon tax scheme. After the transitional period at S\$5/tCO₂e, the carbon tax will be raised to S\$25/tCO₂e in 2024 and 2025, and S\$45/tCO₂e in 2026 and 2027, with a view to reaching S\$50-80/tCO₂e by 2030³⁹.

Malaysia

- Malaysia is also introducing carbon pricing scheme and has committed to a 45% reduction in GHG emissions intensity of GDP by 2030⁴⁰.

Increased operating costs

- Upon implementation of tightened environmental laws and carbon pricing system, our Group may face increased operating costs. For example, higher legal and compliance costs as well as purchasing quota for GHG emissions.

Supply chain disruption

- The supply chain could be disrupted if the construction material markets are affected by the carbon pricing system, leading to shortages of raw material supply of our Group.

Environmental, Social and Governance Report

Risk	Impact Period	Potential Impacts
Insurance Premiums	Medium-to-long term	- Increased insurance premiums and potential for reduced availability of insurance on assets in locations with high exposure to natural disasters. Example - Federal Emergency Management Agency has incorporated climate risk into the cost of flood insurance, premiums of current policyholders in the US will rise by 18% per year for the next two decades⁴¹. Similar actions might be carried out by our Group's local insurance providers.
Technology	Medium-to-long term	- Under the scenario of transitioning towards a low-carbon economy, there will be an increasing demand for technologies that can help to protect the environment. - New reclamation technologies that are more eco-conscious are being developed, such as the deep cement mixing technique. - Our Group may expect reduced demand for construction projects using conventional construction techniques and methodologies. Instead, there would be an additional cost of adopting new practices, machinery and processes.
Reputation	Short-to-medium term	Banks - As all principal bankers of our Group have aligned with/will align with TCFD recommendations, these banks might include climate risks in their due diligence process and tighten lending criteria for companies failing to respond to climate-related risks to fulfil their commitment to responsible lending. As such there might be additional barriers for our Group to secure loans in the future, which could affect our Group's cash flow and liquidity. Investors - With the growing trend of responsible investment recently, the increased stakeholders' concern and the negative news on climate-related issues might dampen the investment sentiment of the investors, thereby causing a possible impact on the stock price and market capitalisation of our Group and increasing the liquidity risk.

³⁸ Based on Net Zero by 2050 scenario in Global Energy and Climate Model by IEA. For details, please refer to <https://iea.blob.core.windows.net/assets/2db1f4ab-85c0-4dd0-9a57-32e542556a49/GlobalEnergyandClimateModelDocumentation2022.pdf>.

³⁹ For details, please refer to <https://www.nccs.gov.sg/singapores-climate-action/mitigationefforts/carbontax/>.

⁴⁰ For details, please refer to <https://climatepromise.undp.org/what-we-do/where-wework/malaysia>.

⁴¹ For details, please refer to <https://www.seattletimes.com/nation-world/the-price-of-living-near-the-shore-is-already-high-its-about-to-go-through-the-roof/>.

Environmental, Social and Governance Report

The following outlines our policies and actions in combating climate change.

ESG Management Policy:

We are committed to sustainable operations and long-term growth by continuously strengthening our Group's economic, environmental, human capital, social, and governance performance. The Board recognises that a strong governance framework is essential for embedding sustainability into our business strategies. To this end, the Board has adopted an ESG (including climate) policy that outlines the procedures for identifying, assessing, prioritising, overseeing, managing, monitoring, and communicating ESG-related risks.



This policy highlights our responsibility to reduce emissions, address climate-related challenges, and integrate sustainability principles into our daily operations. We are dedicated to setting ambitious goals, closely tracking progress, and rigorously evaluating our performance to drive continuous improvement. Through transparent communication and effective information sharing, we aim to engage stakeholders, raise awareness, and cultivate a culture of sustainability throughout the organisation.

Environmental, Climate, and Natural Resources Management Policy:

Our Board recognises the importance of addressing the environmental and natural resource impacts arising from our Group's operational activities. In response, the Board has adopted this Environmental, Climate, and Natural Resources Management Policy to establish clear guidelines and procedures that align with and support our overarching ESG Management Policy.



This Policy reflects our commitment to sustainability by providing a comprehensive framework for managing environmental, climate, and natural resource-related risks. It includes robust measures for risk assessment, internal controls, and proactive management of operational impacts on the environment and natural resources.

Across our construction sites, subcontractor and supplier networks, customer engagements, and office operations, we implement stringent practices to minimise adverse environmental impacts. We actively identify activities that currently affect or may affect natural resources and take decisive actions to mitigate these effects.

Furthermore, recognising the urgency of climate-related challenges, we are committed to identifying and addressing significant climate-related issues that could impact our operations. Strategic measures are being implemented across all levels of the organisation to manage and reduce these risks. Through this integrated approach, we ensure that sustainability principles are embedded into our daily operations and decision-making processes.

Environmental, Social and Governance Report

Combating Climate Change

In 2020, the Task Force on Climate-related Financial Disclosures (“**TCFD**”) released its Guidance on Scenario Analysis for Non-financial Companies, encouraging businesses to evaluate their strategic plans against a range of plausible future scenarios. Climate scenario analysis is a vital process that helps organisations identify and assess the potential impacts of various climate-related developments under conditions of uncertainty.

We have referred to the Representative Concentration Pathways (“**RCPs**”) developed by the Intergovernmental Panel on Climate Change (“**IPCC**”), as well as scenario frameworks provided by the IEA. Since a detailed climate scenario analysis was conducted in 2023, and there have been no significant changes in our business operations or notable climate-related developments during this Reporting Period, we have maintained the same scenario analysis for this year.

Countermeasures

To mitigate the potential impacts of climate-related risks, we have implemented a range of proactive measures. Specifically, we have targeted areas vulnerable to wind and water erosion by applying mulching and introducing vegetation, effectively reducing erosion risks. For dust control, we have adopted close-turfing and hydro-seeding techniques to create a more stable and controlled environment.

To manage air currents and prevent the spread of loose soil, we have strategically installed barriers such as board fences, wind fences, and sediment fences across our sites. Additionally, we have launched tree planting initiatives and established perennial grasses to serve as natural windbreaks, further enhancing site resilience.

Through these efforts, we are actively working to minimise the environmental impacts of our operations and promote a more sustainable approach to marine construction.

To address climate transition risks, our Group has established a dedicated climate risk policy. The ESG Working Group, in collaboration with an external consultant, is responsible for identifying, assessing, and overseeing climate-related risks. To ensure effective governance, the Audit Committee convenes at least twice a year to maintain oversight of the climate risk management process.

In relation to Singapore’s carbon pricing scheme, our Group is currently evaluating its impact on business operations in the region. We are also preparing to enhance our data collection capabilities to support the development of an internal carbon pricing mechanism. This will enable us to quantify the cost of emissions and set meaningful climate-related targets that align with current and anticipated regulatory requirements, market conditions, and our Group’s financial objectives.

Environmental, Social and Governance Report

Climate-related Opportunities

While climate change presents complex and significant challenges, it also offers valuable opportunities for our Group to drive meaningful transformation. Based on the scenario analysis conducted by our third-party consultant in 2023, we identified several potential opportunities, one of which is the expected increase in construction projects.

As climate impacts become more evident, including more frequent extreme sea level events and coastal flooding, we anticipate increased wave heights and loading on coastal infrastructure. This is likely to accelerate wear and reduce the lifespan of such structures, particularly in regions like Malaysia and Singapore. As a result, we foresee growing demand for infrastructure upgrades and replacements, presenting new project opportunities for our Group.

In addition, within our operating markets such as Malaysia, there are public-sector incentives that support green investments. Our Group is well-positioned to leverage these opportunities, including the “Green Investment Tax Allowance”, which encourages the adoption of environmentally friendly technologies. These incentives offer tax benefits for acquiring green technology assets and exemptions for providing green technology services; thereby, enhancing our capacity to deliver sustainable solutions.

Environmental, Social and Governance Report

HKEx ESG REPORTING CODE INDEX

HKEx ESG Reporting Code General Disclosures & KPIs		Explanation/Reference Section
Aspect A: Environment		
A1 Emissions	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.	ECO-FRIENDLY OPERATIONS
KPI A1.1	The types of emissions and respective emissions data.	ECO-FRIENDLY OPERATIONS – Environmental Performance
KPI A1.2	Repealed 1 January 2025	Repealed
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (for example, per unit of production volume, per facility).	ECO-FRIENDLY OPERATIONS – Environmental Performance
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (for example, per unit of production volume, per facility).	ECO-FRIENDLY OPERATIONS – Environmental Performance
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	ECO-FRIENDLY OPERATIONS – Environmental Target Achievements
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	ECO-FRIENDLY OPERATIONS – Environmental Target Achievements

Environmental, Social and Governance Report

HKEx ESG Reporting Code General Disclosures & KPIs		Explanation/Reference Section
A2 Use of Resources	Policies on efficient use of resources including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	ECO-FRIENDLY OPERATIONS
KPI A2.1	Direct and/or indirect energy consumption by type (for example, electricity, gas or oil) in total (kWh in '000s) and intensity (for example, per unit of production volume, per facility).	ECO-FRIENDLY OPERATIONS – Environmental Performance
KPI A2.2	Water consumption in total and intensity (for example, per unit of production volume, per facility).	ECO-FRIENDLY OPERATIONS – Environmental Performance
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	ECO-FRIENDLY OPERATIONS – Environmental Target Achievements
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	ECO-FRIENDLY OPERATIONS
KPI A2.5	Total packaging material used for finished products (in tonnes), and, if applicable, with reference to per unit produced.	Not applicable, as our business operation in 2025 did not involve the use of packaging material.
A3 The Environment and Natural Resources	Policies on minimising the issuer's significant impact on the environment and natural resources.	ECO-FRIENDLY OPERATIONS
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	ECO-FRIENDLY OPERATIONS

Environmental, Social and Governance Report

HKEx ESG Reporting Code General Disclosures & KPIs		Explanation/Reference Section
A4 Climate Change	Repealed 1 January 2025	Repealed
KPI A4.1	Repealed 1 January 2025	Repealed
Aspect B: Social		
B1 Employment	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	OUR EMPLOYEE AND PROSPERITY – Employment Conditions, Fair and Diverse Workplace
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	OUR EMPLOYEE AND PROSPERITY
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	OUR EMPLOYEE AND PROSPERITY
B2 Health and Safety	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	OUR EMPLOYEE AND PROSPERITY – Healthy and Safe Workplace
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	OUR EMPLOYEE AND PROSPERITY – Healthy and Safe Workplace
KPI B2.2	Lost days due to work injury.	OUR EMPLOYEE AND PROSPERITY – Healthy and Safe Workplace
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	OUR EMPLOYEE AND PROSPERITY – Healthy and Safe Workplace

Environmental, Social and Governance Report

HKEx ESG Reporting Code	General Disclosures & KPIs	Explanation/Reference Section
B3 Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	OUR EMPLOYEE AND PROSPERITY – Learning and Development
KPI B3.1	The percentage of employees trained by gender and employee category (for example, senior management, middle management).	OUR EMPLOYEE AND PROSPERITY – Learning and Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	OUR EMPLOYEE AND PROSPERITY – Learning and Development
B4 Labour Standards	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	OUR EMPLOYEE AND PROSPERITY – Child and Forced Labour-free Workplace
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	OUR EMPLOYEE AND PROSPERITY – Child and Forced Labour-free Workplace
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	OUR EMPLOYEE AND PROSPERITY – Child and Forced Labour-free Workplace
B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	VALUE CHAIN – Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	VALUE CHAIN – Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	VALUE CHAIN – Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	VALUE CHAIN – Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	VALUE CHAIN – Supply Chain Management

Environmental, Social and Governance Report

HKEx ESG Reporting Code General Disclosures & KPIs		Explanation/Reference Section
B6 Product Responsibility	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	VALUE CHAIN – Reliable Services
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable, as our business operation in 2025 did not involve selling or shipping of products.
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	VALUE CHAIN – Reliable Services
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	VALUE CHAIN – Reliable Services
KPI B6.4	Description of quality assurance process and recall procedures.	VALUE CHAIN – Reliable Services
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	VALUE CHAIN – Reliable Services

Environmental, Social and Governance Report

HKEx ESG Reporting Code	General Disclosures & KPIs	Explanation/Reference Section
B7 Anti-corruption	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	VALUE CHAIN – Business Ethics
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	VALUE CHAIN – Business Ethics
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	VALUE CHAIN – Business Ethics
KPI B7.3	Description of anti-corruption training provided to directors and staff.	VALUE CHAIN – Business Ethics
B8 Community Investment	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	COMMUNITY ENGAGEMENT
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	COMMUNITY ENGAGEMENT
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	COMMUNITY ENGAGEMENT

Independent Auditor's Report



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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF JBB BUILDERS INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of JBB Builders International Limited ("**the Company**") and its subsidiaries ("**the Group**") set out on pages 143 to 216, which comprise the consolidated statement of financial position as at 30 June 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("**ISAs**") issued by the IASB. Our responsibilities under those standards are further described in the "*Auditor's responsibilities for the audit of the consolidated 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.

Independent and Other Ethical Responsibilities

We are independent of the Group in accordance with 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 IESBA Code.

Independent Auditor's Report

KEY AUDIT MATTERS

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

REVENUE FROM CONSTRUCTION SERVICES

Refer to Note 5 to the consolidated financial statements and the accounting policies in Note 2(q) to the consolidated financial statements.

The Key Audit Matter	How the matter was addressed in our audit
The Group recorded revenue from construction services of approximately RM156,023,000 for the year ended 30 June 2025. The Group recognises revenue from construction services progressively over time using the cost-to-cost method based on the proportion of the actual total contract costs incurred at the end of the reporting period compared to the estimated total budgeted contract costs to complete the construction contract. The revenue recognition therefore relies on estimations of total budget contract costs which requires significant management estimations and judgments. We identified the revenue recognition from construction services as a key audit matter because it is significant to the consolidated statement of profit or loss and other comprehensive income and management judgment is needed in estimating total budgeted contract costs and the amount of revenue to be recognised by the Group.	Our procedures in relation to recognition of revenue from construction services mainly included: • Testing and evaluating the effectiveness of the key internal controls in place on budget preparation and revenue recognition of the construction operations; • Evaluating the basis in determining the expected total costs to complete the contract. Checking the budgeted costs to complete the contract on a sample basis and evaluating the appropriateness of the key estimations and assumptions adopted by the management of the Company; • Checking to the key terms and conditions of construction contracts on a sample basis, and assessing whether they had been appropriately reflected in the estimation of total budgeted contract costs; • Checking construction costs incurred during the year by tracing to supporting documentation on a sample basis; • Performing recalculation of revenue recognised from construction services on a sample basis; and • Assessing the related disclosures in the consolidated financial statements with reference to the requirements of the IFRS 15.

Independent Auditor's Report

RECOVERABILITY OF TRADE RECEIVABLES AND CONTRACT ASSETS

Refer to Note 17 and Note 18 to the consolidated financial statements and the accounting policies in Note 2(i) (i), Note 2(j) and Note 2(r) to the consolidated financial statements.

The Key Audit Matter	How the matter was addressed in our audit
Trade receivables and contract assets of the Group carried at approximately RM134,648,000 and RM28,690,000 respectively as at 30 June 2025.	Our procedures in relation to the loss allowance for trade receivables and contract assets mainly included:
The Group measures loss allowance on trade receivables and contract assets at amounts equal to lifetime expected credit losses. Expected credit losses ("ECL") on these financial assets are estimated using a provision matrix which involved significant management judgement in estimating expected loss rate based on historical credit loss experience, adjusting factors that are specific to the debtors and assessment of both current and forecasted general economic conditions.	• Obtaining an understanding of how the management assess the ECL of trade receivables and contract assets; • Testing the mathematical accuracy of the ECL model on trade receivables and contract assets prepared by the management; • Testing whether items in the ageing report were categorised appropriately on a sample basis;
We identified impairment assessment of trade receivables and contract assets as a key audit matter because of the significance of the Group's trade receivables and contract assets balances to the consolidated financial statements, combined with the significant degree of estimations by the management of the Company in estimating of ECL of trade receivables and contract assets which may affect their carrying values at the end of the reporting period.	• Assessing the reasonableness of the ECL by testing the accuracy of the historical default rate and examining the reasonableness of the forward looking information used by the management; and • Assessing the related disclosures in the consolidated financial statements with reference to the requirements of the IFRS 9.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Independent Auditor's Report

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 ISAs 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements 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 consolidated 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 Audit Committee 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 Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period 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 members of the Group, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

The engagement partner on the audit resulting in this independent auditor's report is Piong Yew Peng.

Crowe Malaysia PLT

Chartered Accountants

Malaysia, 23 September 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025
(Expressed in Malaysian Ringgit)

	Note	2025 RM'000	2024 RM'000
Revenue	5	426,980	329,330
Direct costs		(409,309)	(320,998)
Gross profit		17,671	8,332
Other revenue	6	5,660	5,845
Other net income	6	1,499	474
(Allowance)/reversal for impairment loss on trade receivables and contract assets	7(c)	(1,608)	5,736
General and administrative expenses		(19,658)	(16,177)
Profit from operations		3,564	4,210
Share of loss of a joint venture		(8)	(21)
Finance costs	7(a)	(639)	(963)
Profit before taxation	7	2,917	3,226
Income tax expenses	11	(1,662)	(832)
Profit for the year		1,255	2,394
Other comprehensive (expenses)/income for the year			
Items that will not be reclassified to profit or loss:			
Currency translation differences		(5,518)	629
Total comprehensive (expenses)/income for the year		(4,263)	3,023
Profit/(loss) for the year attributable to:			
Owners of the Company		1,331	2,994
Non-controlling interests		(76)	(600)
		1,255	2,394
Total comprehensive (expenses)/income attributable to:			
Owners of the Company		(4,187)	3,623
Non-controlling interests		(76)	(600)
		(4,263)	3,023
Earnings per share (Sen per share)			
– Basic	12	0.27	0.60
– Diluted	12	0.27	0.60

The notes on pages 149 to 216 form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2025

(Expressed in Malaysian Ringgit)

	Note	2025 RM'000	2024 RM'000
Non-current assets			
Property, plant and equipment	13	1,667	1,337
Investment properties	14	–	2,200
Interest in a joint venture	15	96	243
Deposits paid for acquisition of investment properties	16(a)	27,637	42,710
Deposits placed for life insurance policies	16(b)	1,054	1,038
Deferred tax assets	25(b)	33	26
		30,487	47,554
Current assets			
Trade and other receivables	17	147,986	92,419
Contract assets	18(a)	28,690	32,720
Tax recoverable	25(a)	1,825	1,911
Fixed deposits with maturity over three months	19(a)	5,700	–
Pledged bank deposits	19(b)	9,179	8,109
Cash and cash equivalents	20(a)	71,451	94,095
		264,831	229,254
Assets classified as held for sale	21	1,500	–
		266,331	229,254
Current liabilities			
Trade and other payables	22	142,775	123,355
Contract liabilities	18(b)	13,793	5,113
Bank loans	23	4,410	4,118
Lease liabilities	24	263	258
Provision for taxation	25(a)	1,452	810
		162,693	133,654
Net current assets		103,638	95,600
Total assets less current liabilities		134,125	143,154

Consolidated Statement of Financial Position

As at 30 June 2025
(Expressed in Malaysian Ringgit)

	Note	2025 RM'000	2024 RM'000
Non-current liabilities			
Bank loans	23	1,974	6,340
Lease liabilities	24	437	463
Deferred tax liabilities	25(b)	54	—*
		<u>2,465</u>	<u>6,803</u>
Net assets		<u>131,660</u>	<u>136,351</u>
Capital and reserves			
Share capital	26(b)	2,672	2,672
Reserves		<u>122,290</u>	<u>126,477</u>
Total equity attributable to equity owners of the Company		<u>124,962</u>	<u>129,149</u>
Non-controlling interests		<u>6,698</u>	<u>7,202</u>
		<u>131,660</u>	<u>136,351</u>

* The amount represents an amount less than RM1,000.

Approved and authorised for issue by the board of directors on 23 September 2025

Ng Say Piyu
Chairman and Executive Director

Lam Fung Eng
Executive Director

The notes on pages 149 to 216 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2025
(Expressed in Malaysian Ringgit)

	Attributable to equity owners of the Company						Non-controlling interests	Total equity
	Share capital	Share premium	Merger reserve	Exchange reserve	Retained profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2023	2,672	71,999	6,316	6,934	37,605	125,526	7,802	133,328
Changes in equity for the year ended 30 June 2024:								
Profit/(loss) for the year	-	-	-	-	2,994	2,994	(600)	2,394
Other comprehensive income for the year								
Currency translation differences	-	-	-	629	-	629	-	629
Total comprehensive income/(expenses) for the year	-	-	-	629	2,994	3,623	(600)	3,023
At 30 June 2024	<u>2,672</u>	<u>71,999*</u>	<u>6,316*</u>	<u>7,563*</u>	<u>40,599*</u>	<u>129,149</u>	<u>7,202</u>	<u>136,351</u>
At 1 July 2024	2,672	71,999	6,316	7,563	40,599	129,149	7,202	136,351
Changes in equity for the year ended 30 June 2025:								
Profit/(loss) for the year	-	-	-	-	1,331	1,331	(76)	1,255
Other comprehensive expenses for the year								
Currency translation differences	-	-	-	(5,518)	-	(5,518)	-	(5,518)
Total comprehensive (expenses)/income for the year	-	-	-	(5,518)	1,331	(4,187)	(76)	(4,263)
Disposal of a non-wholly owned subsidiary	-	-	(27)	(45)	72	-	(428)	(428)
At 30 June 2025	<u>2,672</u>	<u>71,999*</u>	<u>6,289*</u>	<u>2,000*</u>	<u>42,002*</u>	<u>124,962</u>	<u>6,698</u>	<u>131,660</u>

* These reserve accounts comprise consolidated reserves of approximately RM122,290,000 (2024: RM126,477,000) in the consolidated statement of financial position.

The notes on pages 149 to 216 form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2025
(Expressed in Malaysian Ringgit)

	Note	2025 RM'000	2024 RM'000
Operating activities			
Profit before taxation		2,917	3,226
Adjustments for:			
Allowance/(reversal) for impairment loss on trade receivables and contract assets	7(c)	1,608	(5,736)
Depreciation	7(c)	517	495
(Gain) on disposal of property, plant and equipment	7(c)	(2)	(14)
Fair value loss on investment properties	7(c)	700	–
(Gain) on disposal of deposits paid for acquisition of investment properties	7(c)	(1,339)	(314)
(Reversal) for impairment loss on deposits paid for acquisition of investment properties	7(c)	–	(181)
(Gain) on deposits placed for life insurance policies	7(c)	(16)	(16)
(Gain) on disposal of a non-wholly owned subsidiary	7(c)	(572)	–
(Gain) on partial disposal of a joint venture	7(c)	(11)	–
Share of loss of a joint venture		8	21
Interest expenses	7(a)	639	963
Interest income	6	(3,290)	(2,417)
Imputed interest income on contract assets	6	–	(516)
Operating cash flow before movements in working capital		1,159	(4,489)
Increase in trade and other receivables		(52,731)	(34,224)
Decrease/(increase) in contract assets		4,520	(19,927)
Increase in trade and other payable		24,673	54,837
Increase in contract liabilities		8,680	5,113
Cash (used in)/from operations		(13,699)	1,310
Income tax paid		(859)	(1,268)
Net cash (used in)/generated from operating activities		(14,558)	42

Consolidated Statement of Cash Flows

For the year ended 30 June 2025
(Expressed in Malaysian Ringgit)

	Note	2025 RM'000	2024 RM'000
Investing activities			
Proceeds on disposal of deposits paid for acquisition of investment properties		8,351	11,683
Proceeds on disposal of property, plant and equipment		2	14
Payments for purchases of property, plant and equipment		(637)	(226)
Net proceeds on disposal of a non-wholly owned subsidiary	33	798	–
Interest received		1,219	2,417
(Placement)/withdrawal of deposits with maturity over three months		(5,700)	5,424
(Increase)/decrease in pledged bank deposits		(1,070)	1,660
Net cash generated from investing activities		2,963	20,972
Financing activities			
Repayment of bank borrowings		(4,074)	(3,723)
Interest on bank borrowings		(604)	(865)
Capital element of lease rentals paid		(280)	(304)
Interest element on lease rental paid		(35)	(27)
Net cash used in financing activities		(4,993)	(4,919)
Net (decrease)/increase in cash and cash equivalents		(16,588)	16,095
Cash and cash equivalents at the beginning of the year		94,095	77,505
Effect of foreign exchange rate changes		(6,056)	495
Cash and cash equivalents at the end of the year	20(a)	71,451	94,095

The notes on pages 149 to 216 form part of these financial statements.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liabilities on 30 April 2018 under the Companies Law (Cap. 22) (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information of the annual report.

The ordinary shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 10 May 2019 (the “**Listing**”).

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in Note 29. As at 30 June 2025, the directors of the Company consider that the Company is ultimately controlled by Dato’ Ng Say Piyu and Datin Ngooi Leng Swee (the “**Controlling Shareholders**”), who have entered into a confirmatory deed on 16 May 2018.

2. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“**IFRSs**”), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“**IASs**”) and Interpretations issued by the International Accounting Standards Board (“**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. Material accounting policy information adopted by the Group is disclosed below.

The IASB has issued certain amendments to IFRSs which are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from the initial application of these developments to the extent that they are relevant to the Group for the current accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 30 June 2025 comprise the Company and its subsidiaries (together referred to as the “**Group**”) and the Group’s interest in a joint venture.

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). The functional currency of the Company is Hong Kong dollars (“**HK\$**”) and the consolidated financial statements are presented in Malaysian Ringgit (“**RM**”), rounded to the nearest thousand, unless otherwise stated, as the Group’s principal activities were carried out in Malaysia and Singapore in which the management uses RM to control and monitor the performance and financial position of the Group.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that the investment properties, including interests in leasehold land and buildings held as investment properties where the Group is the registered owner of the property interest (see Note 2(g)), are stated at their fair value.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Basis of preparation of the financial statements (Continued)

The deposits placed for life insurance policies are carried at the cash surrender value of the policies.

Non-current assets classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell (see Note 2(x)).

Other than changes in accounting policies resulting from the application of new and amendments to IFRSs, the accounting policies and methods computation used in the consolidated financial statements for the year ended 30 June 2025 are the same as those presented in the preparation of the Group's annual financial statements for the year ended 30 June 2024.

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have a significant effect on the consolidated financial statements and key sources of estimation uncertainty are discussed in Note 4.

(c) Business combinations

(i) *Business combinations involving entities under common control*

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets and liabilities of the entities being combined are measured at their carrying amounts as recorded by the entities being combined at the combination date. The difference between the carrying amount of the net assets obtained and the amount of consideration paid for the combination (or the total face value of shares issued) is adjusted to equity. The combination date is the date on which one combining entity effectively obtains control of the other combining entities.

(ii) *Business combinations involving entities not under common control*

A business combination involving entities not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the business combination. The acquirer, at the acquisition date, allocates the cost of the business combination by recognising the acquiree's identifiable assets, liabilities and contingent liabilities at their fair value at that date.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("**NCI**") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. Loans from holders of NCI and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position depending on the nature of the liability.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(i)(ii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale) (see Note 2(x)).

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(e) Joint venture

A joint venture is an arrangement in which the Group or the Company has joint control, whereby the Group or the Company has the rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

An investment in a joint venture is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale) (see Note 2(x)). They are initially recorded at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the investee, until the date on which joint control ceases.

When the Group's share of losses exceeds its interest in the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the joint venture, after applying the expected credit loss ("ECL") model to such other long-term interests where applicable (see Note 2(i)(i)).

Unrealised gains arising from transactions with equity-accounted investee are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

(f) Property, plant and equipment

The following items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses (see Note 2(i)(ii)):

- interests in leasehold land and buildings where the Group is the registered owner of the property interest (see Note 2(h));
- right-of-use assets arising from leases over leasehold properties where the Group is not the registered owner of the property interest (see Note 2(h)); and
- items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see Note 2(h)).

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(f) Property, plant and equipment (Continued)

The estimated useful lives for the current and comparative periods are as follows:

Other properties leased for own use	Over the terms of the leases
Leasehold improvements	40%
Plant and machinery	20%
Motor vehicles	20%
Furniture, fittings and equipment	10% to 20%

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if appropriate.

(g) Investment properties

Investment properties are initially measured at cost, and subsequently at fair value with changes therein recognised in profit or loss.

Any gain or loss on disposal of investment property is recognised in profit or loss.

(h) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset, and a lease liability, except for leases that have a short lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalised, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability, and are charged to profit or loss as incurred.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(h) Leased assets (Continued)

(i) As a lessee (Continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Notes 2(f) and 2(i)(ii)), except for the following types of right-of-use asset:

- right-of-use assets that meet the definition of investment property are carried at fair value (see Note 2(g)); and
- right-of-use assets related to leasehold land and buildings where the Group is the registered owner of the leasehold interest are carried at cost (see Note 2(f)).

Refundable rental deposits are accounted for separately from the right-of-use assets (see Notes 2(i)(i) and 2(q)(i)(a)). Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its reassessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case, the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(h) Leased assets (Continued)

(ii) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with Note 2(q)(ii)(b).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in Note 2(h)(i), then the Group classifies the sub-lease as an operating lease.

(i) Credit loss and impairment of assets

(i) Credit losses from financial instruments and contract assets

The Group recognises a loss allowance for ECLs on:

- financial assets measured at amortised cost (including cash and cash equivalents, fixed deposits with maturity over three months, pledged bank deposits and trade and other receivables); and
- contract assets as defined in IFRS 15 (see Note 2(r)).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and exposed amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof; and
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(i) Credit loss and impairment of assets (Continued)

(i) Credit losses from financial instruments and contract assets (Continued)

Measurement of ECLs (Continued)

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This included both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 90 days past due.

The Group considers a financial instrument to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade".

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(i) Credit loss and impairment of assets (Continued)

(i) Credit losses from financial instruments and contract assets (Continued)

Significant increases in credit risk (Continued)

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group or terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset or contract asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the asset becomes two years past due or when the Group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(i) Credit loss and impairment of assets (Continued)

(ii) *Impairment of non-financial assets*

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment properties, contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s).

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For assets other than goodwill, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see Note 2(i)(i)).

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows. Cash and cash equivalents are assessed for ECLs (see Note 2(i)(i)).

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(l) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(m) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(t).

(n) Employee benefits

Short-term employee benefits and contributions to defined contribution retirement plans

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

(o) Income tax

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

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantially enacted at the reporting date. Current tax also includes tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(o) Income tax (Continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equable taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries and joint venture to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantially enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Where investment properties are carried at their fair value in accordance with Note 2(g), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date, unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(p) Provisions and contingent liabilities

General provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see Note 2(i)(ii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(q) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

(i) Revenue from contracts with customers

The Group is the principal for its revenue transactions and recognises revenue on a gross basis. In determining whether the Group acts as a principal or as an agent, it considers whether it obtains control of the products before they are transferred to the customers. Control refers to the Group's ability to direct the use of and obtain substantially all of the remaining benefits from the products.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties such as value added tax or other sales taxes.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(q) Revenue and other income (Continued)

(i) Revenue from contracts with customers (Continued)

(a) Construction contracts

The Group's construction activities under construction contracts with customers create or enhance assets controlled by the customers.

When the outcome of a construction contract can be reasonably measured, revenue from the contract is recognised over time during the construction process using the cost-to-cost method. Under the cost-to-cost method, revenue is recognised based on the proportion of the actual costs incurred relative to the estimated total costs to provide a faithful depiction of the transfer of those services.

The likelihood of the Group earning contractual bonuses for early completion or suffering contractual penalties for late completion are taken into account in making these estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The Group applies the most likely amount approach to estimate such variable consideration by considering the single most likely amount in a limited range of possible consideration amounts, taking into account the Group's current progress and future performance expectations compared to the agreed completion timeline.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

The Group's construction contracts include payment schedules which require stage payments over the construction period once milestones are reached and progress certificate was issued by customer. The Group also typically agrees to a retention period of 12 to 24 months for 5% to 10% of the contract value which the Group's entitlement to this final payment is conditional on the Group's work satisfactorily passing inspection. To the extent that the difference in timing arises for reasons other than the provision of finance, no financing component is deemed to exist. Otherwise, the Group has taken advantage of the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, then a provision is recognised in accordance with Note 2(p).

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(q) Revenue and other income (Continued)

(i) Revenue from contracts with customers (Continued)

(b) Marine transportation services

Revenue is recognised upon the transportation services have been provided to customers.

(c) Sales of goods and trading of marine gas oil

Revenue is recognised when the customer takes possession of and accepts the products.

(d) Other practical expedient applied

In addition, the Group has applied the following practical expedient:

- For sales contract that had an original expected duration of one year or less, the Group has not disclosed the information related to the aggregated amount of the transaction price allocated to the remaining performance obligations in accordance with paragraph 121(a) of IFRS 15.

(ii) Revenue from other sources and other income

(a) Interest income

Interest income is recognised using the effective interest method. The “effective interest rate” is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(b) Rental income from operating leases

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(q) Revenue and other income (Continued)

(ii) Revenue from other sources and other income (Continued)

(c) Dividends

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(r) Construction contracts

(i) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see Note 2(q)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see Note 2(i)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see Note 2(j)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(q)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable is also recognised (see Note 2(j)).

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see Note 2(q)(ii)(a)).

(ii) Contract costs

Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory, property, plant and equipment (see Note 2(f)) or intangible assets.

Incremental costs of obtaining a contract, for example, sales commission, are capitalised if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Otherwise, costs of fulfilling a contract, which are not capitalised as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(r) Construction contracts (Continued)

(ii) Contract costs (Continued)

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Amortisation of capitalised contract costs is recognised in profit or loss when the revenue to which the asset relates is recognised (see Note 2(q)(i)(a)).

(s) Translation of foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The functional currency of the Company is Hong Kong Dollars (“HK\$”). The assets and liabilities of foreign operations are translated into RM at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into RM at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the exchange reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control or joint control is lost, the cumulative amount in the exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the NCI shall be derecognised, but shall not be reclassified to profit or loss. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of a joint venture while retaining joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(t) Borrowing costs

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

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(u) Related parties

- a) A person, or a close member of that person's family, is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- b) An entity is related to the Group if any of the following conditions applies:
 - (i) The entity and the Group are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(v) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's board of directors (the chief operating decision maker) for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(v) Segment reporting (Continued)

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(w) Deposits placed for life insurance policies

The Group acquired key management insurance policies, which includes both investment and insurance elements. The life insurance policies are initially recognised at the amount of premium paid, and subsequently measured at each financial year end at its cash surrender value. Changes to the cash surrender value at each financial year end will be recognised in profit or loss as a gain or loss on deposits. In the event of death of the insured person, the surrender of the policies, or the policies matured, the deposits will be derecognised and any resulting gains or losses will be recognised in profit or loss.

(x) Non-current assets classified as held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

3. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

The Group has applied the following amendments to IFRSs issued by the IASB for the first time in the current year:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The Group's financial position and results of operations are sensitive to accounting methods, assumptions and estimates that underlie the preparation of the consolidated financial statements. Management bases the assumptions and estimates on historical experience and on other factors that the management believes to be reasonable and which form the basis for making judgments about matters that are not readily apparent from other sources. On an on-going basis, management evaluates its estimates. Actual results may differ from those estimates as facts, circumstances and conditions change.

The selection of material accounting policy information, the judgments and other uncertainties affecting the application of those policies and the sensitivity of reporting results to changes in conditions and assumptions are factors to be considered when reviewing the consolidated financial statements. The material accounting policy information are set out in Note 2 above. Management believes the following significant accounting policies involve the most significant judgments and estimates used in the preparation of the consolidated financial statements.

Key sources of estimation uncertainty

(i) *Revenue recognition from construction contracts*

As explained in accounting policy Note 2(q)(i)(a), revenue from construction contracts is recognised over time. Such revenue and profit recognition on uncompleted projects is dependent on estimating the total outcome of the contract, as well as the work done to date.

Based on the Group's recent experience and the nature of the construction activities undertaken by the Group, the Group has made estimates of the point at which it considered the work has sufficiently advanced such that the outcome of the contract can be reasonably measured. Until this point is reached the related contract assets disclosed in Note 18 do not include profit which the Group might eventually realise from the work done to date. In addition, actual outcomes in terms of total cost or revenue may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in the future years as an adjustment to the amounts recorded to date.

(ii) *Provision of expected credit losses on trade receivables and contract assets*

Trade receivables and contract assets are reviewed by management at the end of each reporting period to determine the expected credit losses. Expected credit losses on trade receivables and contract assets are estimated using a provision matrix which involved significant management judgement in estimating expected loss rate based on historical credit loss experience, adjusted for factors that are specific to the debtors and assessments of both current and forecasted general economic conditions. Credit risk assessments focus on the customers' past history of making payments when due and current ability and willingness to pay, taking into account the financial position of the customers and the macroeconomic environment in which the customers operate.

The assessment of the credit risk involves high degree of estimation and uncertainty. When the actual future cash flows are less than expected or more than expected, a material provision of expected credit losses or a material reversal of provision of expected credit losses may arise.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Key sources of estimation uncertainty (Continued)

(iii) Impairment of non-current assets

If circumstances indicate that the carrying amount of an asset may not be fully recoverable, the asset may be considered “impaired”, and an impairment loss may be recognised in accordance with accounting policy for impairment of assets as described in Note 2(i)(ii). The carrying amounts of assets are reviewed and tested for impairment, where applicable, periodically or whenever the events or changes in circumstances indicate that their recorded carrying amounts may not be recoverable. When such a decline has occurred, the carrying amount is reduced to recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and value in use. In determining the value in use, expected future cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to the level of revenue and amount of operating costs. Changes in these estimates could have a significant impact on the carrying value of the assets and could result in additional impairment charge or reversal of impairment in future periods, where applicable.

(iv) Determining the lease term

As explained in policy Note 2(h), a lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group’s operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group’s control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years.

Critical accounting judgements in applying the Group’s accounting policies

Recognition of income taxes and deferred tax assets

Determining income tax provision involves judgment on the future tax treatment of certain transactions. Management evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatments of such transactions are reconsidered periodically to take into account all changes in tax legislation. Deferred tax assets are recognised in respect of deductible temporary differences, unused tax losses and unused tax credits. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised, management’s judgment is required to assess the probability of future taxable profits. Management’s assessment is revised as necessary and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

5. REVENUE AND SEGMENT REPORTING

The principal activities of the Group are the provision of marine construction services, building and infrastructure services, and trading business of marine gas oil.

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or services lines is as follows:

	2025 RM'000	2024 RM'000
Revenue from contracts with customers within the scope of IFRS 15		
Construction contracts		
– Reclamation and related works	109,501	26,927
– Building and infrastructure	46,522	18,209
	156,023	45,136
Marine transportation	270,957	281,882
	426,980	327,018
Revenue from other source		
Marine gas oil	–	2,312
	426,980	329,330

Revenue from construction contracts is recognised over time, while revenue from marine transportation and marine gas oil are recognised at a point in time.

As at 30 June 2025, the aggregate amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is approximately RM610,938,000 (2024: RM919,162,000). This amount represents revenue expected to be recognised in future from construction contracts and marine transportation contracts entered into between the customers and the Group. The Group will recognise the expected revenue in future when or as the work is completed, which is expected to be during the years ending 30 June 2026 to 30 June 2029.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

5. REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the board of directors of the Company, being the chief operating decision maker (the “**CODM**”), for the purpose of allocating resources to segments and assessing their performance.

For management purpose, the Group is organised into business units based on their products and services and has four reportable segments as follows:

Marine construction services

- Reclamation and related works, which includes land reclamation and other marine civil works. Reclamation may involve soil investigation, hydrographic survey, pre-reclamation design, sand handling/filling, ground treatment, sand surcharge removal work and other related works. Marine civil works generally include construction of jetty, channel-crossing works, maintenance dredging and river diversion.
- Marine transportation, which involves transportation of marine sand and the filling material normally used in land reclamation, including the loading of marine sand extracted from the approved sand source onto sand carriers and carriage and delivery of marine sand to designated sites where the marine sand is unloaded to be used for land reclamation.

Building and infrastructure services

- General building works in construction of properties and infrastructure works.

Trading business of marine gas oil

- The trading of marine gas oil.

The accounting policies of the reportable segments are the same as the Group’s accounting policies described in Note 2. Segment profit/(loss) represents the profit/(loss) earned by each segment without allocation of central administrative and corporate expenses, unallocated other revenue and other net income, finance costs and share of loss of a joint venture. This is the measure reported to the CODM, for the purposes of resources allocation and performance assessment. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

No segment assets and liabilities are presented as they were not regularly provided to the CODM for the purpose of resources allocation and performance assessment.

Information regarding the above segments is reported below.

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For the year ended 30 June 2025

5. REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (Continued)

The following is an analysis of the Group's revenue and results by reportable segments:

For the year ended 30 June 2025

	Marine construction			
	Reclamation and related works RM'000	Marine transportation RM'000	Building and infrastructure RM'000	Total RM'000
Reportable segment revenue	109,501	270,957	46,522	426,980
Reportable segment profit/(loss)	9,561	12,462	(32)	21,991
Unallocated central administrative and corporate expenses				(19,255)
Unallocated other revenue and other net income				828
Finance costs				(639)
Share of loss of a joint venture				(8)
Profit before taxation				2,917
Other segment information				
Depreciation	96	48	-	144
Allowance/(reversal) for impairment loss on trade receivables and contract assets	2,094	28	(514)	1,608
(Gain) on disposal of deposits paid for acquisition of investment properties	-	-	(1,339)	(1,339)
(Gain) on disposal of a non-wholly owned subsidiary	(572)	-	-	(572)

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

5. REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (Continued)

The following is an analysis of the Group's revenue and results by reportable segments (Continued):

For the year ended 30 June 2024

	Marine construction				
	Reclamation and related works RM'000	Marine transportation RM'000	Building and infrastructure RM'000	Marine gas oil RM'000	Total RM'000
Reportable segment revenue	<u>26,927</u>	<u>281,882</u>	<u>18,209</u>	<u>2,312</u>	<u>329,330</u>
Reportable segment profit/(loss)	<u>8,535</u>	<u>6,943</u>	<u>(980)</u>	<u>193</u>	14,691
Unallocated central administrative and corporate expenses					(12,882)
Unallocated other revenue and other net income					2,401
Finance costs					(963)
Share of loss of a joint venture					(21)
Profit before taxation					<u>3,226</u>
Other segment information					
Depreciation	170	16	–	–	186
(Reversal)/allowance for impairment loss on trade receivables and contract assets	(4,938)	(974)	181	(5)	(5,736)
(Gain) on disposal of deposits paid for acquisition of investment properties	(175)	–	(139)	–	(314)
(Reversal) for impairment loss on deposits paid for acquisition of investment properties	(48)	–	(133)	–	(181)

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

5. REVENUE AND SEGMENT REPORTING (CONTINUED)

Geographical information

The following is an analysis of geographical location of (a) the Group's revenue from external customers; and (b) the Group's property, plant and equipment, investment properties, deposits paid for acquisition of investment properties, deposits placed for life insurance policies and interest in a joint venture. The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of property, plant and equipment, investment properties, deposits paid for acquisition of investment properties and deposits placed for life insurance policies are based on the physical location of the asset under consideration. In the case of interest in a joint venture, it is the location of operations of such joint venture.

(a) Revenue from external customers

	2025 RM'000	2024 RM'000
Malaysia (place of domicile)	156,023	45,136
Singapore	270,957	284,194
	<u>426,980</u>	<u>329,330</u>

(b) Non-current assets

	2025 RM'000	2024 RM'000
Malaysia (Note)	30,236	47,386
Singapore	72	62
Hong Kong	146	80
	<u>30,454</u>	<u>47,528</u>

Note: Non-current assets exclude those related to non-current assets classified as held for sale.

Information about major customers

Revenue from customers contributing individually 10% or more of the Group's revenue is as follows:

	2025 RM'000	2024 RM'000
Customer i ¹	270,957	281,882
Customer ii ²	85,876	N/A*
Customer iii ³	43,668	N/A*
	<u>400,501</u>	<u>281,882</u>

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

5. REVENUE AND SEGMENT REPORTING (CONTINUED)

Information about major customers (Continued)

- ¹ Revenue from the Group's marine construction services – marine transportation services.
- ² Revenue from the Group's marine construction services – reclamation and related works.
- ³ Revenue from the Group's building and infrastructure services.
- * The corresponding revenue did not contribute 10% or more of the Group's revenue.

6. OTHER REVENUE AND OTHER NET INCOME

	2025 RM'000	2024 RM'000
Other revenue		
Handling service fee on provision of marine transportation services	2,191	2,831
Interest income on financial assets measured at amortised cost	1,216	2,417
Interest income on trade receivables owing from a customer	2,074	–
Imputed interest income on contract assets	–	516
Handling service fee on provision of diesel	10	74
Others	169	7
	<u>5,660</u>	<u>5,845</u>
Other net income		
Gain on disposal of deposits paid for acquisition of investment properties	1,339	314
Gain on disposal of a non-wholly owned subsidiary	572	–
Net foreign exchange gain/(loss)	259	(51)
Gain on deposits placed for life insurance policies	16	16
Gain on partial disposal of a joint venture	11	–
Gain on disposal of property, plant and equipment	2	14
Fair value loss on investment properties	(700)	–
Reversal for impairment loss on deposits paid for acquisition of investment properties	–	181
	<u>1,499</u>	<u>474</u>

7. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs

	2025 RM'000	2024 RM'000
Interest on bank loans	604	865
Imputed interest on contract assets	–	71
Interest on lease liabilities (Note 13)	35	27
	<u>639</u>	<u>963</u>
Total interest expenses on financial liabilities not at fair value through profit or loss		

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

7. PROFIT BEFORE TAXATION (CONTINUED)

Profit before taxation is arrived at after charging/(crediting) (Continued):

(b) Staff costs (including directors' emoluments)

	2025 RM'000	2024 RM'000
Salaries, wages and other benefits	10,711	9,636
Contributions to defined contribution retirement plan (Note 36)	1,094	891
	11,805	10,527
Less: Amount included in direct costs	(280)	(941)
	11,525	9,586

(c) Other items

	2025 RM'000	2024 RM'000
Depreciation charge (Note 13)		
– owned property, plant and equipment	374	371
– right-of-use assets	143	124
	517	495
Less: Amount included in direct costs	–	(4)
	517	491
Short-term lease expenses (Note 13)	1,214	939
Less: Amount included in direct costs	(1,044)	(738)
	170	201
Allowance/(reversal) for impairment loss on trade receivables and contract assets	1,608	(5,736)
Auditors' remuneration	408	396
(Gain) on disposal of deposits paid for acquisition of investment properties	(1,339)	(314)
(Gain) on disposal of a non-wholly owned subsidiary (Note 33)	(572)	–
Net foreign exchange (gain)/loss	(259)	51
(Gain) on deposits placed for life insurance policies (Note 16(b))	(16)	(16)
(Gain) on partial disposal of a joint venture (Note 15)	(11)	–
(Gain) on disposal of property, plant and equipment	(2)	(14)
Fair value loss on investment properties (Note 14)	700	–
(Reversal) for impairment loss on deposits paid for acquisition of investment properties	–	(181)

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

8. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

For the year ended 30 June 2025

	Directors' fees RM'000	Salaries, allowances and benefits in kind RM'000	Discretionary bonus RM'000	Contributions to defined contribution plan RM'000	Total RM'000
Executive directors					
Dato' Ng Say Piyu (<i>Chairman</i>)	67	432	108	65	672
Mr. Lam Fung Eng	67	324	81	49	521
Mr. Ng Chong Boon	67	324	81	49	521
Non-executive director					
Datin Ngooi Leng Swee	67	–	–	–	67
Independent non-executive directors					
Mr. Tai Lam Shin (Note v)	67	–	–	–	67
Ms. Chan Pui Kwan	67	–	–	–	67
Mr. Chan Tsun Choi, Arnold	67	–	–	–	67
	<u>469</u>	<u>1,080</u>	<u>270</u>	<u>163</u>	<u>1,982</u>

For the year ended 30 June 2024

	Directors' fees RM'000	Salaries, allowances and benefits in kind RM'000	Discretionary bonus RM'000	Contributions to defined contribution plan RM'000	Total RM'000
Executive directors					
Dato' Ng Say Piyu (<i>Chairman</i>)	72	432	36	56	596
Mr. Lam Fung Eng	72	261	50	37	420
Mr. Ng Chong Boon	72	261	50	37	420
Non-executive director					
Datin Ngooi Leng Swee	72	–	–	–	72
Independent non-executive directors					
Mr. Tai Lam Shin	72	–	–	–	72
Ms. Chan Pui Kwan	72	–	–	–	72
Mr. Chan Tsun Choi, Arnold	72	–	–	–	72
	<u>504</u>	<u>954</u>	<u>136</u>	<u>130</u>	<u>1,724</u>

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

8. DIRECTORS' EMOLUMENTS (CONTINUED)

Notes:

- (i) The emoluments of executive directors of the Company shown above were for their services as directors of the Company and its subsidiaries. The emoluments of the non-executive director and independent non-executive directors of the Company were for their services as directors of the Company.
- (ii) No director received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office during the years ended 30 June 2025 and 2024. No director waived or agreed to waive any emoluments during the years ended 30 June 2025 and 2024.
- (iii) Executive and non-executive directors of the Company are entitled to discretionary bonus payments which are determined with reference to the operating results of the Group, salaries paid by comparable companies and individual performance of the director.
- (iv) The Company has no position as the chief executive officer. The day-to-day management of the Group's business is handled by the executive directors of the Company and senior management collectively.
- (v) Mr. Tai Lam Shin was designated as the lead independent non-executive director of the Company on 24 April 2025.

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, 3 (2024: 3) are directors of the Company whose emoluments are disclosed in Note 8. The aggregate of the emoluments of the remaining 2 (2024: 2) individuals are as follows:

	2025 RM'000	2024 RM'000
Salaries, allowances and benefits in kind	1,202	1,181
Discretionary bonus	300	281
Contributions to defined contribution retirement plan	65	73
	<u>1,567</u>	<u>1,535</u>

The emoluments of the 2 (2024: 2) individuals with the highest emoluments are within the following bands:

	2025 Number of individuals	2024 Number of individuals
HK\$Nil to HK\$1,000,000	—	—
HK\$1,000,001 to HK\$1,500,000	<u>2</u>	<u>2</u>

No emoluments were paid or payable by the Group to these employees as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 30 June 2025 (2024: nil).

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For the year ended 30 June 2025

10. DIVIDENDS

The board of directors of the Company does not recommend to declare any final dividend for the year ended 30 June 2025 (2024: nil).

11. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Income tax in the consolidated statement of profit or loss and other comprehensive income represents:

	2025 RM'000	2024 RM'000
Current tax		
Malaysia corporate income tax	163	10
Singapore corporate income tax	1,587	954
	1,750	964
Over provision in prior years	(130)	(143)
Deferred tax (Note 25(b))		
Origination and reversal of temporary differences	42	11
Income tax expenses for the year	1,662	832

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.
- (ii) No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the years ended 30 June 2025 and 2024.
- (iii) Corporate income tax in Malaysia is calculated at the statutory rate of 24% of the estimated taxable profit for the years ended 30 June 2025 and 2024.
- (iv) Corporate income tax in Singapore is calculated at the statutory rate of 17% of the estimated taxable profit for the years ended 30 June 2025 and 2024. 75% of the chargeable income of first Singapore dollars ("SGD") 10,000 and 50% of the chargeable income of next SGD190,000 are exempted under Inland Revenue Authority of Singapore's partial tax exemption scheme for the years ended 30 June 2025 and 2024.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

11. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

(b) Reconciliation between tax expenses and accounting profit at applicable tax rates:

	2025 RM'000	2024 RM'000
Profit before taxation	<u>2,917</u>	<u>3,226</u>
Notional tax on profit before taxation, calculated at the rates applicable to the profit in the countries concerned	112	453
Tax effect of non-deductible expenses	1,691	896
Tax effect on non-taxable income	(552)	(337)
Tax effect of tax loss not recognised	–	1,517
Utilisation of tax losses previously not recognised	–	(183)
Tax effect of tax exemptions	(58)	(61)
Over provision in prior years	(130)	(143)
Others	<u>599</u>	<u>(1,310)</u>
	<u>1,662</u>	<u>832</u>

12. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the consolidated profit attributable to owners of the Company of approximately RM1,331,000 (2024: RM2,994,000) and the weighted average of 500,000,000 ordinary shares (2024: 500,000,000 ordinary shares) in issue during the year ended 30 June 2025.

(b) Diluted earnings per share

The diluted earnings per share is the same as the basic earnings per share as there were no dilutive potential ordinary shares in existence during the years ended 30 June 2025 and 2024.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

13. PROPERTY, PLANT AND EQUIPMENT

	Other properties leased for own use RM'000	Leasehold improvements RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
Cost:						
At 1 July 2023	308	490	24,479	2,482	2,149	29,908
Exchange realignments	2	–	–	1	–	3
Additions	163	–	–	543	143	849
Transfers	–	–	–	–	92	92
Disposals	(140)	–	–	(206)	–	(346)
At 30 June 2024	333	490	24,479	2,820	2,384	30,506
At 1 July 2024	333	490	24,479	2,820	2,384	30,506
Exchange realignments	(19)	–	–	(2)	(3)	(24)
Additions	152	–	151	159	439	901
Disposals	(151)	–	–	(80)	–	(231)
Disposals through disposal of a non-wholly owned subsidiary	–	(261)	(24,417)	(370)	(248)	(25,296)
At 30 June 2025	315	229	213	2,527	2,572	5,856
Accumulated depreciation:						
At 1 July 2023	121	415	24,449	2,445	1,589	29,019
Exchange realignments	1	–	–	–	–	1
Depreciation for the year	124	56	8	91	216	495
Disposals	(140)	–	–	(206)	–	(346)
At 30 June 2024	106	471	24,457	2,330	1,805	29,169
At 1 July 2024	106	471	24,457	2,330	1,805	29,169
Exchange realignments	(14)	–	–	–	(1)	(15)
Depreciation for the year	143	11	26	135	202	517
Disposals	(151)	–	–	(80)	–	(231)
Disposals through disposal of a non-wholly owned subsidiary	–	(256)	(24,398)	(369)	(228)	(25,251)
At 30 June 2025	84	226	85	2,016	1,778	4,189
Carrying amount:						
At 30 June 2025	231	3	128	511	794	1,667
At 30 June 2024	227	19	22	490	579	1,337

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Right-of-use assets

The analysis of the carrying amount of right-of-use assets by class of underlying asset is as follows:

	2025 RM'000	2024 RM'000
Other properties leased for own use, carried at depreciated cost	231	227
Motor vehicles, carried at depreciated cost	539	451
	<u>770</u>	<u>678</u>

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2025 RM'000	2024 RM'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Other properties leased for own use	143	124
Motor vehicles	88	71
	<u>231</u>	<u>195</u>
Interest on lease liabilities (Note 7(a))	35	27
Expense relating to short-term leases and other leases with remaining lease term ending within 12 months after the end of reporting period (Note 7(c))	<u>1,214</u>	<u>939</u>

During the year ended 30 June 2025, additions to right-of-use assets were approximately RM264,000 (2024: RM623,000). This amount included the purchase of one (2024: two) motor vehicle(s) of approximately RM112,000 (2024: RM460,000), and the remainder primarily related to the capitalised lease payments payable under 1 (2024: 2) new tenancy agreement(s).

The Group regularly entered into short-term leases for office premises, staff quarters, motor vehicles, machineries and space for parking. As at 30 June 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of leases for which the short-term leases expense was recognised during the year.

The maturity analysis of lease liabilities and future cash outflows arising from leases that are not yet commenced are set out in Notes 24 and 27(b).

The total cash outflow for leases during the year ended 30 June 2025 was RM1,529,000 (2024: RM1,270,000).

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13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Right-of-use assets (Continued)

(i) Other properties leased for own use

The Group has obtained the right to use other properties as its office premises through tenancy agreements. The leases typically run for an initial period ranging from 2 to 3 years.

Some leases include an option to renew the lease for an additional period after the end of the contract term. Where practicable, the Group seeks to include such extension options exercisable by the Group to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. If the Group is not reasonably certain to exercise the extension options, the future lease payments during the extension periods are not included in the measurement of lease liabilities.

(ii) Other leases

The Group leases office premises, staff quarters, motor vehicles, machineries and space for parking under leases expiring from 1 to 12 months. Some leases include an option to renew the lease when all terms are renegotiated, while some include an option to purchase the leased equipment at the end of the lease term at a price deemed to be a bargain purchase option. None of the leases includes variable lease payments.

14. INVESTMENT PROPERTIES

	RM'000
At 1 July 2023 and 30 June 2024	2,200
Fair value adjustment (Note 7(c))	(700)
Reclassified as assets held for sale	(1,500)
At 30 June 2025	—

Fair value measurement of properties

(i) Fair value hierarchy

The following table presents the fair value of the Group's properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13 Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs that is, unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

14. INVESTMENT PROPERTIES (CONTINUED)

Fair value measurement of properties (Continued)

(i) Fair value hierarchy (Continued)

- Level 2 valuations: Fair value measured using Level 2 inputs that is, observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available; and
- Level 3 valuations: Fair value measured using significant unobservable inputs.

	Fair value at 30 June 2025 RM'000	Fair value measurements as at 30 June 2025 categorised into		
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Recurring fair value measurement				
Investment properties:				
– Commercial – Malaysia	-	-	-	-

	Fair value at 30 June 2024 RM'000	Fair value measurements as at 30 June 2024 categorised into		
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Recurring fair value measurement				
Investment properties:				
– Commercial – Malaysia	2,200	-	2,200	-

During the year ended 30 June 2025, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2024: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's investment properties were revalued as at 30 June 2024. The valuations were carried out by an independent firm, Knight Frank Malaysia Sdn. Bhd. who has among its valuers registered with The Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia, with recent experience in the location and category of properties being valued. The Group's management have discussion with the surveyors on the valuation assumptions and valuation results when the valuation is performed and each interim and annual reporting date.

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14. INVESTMENT PROPERTIES (CONTINUED)

Fair value measurement of properties (Continued)

(ii) Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of investment properties located in Malaysia is determined using market comparison approach by reference to recent sales price of comparable properties on a price per square foot basis, adjusted to reflect the locations and conditions of the subject properties, using market data which is publicly available.

As at 30 June 2024, all (2025: nil) investment properties have been pledged to a bank as security for bank facilities granted to the Group.

15. INTEREST IN A JOINT VENTURE

	2025 RM'000	2024 RM'000
Cost of investment in an unlisted joint venture	188	450
Share of post-acquisition loss and other comprehensive loss, net of dividends received	(92)	(207)
	<u>96</u>	<u>243</u>

The joint venture is accounted for using the equity method in these consolidated financial statements.

The followings are the particulars of a joint venture which is an unlisted corporate entity whose quoted market price is not available:

Name of company	Place of incorporation and business	Class of shares held	Particulars of issued and paid up capital	Percentage of						Principal activity
				Ownership interest		Voting power		Profit sharing		
				2025	2024	2025	2024	2025	2024	
JBB Kimlun Sdn. Bhd. ("JBB Kimlun")	Malaysia	Ordinary	RM750,000	25%	60%	50%	50%	25%	60%	Building construction

JBB Kimlun was incorporated on 2 May 2017 and the Group's interest in this joint venture is held indirectly by the Company. The Group, together with its joint venture partner, intend to carry out general building construction services.

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For the year ended 30 June 2025

15. INTEREST IN A JOINT VENTURE (CONTINUED)

Pursuant to a shareholders' agreement dated 3 May 2017 and its supplemental agreements dated 9 May 2017, 16 May 2017 and 31 March 2019 respectively entered into between the Group and a joint venture partner (the "**Parties**"), decisions about the relevant activities of JBB Kimlun require the unanimous consent of the Parties. As such, the interest of the Group in JBB Kimlun is considered to be a joint venture despite that the Group holds more than half of the equity interest therein.

During the year ended 30 June 2025, the Group entered into a share sale agreement to dispose 35% shareholdings of JBB Kimlun to a Malaysia incorporated limited company independent to the Group with consideration of RM150,000. The net assets of JBB Kimlun before the disposal was approximately RM397,000. A gain on disposal of approximately RM11,000 (Note 7(c)) was recognised. As at 30 June 2025, the Group had 25% interests in JBB Kimlun and JBB Kimlun remains as the joint venture of the Group.

Information of joint venture, JBB Kimlun, that is not individually material:

	2025 RM'000	2024 RM'000
Carrying amount of the Group's interest in this joint venture	96	243
The Group's share of (loss) for the year	(8)	(21)
The Group's share of other comprehensive income	—	—
The Group's share of total comprehensive (expenses)	(8)	(21)

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

16. DEPOSITS

(a) Deposits paid for acquisition of investment properties

- (i) During the year ended 30 June 2025, the Group disposed 7 properties located in the area of Mukim of Plentong, District of Johor Bahru, State of Johor, Malaysia to 7 independent third parties to the Group, amounted to approximately RM16,412,000 in aggregate, including 2 sales and purchase agreements entered into by the Group during the year ended 30 June 2024.

A net gain on disposal of approximately RM1,339,000 was recognised and the carrying amount of the deposits paid for acquisition of the abovementioned properties amounted to approximately RM15,073,000 was recognised during the year ended 30 June 2025.

- (ii) During the year ended 30 June 2025, the Group entered into 4 sales and purchase agreements to dispose 4 properties located in the area of Mukim of Plentong, District of Johor Bahru, State of Johor, Malaysia to 4 independent third parties to the Group, amounted to approximately RM9,488,000 in aggregate, conditional upon obtaining the foreign consent from the State Authority of Johor given that the purchasers are the foreigners of Malaysia. The carrying amount of the deposits paid for the abovementioned properties amounted to approximately RM8,306,000 was included in the balances as at 30 June 2025. Such balances will be derecognised upon obtaining each of the respective foreign consent.
- (iii) During the year ended 30 June 2024, the Group disposed 5 properties located in the area of Mukim of Plentong, District of Johor Bahru, State of Johor, Malaysia and 8 properties located in the area of Mukim of Tebrau, District of Johor Bahru, State of Johor, Malaysia to 13 independent third parties to the Group, amounted to approximately RM13,028,000 in aggregate.

During the year ended 30 June 2024, the Group entered into a contra agreement with Kimlun Sdn. Bhd., a connected party at subsidiary level, pursuant to which trade payables due to Kimlun Sdn. Bhd. by the Group with total amount of approximately RM1,180,000 are deemed to be settled by the assignment of a property beneficially owned by the Group under a deed of settlement dated 19 February 2020. Such transaction constitutes connected transaction as defined under Chapter 14A of the Listing Rules. However, such transaction is fully exempt from all disclosure and independent shareholders' approval requirements under Chapter 14A of the Listing Rules as (i) the transaction is conducted on normal commercial terms or better; and (ii) the transaction is de minimis under Rule 14A.76(1) of the Listing Rules.

A net gain on disposal (including reversal for impairment loss provided in earlier years) of approximately RM495,000 was recognised and the carrying amount of the deposits paid for the acquisition of the abovementioned properties amounted to approximately RM13,713,000 was derecognised during the year ended 30 June 2024.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

16. DEPOSITS (CONTINUED)

(a) Deposits paid for acquisition of investment properties (Continued)

- (iv) During the year ended 30 June 2024, the Group entered into 2 sales and purchase agreements to dispose 2 properties located in the area of Mukim of Plentong, District of Johor Bahru, State of Johor, Malaysia to 2 independent third parties to the Group, amounted to approximately RM4,580,000 in aggregate, conditional upon obtaining the foreign consent from the State Authority of Johor given that the purchasers are the foreigners of Malaysia. The carrying amount of the deposits paid for the abovementioned properties amounted to approximately RM4,207,000 was included in the balances as at 30 June 2024. Such balances will be derecognised upon obtaining each of the respective foreign consent.

During the year ended 30 June 2024, reversal for impairment loss on deposits paid for acquisition of investment properties of approximately RM181,000 (2025: nil) has been recognised. The valuations of recoverable amount of deposits paid for acquisition of investment properties (excluding those entered into the sale and purchase agreements while pending the foreign consent to be obtained from the State Authority of Johor) as at 30 June 2025 and 2024 were carried out by an independent firm, Knight Frank Malaysia Sdn. Bhd., who has among its valuers registered with The Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia, with recent experience in the location and category of properties being valued. The recoverable amount of deposits paid for acquisition of investment properties located in Malaysia is determined using market comparison approach by reference to recent sales price of comparable properties on a price per square foot basis, adjusted to reflect the locations and conditions of the subject properties, using market data which is publicly available.

As at 30 June 2025, the amount of deposits paid for acquisition of investment properties represents the consideration paid for the acquisition of 34 (2024: 41) investment properties in Malaysia. As the legal titles in respect of those investment properties had not been vested in the Group as of the end of each reporting period, the payments made were accounted as deposits paid.

	2025		2024	
	No.	RM'000	No.	RM'000
At 1 July	41	42,710	55	56,423
Disposals	(7)	(15,073)	(14)	(13,713)
Impairment loss	N/A	–	N/A	–
At 30 June	34	27,637	41	42,710

As at 30 June 2025, deposits paid for acquisition of investment properties of approximately RM12,911,000 (2024: RM12,911,000) have been pledged to a bank as security for a bank facility granted to the Group.

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For the year ended 30 June 2025

16. DEPOSITS (CONTINUED)

(b) Deposits placed for life insurance policies

	RM'000
At 1 July 2023	1,022
Gain on deposits placed for life insurance policies (Note 7(c))	16
At 30 June 2024	1,038
Gain on deposits placed for life insurance policies (Note 7(c))	16
At 30 June 2025	1,054

During the year ended 30 June 2021, a life insurance policy (the “**Policy 2021**”) was taken to insure an executive director of the Company (the “**Insured Person**”). Under the Policy 2021, the beneficiary is a bank (the “**Bank**”) and the total insured sum is approximately RM3,200,000. At the inception of the Policy 2021, the Group paid an upfront payment of approximately RM804,000. For any insured events happened to the Insured Person, the insured sum will first be used to settle the outstanding bank loans of the Group to the Bank, and thereafter any excess portion will be payable to the Group. The Bank will pay the Group a variable return per annum afterwards (with no minimum return guaranteed) during the effective period of the Policy 2021. The Policy 2021 can be withdrawn at any time with surrender charges if such withdrawal occurs before the 10th anniversary from date of inception and a cash refund will be received based on the cash surrender value of the Policy 2021, which is determined by the gross premium paid plus accumulated return earned and minus any charges made in accordance with the terms and conditions of the Policy 2021, at the date of withdrawal. The Policy 2021 exposes the Group to significant insurance risk.

During the year ended 30 June 2020, a life insurance policy (the “**Policy 2020**”) was taken to insure the Insured Person. Under the Policy 2020, the beneficiary is the Bank and the total insured sum is approximately RM1,610,000. At the inception of the Policy 2020, the Group paid an upfront payment of approximately RM401,000. For any insured events happened to the Insured Person, the insured sum will first be used to settle the outstanding bank loans of the Group to the Bank and thereafter any excess amount will be payable to the Group. The Policy 2020 can be withdrawn at any time with surrender charges if such withdrawal occurs before the 10th anniversary from the date of inception and a cash refund will be received based on the cash surrender value of the Policy 2020 at the date of withdrawal.

As at 30 June 2025 and 2024, the directors of the Company expect that the Policy 2021 and Policy 2020 will be terminated at the 10th anniversary from the date of inception and there will be no specific surrender charges in accordance with the terms of the Policy 2021 and Policy 2020. The directors of the Company consider that the expected life of the Policy 2021 and Policy 2020 will remain unchanged from initial recognition.

In the event of death of the Insured Person, the deposits will be derecognised and any resulting gains or losses will be recognised in profit or loss.

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For the year ended 30 June 2025

17. TRADE AND OTHER RECEIVABLES

	Note	2025 RM'000	2024 RM'000
Trade receivables	(i)	144,119	88,571
Less: allowance for doubtful debts (Note 27(a))		(9,471)	(7,396)
	(ii)	134,648	81,175
Deposits, prepayments and other receivables	(iii), (iv)	3,950	9,917
Other receivables from disposal of deposits paid for acquisition of investment properties	(iii)	9,388	1,327
		147,986	92,419

Notes:

- (i) As at 30 June 2025, trade receivables of approximately RM3,305,000 (2024: RM2,940,000) and contract assets of approximately RM33,000 (2024: RM420,000) as disclosed in note 18(a) owing from a customer are secured by the original issue documents of strata/individual titles and other transfer documents pertaining to 3 (2024: 9) properties of total net price of approximately RM7.0 million (2024: RM20.6 million) being held in escrow by the Group's solicitor pursuant to the master supplemental agreement dated 22 June 2022.
- (ii) All of the trade receivables are expected to be recovered within one year.
- (iii) The amount of deposits, prepayments and other receivables and other receivables from disposal of deposits paid for acquisition of investment properties are expected to be recovered or recognised as expenses within one year.
- (iv) As at 30 June 2025, the amount of deposits, prepayments and other receivables included amount due from a related company of approximately RM60,000 (2024: RM60,000), in which a key management personnel of the Group has controlling interest. The amount was unsecured, non-trade nature and repayable on demand.

Aging analysis of trade receivables

As at the end of the reporting period, the aging analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	2025 RM'000	2024 RM'000
Within 30 days	39,503	31,355
31 to 60 days	50,128	32,293
61 to 90 days	13,563	15,364
Over 90 days	31,454	2,163
	134,648	81,175

Trade receivables are generally due within 30 to 90 days from the date of invoice. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 27(a).

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For the year ended 30 June 2025

18. CONSTRUCTION CONTRACTS

(a) Contract assets

Amounts represent the Group's rights to considerations from customers for the provision of marine construction services and building and infrastructure services, which arise when: (i) the Group completed the relevant services under such contracts; and (ii) the customers withhold certain amounts payable to the Group as retention money to secure the due performance of the contracts for a period of generally 12 to 24 months (defect liability period) after completion of the relevant works. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it becomes unconditional and is invoiced to the customer.

The Group's contract assets are analysed as follows:

	Note	2025 RM'000	2024 RM'000
Contract assets	(i)		
Arising from performance under construction contracts		4,455	3,496
Retention receivables		24,235	29,224
		<u>28,690</u>	<u>32,720</u>
Gross carrying amount	(ii)	28,881	33,401
Less: loss allowance (Note 27(a))		(191)	(681)
		<u>28,690</u>	<u>32,720</u>
Receivables from contracts with customers within the scope of IFRS 15, which are included in "Trade and other receivables" (Note 17)		<u>134,648</u>	<u>81,175</u>

Notes:

- (i) As at 30 June 2025, the amount of approximately RM20,162,000 (2024: RM2,095,000) included in the contract assets are expected to be recovered after more than one year, all of which related to retention receivables. All of the other contract assets are expected to be recovered within one year.
- (ii) As at 30 June 2025, trade receivables of approximately RM3,305,000 (2024: RM2,940,000) as disclosed in note 17 and contract assets of approximately RM33,000 (2024: RM420,000) owing from a customer are secured by the original issue documents of strata/individual titles and other transfer documents pertaining to 3 (2024: 9) properties of total net price of approximately RM7.0 million (2024: RM20.6 million) being held in escrow by the Group's solicitor pursuant to the master supplemental agreement dated 22 June 2022.

Typical payment terms which impact on the amount of contract assets recognised are as follows:

The Group's construction contracts include payment schedules which require stage payments over the construction period once milestones are reached and progress certificate was issued by customer. The Group also typically agrees to a retention period of 12 to 24 months for 5% to 10% of the contract value. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on the Group's work satisfactorily passing inspection.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

18. CONSTRUCTION CONTRACTS (CONTINUED)

(a) Contract assets (Continued)

The changes in contract assets are due to (i) adjustments arising from changes in the measure of progress of contracting work; and (ii) reclassification to trade receivables when the Group has unconditional right to the consideration for the year ended 30 June 2025.

(b) Contract liabilities

	2025 RM'000	2024 RM'000
Contract liabilities		
Construction contracts		
— Billings in advance of performance	13,793	5,113

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

When the Group receives a deposit before the production activity commences this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the project exceeds the amount of the deposit. The amount of the deposit, if any, was negotiated on a case by case basis with customers.

Movements in contract liabilities

	2025 RM'000	2024 RM'000
At beginning of the year	5,113	—
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(5,113)	—
Increase in contract liabilities as a result of billing in advance of construction activities	13,793	5,113
At the end of the year	13,793	5,113

All of the contract liabilities are expected to be recognised as income within one year.

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For the year ended 30 June 2025

19. FIXED DEPOSITS WITH MATURITY OVER THREE MONTHS AND PLEDGED BANK DEPOSITS

(a) Fixed deposits with maturity over three months

As at 30 June 2025, the weighted average effective interest rate of the Group's fixed deposits with maturity over three months was 3.9% (2024: nil) per annum.

(b) Pledged bank deposits

- i Pledged bank deposits have been pledged to banks as security for banking facilities granted to the Group.
- ii The effective interest rates of the pledged bank deposits are as follow:

	2025	2024
Pledged bank deposits	1.54%	1.70%

20. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents comprise:

	2025 RM'000	2024 RM'000
Deposits with banks	34,518	54,946
Cash and bank balances	36,933	39,149
Cash and cash equivalents in the consolidated statement of cash flows	71,451	94,095

(b) Reconciliation of liabilities arising from financing activities

	Lease liabilities RM'000	Bank loans RM'000	Total RM'000
At 1 July 2024	721	10,458	11,179
Exchange realignments	(5)	–	(5)
Non-cash – new lease liabilities	264	–	264
Non-cash – interest cost	35	604	639
Cash flow – financing activities	(315)	(4,678)	(4,993)
At 30 June 2025	700	6,384	7,084
At 1 July 2023	400	14,181	14,581
Exchange realignments	2	–	2
Non-cash – new lease liabilities	623	–	623
Non-cash – interest cost	27	865	892
Cash flow – financing activities	(331)	(4,588)	(4,919)
At 30 June 2024	721	10,458	11,179

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

21. ASSETS CLASSIFIED AS HELD FOR SALE

On 30 June 2025, the Group entered into sale and purchase agreements to dispose investment properties to 2 independent third parties to the Group, amounted to RM1,500,000 in aggregate.

Investment properties amounted to RM2,200,000 were reclassified as assets held for sale amounted to RM1,500,000, resulting in a fair value loss of RM700,000, being the difference between the proceeds of disposal of RM1,500,000 and the carrying amount of the investment properties of RM2,200,000.

The disposal is consistent with the Group's long-term policy to focus its activities on the Group's construction businesses. The disposal, which are expected to be completed upon the receipt of the consideration of the investment properties from the purchasers and completion of the registration of the title of investment properties under the land registry (i.e. within 12 months), have been classified as assets held for sale and presented separately in the consolidated statement of financial position.

As at 30 June 2025, assets classified as held for sale amounted to RM1,500,000 have been pledged to a bank as security for bank facilities granted to the Group. Based on the latest information from the bank, no redemption of money is required for the release of the pledged of the abovementioned assets from the bank facilities while the bank is currently undergoing internal process to approve the release of the pledged of the abovementioned assets from the bank facilities.

22. TRADE AND OTHER PAYABLES

	Note	2025 RM'000	2024 RM'000
Trade payables		129,804	118,979
Other payables and accruals	(i)	947	819
Retention payables	(ii)	12,024	3,557
		<u>142,775</u>	<u>123,355</u>

Notes:

- (i) As at 30 June 2025, the amount of other payables and accruals included amount due to a joint venture of approximately RM6,000 (2024: RM6,000) which was unsecured, non-trade and repayable on demand.
- (ii) As at 30 June 2025, except for the amounts of approximately RM7,960,000 (2024: RM1,145,000) included in the retention payables which are expected to be settled after one year, all of the trade and other payables are expected to be settled within one year or are repayable on demand.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

22. TRADE AND OTHER PAYABLES (CONTINUED)

Aging analysis of trade payables

As at the end of the reporting period, the aging analysis of trade payables, based on the invoice date, is as follows:

	2025 RM'000	2024 RM'000
Within 30 days	54,487	52,129
31 to 90 days	64,582	63,140
Over 90 days	10,735	3,710
	<u>129,804</u>	<u>118,979</u>

23. BANK LOANS

	2025 RM'000	2024 RM'000
Bank loans, secured	<u>6,384</u>	<u>10,458</u>

The bank loans were repayable as follows:

	2025 RM'000	2024 RM'000
Within 1 year or on demand	4,410	4,118
Within a period of more than 1 year but not exceeding 2 years	1,974	4,363
Within a period of more than 2 years but not exceeding 5 years	–	1,977
	<u>6,384</u>	<u>10,458</u>
Less: Amounts due within 1 year shown under current liabilities	<u>(4,410)</u>	<u>(4,118)</u>
Amounts shown under non-current liabilities	<u>1,974</u>	<u>6,340</u>

As at 30 June 2025, the Group's banking facilities were secured and guaranteed by:

- assets classified as held for sale of approximately RM1,500,000 (2024: investment properties of approximately RM2,200,000) (Notes 21 and 14);
- deposits paid for acquisition of investment properties of approximately RM12,911,000 (2024: RM12,911,000) (Note 16(a)); and
- deposits with licensed banks of the Group with carrying amounts of approximately RM9,179,000 (2024: RM8,109,000) (Note 19(b)).

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

23. BANK LOANS (CONTINUED)

As at the end of the reporting period, the bank loans bear interest as follow:

	2025	2024
Bank loans	<u>7.20%</u>	<u>7.20%</u>

As at 30 June 2025, the Group had aggregate banking facilities of approximately RM142,000,000 (2024: RM67,000,000) for loans and borrowings. Unused facilities as at the same date amounted to approximately RM122,000,000 (2024: RM47,000,000).

24. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the reporting period:

	2025		2024	
	Present value of the minimum lease payments RM'000	Total minimum lease payments RM'000	Present value of the minimum lease payments RM'000	Total minimum lease payments RM'000
Within 1 year	<u>263</u>	<u>291</u>	258	290
After 1 year but within 2 years	<u>218</u>	<u>234</u>	167	191
After 2 years but within 5 years	<u>219</u>	<u>229</u>	296	309
	<u>437</u>	<u>463</u>	463	500
	<u>700</u>	<u>754</u>	<u>721</u>	790
Less: total future interest expenses		<u>(54)</u>		<u>(69)</u>
Present value of lease liabilities		<u>700</u>		<u>721</u>

25. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

	2025 RM'000	2024 RM'000
Tax recoverable	<u>1,825</u>	1,911
Provision for taxation	<u>(1,452)</u>	<u>(810)</u>
	<u>373</u>	<u>1,101</u>

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25. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(b) Deferred tax assets and liabilities recognised:

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the years are as follows:

	Capital allowances in excess of depreciation RM'000	Unrealised foreign exchange gain/(loss) RM'000	Credit loss allowance RM'000	Others RM'000	Total RM'000
At 1 July 2023	28	7	(16)	(57)	(38)
Exchange realignments	—*	—	—*	1	1
Charge/(credit) to profit or loss (Note 11(a))	20	(10)	(15)	16	11
At 30 June 2024	48	(3)	(31)	(40)	(26)
Exchange realignments	—*	—	1	—	1
Charge/(credit) to profit or loss (Note 11(a))	38	18	(13)	(1)	42
Disposals through disposal of a non-wholly owned subsidiary	—	—	4	—	4
At 30 June 2025	86	15	(39)	(41)	21

* The amount represents an amount less than RM1,000.

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset in the table above. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2025 RM'000	2024 RM'000
Deferred tax assets	33	26
Deferred tax liabilities	(54)	—*
	(21)	26

* The amount represents an amount less than RM1,000.

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25. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(c) Deferred tax assets and liabilities not recognised:

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

	2025 RM'000	2024 RM'000
Tax losses	1,317	2,489
Deductible temporary differences	2,651	2,006
	<u>3,968</u>	<u>4,495</u>

The above tax losses are under Malaysia subsidiaries which allowed to be utilised for 10 (2024: 10 consecutive years of assessment for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of the above items as it is not probable that future taxable profits against which the above tax losses can be utilised will be available in the relevant tax jurisdiction and entity.

There were no other material unrecognised deferred tax assets and liabilities as at 30 June 2025 and 2024.

26. CAPITAL AND RESERVES

(a) Movement in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity.

(b) Share capital

	No. of shares	Amount RM'000
Authorised ordinary shares of HK\$0.01 each		
At 1 July 2023, 30 June 2024 and 30 June 2025	<u>2,000,000,000</u>	<u>10,535</u>
Issued and fully paid ordinary shares of HK\$0.01 each		
At 1 July 2023, 30 June 2024 and 30 June 2025	<u>500,000,000</u>	<u>2,672</u>

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26. CAPITAL AND RESERVES (CONTINUED)

(c) Share premium

The share premium represents the difference between the par value of the shares of the Company and proceeds received from the issuance of the shares of the Company. Under the Companies Law of Cayman Islands, the share premium account of the Company is distributable to the owners of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company would be in a position to pay off its debt as they fall due in the ordinary course of business.

(d) Merger reserve

Merger reserve of the Group represents the difference between the nominal value of ordinary shares issued by the Company, and the issued share capital of JBB Builders (M) Sdn. Bhd., and Pavilion Ingenious Sdn. Bhd. (2024: JBB Builders (M) Sdn. Bhd., Gabungan Jasapadu Sdn. Bhd. and Pavilion Ingenious Sdn. Bhd.) exchanged in connection with the reorganisation in preparation for the listing of the Company's shares on the Stock Exchange.

(e) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of the operations outside Malaysia. The reserve is dealt with in accordance with the accounting policies set out in Note 2(s).

(f) Distributability of reserve

As at 30 June 2025, the aggregate amount of reserves available for distribution to owners of the Company was RM113,953,000 (2024: RM131,095,000).

(g) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, or sell assets to reduce debt. No changes in the objective, policies or processes for managing capital were made during the years ended 30 June 2025 and 2024.

The management of the Group reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital and the risk associated with each class of capital. Based on recommendation of the management, the Group will balance its overall capital structure through the payment of dividends as well as issue of new debt or the redemption of the debt.

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26. CAPITAL AND RESERVES (CONTINUED)

(g) Capital management (Continued)

The Group monitors capital using, inter alia, a gearing ratio which is net debt divided by total equity. Net debt includes interest-bearing bank loans and leases liabilities, less pledged bank deposits, fixed deposits with maturity over three months and cash and cash equivalents. The gearing ratio as at 30 June 2025 and 2024 are as follows:

	2025 RM'000	2024 RM'000
Leases liabilities	700	721
Bank loans	6,384	10,458
Total debt	7,084	11,179
Less: Pledged bank deposits	(9,179)	(8,109)
Fixed deposits with maturity over three months	(5,700)	–
Cash and cash equivalents	(71,451)	(94,095)
Net debt	N/A	N/A
Total equity	131,660	136,351
Net debt-to-equity ratio	N/A	N/A

27. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial assets and financial liabilities are disclosed in Note 2.

The Group has classified the financial instruments as follows:

	2025 RM'000	2024 RM'000
Financial assets		
Financial assets at amortised cost	232,241	188,191
Financial liabilities		
Financial liabilities at amortised cost	149,859	134,534

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27. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk and foreign currency exchange risk. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables, contract assets, fixed deposits with maturity over three months, pledged bank deposits and cash at banks. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Trade receivables and contract assets

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate. Significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at 30 June 2025, approximately 49% (2024: 61%) of the total gross trade receivables and contract assets was due from the Group's largest customer and approximately 99% (2024: 91%) of the total gross trade receivables and contract assets were due from the Group's five largest customers.

For certain large customers or customers with a high risk of default, the Group assesses the risk of loss of each customer individually based on their financial information, past trends of payments and external credit rating, where applicable.

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. The Group segments its trade receivables and contract assets based on geographic regions, due to different loss patterns experienced in the different regions.

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27. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (Continued)

Trade receivables and contract assets (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables and contract assets:

	2025							
	Malaysia			Singapore			Total	
	Expected loss rate %	Gross carrying amount RM'000	Loss allowance RM'000	Expected loss rate %	Gross carrying amount RM'000	Loss allowance RM'000	Gross carrying amount RM'000	Loss allowance RM'000
Trade receivables (Note 17)								
Current (not past due)	1.16	3,948	46	0.27	35,697	96	39,645	142
Less than 3 months past due	6.34	25,257	1,603	0.27	49,419	134	74,676	1,737
3 to 6 months past due	9.77	21,366	2,087	-	-	-	21,366	2,087
Over 6 months to 1 year past due	6.56	721	47	-	-	-	721	47
Over 1 year to 2 years past due	8.04	2,450	197	-	-	-	2,450	197
Over 2 years past due	100.00	4,049	4,049	-	-	-	4,049	4,049
Credit impaired (Note)	100.00	1,212	1,212	-	-	-	1,212	1,212
		<u>59,003</u>	<u>9,241</u>		<u>85,116</u>	<u>230</u>	<u>144,119</u>	<u>9,471</u>
Contract assets (Note 18(a))	0.66	<u>28,881</u>	<u>191</u>	-	<u>-</u>	<u>-</u>	<u>28,881</u>	<u>191</u>
		<u>87,884</u>	<u>9,432</u>		<u>85,116</u>	<u>230</u>	<u>173,000</u>	<u>9,662</u>
	2024							
	Malaysia			Singapore			Total	
	Expected loss rate %	Gross carrying amount RM'000	Loss allowance RM'000	Expected loss rate %	Gross carrying amount RM'000	Loss allowance RM'000	Gross carrying amount RM'000	Loss allowance RM'000
Trade receivables (Note 17)								
Current (not past due)	1.85	2,337	43	0.22	29,125	64	31,462	107
Less than 3 months past due	2.90	2,868	84	0.22	45,114	99	47,982	183
3 to 6 months past due	-	-	-	-	-	-	-	-
Over 6 months to 1 year past due	-	-	-	-	-	-	-	-
Over 1 year to 2 years past due	19.61	2,514	493	-	-	-	2,514	493
Over 2 years past due	100.00	4,095	4,095	-	-	-	4,095	4,095
Credit impaired (Note)	100.00	2,518	2,518	-	-	-	2,518	2,518
		<u>14,332</u>	<u>7,233</u>		<u>74,239</u>	<u>163</u>	<u>88,571</u>	<u>7,396</u>
Contract assets (Note 18(a))	2.04	<u>33,401</u>	<u>681</u>	-	<u>-</u>	<u>-</u>	<u>33,401</u>	<u>681</u>
		<u>47,733</u>	<u>7,914</u>		<u>74,239</u>	<u>163</u>	<u>121,972</u>	<u>8,077</u>

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

27. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (Continued)

Trade receivables and contract assets (Continued)

Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade receivables and contract assets during the year is as follows:

	2025 RM'000	2024 RM'000
At the beginning of the year	8,077	13,812
Exchange realignments	(8)	1
Disposals through disposal of a non-wholly owned subsidiary	(15)	–
Allowance/(reversal) for impairment loss recognised	1,608	(5,736)
At the end of the year	9,662	8,077

The following significant changes in the gross carrying amounts of trade receivables and contract assets contributed to the increase in the loss allowance as at 30 June 2025:

- increase in loss allowance provided for certain customers with higher credit risks based on the latest market information and payment history and the increase in balances of trade receivables and contract assets, resulted in the increase of loss allowance of approximately RM1,608,000.

The following significant changes in the gross carrying amounts of trade receivables and contract assets contributed to the decrease in the loss allowance as at 30 June 2024:

- decrease in loss allowance provided due to the collection from customers of long-aged trade receivables; while partially offsetting by the increase in balances of trade receivables and contract assets, resulted in the reversal of loss allowance of approximately RM5,736,000.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

27. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (Continued)

Other receivables and deposits

For other receivables and deposits, the management of the Group makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable. The management of the Group believes that there is no significant increase in credit risk of other receivables and deposits since initial recognition and the Group provided impairment based on 12 months ECL. As at 30 June 2025 and 2024, the Group assessed the ECL for other receivables and deposits were insignificant and thus no loss allowance was recognised.

Cash and cash equivalents, fixed deposits with maturity over three months and pledged bank deposits

To manage this risk, deposits are mainly placed with reputable financial institutions with high credit-ratings assigned by international credit-rating agencies. There has been no recent history of default in relation to these financial institutions.

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables shows the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash outflows (including interest payments computed using contractual rates or, if floating, based on rates at the end of the reporting period) and the earliest date the Group can be required to pay.

For bank loans which contain a repayment on demand clause which can be exercised at the bank's sole discretion, the analysis shows the cash outflow based on the earliest period in which the Group can be required to pay, that is, if the lenders were to invoke their unconditional rights to call the loans with immediate effect. The maturity analysis for other bank loans and leases liabilities is prepared on the scheduled repayment dates.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

27. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk (Continued)

As at 30 June 2025

	On demand or within 1 year RM'000	More than 1 year but less than 2 years RM'000	More than 2 years but less than 5 years RM'000	Total contractual undiscounted cash flows RM'000	Carrying amounts RM'000
Non-derivative financial liabilities					
Trade and other payables	142,775	–	–	142,775	142,775
Bank loans	4,677	1,985	–	6,662	6,384
Leases liabilities	291	234	229	754	700
	<u>147,743</u>	<u>2,219</u>	<u>229</u>	<u>150,191</u>	<u>149,859</u>

As at 30 June 2024

	On demand or within 1 year RM'000	More than 1 year but less than 2 years RM'000	More than 2 years but less than 5 years RM'000	Total contractual undiscounted cash flows RM'000	Carrying amounts RM'000
Non-derivative financial liabilities					
Trade and other payables	123,355	–	–	123,355	123,355
Bank loans	4,673	4,677	1,989	11,339	10,458
Leases liabilities	290	191	309	790	721
	<u>128,318</u>	<u>4,868</u>	<u>2,298</u>	<u>135,484</u>	<u>134,534</u>

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group is exposed to fair value interest rate risk in relation to the Group's fixed-rate short-term fixed deposits with maturity over three months, pledged bank deposits and leases liabilities. The management of the Group considers that the Group's exposure from these fixed-rate short-term fixed deposits with maturity over three months, pledged bank deposits and leases liabilities to interest rate risk is not significant.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

27. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Interest rate risk (Continued)

The Group's interest rate risk arises primarily from cash at banks and bank loans. Cash at banks and bank loans at variable rates expose the Group to cash flow interest rate risk. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of Malaysia base lending rate from the Group's bank loans denominated in Ringgit Malaysia.

Sensitivity analysis

As at 30 June 2025, it is estimated that a general increase/decrease of 95 basis points (2024: 95 basis points) in interest rates for bank loans, with all other variables held constant, would have decreased/increased the Group's profit for the year and decreased/increased the retained profits by approximately RM46,000 (2024: RM76,000).

The sensitivity analysis above indicates the instantaneous change in the Group's profit for the year and retained profits that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to floating rate instruments which expose the Group to cash flow interest rate risk at that date. The analysis has been performed on the same basis throughout the year ended 30 June 2024.

(d) Foreign currency exchange risk

The Group undertakes certain transactions denominated in foreign currencies, hence exposure to exchange rate fluctuations arises. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure closely and to keep the net exposure to an acceptable level. The Group will consider hedging significant foreign currency exposure should the need arise.

The Group has foreign currency denominated cash and cash equivalents which expose the Group to foreign currency risk.

i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Malaysian Ringgit ("RM"), translated using the spot rate at the year end date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

	Exposure to foreign currencies			
	2025		2024	
	Hong Kong dollars RM'000	Singapore dollars RM'000	Hong Kong dollars RM'000	Singapore dollars RM'000
Financial assets				
Cash and cash equivalents	<u>34,521</u>	<u>2,840</u>	<u>43,974</u>	<u>3,007</u>

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

27. FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(d) Foreign currency exchange risk (Continued)

ii) Sensitivity analysis

The following table indicates the instantaneous changes in the Group's profit for the year and retained profits that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

	2025			2024		
	Increase/ (decrease) in foreign exchange rates	Increase/ (decrease) on loss for the year RM'000	Effect on retained profits RM'000	Increase/ (decrease) in foreign exchange rates	Increase/ (decrease) on profit for the year RM'000	Effect on retained profits RM'000
Hong Kong dollars	5%	1,312	1,312	5%	1,671	1,671
	(5%)	(1,312)	(1,312)	(5%)	(1,671)	(1,671)
Singapore dollars	5%	108	108	5%	114	114
	(5%)	(108)	(108)	(5%)	(114)	(114)

(e) Fair values estimations

The carrying amount of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 30 June 2025 and 2024.

28. COMMITMENTS

Capital commitments

Significant capital expenditure contracted for at the end of each of the reporting period but not recognised as liabilities is as follows:

	2025 RM'000	2024 RM'000
Equipment	81	81

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

29. SUBSIDIARIES

The following is a list of subsidiaries as at 30 June 2025 and 2024:

Name of company	Place of incorporation and business	Class of shares held	Particulars of issued and paid up capital	Proportion of ownership interest						Principal activity
				Group's effective interest		Held by the Company		Held by subsidiaries		
				2025	2024	2025	2024	2025	2024	
JBB Delima Investment Limited	British Virgin Islands	Ordinary	US\$2	100%	100%	100%	100%	–	–	Investment holding
Classic Solution Holdings Limited	British Virgin Islands	Ordinary	US\$1	100%	100%	100%	100%	–	–	Investment holding
Harbour Elite International Limited	British Virgin Islands	Ordinary	US\$2	100%	100%	100%	100%	–	–	Investment holding
JBB Holdings (Malaysia) Sdn. Bhd.	Malaysia	Ordinary	RM36,000,002	100%	100%	–	–	100%	100%	Investment holding
JBB Resources (HK) Limited	Hong Kong	Ordinary	HK\$10,000	100%	100%	–	–	100%	100%	Construction and trading of sand
JBB Resources (Singapore) Private Limited	Singapore	Ordinary	SGD100,000	100%	100%	–	–	100%	100%	Construction and trading of marine gas oil and sand
JBB Builders (M) Sdn. Bhd.	Malaysia	Ordinary	RM41,000,000	100%	100%	–	–	100%	100%	Marine construction, building and infrastructure services and trading of marine gas oil
JBB Marine (M) Sdn. Bhd.	Malaysia	Ordinary	RM1,000,000	52%	52%	–	–	52%	52%	Marine transportation and fleet management
Gabungan Jasapadu Sdn. Bhd.*	Malaysia	Ordinary	RM1,000,000	– (Note 33)	50%	–	–	– (Note 33)	50%	Land based machinery works and rental
Pavilion Ingenious Sdn. Bhd.	Malaysia	Ordinary	RM1,000,000	100%	100%	–	–	100%	100%	Sand dredging and loading works

* Gabungan Jasapadu Sdn. Bhd. was considered to be a subsidiary of the Company as at 30 June 2024 despite the Company held indirectly not more than half of the equity interest therein as the Company had the power to cast the majority of votes at meetings of the board of directors of this entity, and had power to affect the returns of this entity.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

29. SUBSIDIARIES (CONTINUED)

The following table lists out the information relating to each of the Group's subsidiaries which has a material non-controlling interest (NCI). The summarised financial information presented below represents the amounts before any inter-company elimination.

JBB Marine (M) Sdn. Bhd.

	2025 RM'000	2024 RM'000
NCI percentage	48%	48%
Current assets	13,981	14,144
Non-current assets	—*	—*
Current liabilities	(26)	(27)
Non-current liabilities	—*	—*
Net assets	13,955	14,117
Carrying amount of NCI	6,698	6,776

* The amount represents an amount less than RM1,000.

Revenue	—	—
(Loss) for the year and total comprehensive (expenses)	(162)	(148)
(Loss) allocated to NCI	(78)	(71)
Cash flows (used in) operating activities	(196)	(186)
Cash flows generated from investing activities	33	40

Gabungan Jasapadu Sdn. Bhd.

	2025 RM'000	2024 RM'000
NCI percentage	—	50%
Current assets	—	1,595
Non-current assets	—	50
Current liabilities	—	(793)
Non-current liabilities	—	—
Net assets	—	852
Carrying amount of NCI	—	426

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

29. SUBSIDIARIES (CONTINUED)

Gabungan Jasapadu Sdn. Bhd. (Continued)

	2025 RM'000	2024 RM'000
Revenue	179	2,957
Profit/(loss) for the year and total comprehensive income/ (expenses)	5	(1,058)
Profit/(loss) allocated to NCI	2	(529)
Cash flows (used in)/generated from operating activities	—	(285)
Cash flows generated from investing activities	—	3

30. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the consolidated financial statements, the Group entered into the following material related party transactions.

The directors of the Company are of the view that the following parties/companies were related parties that had transactions or balances with the Group during the year:

Name of party	Relationship with the Group
JBB Kimlun	A joint venture
Kukuh Sejahtera Sdn. Bhd.	A company controlled by a key management personnel of the Group

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the executive directors of the Company as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

	2025 RM'000	2024 RM'000
Short-term employee benefits	2,621	2,338
Post-employment benefits	183	150
	2,804	2,488

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

30. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties

During the year, the Group entered into the following related party transactions:

Non-continuing transactions

	2025 RM'000	2024 RM'000
Management fee expenses JBB Kimlun	69	69
Professional fee expenses Kukuh Sejahtera Sdn. Bhd.	390	240

The directors of the Company consider that the above related party transactions during the year were conducted on mutually-agreed terms in the ordinary course of the Group's business.

(c) Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of the professional fee expenses to Kukuh Sejahtera Sdn. Bhd. above constitute continuing connected transactions as defined under Chapter 14A of the Listing Rules. However those transactions are exempt from the disclosure requirements under Chapter 14A of the Listing Rules as they are below the de minimis threshold under Rule 14A.76(1).

31. NEW AND AMENDMENTS TO IFRSs NOT YET EFFECTIVE

At the date of this report, the Group has not early applied the following new and amendments to IFRSs and interpretations that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to IAS 21	Lack of Exchangeability ¹
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³
IFRS 19	Subsidiaries without Public Accountability: Disclosures ³
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information ¹
IFRS S2	Climate-related Disclosures ¹

¹ Effective for annual periods beginning on or after 1 January 2025.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of all other new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

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For the year ended 30 June 2025

32. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	2025 RM'000	2024 RM'000
Non-current assets		
Property, plant and equipment	146	80
Investment in a subsidiary	78,893	88,822
	79,039	88,902
Current assets		
Other receivables, prepayment and deposits	93	124
Amounts due from subsidiaries	37,041	44,449
Cash and cash equivalents	1,315	935
	38,449	45,508
Current liabilities		
Accruals and other payables	378	350
Amounts due to subsidiaries	346	219
Leases liabilities	74	74
	798	643
Net current assets	37,651	44,865
Total assets less current liabilities	116,690	133,767
Non-current liabilities		
Lease liabilities	65	—
Net assets	116,625	133,767
Capital and reserves		
Share capital	2,672	2,672
Reserves	113,953	131,095
	116,625	133,767

Approved and authorised for issue by the board of directors on 23 September 2025

Ng Say Piyu
Chairman and Executive Director

Lam Fung Eng
Executive Director

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

32. COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION (CONTINUED)

Movements in the Company's reserves:

	Share premium RM'000	Exchange reserve RM'000	Capital reserve RM'000	Retained profits/ (Accumulated losses) RM'000	Total RM'000
At 1 July 2023	71,999	12,500	44,602	1,356	130,457
Loss for the year	-	-	-	(1,110)	(1,110)
Other comprehensive income for the year					
Currency translation difference	-	1,748	-	-	1,748
Total comprehensive income/ (expenses) for the year	-	1,748	-	(1,110)	638
At 30 June 2024/1 July 2024	71,999	14,248	44,602	246	131,095
Loss for the year	-	-	-	(2,286)	(2,286)
Other comprehensive expenses for the year					
Currency translation difference	-	(14,856)	-	-	(14,856)
Total comprehensive expenses for the year	-	(14,856)	-	(2,286)	(17,142)
At 30 June 2025	71,999	(608)	44,602	(2,040)	113,953

Note:

Capital reserve represented the difference between the nominal value of the issued share capital of the Company and the net asset value of subsidiaries upon the reorganisation in preparation for the listing of the Company's shares on the Stock Exchange.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

33. DISPOSAL OF A NON-WHOLLY OWNED SUBSIDIARY

During the year ended 30 June 2025, the Group entered into a sale agreement to dispose Gabungan Jasapadu Sdn. Bhd., a 50% non-wholly owned subsidiary of the Group which engages in the business of land-based machinery works and rental, to Mr. Toh Ang Poo (the “**Disposal A**”), who together with his spouse, held 50% shares of Gabungan Jasapadu Sdn. Bhd. before the Disposal A.

The net assets of Gabungan Jasapadu Sdn. Bhd., at the date of disposal were as follows:

	2025 RM'000
Property, plant and equipment	45
Deferred tax assets	4
Trade and other receivables	1,551
Tax recoverable	9
Cash and cash equivalents	202
Trade and other payables	(955)
Non-controlling interests	(428)
Net assets disposed of	428
Gain on disposal (Note 7(c))	572
Total consideration	1,000
Satisfied by:	
Cash and cash equivalents	1,000
Total consideration transferred	1,000
Net cash inflows arising on disposal:	
Consideration received in cash and cash equivalents	1,000
Less: cash and cash equivalents disposed of	(202)
	798

There were no disposals of subsidiaries made during the year ended 30 June 2024. The gain on disposal is included in the loss for the year as disclosed in Note 7(c).

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For the year ended 30 June 2025

34. MAJOR NON-CASH TRANSACTIONS

- (i) During the year ended 30 June 2025, additions to motor vehicles of the Group of approximately RM112,000 (2024: RM460,000) were financed by lease liabilities.

Please refer to Note 13 for further details.

- (ii) During the year ended 30 June 2025, the Group entered into sale and purchase agreements to dispose investment properties to 2 independent third parties to the Group, amounted to RM1,500,000 in aggregate. Investment properties amounted to RM2,200,000 were reclassified as assets held for sale amounted to RM1,500,000, resulting in a fair value loss of RM700,000, being the difference between the proceeds of disposal of RM1,500,000 and the carrying amount of the investment properties of RM2,200,000.

Please refer to Note 21 for further details.

- (iii) During the year ended 30 June 2024, the Group entered into a contra agreement with Kimlun Sdn. Bhd., a connected party at subsidiary level, pursuant to which trade payables due to the Kimlun Sdn. Bhd. by the Group with total amount of approximately RM1,180,000 are deemed to be settled by the assignment of a property beneficially owned by the Group under a deed of settlement dated 19 February 2020.

Please refer to Note 16(a)(i) for further details.

35. SHARE OPTION SCHEME

A share option scheme (the “**Scheme**”) was adopted by the Company on 11 April 2019 for the primary purpose of providing incentives or rewards to eligible participants which will expire on 10 April 2029. Under the Scheme, the board of directors of the Company may grant options to the eligible participants, including employees, directors, advisors, consultants, service providers, agents, customers, suppliers, partners or joint-venture partners of the Group, to subscribe for shares in the Company.

The maximum number of shares in respect of which options may be granted at any time under the Scheme together with options which may be granted under any other share option schemes for the time being of the Company must not in aggregate exceed 10% of the shares of the Company in issue of 500,000,000 shares as at the date of Listing (the “**Scheme Mandate Limit**”). The Company may seek approval of the shareholders in general meeting to refresh the Scheme Mandate Limit provided that the total number of shares available for issue upon exercise of all options which may be granted under the Scheme and any other schemes of the Company shall not exceed 10% of the shares of the Company in issue at the date of approval of refreshing of the Scheme Mandate Limit. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and other share option schemes of the Company shall not exceed 30% of the total number of shares of the Company in issued from time to time.

Options granted must be taken up within 21 days from the date of grant, upon payment of HK\$1.00. The subscription price is determined by the board of directors of the Company, and shall not be less than the highest of (i) the closing price of the Company’s shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant; (ii) the average closing price of the Company’s shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company’s shares on the date of grant.

No share options are granted since the adoption of the Scheme and there are no outstanding share options under the Scheme as at 30 June 2025 and 2024.

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36. EMPLOYEE RETIREMENT BENEFITS

Defined contribution retirement plans

The Group operates a Mandatory Provident Fund Scheme (the “**MPF Scheme**”) under the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong). For its employee employed under the jurisdiction of the Hong Kong Employment Ordinance and the eligible employees of the Group’s subsidiaries in Malaysia and Singapore are required to participate in Statutory Employees Provident Fund in Malaysia and the Central Provident Fund schemes in Singapore, respectively (the “**Schemes**”). The Schemes are defined contribution retirement plans of the Group.

The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

The assets of the Statutory Employee Provident Fund in Malaysia are held separately from those of the Group, in funds under the control of trustees. The Group contributes 4%-13% of the relevant payroll costs to the scheme, which contribution is matched by employees at lower rate 0%-11%.

The Group contributed 9%-17% (2024: 8.5%-17%) of the relevant wages while the employees contributed 7.5%-20% (2024: 7%-20%) of the relevant wages to the Central Provident Fund scheme in Singapore, subject to a cap of monthly ordinary wages of SGD6,000 and annual additional wages of SGD102,000 less total ordinary wages subject to Central Provident Fund for the year, for all employees who are Singapore citizens or permanent residents of Singapore.

During the years ended 30 June 2025 and 2024, the Group has no forfeiture of contributions to the Schemes under the defined contribution retirement plans (i.e. contributions processed by the employer on behalf of the employee who has left the defined contribution retirement plans prior to vesting fully in such contributions) as the contributions to the Schemes are vested fully and immediately to the employees once the contributions to the Schemes have been paid. As at 30 June 2025 and 2024, no forfeited contributions to the Schemes under the defined contribution retirement plans may be used by the Group to reduce the existing level of contributions. The total expense recognised in the profits or loss of approximately RM1,094,000 (2024: RM891,000) during the year ended 30 June 2025 represents contributions payable to these Schemes by the Group at rates specified in the rules of the Schemes (Note 7(b)).

Financial Summary

RESULTS

		For the year ended 30 June			
	2025 RM'000	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000
Revenue	426,980	329,330	217,776	512,303	141,040
Gross profit	17,671	8,332	12,285	29,159	6,678
Profit/(loss) before taxation	2,917	3,226	(6,922)	16,758	(9,644)
Income tax expenses	(1,662)	(832)	(1,291)	(3,263)	(1,815)
Profit/(loss) for the year	1,255	2,394	(8,213)	13,495	(11,459)
Profit/(loss) for the year attributable to:					
– Owners of the Company	1,331	2,994	(8,226)	12,527	(9,416)
– Non-controlling interests	(76)	(600)	13	968	(2,043)
	1,255	2,394	(8,213)	13,495	(11,459)

ASSETS AND LIABILITIES

		As at 30 June			
	2025 RM'000	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000
Total assets	296,818	276,808	218,867	294,794	269,868
Total liabilities	(165,158)	(140,457)	(85,539)	(155,534)	(147,500)
Net assets	131,660	136,351	133,328	139,260	122,368
Equity attributable to equity owners of the Company	124,962	129,149	125,526	129,971	114,047
Non-controlling interests	6,698	7,202	7,802	9,289	8,321
Total equity	131,660	136,351	133,328	139,260	122,368

Particulars of Major Properties

As at 30 June 2025

A. PROPERTIES CLASSIFIED AS HELD FOR SALE

No.	Property	Uses	Term of lease	Built-up area (approximate square feet)	Nature of Property
1	No. 47, Jalan SiLC 2/16, Kawasan Perindustrian SiLC, 79150 Iskandar Puteri, Johor	Intended for rental purpose	Interest in perpetuity	5,166	Commercial
2	No. 49, Jalan SiLC 2/16, Kawasan Perindustrian SiLC, 79150 Iskandar Puteri, Johor	Intended for rental purpose	Interest in perpetuity	5,142	Commercial

B. DEPOSITS PAID FOR ACQUISITION OF INVESTMENT PROPERTIES

No.	Property	Uses	Term of lease	Built-up area (approximate square feet)	Nature of Property
Properties located in the area of Mukim of Pengerang and Mukim of Pantai Timur, Kota Tinggi, Johor, Malaysia					
1	Parcel No. 52 Phase 1B, Cluster, H.S.(D) 36899 PTD 6008, in the Mukim of Pengerang, District of Kota Tinggi, State of Johor	Intended to held for sale	Leased for a term of 99 years till 25 May 2115	2,485	Residential
2	Parcel No. 53 Phase 1B, Cluster, H.S.(D) 36899 PTD 6008, in the Mukim of Pengerang, District of Kota Tinggi, State of Johor	Intended to held for sale	Leased for a term of 99 years till 25 May 2115	2,485	Residential
3	Parcel No. 54 Phase 1B, Cluster, H.S.(D) 36899 PTD 6008, in the Mukim of Pengerang, District of Kota Tinggi, State of Johor	Intended to held for sale	Leased for a term of 99 years till 25 May 2115	2,485	Residential
4	Parcel No. 57 Phase 1B, Cluster, H.S.(D) 36899 PTD 6008, in the Mukim of Pengerang, District of Kota Tinggi, State of Johor	Intended to held for sale	Leased for a term of 99 years till 25 May 2115	2,485	Residential
5	Parcel No. 58 Phase 1B, Cluster, H.S.(D) 36899 PTD 6008, in the Mukim of Pengerang, District of Kota Tinggi, State of Johor	Intended to held for sale	Leased for a term of 99 years till 25 May 2115	2,485	Residential

Particulars of Major Properties

No.	Property	Uses	Term of lease	Built-up area (approximate square feet)	Nature of Property
6	Parcel No. 59 Phase 1B, Cluster, H.S.(D) 36899 PTD 6008, in the Mukim of Pengerang, District of Kota Tinggi, State of Johor	Intended to held for sale	Leased for a term of 99 years till 25 May 2115	2,485	Residential
7	Parcel No. 63 Phase 1B, Cluster, H.S.(D) 36899 PTD 6008, in the Mukim of Pengerang, District of Kota Tinggi, State of Johor	Intended to held for sale	Leased for a term of 99 years till 25 May 2115	2,485	Residential
8	Parcel No. 67 Phase 1B, Cluster, H.S.(D) 36899 PTD 6008, in the Mukim of Pengerang, District of Kota Tinggi, State of Johor	Intended to held for sale	Leased for a term of 99 years till 25 May 2115	2,485	Residential
9	Parcel No. 68 Phase 1B, Cluster, H.S.(D) 36899 PTD 6008, in the Mukim of Pengerang, District of Kota Tinggi, State of Johor	Intended to held for sale	Leased for a term of 99 years till 25 May 2115	2,485	Residential
10	Parcel No. 77 Phase 1B, Cluster, H.S.(D) 36899 PTD 6008, in the Mukim of Pengerang, District of Kota Tinggi, State of Johor	Intended to held for sale	Leased for a term of 99 years till 25 May 2115	2,485	Residential
11	Parcel No. 79 Phase 1B, Cluster, H.S.(D) 36899 PTD 6008, in the Mukim of Pengerang, District of Kota Tinggi, State of Johor	Intended to held for sale	Leased for a term of 99 years till 25 May 2115	2,485	Residential
12	Parcel No. 18 Phase 1B, Double Storey Terrace House, H.S.(D) 36899 PTD 6008, in the Mukim of Pengerang, District of Kota Tinggi, State of Johor	Intended to held for sale	Leased for a term of 99 years till 25 May 2115	2,005	Residential
13	Parcel No. 171 Phase 1B, Double Storey Terrace House, H.S.(D) 36899 PTD 6008, in the Mukim of Pengerang, District of Kota Tinggi, State of Johor	Intended to held for sale	Leased for a term of 99 years till 25 May 2115	2,215	Residential
14	Parcel No. 88 Phase 1B, Double Storey Terrace House, H.S.(D) 36899 PTD 6008, in the Mukim of Pengerang, District of Kota Tinggi, State of Johor	Intended to held for sale	Leased for a term of 99 years till 25 May 2115	2,005	Residential

Particulars of Major Properties

No.	Property	Uses	Term of lease	Built-up area (approximate square feet)	Nature of Property
15	Parcel No. 89 Phase 1B, Double Storey Terrace House, H.S.(D) 36899 PTD 6008, in the Mukim of Pengerang, District of Kota Tinggi, State of Johor	Intended to held for sale	Leased for a term of 99 years till 25 May 2115	2,005	Residential
16	Parcel No. 95 Phase 1B, Double Storey Terrace House, H.S.(D) 36899 PTD 6008, in the Mukim of Pengerang, District of Kota Tinggi, State of Johor	Intended to held for sale	Leased for a term of 99 years till 25 May 2115	2,215	Residential
17	Parcel No. 97 Phase 1B, Double Storey Terrace House, H.S.(D) 36899 PTD 6008, in the Mukim of Pengerang, District of Kota Tinggi, State of Johor	Intended to held for sale	Leased for a term of 99 years till 25 May 2115	2,005	Residential
18	Parcel No. 105 Phase 1B, Double Storey Terrace House, H.S.(D) 36899 PTD 6008, in the Mukim of Pengerang, District of Kota Tinggi, State of Johor	Intended to held for sale	Leased for a term of 99 years till 25 May 2115	2,005	Residential
19	Parcel No. 116 Phase 1B, Double Storey Terrace House, H.S.(D) 36899 PTD 6008, in the Mukim of Pengerang, District of Kota Tinggi, State of Johor	Intended to held for sale	Leased for a term of 99 years till 25 May 2115	2,005	Residential
20	Parcel No. 123 Phase 1B, Double Storey Terrace House, H.S.(D) 36899 PTD 6008, in the Mukim of Pengerang, District of Kota Tinggi, State of Johor	Intended to held for sale	Leased for a term of 99 years till 25 May 2115	2,005	Residential
21	Parcel No. 232 Phase 1B, Double Storey Terrace House, H.S.(D) 36899 PTD 6008, in the Mukim of Pengerang, District of Kota Tinggi, State of Johor	Intended to held for sale	Leased for a term of 99 years till 25 May 2115	2,005	Residential
22	Parcel No. 233 Phase 1B, Double Storey Terrace House, H.S.(D) 36899 PTD 6008, in the Mukim of Pengerang, District of Kota Tinggi, State of Johor	Intended to held for sale	Leased for a term of 99 years till 25 May 2115	2,005	Residential

Particulars of Major Properties

No.	Property	Uses	Term of lease	Built-up area (approximate square feet)	Nature of Property
23	Parcel No. 240 Phase 1B, Double Storey Terrace House, H.S.(D) 36899 PTD 6008, in the Mukim of Pengerang, District of Kota Tinggi, State of Johor	Intended to held for sale	Leased for a term of 99 years till 25 May 2115	2,005	Residential
24	Parcel No. 242 Phase 1B, Double Storey Terrace House, H.S.(D) 36899 PTD 6008, in the Mukim of Pengerang, District of Kota Tinggi, State of Johor	Intended to held for sale	Leased for a term of 99 years till 25 May 2115	2,005	Residential
25	Parcel No. 245 Phase 1B, Double Storey Terrace House, H.S.(D) 36899 PTD 6008, in the Mukim of Pengerang, District of Kota Tinggi, State of Johor	Intended to held for sale	Leased for a term of 99 years till 25 May 2115	2,005	Residential
26	Parcel No. 246 Phase 1B, Double Storey Terrace House, H.S.(D) 36899 PTD 6008, in the Mukim of Pengerang, District of Kota Tinggi, State of Johor	Intended to held for sale	Leased for a term of 99 years till 25 May 2115	2,005	Residential
27	Parcel No. 247 Phase 1B, Double Storey Terrace House, H.S.(D) 36899 PTD 6008, in the Mukim of Pengerang, District of Kota Tinggi, State of Johor	Intended to held for sale	Leased for a term of 99 years till 25 May 2115	2,215	Residential

Properties located in the area of Mukim of Tebrau, District of Johor Bahru, State of Johor, Malaysia

28	B10-01, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	Intended to held for sale	Interest in perpetuity	2,207	Residential
29	B22-01, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	Intended to held for sale	Interest in perpetuity	2,207	Residential
30	B24-01, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	Intended to held for sale	Interest in perpetuity	2,207	Residential

Particulars of Major Properties

No.	Property	Uses	Term of lease	Built-up area (approximate square feet)	Nature of Property
31	B30-02, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	Intended to held for sale	Interest in perpetuity	2,659	Residential
32	B31-01, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	Intended to held for sale	Interest in perpetuity	2,207	Residential
33	B32-01, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	Intended to held for sale	Interest in perpetuity	2,207	Residential
34	B32-03, The Astaka, Jalan Astaka Boulevard, One Bukit Senyum, 80300 Johor Bahru, Johor Darul Takzim	Intended to held for sale	Interest in perpetuity	2,659	Residential