



BENALEC HOLDINGS BERHAD

200501020529 (702653-V)

**SHAPING HORIZONS.
CREATING VALUE.**

Annual Report 2025

20TH ANNUAL GENERAL MEETING

Topas Room, The Saujana Hotel Kuala Lumpur
Jalan Lapangan Terbang SAAS
40150 Shah Alam, Selangor Darul Ehsan

Thursday, 28 May 2026,
10.00 a.m.

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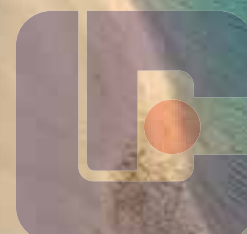


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OUR ORGANISATION

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KEY INDICATORS

OUR FLAGSHIP PROJECTS



WHAT WE DO



Marine Construction Services



Vessel Chartering and Marine Transportation

REVENUE



RM **61.49** million

NET ASSETS PER SHARE



RM **0.36**

TOTAL NET ASSETS



RM **376.11** million

TOTAL ASSETS



RM **623.84** million

CORPORATE PROFILE



Our vision is to achieve and maintain a high degree of professional expertise, coupled with dedicated and very experienced management, with the objective of enhancing our commitment to participate actively as one of the foremost home-grown Marine Construction Solution Providers contributing positively to the economic development of Malaysia.

Our mission is to be a provider of an integrated, one-stop centre for marine construction services with the competency and capability to consistently deliver top-grade quality services to all our customers.

Corporate Profile

BENALEC HOLDINGS BERHAD was incorporated on 12 July 2005 as a private limited company under the name of Benalec Holdings Sdn Bhd. Subsequently, the Company was converted into a public limited company and assumed its present name on 29 September 2010. On 17 January 2011, Benalec Holdings Berhad ("**Benalec**" or "**Group**") was listed on the Main Board of Bursa Malaysia Securities Berhad.

Founded by the late Mr. Leaw Eng Chang, Leaw Eng Chang Construction Co. Sdn Bhd. was first incorporated in 1978 as a contracting company specialising in civil engineering works. Subsequently in 1996, it was renamed as Benalec Sdn. Bhd. "Benalec" was derived from combining the Malay word "BENA" (which means to build or construct) with "LEC" which were the initials of Mr. Leaw Eng Chang.

Our first foray into the marine construction industry was in 1993 when Benalec was awarded two coastal protection work projects by Jabatan Pengairan dan Saliran, which includes the restoration of the damaged bund at Sungai Belukang, Bagan Datoh, Perak. Despite being widely recognised as one of the most difficult coastal protection works in Malaysia, Benalec earned high commendation for the successful completion of the project ahead of schedule and under extreme circumstances. This has become the foundation of Benalec's strong belief today that every adversity could be turned into opportunity.

The core values which we proudly embrace in Benalec are Innovation, Proactivity and Perseverance; these attributes, which form the foundation of our unique business model, are the source of inspiration driving us on our incessant quest to create value from all areas within the space we have chosen to operate in. Apart from our portfolio of securing land reclamation contracts from third parties, Benalec has been successfully undertaking its own projects, including land reclamation in Melaka, Port Klang and Johor since 2003.

Benalec has in a short span of time emerged as one of Malaysia's top-notch homegrown integrated marine construction solution providers and proven its capability in undertaking high end reclamation projects locally as well as regionally. It is a class "A" Civil and Marine Engineering Contractor registered with Sijil Perolehan Kerja Kerajaan (SPKK) and Construction Industry Development Board Malaysia (CIDB) and is an ISO 9001:2015 certified company. Benalec has also further expanded its operations into Singapore with the setting up of Benalec Sdn. Bhd. Singapore Branch, which has also achieved ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018.

Equipped with professional expertise and experience in marine and civil engineering works, coupled with its own wide range of marine equipment and marine vessels now at its disposal, Benalec Group has extended its capacity and capability to become a provider of an integrated, one-stop centre for marine construction services, competent in delivering top-grade quality services to its customers.



CORPORATE INFORMATION



BOARD OF DIRECTORS



ENCIK FAZRIN AZWAR BIN MD. NOR
*Chairman, Independent
Non-Executive Director*



LEAW AI LIN
*Non-Independent
Non-Executive Director*



DATO' LEAW SENG HAI
*Group Managing Director/
Chief Executive Officer*



KENNETH CHIN KAH KIONG
*Independent
Non-Executive Director*

Corporate Information

AUDIT COMMITTEE

Chairman:
Kenneth Chin Kah Kiong

Members:
Encik Fazrin Azwar bin Md. Nor
Leaw Ai Lin

REMUNERATION COMMITTEE

Chairman:
Kenneth Chin Kah Kiong

Members:
Encik Fazrin Azwar bin Md. Nor
Leaw Ai Lin

NOMINATION COMMITTEE

Chairman:
Kenneth Chin Kah Kiong

Members:
Encik Fazrin Azwar bin Md. Nor
Leaw Ai Lin

EVALUATION COMMITTEE

Chairman:
Kenneth Chin Kah Kiong

Members:
Dato' Leaw Seng Hai
Leaw Ai Lin

COMPANY SECRETARIES

Tham Yin Tong (MAICSA 7049718)
(SSM PC No. 202008001314)

Lim Wei Lee (MAICSA 7064249)
(SSM PC No. 202008004038)

REGISTERED OFFICE

Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 03-2783 9191
Fax : 03-2783 9111

SHARE REGISTRAR

**Tricor Investor &
Issuing House Services Sdn Bhd**
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 03-2783 9299
Fax : 03-2783 9222

AUDITORS

**BDO PLT 201906000013
(LLP0018825-LCA & AF 0206)**
Chartered Accountants
Level 8, BDO @ Menara CenTARa
360, Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Tel : 03-2616 2888
Fax : 03-2616 3190 / 3191

PRINCIPAL BANKERS

AmBank (M) Berhad
Malayan Banking Berhad
United Overseas Bank Limited
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad
Stock Name : **BENALEC**
Stock Code : **5190**

COMPANY WEBSITES

www.benalec.com.my
www.tgpiamaritime.com.my
www.pengerangmaritime.com.my

KEY MILESTONES

THE JOURNEY BEGINS

1978

- Incorporated as an earthwork and general contractor serving major clients such as MADA, JKR, JPS and PKNK

1993

Awarded two coastal protection works project in Sungai Belukang and Sungai Tiang, Perak by JPS which marks our first foray into the marine construction industry



1995

- Built our first vessel, a Twin Screw Anchor Handling Tugboat

1996

Changed our name from Leaw Eng Chang Construction Co. Sdn. Bhd. to Benalec Sdn. Bhd.



2000

First turnkey Design & Build, Construction of Jetty, Helipad, Staircase and Associated Works at Pulau Perak, Kedah



Commenced first land reclamation project in Pantai Kok, Pulau Langkawi, Kedah



2003

First turnkey Design & Build, Beach nourishment works in Port Dickson (5km length)



Land reclamation and soil improvement works for Glenmarie Cove Project, Port Klang



Maiden large-scale land reclamation project in Melaka



2005

- Obtained ISO 9001:2000 for the provision of marine engineering and construction works and the provision of marine vessels and equipment chartering services

2008

Nusajaya Waterfront Precinct Project, Construction of marina at Puteri Harbour, Nusajaya Johor



Secured contract to supply and deliver sand to Tuas View reclamation in Singapore via a related company



Expanded our shipbuilding business activities through Benalec Shipyard



Key Milestones

2009

- Benalec's ISO upgraded to ISO 9001:2008

2010

- Benalec Singapore Branch obtained ISO 9001:2008 and OHSAS 18001:2007



Land reclamation for Pulau Indah, Port Klang

2011

Listed on the Main Market of Bursa Malaysia Securities Berhad (stock code : 5190)



- Benalec Singapore Branch obtained ISO 14001 : 2007

2015

Commencement of reclamation at Tanjung Piai Maritime Industrial Park



2017

Commencement of reclamation at Pengerang Maritime Industrial Park



- Benalec's ISO upgraded to ISO 9001 : 2015



- Benalec Singapore Branch's ISO upgraded to ISO 14001 : 2015

2018

Construction, completion and maintenance of rock revetment and associated works for Oriental Boon Siew (M) Sdn. Bhd. in Melaka



2019

Commencement of the coal affreightment contract for TNB Fuel Services Sdn. Bhd.



- Benalec Singapore Branch upgraded OHSAS 45001 : 2018

2023

Construction & completion of reclamation works for Phase 1 & 2 for Puncak Jasasia Sdn Bhd in Melaka



2024

Construction, completion & maintenance of coastal reclamation works of 800 ac in Melaka for Oriental Boon Siew (M) Sdn Bhd.



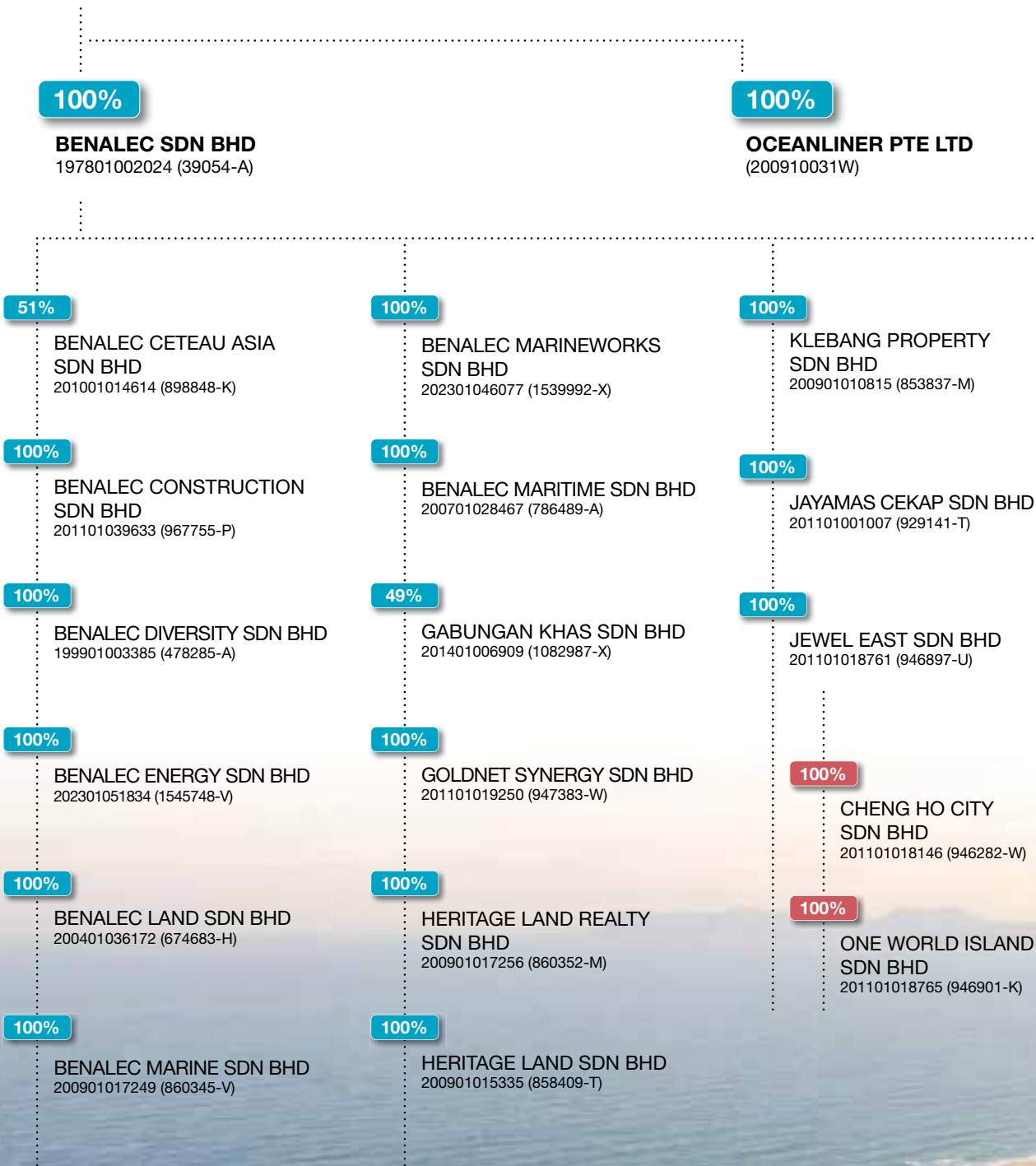
2025

Commencement of the coal affreightment contract for TNB Fuel Services Sdn. Bhd.



**THE
JOURNEY
CONTINUES**

CORPORATE STRUCTURE



Corporate Structure



100%

OCEANVIEW REALTY SDN BHD
201001014645 (898879-K)

100%

OG MARINE SDN BHD
200201030023 (597686-X)

100%

ORIENTALCOVE REALTY SDN BHD
200601017630 (737382-W)

100%

PENGERANG MARITIME INDUSTRIES SDN BHD
201101016494 (944630-X)

70%

SPEKTRUM BUDI SDN BHD
201101012585 (940725-W)

100%

SENTOSACOVE DEVELOPMENT SDN BHD
200801024339 (825663-A)

100%

STRATEGIC COVE SDN BHD
201001014604 (898838-A)

100%

STRATEGIC LAND SDN BHD
201001014611 (898845-T)

100%

TANJUNG PIAI MARITIME INDUSTRIES SDN BHD
201101015140 (943274-D)

70%

SPEKTRUM KUKUH SDN BHD
201101013821 (941961-V)

100%

WILAJATI SDN BHD
200801023570 (824893-W)

100%

OCEANLINE (LABUAN) LTD
(LL06799)

100%

OCEAN MARINE LTD
(LL07031)
Struck-off on 17 December 2025

100%

PACIFIC LTD
(LL07033)
Struck-off on 17 December 2025

PROFILE OF DIRECTORS

FAZRIN AZWAR BIN MD. NOR

*Chairman,
Independent Non-Executive Director*

AGE 60
Male
Malaysian

Fazrin Azwar bin Md. Nor, was appointed as an Independent Non-Executive Director of the Company on 27 February 2019. On 1 April 2023, he was re-designated as Chairman of the Board. He is a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company. He graduated from University of Malaya with a Bachelor of Law (LLB) Honours Degree in 1990. He is an Advocate and Solicitor and a member of the Malaysian BAR. He is also a Fellow of the Malaysian Institute of Corporate Directors Malaysia (ICDM) and a chartered Audit Committee member of The Institute of Internal Auditors Malaysia (IIAM).

His directorships in other public companies include Dynafrost Holdings Berhad, AMS Advanced Material Berhad, Stratus Global Holdings Berhad, SKA Capital Berhad and Mercury Industries Berhad (resigned on 28 November 2025). He does not hold any securities in the Company. He has no family relationship with any other Directors and/or major shareholders of the Company and has no conflict of interest with the Company. He has not been convicted of any offences within the past ten (10) years. He attended all five (5) board meetings held during the financial year ended 31 December 2025.

DATO' LEAW SENG HAI

*Group Managing Director /
Chief Executive Officer*

AGE 64
Male
Malaysian

Dato' Leaw Seng Hai, was appointed to the Board as a Director of the Company on 12 July 2005. He was redesignated as Group Managing Director on 5 October 2010 and was further redesignated as Group Managing Director/Chief Executive Officer on 11 February 2015. He is a member of the Evaluation Committee. He obtained a Bachelor of Science (Engineering) with Second Class Honours (Upper Division) from University College of London, United Kingdom in 1985. Upon graduation, he joined the family's civil engineering business as a Site Engineer tasked with overall site management. He was promoted to the position of Project Manager in 1992 and assumed the position of Managing Director in 1994.

Dato' Leaw has accumulated extensive expertise in marine construction and business management over these past thirty-four (34) years. He has been the driving force behind the Group's remarkable growth and remains the chief architect in conceptualising, formalising and implementing the Group's strategies. He maintains a hands-on approach and is actively involved in overall contract implementation, execution and management of all projects undertaken by the Group to ensure that the Group remains consistently reliable, cost-effective and efficient. His in-depth knowledge of marine construction has been the key factor in the Group's success in securing major marine construction contracts.

He is not a director of any other public company. He is a Director of Oceancove Sdn Bhd, a substantial shareholder of the Company. He has direct interest in the securities of the Company and is an indirect shareholder of the Company. He is the father of Leaw Ai Lin, a Non-Independent Non-Executive Director of the Company. Save as disclosed above, he has no family relationship with any other director and/or major shareholder of the Company. He has no conflict of interest with the Company except for certain recurrent related party transactions of a revenue or trading nature which are necessary for the day to-day operations of the Group. He attended all five (5) board meetings held during the financial year ended 31 December 2025.

Profile of Directors

KENNETH CHIN KAH KIONG

Independent Non-Executive Director



AGE 53
 Male
 Malaysian

Kenneth Chin Kah Kiong, was appointed as an Independent Non-Executive Director on 30 December 2022. He is also the Chairman of the Audit Committee, Nomination Committee, Remuneration Committee and Evaluation Committee of the Company. He is a member of Association of Chartered Certified Accountants (ACCA) and Malaysian Institute of Accountants (MIA). He has more than twenty-six (26) years of extensive experience in various spectrum of finance functions encompassing accounting, taxation, financial reporting and corporate finance across industries including construction, property development, hotel, retail and food & beverages in public listed companies. He joined the Company as Chief Financial Officer in 2010 and served as an Executive Director of the Company from 2016 until 2017. His positions in the past prior to this role includes Chief Financial Officer at Focus Point Holdings Berhad and Group Financial Controller at Karambunai Corp Bhd.

His directorships in other public company includes Focus Lumber Berhad and SKA Capital Berhad. Except for his direct shareholding interest in the Company, he has no family relationship with any other Directors and/or major shareholder of the Company, nor any conflict of interest with the Company. He has not been convicted of any offences within the past ten (10) years. He attended all five (5) board meetings held during the financial year ended 31 December 2025.

LEAW AI LIN

*Non-Independent
Non-Executive Director*

AGE 34
 Female
 Malaysian

Leaw Ai Lin, was appointed as a Non-Independent Non-Executive Director of the Company on 16 October 2020. She is a member of the Audit Committee, Nomination Committee, Remuneration Committee and Evaluation Committee of the Company. She holds a Bachelor of Science in Accounting and Finance with First Class Honours from the London School of Economics and Political Science (LSE), United Kingdom. She later attended Harvard University's Undergraduate Summer School in Boston, Massachusetts, United States of America, where she completed an undergraduate programme in Corporate Strategy.

She began her career in investment banking as a client coverage banker with Hong Leong Investment Bank (HLIB) where she participated in structuring and executing M&A transactions in industries such as real estate, property development and oil & gas. During her time at HLIB, she assisted in pitching for and the execution of various corporate exercises involving IPOs, RTOs, equity as well as debt issuances. She later joined the Company as Senior Manager to head the Corporate Strategy and Business Development departments. Following her appointment as Executive Director, her role consists of planning and establishing the Company's long-term strategic goals, identifying and assessing new synergistic business areas aligned with the Company's core competencies as well as executing these strategies with the aim of adding value and improving the Company's competitive position. She was then re-designated to her current position in 2020.

She has no directorships in other public companies. She is the daughter of Dato' Leaw Seng Hai, a Director and substantial shareholder of the Company. Save as disclosed, she does not have any family relationship with any other Directors and/or major shareholders of the Company, nor any conflict of interest with the Company. She has not been convicted of any offences within the past ten (10) years. She attended all five (5) board meetings held during the financial year ended 31 December 2025.

PROFILE OF KEY MANAGEMENT

CHIN WEI EE

Chief Financial Officer

AGE 42
 Female
 Malaysian

Chin Wei Ee, graduated with a Bachelor of Accounting (Hons.) from Multimedia University in 2009. She is also a member of CPA Australia and Malaysia Institute of Accountants (MIA).

Upon obtaining her degree, she started her career as a Internal Auditor in Tien Wah Press Holdings Berhad and thereafter proceeded to join the finance department of GPA Holdings Berhad. She joined the Company in 2013 as a Group Accountant and was promoted as Financial Controller in 2016. She was promoted to her current position in 2019 and currently oversees the financial management of the Group.

She is not a director of any public company. She has no family relationship with any of the Directors and/or major shareholder of the Company and has no conflict of interest with the Company. She has not been convicted of any offences with the past ten (10) years.

KOID HENG HUA

Project Director

AGE 61
 Male
 Malaysian

Koid Heng Hua, completed his Sijil Pelajaran Malaysia Vokasional. He joined the Company in 1995 as a Project Supervisor and has since accumulated more than thirty (30) years experience in civil and marine construction works. His role includes managing the Company's civil and marine construction projects which includes dredging, reclamation, rock revetment works, marine structures and jetties, breakwater construction, pre-bore and marine piling works. With his vast on-site management experience, he was promoted as Senior Project Manager in 2014. He is now the Project Director and is assigned with the responsibility of overseeing key areas in project planning, project implementation, monitoring and management of site activities.

He is not a director of any public company. He has no family relationship with any of the Directors and/or major shareholder of the Company and has no conflict of interest with the Company. He has not been convicted of any offences within the past ten (10) years.

NORAZIRA BINTI SAIDUN

Head of Contracts & Operations

AGE 46
 Female
 Malaysian



Norazira Binti Saidun, graduated with a Diploma in Building in 2001 and a Bachelor Science of Building Surveying with Honours in 2003 from the MARA University of Technology. Upon graduation, she joined the Group as a Quantity Surveyor and has accumulated direct relevant knowledge and exposure to different civil, the marine and building engineering works. In the course of her years with our Group she has also been extensively exposed to both pre and post contract works, having taken lead roles in managing the tendering processes and overseen many projects from inception to completion. She is the Head of Contracts cum Operations, primarily responsible for managing the overall pre and post contract administration of the Group.

She is not a director of any public company. She has no family relationship with any of the Directors and/or major shareholder of the Company and has no conflict of interest with the Company. She has not been convicted of any offences within the past ten (10) years.

Profile of Key Management



TAN GUAN CHONG

Acting General Manager

AGE 36
 Male
 Malaysian



NORMALAWATI NADZRI

Senior Manager, Operations & Human Resources and Administration

AGE 51
 Female
 Malaysian

SALEHUDIN BIN OMAR

Marine & Administration Manager

AGE 55
 Male
 Malaysian

Tan Guan Chong, graduated with a Bachelor (Hons) of Mass Communication from SEGi University. He started his career with Sunway IFM in 2011 as Public Relations Officer and joined the Group as Supervisor in 2015. He was promoted as Project Manager in March 2017 and was assigned with the responsibility of monitoring site activities for Johor projects. With hands-on operational experience at the project sites of the Group, he was redesignated to his current position in 2019 and is currently responsible for the operational planning and project implementation from a managerial position, while continuously handles the management of site operations for the projects of the Group based in Melaka and Johor.

He is not a director of any public company. He is the nephew of Dato' Leaw Seng Hai, a Director and substantial shareholder of the Company, and the cousin of Leaw Ai Lin, a Director of the Company. Save as disclosed, he does not have any family relationship with any other Directors and/or major shareholders of the Company, nor any conflict of interest with the Company. He has not been convicted of any offences within the past ten (10) years.

Normalawati, graduated with Executive Masters in Management from Asia E University in 2013. She has vast experience and knowledge in Human Resource Management in various industries namely Property Developer, Construction and MNC Manufacturing. She was with Puncak Niaga Group (2001 – 2006), SP Setia Group (2007-2008) and DRB Hicom Group (2009 – 2014).

Normalawati joined the Group in 2015 and is responsible to oversee the Human Resource and Admin portfolio. She was redesignated to her current position in 2019.

She is not a director of any public company. She has no family relationship with any of the Directors and/or major shareholder of the Company and has no conflict of interest with the Company. She has not been convicted of any offences within the past ten (10) years.

Salehudin, completed his Sijil Tinggi Pelajaran Malaysia (STPM) pre-university education. He started his career with Equator Engineering Sdn Bhd from 1993 to 2010. In August 2010, he joined the Group as Human Resource & Administration Assistant. Progressively, he expanded his role into marine administration and was promoted to his current position in 2019, overseeing all aspects of marine administration activities.

He is not a director of any public company. He has no family relationship with any of the Directors and/or major shareholder of the Company and has no conflict of interest with the Company. He has not been convicted of any offences within the past ten (10) years.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

The principal activity of Benalec Holdings Berhad and its subsidiaries ("**Benalec**" or "**the Group**") are in marine construction works, comprising land reclamation, dredging, shore protection, soil consolidation, beach nourishment, breakwater construction and jetty construction. The Group owns and operates its own fleet of vessels which is utilised for its own operations to ensure that the Group is in full control of the entire value chain of its reclamation works.

Benalec's business model is unique, in that it seeks to secure and hold land reclamation concessions in its own capacity; undertake and fund reclamation works using internally generated funds as far as possible; and operate as the master developer for its own reclaimed land bank. In adopting this strategic business model, Benalec sets itself apart from other land reclamation contractors who are primarily or solely engaged in reclamation activities for or on behalf of other third parties.

By acting as the master developer, project owner and contractor of its own projects, Benalec is able to create and realise more value to further enhance returns on invested capital.

Benalec has a proven, consistent and solid track record, having secured an aggregate concession size in excess of 8,000 acres across the Klang Valley, Melaka and Johor. Since year 2001, the Group has successfully reclaimed land spanning more than 2,800 acres.

FINANCIAL RESULTS AND REVIEW OF OPERATING ACTIVITIES

The financial year 2025 ("**FY2025**") continued to be a challenging yet fruitful year for Benalec, unfolding against the backdrop of persistent economic uncertainties and heightened global geopolitical risks. Despite these external headwinds, the Group remained focused on its strategic priorities and continued to execute its plan with resilience, optimising operational efficiencies, and prioritizing long-term value creation.

Profit Before Taxation

The Group recorded a profit before tax of RM5.70 million in FY2025, a decrease of 56.22% or RM7.32 million as compared to the profit before tax of RM13.03 million in prior financial year 2024 ("**FY2024**"). The decrease in profit is in line with the decrease in revenue of approximately 32.67% from prior year, recorded at RM61.49 million in FY2025 compared to RM91.33 million in FY2024.

The Group has three (3) operating segments that are managed separately according to their attributes and operational characteristics. The reportable segments are as follows:-

- (a) Marine construction activities;
- (b) Vessel chartering and marine transportation; and
- (c) Other operating segment comprising investment holding.

Management Discussion and Analysis

FINANCIAL RESULTS AND REVIEW OF OPERATING ACTIVITIES (CONTINUED)

The main revenue for the Group is generated from the marine construction activities segment, i.e. 97.5% for FY2025 and 100% for FY2024, with the details as below: -

(i) Land reclamation services

Revenue derived from land reclamation services remains the main contributor to the Group's revenue in FY2025 and FY2024, recorded at RM49.84 million in FY2025 and RM56.48 million in FY2024, a slight decrease of 11.75% in the current financial year.

Revenue from land reclamation services was predominantly generated from reclamation contracts undertaken by the Group for third parties in Malaysia. The outstanding order book of the Group for all land reclamation contracts in Melaka and Pulau Indah as at the first quarter of year 2026 stands at RM142.59 million.

In addition to the land reclamation revenue recognition in Melaka and Pulau Indah, the Group has undertaken land reclamation works in south Johor, namely Tanjung Piai Maritime Industrial Park ("TPMIP") and Pengerang Maritime Industrial Park ("PMIP"). As of FY2025, an amount of more than RM424.86 million (after impairment amount of RM6.18 million) of development expenditure has been capitalised as land reclamation work-in-progress for both these projects. The Development Agreements which grant the exclusive right to subsidiaries of the Group to undertake the reclamation and development of TPMIP and PMIP were entered into by Spektrum Kukuh Sdn Bhd and Spektrum Budi Sdn Bhd respectively (both are 70%-owned subsidiaries of Benalec) with the State Government of Johor Darul Ta'zim and the State Secretary, Johor (Incorporated) (SSI). According to accounting standards adopted by the Group, no revenue or profit can be recognised throughout the reclamation and development process and can only be recognised upon successful disposal and/or leasing of the land at TPMIP and PMIP to third parties.

(ii) Disposal of land held for sale

The revenue from the disposal of land held for sale was recorded at RM10.15 million, as compared to RM34.85 million in FY2024, representing a decline of approximately 70.89%.

Benalec's business model is distinctive in that the Group's land reclamation works are compensated either by way of cash, land portion, or a combination of both. Land portions received as in-kind settlement under certain reclamation contracts are available for immediate sale, and cash realisation is typically achieved through subsequent land disposal transactions. In accordance with accounting standards adopted by the Group, the revenue and cost of sale for these land sale transactions can only be recognised in the income statement upon completion of the SPA for each land sale.

The Group's ability to monetise its reclaimed land is highly dependent on the prevailing economic conditions. Potential land buyers remain cautious about committing new investments, especially during periods of economic instability or uncertainty. Nonetheless, the Group continues to monitor market dynamics closely and adopts a prudent and flexible approach in its marketing and pricing strategies to mitigate such risks.

As at to-date, the Group holds existing landbank of 28.34 acres in Melaka and 26.82 acres in Pulau Indah, which have been fully reclaimed available for sale in its inventory. The Group anticipates sustained demand for its land bank in Melaka, driven by ongoing rapid development in the state. This outlook is further supported by the Melaka Waterfront Economic Zone ("M-WEZ"), an initiative by the Melaka State Government that envisions an integrated development spanning 25,000-acre of reclaimed land along 33 km of coastline, positioning it as a key economic catalyst for the state. In addition, high-profile developers such as LBS Bina Group and Oriental Holdings Berhad have already begun anchoring large mixed-use industrial projects in Klebang, with gross development values exceeding RM7 billion. This is likely to create a positive spillover effect on land values and demand for strategically located reclaimed land. Consequently, the Group is well-positioned to capitalise on these developments, supported by its ready-for-sale landbank and the increasing prominence of Melaka as an emerging industrial and maritime hub along the Straits of Melaka.

Management Discussion and Analysis

FINANCIAL RESULTS AND REVIEW OF OPERATING ACTIVITIES (CONTINUED)

Assets, Liabilities and Liquidity

The Group recorded a 23.0% increase in Contract Asset, rising by RM8.8 million to RM47.06 million in FY2025. The increase was primarily attributable to reclamation works in Melaka amounting to approximately RM8.31 million, which were completed by 31 December 2025 but had yet to be certified by the client as at FY2025. Short-term Trade and Other Receivables similarly recorded a growth of RM27.20% or RM2.4 million, to RM11.25 million in FY2025.

In line with the increase in Contract Asset and Trade and Other Receivables, the Group's short-term Trade and Other Payables rose by 13.36% or RM11.93 million in FY2025. Included within this balance is an amount of RM17.61 million (FY2024: RM3.58 million) representing partial cash collection from land disposal Sales and Purchase Agreements (SPAs) that remained incomplete as at FY2025. Upon full collection of the SPA consideration, the amount will be recognised in the profit and loss statement.

As at the end of FY2025, the Group held cash and bank balances of RM27.52 million, which includes deposits pledged as security for the Group's banking facilities. Further details are available in the Statement of Cash Flows under the Financial Performance section of this Annual Report.

Cash Collected (To Be Recognised)



ANTICIPATED OR KNOWN RISKS

Our Group operates in the marine construction business and its primary activity involves reclaiming and selling large tracts of commercial and industrial land, operations which are both capital intensive and necessitate long gestation periods. Our business operations and financial condition have been and will continue to be affected by internal and external factors predominantly affecting the marine construction and property/real estate industry, including (but not limited to) the following:-

(a) Demand and supply conditions

The demand for marine construction projects and reclaimed sea-fronting land is generally dependent on the demand from the Group's key target markets, such as local and foreign companies as well as government authorities involved in:-

- Mixed residential and commercial developments;
- Light, medium and/or heavy industrial developments;
- Oil and gas, and/or renewable energy industries;
- Tourism and leisure developments;
- Maritime and logistics industries;
- Civil and agricultural industries; and
- Socio-economic and environmental protection initiatives.

In general, an increase in investments and/or activities within these sectors would translate into an increased demand for sea-fronting land which the Group reclaims, with a positive knock-on effect accruing to our marine construction services as well.

The investment appetite of both local and foreign investors is also typically affected by the political landscape, both local and international, prevailing economic conditions, as well as the ease of securing funding.



Management Discussion and Analysis

ANTICIPATED OR KNOWN RISKS (CONTINUED)

(b) Dependence of economic, regulatory and political consideration

The Group's ability to monetise its reclaimed sea-fronting land is highly dependent on the local political climate as well as the prevailing economic conditions. General market sentiments would turn cautious and conservative with the investment fraternity, especially in major investments of new projects and/or real estate if the prevailing economy and political climate is unstable or uncertain.

Another restrictive dynamic is that marine construction companies are governed by local, national, regional and international regulations and policies. Failure to obtain the necessary approvals may result in inability to undertake such projects while non-compliance may result in stop-work orders, penalties or detention of vessels.

The Group undertakes detailed planning and assessment prior to commencing any given project, formulating and adhering to a comprehensive project quality plan throughout the course of project execution. However, from time to time, the relevant Authorities may make changes to applicable regulations affecting the Group's operations, thereby obliging the Group to modify its facilities or incur expenses that could impact the Group's operating results.

(c) Market prices of reclaimed land upon disposal of our land portion

Under our revenue model, payment for our land reclamation projects is settled by way of cash and/or land portion. In this respect, market prices of the land portion upon disposal is not within the Group's control and is a result of several different factors such as the macroeconomic environment and sentiments of the property market in general, as well as factors limited to the locality of the projects including surrounding upcoming developments and local government regulations.

However, to mitigate this, prior to undertaking a project which the Group will be compensated by way of land portion, comprehensive due diligence is carried out on the land and surrounding vicinity whereby the potential value of the land portion, as well as the demand-supply condition of land in such vicinity, are given due and critical consideration. We also assess the possible infrastructure enhancements on the said lands which could potentially increase their market value.



(d) Supply of diesel, sand and rocks

Diesel, sand and rocks constitute major components used in our marine construction activities. Hence, any shortage in the supply of diesel, sand or rocks may affect the operations of the Group. To mitigate this, the Group sources diesel, a key component, from a number of suppliers to minimize over-dependency on any single supplier. In addition, any fluctuation in the prices of diesel, sand or rocks will directly affect the profit margin of the Group. We endeavor to mitigate this uncertainty and fluctuations in the price of sand by entering into agreements with sand concessionaires to extract sand at specified pricing for a defined time period.

(e) Delay in completion of marine construction contracts and cost overruns

Marine construction companies are vulnerable to operational risks such as breakdowns of equipment and machinery, volatile weather conditions, and accidents involving operation facilities and personnel during work execution. The Group strives to complete its projects within the stipulated timeframes by adopting the following measures: -

- (i) Our vessels and equipment are well maintained by our own in-house repair and maintenance team and are managed under a programmed maintenance schedule to prevent breakdown and minimize downtime. Personnel operating the Group's vessels and equipment are professionally trained in proper handling of its vessels and equipment, safety requirements and emergency procedures;
- (ii) The Group ensures that it has the necessary back-up resources to cope with unexpected breakdowns at any one time, such as storage of adequate spare parts and back-up equipment; and
- (iii) The Group mitigates the effects of adverse weather conditions through systematic project planning such as taking cognizance of weather forecasts from the Malaysian Meteorological Department and the use of tide tables published by the National Hydrographic Centre to estimate the occurrences of high and low tides.

Management Discussion and Analysis

FORWARD-LOOKING STATEMENTS

Melaka – Cheng Ho City

Demand for the Group's prime sea-fronting reclaimed land bank in Cheng Ho City, Melaka, located only 7 kilometers away and a mere 12-minute drive to the west of Melaka City Center, continues to be robust due to the sustained and rapid developments taking place in Melaka over the past few years. This is underscored by the Group's ability to monetise more than 1,000 acres of land in Melaka to-date, amounting to more than RM1.43 billion in land sales being achieved.

Melaka designation as a UNESCO-listed World Heritage site reinforces its appeal as a top tourism destination. The State faced severe disruption during COVID-19 pandemic, but the tourism sector has rebounded strongly since 2021, consistent with global and national recovery patterns.

During the Visit Melaka Year 2024, Melaka has attracted approximately 15 million visitors and generated RM12.68 billion in revenue. Melaka tourism in 2025 continues to thrive, driven by high-profile tourism ambassador campaign and its role as host for major events like World Tourism Day 2025 (WTD) and World Tourism Conference 2025 (WTC). Several initiatives will also be introduced in conjunction with Visit Melaka Year 2.0 and in support of Visit Malaysia 2026. International arrivals, particularly from China, remain strong, while the State positions itself as a premier destination for heritage, culture and sustainable tourism.

Recent development launches such as The Sail Melaka, Avalton by The Water, and German Technology Park introduce modern tourism, lifestyle and technology propositions to the State's real estate landscape. As part of the Melaka Strategic Plan 2035, the M-WEZ is a proposed integrated development of 25,000-acres of reclaimed land along the coast of Melaka. This development is envisaged as an economic enabler for Melaka and it has been proposed that the project will incorporate new integrated feature such as international tourism centres, lifestyle-based commercial centre, smart city, industrial revolution 4.0, marina logistics centre, modern lifestyle amenities and others. Such project is expected to reinvigorate the tourism industry, as well as boost the economic development plan for Melaka.

Further strengthening this outlook is the recent announcement of a RM1.8 billion modern shipyard project, known as the Enrique of Malacca Shipyard, to be developed within the M-WEZ. The facility will feature shipbuilding and repair capabilities, marine services, and fabrication facilities, and is expected to commence operations by 2028, serving as a key catalyst for the growth of the maritime industry in the Straits of Malacca and the wider Southeast Asian region. The development's strategic location along one of the world's busiest shipping routes further enhances its significance, reinforcing Melaka's positioning as an emerging maritime and logistics hub.

With Melaka sustaining its resilient growth trajectory, both in terms of economic development and international prominence, the value of the Group's land bank in the state is bound to be significantly enhanced, and the Group is set to continue to benefit from its land bank and projects in Melaka moving forward.



Pulau Indah

The Group's Pulau Indah land development continues to attract strong interest and demand from various small to medium sized, as well as large scale logistics and manufacturing companies, which are interested in building facilities in the Pulau Indah area. The Group's land is situated in a strategic location, approximately 8km from Westport and 17km from Northport, providing direct access to two of busiest maritime gateways. The site also benefits from excellent regional connectivity via major expressways, offering seamless linkage to key logistics and industrial corridors.

Spillover effects from surrounding developments within the area will further enhance the value of the Group's land bank in Pulau Indah. Heavy industries, halal industries, logistics and biotechnology companies continue to expand within Pulau Indah Industrial Park ("PIIP") and Selangor Bio Bay Industrial Park (SBB), both of which are located immediately adjacent to the Group's land bank. Moreover, large scale projects which have been announced in the past include IKEA's RM900 million regional distribution and supply chain centre at PIIP, is located directly opposite the Group's land bank. In addition, the 1,200MW Combined-Cycle Gas Turbine Power Plant in Pulau Indah which began its operations in March 2025 is expected to spur further economic growth in the region as the power plant is expected to improve baseload supply for the region and help attract new industrial development investments and stimulate the economic activity within the region.

The road widening and port-link upgrades along Lingkaran Pulau Indah and Northport roads as announced under Budget 2025 will reduce congestion and strengthen logistics efficiency for both Westport and Northport. The broader regional connectivity initiatives such as the East Coast Rail Link (ECRL) – at 89% completion as of the fourth quarter of year 2025 – will further elevate industrial land demand in Klang Valley corridors including Pulau Indah.

As at the end of FY2025, the Group has successfully executed three (3) land disposal Sales and Purchase Agreement ("SPAs") out of the five (5) plots under its entitlements. Two (2) of these SPAs were completed as of FY2024 and the first quarter of FY2026 respectively, generating a total consideration of RM61.58 million. The Group remains confident that the remaining two (2) unsold plots in Pulau Indah will continue to benefit from the surrounding developments and are well-positioned for successful monetisation in the near future.

Management Discussion and Analysis

Johor – Tanjung Piai Maritime Industrial Park (“TPMIP”)

Reclamation works at the Group’s TPMIP project commenced since the Detailed Environmental Impact Assessment (“DEIA”) approval was obtained. To-date, around 163 acres of land have been reclaimed for immediate expansion should the requirement arises.

TPMIP is strategically located at the doorstep of other major ports in Southeast Asia, such as Jurong Port and Port of Tanjung Pelepas. Its natural deepwater of up to 30 meters, coupled with sizeable land availability for multi-phase development, positions TPMIP as a highly competitive storage and logistics alternative to land-and draft-restricted Singapore. The Group is confident that TPMIP’s unique characteristics, particularly its strategic location at the confluence of the Melaka Straits, Singapore Straits and Johor Straits, making it well placed to capture imminent opportunities across the oil & gas and renewable energy value chain.

To support Malaysia’s clean-energy transformation, the Group is pleased to engage in collaboration and discussions with various parties to explore TPMIP’s suitability for projects aligned with the National Energy Transition Roadmap (“NETR”). The NETR sets Malaysia on a pathway toward net-zero emissions by 2050, with progressive targets of 31% by 2025, 40% by 2035, and 70% by 2050. To efficiently make this transition, six (6) energy transition levers have been identified, namely Energy Efficiency (EE), Renewable Energy (RE), Hydrogen, Bioenergy, Green Mobility and Carbon Capture, Utilisation and Storage (CCUS). The NETR is expected to unlock new investment opportunities for businesses within the clean energy sector, and the TPMIP is well placed to capture any such arising opportunities, owing to its availability of large tracts of land for new developments and its extremely strategic location.

Given TPMIP’s deepwater advantages, sizeable land availability, proximity to major regional ports, and alignment with Malaysia’s accelerating energy-transition agenda, TPMIP stands out as one of the region’s most strategically positioned industrial and maritime developments. Its ability to support large-scale, future-ready energy and logistics activities provides the Group with a strong foundation to capture meaningful growth opportunities in the years ahead.



Johor – Pengerang Maritime Industrial Park (“PMIP”)

The management remain optimistic about PMIP’s long-term potential, supported primarily by its strategic proximity to the RAPID project by Petronas which restarted its refinery joint-venture with state-controlled Saudi Aramco since May 2022. The Group firmly believes that PMIP is extremely well placed to benefit from the spillover demand expected to be generated by this catalytic development aimed at driving the local oil and gas market.

PMIP, being only 5 km away from RAPID, offers an excellent location for the development of downstream support activities to serve or complement RAPID’s extensive operations. In addition to RAPID, the upcoming US\$5.32 billion Pengerang Energy Complex (PEC), a major anchor project within the Pengerang Integrated Petroleum Complex (“PIPC”), is set to further enhance the region’s industrial ecosystem. Although PEC has experienced delays in achieving financial close, it remains a strategically critical long-term project for the region and strengthens downstream demand for land, logistics, and marine services across PIPC, including PMIP.

The undergoing significant transformation in PIPC, marked by major ongoing investment, expansion of deepwater terminal capacity, and RAPID’s strengthening downstream ecosystem, have reinforced the strategic attractiveness of PMIP. Upon completion, PMIP will be the only remaining sea-fronting piece of land affording access to water-draft access of up to 24-meter available for third party investments within the PIPC – a strategic advantage for operators requiring deepwater capabilities.

PMIP has also secured the requisite DEIA approvals for land reclamation and potential topside developments such as storage warehousing, shipyards and fabrication yards for this project. Hence, the most significant licensing hurdle for potential developers has been removed from the equation, thereby significantly expediting any future topside developments at PMIP. Currently, a 45-acre stockpile has been positioned on-site to allow immediate expansion as soon as the requirement arises.

Together with TPMIP, PMIP forms a dual-engine growth platform for the Group within Johor. These two strategically located developments collectively position the Group to capture rising demand across both the traditional oil & gas value chain and the rapidly emerging clean-energy ecosystem, enabling a foundation for the Groups next phase of sustainable long-term expansion.

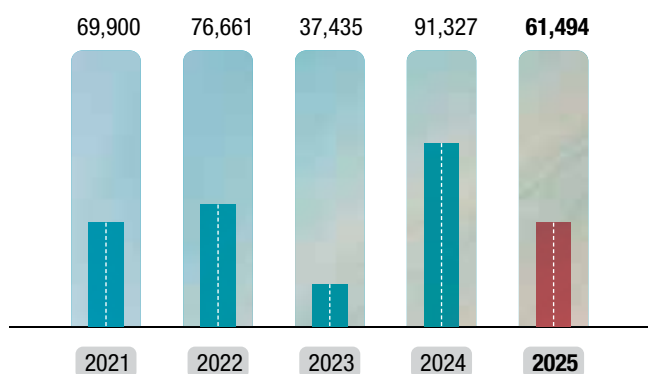
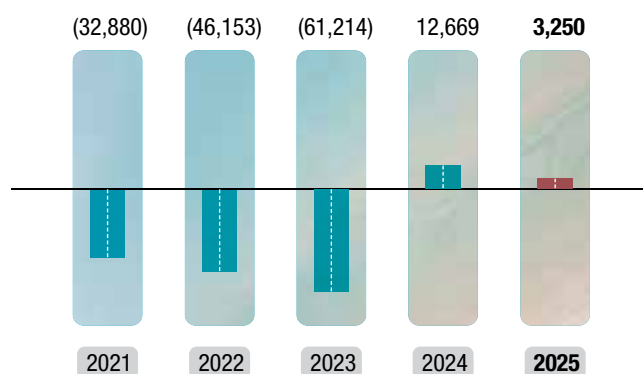
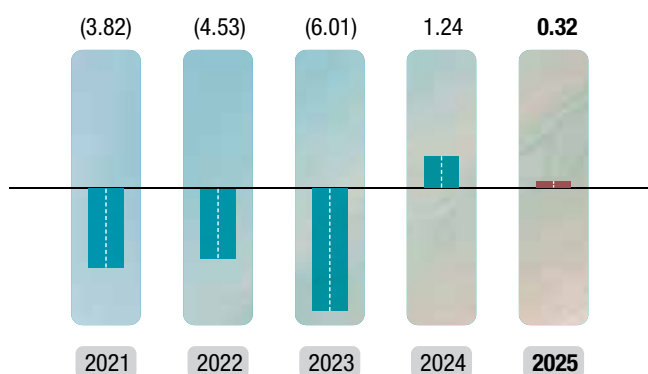
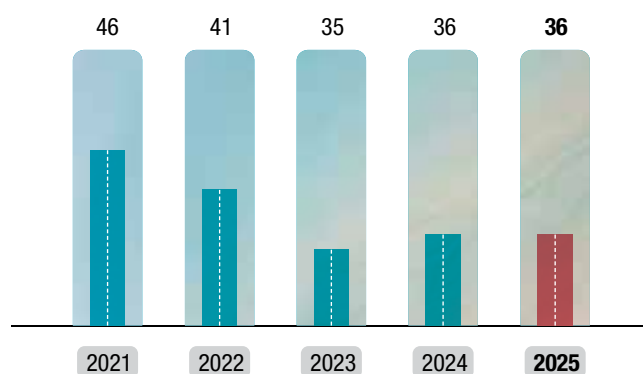
Dividend policy

The Company’s dividend policy is to pay out a portion from its Profit After Tax (“PAT”), subject always to:-

- Availability and adequate of distributable reserves and cash flow;
- Operating cash flow requirements and financing commitments; and
- Anticipated future operating conditions, expansion and investment plans.

The Board did not recommend any dividend for FY2025. As and when circumstances permit, the Group will consider paying out dividends to its shareholders on a more frequent basis.

GROUP FINANCIAL HIGHLIGHTS

REVENUE (RM'000)

PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT (RM'000)

BASIC EARNINGS PER SHARE (SEN)

NET ASSETS PER SHARE (SEN)


Year ended		2025 ⁽¹⁾	2024 ⁽¹⁾	2023 ⁽¹⁾	2022 ⁽¹⁾	2021 ⁽¹⁾
Revenue	(RM'000)	61,494	91,327	37,435	76,661	69,900
Profit/(Loss) Before Taxation	(RM'000)	5,704	13,029	(62,608)	(40,791)	(33,277)
Profit/(Loss) After Taxation	(RM'000)	2,356	12,035	(62,784)	(47,713)	(33,895)
Profit/(Loss) Attributable to Owners of the Parent	(RM'000)	3,250	12,669	(61,214)	(46,153)	(32,880)
Paid-up Capital	(RM'000)	391,936	391,936	391,936	391,936	391,936
No. of Shares (units)	('000)	1,031,603⁽²⁾	1,031,603 ⁽²⁾	1,031,603 ⁽²⁾	1,031,603 ⁽²⁾	1,031,603 ⁽²⁾
Equity Attributable to Owners of the Parent	(RM'000)	376,108	372,658	359,460	422,904	470,963
Basic Earnings Per Share	(sen)	0.32	1.24	(6.01)	(4.53)	(3.82)
Diluted Earnings Per Share	(sen)	0.32	1.24	(6.01)	(4.53)	(3.82)
Net Assets Per Share	(sen)	36.46	36.12	34.84	40.99	45.65

Notes:-

⁽¹⁾ For financial year ended 31 December.

⁽²⁾ Include 12,715,400 treasury shares repurchased from the open market for a total consideration of RM12,703,204 at average price of RM1.0000 per ordinary share.

SUSTAINABILITY STATEMENT

We are dedicated to actively participate as one of the foremost homegrown Marine construction Solution providers contributing positively to the economy of Malaysia. This Sustainability Statement (the “Report”) serves as a channel to communicate our initiatives to focus on sustainability opportunities to ensure our services take into account the economic, social and environmental impacts including climate-related risks and opportunities.

REPORTING FRAMEWORK AND SCOPE

The Report has been prepared in reference to the Sustainability Reporting Guide and Toolkits issued by Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and the Amendment to the Main Market Listing Requirements issued by Bursa Securities on 26th September 2022 to enhance sustainability reporting framework.

Further context on Governance is disclosed in the Corporate Governance Overview section of this Annual Report and a separate Corporate Governance Report that adheres to the Malaysian Code on Corporate Governance.

The coverage of this Report includes all domestic and material operations of Benalec, consisting of its active subsidiaries, of which Benalec has direct control and holds a majority stake. Inactive and dormant companies listed below have been excluded in this reporting:

Name of Company	Company Registration No.
1. Benalec Ceteau Asia Sdn Bhd	201001014614 (898848-K)
2. Benalec Energy Sdn Bhd	202301051834 (1545748-V)
3. Benalec Land Sdn Bhd	200401036172 (674683-H)
4. Benalec Marine Sdn Bhd	200901017249 (860345-V)
5. Benalec Marineworks Sdn Bhd	202301046077 (1539992-X)
6. Cheng Ho City Sdn Bhd	201101018146 (946282-W)
7. Gabungan Khas Sdn Bhd	201401006909 (1082987-X)
8. Goldnet Synergy Sdn Bhd	201101019250 (947383-W)
9. Heritage Land Realty Sdn Bhd	200901017256 (860352-M)
10. Heritage Land Sdn Bhd	200901015335 (858409-T)
11. Jayamas Cekap Sdn Bhd	201101001007 (929141-T)
12. Jewel East Sdn Bhd	201101018761 (946897-U)
13. Klebang Property Sdn Bhd	200901010815 (853837-M)
14. Oceanview Realty Sdn Bhd	201001014645 (898879-K)
15. One World Island Sdn Bhd	201101018765 (946901-K)
16. Orientalcove Realty Sdn Bhd	200601017630 (737382-W)
17. Pengerang Maritime Industries Sdn Bhd	201101016494 (944630-X)
18. Spektrum Budi Sdn Bhd	201101012585 (940725-W)
19. Spektrum Kukuh Sdn Bhd	201101013821 (941961-V)
20. Sentosacove Development Sdn Bhd	200801024339 (825663-A)
21. Strategic Cove Sdn Bhd	201001014604 (898838-A)
22. Strategic Land Sdn Bhd	201001014611 (898845-T)
23. Tanjung Piai Maritime Industries Sdn Bhd	201101015140 (943274-D) (LL06799)
24. Wilajati Sdn Bhd	200801023570 (824893-W)
25. Oceanliner Pte Ltd	(200910031W)
26. Oceanline (Labuan) Ltd	(LL06799)
27. Ocean Marine Ltd	(LL07031) – struck-off on 17 December 2025
28. Pacific Ltd	(LL07033) – struck-off on 17 December 2025

In line with the reporting period of annual report, the reporting period covered for this report is from 1 January 2025 to 31 December 2025 (“**FY2025**”) and where applicable, comparative data from previous 2 years has been included.

Sustainability Statement

REPORTING FRAMEWORK AND SCOPE (CONTINUED)

Changes Related to Reporting and Restatement

In this report, we have corrected the average water consumption per unit of reclamation project for FY2024 following the identification of a calculation error. As a result, we have also reviewed and revised our target for average water consumption per unit of the reclamation project.

In our effort to continuously improve our reporting process, we have included the climate-related risks and opportunities in this report as our preparation to align with the International Financial Reporting Standard (“IFRS”) Sustainability Disclosure Standard – IFRS S1 (General Requirement for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosure) issued by the International Sustainability Standard Board (“ISSB”).



External Assurance and Contact Point

While we have not sought external assurance for this sustainability statement, the data, including its data collection process, has been submitted for internal review and verification by our outsourced internal auditor before being approved by the Board.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we value your feedback and regard your suggestion(s) as an opportunity to learn and improve ourselves. If you have any comments and/ or suggestions on our Sustainability Statement, please do not hesitate to send them to Puan Normalawati Binti Nadzri at normalawati@benalec.com.my.

About the Company

The principal activity of Benalec Holdings Berhad and its subsidiaries (“**Benalec**” or “**the Group**”) are in marine construction works, comprising land reclamation, dredging, shore protection, soil consolidation, beach nourishment, breakwater construction and jetty construction. The Group owns and operates its own fleet of vessels which is utilised for its own operations to ensure that the Group is in full control of the entire value chain of its reclamation works.

Benalec’s business model is unique, in that it seeks to secure and hold land reclamation concessions in its own capacity; undertake and fund reclamation works using internally generated funds as far as possible; and operate as the master developer for its own reclaimed land bank.



Sustainability Statement

KEY INDICATORS

OUR FLAGSHIP PROJECTS



WHAT WE DO



**Marine
Construction
Services**



**Vessel Chartering
and Marine
Transportation**



REVENUE

RM **61.49** million



**TOTAL
NET ASSETS**

RM **376.11** million



**NET ASSETS
PER SHARE**

RM **0.36**



**TOTAL
ASSETS**

RM **623.84** million



**NUMBER OF
EMPLOYEES**

92 People

Board Statement

The Board of Directors (the “**Board**”) is the main driver in setting the sustainability strategy and ensuring that our sustainability initiatives are aligned with the Group’s vision and mission including delivering sustainable values to Benalec’s stakeholders.

Whilst mindful of our profit-oriented objective, the Board is committed to striking a balance with our present-day sustainability themes that considers economic, environmental and social aspects including climate-related risks and opportunities of our business. Benalec’s related sustainability themes and taglines are as follows.

- **Health and Safety** - “Accidents hurt, Safety doesn’t”
- **Talent retention and development** - “Empowering diversified groups of deserving people for the betterment of Benalec’s tomorrow”
- **Electricity, water, paper, flora and fauna conservation** - “The earth is what all mankind have in common and it’s beauties are for all to experience”
- **Building our surrounding communities** - “Give to create self-sustaining communities”

The Board considers sustainability issues as part of its strategic formulation, reviews and approves the material sustainability factors identified by the management. Continuous engagement with multiple stakeholders were also performed to improve our performances.

Stakeholders should note that Benalec will require time to collect and consider data to be reported for all the material sustainability matters under normal operational circumstances. Nevertheless, Benalec is committed to prepare its sustainability to be aligned with the IFRS Sustainability Disclosure Standard – IFRS S1 (General Requirement for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosure) issued by the ISSB.

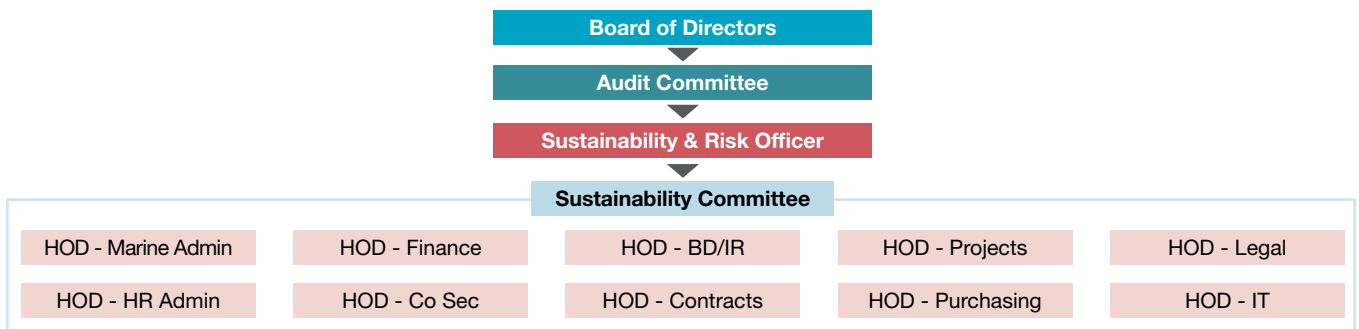
Sustainability Statement

Sustainability Governance Structure

As guided by the Group’s corporate governance principles, the Board is committed to ensure economic, social, and environmental issues of our stakeholders are managed with sustainability in mind (including climate-related risks and opportunities).

In FY2025, we strengthened our sustainability governance by revising our reporting structure to enhance the oversight on the implementation of Environmental, Social and Governance (“ESG”) initiatives and alignment with our sustainability objectives.

The Board sets the tone and drive the sustainability while the Audit Committee (“AC”) assists in overseeing the integration of sustainability-related matters into the Group’s activities. The Sustainability & Risk Officer, who is a senior management staff of the Group, oversee the day-to-day execution and adherence of sustainability policies and practices including keeping the AC and the Board updated on the progress and key development. In addition, a working Sustainability Committee, comprising of key personnel from relevant departments was formed to review the sustainability performance of Benalec, drives operational implementation across their respective departments, facilitating ESG data collection and embeds sustainability practices into daily operations. The reporting structure for sustainability matters and responsibilities of the respective parties is presented as follows:



RESPONSIBILITIES

Board of Directors	AC	Sustainability & Risk Officer	Sustainability Committee
<ul style="list-style-type: none"> Overseeing and approving the Sustainability Strategy and climate-related risk appetite Reviews and approves the Sustainability Statement Aligning corporate and division priorities, tolerances and strategies Communicating and enforcing policies regarding sustainability 	<ul style="list-style-type: none"> Oversees the integration of sustainability-related matters into the Group’s activities. Monitors the integrity of tracking and reporting of sustainability data. Ensures disclosures meet Bursa Malaysia Listing Requirements and IFRS standards. 	<ul style="list-style-type: none"> Reviewing and monitoring effectiveness of sustainability treatment measures Making the appropriate recommendation to the AC and Board on sustainability management matters Aggregating and reporting sustainability achievements Reviewing the reports of sustainability management activities of the departments 	<ul style="list-style-type: none"> Conducting materiality assessment to identify significant ESG issues Identification and Monitoring of Initiatives and Actions Execution of Initiatives and Actions Reviewing the reports of sustainability management activities of the departments Reviewing sustainability exposures of departments and the sufficiency of action plans to achieve sustainability targets

Sustainability Statement

Stakeholder Engagement

Core to the success of our business is our ability to develop strong and meaningful relationships with all our stakeholders. We have put in place various communication channels designed to allow us to regularly engage with our stakeholders so that we can better understand their needs and interests.

A summary of our key stakeholders and how we engage them through the year is presented below:

No	Key Stakeholders	Area of Interest	How we engage	How frequently we engage	Their expectations	How we address their expectations
1	Regulatory Bodies	<ul style="list-style-type: none"> Compliance Safety and Health procedures 	<ul style="list-style-type: none"> Reports and compliance Periodic meetings 	<ul style="list-style-type: none"> Annually/ Periodically Monthly 	<ul style="list-style-type: none"> To ensure company procedures and policies is compliant to regulatory bodies (Department of Environment) 	<ul style="list-style-type: none"> Timely adherence to legislation and guidelines
2	Employees	<ul style="list-style-type: none"> Equal opportunities Good Health & Safety Diversity & inclusivity Career progression Benefits and rewards 	<ul style="list-style-type: none"> Employee satisfaction survey Internal communications Events and functions CSR programs 	<ul style="list-style-type: none"> Annually When required Annually Annually 	<ul style="list-style-type: none"> To provide fair and equal opportunities To ensure employee development and progression 	<ul style="list-style-type: none"> Transparent, open and consistent approach to appraisals Trainings and team building
3	Customers	<ul style="list-style-type: none"> Quality Competitive prices 	<ul style="list-style-type: none"> Meetings Emails and phone calls Corporate website 	<ul style="list-style-type: none"> When required On case-to-case basis When required 	<ul style="list-style-type: none"> To ensure commitment to quality 	<ul style="list-style-type: none"> Internal training and professional development to always maintain quality for our customers
4	Vendors	<ul style="list-style-type: none"> Ethical and fair procurement 	<ul style="list-style-type: none"> Site visits Direct contact Email correspondences 	<ul style="list-style-type: none"> When required When required When required 	<ul style="list-style-type: none"> To ensure transparent dealings with vendors 	<ul style="list-style-type: none"> Ethical and professional approach to sourcing business from vendors
5	Neighbouring Businesses and Surrounding Communities	<ul style="list-style-type: none"> Social and economic development contribution Socio-economic impacts Pollution and cleanliness 	<ul style="list-style-type: none"> Volunteerism 	<ul style="list-style-type: none"> Annually 	<ul style="list-style-type: none"> To give back to the community in which we operate and improve the welfare of families in need 	<ul style="list-style-type: none"> Alignment of sustainability goals with our CSR objectives
6	Financial institutions, Shareholders and Investors	<ul style="list-style-type: none"> Sustainability profi-tability matters Company's performance and targets Compliance with relevant requirements 	<ul style="list-style-type: none"> Annual General Meeting Investor Relations Initiatives Annual Report Quarterly Announcements 	<ul style="list-style-type: none"> Annually When required Annually Quarterly 	<ul style="list-style-type: none"> To engage existing and potential shareholders 	<ul style="list-style-type: none"> Robust corporate governance procedures in place

We recognise that Benalec's sustainable and long-term growth requires continuous engagement with stakeholders. As such, we aim to continue to improve our disclosure on ESG practices for sustainability reporting for the benefit of our stakeholders.

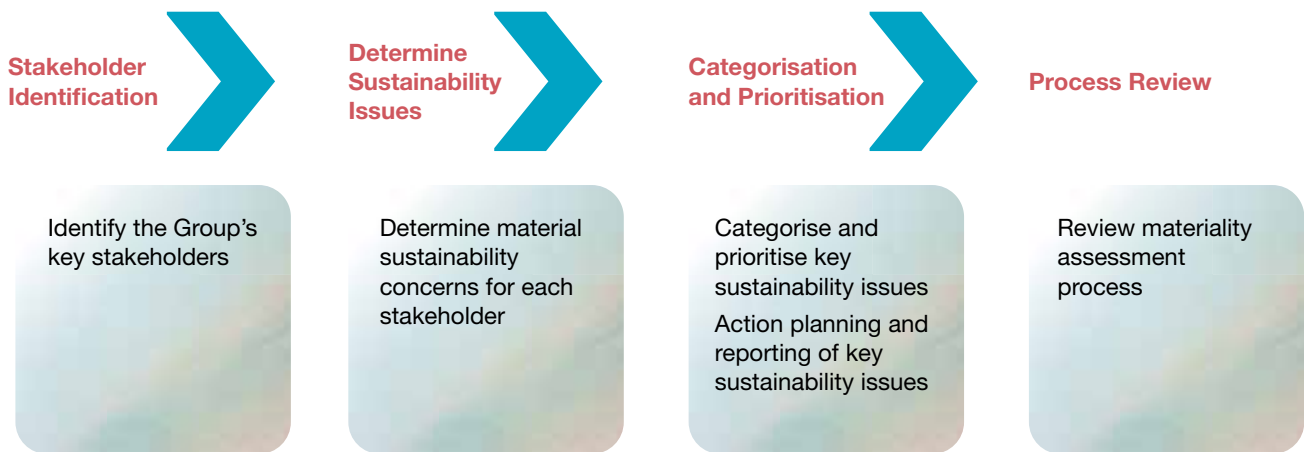
Sustainability Statement

Materiality Assessment

Our materiality assessment was conducted with participation and contributions from key personnel from respective departments.

While the materiality assessment did not involve any external stakeholders, key personnel took into consideration both internal and external perspectives during the material matters prioritization process.

The materiality assessment process adopted a four-step approach as outlined below:



The list of material topics for FY2025 arising from the above process and after considering the common sustainability matters prescribed by the Amendment to the Main Market Listing Requirement issued by Bursa Securities on 26th September 2022 to enhance the sustainability reporting framework is illustrated below:

High Expectation		E02: Transparent dealings with Vendors (Supply Chain Management)	E01: Commitment to quality G01: Compliance to regulatory bodies S02: Health and safety
	S03: Labour Practices and Standards	G03: Data Privacy and Security EN01: Energy Management EN02: Water EN03: Waste Management EN04: Emission	G02: Anti-corruption
	S04: Fair and equal career opportunities and development (incl. Diversity) S05: Giving back to community and improve the welfare of families in need (Community/ Society)	S01: Engage existing and potential shareholders	
	Low Risk	Medium Risk	High Risk

Sustainability Statement

Risk Management

Benalec has in place a risk management framework that is designed to measure and manage its exposure to risk associated with our business (including climate-related) and to safeguard shareholders' interests. The risk assessment process incorporates both qualitative and quantitative factors, and it considers the nature, likelihood and magnitude of potential risks.

A comprehensive set of internal controls for key operations have been put in place to address financial, operational, compliance, information technology and risk management. The risks profiles are reviewed and deliberated by the Audit Committee before submitted to the Board for approval.

In line with the requirements under IFRS S2, Benalec has enhanced its approach to identifying, disclosing and managing climate-related risks and opportunities. The climate-related risks are categorised as follows:

- Transition Risks – arising from the shift to a low-carbon economy
- Physical Risks – stemming from physical effects of climate change.

The following table illustrates the key climate-related risks and opportunities with the related timeframe on how Benalec intends to apply focus in the short-term (below 2 years), medium-term (2 – 5 years) and long term (more than 5 years):

Category (Type)	Climate-Related Factor	Potential Financial Impact	Timeframe	Risk Assessment Rating	Action Plan (Transition Strategy)
Physical Risks (Acute)	Unpredictable frequency of extreme weather events (e.g., monsoons, storm surges).	Higher operational downtime for vessels and tidal dependent works, increased insurance premiums, and potential damage to active reclamation sites.	Short	High (Likely/ Significant Impact)	<ul style="list-style-type: none"> • Adaptation Measure: Engineered Coastal Defense <ul style="list-style-type: none"> - Implementing rock revetment and sand/ rock bunds infrastructure to mitigate the risk of sand loss and structural damage from erosion. This serves as a primary defense mechanism to absorb the energy of incoming waves and stabilise the shoreline against heightened storm surge activity.
Physical Risks (Chronic)	Rising sea levels affecting long-term coastal stability.	Increased capital expenditure for higher platform levels (embankments) and design modifications for coastal protection.	Long	Medium (Possible/ Moderate Impact)	<ul style="list-style-type: none"> • Environmental Mitigation: Sediment Control <ul style="list-style-type: none"> - In alignment with Department of Environment (DOE) regulatory requirements for coastal works, the Company has integrated silt curtain installation into the action plan. These curtains serve as a flexible barrier to contain suspended solids and turbidity generated during reclamation and revetment construction stage. During periods of high precipitation and storm surges, silt curtains prevent or mitigate the displacement of sediments from impacting local marine ecosystems and thereby preserving natural reef or seagrass buffers that act as secondary, natural breakwaters against rising seas. • Operational Resilience & Resource Optimization <ul style="list-style-type: none"> The following measures were adopted by the Company: <ul style="list-style-type: none"> - Climate-synchronized Scheduling: Construction and maintenance phases are strategically front-loaded during non-monsoon periods. This “accelerated mobilisation” ensures that critical work milestones are met when meteorological conditions are favorable. - Tidal Flow Adaptation: To address heightened sea levels and high-tide interferences, work cycles are synchronised with low-tide windows. - Capacity Compensation: During optimal weather windows, the Company implement extended operating hours. This surge capacity is designed to compensate for mandatory downtime during the monsoon season, ensuring project timelines remain resilient to climate-induced disruptions.

Sustainability Statement

Risk Management (Continued)

Category (Type)	Climate-Related Factor	Potential Financial Impact	Timeframe	Risk Assessment Rating	Action Plan (Transition Strategy)
Transition Risks (Policy & Legal)	Stricter Coastal Development Regulations (e.g., alignment with Malaysia's National Adaptation Plan 2026).	Delays in Environmental Impact Assessment (EIA) approvals and increased costs for mandatory nature-based mitigation.	Medium	Medium (Possible/Moderate Impact)	<ul style="list-style-type: none"> Regulatory Engagement <ul style="list-style-type: none"> Company will conduct Environmental Impact Assessments (EIA) and maintain active liaison with DOE to facilitate site inspections and verify project suitability.
Transition Risks (Financial)	Increased Cost of Capital / Financing Barriers	Exclusion from traditional lending portfolios as banks move toward "Green-only" financing; higher interest rates on non-ESG loans	Short	Medium (Possible/Moderate Impact)	<ul style="list-style-type: none"> Financial Strategy Alignment <ul style="list-style-type: none"> Enhance corporate sustainability disclosures in line with international reporting standards to open opportunities for consideration on Sustainability-Linked Loans (SLLs).
Opportunities (Resilience)	Development of specialized coastal protection and flood mitigation infrastructure.	New revenue streams as a "Solution Provider" for national climate adaptation projects.	Medium	Medium (Possible/Moderate Impact)	<ul style="list-style-type: none"> Strategic Business Expansion <ul style="list-style-type: none"> Pursue government and private sector contracts specifically for coastal defense and flood mitigation works by leveraging existing marine construction expertise.



Material Topics and Targets

We have established performance targets for material areas and track the progress we have made in those areas as reported below:

Material Topics	Target	FY 2025 Progress
 ECONOMIC		
E01: Commitment to quality	<ul style="list-style-type: none"> Ensure customer satisfaction score at least 80%. 	<p>Target Met. Based on the customer feedback received in FY2025, the Group has achieved a satisfaction score of 88%.</p>
E02: Transparent dealings with Vendors (Supply Chain Management)	<ul style="list-style-type: none"> Maintain 80% of the Group purchases from the local market Continue to identify new supplier for collaboration to contribute towards sustainability initiatives 	<p>Target Partially Met. For FY2025, 100% of the Group's purchases were derived from local market.</p> <p>Despite ongoing efforts, we have not onboarded any new supplier with sustainability contributions. We remain committed to source for new supplier who contribute to these initiatives.</p>

Sustainability Statement

Material Topics and Targets (Continued)

Material Topics	Target	FY 2025 Progress
 ENVIRONMENT		
EN01: Energy Management	<ul style="list-style-type: none"> Ensure electricity consumption do not exceed 5% y-o-y 	<p>Target Met.</p> <p>The Group's total electricity consumption of 163,042.22kWh in FY2025 recorded an overall reduction of 3.23% compared to FY2024 of 168,478 kWh.</p> <p>Although the Shah Alam office recorded a marginal increase in usage and the Melaka office saw a rise due to the relocation of administrative functions from the project site, these increments were offset by a significant reduction in the Johor office. The sharp decrease in Johor's consumption was mainly driven by reduced activity during the period.</p>
EN02: Water	<ul style="list-style-type: none"> Installation of rainwater harvesting system Ensuring the annual increase in average water consumption per unit of reclamation project does not exceed 200m3 per acre. 	<p>Target Met.</p> <p>For FY2025, the average water consumption per unit of the reclamation project was 590.67m3 per acre, a significant improvement from 779.99m3 per acre in FY2024.</p> <p>Although total water consumption for projects in FY2025 increased due to two (2) major site activities— sand topping up and rock revetment works—the 24% reduction in average consumption per unit was largely driven by improved operational efficiency across the total reclaimed area.</p>
EN03: Waste Management	<ul style="list-style-type: none"> N/A 	As we are still in the process of identifying and quantifying our waste, targets will only be established in future reporting period once we have developed a robust measurement methodologies.
EN04: Emission	<ul style="list-style-type: none"> N/A 	The Group has commenced monitoring its emissions, as outlined on page 37 of this report. Due to ongoing challenges in obtaining reliable quantitative data, emission targets have not been formalised and will be established in future reporting periods.
 SOCIAL		
S01: Engage existing and potential shareholders	<ul style="list-style-type: none"> Timely announcement of quarterly financial result Timely responding to enquiry from existing and potential shareholders (i.e. within 24 hours upon receiving the enquiry) 	<p>Target Met.</p> <p>Quarterly financial result of the Company was released on timely basis after approval by the Board.</p> <p>Other than questions being received and have been answered during the Annual General Meeting held on 30 May 2025, there is no other enquiry received from shareholder in the current FY2025.</p>
S02: Health and safety	<ul style="list-style-type: none"> Ensure zero major accident 	<p>Target Met.</p> <p>Based on the monthly safety and health report, there was no major accident reported in FY2025.</p>
S03: Labour Practices and Standards	<ul style="list-style-type: none"> Ensure less than 10% of employee responded unfavourably satisfaction Ensure all employees fulfil at least 8 hours of training annually 	<p>Target Met.</p> <p>Based on the feedback received from 53.26% of the total employees of the Group, 7% have responded unfavourably.</p> <p>In FY2025, we achieved an average of 31.1 training hours per employee.</p>

Sustainability Statement

Material Topics and Targets (Continued)

Material Topics	Target	FY 2025 Progress
SOCIAL		
S04: Fair and equal career opportunities and development (incl. Diversity)	<ul style="list-style-type: none"> Ensure female workforce in the Head Office is at least 30% 	<p>Target Met. 60% of our employees in Head Office are female.</p> <p>Whereas, our reclamation project site will still be male dominated.</p>
S05: Giving back to community and improve the welfare of families in need (Community/ Society)	<ul style="list-style-type: none"> Conduct at least one (1) event per year with communities 	<p>Target Met. The Group has held one (1) CSR program in FY2025.</p>
GOVERNANCE		
G01: Compliance to regulatory bodies	<ul style="list-style-type: none"> Ensure zero non-compliance/ reprimand by regulatory bodies 	<p>Target Met. There was no non-compliance with regulation in FY2025.</p>
G02: Anti-corruption	<ul style="list-style-type: none"> Ensure all employees are provided with anti-bribery training/ refresher training. Zero bribery incident 	<p>Target Met. There was no bribery incident noted in FY2025.</p>
G03: Data Privacy and Security	<ul style="list-style-type: none"> Zero data breach 	<p>Target Met. There was no data breach incident noted in FY2025.</p>

ECONOMIC PERFORMANCE

The Group’s financial performance are discussed in detail in the following sections of our FY2025 Annual Report:

- Management Discussion and Analysis (page 16-21)
- Group Financial Highlights (page 22)

Attracting new business partners and exploring new business opportunities are essential to the sustainability of our business. To achieve this, we must deliver quality works to our customers and maintain transparent dealings with our vendors.

E01: Commitment to quality

The Group place strong emphasis on achieving high standards of quality and meeting the desired outcome of our clients. Benalec attained the ISO 9001:2015 certification for implementing Quality Management System for the provision of marine engineering and construction works (including dredging, reclamation and shore protection works). As such, each marine construction project is undertaken according to the standards of quality stipulated in ISO 9001:2015.

The quality and progress of each project will be jointly inspected by our client’s inspector of works and our engineer.

Where required, we will perform remedial works for our client during the defects liability period for our marine construction projects after the completion of the respective projects.

Sustainability Statement

ECONOMIC PERFORMANCE (CONTINUED)

E02: Transparent dealings with Vendors (Supply Chain Management)

Maintaining a transparent collaboration with vendors ensure a smoother operations and reduces conflicts. The Group has established Standard Operating Procedure governing the assessment on new vendor, conduct of performance assessment for vendor upon completion of supplies or at the end of services.

In placing of orders with vendors, the respective company in the Group will prepare Purchase Order and submit it for approval according to the Group's Approving Authority Limit. Only approved Purchase Order will be issued to vendors.

In addition, Benalec also seeks to involve local vendors to create a multiplier effect that can improve the welfare of the community around the Group's operational areas.

Proportion of Purchases from Local Suppliers

Suppliers	Proportion of Purchases (%)		
	FY2023	FY2024	FY2025
Malaysia	100.00%	100.00%	100.00%
Singapore	0.00%	0.00%	0.00%

In order to encourage commitment to sustainability, Benalec will continuously search for like-minded vendors that share the value of our sustainability initiative.

The table below illustrate the proportion of our purchases that we have made from suppliers that have embarked on the sustainability journey:

	FY2023	FY2024	FY2025
No. of suppliers with sustainability initiatives	5	4	2
Proportion of Purchases (%)	8.03%	1.75%	1.66%



ENVIRONMENT

In the course of our business activities, Benalec is fully aware of the need to preserve and protect the environments we operate in. We are required to comply with Section 34A of the Environmental Quality Act 1974 and Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 2015. As such, we work closely with the Department of Environment (“**DOE**”) to ensure the water pollution and siltation at construction site is kept minimally and below the limit set forth by DOE so as it would not affect the habitat of marine life.

Proper planning is critical as the approach to a project differs according to water depth, sea condition, thickness of sand and size of the project site. Prior to the commencement of land reclamation project, a soil investigation is undertaken to assess the soil conditions at the reclamation site. A geological and hydro-graphic survey of the reclamation site is also carried out to determine the depth of the sea bed or river bed that needs to be filled.

As part of our marine construction services, we provide beach nourishment services to prevent coastal erosion or to restore eroded beaches and beautify shorelines. We also undertake design, planning and construction of rock revetment or breakwater structures as a form of coastal defence to dissipate the energy of incoming waves and protect the land against powerful waves.

In addition, in order to prevent silt and to contain disturbed sediment from flowing into other parts of the body of water, silt curtains are installed to allow these particles to settle and drop within the water column by controlling dispersion. The silt curtain allows our contractors to do their reclamation work while protecting the surrounding marine environment.

Sustainability Statement

ENVIRONMENT (CONTINUED)

For our reclamation project site in Melaka, an external environmental consultant supervises and monitors the environmental impact for the project on a quarterly basis to ensure it continuously complies with the requirements of the Environmental Impact Assessment (EIA) Condition of Approval and the Environmental Management Plan (EMP). Benalec's Environmental Officer (EO) works closely with the external environmental consultant throughout the monitoring process to support timely reporting and ensure all environmental requirements are met.

The scope of the environmental monitoring covers the following components:

- Water quality
- Ambient air quality
- Noise level

An aerial view of the respective monitoring point around the project site is illustrated below:



Water Quality

The photos below shows the water samples taken from the respective monitoring stations:



Plate A1: Water sampling at MW1.



Plate A2: Water sampling at MW2.



Plate A3: Water sampling at MW3.



Plate A4: Water sampling at WUG1.



Plate A5: Water sampling at WUG2.



Plate A6: Water sampling at WUG3.

Sustainability Statement

ENVIRONMENT (CONTINUED)

The water quality are assessed against 21 parameters and compared to the Class 2 limits of the Malaysian Marine Water Quality Standards (MMWQS). These parameters comprised of Faecal Coliforms, Temperature, Ammoniacal Nitrogen (NH₃), Cyanide (CN), Dissolved Oxygen (DO), Nitrate (NO₃), Oil and Grease, Phenol, Phosphate (PO₄), Total Suspended Solids (TSS), Chromium Hexavalent (Cr⁶⁺), Cadmium, (Cd), Copper (Cu), Lead (Pb), Mercury (Hg), Zinc (Zn), Aluminium (Al), Arsenic (III)(As³⁺), pH, Polynuclear Aromatics Hydrocarbon (PAH) and Tributyltin.

Ambient Air Quality

The photos below illustrates the equipment set up for air quality monitoring at stations A1 and A2:

Plate B1: Ambient air monitoring A1 (Day)



Plate B2: Ambient air monitoring A1 (Night)



The assessed parameters used in air quality monitoring with their respective method references/ test specifications are as show below:

Parameter	Method Reference
Particulate Matter 10 um (PM ₁₀)	US EPA 40CFR Part 50, Appendix J
Particulate Matter 2.5 um (PM _{2.5})	US EPA 40CFR Part 50, Appendix L
Nitrogen Dioxide (NO ₂)	APHA 42602-03-73T
Sulphur Dioxide (SO ₂)	ASTM 2914-91
Ozone (O ₃)	Inhouse Method based on Aeroqual Series 500
Carbon Monoxide (CO)	ASTM D 4599-21

The results of the air quality are then compared with the baseline sampling results (January 2021) and the Malaysian Ambient Air Quality Standard (MAAQS) 2020, stipulated by the DOE.

Noise

Noise level measurement was administered to establish the background noise level in the Project site vicinity alongside to identify other significant sources of noise. Locations and period of commencement for noise level monitoring are similar to the air quality monitoring.

The photos below illustrates the equipment set up for noise level monitoring at stations N1 and N2:

Plate C1: Noise monitoring at N1 (Day)



Plate C3: Noise monitoring at N2 (Day)



Plate C2: Noise monitoring at N1 (Night)

Plate C4: Noise monitoring at N2 (Night)

Sustainability Statement

ENVIRONMENT (CONTINUED)

Equipment used for noise measurement are Sound Level Meter NL-52 (comply to the performance criteria of the IEC 60651:1979 Type 1) and ANSI A1.4 - 1983 draft standards for integrating sound level meter (type 1 & type 2). The results from both receiving land use were compared with the results from the baseline study (January 2021) alongside the recommended permissible sound level (LAeq) by receiving land use for Mixed Development category under the Second Schedule of the Schedule of Permissible Sound Levels, the Guidelines for Environmental Noise Limits and Control, Third Edition (DOE, 2019).

A report on the above environmental monitoring, prepared by the external environmental consultant on a quarterly basis, will be extended to DOE for their review.

At our offices, all staff are also constantly reminded on the importance of electricity and water conservation.

EN01: Energy Management

Majority of energy consumption are from electricity usage for lighting and air-conditioning at our offices located in Shah Alam, Melaka and Johor. The offices practice energy-saving where all lights and air-conditioning have to be switched off when not in use.

The table below illustrate the electricity consumption at the respective offices for FY2023 to FY2025:

Office Location	FY2023 (kWh)	FY2024 (kWh)	FY2025 (kWh)
Shah Alam	120,422.00	122,835.00	123,039.00
Melaka	-	13,176.00	15,465.25
Johor	36,458.00	32,467.00	24,537.97

Electricity consumption for the Melaka office is only available from FY2024 as it has reopened to resume normal operation. There was no comparative data for FY2023 as the office was temporarily relocated to the Melaka project site due to COVID-19.

The energy at our Melaka project site is produced from generators and the energy reported is calculated based on diesel consumption. The assumption of one diesel generator will use 0.4 litre of diesel per kWh produced was used based on the article titled “Efficiency of Diesel Generators Calculation: Formula & Equation” published on 16 September 2021 by Linquip, a Professional Network for Equipment Manufacturers, Industrial Customers and Service Providers located in US.

	FY2023	FY2024	FY2025
Diesel Consumption	80,266 litre	82,730 litre	65,682 litre
Equivalent Energy Produced	200,665 kWh	206,825 kWh	164,205 kWh

Diesel consumption in FY2025 shows a reduction as compared to FY2024 due to the installation of solar panel at the Melaka project site. The solar energy generated partially replaced the need for diesel-powered generation.

EN02: Water

Our water use at the Shah Alam and Johor offices are expected to be minimal; while our Melaka office is located near the coastal area, away from the treated water source safe for consumption. As such, additional water piping was installed from the treated water source in order to provide clean tap water to our Melaka office. Due to the additional water piping, we carry out proactive monitoring on the piping to detect and manage leaks promptly to minimise water wastage.

The table below illustrates the water consumption at the respective offices for FY2023 to FY2025:

Office Location	FY2023 (m ³)	FY2024 (m ³)	FY2025 (m ³)
Shah Alam	1,275.00	1,339.03	1,861.00
Melaka	20,725.00	28,372.00	29,802.00
Johor	1,408.00	1,669.00	1,914.35

For FY2025, the Group recorded an overall increase in water consumption across its operations. In Melaka, total water consumption rose due to two (2) major site activities—sand topping up and rock revetment works. In addition, given its coastal location, the site relies on a dedicated 1.5km pipeline to transport treated water from the nearest safe source and managing this extended infrastructure presents unique challenges as identifying the exact location of leaks across such a distance is technically difficult. While the usage in Shah Alam and Johor office is generally expected to be minimal, this notable spike has prompted a closer review to identify the underlying causes, such as potential internal plumbing issues.

To manage these trends, the Group is enhancing its oversight through implementing more frequent inspections of the Melaka pipeline, Shah Alam and Johor facility, and committing to immediate repairs upon detection of any suspected leaks or anomalies.

Sustainability Statement

ENVIRONMENT (CONTINUED)

EN03: Waste Management

Benalec acknowledges the need to manage and mitigate the environmental impact of our ongoing business. We are currently navigating the complexities of waste identification and measurement, and are committed to developing a comprehensive and effective waste management strategy by 2027.

Notwithstanding the above, our external environmental consultant, as part of their environmental site inspection, will also assess the Company's scheduled waste management to ensure the following:

- Wastes collected regularly from the project site;
- Maintenance yard well managed;
- Scheduled waste properly labelled and stored at a designated location;
- Scheduled waste managed by a DOE licensed schedule waste contractor; and
- All transportation and disposal of scheduled waste properly labelled and provided with consignment notes.

EN04: Emission

Scope 1 Greenhouse Gases ("GHG") Emissions

Scope 1 emissions are direct GHG emissions generated by a company's own operations.

For our Head Office, the GHG Scope 1 emissions are primarily attributable to company-owned vehicle used for both administrative and operational purposes, including travel between project sites. Due to the nature of these movements and variability of travel patterns, the calculation of fuel consumption and the corresponding emission is currently challenging and cannot be accurately quantified at this stage. Nevertheless, based on preliminary observations, the emission associated with these activities are assessed to be immaterial relative to the Group's overall GHG footprint. Moving forward, the Company will develop a more robust measurement approach and establish appropriate monitoring mechanism to enhance the accuracy and completeness of future emission reporting for these vehicles.

For our project sites, we have commenced tracking in FY2024 on the diesel consumed by our company-owned vehicles and machineries used in the reclamation works. The table below shows our diesel consumption and Scope 1 emission that was calculate using the CO₂ emission calculator provided by SunEarthTools.com (<https://www.sunearthtools.com/tools/CO2-emissions-calculator.php>):

Melaka Project Site

	FY2024	FY2025
Diesel consumption (litre)	643,811	972,382
GHG Scope 1 emission (tCO ₂ e)	1,690.39	2,553.09

Johor Project Site

	FY2024	FY2025
Diesel consumption (litre)	34,202	26,180
GHG Scope 1 emission (tCO ₂ e)	89.80	68.70

Scope 2 GHG Emissions

Scope 2 emissions are indirect GHG emission associated with purchased electricity usage for our operational activities based on the electricity consumption which are supplied by third-party supplier.

We calculated the corresponding Scope 2 emission arising from our electricity consumption using the CO₂ emission calculator provided by SunEarthTools.com (<https://www.sunearthtools.com/tools/CO2-emissions-calculator.php>). In FY2025, our Scope 2 emissions is as follow:

GHG Scope 2 emission (tCO ₂ e)	FY2024	FY2025
Shah Alam	89.35	89.50
Melaka	9.58	11.25
Johor	23.62	17.85

Scope 3 GHG Emissions

Scope 3 emissions are indirect GHG emissions (not included in Scope 1 and 2 GHG emissions) that occur in the Group's upstream and downstream value chain.

In FY2025, we identified Employee Commuting by Head Office staff as the first category to initiate monitoring under Scope 3 emission. For clarity, this category excludes employees using company-owned vehicles, as those emissions will be reported under Scope 1 in future reporting periods.

The emissions for this category were calculated using the GHG Emissions Calculator provided by the United States Environmental Protection Agency.

GHG Scope 3 emission (tCO ₂ e)	FY2025
Employee Commuting	40.80

While the quantitative assessment of Scope 3 emission remains challenging due to data availability constraints and varying commuting patterns, we remain committed to implementing measures that enhance the completeness and reliability of our disclosures. In the coming years, we will continue to assess data readiness and strengthen our internal processes to further improve the accuracy of our Scope 3 emission reporting.

Sustainability Statement



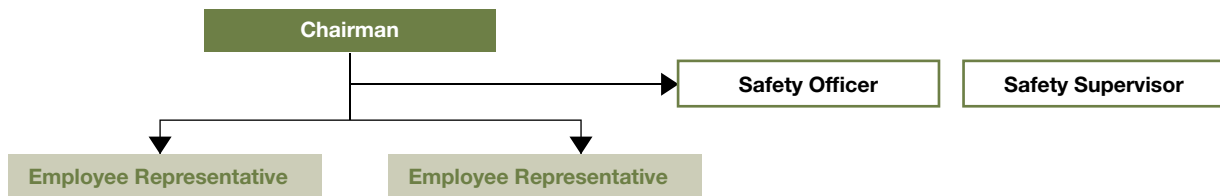
SOCIAL RESPONSIBILITY

S01: Engage existing and potential shareholders

Benalec is committed to actively engage our shareholders and employees. To this end, the various modes of our engagement with the respective stakeholders and their expectations have been disclosed above.

S02: Health and safety

As safety is the key element of our organisation culture, we continue to emphasise, maintain and to cater a safe work environment. Our qualified Safety Officers and Supervisors supervise project sites with formally defined policies and procedures with zero tolerance for compromise. We encourage the highest standards of health and safety, facilitated by our Environmental, Safety and Health Committee and Emergency Response Team.



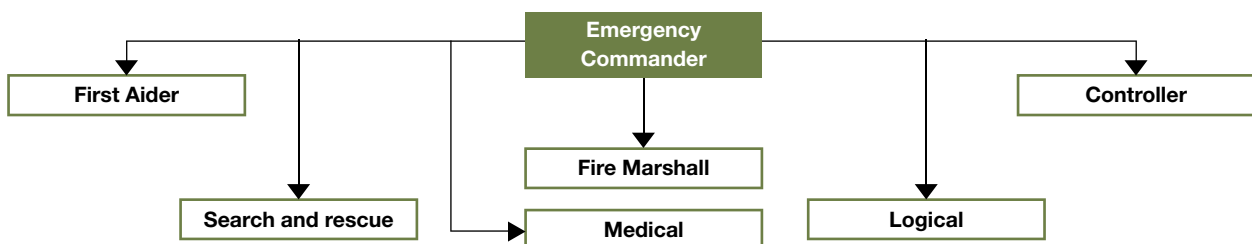
Our Safety and Health committee periodically monitor and measure health and safety standards for all site operations personnel through key performance criteria such as:-

- Participation of employees in Safety programs
- Minor, moderate and major Health & Safety violations
- Near misses
- Frequency and severity of accident rates
- Safety award campaigns

We ensure that employees remain motivated to achieve health and safety objectives through performance-reward systems of Benalec. One of the key performance criteria we use to measure and monitor health and safety standards is accident frequency rates. It is our aim to commit to zero accident culture and we are pleased that we have no major accident in FY2025.

Benalec also ensures that heavy machineries used on site are certified fit for use by relevant authorities and restricted only to authorised personnel with the right license qualifications and experience. In addition, Benalec also ensures technical skills of its authorised Safety Personnel stay up-to-date on the necessary information required in their working lives, by sponsoring their training and attending continuous professional development courses.

Our emergency response team headed by our Emergency commander will continue to ensure that health and safety of everyone at construction sites are of utmost priority.



At the respective reclamation project site, monthly safety & health report is prepared by the Safety & Health Officer to report on safety induction provided to new worker, site safety inspection performed, incident/ accident at the site, amongst others. Site toolbox meeting is also held on bi-weekly basis to ensure ongoing communication on safety protocols and address any concerns the workers may have.

Sustainability Statement

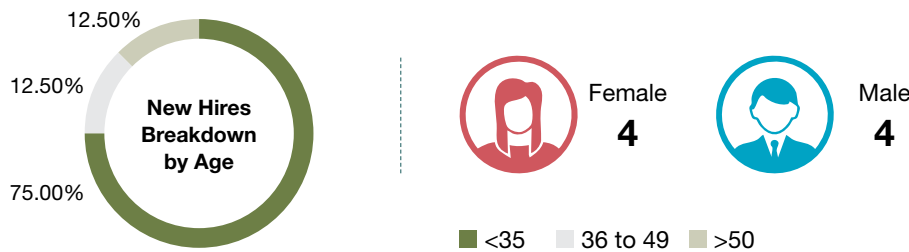
SOCIAL RESPONSIBILITY (CONTINUED)

S03: Labour Practices and Standards

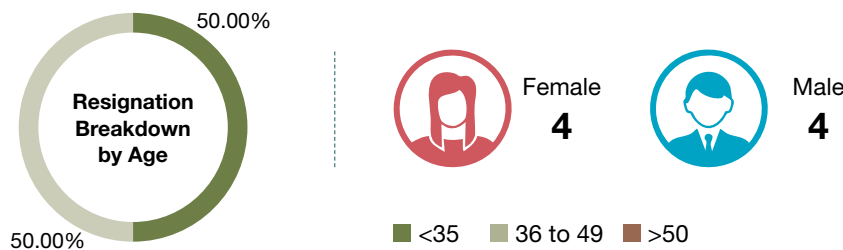
Benalec recognises that our employees are the cornerstone in our efforts to conduct sustainable business activities. The quality and performance of our employees determine how the Group achieve its sustainable business objectives. With this understanding, Benalec is committed to produce outstanding human resources that are competent and have integrity by putting in place effective human resource management.

Benalec has put in place an employee handbook that sets out the employment practices in the Group and adheres to the local legislation and guidelines. To meet business needs and stay ahead of competition, our hiring practices are based on merits such as skill and experience who can provide valuable competitive edge.

New Hires – Benalec had eight (8) new hires in year 2025 with the following demographic:



Resignation – Benalec had 8 resignation in year 2025 with the following demographic:



Open Workforce Communication

Providing a caring and inclusive workplace is a fundamental to developing a high-performing workforce. At Benalec, we promote and practice open communication across all levels of employees and departments to make Benalec a better place to work. The Human Resource and Administrative Department ensures that the employment practices are in compliance with the latest statutes and legislations.

During the current FY2025, the Group continue with the Employee Survey to gain deeper insights into employee’s sentiments and to leverage these insights to enhance our employee experience. Among matters evaluated includes job satisfaction, level of work-life balance, support and resources provided to maintain employee’s mental and emotional well-being, treated fairly, equally and without discrimination in the workplace, and able to express opinions and concerns without fear or retaliation. 53.26% of our employees in the Group have responded to the survey. 93% of the respondents voted neutral to favourably while there were 7% respondents that have voted unfavourably. The improvement suggestion arising from the employee survey includes better bonus/ annual increment, training and development, and enhancing staff benefits.

S04: Fair and equal career opportunities and development (incl. Diversity)

All employees are given opportunities to excel in their career with the Group regardless of their background. Male and female employees are rewarded fairly based on merit, capability and work experience, and this is practised across all levels of the organization structure.

All employees receive annual performance reviews where they are evaluated by their managers and given feedback on their strengths and areas for improvement.

Sustainability Statement

SOCIAL RESPONSIBILITY (CONTINUED)

Employees Development and Growth

Benalec recognises that professional development needs of its staff are equally as important for high employee satisfaction levels and organisational performance. We facilitate the development through ensuring that our employees are always equipped with the technical and practical knowledge to contribute positively to the organisation and surrounding communities alike.

We strongly encourage employees to attend training courses in all areas which provide opportunities to personal and career enhancement.

Significant training programs attended by the employees in current financial year are: -

- Occupational Safety and Health (OSH) Coordinator
- Hazards Identification, Risk Assessment, and Risk Control (HIRARC)
- One Day Internal Auditor Course, Auditing The ISO 9001: 2015 Quality Management System
- Pengurusan Projek Pembinaan
- Asean Green Hydrogen
- Case Study-Based Webinar: ESG and Taxation
- IFRS Sustainability Disclosure Standards: IFRS S1 and S2
- Sales and Services Tax (SST)
- Hydraulic Excavator Operator
- Kursus Mate of <500gt in domestic trade voyagers (without ROC)

As at FYE2025, we achieved an average of 31.1 training hours per employee, meeting our target of at least 8 hours of training per employee.

Diversity

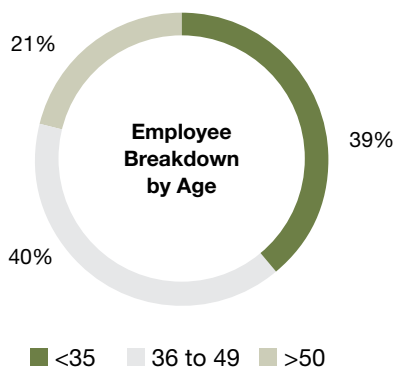
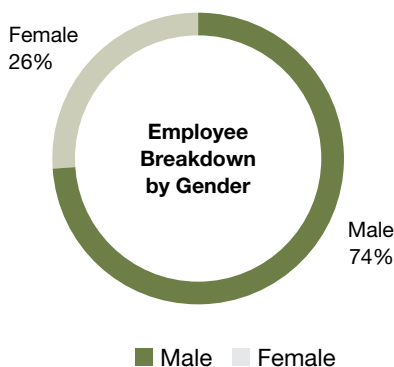
At Benalec, we believe that a diverse workforce is imperative to achieving our goals. Diversity allows us to better respond in the most strategic and effective manner to increasing demands and expectations of our various stakeholders.

The graphs on the right highlight the breakdown of Benalec’s total workforce of 92 employees by age and gender.

We foster and encourage females to join our Benalec family and make a difference. As at FYE2025, 26% of our employees are female despite being in a male dominated industry.

We are committed towards promoting gender equality and underscores our recognition of the importance of the participation of women at all levels of the organization.

Pursuant to the new Section 81H of the Employment (Amendment) Act 2022, Benalec has also put up a notice at its respective offices to raise awareness on sexual harassment to employees and how to report the situation as soon as possible.



Sustainability Statement

SOCIAL RESPONSIBILITY (CONTINUED)

S05: Giving back to community and improve the welfare of families in need (Community/ Society)

Benalec's long term aspirations for this community are to empower people so that the community is self-sustaining.

For FY2025, the Group has undertaken beach cleaning activity at Klebang, Melaka.



As and when circumstances permit, we will continue to reach out to the wider community through our robust and impactful initiatives and programmes that will positively benefit the surrounding communities and also preserve and protect the environments we operate.

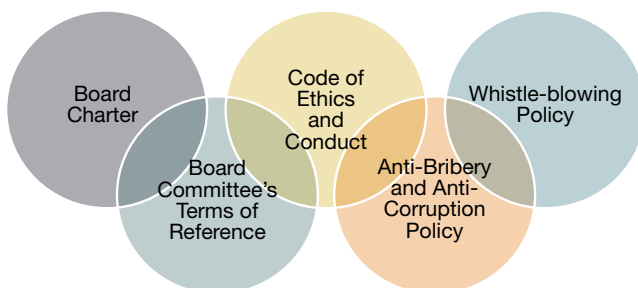


GOVERNANCE

G01: Compliance to regulatory bodies

Formalised corporate policies were established to provide guiding principles on business conducts that all employees should practise to support the Group's commitment to sustainability.

An overview of these policies are illustrated below:



For the current FY2025, there were zero incidents of non-compliance with regulatory bodies.

G02: Anti-corruption

The Group adopts a strict policy against bribery and corrupt practices. Consequently, a formalised Anti-Bribery and Anti-Corruption Policy has been established to ensure that business is conducted in an ethical and honest manner. It is also to act as a source of information and guidance for those working for or representing the Group to recognise and deal with bribery and corruption issues as well as understand their responsibilities.

In the event if any stakeholder has any concerns, they can refer to our Group's Whistle-blowing Policy for guidance on how to report to the Chairman of the Board or the Audit Committee Chairman.

No incidents of bribery or whistle-blowing reported in FY2025.

G03: Data Privacy and Security

The privacy and protection of our stakeholders' personal data is important to us. In this respect, Benalec has established a Personal Data Policy to govern the use and management of personal data in compliance with the Personal Data Protection Act 2010. In accordance with this Policy, stakeholders can get in touch with the Managing Director by mail, email, telephone or facsimile on matters concerning their personal data. The Personal Data Policy is available to the public on our corporate website at www.benalec.com.my.

In addition, Benalec has also established the Information Technology Acceptable Use and Security Policies to provide employees with guidelines on the appropriate use of computing and information resources of the Group.

There was zero incidents of data breach or leakages in current FY2025.

Sustainability Statement

BURSA PRESCRIBED TABLE

Date & Time: 2026-04-23_12:46:08
FYE 31/12/2025

Benalec Holdings Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Management	Percentage	100.00	-	Internal	-
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage	100.00	-	Internal	-
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Non-executive/Technical Staff	Percentage	100.00	-	Internal	-
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - General workers	Percentage	100.00	-	Internal	-
Bursa (Anti-corruption)	Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	-	Internal	-
Bursa (Anti-corruption)	Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	-	Internal	-
Bursa (Community/Society)	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00	-	Internal	-
Bursa (Community/Society)	Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0	-	Internal	-

Sustainability Statement

BURSA PRESCRIBED TABLE (CONTINUED)

Date & Time: 2026-04-23_12:46:08
FYE 31/12/2025

Benalec Holdings Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category (Management Under 30)	Percentage	0.00	-	Internal	-
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category (Management Between 30 - 50)	Percentage	73.00	-	Internal	-
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category (Management Above 50)	Percentage	27.00	-	Internal	-
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category (Executive Under 30)	Percentage	7.00	-	Internal	-
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category (Executive Between 30 - 50)	Percentage	93.00	-	Internal	-
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category (Executive Above 50)	Percentage	0.00	-	Internal	-

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-23_12:46:08

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Sustainability Statement

BURSA PRESCRIBED TABLE (CONTINUED)

Benalec Holdings Berhad BMLR Transition Period		Date & Time: 2026-04-23_12:46:08 FYE 31/12/2025				
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category (Non-executive/Technical Staff Under 30)	Percentage	18.00	-	Internal	-
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category (Non-executive/Technical Staff Between 30 - 50)	Percentage	64.00	-	Internal	-
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category (Non-executive/Technical Staff Above 50)	Percentage	18.00	-	Internal	-
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category (General Workers Under 30)	Percentage	26.00	-	Internal	-
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category (General Workers Between 30 - 50)	Percentage	48.00	-	Internal	-

Sustainability Statement

BURSA PRESCRIBED TABLE (CONTINUED)

Date & Time: 2026-04-23_12:46:08
FYE 31/12/2025

Benalec Holdings Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Age Group by Employee Category (General Workers Above 50)	Percentage	26.00	-	Internal	-
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category (Management Male)	Percentage	56.00	-	Internal	-
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category (Management Female)	Percentage	44.00	-	Internal	-
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category (Executive Male)	Percentage	43.00	-	Internal	-
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category (Executive Female)	Percentage	57.00	-	Internal	-
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category (Non-executive/Technical Staff Male)	Percentage	79.00	-	Internal	-

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Sustainability Statement

BURSA PRESCRIBED TABLE (CONTINUED)

Date & Time: 2026-04-23_12:46:08
FYE 31/12/2025

Benalec Holdings Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category (Non-executive/Technical Staff Female)	Percentage	21.00	-	Internal	-
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category (General Workers Male)	Percentage	100.00	-	Internal	-
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category (General Workers Female)	Percentage	0.00	-	Internal	-
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Male	Percentage	75.00	-	Internal	-
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Female	Percentage	25.00	-	Internal	-
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Under 30	Percentage	0.00	-	Internal	-
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Between 30 - 50	Percentage	25.00	-	Internal	-
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Above 50	Percentage	75.00	-	Internal	-

Sustainability Statement

BURSA PRESCRIBED TABLE (CONTINUED)

Date & Time: 2026-04-23_12:46:08
FYE 31/12/2025

Benalec Holdings Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Energy Management)	Bursa C4 (a) Total energy consumption	Megawatt	163.42	-	Internal	-
Bursa (Health and safety)	Bursa C5 (a) Number of work-related facilities	Number	0	-	Internal	-
Bursa (Health and safety)	Bursa C5 (b) Lost time incident rate ("LTIR")	Rate	0	-	Internal	-
Bursa (Health and safety)	Bursa C5 (c) Number of employees trained on health and safety standards	Number	92	-	Internal	-
Bursa (Labour practices and standards)	Bursa C6 (a) Total hours of training by employee category - Management	Hours	696	-	Internal	-
Bursa (Labour practices and standards)	Bursa C6 (a) Total hours of training by employee category - Executive	Hours	704	-	Internal	-
Bursa (Labour practices and standards)	Bursa C6 (a) Total hours of training by employee category - Non-executive/Technical Staff	Hours	904	-	Internal	-
Bursa (Labour practices and standards)	Bursa C6 (a) Total hours of training by employee category - General Workers	Hours	560	-	Internal	-
Bursa (Labour practices and standards)	Bursa C6 (b) Percentage of employees that are contractors or temporary staff	Percentage	0.00	-	Internal	-
Bursa (Labour practices and standards)	Bursa C6 (c) Total number of employee turnover by employee category - Management	Number	0	-	Internal	-
Bursa (Labour practices and standards)	Bursa C6 (c) Total number of employee turnover by employee category - Executive	Number	1	-	Internal	-

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Sustainability Statement

BURSA PRESCRIBED TABLE (CONTINUED)

Date & Time: 2026-04-23_12:46:08
FYE 31/12/2025

Benalec Holdings Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Non-Executive/Technical Staff	Number	6	-	Internal	-
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - General Workers	Number	1	-	Internal	-
Bursa (Labour practices and standards)	Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	-	Internal	-
Bursa (Supply chain management)	Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00	-	Internal	-
Bursa (Data privacy and security)	Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	-	Internal	-
Bursa (Water)	Bursa C9(a) Total volume of water used	Megalitres	33.57	-	Internal	-



2

GOVERNANCE

- 050** Corporate Governance
Overview Statement
- 061** Additional Compliance Information
- 064** Statement on Risk Management and
Internal Control
- 067** Audit Committee Report
- 070** Statement of Directors' Responsibility

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board of Directors (“**Board**” or “**Directors**”) of Benalec Holdings Berhad (“**Benalec**” or “**Company**”) is committed to ensuring that high standards of corporate governance are practiced throughout Benalec and its subsidiaries (collectively referred to as the “**Group**”). The Board believes that practices of good corporate governance will enhance the credibility and reputation of the Company, as it promotes and safeguards the interests of shareholders and other stakeholders.

The Board is pleased to present the Corporate Governance Overview Statement (“**CG Statement**”) to set out an overview of the manner in which the Company has applied the principles set out in Malaysian Code of Corporate Governance (“**MCCG**”). This CG Statement should be read in together with the Corporate Governance Report (“**CG Report**”) of the Company which is accessible online at the Company’s website www.benalec.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I - BOARD RESPONSIBILITIES

1. Board’s Leadership on Objectives and Goals

1.1 Strategic Aims, Values and Standards

The Board has overall responsibility for the strategic direction, leadership as well as overseeing the investments and operations of the Company and the Group. As a collective body, the Board identifies principal risks and establish goals for management including monitoring the achievement of goals and promoting sustainability to ensure long-term value creation.

The Board, supported by other Board Committees, operates within a robust framework of risk management and effective internal controls all of which operates within its defined terms of reference.

The Board Committees, comprising the Audit Committee (“**AC**”), Nomination Committee (“**NC**”), Remuneration Committee (“**RC**”) and Evaluation Committee (“**EC**”) are entrusted with specific responsibilities to oversee the Group’s affairs, with authority to act on behalf of the Board in accordance with their respective terms of reference. The Chairman of the relevant Committees reports to the Board on key issues deliberated during the committee meetings and details of the meetings are minuted to keep the Board abreast and informed on the issues discussed.

1.2 Chairman of the Board

The Chairman is primarily responsible for providing leadership and governance to the Board in discharging its fiduciary duties and responsibilities for the business and affairs of the Group.

Presently, the Board is chaired by Encik Fazrin Azwar bin Md. Nor (“**Encik Fazrin**”), an Independent Non-Executive Director, who chairs the meetings of the Board and the shareholders, thus ensuring effective communication with the shareholders as well as the relevant stakeholders.

The roles and responsibilities of the Chairman of the Board is specified the Board Charter, which is available on the Company’s website www.benalec.com.my

1.3 Chairman and Chief Executive Officer

The position of the Chairman and Chief Executive Officer (“**CEO**”) are held by separate individuals who are not related to each other. This is to ensure a good balance of power and authority and provides organisational check and balance for better governance.

The position of Chairman is held by Encik Fazrin, and the position of CEO is held by Dato’ Leaw Seng Hai (“**Dato’ Leaw**”).

Encik Fazrin, as the Chairman, led the Board to ensure good corporate governance practices, leadership and effectiveness of the Board. He is also the crucial link between the Independent Directors and Management to align management actions to Board decisions and strategies.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

PART I - BOARD RESPONSIBILITIES (CONTINUED)

1. Board's Leadership on Objectives and Goals (Continued)

1.4 Company Secretaries

The Company Secretaries, who are qualified and experienced, advise the Board on any updates relating to new statutory and regulatory requirements pertaining to the duties and responsibilities of Directors.

The Company Secretaries attend and ensure all Board and Board Committee meetings are properly convened and deliberated with decisions properly minuted.

The duties of the Company Secretaries include, among others, the preparation of agendas and coordinating the preparation of Board papers, ensure Board procedure and applicable rules are observed, maintain records of the Board, prepare minutes to document Board proceedings and ensure decisions are accurately recorded and timely disseminated.

The Board has direct access to the professional advice and services of the Company Secretaries.

1.5 Access to Information and Meeting Materials

The Board conducts meetings quarterly to consider matters like business performance and strategy of the Group with additional meetings to be convened as and when necessary.

Dates of the Board and Board Committee meetings are planned in advance with the annual corporate calendar circulated before end of each calendar year to facilitate the Directors' time planning.

All Board and Board Committee meetings are structured with pre-determined agendas. The notice of the agenda together with pre-circulated Board papers and related materials including explanatory information and recommended course of action for each item on the agenda will be circulated to the Directors at least five (5) days before the meetings.

The Board also has unfettered access to all information within the Group in furtherance of their duties and members of senior management and external advisers are invited to attend these meetings to provide additional insights and professional views on specific items on the agenda. The Board as a whole or in their individual capacity, in furtherance of their duties, may take independent professional advice, as and when they deem necessary, and at the Group's expense. All Directors have direct access to the Senior Management and have unrestricted access to any information relating to the Group to enable them to discharge their duties.

The Board is also regularly updated and kept informed by the Company Secretaries and the Management on corporate disclosures and compliances with the Company and securities regulations and listing requirements such as restriction in dealing with the securities of the Company and updates on the latest developments in legislations and regulatory framework affecting the Group issued by the various regulatory authorities.

The Company Secretaries are entrusted and are responsible to record the Board deliberations in terms of the issues discussed and deliberations at Board and Board Committees meetings are documented. In due course, the minutes of meeting are circulated to the members of the Board and Board Committees and Management for review and comments in a timely manner.

2. Demarcation of Responsibilities

2.1 Board Charter

The Board has adopted a Board Charter which sets out the roles, functions, compositions, operation and processes of the Board and is intended to ensure that all the Board members acting on behalf of the Company are fully aware of their obligations of discharging their duties and responsibilities towards the Company. The Board Charter serves as a source of reference and primary induction literature to provide insights to prospective Board members and senior management. In addition, it also assists the Board in the assessment of its own performance and that of its individual Directors.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

PART I - BOARD RESPONSIBILITIES (CONTINUED)

2. Demarcation of Responsibilities (Continued)

2.1 Board Charter (Continued)

The Board Charter will be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. The Board Charter is available for reference at the Company's website at www.benalec.com.my

3. Good Business Conduct and Corporate Culture

3.1 Code of Ethics and Conduct

The Board is responsible for creating and fostering a culture aimed at long term value creation for the Group and its stakeholders and in line with this, the Board has adopted a Code of Ethics and Conduct ("**Code**") which sets a broad standard to govern the conduct of business and set the standards that drive performance and ethics.

The Board would periodically review the Code and it is available for reference at the Company's website at www.benalec.com.my

3.2 Whistleblowing Policy

The Board has adopted a Whistleblowing Policy for the Group as a measure to promote the highest standard of corporate governance. The Whistleblowing Policy sets out the mechanism and framework by which employees or any third parties can confidently raise concerns or complains without the fear of discriminatory treatment. All malpractices or wrongdoings reported by the whistleblower are to be directed to the Chairman of the Board and/or the AC Chairman.

3.3 Anti-Bribery and Corruption Policy

The Board has adopted the Anti-Bribery and Corruption Policy to promote better governance culture and ethical behaviour within the Group and to prevent the occurrence of corrupt practices. The Anti-Bribery and Corruption Policy is available at the Company's website at www.benalec.com.my.

PART II – BOARD COMPOSITION

4. Board Objectivity

4.1 Board Composition

The Board composition for the financial year under review and up to the date of this report are as outlined below:

Name of Directors	Designation
Encik Fazrin Azwar bin Md. Nor	Chairman, Independent Non-Executive Director
Dato' Leaw Seng Hai	Group Managing Director/Chief Executive Officer
Kenneth Chin Kah Kiong	Independent Non-Executive Director
Leaw Ai Lin	Non-Independent Non-Executive Director

The present composition of the Board complies with the requirement of the Main Market Listing Requirements ("**MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") where at least two (2) directors or one-third (1/3) of the Board, whichever is the higher, should comprise Independent Directors.

The Board consists of qualified individuals with diverse skill-sets, experience and knowledge necessary to govern the Company to good effect. The composition and size of the Board are such that the decision-making processes of the Company are facilitated thereby.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

PART II - BOARD COMPOSITION (CONTINUED)

4. Board Objectivity (Continued)

4.1 Board Composition (Continued)

The Board is of the opinion that the composition of the current Board fairly reflects a balance of Executive and Non-Executive Directors to ensure that the interest of not only the Company, but also that of the stakeholders and of the public in general are represented as each Independent Director brings invaluable judgment to bear on issues of strategy, performance, resource allocation, risk management and standard of conduct. In the opinion of the Board, the interests of the minority shareholders are fairly represented by the presence of these highly competent and credible Non-Executive Directors (“NED”).

The composition and size of the Board are reviewed from time to time to ensure its appropriateness and effectiveness. The profiles of the Directors are set out on pages 12 to 13 of this Annual Report.

4.2 Tenure of Independent Directors

The NC carries out the evaluation of independence of each Independent Director annually.

During the financial year 2025, the NC has undertaken a review and assessment of the independence of the Independent Directors and is satisfied that they are able to discharge their responsibilities on an independent matter. The Independent Directors have also declared their independence to the Board during the annual Board evaluation process for the financial year 2025.

The Board Charter provides that the tenure of Independent Director shall not exceed a cumulative nine (9) years. Upon completion of the nine (9) years tenure, an Independent Director may continue to serve on the Board as Non-Independent Director. In the event the Board intends to retain an Independent Director after the latter has served nine (9) years or more, it will be subject to the assessment of the NC with reasonable justification and through a two-tier voting process at the Annual General Meeting (“AGM”).

Encik Fazrin and Mr Kenneth Chin Kah Kiong (“Kenneth”) both whom are independent Directors are currently in their seventh (7th) year and fourth (4th) year respectively as Independent Non-Executive Directors (“INED”).

4.3 Diverse Board and Senior Management Team

The Board strongly views that diversity on the Board and Senior Management team is important to facilitate optimal decision-making by harnessing different insights and perspectives. Having a diverse range of skills, background, expertise and experience are critical elements in ensuring an effective Board. With this in mind, appointment of members on the Board and key senior management are based on objective criteria and merit with due regard for diversity in experience, skills sets, commitment, integrity and other qualities in meeting the future needs of the Company.

4.4 Gender Diversity

The Board supports diversity on the Board and in key senior management. Ms. Leaw Ai Lin (“Ms. Leaw”) sits on Board as Non-Independent Non-Executive Director reflects the Group’s commitment on gender diversity.

The Board has yet to establish a formal gender diversity policy for the Board and senior management in current financial year 2025. Nevertheless, such formal gender diversity policy was deliberated and approved on February 2026.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

PART II - BOARD COMPOSITION (CONTINUED)

4. Board Objectivity (Continued)

4.5 Nomination Committee

The NC is responsible for accessing the adequacy and effectiveness of the board composition which includes indemnifying and recommending suitable candidates for Board membership and accessing the performance of the Board on an on-going basis. The Board will have the ultimate responsibility and final decision on the appointment.

The NC comprises exclusively NEDs and the attendance held during the financial year is tabulated below:

Directors	Designation	Attendance
Kenneth Chin Kah Kiong	Chairman	1/1
Fazrin Azwar bin Md. Nor	Member	1/1
Leaw Ai Lin	Member	1/1

The NC would meet at least once annually with additional meetings convened as and when needed. The Term of Reference of the NC, which spells out its duties and responsibilities is available on the Company's website at www.benalec.com.my

A summary about the activities of the NC in discharge of its duties during the financial year are as follows:

- Assessed the fit and properness of Directors who are due for retirement by rotation and recommend the Directors who are eligible to stand for re-election to the Board for recommendation to the shareholders for approval at the AGM;
- Assessed the competency and diversity of the Board and Board Committees;
- Evaluated the performance of the Board and Board Committees based on the criteria on areas of boardroom mix and composition, decision making and quality of information, Board's relationship with Management and effectiveness of each Board Committees;
- Evaluated the performance of Individual Directors and the independence of Independent Director based on criteria which includes their abilities and competence, personality, technical knowledge and level of participation and contribution to the business strategies of the Group;
- Reviewed the terms of office of the AC and the assessment on the performance, effectiveness and financial literacy of AC and members of the AC in discharging their duties and obligation in accordance with the terms of reference;
- Reviewed and recommended the Directors' fee and benefits payable to the Directors of the Board for recommendation to the shareholders and approval at the AGM.

5. Overall Effectiveness of the Board and Individual Directors

5.1 Annual Effectiveness of the Board and Individual Directors

The NC undertakes annual assessment of the effectiveness of the Board, Board Committee and the contribution of each Directors taking the form of comprehensive evaluation questionnaires which provides all Directors with an opportunity to score their opinion on a series of questions in relation to the execution and performance of the Board as a whole and the Board Committees. The results of all assessment and comments by the Directors are summarised and tabled at the NC meeting. The Chairman of the NC will report the results and deliberation to the Board.

The evaluation of the Board covers factors such as composition of the Board, quality of decision making, internal controls, conduct of Board meetings interactions with the Management and stakeholder and effectiveness of the Chairman.

The Board Committees are assessed based on the efficiency and effectiveness of each Committee and its members' continuous contribution to the Board and commitment to their roles and responsibilities in discharging their duties.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

PART II - BOARD COMPOSITION (CONTINUED)

5. Overall Effectiveness of the Board and Individual Directors (Continued)

5.1 Annual Effectiveness of the Board and Individual Directors (Continued)

Following the annual review, the NC agrees that the Board as a whole and the Board Committees had performed well and effectively and the overall composition of the Board in terms of the size, mix of skills and experience and the balance between the Executive Director, Non-Executive Director and Independent Directors is appropriate.

During the financial year ended 31 December 2025, five (5) Board meetings were held to review and deliberate on a variety of matters including the Group's quarterly operations, financial results, strategic decisions, business plan, risk management as well as corporate fund-raising exercises.

In the intervals between Board meetings, approvals are obtained via circular resolutions and additional meetings to be convened as and when necessary.

The attendance of the Directors at Board and Board Committee meetings held during financial year under review is set out as follows:

Directors	Board	AC	NC	RC
Fazrin Azwar bin Md. Nor	5/5	5/5	1/1	1/1
Dato' Leaw Seng Hai	5/5	-	-	-
Kenneth Chin Kah Kiong	5/5	5/5	1/1	1/1
Leaw Ai Lin	5/5	5/5	1/1	1/1

The Board is satisfied with the time commitment given by the Directors based on the full attendance by all the Directors at all meetings convened. In addition, all the Directors do not hold more than five (5) Directorships as required under para 15.06 of the MMLR.

The Board is conscious of the importance of keeping abreast with the latest changes and development in legal and regulatory governance and ensure that its members undergo continuous trainings to enhance their knowledge, expertise and professionalism in discharging their duties.

The trainings attended by the Directors during the financial year under review are as follows:

Name of Director	Conference/Seminar/Forum/Courses	Date
Fazrin Azwar bin Md. Nor	• E-Invoicing essentials for Board Directors: Navigating The New Compliance Landscape	17 February 2025
	• Is Artificial Intelligence Really An Intelligent Or Ethical Tool In Family Law Practice	25 February 2025
	• Solar And Storage Live	9 – 20 April 2025
	• Defrauded In The Age of AI And Deepfakes: Remedies And Risk Management	4 June 2025
	• SSM National Conference 2025 on Leading Governance For Sustainable Growth	19 – 20 October 2025
	• Constitutional Law Conference	8 November 2025
Dato' Leaw Seng Hai	• SSM National Conference 2025 on Leading Governance For Sustainable Growth	19 – 20 October 2025

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

PART II - BOARD COMPOSITION (CONTINUED)

5. Overall Effectiveness of the Board and Individual Directors (Continued)

5.1 Annual Effectiveness of the Board and Individual Directors (Continued)

The trainings attended by the Directors during the financial year under review are as follows: (Continued)

Name of Director	Conference/Seminar/Forum/Courses	Date
Kenneth Chin Kah Kiong	• E-Invoicing Essentials For Board Directors: Navigating The New Compliance Landscape	17 February 2025
	• IFRS Sustainability Disclosure Standards: IFRS S1 & S2	16 April 2025
	• ESG and Taxation	22 April 2025
	• Amendments To Listing Requirements 2024 & Roles & Responsibilities of Director, Board and Board Committees	4 July 2025
	• Boardroom Blindspots: How Our Perceptions of Risk Influence our Boardroom Effectiveness	3 September 2025
Leaw Ai Lin	• Top Executive WSH Programme	15 January 2025
	• Board of Directors: If Cyber Security Is Not a Top Priority, Your Business Is At High Risk	17 July 2025
	• SSM National Conference 2025 on Leading Governance For Sustainable Growth	19 – 20 October 2025

All the Directors will continue to attend relevant training and programs in order to keep themselves abreast with the latest developments in the market place covering laws, rules and regulations, capital markets development, business environment, corporate governance, risk management, general economic, industrial and technical developments. The Board is also regularly updated on new and relevant statutory as well as regulatory guidelines from time to time during the Board meetings. This will enable the Board to discharge their duties effectively to ensure the sustenance of active participation in Board deliberations.

6. Level and Composition of Remuneration

6.1 Remuneration

The Group's policy on Directors' remuneration serves to attract, retain and motivate Directors of the calibre required to lead and manage the Group effectively. Remuneration levels are structured to be competitive and commensurate with the responsibilities and performance expected of the Directors.

The authority, functions and responsibilities of the Remuneration Committee are set out in its terms of reference. The Remuneration Committee will review the remuneration packages of each individual Executive Director from time to time to ensure that the remuneration packages remain competitive in order to attract and retain competent executives who can manage the Group successfully. The Executive Directors play no part in decisions pertaining to their own remuneration.

The determination of remuneration packages of NEDs is a matter of the Board as a whole. The level of remuneration reflects the experience and level of responsibilities undertaken by the NEDs. The NEDs concerned do not partake in decisions affecting their own remuneration.

The Remuneration Committee met during the meeting in February 2025 to discuss and recommend the remuneration structure and packages for the financial year ended 31 December 2025 of the Directors for review by the Board.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

PART II - BOARD COMPOSITION (CONTINUED)

6. Level and Composition of Remuneration (Continued)

6.1 Remuneration (Continued)

The detailed breakdown of Directors' remuneration is as follows:-

Range of Remuneration	Company			Group		
	Executive Directors (RM)	Non-Executive Directors (RM)	Total (RM)	Executive Directors (RM)	Non-Executive Directors (RM)	Total (RM)
RM500 to RM50,000	-	-	-	-	-	-
RM50,001 to RM150,000	-	1	1	-	1	1
RM150,001 to RM200,000	-	2	2	-	2	2
RM5,000,001 to RM6,500,000	-	-	-	1	-	1
Total	-	3	3	1	3	4

The detailed breakdown of Directors' remuneration is as follows:-

The Company

Category	^^ Director Fee (RM)	Salaries (RM)	Benefits in kind (RM)	Meeting Allowance (RM)	** Other Emoluments (RM)	Total (RM)
Executive Director						
Dato' Leaw Seng Hai	-	-	-	-	-	-
Non-Executive Director						
Fazrin Azwar Bin Md. Nor	144,000	-	-	8,500	-	152,500
Leaw Ai Lin	144,000	-	-	6,000	-	150,000
Kenneth Chin Kah Kiong	108,000	-	-	9,500	-	117,500

The Group

Category	^^ Director Fee (RM)	Salaries (RM)	Benefits in kind (RM)	Meeting Allowance (RM)	** Other Emoluments (RM)	Total (RM)
Executive Director						
Dato' Leaw Seng Hai	-	4,200,000	44,325	-	1,927,005	6,171,330
Non-Executive Director						
Fazrin Azwar Bin Md. Nor	144,000	-	-	8,500	-	152,500
Leaw Ai Lin	144,000	-	28,000	6,000	6,486	184,486
Kenneth Chin Kah Kiong	108,000	-	-	9,500	-	117,500

Notes:

** Other Emoluments inclusive of director EPF, HRDF, Sosco, medical and one-off ex-gratia payment of RM1.05 million

^^ The payment of Director Fee to Non-Executive Director for the financial year ended 31 December 2025 would require shareholders' approval at the AGM

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – AUDIT COMMITTEE (“AC”)

7. Effective and Independent AC

7.1 Chairman of the AC

Kenneth, an INED, is the Chairman of the AC. Details on the composition and activities of the AC are outlined under the AC Report in this Annual Report.

7.2 Policy requiring former key audit partner to observe 2-year cooling-off period

Practice 9.2 of the MCCG requires that a former partner of the external audit firm and/or affiliate firm (including those providing advisory services, tax consulting, etc.) to observe a cooling-off period of at least three (3) years before the appointment as a member of the AC.

None of the AC members were former key audit partners of the Company's existing audit firm and in any event if there are potential candidate to be appointed as a member of the AC, the Board will observe the necessary cooling-off period.

7.3 Assessment of suitability and independence of External Auditors

The AC undertakes an annual assessment of the suitability and independence of the external auditors before recommending them to the shareholders for re-appointment at the AGM.

At least once a year and whenever necessary, the AC met with the external auditors without the presence of the executive Board member and Management personnel to allow the AC and the external auditors to exchange independent views on matters which requires the AC's attention. During the year, the AC met up twice with the external auditors to review the audit plan of the Group include setting out their responsibilities, scope of work and key audit areas in connection with the audit of the Group.

As part of the AC's review processes, the AC has obtained assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Based on the AC's assessment of BDO PTL, the external auditors, the Board is satisfied with their competence and independence and had recommended the re-appointment of the External Auditors for shareholders' consideration at the forthcoming AGM.

7.4 Composition of the AC

The AC is comprised solely of NEDs as part of the Board's initiative for more independence and transparency in decision-making.

The members of the AC are suitably qualified, possess sufficient management expertise coupled with their financial literacy in order to discharge their responsibilities as AC members. One member namely Mr. Kenneth is a member of the Malaysian Institute of Accountants.

The AC is kept up to date by the Management, Company Secretaries, External and Internal Auditors on changes to accounting standards, MMLR and other codes and regulations which can have an impact on the Group's business and financial statements.

The AC's composition and performance is reviewed by the NC annually and recommended to the Board for its approval on the same.

All members of the AC have also undertaken and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting standards, practices and rules in discharging their duties effectively.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

PART II: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

8. Risk Management

8.1 Effective Risk Management and Internal Control Framework

The Board has the overall responsibility of monitoring a sound internal control system that covers effective and efficient operations, in compliance with the law, relevant regulations and risk management. This is to safeguard shareholders' investments and the Group's assets apart from assuring financial controls.

Risk management is given priority by the establishment of policies to identify, evaluate and manage the Company's corporate risk profile to mitigate possible adverse effects arising therefrom.

8.2 Features of Risk Management and Internal Control Framework

The Statement on Risk Management and Internal Control as set out on pages 64 to 66 in this Annual Report provides an overview of the risk management framework and internal control system within the Group.

9. Effective Governance, Risk Management and Internal Control

9.1 Effectiveness of Internal Audit Function

The Board has outsourced its internal audit function to a professional service firm known as GovernAce Advisory & Solutions Sdn. Bhd. to assist the AC in discharging its duties and responsibilities. The internal auditors carried out internal audits within the Group based on a risk-based audit plan approved by the AC.

The engaging partner and team are free from any relationships or conflict of interests within the Company to ensure the internal auditor's objectivity and independence are not impaired.

The Internal Auditors performs periodic testing on the internal control systems to ensure that the system is robust. They report directly to the AC.

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

PART I – COMMUNICATION WITH STAKEHOLDERS

The Company recognizes the importance of prompt and timely dissemination of information to shareholders and investors in order for these stakeholders to be able to make informed investment decisions. The Company has established its website www.benalec.com.my which allows shareholders and the public access to corporate information, financial statements, news and events relating to the Group.

The Company has at all times ensured timely dissemination of information on the Company's performance and other matter affecting shareholders interests to shareholders and investors through appropriate announcement, quarterly announcements, relevant circulars, press releases and distribution of annual reports.

Corporate Governance Overview Statement

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

PART II – CONDUCT OF GENERAL MEETINGS

The AGM and Extraordinary General Meetings provide appropriate forums for the shareholders to participate in questions and answers sessions. Directors and Senior Management staff are present at the general meetings to attend to shareholders' questions. The Company is committed to disseminate information in strict adherence to the disclosure standards of the MMLR. The Company ensures that material information relating to the Group is disclosed by way of announcement to the Bursa Securities, in annual report as well as, where appropriate, circulars and press releases. The Board will regularly review the information disseminated to ensure that consistent and accurate information is provided to shareholders of the Company.

In line with good corporate governance practices, the notice of AGM was issued at least twenty-eight (28) days before the AGM.

Minutes of General Meeting

The Company's AGM remains one of the most important platforms for communication and engagement between the Company and its shareholders.

The recordings of the proceedings in the forms of minutes reflects the mutual understanding, agreements as well as resolutions reached between the shareholders and Directors of the Company.

The minutes of the 19th AGM detailing the proceedings and issues raised by shareholders and the responses by the Company were available on the Company's website at www.benalec.com.my within thirty (30) business days after the conclusion of the 19th AGM to provide useful information to shareholders and investors.

This Corporate Governance Overview Statement was approved by the Board on 28 April 2026.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There was no corporate proposal during the financial year ended 31 December 2025.

2. AUDIT AND NON-AUDIT FEES PAID

During the financial year ended 31 December 2025, the amount of audit and non-audit fees paid by the Company and the Group to the External Auditors and its affiliates are as follows:

	Group RM	Company RM
Audit Fees	601,068	141,000
Non-Audit Fees ¹	98,885	21,000
Total	699,953	162,000

¹ The Non-Audit Fees inclusive review of Statement on Risk Management and Internal Control, as well as fees paid/ payable for taxation matters and transfer pricing services.

3. MATERIAL CONTRACTS

There was no material contracts entered into by the Company involving the interests of the Directors and substantial shareholders during the financial year ended 31 December 2025, save as disclosed in the Prospectus dated 28 December 2010 and Related Party Disclosure presented in the Financial Statements of this Annual Report.

4. RECURRENT RELATED PARTY TRANSACTIONS

The recurrent related party transactions or trading nature conducted by the Group during the financial year ended 31 December 2025 did not exceed the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements.

5. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

	Group	
	2025 RM	2024 RM
Total Income		
Revenue	61,493,744	91,327,371
Other Income	4,043,360	8,346,662
Interest Income	555,166	586,471
Dividend Income	5,465	5,201
Total	66,097,735	100,265,705
Total Assets	623,836,643	618,650,910

Additional Compliance Information

5. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONTINUED)

(b) Business Activities

	Group	
	2025	2024
Shariah Non-Compliant Activities	RM	RM
Dividend income received from conventional shares and instruments	5,465	5,201
Interest income	555,166	586,471
Total	560,631	591,672

(c) Component of Financial Position

(i) Cash Component

	Group	
	2025	2024
Islamic Account / Instruments	RM	RM
Cash at bank (exclude cash in hand)	1,290	1,508
Cash in hand	46,123	50,690
Total	47,413	52,198

	Group	
	2025	2024
Conventional Account / Instruments	RM	RM
Cash at bank (exclude cash in hand)	510,932	806,442
Short-term funds	172,751	168,679
Deposits with licensed bank	26,789,799	26,235,324
Total	27,473,482	27,210,445

(ii) Debt Component

	Group	
	2025	2024
Islamic Financing	RM	RM
Current		
Amount due to Shareholder/ Subsidiary/ Associate/Joint Venture/ Directors/ Third Party without interest	23,381,878	34,505,976
Non-current		
Amount due to Shareholder/ Subsidiary/ Associate/Joint Venture/ Directors/ Third Party without interest	43,633,177	32,443,090
Total	67,015,055	66,949,066

Additional Compliance Information

5. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONTINUED)

(c) Component of Financial Position (Continued)

(ii) Debt Component (Continued)

	Group	
	2025 RM	2024 RM
Conventional Borrowing		
Current		
Term loans	683,587	654,498
Trust receipt	749,989	2,132,308
Invoice financing	267,677	1,420,119
Bank overdrafts	4,733,293	1,554,073
Banker's acceptances	540,000	300,000
Revolving credit and loans	18,600,000	19,800,000
Hire purchase payables	444,819	409,778
Amount due to Shareholder/ Subsidiary/ Associate/Joint Venture/ Directors/ Third Party with interest	5,000,000	-
Non-current		
Term loans	3,862,112	4,522,961
Hire purchase payables	486,420	860,405
Amount due to Shareholder/ Subsidiary/ Associate/Joint Venture/ Directors/ Third Party with interest	10,000,000	15,000,000
Total	45,367,897	46,654,142

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“**Board**”) is pleased to present its Statement on Risk Management and Internal Control (“**Statement**” or “**SORMIC**”) pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers as well as the enhanced disclosure expectations set out in the Statement on Risk Management and Internal Control (SORMIC) Guide 2025 for the financial year ended 31 December 2025.

The following statement outlines the nature and scope of the risk management and internal control within Benalec Holdings Berhad (“**Benalec**”) and its subsidiaries (“**the Group**”) during the financial year under review.

BOARD’S RESPONSIBILITY

The Board is fully committed to maintaining a sound system of risk management and internal control system to safeguard the shareholders’ interest and the Group’s assets. The Board is responsible for the Group’s system of internal control, including the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. The system of internal control does not only cover financial controls but also organisational, operational and compliance controls and risk management procedures.

In view of the limitations that are inherent in any system of risk management and internal control, such system is designed to manage, rather than eliminate the risk of failure to achieve corporate objectives. Therefore, such systems can only provide reasonable but not absolute assurance against material misstatements or losses.

The Board is of the view that the risk management and internal control system is in place for the financial year under review and is sound and adequate to safeguard the shareholder’s interests and the Group’s assets.

RISK MANAGEMENT

The Group had established an Enterprise Risk Management (“**ERM**”) Framework to identify, evaluate, manage and report key risks that may have significant impact to the Group as well as identify its priorities for preparation of internal audit plan based on assessment of risks.

The ERM approach entails the following processes:-

- Create awareness of risk management among risk owners
- Discussion with key personnel from respective function/operating units to collect views on current risks and controls
- Compilation and analysis of risks which can impact the organisation’s success and the controls to manage the risks identified
- Assess the likelihood and consequences of the identified risk to derive at the risk rating
- Discussion of identified risks and obtain feedback
- Propose internal audit plan to the Audit Committee

In addition, business tools such as risk registers and risk profiles are used to highlight the risk exposures and risk mitigation processes to Management and the Board. The risk register and risk profiles for all business units of the Group are updated once (1) a year or and when there are changes to the business environment or regulatory guidelines. This process is regularly reviewed by the Audit Committee (“**AC**”) who reports to the Board.

During the financial year under review, the AC is assisted by the Management as well as the outsourced Internal Auditor to evaluate the significant risk faced by the Group and ensures that appropriate risk controls and treatments were in place to mitigate those risks affecting the Group’s business objectives. Its internal audit work for the financial year covers are such as Sales of Land, Vessel & Property, Purchasing (Melaka Project) and update of the Group Risk Profile.

Additionally, the Group recognises that climate-related risks are far-reaching and differs from other risks to financial stability. Its effects are spread over long time horizons, and actions today may determine the severity of risks in the years ahead. The Group is committed to identifying, disclosing and management climate-related risks and opportunities and this is done by integrating climate change considerations into our risk assessment processes ensuring that potential impacts are systematically analysed alongside other key risks.

For more information on the Group’s climate change strategies, please refer to the Sustainability Statement.

Statement on Risk Management and Internal Control

INTERNAL AUDIT

The Group's internal audit function is outsourced to a professional external entity to assist the Board and AC in providing an independent assessment on the adequacy, efficiency, and effectiveness of the Group's internal control system. The internal audit function adopts a risk-based approach and prepares its audit strategy and plans based on the risk profiles of the individual business units of the Group. These plans are updated periodically and approved by the AC.

The following activities were carried out by the Internal Auditor during the financial year under review:

- i. Formulate plans with AC on the risk-based Internal Audit Plan that is consistent with Company's objectives and and comprehensive coverage over the activities of the Group;
- ii. Conduct internal audit engagements in accordance with the Audit Plan;
- iii. Follow-up on prior engagements to ascertain that recommendations for improvements to the internal control systems have been satisfactorily implemented; and
- iv. Report to the AC on the audit findings and recommendations to be undertaken for improvement.

Based on the review conducted the Internal Auditor, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainty that would require disclosure in this Annual Report.

In assessing the adequacy and effectiveness of the system of internal control and procedures of the Group, the AC reports to the Board on its activities, significant audit issues or findings together with the necessary recommendations or actions needed to be taken by Management to rectify those issues.

KEY ELEMENT OF INTERNAL CONTROL

The following are the key elements of the Group's current internal control systems:-

i. Control Environment

The Group's delegation of authority sets out the decision that need to be taken and the appropriate authority levels of Management including matters that requires Board approval. This is achieved through clearly defined operating and reporting structures with clear lines of accountability and responsibilities.

Operationally, the Risk Management Group – comprising of the Heads of Department – meet at least once (1) a year with the outsourced Internal Auditor, and additionally as required, to review and update the risk register and assess the risk mitigation action plan. The Group's risk governance structure is aligned across all business units through the streamlining of the risk framework, organisation structures and related policies. This alignment strengthens overall risk management capabilities and supports the Group's business plan and growth objectives.

ii. Control procedures

The Operating Procedures Manual sets out the policies, procedures and standardised practices adopted by the Group to identify and mitigate risks, ensuring that all personnel understand their roles in the internal control system. In addition, the Board Charter and Code of Ethics and Conduct are in place and publicly available on the Company's website to reinforce integrity, ethical behaviour, and good governance throughout the Group.

iii. Information and Communication

The Management constantly monitors financial performances, business plan achievement and the implementation of corrective actions taken to address identified issues. In addition, both scheduled and ad-hoc meetings are held at operational and management levels to identify, deliberate on, and resolve business and operational issues. The Management also provides quarterly financial reports to the Board detailing the Group's financial performance. These reports are first reviewed by the AC before being presented to and approved by the Board.

iv. Reviews with the External Auditors

The annual statutory audit of the Group by External Auditors includes a general review of the Group's internal control systems for the Groups. Any material concerns, weaknesses or limitations are communicated through the Management Letters, together with recommendation for appropriate remedial actions. These findings and proposed remedies are subsequently presented to the Board for consideration.

Statement on Risk Management and Internal Control

ASSURANCE FROM MANAGEMENT

In accordance with the Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers, the Board has received assurance from the Group Managing Director/Chief Executive Officer and Chief Financial Officer of the Company that to the best of their knowledge the risk management and internal control of the Group are operating effectively and adequately, in all material aspects, based on the risk management and internal control framework adopted by the Group.

The Board is of the view that the risk management and internal control system in place for the year under review is sound and adequate to safeguard the shareholders' investment, the Group's assets and other stakeholders' interest.

The above Statement was approved by the Board on 28 April 2026.

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the MMLR of Bursa Malaysia, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 31 December 2025. Their review was performed in accordance with Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Reports on the Statement on Risk Management and Internal Control included in the Annual Report ("AAPG 3"), issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the External Auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control procedures. The External Auditors have concluded that based on the procedures performed and evidence obtained, nothing has come to their attention that causes them to believe that the SORMIC intended to be included in the annual report is not prepared, in all material respects, in accordance with the disclosures required by Section 7 of Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies, nor was factually inaccurate.

AUDIT COMMITTEE REPORT

During the financial year, the Audit Committee (“**AC**” or “**Committee**”) carried out its duties and responsibilities in accordance with its terms of reference and held discussions with the internal auditors, external auditors and relevant members of Management. The Board of Directors (“**Board**”) of Benalec Holdings Berhad is pleased to present the AC Report for the financial year ended 31 December 2025.

MEMBERSHIP AND MEETING ATTENDANCES

The AC during the financial year under review and up to the date of this report comprises the following members:

Name	Designation
Kenneth Chin Kah Kiong*	Chairman, Independent Non-Executive Director
Fazrin Azwar bin Md. Nor	Independent Non-Executive Director
Leaw Ai Lin	Non-Independent Non-Executive Director

Note: *Member of Malaysian Institute of Accountants (MIA)

The composition of the AC is in compliance with Paragraph 15.09 and 15.10 of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and none of the Directors has appointed Alternate Directors.

TERMS OF REFERENCE

The Terms of Reference of the AC which lays down the duties and responsibilities of its members is accessible via the Company’s website at www.benalec.com.my. The Board is satisfied that the AC had discharged their duties and responsibilities in accordance with its Terms of Reference in ensuring that the Company upholds the appropriate Corporate Governance standards.

MEETINGS AND ATTENDANCE

Name	Designation	No. of meetings attended
Kenneth Chin Kah Kiong	Chairman, Independent Non-Executive Director	5/5
Fazrin Azwar bin Md. Nor	Independent Non-Executive Director	5/5
Leaw Ai Lin	Non-Independent Non-Executive Director	5/5

SUMMARY OF ACTIVITIES AND WORK OF THE COMMITTEE

During the financial year ended 31 December 2025, the Committee had worked closely with the external auditors, internal auditors and management to carry out its functions and duties in line with the Terms of Reference.

A summary of the activities and work of the AC in discharging its duties includes the following:-

i. Financial Reporting

- a. Reviewed the unaudited quarterly financial results of the Group including draft announcements pertaining thereto before recommending the same for the Board’s approval and release to Bursa Securities.
- b. Reviewed the audited financial statements of the Group and the external audit report with the external auditors prior to the submission to the Board for approval.
- c. Reviewed the impacts of any changes to the accounting policies and adoption of new accounting standards as well as significant matters highlighted in the financial statements.

Audit Committee Report

SUMMARY OF ACTIVITIES AND WORK OF THE COMMITTEE

A summary of the activities and work of the AC in discharging its duties includes the following:- (Continued)

ii. External Audit

- a. Reviewed the Audit Plan of the Group for the financial year ended 31 December 2025 prepared by the external auditors setting out their responsibilities, scope of work and key audit areas in connection with their audit of the Group.
- b. Reviewed with the external auditors the results of the audit, the report and the management letter, including management's response.
- c. Evaluated the performance and assessed the independence and objectivity of the external auditors in providing their services and made recommendations to the Board on their re-appointment and remuneration.
- d. Held private sessions with the external auditors without the presence of Executive Director and Management.

iii. Internal Audit

- a. Reviewed the annual internal audit plan to ensure adequate scope and comprehensive coverage over the activities of the Group.
- b. Reviewed the internal audit reports, which highlighted the audit issues, recommendations and management's responses. Discussed with Management on actions taken to improve the system of internal control based on improvement opportunities identified in the internal audit reports.
- c. Reported to the Board on significant audit issues and concerns discussed during the Committee's meetings which have significant impact on the Group from time to time, for consideration and deliberation by the Board.

iv. Related Party Transactions

- a. Reviewed on a quarterly basis the related party transaction(s) entered into by the Group and any conflict of interest situation that may arise within the Group.

v. Other Matters

- a. Reviewed the AC Report and Statement of Risk Management and Internal Control prior to the submission of the same to the Board for consideration and inclusion in the Annual Report of the Company.
- b. Reviewed the Enterprise Risk Management Report on the risk profile of the Group and the adequacy of internal control systems to manage these risks.

INTERNAL AUDIT FUNCTION

The Group engaged the internal audit services from a professional internal audit service provider to ensure that the outsourced internal auditor is independent as it has no involvement in the operations of the Group. The outsourced internal auditors is responsible for the review and appraisal of the effectiveness of risk management, internal control and governance processes in the Group and reports directly to the AC.

The AC has full and direct access to the Internal Auditors, review the reports on all audits performed and monitors its performance. The AC also reviews the adequacy of the scopes, functions, competency and resources of the outsourced internal audit functions.

The outsourced Internal Auditors carried out internal audits within the Group based on a risk-based audit plan approved by the AC.

Audit Committee Report

INTERNAL AUDIT FUNCTION (CONTINUED)

A summary of the internal audit activities undertaken during the financial year is as follows:-

- i. Performed operational audits on business units of the Group in accordance with the pre-approved audit plan which covers review of internal control system, risk management and follow up audits to address observations reported in preceding internal audit visits;

During the financial year ended 31 December 2025, the internal auditors carried out its audit on the following functions:-

- a. Internal Audit Report on Sales of Land, Vessel and Property;
- b. Follow-up Audit Report on Sales of Land, Vessel and Property;
- c. Risk Profile Update Report;
- d. Internal Audit Report on Purchasing; and
- e. Follow-up Audit Report on Purchasing.

Based on these audits, the outsourced internal auditors provided the AC with reports highlighting observations, recommendations and management action plans to improve the system of internal controls.

- ii. Conducted follow-up reviews to determine the adequacy, effectiveness and timeliness of action taken by the Management on audit recommendations and provided updates on their status to the Committee; and
- iii. Presented internal audit reports to the AC for review and provide recommendations, if any for improvement of the internal control policies and procedures.

The fee incurred for internal audit function in respect of the financial year amounted to RM90,000.

STATEMENT OF DIRECTORS' RESPONSIBILITY

DIRECTORS' RESPONSIBILITY IN PREPARING THE FINANCIAL STATEMENTS

The Directors are required to take reasonable steps to ensure that the financial statements of the Company and the Group are properly drawn up in accordance with the provisions of the Companies Act 2016 (“**CA 2016**”), applicable approved Malaysian Financial Reporting Standards (“**MFRS**”) and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the state of affairs of the Company and of the Group as at the end of financial year and of the results and the cash flow of the Company and of the Group for the financial year.

In preparing the financial statements for the financial year ended 31 December 2025, the Directors have:

- adopted suitable accounting policies and applied them consistently;
- exercise judgment and made estimates that are reasonable and prudent;
- ensured adoption of applicable accounting standards; and
- prepared the financial statements on a going concern basis.

The Directors are responsible for ensuring that the Company and the Group maintains accounting records that disclose with reasonable accuracy at all times the financial position of the Company and of the Group to enable them to ensure that the financial statements comply with the CA 2016 and MFRS.

The Directors have general responsibilities for taking such steps to ensure that appropriate systems are reasonably available to them to safeguard the assets of the Company and the Group, and to prevent and detect fraud and other irregularities and material misstatements. Such systems, by their nature, can only provide reasonable, but not absolute assurance against material misstatement, loss or fraud.

3 | OTHERS

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- 073 Statistics of Shareholdings
- 075 Notice of the Twentieth
Annual General Meeting
- 079 Administrative Guide

GROUP PROPERTIES

AS AT 31 DECEMBER 2024

A. Summary of Land Held for Sale

No.	Lot No. / PT No.	PN No. / HS(D) No.	Description	Land Area (acres)	Existing usage	Tenure / Expired date	NBV as at 31/12/2025 (RM)	Date of acquisition (based on title date)
1	PT 150 - 155	HS(D) 80967 - 80972	Pekan Klebang Sek. III, Melaka Tengah, Melaka	29.37	Vacant land / Commercial	Leasehold & expiring on 20/04/2115	24,896,506	21/04/2016
2	Lot 12177 - Lot 12178 (formerly PT174 - PT175)	PN 65662 - 65663 (formerly HS(D) 80980 - 80981)	Kawasan Bandar XLV, Melaka Tengah, Melaka	14.69	Vacant land / Commercial	Leasehold & expiring on 20/04/2115	13,078,426	21/04/2016
Total				44.06			37,974,932	

B. Information on land & building

No.	PT No.	HS(D) No.	Location	Built up area (sq. ft)	Description / Existing usage	Tenure / Date of expiry of lease	NBV as at 31/12/2025 (RM)	Date of acquisition / SPA
1	PT 001790	HS(D) 0070078	No. 2, Jalan KL 3/9, Taman Kota Laksamana, Sek. 3, 75200 Melaka	6,088	3 storey shop office (Melaka site office)	Leasehold & expiring on 29/05/2110	1,110,268.00	01/06/2011
2	PT 16149	HS(D) 102335	No. 23, Jalan Perintis U1/52, Glenmarie Temasya, Seksyen U1, 40150 Shah Alam, Selangor	21,797	Semi-detached double storey factory (Headquarter of the Group)	Freehold	17,796,043	18/03/2016
Total (RM)							18,906,311	

C. Information on Properties Held For Sale

No.	PT No.	Block No.	Location	Built up area (sq. ft)	Description / Existing usage	Tenure / Date of expiry of lease	NBV as at 31/12/2025 (RM)	Date of acquisition / SPA
1	PT 21608	C-3	Kompleks Perniagaan Musai Bistari, Melaka	7,758	5 storey shop office (Vacant)	Leasehold & expiring on 04/07/2103	1,565,400	27/03/2015
2	PT 21608	C-4	Kompleks Perniagaan Musai Bistari, Melaka	7,654	5 storey shop office (Vacant)	Leasehold & expiring on 04/07/2103	1,565,901	27/03/2015
3	PT 21608	C-5	Kompleks Perniagaan Musai Bistari, Melaka	7,550	5 storey shop office (Vacant)	Leasehold & expiring on 04/07/2103	1,491,043	27/03/2015
4	PT 21608	C-6	Kompleks Perniagaan Musai Bistari, Melaka	7,446	5 storey shop office (Vacant)	Leasehold & expiring on 04/07/2103	1,482,626	27/03/2015
5	PT 21608	C-7	Kompleks Perniagaan Musai Bistari, Melaka	7,345	5 storey shop office (Vacant)	Leasehold & expiring on 04/07/2103	1,487,340	27/03/2015
6	LOT 9174	C-1	Gangsa Avenue, Daerah Alor Gajah, Melaka	4,370	2 storey shop office (Vacant)	Freehold	621,347	03/06/2015
Total (RM)							8,213,657	

STATISTICS OF SHAREHOLDINGS

AS AT 26 MARCH 2026

Number of Issued Shares	:	1,031,602,500
Adjusted Number of Issued Shares	:	1,018,887,100 (exclude 12,715,400 treasury shares)
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share held in the case of a poll and one vote per person on a show of hands

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No of Holders	%	No. of Shares	%
Less than 100	29	0.376	524	0.000
100 to 1,000	416	5.440	299,794	0.029
1,001 to 10,000	3,425	44.474	20,832,182	2.044
10,001 to 100,000	3,067	39.825	115,333,313	11.319
100,001 to 50,944,354*	759	9.855	714,682,087	70.143
50,944,355 and above**	2	0.025	167,739,200	16.462
Total	7,701	100.000	1,018,887,100	100.000

Remark:

* Less than 5% of the Adjusted Number of Issued Shares.

** 5% and above of the Adjusted Number of Issued Shares.

REGISTER OF SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	% [^]	No. of Shares	% [^]
Oceancove Sdn Bhd	86,858,300	8.524	-	-
Dato' Leaw Seng Hai	21,281,700	2.088	86,858,300 ⁽¹⁾	8.524
Oceanview Cove Sdn Bhd	-	-	86,858,300 ⁽²⁾	8.524
CGS International Nominees (Asing) Sdn Bhd – (Exempt an for CGS International Securities Singapore Pte. Ltd.)	80,880,900	7.938	-	-

Notes:

[^] The percentage of shareholdings have been computed based on Adjusted Number of Issued Shares.

⁽¹⁾ Deemed interest by virtue of his direct interest in Oceancove Sdn Bhd and indirect interest in Oceancove Sdn Bhd via Oceanview Cove Sdn Bhd pursuant to Section 8(4) of the Companies Act, 2016 ("the Act").

⁽²⁾ Deemed interest by virtue of its interest in Oceancove Sdn Bhd pursuant to Section 8(4) of the Act.

DIRECTORS' DIRECT AND DEEMED INTERESTS IN THE COMPANY AND/OR ITS RELATED CORPORATIONS

Directors	Direct Interest		Deemed Interest	
	No. of Shares	% [^]	No. of Shares	% [^]
Fazrin Azwar bin Md Nor	-	-	-	-
Dato' Leaw Seng Hai	21,281,700	2.088	86,858,300 ⁽¹⁾	8.524
Kenneth Chin Kah Kiong	10,000	0.000	-	-
Leaw Ai Lin	-	-	-	-

Notes:

[^] The percentage of shareholdings have been computed based on Adjusted Number of Issued Shares.

⁽¹⁾ Deemed interest by virtue of his direct interest in Oceancove Sdn Bhd and indirect interest in Oceancove Sdn Bhd via Oceanview Cove Sdn Bhd pursuant to Section 8(4) of the Companies Act, 2016 ("the Act").

Statistics of Shareholdings

As At 26 March 2025

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS ACCORDING TO THE RECORD OF DEPOSITORS

No.	Name of Shareholders	No. of Shares	%
1.	Oceancove Sdn Bhd	86,858,300	8.524
2.	CGS International Nominees (Asing) Sdn. Bhd . (Exempt an for CGS International Securities Singapore Pte. Ltd.)	80,880,900	7.938
3.	Leaw Eilin	50,846,300	4.990
4.	UOB Kay Hian Nominees (Asing) Sdn Bhd (Exempt an for UOB Kay Hian Pte Ltd)	48,497,000	4.759
5.	Teminsri Construction Sdn Bhd	42,912,400	4.211
6.	Kenanga Nominees (Tempatan) Sdn Bhd (Tan Chun Hoe)	41,700,000	4.092
7.	Dato' Dr. Daing A Malek bin Daing A Rahaman	40,000,000	3.925
8.	Lim Han Ho @ Lim Sua Now	37,705,000	3.700
9.	RHB Nominees (Tempatan) Sdn Bhd (Pledged securities account for Ooi Keng Thye)	27,497,200	2.698
10.	Dato' Leaw Seng Hai	20,837,600	2.045
11.	Teoh Tit Eng	20,150,000	1.977
12.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd (Exempt an for UOB Kay Hian Pte Ltd)	20,007,000	1.963
13.	Palembang Emas Sdn. Bhd.	14,800,000	1.452
14.	Datuk Leaw Ah Chye	13,679,900	1.342
15.	Citigroup Nominees (Asing) Sdn Bhd (Exempt an for OCBC Securities Private Limited)	10,320,000	1.012
16.	Affin Hwang Nominees (Asing) Sdn Bhd (Exempt an for SFGHK Limited)	10,051,000	0.986
17.	Lim Piek Keow	8,756,600	0.860
18.	Ng Lian Cheng	6,895,000	0.676
19.	Tasec Nominees (Tempatan) Sdn (Exempt an for TA Investment Management Berhad)	4,848,100	0.475
20.	RHB Capital Nominees (Tempatan) Sdn Bhd (Pledged securities account for Wendy Lee Yoke Peng)	4,176,000	0.409
21.	RHB Nominees (Tempatan) Sdn Bhd (Pledged securities account for Cheang Fook Sam)	3,550,000	0.348
22.	Tay Tiong Yuan	3,506,200	0.344
23.	Maybank Nominees (Tempatan) Sdn Bhd (Pledged securities account for Ooi Keng Thye)	3,390,500	0.332
24.	Loh Yuen Kok	3,100,000	0.304
25.	Maybank Securities Nominees (Tempatan) Sdn Bhd (Pledged securities account for Lim Tiew Jee)	3,100,000	0.304
26.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. (Pledged securities account for Chan Foong Cheng)	3,059,000	0.300
27.	Wong Chee Thong	3,000,000	0.294
28.	Affin Hwang Nominees Malaysia (Tempatan) Sdn. Bhd. (Pledged securities account for Liow Horng Wei)	2,920,000	0.286
29.	RHB Nominees (Tempatan) Sdn Bhd (Pledged securities account for Cheng Chew Giap)	2,823,500	0.277
30.	Cheang Fook Sam	2,756,000	0.270

NOTICE OF THE TWENTIETH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTIETH ANNUAL GENERAL MEETING (“**20TH AGM**”) OF BENALEC HOLDINGS BERHAD (“**BENALEC**” OR “**COMPANY**”) WILL BE HELD AT TOPAS ROOM, THE SAUJANA HOTEL KUALA LUMPUR, JALAN LAPANGAN TERBANG SAAS, 40150 SHAH ALAM, SELANGOR DARUL EHSAN ON **THURSDAY, 28 MAY 2026 AT 10.00 A.M.** TO TRANSACT THE FOLLOWING BUSINESSES:

AGENDA

ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon. ***Please refer to the Explanatory Notes to the Agenda***
- To approve the payment of Directors’ fees of RM396,000 for the financial year ended 31 December 2025. ***Ordinary Resolution 1***
- To approve the payment of the Directors’ benefits up to an aggregate amount of RM60,000 for the period from 29 May 2026 until Twenty-First Annual General Meeting of the Company to be held in 2027. ***Ordinary Resolution 2***
- To re-elect Ms Leaw Ai Lin who is retiring pursuant to Clause 76 of the Company’s Constitution and being eligible, has offered herself for re-election. ***Ordinary Resolution 3***
- To re-elect Mr Kenneth Chin Kah Kiong who is retiring pursuant to Clause 76 of the Company’s Constitution and being eligible, has offered himself for re-election. ***Ordinary Resolution 4***
- To re-appoint BDO PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. ***Ordinary Resolution 5***

SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions with or without modifications:-

- AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** ***Ordinary Resolution 6***

“THAT subject always to the Companies Act 2016 (“**the Act**”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and the approvals of the relevant government/regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act to allot shares in the Company from time to time at such price, upon such terms and conditions, to such persons and for such purposes as the Directors may in their absolute discretion, deem fit provided that the aggregate number of shares issued pursuant to this Ordinary Resolution does not exceed 10% of the total number of the issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting (“**AGM**”) of the Company, or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier, unless revoked or varied by an ordinary resolution of the Company in a general meeting.”

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

By Order of the Board of
BENALEC HOLDINGS BERHAD

THAM YIN TONG (MAICSA 7049718) (SSM PC No. 202008001314)
LIM WEI LEE (MAICSA 7064249) (SSM PC No. 202008004038)
Company Secretaries
Kuala Lumpur

Date: 29 April 2026

Notice of the Twentieth Annual General Meeting

NOTES:

1. For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at Thursday, 21 May 2026. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
2. A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his/her place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
4. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (“**Central Depositories Act**”), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:
 - i. In hard copy form
The proxy form must be deposited at the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, **OR** alternatively, drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - ii. By electronic means via Vistra Share Registry and IPO (MY) portal (The Portal) at <http://srmy.vistra.com>.
Please refer to the Administrative Guide for further information on electronic lodgement of proxy form.
9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia **OR** alternatively, drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
10. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
11. Last date and time for lodging the proxy form is Tuesday, 26 May 2026 at 10.00 a.m.
12. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
 - a. Identity card (NRIC) (Malaysian), or
 - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - c. Passport (Foreigner).

Notice of the Twentieth Annual General Meeting

NOTES: (CONTINUED)

13. For a corporate member who has appointed a representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative at the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia **OR** alternatively, drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

The certificate of appointment of authorised representative should be executed in the following manner:

- a. If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - b. If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - i. at least two (2) authorised officers, of whom one shall be a director; or
 - ii. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
14. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by poll.

EXPLANATORY NOTES:

1. Audited Financial Statements for the financial year ended 31 December 2025

The Audited Financial Statements are meant for discussion only as the approval from shareholders is not required pursuant to Section 340(1)(a) of the Companies Act 2016. Hence, this Agenda item will not put forward for voting by shareholders of the Company.

2. Ordinary Resolution 1
Directors' fees for the year ended 31 December 2025

The Directors' fees proposed for the financial year ended 31 December 2025 are calculated based on the current board size and the assessment on the performance of the Board by the Nomination Committee and assuming that all Non-Executive Directors will hold office until the next AGM. This resolution is to facilitate payment of Directors' fees on current financial year basis.

In the event the Directors' fees proposed are insufficient (e.g. due to more meetings or enlarged board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

3. Ordinary Resolution 2
Directors' benefits for the period from 29 May 2026 until Twenty-First Annual General Meeting

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

Directors' benefits include allowances payables to Directors and in determining the estimated amount, the Board has considered various factors including the current board size, number of scheduled meetings for the Board and Board Committee for the period from 29 May 2026 until Twenty-First AGM.

The proposed structure of the Directors' benefits for the financial year ending 31 December 2026 is as follows:

Description	Chairman (per meeting)	Members (per meeting)
Meeting Allowances	RM1,000	RM500
Other Benefits	Medical and other claimable benefits	

In the event the proposed amount is insufficient, approval will be sought at the next AGM for the shortfall.

Notice of the Twentieth Annual General Meeting

EXPLANATORY NOTES: (CONTINUED)

4. Ordinary Resolution 3 and 4 Re-election of Director

Ms Leaw Ai Lin and Mr Kenneth Chin Kah Kiong are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 20TH AGM of the Company.

Pursuant to Practice 5.7 of the Malaysian Code on Corporate Governance, the profiles of the Directors are set out on page 13 of the Annual Report 2025. For the purpose of determining the eligibility of the Directors to stand for re-election at the 20TH AGM of the Company, the Board had through its Nominating Committee (“**NC**”), considered, assessed and deliberated on the suitability and fit and properness of the retiring Directors.

Based on the recommendation of the NC, the Board is supportive of their re-election with the following justifications:-

Ordinary Resolution 3 – Re-election of Ms Leaw Ai Lin as Non-Independent Non-Executive Director

Ms Leaw Ai Lin has experience in investment banking, corporate strategy and business development, including involvement in Merger and Acquisition transactions, Initial Public Offerings and other corporate exercises, as well as identifying new business opportunities to support the Company’s long-term strategic growth.

The Board is satisfied with her performance and contribution, and she will continue to carry out her duty diligently and effectively and demonstrate her commitment to the roles.

Ordinary Resolution 4 – Re-election of Mr Kenneth Chin Kah Kiong as Independent Non-Executive Director

Mr Kenneth Chin Kah Kiong has more than 26 years of experience in various spectrum finance functions including accounting, taxation, financial reporting and corporate finance across various industries, including construction, property development, hotel, retail and food & beverages.

The Board is satisfied with his performance and contribution, and he will continue to carry out his duty diligently and effectively and demonstrate his commitment to the roles.

5. Ordinary Resolutions 5 Re-appointment of Auditors

The Board has through the Audit Committee, considered the re-appointment of BDO PLT as the Auditors of the Company. The factors considered by the Audit Committee in making the recommendation to the Board to table their re-appointment at the 20TH AGM are disclosed in the Audit Committee Report of the Annual Report 2025.

6. Ordinary Resolution 6 Authority to issue shares pursuant to Sections 75 and 76 of the Act

The proposed Ordinary Resolution 5, if passed, will renew the mandate granted to the Directors at the Nineteenth Annual General Meeting held on 30 May 2025 (“19TH AGM”) and provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the purpose of funding the Company’s future investment project(s), working capital and/or acquisition(s), by the issuance of shares in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed ten per centum (10%) of the total number of the issued shares (excluding treasury shares) of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier.

As at the date of this Notice, the Company did not issue and allot any shares pursuant to the mandate granted to the Directors at the 19TH AGM as there was no requirement for such fundraising activities.

ADMINISTRATIVE GUIDE

FOR THE 20TH ANNUAL GENERAL MEETING (“20TH AGM”) OF BENALEC HOLDINGS BERHAD (“BENALEC” OR “THE COMPANY”)

Date	:	Thursday, 28 May 2026
Time	:	10.00 a.m. (Malaysia time)
Venue	:	Topas Room, The Saujana Hotel Kuala Lumpur Jalan Lapangan Terbang SAAS 40150 Shah Alam, Selangor Darul Ehsan

1. Registration

- a. Registration will commence at 9.00 a.m. and the registration counter will be closed when the meeting commences.
- b. Please produce your original MyKad/Passport (for foreign shareholder) at the registration counter and make sure you collect your MyKad/Passport thereafter.
- c. Please note that no person will be allowed to register on behalf of another even with the original MyKad/Passport of that other person.
- d. After verification and registration, you will be given an identification wristband. If you are attending the meeting as a shareholder as well as proxy, you will be registered once and will only be given one (1) identification wristband to enter the meeting hall. There is no replacement in the event you lose/misplace the identification wristband.
- e. The Registration Counter will only handle verification of identity and registration. If you have any enquiry, please proceed to the Help Desk which is located next to the Registration Counter.

2. Appointment of Proxy(ies) or Attorney or Corporate Representative

- a. Only a member whose name appears on the Record of Depositors as at 21 May 2026 shall be entitled to attend, speak and vote at the 20TH AGM or appoint a proxy(ies) and/or the Chairman of the Meeting to attend and vote on their behalf.
- b. Members can appoint the Chairman of the Meeting as their proxy and indicate the voting instruction in the proxy form.
- c. If you wish to participate in the 20TH AGM yourself, please do not submit any proxy form. You will not be allowed to participate in the 20TH AGM together with a proxy appointed by you.
- d. Proxy form and/or documents relating to the appointment of proxy/corporate representative/attorney for the 20TH AGM whether in hard copy or electronic means must be deposited or submitted in the following manner no later than **Tuesday, 26 May 2026 at 10.00 a.m.**, forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof, otherwise the proxy form shall not be treated as valid:
 - i. Hard copy

The proxy form must be deposited at the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, **OR** alternatively, drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

- ii. Electronic means

The proxy form can be electronically submitted via Vistra Share Registry and IPO (MY) portal (The Portal) at <https://srmy.vistra.com>. Please refer to the procedures set out in “Electronic lodgement of proxy form” summarised below.

Administrative Guide

For the 20TH Annual General Meeting (“**20TH AGM**”) of Benalec Holdings Berhad (“**Benalec**” or “the **Company**”)

2. Appointment of Proxy(ies) or Attorney or Corporate Representative (Continued)

d. (Continued)

Electronic lodgement of proxy form

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User at the Portal	<ol style="list-style-type: none"> 1. Visit the portal at https://srmy.vistra.com 2. Click “Register” and select “Individual Holder” and complete the New User Registration Form. 3. For guidance, you may refer to the tutorial guide available on the homepage. 4. Once registration is completed, you will receive an email notification to verify your registered email address. 5. After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by creating your password. <p><i>If you are an existing use the Portal or TIH Online portal previously, you are not required to register again.</i></p>
Proceed with submission of proxy form	<ol style="list-style-type: none"> 1. After the release of the Notice of Meeting by the Company, login with your email address and password. 2. Select the corporate event: “BENALEC HOLDINGS BERHAD 20TH AGM” 3. Navigate to the 3 dots at the end of the corporate event and choose “SUBMISSION OF PROXY FORM”. 4. Read and agree to the Terms & Conditions and confirm the Declaration. 5. Insert the total number of shares assigned to your proxy(s) to vote on your behalf. 6. Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint the Chairman as your proxy. 7. Indicate your voting instructions – FOR or AGAINST or ABSTAIN. 8. Print proxy form for your record.
ii. Steps for Corporation or Institutional Shareholders	
Register as a User at the Portal	<ol style="list-style-type: none"> 1. Visit the portal at https://srmy.vistra.com 2. Click “Register” and select “Representative of Corporate Holder” and complete the New User Registration Form. 3. Complete the registration form with your personal details. 4. Once registration is completed, you will receive an email notification to verify your registered email address. 5. After verification, your registration will be reviewed and approved within two (2) working days. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by creating your password. <p><i>Note: The representative of a corporation or institutional shareholder must register as a use in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact Tricor as detailed in Note 8 if you need clarification on the user registration.</i></p>
Proceed with submission of proxy form	<ol style="list-style-type: none"> 1. Login to the portal at https://srmy.vistra.com with your email address and password. 2. Select the corporate event: “BENALEC HOLDINGS BERHAD 20TH AGM” 3. Navigate the icon “>” at the end of the corporate event. 4. Read and agree to the Terms and Conditions and confirm the Declaration. 5. Select the corporate holder’s name. 6. Proceed to download the submission file. 7. Prepare the file for the appointment of proxy(ies) by inserting the required data. 8. Proceed to upload the duly completed proxy appointment file. 9. Select “Confirm” to complete your submission. 10. Print the confirmation report of your submission for your record.

Administrative Guide

For the 20TH Annual General Meeting ("20TH AGM")
of Benalec Holdings Berhad ("Benalec" or "the Company")

3. Poll Voting

- a. The voting at the 20TH AGM will be conducted by poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Company has appointed Tricor Investor & Issuing House Services Sdn. Bhd. as Poll Administrator to conduct the poll and Scrutineer Solutions Sdn Bhd as scrutineers to verify the poll results.
- b. During the 20TH AGM, the Poll Administrator will brief you on the poll voting procedure.
- c. Upon completion of the voting session, the scrutineers will verify the polls results followed by the Chairman's declaration whether the resolutions are duly passed.

4. Door gift

There will be no door gift for participating in the 20TH AGM.

5. Recording or photography

Recording or photography of the 20TH AGM is strictly prohibited.

6. Smoking

Smoking in the meeting hall is strictly prohibited.

7. Compliance with guidelines

The Company shall abide by the prevailing and applicable procedures and guidelines as well as precautionary measures as prescribed by the Government, Securities Commission and other relevant authorities. In the event that any new procedure, guidelines or measures may affect the administration of 20TH AGM as set out in this Administrative Guide and requiring material change to the proceedings of the meeting, the Company will issue announcement on the same accordingly. Hence, please check the Company's website for announcement on the latest update (if any) in relation to the 20TH AGM.

8. Enquiry

If you have any enquiry prior to the 20TH AGM, you may contact Share Registrar during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line : +603-2783 9299

Email : is.enquiry@vistra.com



4 | FINANCIAL PERFORMANCE

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DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities. The principal activities of the subsidiaries are mainly engaged in marine construction, civil engineering, vessel chartering and property investments. Further details of the subsidiaries are disclosed in Note 7 to the financial statements.

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

RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year	2,355,828	(46,984,745)
Attributable to:		
Owners of the parent	3,250,415	(46,984,745)
Non-controlling interests	(894,587)	-
	2,355,828	(46,984,745)

DIVIDEND

No dividend has been proposed, declared or paid by the Company since the end of the previous financial year. The Directors do not recommend any payment of dividend in respect of the current financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year ended 31 December 2025.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year ended 31 December 2025.

TREASURY SHARES

As at 31 December 2025, the Company held 12,715,400 (2024: 12,715,400) treasury shares out of its total issued shares of 1,031,602,500 (2024: 1,031,602,500) ordinary shares. Such treasury shares are recorded at a carrying amount of RM12,703,204 (2024: RM12,703,204).

There were no share re-issuance, cancellations, resale and buybacks for the current financial year.

Directors' Report

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Benalec Holdings Berhad

Dato' Leaw Seng Hai
Leaw Ai Lin
Fazrin Azwar bin Md. Nor
Kenneth Chin Kah Kiong

Dato' Leaw Seng Hai and Leaw Ai Lin are also the Directors of certain subsidiaries of the Company.

Subsidiaries of Benalec Holdings Berhad

The list of Directors of the subsidiaries during the financial year and up to the date of this report, not including those Directors listed above are as follows:

Dato' Daing A Malek Bin Daing Rahaman
Hariharan A/L N R Govindapillai
Ragunatha Naicker A/L Elumalai (Alternate Director of Tiji Pieter De Zwart)
Rosly Bin Ahmad
Salehudin Bin Omar
Tiji Pieter De Zwart
Tunku Ismail Idris Ibni Tunku Ibrahim
Yvonne Tan (Chen Xianglian)
Tan Guan Chong

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2025 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	← Number of ordinary shares →			Balance as at 31.12.2025
	Balance as at 1.1.2025	Bought	Sold	
Shares in the Company				
<u>Direct interests</u>				
Dato' Leaw Seng Hai	21,281,700	-	-	21,281,700
Kenneth Chin Kah Kiong	10,000	-	-	10,000
<u>Indirect interest</u>				
Dato' Leaw Seng Hai	86,858,300	-	-	86,858,300 ⁽¹⁾

Directors' Report

DIRECTORS' INTERESTS (continued)

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2025 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows: (continued)

	← Number of ordinary shares →			Balance as at 31.12.2025
	Balance as at 1.1.2025	Bought	Sold	
Shares in the immediate holding company, Oceancove Sdn. Bhd.				
<u>Direct interest</u>				
Dato' Leaw Seng Hai	4,900	-	-	4,900
<u>Indirect interest</u>				
Dato' Leaw Seng Hai	5,100	-	-	5,100 ⁽²⁾
Shares in the ultimate holding company, Oceanview Cove Sdn. Bhd.				
<u>Direct interest</u>				
Dato' Leaw Seng Hai	10,000	-	-	10,000

⁽¹⁾ Deemed interest by virtue of his direct interests in Oceancove Sdn. Bhd. and indirect interests in Oceancove Sdn. Bhd. via Oceanview Cove Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016 in Malaysia.

⁽²⁾ Deemed interest by virtue of his interest in Oceanview Cove Sdn. Bhd..

By virtue of his interests in the ordinary shares of the Company, Dato' Leaw Seng Hai is also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the following:

- (a) a Director who may be deemed to derive benefits by virtue of trade transactions entered into with companies in which the Director has substantial financial interests; and
- (b) a Director who received remuneration from a subsidiary as Director of the subsidiary.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' Report

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2025 were as follows:

	Group RM	Company RM
Directors of the Company:		
Executive:		
Salaries	4,200,000	-
Ex-gratia	1,050,000	-
Other emoluments	877,005	-
	6,127,005	-
Non-Executive:		
Fees	396,000	396,000
Other emoluments	31,891	24,000
	427,891	420,000
Total Directors' remuneration	6,554,896	420,000

The estimated monetary value of benefits-in-kind received by the Directors otherwise than in cash from the Group amounted to RM72,325 (2024: RM72,325).

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There was no indemnity given to or insurance effected for the Directors, officers and auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature except for an impairment loss on investment in a subsidiary of RM46,003,002 as disclosed in Note 7 to the financial statements.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

Directors' Report

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (continued)

- (d) In the opinion of the Directors:
- (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

IMMEDIATE AND ULTIMATE HOLDING COMPANIES

The Directors regard Oceancove Sdn. Bhd. as the immediate holding company and Oceanview Cove Sdn. Bhd. as the ultimate holding company, both of which are companies incorporated in Malaysia.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- (a) On 18 April 2023, the Company, BSB and all the other subsidiaries of the Company entered into a settlement agreement ("Settlement Agreement") with Atlantic Property Sdn. Bhd. ("APSB"), Oceanfront Land Sdn. Bhd. ("OLSB"), Oceanic Sdn. Bhd. ("OSB"), Oceanview Property Sdn. Bhd. ("OPSB") and Sentosacove Sdn. Bhd. ("SSB").

(The Company, BSB and all its other subsidiaries of the Company shall hereinafter collectively be referred to as "Benalec". APSB, OLSB, OSB, OPSB and SSB shall hereinafter collectively be referred to as "Parties")

The Settlement Agreement is entered into between Benalec and the Parties to resolve and conclude all outstanding legal suits (including Sentosacove Project Litigations), disputes and claims between both the Group and the Parties.

The salient terms of the settlement agreement relates to Benalec and the Parties primarily enforces existing previously agreed rights and obligations of Benalec and the Parties set out in the Pulau Indah Project Reclamation Agreement and Sentosacove Project Reclamation Agreement as follows:

- (i) to affirm Benalec's entitlement rights as provided under the previous Pulau Indah Project Reclamation Agreement pursuant to the reclamation agreements entered between BSB and APSB, OLSB, OSB and OPSB, to confirm Benalec's entitlement to five (5) identified plots out of nine (9) subdivided plots of the Pulau Indah Land and the sales proceeds arising from the disposal of such plots ("Sales Proceeds");
- (ii) Benalec to utilise the Sales Proceeds (if any) and its internally generated funds to fully settle all existing debts due and owing by Benalec to the parties; and
- (iii) to affirm and confirm that both Benalec and SSB shall retain the benefits/rights to their respective entitlements (which were previously agreed by the parties) under the Sentosacove Project Reclamation Agreement on the premise that all Sentosacove Project Litigations as disclosed above are fully resolved amicably between Benalec and SSB.

Directors' Report

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (continued)

(a) (continued)

Pursuant to the Settlement Agreement, Benalec and the Parties, and all its related companies acknowledge and confirm that:

- (a) all parties shall have no further claim whatsoever against each other in any manner whatsoever in respect of the matter arising from and/or related to the subject matters set out in the Settlement Agreement;
- (b) the parties shall have the right to commence any claim or action for the purposes of enforcing the Settlement Agreement and/or their rights under the Settlement Agreement; and
- (c) save for (b) above, all parties shall refrain from initiating or filing any fresh suit(s) and/or taking any action(s) in any manner whatsoever against each other in respect of the matter arising from and/or related to the subject matters set out in the Settlement Agreement.

As of the date of this report, the Group is still executing the legal process of transferring the Pulau Indah Land under the respective parties' entitlement.

- (b) Ongoing geopolitical tensions in multiple regions, including in the Middle East, have contributed to elevated energy prices, intermittent global supply chain disruptions, and increased volatility in global currency movements. These factors may, if prolonged, place indirect pressure on input costs and consumer sentiment.

Against this backdrop, as at the date of this report, the Group has not experienced any material adverse impact on its operations or financial position arising directly from these developments. Nevertheless, the Group will continue to monitor developments and assess the potential operational and financial implications of the conflict.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2025 were as follows:

	Group RM	Company RM
Statutory audit	598,068	141,000
Other services	16,000	16,000
	614,068	157,000

Signed on behalf of the Board in accordance with a resolution of the Directors.

Dato' Leaw Seng Hai
Director

Leaw Ai Lin
Director

Selangor
28 April 2026

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 94 to 146 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Dato' Leaw Seng Hai
Director

Leaw Ai Lin
Director

Selangor
28 April 2026

STATUTORY DECLARATION

I, Chin Wei Ee (CA 34935), being the officer primarily responsible for the financial management of Benalec Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 94 to 146 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
28 April 2026)

Chin Wei Ee

Before me:

MARDHIYYAH ABDUL WAHAB (W 729)

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BENALEC HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Benalec Holdings Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended and notes to the financial statements, including material accounting policy information, as set out on pages 94 to 146.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key audit matters

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

1. Impairment assessment of property, plant and equipment and right-of-use assets

As stated in Note 5 and Note 6 to the financial statements, a subsidiary of the Group had indicators of impairment and held property, plant and equipment and right-of-use assets with carrying amounts of RM19,957,246 and RM12,263,558, respectively, as at 31 December 2025. Accordingly, management has performed an impairment assessment on the related Cash Generating Unit ("CGU").

We determined this to be a key audit matter because it requires management to exercise significant judgements and estimates about the future results and key assumptions applied to the cash flow projections of the CGU in determining its recoverable amount. These key assumptions include forecast growth in future revenues and budgeted operating profit margins, as well as determining an appropriate pre-tax discount rate.

Audit response

Our audit procedures included the following:

- (i) verified projected growth rates and budgeted operating profit margins by evaluating evidence available to support these key assumptions used in the cash flow projections;
- (ii) verified pre-tax discount rate used by management for the CGU by comparing to the weighted average cost of capital of the Group and its relevant risk factors; and
- (iii) performed sensitivity analysis of our own to stress test the key assumptions in the impairment assessment.

Independent Auditors' Report

To the members of Benalec Holdings Berhad
(Incorporated In Malaysia)

Key audit matters (continued)

2. Valuation of land reclamation work-in-progress

As at 31 December 2025, the carrying amount of land reclamation work-in-progress of the Group amounted to RM424,855,231, as disclosed in Note 12 to the financial statements. The land reclamation work-in-progress is recognised as inventories and measured at the lower of cost and net realisable value ("NRV") in accordance with MFRS 102 *Inventories*. The valuation of land reclamation work-in-progress involves significant judgement as management relied on independent external valuation reports prepared based on generally accepted valuation methodologies applicable to such assets in performing the assessment of NRV.

Included in land reclamation work-in-progress is an amount of RM20,000,000, which is subject to the continued effectiveness of the underlying development arrangement with the relevant State Government.

We determined this to be a key audit matter because of the magnitude of the balance and the judgement involved in assessing both the valuation inputs and the continued effectiveness of the development arrangement with the relevant State Government.

Our audit procedures on valuation of land reclamation work-in-progress with carrying amounts of RM424,855,231 included the following:

- (i) reviewed the independent valuation reports and assessed the competence, independence and objectivity of the management's independent expert;
- (ii) discussed with the management's independent valuers to obtain an understanding of the valuation methodologies and assumptions used in the valuation;
- (iii) evaluated the key inputs and assumptions used in the valuation, including comparable market data and other relevant factors, having regard to the nature and condition of the reclaimed land; and
- (iv) with the involvement of auditors' expert, evaluated the valuation approach and significant inputs used in the valuation by the management's independent expert.

Our audit procedures on the continued effectiveness of the underlying development arrangement with the relevant State Government over the land reclamation work-in-progress with a carrying amount of RM20,000,000 included the following:

- (i) read and evaluated relevant provisions of the underlying development arrangement to understand matters relevant to the continuation of the project;
- (ii) evaluated management's assessment of the status of the development arrangement as at the reporting date;
- (iii) evaluated whether there were any indications, including formal communications, that the development arrangement had ceased to be effective; and
- (iv) obtained and reviewed independent legal opinions on matters relating to the status of the development arrangement, and evaluated whether the matters addressed therein had implications on management's assessment of valuation of land reclamation work-in-progress in accordance with MFRS 102 *Inventories*.

We have determined that there are no other key audit matters to be communicated in our auditors' report of the audit of the separate financial statements of the Company.

Independent Auditors' Report

To the members of Benalec Holdings Berhad
(Incorporated In Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and 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 financial statements.

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) 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 internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent Auditors' Report

To the members of Benalec Holdings Berhad
(Incorporated In Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- (d) 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 ability of the Group and of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) 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 financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

Other Matters

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

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur
28 April 2026

Tan Seong Yuh
03314/07/2027 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	21,895,019	24,394,836	-	-
Right-of-use assets	6	12,276,428	13,186,584	-	-
Investments in subsidiaries	7	-	-	303,959,902	307,962,904
Other investments	8	36,646	40,760	-	-
Trade and other receivables	9	1,112,249	-	-	-
Deferred tax assets	10	20,922,876	23,349,420	-	-
		56,243,218	60,971,600	303,959,902	307,962,904
Current assets					
Inventories	11	481,613,820	482,572,657	-	-
Trade and other receivables	9	11,248,107	8,842,898	17,169	42,711,634
Contract assets	13	47,059,074	38,257,682	-	-
Current tax assets		151,529	743,430	-	-
Short term funds	14	172,751	168,679	-	-
Cash and cash equivalents	15	27,348,144	27,093,964	39,910	126,417
		567,593,425	557,679,310	57,079	42,838,051
TOTAL ASSETS		623,836,643	618,650,910	304,016,981	350,800,955
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	16	391,935,927	391,935,927	391,935,927	391,935,927
Reserves	17	(15,828,098)	(19,277,615)	(88,883,783)	(41,899,038)
		376,107,829	372,658,312	303,052,144	350,036,889
Non-controlling interests	7(d)	(4,718,803)	(3,824,216)	-	-
TOTAL EQUITY		371,389,026	368,834,096	303,052,144	350,036,889
LIABILITIES					
Non-current liabilities					
Other payables	18	53,633,177	47,443,089	-	-
Borrowings	19	3,862,112	4,522,961	-	-
Lease liabilities	6	9,668,696	10,256,807	-	-
Contract liabilities	13	54,865,943	68,026,682	-	-
		122,029,928	130,249,539	-	-
Current liabilities					
Trade and other payables	18	101,232,493	89,303,439	964,837	764,066
Borrowings	19	25,574,546	25,860,998	-	-
Lease liabilities	6	3,602,839	4,360,430	-	-
Current tax liabilities		7,811	-	-	-
Contract liabilities	13	-	42,408	-	-
		130,417,689	119,567,275	964,837	764,066
TOTAL LIABILITIES		252,447,617	249,816,814	964,837	764,066
TOTAL EQUITY AND LIABILITIES		623,836,643	618,650,910	304,016,981	350,800,955

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	21	61,493,744	91,327,371	-	-
Cost of sales	22	(32,661,905)	(48,313,149)	-	-
Gross profit		28,831,839	43,014,222	-	-
Other income	23	2,747,372	5,795,053	216	62,379
Administrative and other expenses		(20,825,162)	(28,311,262)	(1,065,434)	(1,117,447)
Write down of:					
- land held for sale	11(c)	-	(4,503,938)	-	-
- land reclamation work-in-progress	12(b)	(864,957)	-	-	-
Impairment losses on:					
- property, plant and equipment	5	(1,478,214)	(1,322,155)	-	-
- investment in a subsidiary	7	-	-	(46,003,002)	(36,094,001)
Net gain on impairment of financial assets	25	1,705,657	3,143,321	345,107	893,825
Finance costs	24	(4,412,124)	(4,785,749)	-	(323,480)
Profit/(Loss) before tax	26	5,704,411	13,029,492	(46,723,113)	(36,578,724)
Tax expense	27	(3,348,583)	(994,991)	(261,632)	-
Profit/(Loss) for the financial year		2,355,828	12,034,501	(46,984,745)	(36,578,724)
Other comprehensive income, net of tax					
Items that may be reclassified subsequently to profit or loss					
Gain on foreign currency translations		199,102	528,562	-	-
Total comprehensive income/(loss)		2,554,930	12,563,063	(46,984,745)	(36,578,724)
Profit/(Loss) attributable to:					
Owners of the parent		3,250,415	12,669,335	(46,984,745)	(36,578,724)
Non-controlling interests	7(d)	(894,587)	(634,834)	-	-
		2,355,828	12,034,501	(46,984,745)	(36,578,724)
Total comprehensive income/(loss) attributable to:					
Owners of the parent		3,449,517	13,197,897	(46,984,745)	(36,578,724)
Non-controlling interests	7(d)	(894,587)	(634,834)	-	-
		2,554,930	12,563,063	(46,984,745)	(36,578,724)

Earnings per ordinary share attributable to owners of the parent:

	Note	Group	
		2025 sen	2024 sen
Basic	28(a)	0.32	1.24
Diluted	28(b)	0.32	1.24

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Group	Non-distributable			Distributable			Total equity RM	
	Share capital RM	Treasury shares (Note 17) RM	Exchange translation reserve (Note 17) RM	Reverse acquisition debit (Note 17) RM	Retained earnings (Note 17) RM	Total attributable to owners of parent RM		Non-controlling interests RM
Balance as at 1 January 2024	391,935,927	(12,703,204)	(5,838,055)	(146,069,559)	132,135,306	359,460,415	(3,189,382)	356,271,033
Profit/(Loss) for the financial year	-	-	-	-	12,669,335	12,669,335	(634,834)	12,034,501
Gain on foreign currency translations, net of tax	-	-	528,562	-	-	528,562	-	528,562
Total comprehensive income/(loss)	-	-	528,562	-	12,669,335	13,197,897	(634,834)	12,563,063
Balance as at 31 December 2024	391,935,927	(12,703,204)	(5,309,493)	(146,069,559)	144,804,641	372,658,312	(3,824,216)	368,834,096
Balance as at 1 January 2025	391,935,927	(12,703,204)	(5,309,493)	(146,069,559)	144,804,641	372,658,312	(3,824,216)	368,834,096
Profit/(Loss) for the financial year	-	-	-	-	3,250,415	3,250,415	(894,587)	2,355,828
Gain on foreign currency translations, net of tax	-	-	199,102	-	-	199,102	-	199,102
Total comprehensive income/(loss)	-	-	199,102	-	3,250,415	3,449,517	(894,587)	2,554,930
Balance as at 31 December 2025	391,935,927	(12,703,204)	(5,110,391)	(146,069,559)	148,055,056	376,107,829	(4,718,803)	371,389,026

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Company	Non-distributable	Distributable		Total equity RM
	Share capital RM	Treasury shares (Note 17) RM	Retained earnings/ losses) (Note 17) RM	
Balance as at 1 January 2024	391,935,927	(12,703,204)	7,382,890	386,615,613
Loss for the financial year	-	-	(36,578,724)	(36,578,724)
Other comprehensive loss, net of tax	-	-	-	-
Total comprehensive loss	-	-	(36,578,724)	(36,578,724)
Balance as at 31 December 2024	391,935,927	(12,703,204)	(29,195,834)	350,036,889
Balance as at 1 January 2025	391,935,927	(12,703,204)	(29,195,834)	350,036,889
Loss for the financial year	-	-	(46,984,745)	(46,984,745)
Other comprehensive loss, net of tax	-	-	-	-
Total comprehensive loss	-	-	(46,984,745)	(46,984,745)
Balance as at 31 December 2025	391,935,927	(12,703,204)	(76,180,579)	303,052,144

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		5,704,411	13,029,492	(46,723,113)	(36,578,724)
Adjustments for:					
Depreciation of					
- property, plant and equipment	5	1,173,478	1,569,899	-	-
- right-of-use assets	6	3,322,075	3,240,154	-	-
Dividend income	23	(5,465)	(5,201)	-	-
Gain on disposal of property, plant and equipment, net	23,26	(49,999)	(3,022,521)	-	-
Gain on termination and modifications of leases	23	(361,966)	(770,453)	-	-
Impairment losses on:					
- property, plant and equipment	5	1,478,214	1,322,155	-	-
- investment in a subsidiary	7	-	-	46,003,002	36,094,001
- other receivables	25	150,962	-	-	-
Interest expenses on:					
- borrowings		3,484,124	4,129,129	-	323,480
- lease liabilities		984,008	774,154	-	-
Interest income	23	(555,166)	(586,471)	(216)	(62,379)
Net fair value losses/(gains) on:					
- other investments	8	4,114	(5,107)	-	-
- non-current trade receivables	26	60,913	-	-	-
- non-current amounts owing to related parties	26	540,568	3,216,223	-	-
- non-current amount owing to a Director	23	(1,391,023)	-	-	-
- short term funds	23	-	(2,562)	-	-
Net unrealised losses/(gains) on foreign exchange	23,26	153,375	(228,925)	-	-
Reversal of impairment losses on:					
- amount owing by a subsidiary	25	-	-	(345,107)	(893,825)
- trade and other receivables	25	-	(159,286)	-	-
- contract assets	25	(1,856,619)	(2,984,035)	-	-
Write down of:					
- land held for sale	11(c)	-	4,503,938	-	-
- land reclamation work-in-progress	12(b)	864,957	-	-	-
Write off of:					
- property, plant and equipment	26	-	35,644	-	-
- trade and other receivables	26	2,520	77,775	-	-
Waiver of trade and other payables	23	(29,897)	-	-	-
Operating profit/(loss) before changes in working capital		13,673,584	24,134,002	(1,065,434)	(1,117,447)
Changes in working capital:					
Inventories		93,880	13,821,321	-	-
Trade and other receivables		(3,721,811)	4,986,952	8,819	(478)
Contract assets		(6,944,773)	29,310,418	-	-
Trade and other payables		18,021,419	(14,676,234)	(128,419)	(1,090,322)
Contract liabilities		(13,203,147)	(3,568,682)	-	-
Cash generated from/(used in) operations		7,919,152	54,007,777	(1,185,034)	(2,208,247)
Tax paid		(496,273)	(4,318)	(261,632)	-
Tax refunded		173,946	21,817	-	-
Net cash from/(used in) operating activities		7,596,825	54,025,276	(1,446,666)	(2,208,247)

Statement of Cash Flows

For the Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividend received		1,393	2,506	-	-
Interest received		691	7,029	216	497
Proceeds from disposal of property, plant and equipment		50,000	4,224,455	-	-
Purchase of:					
- property, plant and equipment	5(d)	(345,731)	(76,246)	-	-
- right-of-use assets	6(c)	(6,305)	(53,556)	-	-
Repayments from a subsidiary		-	-	1,359,943	2,320,850
Advances/Repayments to related parties		(10,042)	(33,610,434)	-	-
Net cash (used in)/from investing activities		(309,994)	(29,506,246)	1,360,159	2,321,347
CASH FLOWS FROM FINANCING ACTIVITIES					
Net drawdowns of borrowings:					
- banker's acceptances		240,000	300,000	-	-
- trust receipts		-	346,273	-	-
Interest paid		(2,137,723)	(2,426,520)	-	-
Loan from a Director		-	5,000,000	-	-
Payment of lease liabilities	6	(4,250,532)	(4,077,805)	-	-
Net repayments of borrowings:					
- invoice financings		(1,152,442)	(1,877,482)	-	-
- revolving credits		(1,200,000)	(200,000)	-	-
- trust receipts		(1,382,319)	-	-	-
Repayments of term loan		(631,760)	(16,097,971)	-	-
Repayments to related parties		(245,476)	-	-	-
Net cash used in financing activities		(10,760,252)	(19,033,505)	-	-
Net (decrease)/increase in cash and cash equivalents		(3,473,421)	5,485,525	(86,507)	113,100
Effects of exchange rate changes on cash and cash equivalents		(6,094)	22,955	-	-
Cash and cash equivalents at beginning of the financial year		(695,433)	(6,203,913)	126,417	13,317
Cash and cash equivalents at end of the financial year	15	(4,174,948)	(695,433)	39,910	126,417

Reconciliation of liabilities arising from financing activities:

Group	Lease liabilities (Note 6) RM	Revolving credits (Note 19) RM	Term loan (Note 19) RM	Trust receipts (Note 19) RM	Invoice financings (Note 19) RM	Banker's acceptances (Note 19) RM
At 1 January 2025	14,617,237	19,800,000	5,177,459	2,132,308	1,420,119	300,000
Cash flows						
Interest expenses	(971,434)	(1,398,872)	(242,800)	(104,843)	(80,581)	(10,312)
Net (repayments)/drawdowns	(3,279,098)	(1,200,000)	(631,760)	(1,382,319)	(1,152,442)	240,000
	(4,250,532)	(2,598,872)	(874,560)	(1,487,162)	(1,233,023)	229,688

Statement of Cash Flows

For the Financial Year Ended 31 December 2025

Reconciliation of liabilities arising from financing activities: (continued)

Group	Lease liabilities (Note 6) RM	Revolving credits (Note 19) RM	Term loan (Note 19) RM	Trust receipts (Note 19) RM	Invoice financings (Note 19) RM	Banker's acceptances (Note 19) RM
Non-cash flows:						
Accrued interest expenses	12,574	15,540	-	19,327	18,732	-
Accrued lease payments	(122,104)	-	-	-	-	-
Additions	204,560	-	-	-	-	-
Lease modifications	1,841,175	-	-	-	-	-
Interest expenses	971,434	1,383,332	242,800	85,516	61,849	10,312
Translation adjustment	(2,809)	-	-	-	-	-
At 31 December 2025	13,271,535	18,600,000	4,545,699	749,989	267,677	540,000
At 1 January 2024	13,337,508	20,000,000	21,275,430	1,786,035	3,297,601	-
Cash flows						
Interest expenses	(243,226)	(1,172,445)	(621,171)	(162,881)	(98,324)	(23,847)
Net (repayments)/ drawdowns	(3,834,579)	(200,000)	(16,097,971)	346,273	(1,877,482)	300,000
	(4,077,805)	(1,372,445)	(16,719,142)	183,392	(1,975,806)	276,153
Non-cash flows:						
Accrued interest expenses	-	(310,928)	-	(27,047)	(18,732)	-
Accrued lease payments	(1,098,000)	-	-	-	-	-
Additions	795,000	-	-	-	-	-
Lease termination and lease modification	4,887,318	-	-	-	-	-
Interest expenses	774,154	1,483,373	621,171	189,928	117,056	23,847
Interest expense capitalised	72	-	-	-	-	-
Translation adjustment	(1,010)	-	-	-	-	-
At 31 December 2024	14,617,237	19,800,000	5,177,459	2,132,308	1,420,119	300,000

Group	Amounts owing to related parties	
	2025 RM	2024 RM
At 1 January	52,881,897	84,509,212
Cash flows:		
Operating activities	-	(34,017,403)
Financing activities	(245,476)	-
Non-cash flows:		
Fair value loss on non-current amounts owing to related parties	540,568	3,216,223
Unrealised loss/(gain) on foreign exchange	147,281	(163,627)
Exchange differences	(385,382)	(662,508)
At 31 December	52,938,888	52,881,897
Company		
At 1 January		15,000,000
Cash flows		
Interest expenses		(15,323,480)
At 31 December		323,480
		-

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2025

1. CORPORATE INFORMATION

Benalec Holdings Berhad (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The principal place of business of the Company is located at 23, Jalan Perintis U1/52, Temasya Glenmarie, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan.

The immediate holding company and ultimate holding company of the Company are Oceancove Sdn. Bhd. and Oceanview Cove Sdn. Bhd. respectively, both of which are incorporated in Malaysia.

The consolidated financial statements for the financial year ended 31 December 2025 comprise the financial statements of the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 28 April 2026.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities. The principal activities of the subsidiaries are mainly engaged in marine construction, civil engineering, vessel chartering and property investments. Further details of the subsidiaries are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new Amendments to MFRSs during the financial year. The Amendments to MFRSs adopted during the financial year are disclosed in Note 34.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

Notes to the Financial Statements

31 December 2025

4. OPERATING SEGMENTS

The Company and its subsidiaries are principally engaged in marine construction, civil engineering, vessel chartering and investment holding. The marine construction and civil engineering activities of the Group are mainly undertaken by Benalec Sdn. Bhd., a wholly-owned subsidiary of the Company.

The Group arrived at three (3) reportable segments that are organised and managed separately according to the nature of the operations, which require different business strategies. The reportable segments are summarised as follows:

(a) Marine construction

(i) Land reclamation services

Providing marine construction services, which include the following:

- i. land reclamation, dredging and beach nourishment;
- ii. rock revetment works, shore protection works and breakwater construction;
- iii. pre-bore and marine piling;
- iv. construction of marine structures, bridges, jetties, ports and other offshore and ancillary services; and
- v. sales of marine construction materials.

(ii) Disposal of land held for sale

Disposal of reclaimed land received as compensation for in-kind settlement contracts, which are available for immediate sale in its present condition.

(b) Vessel chartering and marine transportation

Chartering of vessels on time and voyage charters.

(c) Other operating segment comprises investment holding and properties held for sale.

The Group evaluates performance on the basis of profit or loss from operations before tax, excluding non-recurring losses.

Inter-segment revenue is priced along the same lines as sales to external customers and conditions and is eliminated on the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Segment assets exclude tax assets and assets used primarily for corporate purposes. Segment liabilities exclude tax liabilities. Even though borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors (e.g. funding requirements). Details are provided in the reconciliations from segment assets and liabilities to the financial position of the Group.

Notes to the Financial Statements

31 December 2025

4. OPERATING SEGMENTS (continued)

(a) Operating segments

2025	← Marine construction →			Others RM	Total RM
	Land reclamation services RM	Disposal of land held for sale RM	Vessel chartering and marine transportation RM		
Revenue					
Total revenue	66,446,785	10,145,457	1,506,762	-	78,099,004
Inter-segment revenue	(16,605,260)	-	-	-	(16,605,260)
Revenue from external customers	49,841,525	10,145,457	1,506,762	-	61,493,744
Interest income	554,897	-	53	216	555,166
Finance costs	(3,884,316)	-	(1,095)	(526,713)	(4,412,124)
Net finance expense	(3,329,419)	-	(1,042)	(526,497)	(3,856,958)
Segment (loss)/profit before tax	(718,431)	9,803,616	(1,583,926)	(1,796,848)	5,704,411
Tax expenses	(3,079,140)	-	-	(269,443)	(3,348,583)
Other material non-cash items:					
Depreciation of property, plant and equipment	(858,077)	-	(315,401)	-	(1,173,478)
Depreciation of right-of-use assets	(3,311,184)	-	(10,891)	-	(3,322,075)
Gain on disposal of property, plant and equipment	49,999	-	-	-	49,999
Gain on modifications of leases	361,966	-	-	-	361,966
Impairment losses on:					
- property, plant and equipment	(193,410)	-	(1,284,804)	-	(1,478,214)
- other receivables	(150,962)	-	-	-	(150,962)
Net fair value (losses)/gains on:					
- other investments	(4,114)	-	-	-	(4,114)
- non-current trade receivables	(60,913)	-	-	-	(60,913)
- non-current amounts owing to a Director	1,391,023	-	-	-	1,391,023
- non-current amounts owing to related parties	167,105	-	(707,673)	-	(540,568)
Reversal of impairment losses on contract assets	1,856,619	-	-	-	1,856,619
Write down of land reclamation work-in-progress	(864,957)	-	-	-	(864,957)
Write off of trade and other receivables	(2,520)	-	-	-	(2,520)
Waiver of trade and other payables	29,897	-	-	-	29,897
Additions to non-current assets other than financial instruments and deferred tax assets	556,596	-	-	-	556,596
Segment assets	547,687,843	45,637,345	1,074,838	8,325,566	602,725,592
Segment liabilities	165,607,963	54,865,943	25,125,951	6,839,949	252,439,806

Notes to the Financial Statements

31 December 2025

4. OPERATING SEGMENTS (continued)

(a) Operating segments (continued)

2024	← Marine construction →			Others RM	Total RM
	Land reclamation services RM	Disposal of land held for sale RM	Vessel chartering and marine transportation RM		
Revenue					
Total revenue	65,557,911	34,847,172	-	-	100,405,083
Inter-segment revenue	(9,077,712)	-	-	-	(9,077,712)
Revenue from external customers	56,480,199	34,847,172	-	-	91,327,371
Interest income	585,926	-	48	497	586,471
Finance costs	(4,461,341)	-	(928)	(323,480)	(4,785,749)
Net finance expense	(3,875,415)	-	(880)	(322,983)	(4,199,278)
Segment profit/(loss) before tax	6,793,394	12,830,959	(4,689,979)	(1,904,882)	13,029,492
Tax expenses	(994,991)	-	-	-	(994,991)
Other material non-cash items:					
Depreciation of property, plant and equipment	(1,709,919)	-	140,020	-	(1,569,899)
Depreciation of right-of-use assets	(3,228,736)	-	(11,418)	-	(3,240,154)
Gain/(Loss) on disposal of property, plant and equipment	3,022,562	-	(41)	-	3,022,521
Gain on termination of leases	769,833	-	620	-	770,453
Impairment losses on property, plant and equipment	(123,296)	-	(1,198,859)	-	(1,322,155)
Net fair value (losses)/gains on:					
- other investments	5,107	-	-	-	5,107
- non-current amounts owing to related parties	(135,045)	-	(3,081,178)	-	(3,216,223)
- short term funds	-	-	-	2,562	2,562
Reversal of impairment losses on:					
- trade and other receivables	159,286	-	-	-	159,286
- contract assets	2,984,035	-	-	-	2,984,035
Write down of land held for sale	-	(4,503,938)	-	-	(4,503,938)
Write off of:					
- property, plant and equipment	(35,631)	-	(13)	-	(35,644)
- trade and other receivables	(77,775)	-	-	-	(77,775)
Additions to non-current assets other than financial instruments and deferred tax assets	924,802	-	-	-	924,802
Segment assets	537,353,308	45,732,592	3,010,460	8,420,940	594,517,300
Segment liabilities	135,196,114	68,069,090	28,094,742	18,456,868	249,816,814

Notes to the Financial Statements

31 December 2025

4. OPERATING SEGMENTS (continued)

(a) Operating segments (continued)

Reconciliations of reportable profit or loss, assets and liabilities to the corresponding amounts of the Group are as follows:

	2025 RM	2024 RM
(Loss)/Profit for the financial year		
Total (loss)/profit for reportable segments	(89,899,698)	17,564,474
Elimination of inter-segment profit/(loss)	95,604,109	(4,534,982)
Profit before tax	5,704,411	13,029,492
Tax expenses	(3,348,583)	(994,991)
Profit for the financial year of the Group per statements of profit or loss and other comprehensive income	2,355,828	12,034,501
Assets		
Total assets for reportable segments	602,725,592	594,517,300
Unallocated assets:		
- other investments	36,646	40,760
- current tax assets	151,529	743,430
- deferred tax assets	20,922,876	23,349,420
Assets of the Group	623,836,643	618,650,910
Liabilities		
Total liabilities for reportable segments	252,439,806	249,816,814
Unallocated liability		
- current tax liabilities	7,811	-
Liabilities of the Group	252,447,617	249,816,814

(b) Geographical segments

The operations of the Group are carried out primarily in Malaysia (which includes the Federal Territory of Labuan). In presenting information on the basis of geographical areas, segment revenue is based on the geographical location of customers.

Segment assets are based on the geographical location of the assets of the Group. The non-current assets do not include financial instruments and deferred tax assets.

(i) Revenue from external customers

	Group	
	2025 RM	2024 RM
Malaysia	61,493,744	91,327,371

(ii) Non-current assets

	Group	
	2025 RM	2024 RM
Malaysia	33,129,608	36,182,442
Singapore	1,041,839	1,398,978
	34,171,447	37,581,420

Notes to the Financial Statements

31 December 2025

4. OPERATING SEGMENTS (continued)

(c) Major customers

The following are major customers with revenue equal to or more than ten percent (10%) of Group revenue:

	Revenue	
	2025 % of total	2024 % of total
Customer A	0%	44%
Customer B	73%	19%
Customer C	0%	17%
Customer D	13%	13%
	86%	93%

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Buildings RM	Plant and machinery RM	Barges and dredgers RM	Tools and office equipment RM	Furniture and fittings RM	Motor vehicles RM	Total RM	
2025	Note	RM	RM	RM	RM	RM	RM	RM	
Cost									
At 1 January									
2025		10,430,000	10,435,036	24,714,689	84,268,976	4,784,537	1,064,493	9,079,325	144,777,056
Additions		-	-	190,688	-	91,043	-	153,305	435,036
Disposals		-	-	-	-	-	-	(643,058)	(643,058)
Reclassifications		-	-	(1,157,700)	1,082,516	-	75,184	-	-
Reclassified to right-of-use assets	6	-	-	-	-	-	-	(89,305)	(89,305)
Write-offs		-	-	-	(27,828,153)	-	-	-	(27,828,153)
Translation adjustments		-	-	-	(2,873,672)	(15,675)	(57)	-	(2,889,404)
At 31 December 2025		10,430,000	10,435,036	23,747,677	54,649,667	4,859,905	1,139,620	8,500,267	113,762,172
Accumulated depreciation									
At 1 January 2025		-	1,750,025	19,784,159	41,383,771	4,287,268	1,028,823	8,932,419	77,166,465
Charge for the financial year		-	208,700	236,647	469,046	136,836	107,975	14,274	1,173,478
Disposals		-	-	-	-	-	-	(643,057)	(643,057)
Reclassifications		-	-	1,518,631	(1,561,239)	(518)	-	43,126	-
Write-offs		-	-	-	(10,189,518)	-	-	-	(10,189,518)
Translation adjustments		-	-	-	(1,287,236)	(15,608)	(56)	-	(1,302,900)
At 31 December 2025		-	1,958,725	21,539,437	28,814,824	4,407,978	1,136,742	8,346,762	66,204,468
Accumulated impairment losses									
At 1 January 2025		-	-	2,109,821	41,105,934	-	-	-	43,215,755
Charge for the financial year		-	-	-	1,478,214	-	-	-	1,478,214
Write-offs		-	-	-	(17,638,635)	-	-	-	(17,638,635)
Translation adjustments		-	-	-	(1,392,649)	-	-	-	(1,392,649)
At 31 December 2025		-	-	2,109,821	23,552,864	-	-	-	25,662,685

Notes to the Financial Statements

31 December 2025

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group		Freehold land	Buildings	Plant and machinery	Barges and dredgers	Tools and office equipment	Furniture and fittings	Motor vehicles	Total
2024	Note	RM	RM	RM	RM	RM	RM	RM	RM
Cost									
At 1 January									
2024		10,430,000	10,435,036	24,714,689	121,757,128	5,146,722	1,064,577	9,564,560	183,112,712
Additions		-	-	-	-	76,246	-	848,556	924,802
Disposals		-	-	-	(35,447,303)	-	-	(485,235)	(35,932,538)
Reclassified to right-of-use assets	6	-	-	-	-	-	-	(848,556)	(848,556)
Write-offs		-	-	-	-	(428,923)	-	-	(428,923)
Translation adjustments		-	-	-	(2,040,849)	(9,508)	(84)	-	(2,050,441)
At 31 December 2024		10,430,000	10,435,036	24,714,689	84,268,976	4,784,537	1,064,493	9,079,325	144,777,056
Accumulated depreciation									
At 1 January 2024		-	1,541,324	19,366,959	51,589,038	4,437,420	918,736	9,408,876	87,262,353
Charge for the financial year		-	208,701	417,291	580,770	249,652	110,082	3,403	1,569,899
Disposals		-	-	-	(10,027,928)	-	-	(476,978)	(10,504,906)
Write-offs		-	-	-	-	(393,279)	-	-	(393,279)
Translation adjustments		-	-	(91)	(758,109)	(6,525)	5	(2,882)	(767,602)
At 31 December 2024		-	1,750,025	19,784,159	41,383,771	4,287,268	1,028,823	8,932,419	77,166,465
Accumulated impairment losses									
At 1 January 2024		-	-	1,986,525	65,261,169	-	-	-	67,247,694
Charge for the financial year		-	-	123,296	1,198,859	-	-	-	1,322,155
Disposals		-	-	-	(24,225,698)	-	-	-	(24,225,698)
Translation adjustments		-	-	-	(1,128,396)	-	-	-	(1,128,396)
At 31 December 2024		-	-	2,109,821	41,105,934	-	-	-	43,215,755

Notes to the Financial Statements

31 December 2025

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Group	
	2025 RM	2024 RM
Carrying amount		
Freehold land	10,430,000	10,430,000
Buildings	8,476,311	8,685,011
Plant and machinery	98,419	2,820,709
Barges and dredgers	2,281,979	1,779,271
Tools and office equipment	451,927	497,269
Furniture and fittings	2,878	35,670
Motor vehicles	153,505	146,906
	21,895,019	24,394,836

- (a) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.
- (b) Depreciation is calculated to write down the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the various business segments of the Group. The principal annual rates used are as follows:

Buildings	2%
Plant and machinery	10%
Barges and dredgers	4% - 10%
Tools and office equipment	10% - 20%
Furniture and fittings	10%
Motor vehicles	10% - 20%

Freehold land has unlimited useful life and is not depreciated.

The useful lives are based on the historical experience of the Group with similar assets and taking into account the anticipated technological changes. The depreciation charge for future period is adjusted if there are significant changes from previous estimates.

- (c) The carrying amount of property, plant and equipment of the Group pledged to licensed financial institutions for credit facilities granted to the Group as disclosed in Note 19(d)(i) to the financial statements are as follows:

	Group	
	2025 RM	2024 RM
Freehold land	10,430,000	10,430,000
Buildings	4,019,410	4,118,655
	14,449,410	14,548,655

- (d) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	Note	Group	
		2025 RM	2024 RM
Purchase of property, plant and equipment		435,036	924,802
Motor vehicles financed by lease arrangements	6	(89,305)	(848,556)
Cash payments on purchase of property, plant and equipment		345,731	76,246

Notes to the Financial Statements

31 December 2025

5. PROPERTY, PLANT AND EQUIPMENT (continued)

(e) Impairment assessment

For the purpose of impairment assessment, recoverable amount of property, plant and equipment and right-of-use assets is determined based on higher of value-in-use or fair value less cost of disposal of each Cash Generating Units ("CGUs").

(i) Value-in-use method

As at 31 December 2025, a subsidiary of the Group had indicators of impairment and held property, plant and equipment and right-of-use assets with carrying amounts of RM19,957,246 and RM12,263,558 (Note 6(h)) respectively. Accordingly, management has performed an impairment assessment on the related Cash Generating Unit ("CGU").

Management has exercised significant judgements and estimates about the future results and key assumptions applied to the cash flow projections of the CGU in determining its recoverable amount. These key assumptions include forecast growth in future revenues and budgeted operating profit margins, as well as determining an appropriate pre-tax discount rate. Pre-tax discount rate of 10% was applied over the projection periods in determining the recoverable amount of the CGU.

Based on these assumptions, management is of the view that no impairment loss is required in relation to property, plant and equipment and right-of-use assets as the recoverable amount determined is higher than the carrying amount of the CGU.

With regard to the assessment of value-in-use of the CGU, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying amount of the CGU to further materially exceed their recoverable amount.

(ii) Fair value less cost of disposal

During the financial year, certain barges and dredgers of the Group with a total carrying amount of RM2,222,000 were assessed by management's independent valuer based on fair value less costs of disposal. The related fair value measurements were categorised as Level 3 fair values. As at the end of the reporting period, no impairment loss was recognised in respect of these assets, as their recoverable amounts exceeded the carrying amounts.

Separately, during the financial year, the Group recognised impairment losses of RM1,478,214 (2024: RM1,198,859) on other barges and dredgers due to ageing and physical condition of these assets where the recoverable amounts were determined to be lower than their carrying amounts.

Notes to the Financial Statements

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6. LEASES

The Group as lessee

Right-of-use assets

Carrying amount	Note						Total RM
		Land RM	Buildings RM	Motor vehicles RM	Machinery RM	Barges and office equipment RM	
Balance as at							
1 January 2025		10,813,071	37,182	1,377,946	766,109	192,276	13,186,584
Addition		-	67,198	-	-	54,362	121,560
Lease modifications		489,402	-	-	1,054,434	659,305	2,203,141
Depreciation charge							
for the financial year		(1,907,204)	(92,482)	(405,692)	(606,847)	(309,850)	(3,322,075)
Reclassified from property, plant and equipments	5	-	-	89,305	-	-	89,305
Translation adjustments		-	(1,558)	-	-	(529)	(2,087)
Balance as at							
31 December 2025		9,395,269	10,340	1,061,559	1,213,696	595,564	12,276,428
Balance as at							
1 January 2024		7,038,339	136,808	856,787	1,532,217	360,404	9,924,555
Lease termination		-	(8,453)	-	-	-	(8,453)
Lease modification		5,653,611	11,631	-	-	982	5,666,224
Depreciation charge							
for the financial year		(1,878,879)	(98,892)	(327,397)	(766,109)	(168,877)	(3,240,154)
Depreciation capitalised under contract assets		-	(3,328)	-	-	-	(3,328)
Reclassified from property, plant and equipments	5	-	-	848,556	-	-	848,556
Translation adjustments		-	(584)	-	-	(232)	(816)
Balance as at							
31 December 2024		10,813,071	37,182	1,377,946	766,108	192,277	13,186,584

Lease liabilities

Carrying amount						Total RM
	Land RM	Buildings RM	Motor vehicles RM	Machinery RM	Barges and office equipment RM	
Balance as at						
1 January 2025	10,962,299	39,950	1,270,153	1,929,668	415,167	14,617,237
Additions	-	67,198	83,000	-	54,362	204,560
Lease modifications	127,436	-	-	1,054,434	659,305	1,841,175
Lease payments	(2,301,600)	(97,619)	(475,065)	(990,000)	(386,248)	(4,250,532)
Interest expense	723,045	2,741	53,151	147,806	57,265	984,008
Reclassified to other payables and accruals	-	-	-	(90,000)	(32,104)	(122,104)
Translation adjustments	-	(1,576)	-	-	(1,233)	(2,809)
Balance as at						
31 December 2025	9,511,180	10,694	931,239	2,051,908	766,514	13,271,535

Notes to the Financial Statements

31 December 2025

6. LEASES (continued)

The Group as lessee (continued)

Lease liabilities (continued)

Carrying amount	Barges and office					Total RM
	Land RM	Buildings RM	Motor vehicles RM	Machinery RM	equipment RM	
Balance as at						
1 January 2024	7,847,938	153,911	798,856	3,753,391	783,412	13,337,508
Additions	-	-	795,000	-	-	795,000
Lease termination	-	(8,852)	-	-	-	(8,852)
Lease modification	4,885,031	11,011	-	-	128	4,896,170
Lease payments	(1,203,600)	(120,332)	(373,012)	(1,980,000)	(400,861)	(4,077,805)
Reclassified to other payable and accruals	(1,098,000)	-	-	-	-	(1,098,000)
Interest expense recognised in profit or loss	530,928	4,733	49,309	156,275	32,909	774,154
Interest expense capitalised under contract assets	-	72	-	-	-	72
Interest expense	530,928	4,805	49,309	156,275	32,909	774,226
Translation adjustments	2	(593)	-	-	(419)	(1,010)
Balance as at						
31 December 2024	10,962,299	39,950	1,270,153	1,929,666	415,169	14,617,237

Represented by:

	2025 RM	2024 RM
Current liabilities	3,602,839	4,360,430
Non-current liabilities	9,668,696	10,256,807
	13,271,535	14,617,237
Lease liabilities owing to financial institutions	931,239	1,270,153
Lease liabilities owing to non-financial institutions	12,340,296	13,347,084
	13,271,535	14,617,237

- (a) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Land	1 - 6 years
Buildings	3 - 7 years
Motor vehicles	5 years
Machinery	5 years
Barges and office equipment	2 - 13 years

- (b) Included in the right-of-use assets of the Group, certain motor vehicles are assets acquired under hire purchase arrangements with a carrying amount of RM1,061,559 (2024: RM1,377,946).

Notes to the Financial Statements

31 December 2025

6. LEASES (continued)

The Group as lessee (continued)

(c) During the financial year, the Group made the following cash payments to purchase right-of-use assets:

	Group	
	2025 RM	2024 RM
Purchase of right-of-use assets	121,560	-
Reclassified from property, plant and equipment	89,305	848,556
Financed by lease arrangements	(204,560)	(795,000)
Cash payments on purchase of right-of-use assets	6,305	53,556

(d) The Group has certain leases of buildings and tools and office equipment with lease term of 12 months or less. The Group applies the “short-term lease” exemptions for these leases.

(e) The following are the amounts recognised in profit or loss:

		Group	
	Note	2025 RM	2024 RM
Depreciation charge of right-of-use assets (included in cost of sales, administrative and other expenses)		3,322,075	3,240,154
Interest expense on lease liabilities (included in cost of sales and finance costs)		984,008	774,154
Expense relating to short-term leases (included in administrative and other expenses)	26	3,774	3,468
Gain on termination and modifications of leases (included in other income)	23	(361,966)	(770,453)
		3,947,891	3,247,323

(f) The following are total cash outflows for leases as a lessee:

		Group	
	Note	2025 RM	2024 RM
Included in net cash from/(used in) operating activities:			
Payment relating to short-term leases	26	3,774	3,468
Included in net cash (used in)/from investing activities:			
Purchase of right-of-use assets		6,305	53,556
Included in net cash used in financing activities:			
Payment of lease liabilities		4,250,532	4,077,805
		4,260,611	4,134,829

(g) The Group signed several lease contracts that include extension and termination options. These are used to maximise operational flexibility in terms of managing the assets used in the Group’s operations. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

(h) Impairment assessment

As at 31 December 2025, a subsidiary of the Group had indicators of impairment and held right-of-use assets with a carrying amount of RM12,263,558. The impairment testing on right-of-use assets of the Group is similar to that of property, plant and equipment as disclosed in Note 5(e) to the financial statements.

Notes to the Financial Statements

31 December 2025

6. LEASES (continued)

The Group as lessee (continued)

- (i) The table below summarises the maturity profile of the lease liabilities of the Group at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

Group	Weighted average incremental borrowing rate per annum %	On demand or within one year RM	One to five years RM	Total RM
31 December 2025				
Lease liabilities	5.70%	4,266,866	10,620,992	14,887,858
31 December 2024				
Lease liabilities	6.28%	5,161,900	11,877,285	17,039,185

- (j) Management exercises judgement in determining the incremental borrowing rates whenever the implicit rates of interest in a lease are not readily determinable as well as the lease terms. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, of similar value as the right-of-use asset in a similar economic environment. Lease terms are based on management expectations driven by prevailing market conditions and past experience in exercising similar renewal and termination options.

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025 RM	2024 RM
Unquoted shares, at cost	390,821,745	348,821,745
Less: Accumulated impairment losses	(86,861,843)	(40,858,841)
	<u>303,959,902</u>	<u>307,962,904</u>

Movement in accumulated impairment losses:

Balance as at 1 January	40,858,841	4,764,840
Charge for the financial year	46,003,002	36,094,001
Balance as at 31 December	<u>86,861,843</u>	<u>40,858,841</u>

- (a) Investments in subsidiaries are stated at cost less impairment losses. Non-controlling interests are measured at their proportionate share of the net assets of subsidiaries, unless another measurement basis is required by MFRSs. Management reviews the investments in subsidiaries for impairment when there is an indication of impairment.

As there were indicators of impairment during the year due to continued operating losses, impairment loss of RM46,003,002 (2024: RM36,094,001) was recognised for a subsidiary to bring the carrying amount to its recoverable amount. Recoverable amount is assessed by referring to the fair value less cost to sell of the underlying assets.

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7. INVESTMENTS IN SUBSIDIARIES (continued)

(b) Details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2025 %	2024 %	
Direct subsidiaries				
Benalec Sdn. Bhd. ("BSB")	Malaysia	100	100	Marine construction and civil engineering
Oceanliner Pte Ltd. ⁽¹⁾	Singapore	100	100	Charter of vessels
Subsidiaries of BSB				
OG Marine Sdn. Bhd.	Malaysia	100	100	Charter of vessels
Pacific Ltd ("PL") ⁽³⁾	Labuan	-	100	Charter/leasing of vessels
Ocean Marine Ltd ("OML") ⁽³⁾	Labuan	-	100	Charter/leasing of vessels
Oceanline (Labuan) Ltd	Labuan	100	100	Charter/leasing of vessels and the business of trading of vessels
Benalec Land Sdn. Bhd.	Malaysia	100	100	Property investment holding
Benalec Maritime Sdn. Bhd.	Malaysia	100	100	Marine construction and civil engineering
Benalec Diversity Sdn. Bhd. ⁽¹⁾	Malaysia	100	100	Marine construction and civil engineering
Benalec Construction Sdn. Bhd. ⁽¹⁾	Malaysia	100	100	Marine construction and civil engineering
Pengerang Maritime Industries Sdn. Bhd. ("PMISB")	Malaysia	100	100	Marine engineering services
Tanjung Piai Maritime Industries Sdn. Bhd. ("TPMISB")	Malaysia	100	100	Marine engineering services
Heritage Land Sdn. Bhd. ⁽¹⁾	Malaysia	100	100	Property investment holding
Sentosacove Development Sdn. Bhd. ⁽¹⁾	Malaysia	100	100	Property investment holding
Jewel East Sdn. Bhd. ("JESB") ⁽¹⁾	Malaysia	100	100	Property investment holding
Goldnet Synergy Sdn. Bhd. ⁽¹⁾	Malaysia	100	100	Investment holding company
Gabungan Khas Sdn. Bhd. ⁽¹⁾⁽²⁾	Malaysia	49	49	Acting as agent for clearance of vessels with port authorities
Jayamas Cekap Sdn. Bhd.	Malaysia	100	100	Dormant
Klebang Property Sdn. Bhd. ⁽¹⁾	Malaysia	100	100	Dormant
Benalec CeTeau Asia Sdn. Bhd. ⁽¹⁾	Malaysia	51	51	To carry on the business of installing geo-technical prefabricated vertical drains
Oceanview Realty Sdn. Bhd. ⁽¹⁾	Malaysia	100	100	Dormant
Orientalcove Realty Sdn. Bhd. ⁽¹⁾	Malaysia	100	100	Dormant
Benalec Marine Sdn. Bhd. ⁽¹⁾	Malaysia	100	100	Dormant
Heritage Land Realty Sdn. Bhd. ⁽¹⁾	Malaysia	100	100	Dormant
Strategic Cove Sdn. Bhd. ⁽¹⁾	Malaysia	100	100	Dormant
Strategic Land Sdn. Bhd. ⁽¹⁾	Malaysia	100	100	Dormant
Wilajati Sdn. Bhd. ⁽¹⁾	Malaysia	100	100	Dormant
Benalec Marineworks Sdn. Bhd. ⁽¹⁾	Malaysia	100	100	Dormant
Benalec Energy Sdn. Bhd. ⁽¹⁾	Malaysia	100	100	Dormant

Notes to the Financial Statements

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7. INVESTMENTS IN SUBSIDIARIES (continued)

(b) Details of the subsidiaries are as follows: (continued)

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2025 %	2024 %	
Subsidiaries of JESB				
One World Island Sdn. Bhd. ⁽¹⁾	Malaysia	100	100	Property investment holding
Cheng Ho City Sdn. Bhd. ⁽¹⁾	Malaysia	100	100	Property investment holding
Subsidiary of PMISB				
Spektrum Budi Sdn. Bhd.	Malaysia	70	70	Marine construction
Subsidiary of TPMISB				
Spektrum Kukuh Sdn. Bhd.	Malaysia	70	70	Marine construction and civil engineering

⁽¹⁾ Subsidiaries not audited by BDO PLT or BDO member firms.⁽²⁾ The Group considers that it controls Gabungan Khas Sdn. Bhd. even though it owns less than fifty percent (50%) of the voting rights. This is because the Group has two (2) board representatives over a total of three (3) board members and therefore has control over the board and power to govern the relevant activities of Gabungan Khas Sdn. Bhd. via a shareholders agreement. In addition, the Executive Chairman, who is from the Group has the second or casting vote at all shareholders meeting. The remaining fifty-one percent (51%) of the equity shares in Gabungan Khas Sdn. Bhd. are held by an individual shareholder that is not related to the Group.⁽³⁾ Struck off during the financial year.

(c) During the financial year ended 31 December 2025:

- (i) On 17 June 2025, the Company subscribed for an additional 42,000,000 ordinary shares in BSB at a price of RM1.00 per share by way of capitalisation of the amount due from a subsidiary. Accordingly, the issued and paid-up ordinary share capital of BSB increased from RM204,000,000 to RM246,000,000. Upon completion of the share subscription, the Company's effective equity interests in BSB remained at 100%.
- (ii) On 17 December 2025, PL and OML were struck off from the register pursuant to Section 151(4) of the Labuan Companies Act 1990. The struck off of these subsidiaries did not have any material effect on the financial results and position of the Group.

(d) Subsidiaries of the Group that have non-controlling interests ("NCI") are as follows:

2025	Spektrum Budi Sdn. Bhd.	Spektrum Kukuh Sdn. Bhd.	Benalec CeTeau Asia Sdn. Bhd.	Others	Total
NCI percentage of ownership interest and voting interest	30%	30%	49%		
Carrying amount of NCI (RM)	(495,678)	(5,133,445)	922,416	(12,096)	(4,718,803)
Loss allocated to NCI (RM)	(194,531)	(655,667)	(40,801)	(3,588)	(894,587)
Total comprehensive loss allocated to NCI (RM)	(194,531)	(655,667)	(40,801)	(3,588)	(894,587)

Notes to the Financial Statements

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7. INVESTMENTS IN SUBSIDIARIES (continued)

(d) Subsidiaries of the Group that have non-controlling interests ("NCI") are as follows: (continued)

2024	Spektrum Budi Sdn. Bhd.	Spektrum Kukuh Sdn. Bhd.	Benalec CeTeau Asia Sdn. Bhd.	Others	Total
NCI percentage of ownership interest and voting interest	30%	30%	49%		
Carrying amount of NCI (RM)	(301,147)	(4,477,778)	963,217	(8,508)	(3,824,216)
Loss allocated to NCI (RM)	(11,968)	(527,592)	(92,388)	(2,886)	(634,834)
Total comprehensive loss allocated to NCI (RM)	(11,968)	(527,592)	(92,388)	(2,886)	(634,834)

(e) Summarised financial information before inter-company elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows:

2025	Spektrum Budi Sdn. Bhd. RM	Spektrum Kukuh Sdn. Bhd. RM	Benalec CeTeau Asia Sdn. Bhd. RM
Assets and liabilities			
Non-current assets	413	50,525	28,459
Current assets	20,399,475	437,066,687	1,893,977
Non-current liabilities	-	(537)	-
Current liabilities	(5,411,627)	(22,096,628)	(13,560)
Net assets	14,988,261	415,020,047	1,908,876
Results			
Revenue	-	-	-
(Loss)/Profit for the financial year	(648,438)	4,846,940	(83,268)
Total comprehensive (loss)/income	(648,438)	4,846,940	(83,268)
Cash flows used in operating activities	(190,302)	(7,682,827)	(8,940)
Cash flows from financing activities	187,072	7,677,403	8,960
Net (decrease)/increase in cash and cash equivalents	(3,230)	(5,424)	20

Notes to the Financial Statements

31 December 2025

7. INVESTMENTS IN SUBSIDIARIES (continued)

- (e) Summarised financial information before inter-company elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows: (continued)

2024	Spektrum Budi Sdn. Bhd. RM	Spektrum Kukuh Sdn. Bhd. RM	Benalec CeTeau Asia Sdn. Bhd. RM
Assets and liabilities			
Non-current assets	899	10,922,835	102,687
Current assets	20,958,958	439,395,636	1,893,957
Non-current liabilities	-	(9,349,398)	-
Current liabilities	(25,523,158)	(459,075,966)	(4,500)
Net (liabilities)/assets	(4,563,301)	(18,106,893)	1,992,144
Results			
Revenue	-	-	-
Loss for the financial year	(39,894)	(1,457,155)	(162,154)
Total comprehensive loss	(39,894)	(1,457,155)	(162,154)
Cash flows used in operating activities	(51,722)	(2,427,557)	(16,770)
Cash flows from investing activities	50,440	3,633,974	-
Cash flows (used in)/from financing activities	-	(1,205,760)	16,236
Net (decrease)/increase in cash and cash equivalents	(1,282)	657	(534)

8. OTHER INVESTMENTS

	Note	Group 2025 RM	2024 RM
Financial assets at fair value through profit or loss			
Quoted ordinary shares in Malaysia			
As at 1 January		40,760	35,653
Fair value (loss)/gain	26,23	(4,114)	5,107
As at 31 December		36,646	40,760

- (a) Other investments are classified as financial assets at fair value through profit or loss.
- (b) Fair value of quoted ordinary shares in Malaysia is determined by reference to the exchange quoted market price at the close of the business on the reporting date.
- (c) Fair value of quoted ordinary shares is categorised as Level 1 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

Notes to the Financial Statements

31 December 2025

9. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Non-current assets					
Trade receivable					
Third party	(c)	912,184	-	-	-
Prepayment	(d)	200,065	-	-	-
		1,112,249	-	-	-
Current assets					
Trade receivables					
Third parties		6,640,696	6,096,335	-	-
Less: Impairment losses		(54,111)	(54,111)	-	-
	(b),(c)	6,586,585	6,042,224	-	-
Other receivables and deposits					
Third parties		4,254,633	2,717,549	12,169	20,988
Amounts owing by related parties	(e)	14,150	4,108	-	-
Amount owing by a subsidiary	(f)	-	-	-	43,030,753
Deposits		2,375,613	1,868,844	5,000	5,000
		6,644,396	4,590,501	17,169	43,056,741
Less: Impairment losses					
- third parties		(1,457,983)	(1,307,021)	-	-
- subsidiary		-	-	-	(345,107)
- deposits		(570,000)	(570,000)	-	-
		(2,027,983)	(1,877,021)	-	(345,107)
		4,616,413	2,713,480	17,169	42,711,634
Total trade and other receivables		11,202,998	8,755,704	17,169	42,711,634
Prepayments		45,109	87,194	-	-
Total trade and other receivables (current)		11,248,107	8,842,898	17,169	42,711,634
Total trade and other receivables (non-current and current)		12,360,356	8,842,898	17,169	42,711,634

- (a) Total receivables are classified as financial assets measured at amortised cost.
- (b) Current trade receivables are non-interest bearing and the normal trade credit terms granted by the Group ranged from 14 days to 90 days (2024: 14 days to 90 days). They are recognised at their original invoices amounts, which represent their fair values on initial recognition.
- (c) Included in trade receivables of the Group are retention sums for contract works which are unsecured, interest free and are expected to be collected within the next twelve (12) months except for RM912,184 represents the present value of retention sum for contract works which is not expected to be collected within next twelve (12) months.
- (d) Non-current prepayment of the Group represents a single contribution paid in advance for a five (5) years group term takaful policy taken to provide insurance coverage for a Director over future financial periods and is not repayable within the next twelve (12) months in cash and cash equivalents.

Notes to the Financial Statements

31 December 2025

9. TRADE AND OTHER RECEIVABLES (continued)

- (e) Amounts owing by related parties represent advances and payments made on behalf, which are unsecured, interest-free and repayable within the next twelve (12) months in cash and cash equivalents.
- (f) In the previous financial year, amount owing by a subsidiary represented advances and payments made on behalf, which were unsecured, interest-free and repayable within the next twelve (12) months in cash and cash equivalents.
- (g) Currency exposure of trade and other receivables (excluding prepayments) of the Group and of the Company are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	12,114,772	8,754,460	17,169	42,711,634
Singapore Dollar	410	1,244	-	-
	12,115,182	8,755,704	17,169	42,711,634

- (h) Impairment for trade receivables and contract assets that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve (12) months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group considers past loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

During this process, the probability of non-payment by the trade receivables are adjusted by forward looking information on macroeconomic factors and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. The Group has identified the Malaysia Gross Domestic Product, Base Lending Rate, inflation rate, unemployment rate and Consumer Price Index as the key macroeconomic factors of the forward-looking information.

For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within net loss on impairment of financial assets and contract assets in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectible, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments with balances outstanding for more than 365 days as at the financial year end.

Notes to the Financial Statements

31 December 2025

9. TRADE AND OTHER RECEIVABLES (continued)

(i) Movements in the impairment losses for trade receivables are as follows:

Group	Note	Lifetime ECL - credit impaired	
		2025 RM	2024 RM
At 1 January		54,111	213,397
Reversal of impairment losses	25	-	(159,286)
At 31 December		54,111	54,111

(j) Aging analysis of trade receivables of the Group are as follows:

	Gross RM	Impaired RM	Total RM
2025			
Current	7,484,480	-	7,484,480
Past due:			
More than 120 days	68,400	(54,111)	14,289
	68,400	(54,111)	14,289
	7,552,880	(54,111)	7,498,769
2024			
Current	6,027,935	-	6,027,935
Past due:			
More than 120 days	68,400	(54,111)	14,289
	68,400	(54,111)	14,289
	6,096,335	(54,111)	6,042,224

(k) Impairment for other receivables, amounts owing by subsidiaries and related parties are recognised based on general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. The Group and the Company defined significant increase in credit risk when there is changes in contractual terms and delay in payment. As at the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve (12) months expected credit losses along with gross interest income are recognised. For those which credit risk has increased significantly, lifetime expected credit losses along with gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised. Credit impaired refers to debtors who are in significant financial difficulties as at the end of the reporting period.

The Group and the Company defined significant increase in credit risk based on the operating performance of the receivables.

The probability of non-payment of other receivables, amounts owing by subsidiaries and related parties are adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the twelve months or lifetime expected credit loss for the other receivables, amounts owing by subsidiaries and related parties. The Group and the Company has identified the Malaysia Gross Domestic Product, Base Lending Rate, inflation rate, unemployment rate and Consumer Price Index as the key macroeconomic factors of the forward-looking information.

It requires management to exercise judgement in determining the probability of default by other receivables, amounts owing by subsidiaries and related parties, appropriate forward-looking information and significant increase in credit risk.

Notes to the Financial Statements

31 December 2025

9. TRADE AND OTHER RECEIVABLES (continued)

- (l) The reconciliation of movements in the impairment losses on other receivables, deposits and amounts owing by subsidiaries is as follows:

	Note	Lifetime ECL allowance RM	Credit impaired RM	Total allowance RM
Group				
At 1 January 2025		-	1,877,021	1,877,021
Charge for the year	25	-	150,962	150,962
31 December 2025		-	2,027,983	2,027,983
At 1 January 2024/31 December 2024				
		-	1,877,021	1,877,021
Company				
At 1 January 2025		345,107	-	345,107
Reversal of impairment losses	25	(345,107)	-	(345,107)
31 December 2025		-	-	-
At 1 January 2024		1,238,932	-	1,238,932
Reversal of impairment losses	25	(893,825)	-	(893,825)
At 31 December 2024		345,107	-	345,107

- (m) As at the end of each reporting year, the credit risks exposures and concentration relating to trade receivables of the Group are summarised in the table below:

	Group	
	2025 RM	2024 RM
Maximum exposure	7,498,769	6,042,224
Collateral obtained	-	-
Net exposure to credit risk	7,498,769	6,042,224

During the financial year, the Group did not renegotiate the terms of any trade receivables.

- (n) The Group determines concentrations of credit risk by monitoring the country and industry sector profiles of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's total trade receivables at the end of the reporting year is as follows:

	2025		2024	
	RM	% of total	RM	% of total
Malaysia				
By industry sectors				
Marine construction				
- Land reclamation services	2,178,739	29%	6,042,224	100%
- Marine transportation	5,320,030	71%	-	0%
	7,498,769	100%	6,042,224	100%

As at the end of each reporting year, 71% (2024: Nil) of the Group's trade receivables was due from one marine transportation customer located in Malaysia, while the remaining 29% (2024: 100%) was due from a land reclamation services customer. The Company did not have any significant concentration of credit risk at the reporting date, other than amounts owing by subsidiaries, net of impairment.

- (o) Sensitivity analysis of RM against foreign currencies at the end of the reporting year is not presented as it is immaterial.

Notes to the Financial Statements

31 December 2025

10. DEFERRED TAX ASSETS

- (a) Deferred tax assets are made up of the following:

		Group	
	Note	2025 RM	2024 RM
Balance as at 1 January		23,349,420	24,205,903
Recognised in profit or loss	27	(2,426,544)	(856,510)
Exchange differences		-	27
Balance as at 31 December		20,922,876	23,349,420

- (b) Components and movements of deferred tax assets during the financial year are as follows:

Deferred tax assets of the Group

	Inventories RM	Contract liabilities and provisions RM	Total RM
At 1 January 2025	7,012,838	16,336,582	23,349,420
Recognised in profit or loss	-	(2,426,544)	(2,426,544)
At 31 December 2025	7,012,838	13,910,038	20,922,876
At 1 January 2024	7,012,838	17,193,065	24,205,903
Recognised in profit or loss	-	(856,510)	(856,510)
Exchange differences	-	27	27
At 31 December 2024	7,012,838	16,336,582	23,349,420

- (c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	2025 RM	2024 RM
Other deductible temporary differences	5,405,513	759,219
Unabsorbed capital allowances	2,930,675	3,316,649
Unused tax losses		
- Expires by 31 December 2028	739,593	739,593
- Expires by 31 December 2029	6,199,906	6,199,906
- Expires by 31 December 2030	10,734,919	10,734,919
- Expires by 31 December 2031	5,691,592	5,691,592
- Expires by 31 December 2032	23,138,429	23,138,429
- Expires by 31 December 2033	25,716,848	25,716,848
- Expires by 31 December 2034	67,510	67,510
- Expires by 31 December 2035	18,148,482	-
	98,773,467	76,364,665

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that future taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised.

Unutilised tax losses of the subsidiaries incorporated in Malaysia can be carried forward up to 10 consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board.

The estimation of future taxable profits require management to make judgements, estimates and assumptions about future events that are inherently uncertain. Accordingly, deferred tax assets recognised are subject to estimation uncertainties and may be adjusted in subsequent periods as a result of changes in the accounting estimates.

Notes to the Financial Statements

31 December 2025

11. INVENTORIES

	Note	Group	
		2025 RM	2024 RM
At cost			
Consumables	(b)	-	95,247
Land held for sale	(c)	37,974,932	37,973,565
		37,974,932	38,068,812
At net realisable value			
Land held for sale	(c)	10,570,000	10,570,000
Properties held for sale	(d)	8,213,657	8,213,657
Land reclamation work-in-progress	12	424,855,231	425,720,188
		443,638,888	444,503,845
		481,613,820	482,572,657

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

(b) Consumables

- (i) Consumables represented parts purchased for future consumption in the construction of vessels and infrastructure works.
- (ii) Cost was determined using the first-in, first-out basis. The cost comprised all costs of purchases, cost of conversion plus other costs incurred in bringing the consumables to their present location and condition.

(c) Land held for sale

- (i) Cost of land held for sale comprises all reclamation costs, infrastructure costs, professional fees, stamp duties, commissions, and other costs incurred in bringing the land held for sale to their present condition.
- (ii) Movement of the land held for sale is as follows:

	Group	
	2025 RM	2024 RM
Balance as at 1 January	48,543,565	66,682,483
Costs incurred during the financial year	1,367	252,149
Less: Recognised in profit or loss during the financial year	-	(13,887,129)
Less: Written down during the financial year	-	(4,503,938)
Balance as at 31 December	48,544,932	48,543,565

- (iii) Land held for sale represents reclaimed leasehold land with remaining lease terms of 90 years (2024: 91 years).
- (iv) In the previous financial year, the Group had written down the land held for sale by RM4,503,938 to their net realisable value.
- (v) Certain land held for sale of the Group with a total carrying amount of RM13,731,761 (2024: RM13,731,761) had been pledged to financial institutions for credit facilities granted to the Group as disclosed in Note 19(d)(ii) to the financial statements.

Notes to the Financial Statements

31 December 2025

11. INVENTORIES (continued)

(d) Properties held for sale

(i) Movement of the properties held for sale are as follows:

	Group	
	2025 RM	2024 RM
Balance as at 1 January	8,213,657	8,399,998
Less: Reversal of expenses	-	(186,341)
Balance as at 31 December	8,213,657	8,213,657

(ii) Properties held for sale are in respect of six (6) (2024: six (6)) units of properties, which are available for immediate sale.

(iii) Cost of properties held for sale is determined using cost of the acquisition of properties held for sale and direct costs attributable to the acquisition of properties held for sale.

12. LAND RECLAMATION WORK-IN-PROGRESS

	Group	
	2025 RM	2024 RM
At net realisable value	424,855,231	425,720,188

(a) Land reclamation work-in-progress represents all costs that are directly attributable to the land reclamation concession or that can be allocated on a reasonable basis to the concession. The costs incurred comprise costs to secure the land reclamation concession, construction costs and other development costs common to the entire reclamation concession including professional fees and other relevant levies.

Land reclamation work-in-progress is recognised as an asset and is measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price of the reclaimed land in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Any expected loss is recognised immediately in profit or loss.

(b) Movements of the land reclamation work-in-progress are as follows:

	Group	
	2025 RM	2024 RM
Balance as at 1 January	425,720,188	425,720,188
Less: Written down during the financial year	(864,957)	-
Balance as at 31 December	424,855,231	425,720,188

(c) As at 31 December 2025, certain land reclamation work-in-progress with a carrying amount of RM20,000,000 is subject to the continued effectiveness of the underlying development arrangement with the relevant State Government. The net realisable value of land reclamation work-in-progress is dependent on the Group's ability to continue its development activities and realise economic benefits from the disposal of reclaimed land.

Management exercised significant judgement in assessing the continued effectiveness of the underlying development arrangement with the relevant State Government for the purpose of determining the net realisable value of the land reclamation work-in-progress.

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12. LAND RECLAMATION WORK-IN-PROGRESS (continued)

- (d) The net realisable value of land reclamation work-in-progress was determined with reference to independent external valuation reports prepared by external valuers who have appropriate qualifications. The valuation was performed based on generally accepted valuation methodologies applicable to such assets, including the comparison approach and residual method, having regard to prevailing market conditions and relevant project characteristics.

In determining the net realisable value of the land reclamation work-in-progress, significant judgement was applied in assessing the key assumptions and inputs used in the valuation, including, amongst others:

- i. estimated selling prices derived from market transactions of comparable land or development projects, adjusted where necessary to reflect differences in characteristics; and
- ii. assumptions on other factors relevant to estimating the net realisable value of the land.

Based on management's assessment, a write-down of land reclamation work-in-progress amounting to RM864,957 was recognised during the financial year.

13. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2025 RM	2024 RM
Contract assets		
Land reclamation contracts	47,059,074	38,257,682
Contract liabilities		
Deferred revenue		
- Non-current	(54,865,943)	(68,026,682)
- Current	-	(42,408)
	(54,865,943)	(68,069,090)

- (a) Contract assets primarily related to the Group's rights to consideration for work completed on land reclamation contracts at the reporting date, subject to receive payment and/or apportionment of completed reclaimed land as settlement.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional or transferred to land held for sale occurs when the Group received the apportionment of completed reclaimed land.

Contract liabilities primarily related to the advance consideration received from customers of which the contract liabilities are recognised as revenue when performance obligations are satisfied.

There were no significant changes in the contract assets and liabilities during the financial year.

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13. CONTRACT ASSETS/(LIABILITIES) (continued)

(b) Contract assets from land reclamation contracts

	Note	2025 RM	2024 RM
Balance as at 1 January		38,257,682	64,580,665
Additions		32,334,146	26,223,242
Progress billings		(42,242,530)	(79,973,554)
Reversal of impairment losses	25	1,856,619	2,984,035
Revenue recognised during the year		49,116,305	55,657,478
Cost recognised during the year		(32,263,148)	(31,214,184)
Balance as at 31 December		47,059,074	38,257,682
Aggregate costs incurred to date		163,995,183	149,067,522
Add: Attributable profits		14,788,969	19,240,662
		178,784,152	168,308,184
Less: Progress billings		(108,373,757)	(104,842,562)
Gross carrying amount		70,410,395	63,465,622
Less: Accumulated impairment losses		(23,351,321)	(25,207,940)
		47,059,074	38,257,682

(c) Contract liabilities from deferred revenue

		2025 RM	2024 RM
Balance as at 1 January		(68,069,090)	(71,637,772)
Reclassified to provision of onerous contract		3,092,550	-
Revenue recognised during the year		10,145,457	20,097,756
Progress billings		-	(16,529,074)
Others		(34,860)	-
Balance as at 31 December		(54,865,943)	(68,069,090)
Aggregate costs incurred to date		84,485,274	84,139,432
Add: Attributable profits		4,686,045	3,201,577
		89,171,319	87,341,009
Less: Accumulated progress billings		(144,037,262)	(155,410,099)
		(54,865,943)	(68,069,090)

(d) Contract value yet to be recognised as revenue

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting year, are as follows:

	Group	
	2025 RM	2024 RM
Within 1 year	-	42,408
More than 1 year	54,865,943	68,026,682
	54,865,943	68,069,090

Notes to the Financial Statements

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13. CONTRACT ASSETS/(LIABILITIES) (continued)

- (e) Impairment for contract assets that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses as disclosed in Note 9(h) to the financial statements.

	2025	2024
	RM	RM
Expected loss rate	33.16%	39.72%
Gross carrying amount (RM)	70,410,395	63,465,622
Lifetime ECL (RM)	23,351,321	25,207,940

The reconciliation of movements in the impairment accounts in contract assets is as follows:

		Group	
	Note	2025	2024
		RM	RM
As at 1 January		25,207,940	28,191,975
Reversal of impairment losses	25	(1,856,619)	(2,984,035)
As at 31 December		23,351,321	25,207,940

During the financial year, the Group has made a reversal of impairment losses on contract assets amounted to RM1,856,619 (2024: RM2,984,035).

- (f) The amount of RM10,145,457 (2024: RM20,097,756) recognised in contract liabilities at the beginning of the financial year had been recognised as revenue for the financial year ended 31 December 2025.

14. SHORT TERM FUNDS

	Group	
	2025	2024
	RM	RM
Financial assets at fair value through profit or loss		
Units in quoted money market fund in Malaysia	172,751	168,679

- (a) Short term funds are classified as fair value through profit or loss and subsequently remeasured to fair value with changes in fair value being recognised in profit or loss. The fair value is categorised as Level 1 in the fair value hierarchy. Fair value of short term funds in Malaysia is determined by reference to counter parties' quotation at the close of business at the end of the reporting year.
- (b) Short term funds of the Group represent investments in highly liquid money market instruments, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.
- (c) All short term funds are denominated in RM.

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15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	558,345	858,640	39,910	126,417
Deposits with licensed financial institutions	26,789,799	26,235,324	-	-
As reported in the statements of financial position	27,348,144	27,093,964	39,910	126,417
Less:				
Bank overdrafts	19 (4,733,293)	(1,554,073)	-	-
Deposits pledged with licensed financial institutions	(a) (26,789,799)	(26,235,324)	-	-
Cash and cash equivalents included in statements of cash flows	(4,174,948)	(695,433)	39,910	126,417

- (a) Cash and bank balances are classified as financial assets measured at amortised cost.
- (b) Deposits with licensed financial institutions of the Group amounting to RM26,789,799 (2024: RM26,235,324) were pledged as security for banking facilities granted to certain subsidiaries of the Group as disclosed in Note 19(d)(iii) to the financial statements.
- (c) Deposits with licensed financial institutions are subject to fixed weighted average effective interest rates of 2.13% (2024: 2.22%).
- (d) Sensitivity analysis of interest rate at the end of the reporting period was not presented as fixed rate instruments are not affected by changes in interest rates.
- (e) Currency exposure of cash and bank balances is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	27,259,323	26,992,971	39,910	126,417
Singapore Dollar	38,153	42,285	-	-
United States Dollar	50,668	58,708	-	-
	27,348,144	27,093,964	39,910	126,417

Sensitivity analysis of RM against foreign currencies at the end of the reporting year is not presented as it is immaterial.

- (f) No expected credit losses were recognised arising from the cash at banks and deposits with licensed financial institutions because the probability of default by these financial institutions were negligible.

Notes to the Financial Statements

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16. SHARE CAPITAL

	Group and Company			
	2025		2024	
	Number of ordinary shares	RM	Number of ordinary shares	RM
Issued and fully paid up ordinary shares with no par value				
At 1 January/31 December	1,031,602,500	391,935,927	1,031,602,500	391,935,927

Owners of the parent of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regards to the residual assets of the Company.

17. RESERVES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-distributable:				
Treasury shares	(12,703,204)	(12,703,204)	(12,703,204)	(12,703,204)
Exchange translation reserve	(5,110,391)	(5,309,493)	-	-
Reverse acquisition debit	(146,069,559)	(146,069,559)	-	-
Distributable:				
Retained earnings/(Accumulated losses)	148,055,056	144,804,641	(76,180,579)	(29,195,834)
	(15,828,098)	(19,277,615)	(88,883,783)	(41,899,038)

(a) Treasury shares

There were no share re-issuance, cancellations, resale and buybacks for the current financial year.

Of the total 1,031,602,500 (2024: 1,031,602,500) issued and fully paid ordinary shares as at 31 December 2025, 12,715,400 (2024: 12,715,400) ordinary shares purchased for RM12,703,204 (2024: RM12,703,204) are held as treasury shares by the Company. The number of outstanding ordinary shares in issue after deducting the treasury shares is 1,018,887,100 (2024: 1,018,887,100).

(b) Exchange translation reserve

Exchange translation reserve is used to record foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items, which form part of the net investment of the Group in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

Notes to the Financial Statements

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18. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Non-current liabilities					
Other payables					
Amounts owing to related parties	(e)	29,902,912	29,845,900	-	-
Amounts owing to Directors	(f)	23,730,265	17,597,189	-	-
		53,633,177	47,443,089	-	-
Current liabilities					
Trade payables					
- third parties		25,265,972	32,198,523	-	-
- a related party		18,923	18,923	-	-
	(b)	25,284,895	32,217,446	-	-
Other payables					
Third parties	(c)	29,812,750	12,324,517	106,297	257,358
Accruals		9,027,903	4,896,589	524,690	502,048
Amount owing to a subsidiary	(d)	-	-	329,190	-
Amounts owing to related parties	(e)	23,035,976	23,035,997	4,660	4,660
Amounts owing to Directors	(f)	10,978,419	16,828,890	-	-
		72,855,048	57,085,993	964,837	764,066
Provision for onerous contracts	(g)	3,092,550	-	-	-
Total trade and other payable (current)		101,232,493	89,303,439	964,837	764,066
Total trade and other payables (non-current and current)		154,865,670	136,746,528	964,837	764,066

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables, including amounts owing to related parties, are non-interest bearing and the normal trade credit terms granted to the Group ranged from 30 days to 90 days (2024: 30 days to 90 days).
- (c) Included in other payables of the Group are deposits received from third party customers for the sale of land held for sale amounting to RM17,609,542 (2024: RM3,575,753).
- (d) Amount owing to a subsidiary represent advances and payments made on behalf, which is unsecured, interest free and repayable on demand in cash and cash equivalents.
- (e) Amounts owing to related parties represent advances and payments made on behalf, which are unsecured, interest free and repayable on demand in cash and cash equivalents except for RM29,902,912 (2024: RM29,845,900) which is not repayable within the next twelve (12) months.
- (f) Amount owing to Directors represents advances and payments made on behalf, which are unsecured, interest free and repayable on demand in cash and cash equivalents except for RM10,000,000 (2024: RM15,000,000) subject to interest rate of 12% (2024: 4.00% to 12.0%) per annum which is not repayable within the next twelve (12) months.
- (g) An onerous contract in relation to infrastructure works arises when the unavoidable costs of fulfilling contractual obligations exceed the economic benefits expected to be received. The unavoidable costs are measured as the lower of the costs to complete the infrastructure works and any compensation or penalties arising from failure to fulfil the contract, and include costs that relate directly to the contract.

Notes to the Financial Statements

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18. TRADE AND OTHER PAYABLES (continued)

(h) Currency exposure of trade and other payables of the Group and of the Company is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Ringgit Malaysia	135,057,691	116,678,226	964,837	764,066
Singapore Dollar	19,798,979	17,139,878	-	-
United States Dollar	9,000	2,928,424	-	-
	154,865,670	136,746,528	964,837	764,066

(i) Sensitivity analysis of RM against foreign currencies at the end of the reporting year, assuming that all other variables remain constant, are as follows:

	Group	
	2025 RM	2024 RM
Effects of 10% changes in profit after tax and equity		
RM/SGD		
- strengthen by 10%	(1,504,722)	(1,302,631)
- weaken by 10%	1,504,722	1,302,631
RM/USD		
- strengthen by 10%	(684)	(222,560)
- weaken by 10%	684	222,560

(j) The table below summarises the maturity profile of the trade and other payables of the Group and of the Company at the end of the reporting year based on contractual undiscounted repayment obligations:

	On demand or within one year RM	One to five years RM	Total RM
2025			
Group			
Trade and other payables	101,232,493	58,423,119	159,655,612
Company			
Trade and other payables	964,837	-	964,837
2024			
Group			
Trade and other payables	89,303,439	51,389,429	140,692,868
Company			
Trade and other payables	764,066	-	764,066

Notes to the Financial Statements

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19. BORROWINGS

	Note	2025 RM	2024 RM
Non-current liability			
Secured			
Term loan		3,862,112	4,522,961
Current liabilities			
Secured			
Bank overdrafts	15	4,733,293	1,554,073
Banker's acceptances		540,000	300,000
Invoice financings		267,677	1,420,119
Revolving credits		18,600,000	19,800,000
Term loan		683,587	654,498
Trust receipts		749,989	2,132,308
		25,574,546	25,860,998
Total borrowings			
Bank overdrafts	15	4,733,293	1,554,073
Banker's acceptances		540,000	300,000
Invoice financings		267,677	1,420,119
Revolving credits		18,600,000	19,800,000
Term loan		4,545,699	5,177,459
Trust receipts		749,989	2,132,308
		29,436,658	30,383,959

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) Borrowings are denominated in RM.
- (c) Fair value of the borrowings of the Group are categorised as Level 3 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- (d) All borrowings of the Group are secured by:
- Legal charge over certain property, plant and equipment of the Group as disclosed in Note 5(c) to the financial statements;
 - Legal charge over certain land held for sale of the Group as disclosed in Note 11(c)(v) to the financial statements;
 - Deposits with licensed financial institutions of the Group as disclosed in Note 15(a) to the financial statements; and
 - Assignment of insurances in favour of the financial institutions as mortgagee and loss payee covering but not limited to the hull and machinery coverage and war risks.
- (e) Term loan agreement entered into by the Group include repayment based on contractual terms at the discretion of a financial institution. The Group believes that in the absence of a default being committed by the Group, the financial institution is not entitled to exercise its right to demand for repayment. Accordingly, the carrying amount of the term loan has been classified between current and non-current liabilities based on their repayment year.

Notes to the Financial Statements

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19. BORROWINGS (continued)

(f) Interest rate profile of the borrowings is as follows:

	2025 RM	2024 RM
Floating rate	29,436,658	30,383,959

(g) The weighted average interest rates per annum of borrowings of the Group that were effective as at end of reporting date were as follows:

	Group	
	2025 %	2024 %
Floating rate		
Bank overdrafts	7.82	7.97
Banker's acceptances	4.90	5.16
Invoice financings	8.25	8.32
Revolving credits	7.22	7.41
Term loan	4.97	5.13
Trust receipts	7.74	7.80

(h) Sensitivity analysis of interest rate at the end of the reporting year, assuming that all other variables remain constant, is as follows:

	Group	
	2025 RM	2024 RM
Effects of 30 basis points changes to profit after tax and equity		
- increase by 0.3% (2024: 0.3%)	(67,116)	(69,275)
- decrease by 0.3% (2024: 0.3%)	67,116	69,275

(i) The carrying amounts of floating rate borrowings are reasonable approximation of their fair values due to they are re-priced to market interest rates on or near the end of each reporting year.

(j) The table below summarises the maturity profile of the borrowings of the Group at the end of the reporting year based on contractual undiscounted repayment obligations:

Group	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2025				
Bank overdrafts	4,733,293	-	-	4,733,293
Banker's acceptances	543,944	-	-	543,944
Invoice financings	268,916	-	-	268,916
Revolving credits	18,746,711	-	-	18,746,711
Term loan	874,560	4,314,895	-	5,189,455
Trust receipts	765,997	-	-	765,997
Total undiscounted financial liabilities	25,933,421	4,314,895	-	30,248,316

Notes to the Financial Statements

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19. BORROWINGS (continued)

- (j) The table below summarises the maturity profile of the borrowings of the Group at the end of the reporting year based on contractual undiscounted repayment obligations: (continued)

Group	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2024				
Bank overdrafts	1,554,073	-	-	1,554,073
Banker's acceptances	304,556	-	-	304,556
Invoice financings	1,456,126	-	-	1,456,126
Revolving credits	19,987,734	-	-	19,987,734
Term loan	874,560	3,498,240	1,661,645	6,034,445
Trust receipts	2,182,050	-	-	2,182,050
Total undiscounted financial liabilities	26,359,099	3,498,240	1,661,645	31,518,984

20. FINANCIAL GUARANTEES

The Company provides financial guarantees to financial institutions for banking facilities obtained by the subsidiaries. Financial guarantee contracts issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15 *Revenue from Contracts with Customers*.

The Company assumes that there is significant increase in credit risk when the subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when the subsidiary is unlikely to repay its credit obligation to the bank in full or the subsidiary is continuously loss making and is having a deficit shareholders fund. The Company determines the probability of default of the guaranteed loans individually using internal information available.

Financial guarantees have not been recognised since the fair value was not material on initial recognition. As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment.

Maturity profile of financial guarantee contracts of the Company at the end of each reporting period based on contractual undiscounted repayment obligations is repayable upon any default by the subsidiary in respect of the guaranteed bank facilities.

The maximum credit risk exposure of the financial guarantees issued is limited to the credit amount utilised of RM32,778,658 (2024: RM30,458,959). The financial guarantees have low credit risk at the end of the year as the financial guarantee is unlikely to be called by the financial institutions.

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21. REVENUE

		Group	
	Note	2025 RM	2024 RM
Revenue from contracts with customers:			
Marine construction			
- Contract works	(a)	49,841,525	56,480,199
- Disposal of land held for sale:	(b)		
- reclaimed land		-	14,749,416
- infrastructure works		10,145,457	20,097,756
- Marine transportation	(c)	1,506,762	-
		61,493,744	91,327,371
Timing of revenue recognition:			
Transferred over time		59,986,982	76,577,955
Transferred at a point in time		1,506,762	14,749,416
		61,493,744	91,327,371

Disaggregation of revenue from contracts with customers has been presented in the operating segments, Note 4 to the financial statements.

(a) Revenue from marine construction contract works

Revenue from contract works, of which the settlement of the contract sum is via progress payment in cash, is recognised over the contractual period using the output method by reference to the progress towards complete satisfaction of that performance obligation if control of the asset transfers over time. The output method recognises revenue on the basis of direct measurements of value to the customer of the construction work performed to date relative to the remaining construction work promised under the contract.

Revenue from contract works, of which the settlement of the contract sum is via allocation of land portion reclaimed, is recognised over the contractual period using the input method by reference to the cost incurred for work performed to date against the estimated costs to completion if control of the asset transfers over time.

Judgement is required in determining performance obligations as stated in the contracts with customers, transaction price allocation and costs in applying the input and output methods to recognise revenue over time.

The Group identifies performance obligations that are distinct and material, which are judgmental in the context of contract. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligation. The Group also estimates total contract costs in applying the input method to recognise revenue over time. In estimating the total costs to complete, the Group considers the completeness and accuracy of its cost estimation, including its obligations to contract variations, claims and cost contingencies.

There is no significant financing component in the revenue from contract works as the contracts are on normal credit terms not exceeding twelve (12) months.

(b) Disposal of land held for sale

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices.

Revenue from disposal of land held for sale are categorised into two (2) identifiable components, which are reclaimed land component and infrastructure cost component.

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21. REVENUE (continued)

(b) Disposal of land held for sale (continued)

(i) Reclaimed land component

The Group recognises revenue at a point in time for disposal of reclaimed land component, when the control of the reclaimed land has been transferred to the purchasers, being when vacant possession of reclaimed land delivered to the customers and the Company retains neither continuing managerial involvement over the land, which coincides with the delivery of land and acceptance by customers.

(ii) Infrastructure cost component

The Group recognises revenue over time for infrastructure cost component using the input method by reference to the expected cost plus a margin approach.

Revenue in relation to the infrastructure cost component are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to incur the infrastructure cost, the contract liabilities in relation to the infrastructure cost component would be reversed and recognised in profit or loss.

Judgement is required in determining performance obligations as stated in the contracts with customers, transaction price allocation and costs in applying the input method to recognise revenue over time.

The Group identifies performance obligations that are distinct and material, which are judgmental in the context of contract. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligation. The Group also estimates total contract costs in applying the input method to recognise revenue over time. In estimating the total costs to complete, the Group considers the completeness and accuracy of its cost estimation, including its obligations to contract variations, claims, and cost contingencies.

There is no significant financing component in the revenue from disposal held for sale as the contracts are on normal credit terms not exceeding twelve (12) months.

(c) Marine transportation

Revenue from marine transportation is recognised at point in time when the services has been rendered to the customers and coincides with the delivery of services and acceptance by customers.

There is no right of return and warranty provided to the customers on the services rendered.

There is no significant financing component in the revenue arising from services rendered as the services are made on the normal credit terms not exceeding twelve (12) months.

22. COST OF SALES

	Group	
	2025 RM	2024 RM
Marine construction:		
- Contract works	32,169,061	25,835,526
- Disposals of land held for sale:		
- reclaimed land	-	13,548,229
- infrastructure works	341,841	8,467,984
Vessels chartering	151,003	461,410
	32,661,905	48,313,149

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23. OTHER INCOME

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Fair value gains on:					
- other investments	8	-	5,107	-	-
- short term funds		-	2,562	-	-
- non-current amount owing to a Director		1,391,023	-	-	-
Foreign exchange gain:					
- realised		153,651	-	-	-
- unrealised		-	228,925	-	-
Gain on disposal of property, plant and equipment		49,999	3,022,562	-	-
Gain on lease termination and modifications		361,966	770,453	-	-
Gross dividend received from:					
- other investments		1,393	2,506	-	-
- short term funds		4,072	2,695	-	-
		5,465	5,201	-	-
Interest income from:					
- a subsidiary		-	-	-	61,882
- fixed deposits		554,475	584,556	-	-
- others		691	1,915	216	497
		555,166	586,471	216	62,379
Rental income		62,500	12,500	-	-
Waiver of trade and other payable		29,897	-	-	-
Others		137,705	1,161,272	-	-
		2,747,372	5,795,053	216	62,379

(a) Interest income is recognised as it accrues, using the effective interest method.

(b) Rental income is recognised on a straight-line basis over the lease term of an ongoing lease.

24. FINANCE COSTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Bank overdrafts	300,315	347,852	-	-
Banker's acceptances	10,312	23,847	-	-
Invoice financings	61,849	117,056	-	-
Lease liabilities	785,227	588,240	-	-
Loans from Directors	1,400,000	1,345,902	-	-
Revolving credits	1,383,332	1,483,373	-	-
Term loan	242,800	621,171	-	323,480
Trust receipts	85,516	189,928	-	-
Others	142,773	68,380	-	-
	4,412,124	4,785,749	-	323,480

Notes to the Financial Statements

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25. NET GAIN/(LOSS) ON IMPAIRMENT OF FINANCIAL ASSETS

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Reversal of impairment losses on:					
- amount owing by a subsidiary	9(l)	-	-	345,107	893,825
- trade receivables	9(i)	-	159,286	-	-
- contract assets	13(e)	1,856,619	2,984,035	-	-
Impairment losses on other receivables	9(l)	(150,962)	-	-	-
		1,705,657	3,143,321	345,107	893,825

26. PROFIT/(LOSS) BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit/(loss) before tax is arrived at:

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
After charging:					
Auditors' remuneration:					
- Statutory					
- Auditors of the Company					
- current year		504,479	484,305	141,000	141,000
- Other auditors					
- current year		93,589	95,253	-	-
- under provision in prior year		3,000	-	-	-
- Non-statutory					
- current year		16,000	16,000	16,000	16,000
Expense relating to short-term leases	6(f)	3,774	3,468	-	-
Fair value losses on:					
- amounts owing to related parties		540,568	3,216,223	-	-
- trade receivables		60,913	-	-	-
- other investments	8	4,114	-	-	-
Loss on disposal of property, plant and equipment		-	41	-	-
Loss on foreign exchange:					
- realised		-	91,970	-	-
- unrealised		153,375	-	-	-
Write off of:					
- property, plant and equipment		-	35,644	-	-
- other receivables		2,520	77,775	-	-

Notes to the Financial Statements

31 December 2025

27. TAX EXPENSE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Income tax				
- Malaysian income tax	11,213	138,632	-	-
- Under/(Over) provision in prior years	910,826	(151)	261,632	-
	922,039	138,481	261,632	-
Deferred tax (Note 10(a)):				
- Origination and reversal of temporary differences	2,426,544	856,904	-	-
- Over provision in prior year	-	(394)	-	-
	2,426,544	856,510	-	-
Tax expenses recognised in profit or loss	3,348,583	994,991	261,632	-

- (a) Malaysian income tax is calculated at the statutory tax rate of 24% (2024: 24%) of the estimated taxable profits for the fiscal year.
- (b) Tax expense for other taxation authorities are calculated at the rates prevailing in the respective jurisdictions.
- (c) Numerical reconciliation between the tax expenses and the product of accounting profit/(loss) multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit/(Loss) before tax	5,704,411	13,029,492	(46,723,113)	(36,578,724)
Tax at Malaysian statutory tax rate of 24% (2024: 24%)	1,369,059	3,127,078	(11,213,547)	(8,778,894)
Tax effects in respect of:				
Non-allowable expenses	6,176,676	694,788	11,213,547	8,778,894
Non-taxable income	(10,406,583)	(1,661,487)	-	-
Deferred tax assets not recognised	5,458,714	897,253	-	-
Difference in foreign tax rates and exemptions	(79,507)	460,651	-	-
Utilisation of previously unrecognised deferred tax assets	(80,602)	(2,522,747)	-	-
	2,437,757	995,536	-	-
Under/(Over) provision in prior years				
- current tax expense	910,826	(151)	261,632	-
- deferred tax expense	-	(394)	-	-
Tax expenses	3,348,583	994,991	261,632	-

Notes to the Financial Statements

31 December 2025

27. TAX EXPENSE (continued)

(d) Tax on each component of other comprehensive income is as follows:

	Before tax RM	Tax effect RM	After tax RM
Group			
Item that may be reclassified subsequently to profit or loss			
2025			
Gain on foreign currency translations	199,102	-	199,102
2024			
Gain on foreign currency translations	528,562	-	528,562

28. EARNINGS PER ORDINARY SHARE

(a) Basic earnings per ordinary share

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2025	2024
Profit attributable to owners of the parent (RM)	3,250,415	12,669,335
Weighted average number of ordinary shares in issue (unit)	1,018,887,100	1,018,887,100
Basic earnings per ordinary share (sen)	0.32	1.24

(b) Diluted

Diluted earnings per ordinary share for the financial year has been calculated based on the consolidated profit for the financial year attributable to owners of the parents and the weighted average number of ordinary shares issue (excluding treasury shares) during the financial year adjusted for the effects of dilutive potential ordinary shares.

29. DIRECTORS' REMUNERATION

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors of the Company:				
Executive:				
Salaries	4,200,000	4,200,000	-	-
Ex-gratia	1,050,000	1,050,000	-	-
Other emoluments	877,005	865,643	-	-
	6,127,005	6,115,643	-	-
Non-Executive:				
Fees	396,000	413,548	396,000	413,548
Other emoluments	31,891	25,722	24,000	25,000
	427,891	439,270	420,000	438,548
Total Director's remuneration	6,554,896	6,554,913	420,000	438,548

The estimated monetary value of benefits-in-kind received by the Directors otherwise than in cash from the Group amounted to RM72,325 (2024: RM72,325).

Notes to the Financial Statements

31 December 2025

30. EMPLOYEE BENEFITS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Wages, salaries and bonuses	12,003,199	11,151,079	-	-
Contribution to defined contribution plan	1,437,990	1,352,202	-	-
Other benefits	904,011	622,506	174,692	174,201
	14,345,200	13,125,787	174,692	174,201
Capitalised in contract assets and land reclamation work-in-progress				
Salaries, wages, bonuses and allowances	-	151,235	-	-
Contribution to defined contribution plan	-	18,889	-	-
Other benefits	-	3,406	-	-
	-	173,530	-	-
	14,345,200	13,299,317	174,692	174,201

Compensation of key management personnel

Remuneration of Directors and other key management personnel during the financial year are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors' fees	396,000	413,548	396,000	413,548
Salaries and other short term employee benefits:				
Directors	6,158,896	6,141,364	24,000	25,000
Other key management personnel				
- salaries, wages, bonuses and allowances	1,314,640	1,186,700	-	-
- contribution to defined contribution plan	146,676	123,103	-	-
- other benefits	8,195	1,872	-	-
	7,628,407	7,453,039	24,000	25,000

31. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other parties.

The Company has controlling related party relationship with its direct and indirect subsidiaries and its immediate and ultimate holding companies. The Group also has related party relationship with the entities in which a Director has substantial financial interest.

Notes to the Financial Statements

31 December 2025

31. RELATED PARTY DISCLOSURES (continued)

(b) Significant related party transactions

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
With related parties in which a Director has substantial financial interests:				
Contract works derived from:				
- Oceanfront Land Sdn. Bhd.	4,035,400	15,366,528	-	-
- Oceanic Sdn. Bhd.				
- Oceanview Property Sdn. Bhd.				
- Atlantic Property Sdn. Bhd.				
With Directors				
Rental expense	86,000	103,200	-	-
Loan interest payables	1,400,000	1,345,902	-	-
With a subsidiary				
Interest income receivable from BSB	-	-	-	61,882

The related party transactions described above were carried out on agreed contractual terms and conditions and in the ordinary course of business between the related parties of the Group and the Company.

(c) Compensation of key management personnel

The remuneration of the Directors and other members of key management are disclosed in Note 30 to the financial statements.

32. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2025 and 31 December 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The strategy of the Group is to maintain the balance between debt and equity and to ensure sufficient cash flows to repay its liabilities as and when they fall due. The net debts include borrowings, lease liabilities owing to financial institutions, trade and other payables, less cash and bank balances and short term funds.

Notes to the Financial Statements

31 December 2025

32. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(a) Capital management (continued)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Borrowings	29,436,658	30,383,959	-	-
Lease liabilities owing to financial institutions	931,239	1,270,153	-	-
Trade and other payables	154,865,670	136,746,528	964,837	764,066
Financial debts	185,233,567	168,400,640	964,837	764,066
<u>Less:</u>				
Short term funds	(172,751)	(168,679)	-	-
Cash and bank balances	(27,348,144)	(27,093,964)	(39,910)	(126,417)
Net debts	157,712,672	141,137,997	924,927	637,649
Total equity	376,107,829	372,658,312	303,052,144	350,036,889
Net debts	157,712,672	141,137,997	924,927	637,649
Total equity plus net debts	533,820,501	513,796,309	303,977,071	350,674,538
Gearing ratio (%)	29.54	27.47	0.30	0.18

(b) Financial risk management

The financial risk management objective of the Group and of the Company is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The exposure to these risks arises in the normal course of the business of the Group. The overall business strategies of the Group outlines its tolerance to risk and its general risk management philosophy and is determined by the management in accordance with prevailing economic and operating conditions.

The Group is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk and foreign currency risk. Information on the management of the related exposures is detailed below:

(i) Credit risk

Cash deposits and trade and other receivables may give rise to credit risk, which requires the loss to be recognised if a counter party fails to perform as contracted. It is the Group's policy to monitor the financial standing of the counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade receivables. The trading terms of the Group with its customers are mainly on credit, except for new customers, where deposits in advance are normally required. The credit period is generally for a period of 14 days, extending up to three (3) month for major customers. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

The credit risk analysis has been disclosed in Note 9 to the financial statements.

Notes to the Financial Statements

31 December 2025

32. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

The Group is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk and foreign currency risk. Information on the management of the related exposures is detailed below: (continued)

(ii) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position.

As at 31 December 2025, the Group was in an overall cash and cash equivalent deficit position. The Group has prepared the cash flows forecast for the next twelve months from the date of the end of the financial year based on their past performance after considering the current economic conditions subsequent to the end of the reporting period.

Based on the cash flows forecast, the Directors are confident that the Group is able to generate sufficient cash flows for the next twelve months from 31 December 2025 to meet their cash flows requirements to realise their assets and to discharge their liabilities in the normal course of business.

The Group's liquidity performance and cash flow forecasts consider receipts arising from land reclamation contracts, including expected variation orders and marine transportation contracts entered into, and the release of retention sums, with total receipts of approximately RM66,000,000. This also includes several conditional Sales and Purchase Agreements ("SPA") signed with third parties, under which the balance payment of approximately RM51,000,000 is due to be received within the stipulated timelines in the SPAs, being within twelve (12) months from the end of the financial year, and unused banking facilities of approximately RM14,900,000.

(iii) Interest rate risk

The exposure of the Group to interest rate risk arises primarily from the borrowings. The Group borrows at floating interest rates to generate the desired interest profile and to manage the exposure of the Group to interest rate fluctuations.

(iv) Foreign currency risk

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

Subsidiaries operating in the Federal Territory of Labuan, Malaysia and Republic of Singapore have assets and liabilities together with expected cash flows from anticipated transactions denominated in foreign currencies that give rise to foreign exchange exposures.

The Group maintains a natural hedge, where possible, by borrowing in the currency of the country in which the investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

It is not the policy of the Group to enter into foreign exchange forward contracts in managing its foreign exchange risk resulting from cash flows on transactions denominated in foreign currency as the Group primarily operates in the domestic sector with transactions to be denominated in the functional currency where possible.

Notes to the Financial Statements

31 December 2025

33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- (a) On 18 April 2023, the Company, BSB and all the other subsidiaries of the Company entered into a settlement agreement (“Settlement Agreement”) with Atlantic Property Sdn. Bhd. (“APSB”), Oceanfront Land Sdn. Bhd. (“OLSB”), Oceanic Sdn. Bhd. (“OSB”), Oceanview Property Sdn. Bhd. (“OPSB”) and Sentosacove Sdn. Bhd. (“SSB”).

(The Company, BSB and all its other subsidiaries of the Company shall hereinafter collectively be referred to as “Benalec”. APSB, OLSB, OSB, OPSB and SSB shall hereinafter collectively be referred to as “Parties”)

The Settlement Agreement is entered into between Benalec and the Parties to resolve and conclude all outstanding legal suits (including Sentosacove Project Litigations), disputes and claims between both the Group and the Parties.

The salient terms of the settlement agreement relates to Benalec and the Parties primarily enforces existing previously agreed rights and obligations of Benalec and the Parties set out in the Pulau Indah Project Reclamation Agreement and Sentosacove Project Reclamation Agreement as follows:

- (i) to affirm Benalec’s entitlement rights as provided under the previous Pulau Indah Project Reclamation Agreement pursuant to the reclamation agreements entered between BSB and APSB, OLSB, OSB and OPSB, to confirm Benalec’s entitlement to five (5) identified plots out of nine (9) subdivided plots of the Pulau Indah Land and the sales proceeds arising from the disposal of such plots (“Sales Proceeds”);
- (ii) Benalec to utilise the Sales Proceeds (if any) and its internally generated funds to fully settle all existing debts due and owing by Benalec to the parties; and
- (iii) to affirm and confirm that both Benalec and SSB shall retain the benefits/rights to their respective entitlements (which were previously agreed by the parties) under the Sentosacove Project Reclamation Agreement on the premise that all Sentosacove Project Litigations as disclosed above are fully resolved amicably between Benalec and SSB.

Pursuant to the Settlement Agreement, Benalec and the Parties, and all its related companies acknowledge and confirm that:

- (a) all parties shall have no further claim whatsoever against each other in any manner whatsoever in respect of the matter arising from and/or related to the subject matters set out in the Settlement Agreement;
- (b) the parties shall have the right to commence any claim or action for the purposes of enforcing the Settlement Agreement and/or their rights under the Settlement Agreement; and
- (c) save for (b) above, all parties shall refrain from initiating or filing any fresh suit(s) and/or taking any action(s) in any manner whatsoever against each other in respect of the matter arising from and/or related to the subject matters set out in the Settlement Agreement.

As of the date of this report, the Group is still executing the legal process of transferring the Pulau Indah Land under the respective parties’ entitlement.

- (b) Ongoing geopolitical tensions in multiple regions, including in the Middle East, have contributed to elevated energy prices, intermittent global supply chain disruptions, and increased volatility in global currency movements. These factors may, if prolonged, place indirect pressure on input costs and consumer sentiment.

Against this backdrop, as at the date of this report, the Group has not experienced any material adverse impact on its operations or financial position arising directly from these developments. Nevertheless, the Group will continue to monitor developments and assess the potential operational and financial implications of the conflict.

Notes to the Financial Statements

31 December 2025

34. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

34.1 Amendments to MFRSs adopted during the financial year

The Group and the Company adopted the following Amendments to the MFRS Framework that were issued by the Malaysian Accounting Standards Board (“MASB”) during the financial year:

Title	Effective Date
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025

Adoption of the above Amendments to MFRSs did not have any material effect on the financial performance or position of the Group and of the Company.

34.2 New MFRSs and Amendments to MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2026

The following are Standards and Amendments to the MFRS Framework that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been early adopted by the Group and the Company:

Title	Effective Date
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instrument</i>	1 January 2026
<i>Annual Improvements to MFRS Accounting Standards - Volume 11</i>	1 January 2026
Amendments to MFRS 9 and MFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendment to MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to MFRS 121 <i>Translation to a Hyperinflationary Presentation Currency</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for future financial years.



CDS Account No.	
No. of shares held	

I/We Tel:

NRIC no./Company No.
[Full name in block, NRIC no./Company no. and telephone number]

of

being a member/members of **BENALEC HOLDINGS BERHAD**, hereby appoint:-

Full Name (in block)	NRIC / Passport No.	Proportion of Shareholdings	
Address		No. of Shares	%

and/or (delete as appropriate)

Full Name (in block)	NRIC / Passport No.	Proportion of Shareholdings	
Address		No. of Shares	%

or failing him/her, *the Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Twentieth Annual General Meeting (“**20th AGM**”) of the Company to be held at Topas Room, The Saujana Hotel Kuala Lumpur, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on **Thursday, 28 May 2026 at 10.00 a.m.** or any adjournment thereof, and to vote as indicated below:-

NO.	ORDINARY BUSINESS	RESOLUTION	FOR	AGAINST
1.	Approval of Directors’ fees of RM396,000 for the financial year 31 December 2025	Ordinary Resolution 1		
2.	Approval of Directors’ benefits up to an aggregate amount of RM60,000 for the period from 29 May 2026 until Twenty-First Annual General Meeting of the Company to be held in 2027	Ordinary Resolution 2		
3.	Re-election of Ms Leaw Ai Lin as Director pursuant to Clause 76(3) of the Company’s Constitution	Ordinary Resolution 3		
4.	Re-election of Mr Kenneth Chin Kah Kiong as Director pursuant to Clause 76(3) of the Company’s Constitution	Ordinary Resolution 4		
5.	Re-appointment of BDO PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration	Ordinary Resolution 5		
	SPECIAL BUSINESS			
6.	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016	Ordinary Resolution 6		

Please indicate with an “X” in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy/proxies will vote or abstain as he/they may think fit.

Signed this day of, 2026.

.....
Signature of Shareholder/Common Seal

* Manner of execution:

- (a) If you are an individual member, please sign where indicated.
- (b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- (c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - (i) at least two (2) authorised officers, of whom one shall be a director; or
 - (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

NOTES:

1. For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at Thursday, 21 May 2026. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
2. A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his/her place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
4. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall in accordance with the listing requirements of the stock exchange.
5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. The appointment of a proxy may be made in a hard copy form or by electronic form means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:
 - i) In hard copy form

The proxy form must be deposited at the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia **OR** alternatively, drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - ii) By electronic means via Vistra Share Registry and IPO (MY) portal (The Portal) at <http://srmy.vistra.com>

Please refer to the Administrative Guide for further information on electronic lodgement of proxy form.
9. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia **OR** alternatively, drop-in-box at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
10. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
11. Last date and time for lodging the proxy form is Tuesday, 26 May 2026 at 10.00 a.m.
12. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
 - a. Identity card (NRIC) (Malaysian), or
 - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - c. Passport (Foreigner).
13. For a corporate member who has appointed a representative, please deposit the ORIGINAL certificate of appointment of authorised representative at the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia **OR** alternatively drop-in-box at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

The certificate of appointment of authorised representative should be executed in the following manner:

 - a. If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - b. If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - i. at least two (2) authorised officers, of whom one shall be a director; or
 - ii. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
14. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by poll.

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Affix
stamp

The Share Registrar

BENALEC HOLDINGS BERHAD
200501020529 (702653-V)

c/o Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur


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BENALEC HOLDINGS BERHAD


200501020529 (702653-V)

Listed on the Main Market of Bursa Malaysia Securities Berhad

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