

# BUILT ON EXPERIENCE

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Moving Forward  
with Purpose

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## COVER RATIONALE



## BUILT ON EXPERIENCE, MOVING FORWARD WITH PURPOSE

A fluid convergence of deep blues and lighter currents unfolds across the image, evoking both depth of experience and clarity of our vision. The layered swirls, while influenced by external forces, reflect Protasco Berhad's established foundation, shaped over time through discipline, technical expertise, and a proven track record that reinforces credibility and trust.

The flowing composition conveys steady progress, balance, and precision, signalling a forward journey that is measured, deliberate, and guided by clear strategic focus.

Together, these elements express an organisation anchored in experience, confidently charting its path ahead with purpose and control.

## DIGITAL VERSION OF ANNUAL REPORT 2025



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## CROSS REFERENCE



This icon indicates where more details can be accessed elsewhere in this report.



This icon indicates where more details can be accessed online.

# Corporate Information

## Board of Directors

01

**Dato' Sri Ir  
Chong Ket Pen**

Executive Chairman

02

**Dato' Ir Kenny  
Chong Ther Nen**

Group Managing Director

03

**Suhaimi Bin Badrul  
Jamil**

Senior Independent  
Non-Executive Director

04

**Tham Wei Mei**

Independent  
Non-Executive Director

05

**Celine Chan Hooi Li**

Independent  
Non-Executive Director

06

**Khoo Siang Hsi @  
Khoo Chen Nan**

Independent  
Non-Executive Director

### COMPANY SECRETARIES

Khor Hooi Ling  
MAICSA 7014879  
SSM Practicing Certificate No:  
202008000854

Seow Fei San  
MAICSA 7009732  
SSM Practicing Certificate No:  
201908002299

### REGISTERED OFFICE

802, 8<sup>th</sup> Floor, Block C  
Kelana Square  
17, Jalan SS7/26  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia  
Tel : 603 7803 1126  
Fax : 603 7806 1387  
Email : eadvisory@epsilonas.com

### PRINCIPAL OFFICES

#### Corporate Office

Unipark Suria  
Jalan Ikram-Uniten  
43000 Kajang  
Selangor Darul Ehsan  
Malaysia  
Tel : 603 8738 3388

#### Kuala Lumpur Office

87, Jalan Kampung Pandan  
55100 Kuala Lumpur Malaysia  
Tel : 603 9286 4050  
Web : www.protasco.com.my  
Email : ccd@protasco.com.my

### REGISTRAR

Boardroom Share Registrars Sdn Bhd  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Professor Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia  
Tel : 603 7890 4700  
Fax : 603 7890 4670  
Email : bsr.helpdesk@boardroomlimited.com

### PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad  
AmBank (M) Berhad  
Hong Leong Bank Berhad  
OCBC Bank (Malaysia) Berhad  
RHB Bank Berhad  
UOB (Malaysia) Berhad

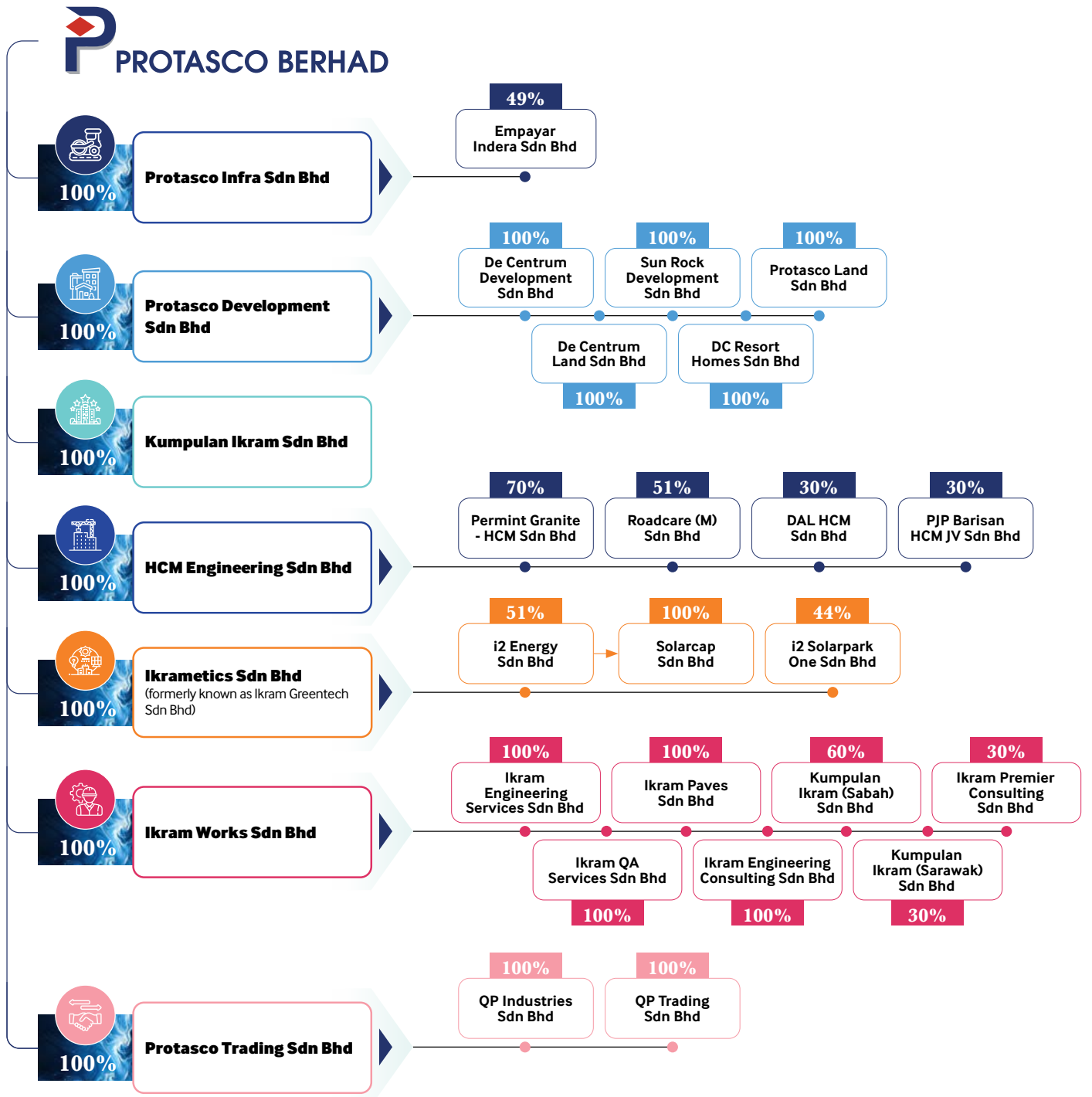
### AUDITORS

Crowe Malaysia PLT  
201906000005  
(LLP0018817-LCA) & AF 1018  
Chartered Accountants  
Level 16, Tower C  
Megan Avenue II  
12, Jalan Yap Kwan Seng  
50450 Kuala Lumpur  
Malaysia

### STOCK EXCHANGE LISTING

Main Board  
Bursa Malaysia Securities Berhad Listed  
Since : 8 August 2003  
Stock Name : PRTASCO  
Stock Code : 5070

# Corporate Structure



**Main Business Segments**



Note:  
This structure depicts the main operating subsidiaries and associate companies only.

# Our Presence

**Protasco Berhad focusses its operations and projects primarily within Malaysia. The locations of our business units are shown below.**

**IPOH**

- 01 Empayar Indera Sdn Bhd

**KUCHING**

- 02 DAL HCM Sdn Bhd
- 03 PJP Barisan HCM JV Sdn Bhd
- 04 Kumpulan Ikram (Sarawak) Sdn Bhd

**KUALA TERENGGANU**

- 05 Permint Granite-HCM Sdn Bhd
- 11 Roadcare (M) Sdn Bhd

**KOTA KINABALU**

- 06 Kumpulan Ikram (Sabah) Sdn Bhd

**KUALA LUMPUR**

- 07 Ikrametics Sdn Bhd (formerly known as Ikram Greentech Sdn Bhd)
- 08 i2 Energy Sdn Bhd
- 09 Solarcap Sdn Bhd
- 10 i2 Solarpark One Sdn Bhd
- 11 Roadcare (M) Sdn Bhd (HQ)

**KELANTAN**

- 11 Roadcare (M) Sdn Bhd

**SELANGOR**

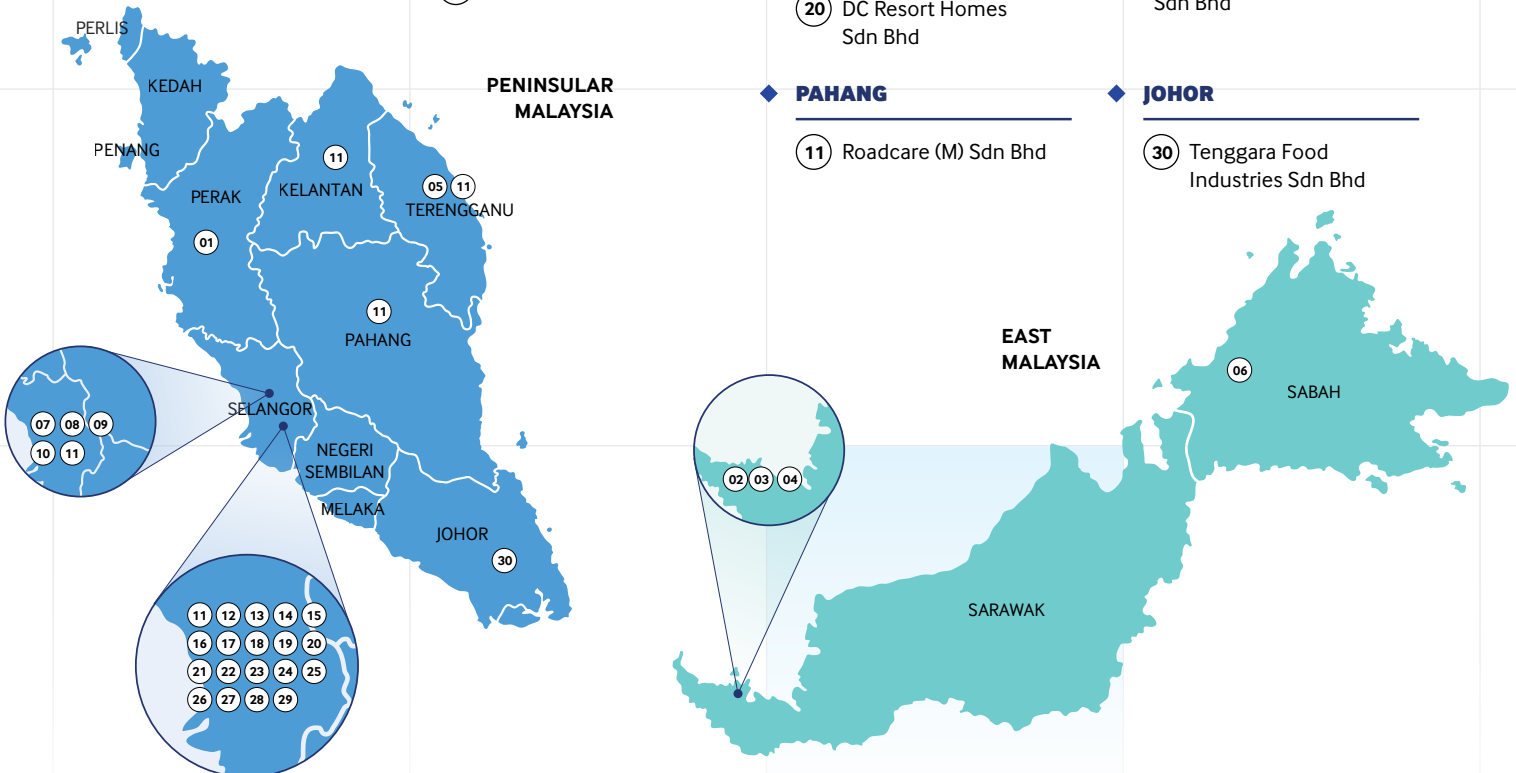
- 11 Roadcare (M) Sdn Bhd
- 12 Protasco Trading Sdn Bhd
- 13 QP Industries Sdn Bhd
- 14 QP Trading Sdn Bhd
- 15 Protasco Infra Sdn Bhd
- 16 Protasco Development Sdn Bhd
- 17 De Centrum Development Sdn Bhd
- 18 De Centrum Land Sdn Bhd
- 19 Sun Rock Development Sdn Bhd
- 20 DC Resort Homes Sdn Bhd
- 21 HCM Engineering Sdn Bhd
- 22 Kumpulan Ikram Sdn Bhd
- 23 Ikram Works Sdn Bhd
- 24 Ikram Engineering Services Sdn Bhd
- 25 Ikram QA Services Sdn Bhd
- 26 Ikram Paves Sdn Bhd
- 27 Ikram Engineering Consulting Sdn Bhd
- 28 Ikram Premier Consulting Sdn Bhd
- 29 Ikram Skills Academy Sdn Bhd

**PAHANG**

- 11 Roadcare (M) Sdn Bhd

**JOHOR**

- 30 Tenggara Food Industries Sdn Bhd



# Quick Facts 2025



### MAINTENANCE

The Maintenance Division delivers road maintenance solutions to the Federal and State Governments and local agencies, managing over 16,000 km of roads through long-term contracts extending to 2029.

ISO 9001

Empayar Indera Sdn Bhd  
Roadcare (M) Sdn Bhd

ISO 45001

Roadcare (M) Sdn Bhd



**Our differences in thoughts, cultures and ideas are bound by the passion and commitment to make Protasco great.**

### AGRIVENTURE

The Group's agriventure activities specialise in food processing, preserving and packaging of tropical fruits like durian and jackfruit. With a commitment to quality, it adheres to GMP, HACCP, and FSSC 22000 standards in producing fresh and frozen fruit products, juices, and purees.



### CLEAN ENERGY

The Clean Energy Division specialises in world-class solar EPCC solutions. It operates a 9 MWdc solar plant in Melaka and delivers high-quality solar projects under major energy partnerships.



Please scan the QR Code for more information.

# Quick Facts 2025

## CONSTRUCTION

The Construction Division specialises in building and infrastructure projects and possesses a strong track record in road and highway construction, rehabilitation, and upgrading. Notable completed projects include the Park Inn by Radisson Putrajaya, PPAM government housing in Putrajaya, Unipark Apartments, and key infrastructure works across Malaysia. Current projects include Jade Hill in Tampin and road upgrades for Federal Road FT 004 in Kulim, Kedah.



ISO 9001

ISO 14001

ISO 45001

HCM Engineering Sdn Bhd

## ENGINEERING & CONSULTANCY SERVICES

The Engineering & Consultancy Services Division offers comprehensive engineering solutions, including consultancy, laboratory services, project management, and professional training, ensuring dynamic and adaptive expertise.



ISO 9001

ISO 17025

ISO 17065

CIDB G3/SPKK

CIDB G7

BEM

Ikram Engineering Services Sdn Bhd  
Ikram Paves Sdn Bhd

Ikram Paves Sdn Bhd  
Ikram QA Services Sdn Bhd

Ikram QA Services Sdn Bhd

Ikram Engineering Services Sdn Bhd

Kumpulan Ikram Sdn Bhd

Ikram Premier Consulting Sdn Bhd  
Ikram Engineering Consulting Sdn Bhd

## WE CONTINUOUSLY LOOK TO EXPAND OUR BUSINESS IN AREAS OF OUR EXPERTISE TO ADD VALUE TO OUR STAKEHOLDERS

The future calls for innovation and agility, and we believe our diversity remains a key strength. Protasco remains committed to delivering reliable services and contributing meaningfully to the communities we serve across our areas of expertise. Across engineering, construction, road maintenance, property and trading, we continue to strengthen our capabilities and enhance our solutions.

Founded more than 20 years ago, the Group has grown steadily through diversification and is today a recognised brand.

As we move forward, we will continue to harness our collective strengths, focus on disciplined execution, and build a more resilient and sustainable business.

## TRADING & MANUFACTURING

The Trading & Manufacturing Division specialises in supplying and distributing high-quality construction and highway safety products, backed by strong industry expertise and global partnerships.



ISO 9001

Protasco Trading Sdn Bhd

## PROPERTY

Property development is a key focus for our Group, with successfully completed projects such as Phase 1A and Phase 2A of the Jade Hill development in Tampin, as well as Sentrico Business Park in Pasir Gudang.

Jade Hill reflects the Company's commitment to delivering residential developments in a timely manner. Phase 1A, completed in August 2024, comprises 95 well-planned single-storey terrace houses. Phase 2A, completed in July 2025, introduced a total of 54 terrace houses, including 36 double-storey units and 18 single-storey units.



## HOTEL & HOSPITALITY

Park Inn by Radisson Putrajaya is Protasco's hospitality arm. It offers modern amenities and top-tier service and is located near Malaysia's administrative hub. Recognised with multiple awards in FY2023, it stands among Malaysia's best 4-star hotels.

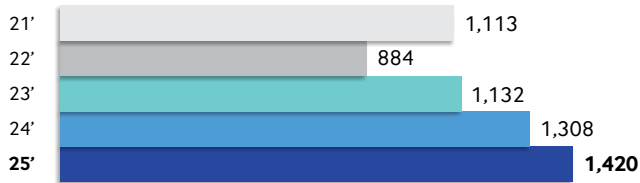


# Group Financial Highlights

YEAR ENDED 31 DECEMBER	2021	2022	2023	2024	2025
Revenue (RM'000)	1,112,846	883,943	1,131,559	1,307,638	<b>1,420,431</b>
Operating Profit (RM'000)	62,879	6,636	35,822	84,806	<b>168,159</b>
Profit/(Loss) After Tax (RM'000)	38,406	(24,222)	21,073	55,456	<b>119,382</b>
Profit/(Loss) After Tax & Non-Controlling Interest (RM'000)	16,697	(29,376)	6,682	25,373	<b>70,392</b>
Earnings/(Loss) Per Share (sen)	3.47	(6.10)	1.39	5.26	<b>14.61</b>
Net Assets Per Share (RM)	0.66	0.60	0.61	0.66	<b>0.81</b>

## REVENUE

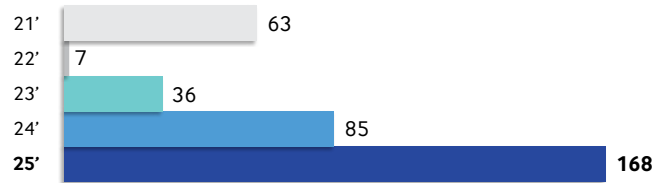
(RM'Million)



**RM1,420**  
Million

## OPERATING PROFIT

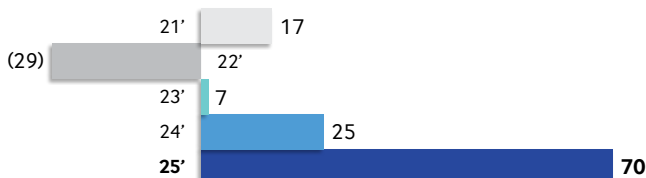
(RM'Million)



**RM168**  
Million

## PROFIT/(LOSS) AFTER TAX & NON CONTROLLING INTEREST

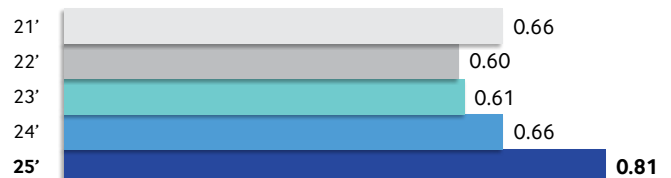
(RM'Million)



**RM70**  
Million

## NET ASSETS PER SHARE

(RM)



**RM0.81**

# Chairman's Statement

## A Message To Our People

**DEAR SHAREHOLDERS,**

**ON BEHALF OF THE BOARD OF DIRECTORS, IT IS MY PLEASURE TO PRESENT TO YOU THE ANNUAL REPORT OF PROTASCO BERHAD (PB OR GROUP) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025.**

Malaysia's economy strengthened further in the fourth quarter of 2025, expanding by 6.3 per cent (Q3 2025: 5.4%) and bringing full-year growth to 5.2% (2024: 5.1%). The expansion was broad-based, underpinned by sustained services sector performance, continued manufacturing activity and resilient domestic demand.

In December 2025, key high-frequency indicators signalled continued economic stability towards year-end, supported by resilient consumer demand, tourism-related activities and ongoing business expansion. External trade performance remained favourable despite global uncertainties, reflecting Malaysia's diversified economic structure.

**Dato' Sri Ir Chong Ket Pen**  
Executive Chairman



Overall, the performance in the fourth quarter and throughout 2025 reflects resilient macroeconomic fundamentals, underpinned by steady growth, contained inflation, strengthening income trends and ongoing structural reforms.

*(Source: DoSM, Malaysian Economic Statistics Review, Vol.2 2026)*

In this context, the Group continued its focus on enhancing profitability from its business portfolio across multiple business sectors despite challenges from certain underperforming business segments.

# Chairman's Statement



## GROUP FINANCIAL RESULTS

In the financial year ended 31 December 2025 (FY2025) the Group achieved a record-breaking consolidated revenue of RM1,420 million and profit after taxation and non-controlling interests of RM70.4 million compared to RM1,308 million and RM25.4 million respectively in the previous financial year ended 31 December 2024 (FY2024). Profit after taxation was RM119.4 million in FY2025 compared to RM55.5 million in FY2024, a remarkable improvement of 115%.

The excellent improvement in revenue was contributed mainly by the Maintenance business segment while the surge in profit after taxation was contributed mainly by the Maintenance, Asset Management, and Engineering & Consultancy business segments.

The Group disposed of its education business segment and recorded a total gain of RM24.4 million. The said divestment strengthened the Group's earnings and net assets for FY2025 due to the gain on disposal and deconsolidation of this loss-making business segment effective April 2025.

As at 31 December 2025, the Equity Attributable to the Owners of the Company stood at RM390.9 million.

## CAPITAL MANAGEMENT

The Group's cash and cash equivalents increased by RM162 million, or approximately 80%, from RM203 million in FY2024 to RM365 million in FY2025. The increase was due mainly to the impressive improvement in the net cash generated from operating and investing activities of RM182 million and RM21 million respectively, but mitigated by the net cash used in financing activities of RM41 million. The strong cash position indicates our effective collection efforts, prudent cash management, and financial stability.

PB invested RM4.3 million cash in capital expenditures, conserving cash for working capital and new ventures, while not neglecting the need for upgrading and expansion.



# Chairman's Statement

## BUSINESS DIRECTION AND STRATEGIES

FY2025 saw another year of disciplined growth and sustained progress for the Group. Moving forward, the Group will continue to optimise the strategic fit of its portfolio, fostering durable expansion, promoting viable, long-term success, and driving enduring value creation.

We continued to evaluate the best options for the monetisation of non-core assets, guided by careful planning, consistent and organised implementation. Each option will be evaluated based on maximising the Group's cash inflows and positive financial impact.

The Group's strategy is centred on sustainable profitability, healthy cash flow and strong financial position. We will expand business development activities, maximise profit margins, and optimise expenses for each business segment of the Group.

Across all business segments, the Group pledges to operate with unwavering integrity, consistency, and excellence, underpinned by strict compliance and a service-oriented ethos.



For a more in-depth review of the **Group's financial performance**, please refer to the 'Management Discussion and Analysis Report' in this Annual Report.

## CORPORATE GOVERNANCE

We are dedicated to the highest standards of corporate governance which underpin the operations of the Group. This dedication is intrinsic to fulfilling our roles and responsibilities in safeguarding shareholders' interests, thereby augmenting the Group's prospects and shareholder value.



Our compliance to the **Malaysian Code on Corporate Governance 2021** is detailed in the *Corporate Governance Overview Statement*, found on pages 163 to 169 of this Annual Report.

## SUSTAINABILITY

Environmental, Social, and Governance (ESG) factors are central to our governance and value creation strategy. The Group's commitment to ESG integration extends beyond environmental compliance to include robust social responsibility, transparent governance, and disciplined capital allocation.

Our focus on economic, environmental, and social practices demonstrates our passion to achieve positive sustainability results and contribute to the continued success of the overall management of our business operations.

The Board has continued to uphold and support the Group's commitment to good business practices, focusing on sustainability and corporate governance.

Our commitment to sustainability is an ongoing journey and it remains a top priority for the Group to continuously identify and address risks wherever gaps are identified.

Our strategy of amassing, analysing, and interpreting sustainability data is embedded into our day-to-day business operations. The Group is committed to contribute to the business and economic prosperity by striving to set the highest sustainability standards within the conditions of the day.



Our compliance to the **Environmental, Social, and Governance (ESG) practices** is detailed in the *Sustainability Report*, found on pages 28 to 149 of this Annual Report.



# Chairman’s Statement

## FUTURE OUTLOOK & PROSPECTS

Malaysia’s economic outlook for 2026 is cautiously optimistic, with projected GDP growth between 4.0% and 4.5% driven by robust domestic demand, strong investment in high-impact sectors (AI, data centres), and a booming tourism industry. Growth is expected to be anchored by services and manufacturing, supported by stable consumption and public investment.

The performance will also be supported by the ASEAN-Malaysia Chairmanship 2025 and Visit Malaysia Year 2026. The economy continues to be steered by the Ekonomi MADANI framework and the Government remains committed to positioning Malaysia as an attractive destination for quality investments. At the same time, ongoing improvements in the wage-setting mechanism and rising business efficiency are expected to strengthen the wage structure, thus contributing to a higher labour income share.

(Source : MoF : Budget 2026 – Economic Outlook 2026)

On 28 February 2026, the United States of America and Israel launched an attack against Iran. The war erupted into a multiple attack by Iran against its Middle East Arab neighbours. Certain oil and gas facilities were damaged by these attacks which disrupted the daily production volume.

The war intensifies with Iran attacking merchant ships at the Strait of Hormuz, which is a vital waterway carrying one-fifth of global oil and liquefied petroleum gas. This triggers immediate global energy shocks, spiking fuel prices, and severe shipping disruptions. It has impacted the Malaysian economy, with spiking fuel prices increasing the cost of products and services.

In view of the global and domestic economic uncertainties, the Board and Management will continue to take various countermeasures to address loss-making business segments, including but not restricted to, collaboration, cost optimisation, or divestment.

Concurrently, the Group will also revisit the business models and business strategies of the profit-making business segments to further improve its profitability in terms of bigger market share, higher profit margins and costs optimisation.

The Maintenance business segment continued as the main contributor to the Group’s revenue and profit. We expect this to continue into FY2026.

The Trading business segment, being the supplier of construction materials to the sub-contractors of the Maintenance business segment, is expected to reap the benefits from this business environment.

Both the Maintenance and Trading business units are expected to continue to contribute positively to the earnings, cash flows, and net assets of the Group in FY2026.

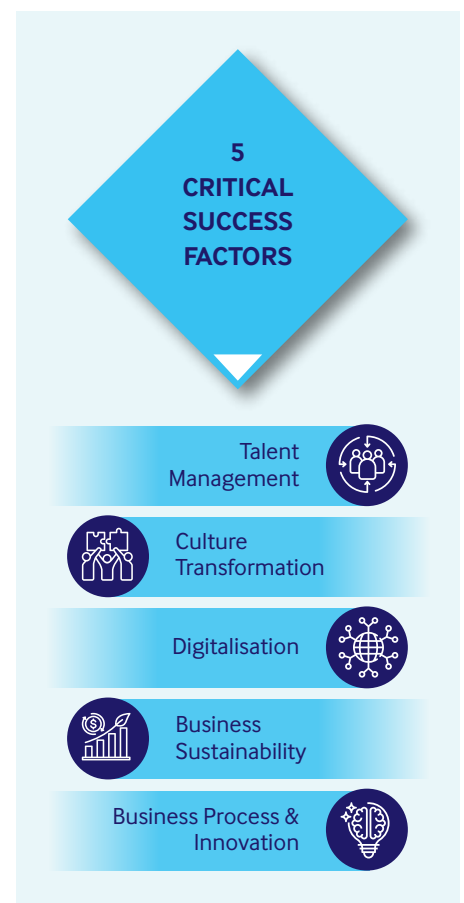
After a slow start of the export business of our Agriventure business segment in FY2024, we managed to boost the revenue from RM0.4 million in FY2024 to RM3.2 million in FY2025.

We are allocating more resources and support to expand the export market in FY2026 and expect to increase revenue significantly compared to FY2025. Coupled with prudent cash management and cost control initiatives, we expect this business segment to record reasonable profit and contribute positively to the earnings, cash flows, and net assets of the Group in FY2026.

During the launch of IAP (I Am Protasco) 1.0 in 2014, we established our Vision, Mission and Core Values. We refreshed our commitments and values by launching IAP 2.0 - A Journey of Discovery, Change & Growth in Quarter 4 of 2021.

We further unveiled the latest phase (IAP3.0) of our transformational journey, marking a new chapter from 2024 to 2030. This initiative builds on the strong foundation of IAP1.0 and IAP2.0, reflecting our dedication to sustainable growth and long-term success.

Our journey will continue into 2026 to 2030 to realise in full our activation of 5 Critical Success Factors (CSF) on a progressive basis:



# Chairman's Statement

**We are taking our journey forward by continuing to emphasise the 5 CSF while aligning them with five strategic goals (5SG) that reflect our dedication to sustainable development.**

Each goal is inspired by one of our five sustainability themes:



## DIVIDENDS

We do not have an explicit dividend policy. While we recognise the importance of rewarding our shareholders for their support, the decision to declare any cash dividend is subject to several factors, including but not limited to; financial performance, cash availability, capital expenditure requirements, working capital requirements, and future business expansion requirements.

Therefore, after careful deliberations, the Board has decided not to propose any payment of dividends for FY2025.

The Board is committed to resume dividend payments at the earliest possible juncture, once it deems PB is in a good position to distribute dividends.

## APPRECIATION

This year has been pivotal in the growth of our journey and as we reflect on the Group's achievements, I would like to record my sincere appreciation to all stakeholders who have contributed to PB's success. The support of our stakeholders and the wise counsel of our Board members have been pivotal in steering and evolving the Group's resilient operations, strong financial position, and efficient financial management.

Equally important is the dedication of our people – our Management team and staff, customers, business associates, bankers, suppliers, and contractors. Their positive attitude, invaluable support, mutual trust, professionalism and utmost confidence in the Group have enabled PB to deliver the right solutions and excellent services in this competitive environment.

My deepest appreciation to the Management and staff (our Protasco Champions) at all levels on the Group's achievements that resulted from their contributions, creativity, dedications, hard work, loyalty, passion, and integrity in working together for business sustainability as well as building their career path with the Group. I am very confident that with their continuing commitment, perseverance, right attitude and teamwork, the Group will be able to realise its Vision, Mission, and Core Values year after year.

The strong foundations that we have built provide an exceptional platform for our future growth. In our journey towards FY2026 and beyond, we will continue to pursue value creation, business sustainability, and viable growth strategies for all the business segments of the Group. While certain aspects of the business encountered a challenging environment, the Board is confident of the adaptable business strategies to be deployed and remain confident of the Group's prospects.

Last but not least, I wish to place on record my deepest appreciation to my fellow members of the Board, both at Group and subsidiaries level for their incredible contributions, active participation, and confidence in the directions of the Group.

Thank you.

**Dato' Sri Ir Chong Ket Pen**  
**EXECUTIVE CHAIRMAN**

# Management Discussion and Analysis



**Dato' Ir Kenny Chong**  
**Ther Nen**  
Group Managing Director



**This Management Discussion and Analysis (MDNA) of Protasco Berhad (PB, Company, we, us or our) and its subsidiaries (the Group) provides shareholders with an overview and a better understanding of the Group's financial and operational performances for the financial year ended 31 December 2025.**

The information presented in this MDNA should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2025 and the related notes thereto. Please take note that the discussion of results, causes and trends should not be construed to imply any conclusions that such results, causes or trends will necessarily continue in the foreseeable future.

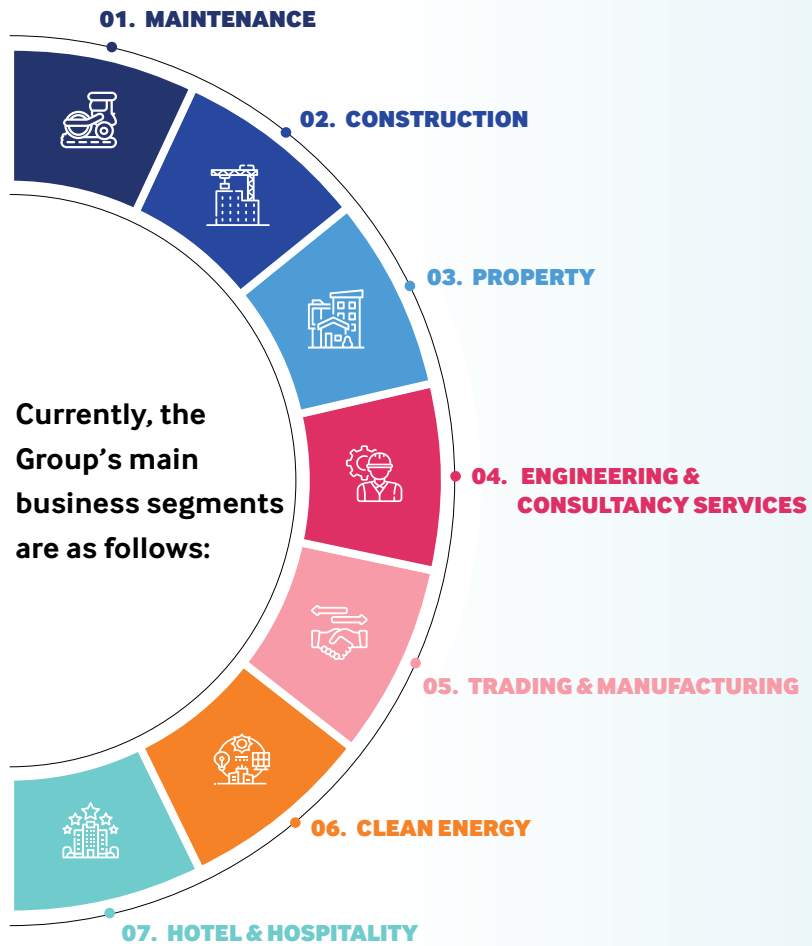
# Management Discussion and Analysis

## INTRODUCTION

PB was incorporated on 18 May 2001 as an investment holding company and listed on the Main Market of Bursa Malaysia Securities Berhad (then Main Board of KLSE) on 8 August 2003.

During the initial IPO period, the PB Group was principally involved in construction (including road maintenance), engineering services & consultancy, education & training, and trading of construction-related materials.

Since then, the Group has maintained its position as the leading road specialist in Malaysia and diversified into property development and investment property. Subsequently, the Group entered the renewable energy business in FY2017 when it secured a Letter of Acceptance of Offer for the development of a large-scale solar PV plant of 9MWdc at Masjid Tanah, Melaka, from the Energy Commission. During FY2020 and in the midst of the COVID-19 pandemic, the Group commenced its new hotel and hospitality business within its 100-acres De Centrum City.



Please refer to the **SEGMENTAL PERFORMANCES** for the business nature, financial performance, prospects, and other information of the respective business segments.

## CORPORATE OBJECTIVES

As a good and responsible corporate citizen, PB will continue to thrive and strive the following corporate objectives:

- (i) To enhance shareholder value in terms of return on investment and market capitalisation through excellent financial performance, progressive business growth, and long-term sustainability.
- (ii) To provide a comfortable ambience in the workplace and fascinating career path for all employees; and
- (iii) To support nation building by focusing on fostering social cohesion, economic development, and civic engagement, while also upholding democratic values and promoting inclusivity.

# Management Discussion and Analysis

## GROUP FINANCIAL REVIEW

### Financial Performance

	FY2025 RM'000	FY2024 RM'000	CHANGES	
			RM'000	%
Revenue	<b>1,420,431</b>	1,307,638	112,793	9%
Gross Profit	<b>255,052</b>	191,995	63,057	33%
Gross Profit Margin	<b>18%</b>	15%		3%
Other Income	<b>30,373</b>	12,766	17,607	138%
Profit before Taxation	<b>160,082</b>	79,159	80,923	102%
Profit after Taxation	<b>119,382</b>	55,456	63,926	115%
Profit after Taxation Attributable to:				
Owners of the Company	<b>70,392</b>	25,373	45,019	177%
Non-controlling Interests	<b>48,990</b>	30,083	18,907	63%
	<b>119,382</b>	55,456	63,926	115%
Earnings per share (sen)	<b>14.61</b>	5.26	9.35	178%

For the current FY2025 under review, the Group's revenue and profit before taxation increased by RM112.8 million and RM80.9 million respectively as compared to the previous FY2024. The increase in revenue and profit before taxation was mainly supported by the Maintenance, Construction, Engineering & Consultancy, and Energy business segments but the Property, Trading, and Agriventure business segments incurred a loss before taxation in the current financial year.

The Group achieved a gross profit of RM255.1 million and gross profit margin (GPM) of 18% compared to RM192.0 million and 15% respectively in FY2024. The accretion of RM63.1 million in gross profit and additional 3% GPM were contributed by the Maintenance, Engineering & Consultancy, and Energy business segments, resulting from the increase in the volume of work done and improved margins.

The Maintenance business segment continued to be the main contributor of the Group revenue and net profit in the current financial year while the Engineering & Consultancy, and Energy business segments further strengthened the revenue and net profit of the Group compared to the previous financial year.

Several key factors that enhanced the current financial year's bottom line:

- (i) Increase in both schedule of rates and volume of maintenance works undertaken;
- (ii) Accelerated physical progress on construction projects resulting in the increase in progress billings;
- (iii) Increase in engineering consultancy works which yielded higher profit margins;
- (iv) Higher volume solar panel installation works with improved profit margins; and
- (v) Improved financial performance from the associates of the Maintenance business segment.

The robust current financial performance was also made possible because of a conducive business and economic climate and continued prudent financial and operating measures taken. Consequently, the Group's net profit attributable to owners of the Company surged from RM25.4 million in FY2024 to RM70.4 million in FY2025.

A summary of the Group's 5-years financial performance is presented in the Group Financial Highlights.

# Management Discussion and Analysis

## Financial Position

	FY2025 RM'000	FY2024 RM'000	CHANGES	
			RM'000	%
Non-current Assets	364,153	363,886	267	0%
Current Assets	731,134	583,383	147,751	25%
Total Assets	1,095,287	947,269	148,018	16%
Total Equity	476,570	382,612	93,958	25%
Non-current Liabilities	50,695	55,656	(4,961)	9%
Current Liabilities	568,022	509,001	59,021	-12%
Total Liabilities	618,717	564,657	54,060	-10%
Total Equity & Liabilities	1,095,287	947,269	148,018	-16%
Net assets per share (RM)	0.81	0.66	0.15	23%

The non-current assets of the Group increased by RM0.3 million mainly due to the movements of property, plant and equipment, and increase in investments in associates arising from their share of profits, while the current assets increased by RM147.8 million from RM583.4 million in FYE2024 to RM731.1 million in FYE2025 due mainly to the increase in cash and bank balances, deposits with licensed banks, and short-term investments.

Non-current liabilities as at FYE2025 were RM50.7 million compared to RM55.7 million in FYE2024. The decrease of RM5.0 million was due to the repayment of term loans. However, current liabilities increased by

RM59.0 million, from RM509.0 million in FY2024 to RM568.0 million in FY2025 due mainly to the expected payments to suppliers and subcontractors in early next financial year.

The Group's net assets per share increased from 66 sen in FYE2024 to 81 sen in FYE2025 due to registered profit after taxation attributable to the owners of the Company of RM70.4 million in the current financial year. Earnings per share increased from 5.26 sen in FYE2024 to 14.61 sen in FYE2025.

Both the Group's net gearing ratio for FYE2025 and FY2024 recorded negative

figures due to the cash and bank balances being higher than bank borrowings while the gross gearing ratio decreased from 0.52 times in FY2024 to 0.40 times in FY2025. The decrease in the gross gearing ratio was due to repayment of term loans and increase in total equity resulting from the net profit achieved in the current financial year.

The Group achieved a return on equity of 18.01% in FY2025 as compared to 7.93% in FY2024. This remarkable performance of 127% increase in return on equity demonstrates the Group's agility and resilience in managing its business operations and financial resources.

## Liquidity and Capital Resources

	FY2025 RM'000	FY2024 RM'000	Difference
			RM'000
Net cash flows from operating activities	182,096	131,065	51,031
Net cash flows from/(for) investing activities	21,034	(2,012)	23,046
Net cash flows for financing activities	(41,273)	(46,862)	5,589
Net change in cash and cash equivalents	161,857	82,191	79,666
Cash and cash equivalents at the beginning of the financial year	203,052	125,166	77,886
Transfer to assets of disposal group held for sales	-	(4,305)	4,305
Cash and cash equivalents at the end of the financial year	364,909	203,052	161,857

# Management Discussion and Analysis

The Group recorded a net increase in cash and cash equivalents of RM161.9 million in FY2025 compared to RM82.2 million in FY2024. The net changes in cash and cash equivalents in FY2025 are as follows:

(i) Net cash generated from operating activities in FY2025 was RM182.1 million compared to RM131.1 million in FY2024. This was mainly due to the net inflows from working capital changes of RM55.4 million (FY2024: RM56.2 million) and positive operating profit before working capital changes of RM158.7 million (FY2024: RM100.9 million).

(ii) Net cash generated from investing activities in FY2025 was RM21.0 million compared to net cash used in investing activities of RM2.0 million in FY2024 mainly due to net cash inflow from the disposal of a subsidiary company in the current financial year.

(iii) Net cash used in financing activities in FY2025 was RM41.3 million (FY2024: RM46.9 million) mainly due to dividends paid to non-controlling interests, repayment of term loans and interests paid in the current financial year.

**The Group will continue its strict cash management measures to preserve working capital while ensuring minimal disruption to the operations of all business segments. Countermeasures are in place to maintain financial stability and operational continuity.**

## SEGMENTAL PERFORMANCES



### 01 MAINTENANCE



The Group's Maintenance segment is currently being undertaken by the following companies through concessions and long-term contracts awarded by the Federal and State Governments:

#### CONCESSION – FEDERAL ROAD MAINTENANCE (FRM)

▶ **A 10-year FRM concession of 7,263km commencing from February 2016 by Roadcare (M) Sdn Bhd.**

▶ **A 10-year FRM concession of 751km commencing from September 2018 by DAL HCM Sdn Bhd**

- Group's equity interest is 51%
- Routine maintenance – recurring approximately RM140 million per annum
- Periodic maintenance and emergency works – based on actual work carried out (estimated to be RM130 million – RM150 million per annum)
- Covering the states of Selangor, Pahang, Kelantan and Terengganu
- Concession expired in February 2026 and extended for another year, expiring in February 2027 under an Interim Agreement with the government

- Group's interest is 30%
- Routine maintenance – recurring RM24 million per annum
- Periodic maintenance and emergency works – based on actual work carried out (estimated to be RM50 million – RM80 million per annum)
- Covering federal roads from Kuching to Lawas in Sarawak.
- Concession expires in August 2028

# Management Discussion and Analysis

LONG TERM CONTRACTS (LTC)			
<p><b>1</b></p> <p>A 7-year contract followed by a 5-year contract with an extension of another 2 years for 2,127km, State Road Maintenance in the State of Perak.</p> <p><b>Contract sum:</b> RM176.1 million for 2 years</p> <p><b>Date of commencement:</b> 1 January 2013</p> <p>Undertaken by Empayar Indera Sdn Bhd in which the Group's equity interest is 49% (FY2024:51%)</p> <p>LTC expires in December 2026</p>	<p><b>2</b></p> <p>A 2-year contract followed by a 5-year contract with an extension of another 2 years for 3,191km, Agriculture Road Maintenance in the State of Perak.</p> <p><b>Contract sum:</b> RM92.1 million for 2 years</p> <p><b>Date of commencement:</b> 20 February 2017</p> <p>Undertaken by Empayar Indera Sdn Bhd in which the Group's equity interest is 49% (FY2024:51%)</p> <p>LTC expired in February 2026</p>	<p><b>3</b></p> <p>A 10-year contract of Rural Road Maintenance for the State of Terengganu of approximately 2,500km</p> <p><b>Contract sum:</b> RM171.8 million for 10 years</p> <p>Undertaken by Permint Granite-HCM Sdn Bhd where the Group's equity interest is 70%</p> <p>LTC expires in April 2027</p>	<p><b>4</b></p> <p>A 10-year Performance Based Contract for the Long-Term Management and Maintenance of State Roads [Jalanraya Negeri (JRN)] in Sarawak, Package 3 (Mukah Division) awarded by Jabatan Kerja Raya (Public Works Department) of approximately 800km.</p> <p><b>Contract sum:</b> RM24.6 million per year (subject to review every 3 years with a maximum increase of 7.2% per revision)</p> <p>Undertaken by PJP Barisan HCM JV Sdn Bhd in which the Group's equity interest is 30%</p> <p>LTC expires in December 2029</p>

## REVIEW OF OPERATIONS

The Maintenance segment recorded an increase in revenue of RM179.6 million or 20% from RM911.5 million in FY2024 to RM1,091.1 million in FY2025. The Maintenance segment revenue represented approximately 77% of the Group's revenue in FYE2025.

The increase in revenue for the FY2025 was due to an upward revision in the schedule of rates in Quarter 2 FY2024 for federal roads and higher volume of routine and periodic maintenance works performed. Consequently, profit before taxation (PBT) increased from RM88.9 million in FY2024 to RM145.3 million in FY2025.

Our 30% associated companies, DAL-HCM Sdn Bhd and PJP Barisan HCM JV Sdn Bhd, contributed a total of RM7.6 million to the PAT of RM107.9 million of the Maintenance segment.

## SEGMENTAL RISKS

Our road maintenance activities are dependent on numerous factors including the Government's budget for periodic maintenance, the occurrence of events that require additional emergency maintenance and the success of our bids for new and renewal of contracts and concessions.

## MOVING FORWARD

We expect the government to enhance the budgetary allocation in the coming year, particularly for road maintenance, supply of construction materials, and engineering works that are tied to Visit Malaysia Year 2026. This budget allocation is expected to abundantly benefit our Maintenance Business segment which will boost our revenue and profit margins for road maintenance works to be carried out in FY2026.

Our Maintenance segment is expected to continue as the primary revenue and profit contributor to the Group in FY2026. The Group is also actively pursuing other opportunities to further improve the Maintenance segment's financial results.

# Management Discussion and Analysis



## CONSTRUCTION



The Construction segment refers to activities of project management and sub-contracting of residential or commercial properties, infrastructure works, etc based on contracts entered with clients.

### REVIEW OF OPERATIONS

Revenue for the Construction segment increased from RM44.9 million in FY2024 to RM46.8 million in FY2025 due to the increase in progress billings for the upgrading roadwork project in Kulim, Kedah.

The gross profit was at RM7.1 million and coupled with higher other income, lower administrative expenses and finance costs, has resulted in the reversal from a loss before tax (LBT) of RM10.4 million in FY2024 to a PBT of RM1.3 million in FY2025.

### SEGMENTAL RISKS

Our construction activities depend on the ability to replenish the order book and the general economic climate of the country. Other factors that may affect the profit contribution of our Construction segment include the cost of raw materials, labour and other related expenses.

### MOVING FORWARD

The construction market covers a broad range of constructing activities, such as, commercial, industrial, infrastructure, and residential. It benefits from a mixture of domestic and international investments, with government policies promoting growth through large-scale projects.

The construction sector is a critical driver of the nation's economy, contributing significantly to the infrastructure development, employment, and urbanisation. This segment is poised for substantial growth, largely driven by the private sector, particularly data centres, industrial properties, and mixed residential property developments, as public mega infrastructure projects take a back seat.

The prospect for the construction industry in the Malaysian Budget 2026 is positive, driven by sustained government development expenditure, the implementation of the 13<sup>th</sup> Malaysia Plan (13MP) and key national initiatives, and accelerated private investments in high-value sectors. The sector is expected to record an annual average growth rate of approximately 6.1% in 2026.

With the construction sector growth momentum expected to remain robust in FY2026, we are taking all the necessary measures and strategies to continue to bid for lucrative projects not only to replenish but also to increase our order book.

We will emphasise on managing project costs, increase efficiency and timely delivery to achieve better profit margins in every project that we secured.



# Management Discussion and Analysis



03

## PROPERTY

The Property Development segment refers to the full spectrum of development activities from land acquisition to handover of completed property units to buyers.

Property Investment refers to the asset management activities where income is derived from rental or usage of assets.

### 1.0 OVERVIEW OF THE PROPERTY MARKET

- ▶ The Malaysian economy expanded by 5.2% in 2025, driven by strong domestic demand and favourable exports, exceeding the forecast range of 4% to 4.8%. According to Bank Negara, growth in household spending is driven by positive labour market conditions and income related policy support. The strong investment growth was underpinned by increased spending on machinery and equipment, particularly for data centres and further implementation of multi-year projects in both private and public sectors. Meanwhile, housing incentives given under Budget 2025 and reduction of the Overnight Policy Rate (OPR) at 2.75%, are also stimulating demand and supporting the property market growth.

Despite the challenging global economy uncertainty, Malaysia's property market in 2025 remains resilient. Transaction values continued to expand despite a slight contraction in transaction volume. A total of 416,413 property transactions were recorded, representing a slight decline of 1%, while the total transaction value increased by 4.1% to RM241.87 billion compared to 2024.

Several initiatives which were outlined under Budget 2025 by the government, have become a catalyst to the sustainable property market activities, among others:

- |   |   |  |
|---|---|--|
| <ul style="list-style-type: none"> <li>i. Allocation of RM405 million to continue 48 Program Residensi Rakyat (PRR), including two new PRR in Port Dickson, Negeri Sembilan and Seberang Perai Tengah, Pulau Pinang.</li> <li>ii. Allocation of RM452 million to provide 14 Rumah Mesra Rakyat (RMR) which involves construction of 5,410 units of new housing.</li> <li>iii. Provide Government Guarantees of up to RM10 billion under Housing Credit Guarantee Scheme (SJKP) on housing financing for the benefit of 20,000 home buyers.</li> </ul> | <ul style="list-style-type: none"> <li>iv. Provide individual income tax relief on housing loan interest payments to encourage home ownership among first-time buyers. Tax relief of up to RM7,000 for residential homes priced up to RM500,000 and tax relief of up to RM5,000 for residential homes priced from RM500,000 to RM750,000.</li> <li>v. The Step-Up Financing Scheme under SJKP was introduced as a Government guarantee of up to RM5 billion specifically for youngsters seeking to purchase their first home, with a lower instalment rate for the first five years.</li> </ul> | <ul style="list-style-type: none"> <li>vi. Funding RM200 million through UDA for the development of affordable housing for rakyat on waqf lands.</li> <li>vii. Forest City has been approved as a Duty-Free Island to boost tourism and local economic activities. In addition, an incentive package for the Forest City Special Financial Zone was announced in September 2024 to boost financial services activities, such as global business financial services and fintech.</li> </ul> |
|---|---|--|

Property market activity remained resilient, underpinned by domestic residential demand, while market participants continued to adopt a more cautious and selective approach. The industrial market showed a significant growth momentum, achieving an increase of 21.3% in value, while volume rose by 1.4%. This strong value growth is driven by high-value industrial demand and improving investor confidence in strategic industrial zones. The performance is also driven by the sustainability of Malaysia's economy and the continuous government support, including Budget 2025, the full implementation of the New Industrial Master Plan 2030 (NIMP 2030), and the Thirteenth Malaysia Plan.

The growth in 2025 property market is highly supported by the implementation of various government efforts and initiatives to drive Malaysia's economy and simultaneously stimulating the expansion of the property market nationwide through the MADANI Economy Framework.

# Management Discussion and Analysis

The residential sub-sector sustained its expansion and strengthened its position as the largest contributor to the market activity, dominating in both volume and value of national property transactions. By price range, the property price above RM1 million recorded the highest growth at 6.5%, while other price ranges showed downward trend. The strong value growth reflects changes in the composition of transactions by price range, supported by government initiatives outlined in Budget 2025, boosting confidence in the property market.

## 2.0 PROPERTY MARKET ACTIVITY

▶ The property market performance remained resilient amid global economic uncertainties in 2025, supported by stable Malaysian economic conditions and targeted government initiatives. A total of 416,413 transactions worth RM241.87 billion were recorded, expanded by 4.1% in value, while volume experienced a slight decline of 1% compared to 2024. Of the total transactions, 79.2% (329,606 transactions) were transfers in 2025, 17.9% (74,458 transactions) were from 2024, and the remaining share consisted of transfers from 2023.

Sectoral market activity recorded mixed performance. All subsectors recorded year-on-year growth in the volume of transactions except for residential and agriculture subsectors, which declined by 1.5% and 2.7%, respectively. Meanwhile, the industrial and commercial sub-sectors show modest growth of 1.4% each, driven by sustained nationwide demand. In terms of value, all sub-sectors recorded growth except for agriculture. The industrial sub-sector led with an increase of 21.3%, followed by development land and others (17.2%), residential and commercial sub-sectors registered more moderate value growth of 1.3% and 1.1%, respectively.

The residential sub-sector, historically the largest segment of overall property transactions, continued to dominate the volume of transactions, with 61.6% of the total market activity. However, transaction values grew at a more moderate pace, contributing 44.8%, indicating stable pricing conditions. Demand was

mainly driven by domestic buyers, with sustained interest concentrated on the affordable housing segment and lifestyle-oriented developments. Meanwhile, the commercial and industrial subsectors recorded lower transaction volumes, contributing 11.2% and 2.1%, but accounted for higher shares of transaction value with 24.3% and 14%, respectively.

*(Source: NAPIC, Property Market Report 2025)*

We launched the Jade Hill project in Tampin, Negeri Sembilan in FY2022. The development project under Phase 1A comprised 74 units single storey terrace Type B and 21 units single story terrace Type A Rumah Mampu Milik. We handed over the units to the homeowners in August 2024 and achieved a take up rate of 96% to date.

We commenced the development project for Phase 2A-1 which comprised 36 units of double-storey terraced house and 18 units of low cost Rumah Mampu Milik. To date, the take up rate for the 36 units of double-storey terraced house is 94%. The Rumah Mampu Milik units are unsold pending the balloting date from the State government. We handed over the units to the homeowners in July 2025.

The commencement of the development project of Phase 2A-2 which comprises 44 units of double-storey terrace house and 18 units of low-cost house have been deferred to Quarter 3 of FY2026.

Sentrio 2 – the 3 storey-shop office units were completed in January 2024. Our share is 17 units of which 13 units have already been sold, representing a take up rate of 76%. We expect to sell this balance of 4 units in FY2026.

To remain competitive, new property projects are now aligned to affordable homes where demand is still strong. We will adopt a cautious and resilient approach towards the changes in the property market.

The Property Development segment will concentrate its efforts in prudent management of construction and operating costs, positive operating net cash flows, innovative marketing campaign and digital platform to maximise profits. At the same time, we provide high quality product at affordable prices and excellent customer service to attract house buyers.

For Property Investment, the financial performances of the De Centrum Mall and the Student Residency were below expectation due to lower rental income generated which resulted from reduced occupancy rates in FY2025, compared to FY2024. The main reason was due to the lower-than-expected foreign students recruitment in Kuala Lumpur University of Science and Technology (KLUST) (formerly known as Infrastructure University of Kuala Lumpur (IUKL)) during the current financial year.

# Management Discussion and Analysis

## REVIEW OF OPERATIONS

Revenue was RM11.3 million in FY2025 compared to RM25.2 million in FY2024 due to the completion of Phase 2A-1 and the postponement of Phase 2A-2 of the Jade Hill project; no sales of the shoptop units in Sentrio Pasir Gudang; and lower rental income from the De Centrum Mall and Student Accommodation.

The substantial decrease in revenue has resulted in LBT surging from RM6.7 million in FYE2024 to RM8.0 million in FYE2025 due to significant reduction in gross profit.

## MOVING FORWARD

The Malaysian property market in 2026 is poised for stable, moderate growth, transitioning from recovery to sustainable, high-quality development, with a projected 5.2% rise in transaction volume and a 3.5% CAGR in house prices. The outlook remains positive, driven by infrastructure projects (RTS Link, MRT3), urbanisation, and strong demand for residential units in prime, well-connected locations.

### Key 2026 Property Market Trends

- **Residential Sector:** Demand remains active, with a shift towards selective, owner-occupier purchases. Moderate price increases, potentially exceeding 3%, are expected for quality, well-located developments.
- **Commercial & Industrial:** Prime offices, industrial, and logistics assets are expected to perform well. The sector is seeing increased investment in ESG-compliant and future-ready properties.
- **Regional Focus:** Key growth areas include the Klang Valley, Johor (driven by the RTS Link), Penang, and emerging hotspots like Seremban, Nilai, Ipoh, and Kuantan.
- **Market Dynamics:** High demand continues for residential properties, particularly in suburban areas. However, the market is facing challenges related to high supply in certain locations and affordability concerns.
- **Policy Support:** Government policies and incentives, including stamp duty exemptions and the Malaysia My Second Home (MM2H) programme, are expected to continue supporting the market.
- **Outlook:** While the market is resilient, it's expected to show a more nuanced performance, with a clear hierarchy of performance, emphasising alignment with structural demand, capital discipline, and execution certainty.

(Source: Bernama, The Star, Rahim & Co, Knight Frank)

The project development of Residensi Prihatin Keluarga Malaysia is now renamed and repackaged as Residensi Madani Melur and Residensi Harga Bebas Kenanga. Residensi Madani Melur consists 654 units of condominium (2 blocks) with 1 podium block of 7-storey car park and Residensi Harga Bebas Kenanga consists 984 units of condominium (3 blocks) with 1 podium block of 5-storey car park. The total gross development value is estimated at RM522 million.

For Property Investment, we are looking into various options of collaborations for the DC Mall. We are also exploring the possibility of divesting the DC Mall to ease the Group's financial burden.

For the Student Residency, apart from foreign and outstation students of KLUST (formerly known as IUUKL), we are also taking in students from other universities within the vicinity. We expect to improve the occupancy rate and boost revenue for the Student Residency in FY2026.

# Management Discussion and Analysis



## ENGINEERING & CONSULTANCY SERVICES

Our Engineering & Consultancy services segment provides engineering solutions in the areas of geotechnical, pavement, structural, and forensic engineering, while consultancy services are in material certification and technical training.

Our focus is to secure more engineering consultancy contracts where margins are higher than construction activities which may be risky and low margins.

### REVIEW OF OPERATIONS

Revenue increased by 41% from RM33.6 million in FY2024 to RM47.2 million in FY2025 due to higher pavement and site investigation works.

Despite the increase in revenue and gross profit, the profit before tax declined by RM2.4 million from RM10.9 million in FY2024 to RM8.5 million in FY2025 due to lower other income and higher operating expenses.

### SEGMENTAL RISKS

Demand for our Engineering & Consultancy services is dependent on the overall economic environment as a slowing economy would affect any capital expansion and thus for our services. We may be exposed to potential liability claims on our negligence to properly manage and safeguard our clients' assets and interests.

### MOVING FORWARD

Our Engineering & Consultancy segment operates mainly within the engineering and project management services in the country. Growth within the engineering and project management services market is likely to be derived from:

- government-led initiatives and spending;
- sustained economic growth to support spending and investment in properties;
- increasing participation by professionals in the provision of engineering and project management services; and
- strategic need for engineering and project management services.

Thus, we are enhancing & rebranding our 'IKRAM Brand' as 'Total Integrated Engineering Solutions Provider' specialised in Geotechnical & Geo Environmental Engineering, Pavement, Highway & Transportation Engineering, Structural & Material Engineering, Product & Personal Certification, and Technical Training.

We will continue to work with other highway concessioners to expand our pavement condition assessment, building information modelling and other evaluation works.



# Management Discussion and Analysis



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## TRADING & MANUFACTURING

The Trading segment refers to activities of buying and selling of construction materials, equipment and other resources for project use.

Our Trading & Manufacturing segment complements and supports our Maintenance, Construction and Property Development segments by sourcing and supplying raw materials, equipment and other required resources to the sub-contractors of these segments.

### REVIEW OF OPERATIONS

Revenue decreased by 21% (RM52.4 million) from RM253.1 million in FY2024 to RM200.7 million in FY2025 due to lower supply of construction materials to the road maintenance work sub-contractors with high credit risk.

Following the decrease in revenue and increase in cost of sales due to impairment of inventories, this resulted in a reversal of PBT of RM2.3 million in FY2024 to a LBT of RM0.7 million in FY2025.

### SEGMENTAL RISKS

Demand for our products is linked to the amount of construction activity by our business partners.

### MOVING FORWARD

Our Trading & Manufacturing segment supports our other business segments. Thus, the prospects of this segment will depend on the Maintenance segment's ability to secure more road maintenance works and the Construction segment to secure and execute more construction projects.

However, this segment will continue to increase the supply of its high profit margin products to balance the reliance on high volume but low margin bitumen and quarry products.

Concurrently, the segment will also explore other business and products opportunities to reduce its reliance on a few major products which yield low margins.



# Management Discussion and Analysis



06

## CLEAN ENERGY

This business segment signed a 21-year Power Purchase Agreement with Suruhanjaya Tenaga in April 2018 for the construction of a large scale solar (LSS) PV plant of 9.0 MWdc under the LSS2 scheme at Masjid Tanah, Melaka. The said PV plant was completed in early FY2021 and commenced billings for the power generation and supply of energy to TNB in early FY2021.

Our solar farm has been operating at full capacity in power generation since commencement of operations. The operations team is fully dedicated to ensuring that regular maintenance and high operating efficiency will achieve full capacity. Concurrently, the team will also optimise the direct costs to improve gross profit which will contribute to the overall net profits of this business segment.

The Clean Energy segment will continue to participate in the subsequent roll out of the LSS as announced by the Government. We will continue to explore opportunities to participate in more government and private projects, either through direct participation or as Engineering, Procurement, Construction, and Commissioning (EPCC) contractor.

On the other hand, we have continued to secure more EPCC contracts and thereby increasing our order book which will strengthen the continuity of this business segment. The Clean Energy segment will continue to bid for more EPCC contracts to have a large pool of tenderbook which covers various scope of works and profit margins.

### REVIEW OF OPERATIONS

Revenue increased by 30% (RM6.2 million) rising from RM20.1 million in FY2024 to RM26.3 million in FY2025, primarily due to the increase in solar panel installation works performed.

In line with the increase in revenue, this segment posted an increase in PBT of RM2.8 million from RM0.5 million to RM3.3 million. The increase of 560% in PBT was attributed to higher gross profit which resulted from the substantial increase in revenue and higher gross profit margin.

### SEGMENTAL RISKS

Changing of government policies and incentives directly affects the business of Clean Energy. On the other hand, pandemic or local infectious disease will disrupt the business operations.

The success of our business segment relies on controls and mitigation strategies to overcome numerous risks such as liquidity, operational, environmental, compliance and internal management.

### MOVING FORWARD

We expect a steady revenue and cash flow streams from the solar farm billings for the power generation and supply of energy to TNB monthly.

With the increase in the orderbook of the EPCC contracts in FY2025, we expect the Clean Energy segment to achieve better financial results and contribute positively to the Group's financial performance in FY2026.

The renewable energy business sector is currently more competitive with declining offer price under the latest LSS scheme. However, this is compensated by the reduced price of solar panels which allows for sustainable profit margins.

We will continue to participate in the LSS tenders, secure more EPCC contracts for the installation of solar panels and other related services, and rooftop solar systems.

# Management Discussion and Analysis



07

## HOTEL & HOSPITALITY

The Malaysian hotel industry in 2025 is experiencing a strong recovery, with occupancy and average daily rates (ADR) exceeding 2019 levels, driven by 28.2 million international arrivals by Q3 2025 and robust domestic tourism.

The sector is building momentum toward Visit Malaysia Year 2026 with growth in boutique hotels, luxury resorts, and high-end 5-star developments in the Klang Valley. However, challenges include skilled labour shortages, higher operational costs, and the need to embrace sustainability and AI for operational efficiency.

It's the norm for the hotel industry to experience low-peak and high-peak seasons every year. Park Inn by Radisson Putrajaya (PIRP) hotel regularly monitors and updates its average room rates to optimise its occupancy rates to achieve maximum possible revenue and gross profit.

### REVIEW OF OPERATIONS

Revenue increased marginally to RM13.3 million in FY2025 compared to RM12.7 million in FY2024, due to a marginal increase in occupancy. Our F&B income recorded an increase of approximately 4% from RM4.4 million in FY2024 to RM4.6 million in FY2025.

This segment recorded an increase in LBT of RM0.2 million in FY2024 to RM0.3 million in FY2025 due to higher operating expenses and finance costs.

### SEGMENTAL RISKS

Pandemic, spread of local infectious diseases, competition from AirBNB, changing customer demand, technological change, and cybersecurity are some of the risks that are applicable to the hotel industry.

Control procedures are put in place to mitigate such risks, and regular monitoring is performed to ensure the control procedures are still applicable, relevant and effective.

### MOVING FORWARD

The prospect for Malaysia's hotel industry in Budget 2026 is positive, driven by the Visit Malaysia Year 2026 campaign, which aims to attract 47 million visitors and generate RM329 billion in tourism receipts. The budget supports this with RM500 million for promotions and infrastructure, alongside tax incentives and reliefs for the sector. Key initiatives include encouraging domestic tourism with tax relief and improving air connectivity, which are expected to boost demand for hotels and related services.

PIRP will enhance its marketing and promotional activities through various platforms to attract varied guests and thereby increasing occupancy rates while providing value-for-money services to strengthen its average daily rental rates.

The hotel industry is very competitive and requires updating and fulfilling the demands of its guests and continuously providing courteous services and sumptuous food.

The hotel industry will benefit from the expected increase in tourist arrivals and spending which will drive the nation's economic growth in the coming years.

# Management Discussion and Analysis

## RISK MANAGEMENT

### Introduction

As part of the corporate objectives of the Group, the Board is always seeking new ways to enhance shareholders' value. In the process, the Board and the Management realised that there is a connection between value creation and risk management. Risks are no longer just hazards to be avoided but opportunities to create value that ultimately enhances shareholders' wealth. The question is how best to manage risks to extract that value.

The Group has adopted the Enterprise Risk Management (ERM) as an important management tool and put into practise how to manage business and operational uncertainties. It is a disciplined approach to evaluating and managing uncertainties the Group is likely to face when creating value. To maximise shareholders' value, a truly holistic, integrated, future-focused, and process-oriented approach to risk is required.

**The Group has adopted the Enterprise Risk Management (ERM) as an important management tool and put into practise how to manage business and operational uncertainties. It is a disciplined approach to evaluating and managing uncertainties the Group is likely to face when creating value.**

Recognising the connection between value creation and risk management, the Group has established an ERM framework that provides guidance on the broad scope of the fundamental concepts, classifications, identification, attitudes and effective management of risks. The components and continuous process of risk management are also covered by the framework.

### COMPONENTS OF ERM

- ▶ **Internal Environment** – The internal environment encompasses the tone of an organisation and sets the basis for how risks are viewed and addressed by the Management and risk owners, including risk management philosophy and risk appetite, integrity and ethical values, and the environment in which they operate.
- ▶ **Risk Assessment** – Risks are analysed, considering likelihood and impact, as a basis for determining how they should be managed. Proper control procedures are put in place to mitigate the likelihood and impact of these key risks.
- ▶ **Risk Response** – Management selects risk responses – avoiding, accepting, reducing, or sharing risk – developing a set of actions to align risks with the Group's risk tolerances and risk appetite.
- ▶ **Control Activities** – Policies and procedures are established and implemented to help ensure the risk responses are effectively carried out.
- ▶ **Information and Communication** – Relevant information is identified, captured, and communicated in a form and timeframe that enables risk owners to carry out their responsibilities. Effective communication also occurs in a broader sense, flowing down, across, and up the organisation.
- ▶ **Monitoring** – The entirety of ERM is monitored and modifications made as necessary. Monitoring is accomplished through ongoing management activities, separate evaluations, or both.

# Management Discussion and Analysis

## PROCESS OF ERM

The objective of the risk management process is to develop an individual risk profile where risk assessment is conducted from risk identification, analysis and evaluation of existing controls.

- ▶ **Risk identification** – identify all risks which may cause potential losses of business assets and income, and other form of losses.
- ▶ **Evaluate the potential losses** – estimating the severity and frequency of the identified potential losses.
- ▶ **Risk analysis and treatment** – apply risk management techniques for the treatment of risk. Such treatment can be grouped into risk control, risk financing, and internal risk reduction.
- ▶ **Apply risk management method** – risk management matrix or risk rating matrix.
- ▶ **Risk evaluation** – risk management objectives, potential risks and severity of losses, appropriate risk management methods, and detail out the costs involved.
- ▶ **Monitoring and communications** – regular monitoring of risk assessments and controls. Communicate with all risk owners on the progress, actions required, and improvements of risk management for each business entity.



For the current financial year **risk management progress**, please refer to the Statement of Risk Management and Internal Control on pages 170 to 179 of this Annual Report.

## ACKNOWLEDGEMENT & APPRECIATION

Since its listing, FY2025 was a year of success for the Group with the highest recorded group revenue and net profit attributable to the owners of the Company. Nevertheless, we are cautious of the uncertainties ahead due to the recent war in Iran and domestic challenges which may impact the Group's financial performance.

For the challenges in FY2026 and thereafter, we will continue to scale up our profitable business segments through efficient, sustainable, and automated operational systems. We will focus on operational efficiencies, customer retention, financial discipline, and strategic innovation. Key strategies will include maximising cash flows, nurturing the existing customer base, investing in high-performance talent, and maintaining continuous improvement.

The Board and Management deliberate on a regular basis on the various options available to resolve the loss-making business segments. Such options include business turnaround strategies, collaborations, and assets monetisation.

The Group remains committed and dedicated to structured execution, strategic resource management and the incremental improvement of its diversified business portfolio.

With the support of our Board and Management, teamwork of our employees, and the confidence of our stakeholders, we will progress and achieve the Group's Vision, Mission, Core Values, and Corporate Objectives.

I would like to take this opportunity to extend my sincere gratitude to our Executive Chairman, Board members, Management, employees, business associates and stakeholders for their unwavering co-operation and support, which have contributed to the success of the Group.

Thank you.

**Dato Ir Kenny Chong Ther Nen**  
Group Managing Director

# Sustainability Report

## Sustainable Progress with Focus

**AS CHAIRMAN OF THE SUSTAINABILITY STEERING COMMITTEE, I AM PLEASSED TO PRESENT PROTASCO BERHAD'S (PROTASCO OR THE GROUP) SUSTAINABILITY REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025, WHICH REFLECTS OUR PROGRESS IN STRENGTHENING SUSTAINABILITY AS A FUNDAMENTAL PART OF HOW WE OPERATE AND CREATE VALUE.**

**Sustainability continues to guide our long-term direction, shaping how we manage our environmental responsibilities while supporting our people and communities.**



# Sustainability Report

In 2025, we are proud to have once again retained our 3-star standing on the FTSE4Good Index (December 2025), with an improved overall score of 2.9, up from 2.5 in the previous year. This continued recognition demonstrates the Group's consistent efforts in upholding responsible business practices and reinforces our commitment to advancing ESG excellence across all divisions.

Our efforts this year remained anchored on the I Am Protasco 3.0 (IAP 3.0) framework, which continues to steer our organisational transformation. Through this framework, we have intensified initiatives in talent upskilling, service innovation, operational efficiency, and alignment with the United Nations Sustainable Development Goals (SDGs) as well as Malaysia's climate and sustainability aspirations. These initiatives have strengthened our foundations, baseline setting and supported our ongoing initiatives.

As Malaysia progresses toward the National Sustainability Reporting Framework (NSRF), Protasco is committed to enhancing the quality and comparability of our sustainability disclosures. Strengthening data governance and aligning our reporting practices with NSRF will ensure that our transparency and accountability continue to meet the needs of regulators, investors, and stakeholders. In response, Protasco is enhancing its sustainability data management and reporting process to better align with emerging NSRF.

During the year, we partnered with external experts to undertake a Climate Risk Assessment Workshop, which enabled us to identify our material climate-related risks and opportunities and to refine our strategies for managing them. This exercise has further improved our understanding of climate impacts on our operations and supports our ongoing efforts towards resilience and long-term value creation.



Details of our **climate-related disclosures** are available in the IFRS S2 section on page 124.

Across our core businesses including road construction, maintenance, clean energy and consultancy, we have continued embedding sustainability into daily operations and strategic planning. Governance remains our strongest ESG pillar, supported by robust risk management, corporate governance and anti-corruption practices. However, our 2025 FTSE results also highlight that environmental performance and certain social aspects requiring greater focus and improvement. Addressing these gaps progressively, we intend to move beyond the current ESG standing.

While we recognise the progress achieved this year, we also acknowledge that sustainability is a continuous and evolving commitment. Our latest FTSE4Good Index results serve both as encouragement to further intensify our efforts, strengthen collaboration, and deliver sustainable outcomes that benefit our stakeholders and the communities we serve.

On behalf of the Sustainability Steering Committee (SSC), I thank our Board, management, employees and business partners for their continued support and contributions. With sustained commitment and a sharper focus on performance, we remain determined to strengthen our sustainability profile and deliver long term value to our stakeholders and the communities we serve.

Thank you for your ongoing confidence.

Sincerely,

**Dato' Ir. Kenny Chong Ther Nen**  
Chairman of Sustainability Steering Committee (SSC)  
Protasco Berhad

## SUSTAINABILITY STATEMENT

**AT PROTASCO, WE ARE COMMITTED TO CREATING LONG-TERM STAKEHOLDER VALUE BY EMBEDDING ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) PRINCIPLES INTO OUR DIVERSE BUSINESS.**

Driven by our commitment to create stakeholder value, we aim to



**Deliver quality products and services**



**Protect the environment**



**Empower our people**



**Support communities**



**Uphold integrity in governance**



**Safeguard shareholder interests**

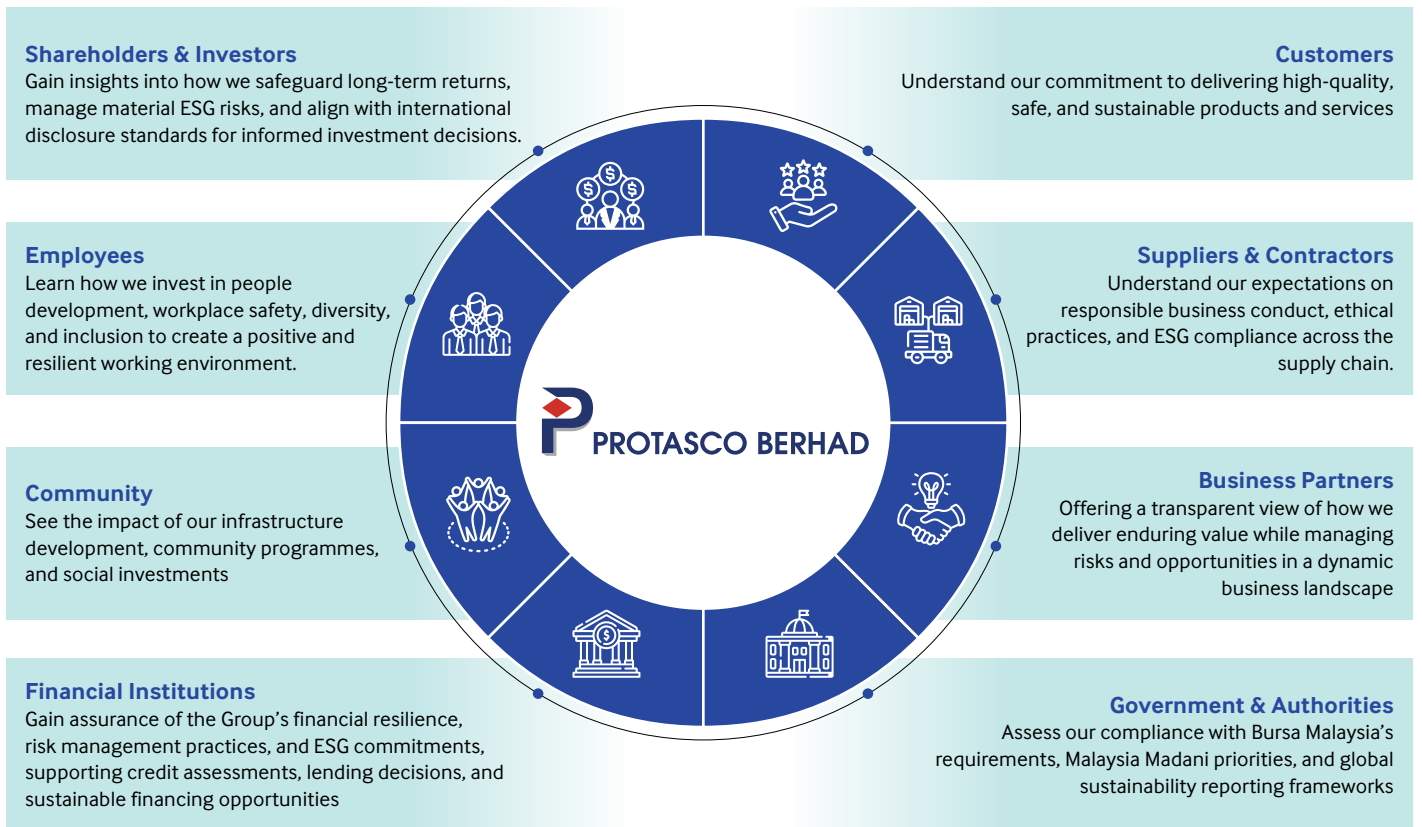
In compliance with regulatory requirements and aligned with national and global sustainability frameworks and standards, we continue to address emerging risks, enhance transparency, and improve operational processes to ensure sustainable growth that contributes to Malaysia's national priorities and the global sustainability agenda.

# Sustainability Report

## ABOUT THIS REPORT

### Introduction

As part of our commitment to transparency and accountability, the Group provides a comprehensive overview of the entities included in our sustainability reporting. This disclosure ensures that stakeholders understand the scope of our reporting and the extent of our sustainability practices.



These are also our forward-looking statements relating to key performance indicators (KPIs), targets, strategic priorities, operational plans, and projected figures. These statements are based on reasonable assumptions and information available at the time of reporting, considering prevailing market trends and developments.

Readers are advised to exercise discretion when interpreting or relying on such statements. Protasco makes no representation or warranty, whether expressed or implied, regarding the achievement of any future outcomes or projections disclosed in this report.

# Sustainability Report

## Scope of Reporting

This Sustainability Report covers the reporting period from 1 January 2025 to 31 December 2025, unless stated otherwise. The scope of this Report encompasses Protasco as the holding company, together with all relevant operating companies and subsidiaries within the Group.

The Report includes disclosures and performance data from across the Group's diverse BUs, including construction, engineering, maintenance, property, hotel, trading, clean energy, and other supporting divisions. Following are the BUs and their related entities where most of the data have been compiled to present this report.

Business Unit	Entities
Corporate Office	Protasco Berhad
Agriventure	Tenggara Food Industries Sdn Bhd
Clean Energy	I2 Energy Sdn Bhd
	I2 Solarpark One Sdn Bhd
	Solarcap Sdn Bhd
	Ikrametics Sdn Bhd (formerly known as Ikram Greentech Sdn Bhd)
Engineering & Consultancy Services	Ikram Works Sdn Bhd
	Ikram Engineering Services Sdn Bhd
	Ikram QA Services Sdn Bhd
	Ikram Paves Sdn Bhd
	Ikram Engineering Consulting Sdn Bhd
	Ikram Premier Consulting Sdn Bhd
Maintenance	Roadcare (M) Sdn Bhd
	Permint Granite-HCM Sdn Bhd
	DAL HCM Sdn Bhd
	Empayar Indera Sdn Bhd
Property & Construction	Protasco Development Sdn Bhd
	DC Resort Homes Sdn Bhd
	KISB Property Management (Kumpulan Ikram Sdn Bhd)
	HCM Engineering Sdn Bhd
	Ikram Skills Academy Sdn Bhd
Trading & Manufacturing	Protasco Trading Sdn Bhd
	QP Industries Sdn Bhd
	QP Trading Sdn Bhd
Hotel & Hospitality	Park Inn by Radisson Putrajaya (Kumpulan Ikram Sdn Bhd)

However, the Group will indicate in the respective sections where the data was not included for some of the material topics along with justifications.

This Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and with reference to Bursa Malaysia's Sustainability Reporting Guide (3<sup>rd</sup> Edition). The reporting process adheres to the principles of balance, comparability, accuracy, timeliness, clarity, and reliability, to ensure the information presented reflects a fair and transparent account of the Group's sustainability performance and progress.

The Group acknowledges that it is still in the process of strengthening internal processes, data collection systems, and performance metrics to enhance the consistency, reliability, and completeness of sustainability disclosures. Efforts are underway to align reporting practices with current regulatory requirements and materiality expectations, with the intention to provide more detailed, data-driven disclosures in subsequent reporting periods as systems mature and data availability improves.

## Membership in Association

The subsidiaries within the Group actively participate in various professional bodies and industry associations to strengthen industry collaboration, uphold professional standards, and stay abreast of sectoral developments. The memberships for each business segment are outlined below.

Business Segments	Professional Bodies and Industry Associations	
Agriventure	<ul style="list-style-type: none"> <li>Malaysia Fruits Farmer Association (MFFA)</li> </ul>	
Clean Energy	<ul style="list-style-type: none"> <li>Construction Industry Development Board (CIDB)</li> <li>Sustainable Energy Development Authority (SEDA)</li> <li>Malaysian Photovoltaic Industry Association (MPIA)</li> <li>Board of Engineers Malaysia (BEM)</li> <li>MyHijau</li> </ul>	
	Engineering & Consultancy Services	<ul style="list-style-type: none"> <li>Board of Engineers Malaysia (BEM)</li> <li>Institution of Engineers, Malaysia (IEM)</li> <li>Association of Consulting Engineers Malaysia (ACEM)</li> <li>Malaysia Board of Technologists (MBOT)</li> <li>Board of Geologists Malaysia (BoG)</li> <li>Construction Industry Development Board Malaysia (CIDB)</li> <li>National Water Services Commission (SPAN)</li> <li>Department of Standards Malaysia (DSM)</li> <li>Road Engineering Association of Malaysia (REAM)</li> </ul>

# Sustainability Report

Business Segments	Professional Bodies and Industry Associations
Hotel & Hospitality	<ul style="list-style-type: none"> <li>Malaysian Association of Hotels (MAH)</li> <li>Tourism Malaysia Industry Partners Network</li> <li>Malaysian Employers Federation (MEF)</li> </ul>
Maintenance	<ul style="list-style-type: none"> <li>Malaysian Road Builders Association (MRBA)</li> <li>Road Engineering Association of Malaysia (REAM)</li> <li>Malaysian Highway Authority (LLM)</li> <li>Public Works Department (JKR)</li> <li>Strategic Partners Network Malaysian Employers Federation (MEF)</li> <li>Construction Industry Development Board (CIDB)</li> </ul>
Property & Construction	<ul style="list-style-type: none"> <li>Construction Industry Development Board (CIDB)</li> <li>Master Builders Association Malaysia (MBAM)</li> <li>Real Estate and Housing Developers' Association (REHDA)</li> <li>Malaysia Green Building Council (MGBC)</li> </ul>
Trading & Manufacturing	<ul style="list-style-type: none"> <li>Malaysian Employers Federation (MEF)</li> <li>Construction Industry Development Board (CIDB)</li> </ul>

## Entities Excluded

Data were collected from key operating facilities across Malaysia, including manufacturing plants, solar farms, substations, regional offices, and site offices where BU activities occur, to provide our stakeholders with accurate information through this report.

This report covers all active business entities within the Group during the reporting period. The education division has been excluded as it was divested prior to the end of the reporting period and is no longer under the Group's operational or management control. In addition, Ikram Skills Sdn Bhd (ISRA), which is categorised under the Property & Construction segment, has been excluded from the FY2025 sustainability reporting boundary. This exclusion is due to the nature of ISRA's operations, which primarily functions as a training and skills development centre rather than a core construction or property development activity. As such, its operational impacts, risk profile, and sustainability indicators have not been captured for this reporting period.

Due to differences in business activities and operating sectors, certain material topics may not be applicable to specific BUs. Any such exclusions are disclosed and explained within the relevant material topic sections of this report.

## Reporting Boundaries

The boundaries of our sustainability reporting are defined based on operational control. This means that the report includes:

- 1) Entities where the Group has the authority to govern financial and operating policies.
- 2) Entities where the Group directly manages operations and is responsible for sustainability practices.

## Reporting Period and Frequency

This Sustainability Report 2025 (SR2025 or Report) covers the period from 1 January 2025 to 31 December 2025 (FY2025). The data and information presented reflect the Group's sustainability performance, initiatives and outcomes during this reporting period. The Group continues to publish its Sustainability Report annually, underscoring our commitment to provide regular and transparent updates on our environmental, social and governance (ESG) progress. Through this Report, we aim to keep our stakeholders informed of our ongoing efforts, achievements and areas for further improvement.

## Reporting Frameworks and Standards

This Report has been prepared in line with the following key frameworks, guidelines and requirements:

- Bursa Malaysia's Sustainability Reporting Guide 3<sup>rd</sup> Edition
- The Malaysian Code on Corporate Governance 2021 (MCCG)
- Selected disclosures with reference to the Global Reporting Initiative 2021 (GRI 2021) Standards
- National Sustainability Reporting Framework (NSRF) by Securities Commission Malaysia
- IFRS S1 General Requirements for Disclosure of Sustainability related Financial Information (IFRS S1) and IFRS S2 Climate related Disclosures (IFRS S2)
- Sustainability Accounting Standards Board (SASB) Industry-Specific Standards
- FTSE4Good Bursa Malaysia Index requirements
- International Sustainability Standards Board (ISSB) Standards

These frameworks guide the scope, content and structure of this Report to ensure comparability, balance and clarity for our stakeholders.

# Sustainability Report

## Transparency and Accuracy

We strive to provide accurate, complete and balanced information to enable stakeholders to make informed assessments of the Group's sustainability performance. Data and narratives included in this Report have been compiled from various BUs and support functions and have undergone internal review and validation.

Where estimates, assumptions or normalisations are used, they are based on the best information available at the time of reporting and are clearly indicated where relevant. The Group will continue to strengthen its data governance, controls and documentation to enhance the robustness and reliability of sustainability-related information. Any significant changes to the scope or boundaries of our reporting are disclosed in this section.

## ESG Content and Data Assurance

The information presented has been carefully compiled and structured to meet local and international regulatory requirements, align with stakeholder expectations, and address Protasco's key ESG factors and risks within its operational framework. This Sustainability Report has been internally verified by the respective data owners across the Group. In addition, key data have been audited independently by the Group's Internal Audit function and reviewed by the Board Audit Committee prior to the issuance of this Statement of Assurance.

Through this multi-level verification process, the Group ensures that the disclosures are accurate, complete, and in alignment with recognised reporting standards. Any material findings identified during the audit are addressed and resolved prior to publication, reinforcing the reliability, integrity, and credibility of the information presented in this Report. As a result, the report adheres to GRI principles, ensuring accuracy, balance, clarity, comparability, reliability, and timeliness.

For ease of reading, the data presented in tables under each materiality topic has been rounded to the nearest whole number.

## Review and Updating Of This Report

Our reporting scope is reviewed annually to ensure it accurately reflects our operational structure and control. Any updates to the list of included entities or changes in reporting boundaries will be communicated in subsequent reports.

## Limitations and Disclaimer

Protasco continues to enhance the depth and quality of disclosures related to key ESG indicators. Building on the groundwork laid in previous years, we are further strengthening our baseline data across various ESG focus areas. In certain instances, historical comparisons may still be limited; where data is incomplete or unavailable, we have provided clear explanations to maintain transparency.

The data reflects the best information available at the time of reporting, and some details may be omitted due to confidentiality, commercial sensitivity, or material relevance. The Group remains committed to addressing these limitations by enhancing data collection processes, strengthening reporting systems, and expanding disclosure coverage across its operations and supply chain.

Throughout FY2025, we have intensified efforts to improve data tracking and collection processes across all business divisions to more comprehensively address material ESG issues. These initiatives are aimed at strengthening the consistency, accuracy and reliability of our reporting, while providing more meaningful insights for our stakeholders.

The forward-looking statements in this report, including future plans, commitments and targets, are based on reasonable assumptions that reflect current conditions and expectations. However, actual outcomes may differ due to changes in the operating environment and other external factors beyond the Group's control.

**We are constantly making an ongoing commitment to transparency and continuous improvement. The Company assumes no responsibility for any loss or damage arising from the use of the information contained in this Report.**

## References

In this report, 'PB', 'Protasco', 'the Group', or 'we' all refer to Protasco Berhad. 'BUs' refers to the business units within Protasco, which represent our key business segments.

## Report Availability and Feedback Channel

As part of Protasco's ongoing commitment to refining sustainability practices, the Group encourages constructive input from esteemed stakeholders. For any inquiries, feedback, or suggestions, on this Report, stakeholders are encouraged to reach out to our Sustainability Reporting Team through the Company's communication channels [ccd@protasco.com.my](mailto:ccd@protasco.com.my) and these comments will be considered in the future reporting and sustainability improvements and practices.

*This Sustainability Report is designed to be accessible to all stakeholders and should be read alongside the Protasco's Annual Report 2025 for a comprehensive view of our financial and non-financial performance. Both reports are available on our corporate website at [www.protasco.com.my](http://www.protasco.com.my)*



We welcome and value all forms of engagement as we strive to improve our sustainability practices and transparency.

# Sustainability Report

## OUR APPROACH TO SUSTAINABILITY

Our sustainability journey is anchored on key themes that align with our business priorities and stakeholder expectations. Over the years, we have embedded these themes into our operations, projects, and partnerships ensuring that our efforts go beyond compliance to deliver long-term value. These themes are:



### Our Strategic Focus Areas

Guided by the principles of People, Planet, and Prosperity, we focus on initiatives that strengthen our workforce, uplift society, and protect natural resources.

Our strategy is grounded in strong governance and ethical values, ensuring that every step we take contributes to long-term growth while making a positive difference. By prioritising human capital development, digital innovation, community engagement, good governance, and environmental stewardship, we are positioning the Group for sustainable progress and shared success.

By placing the well-being of individuals and the health of the planet at the core of our efforts, and reinforcing this with strong governance and ethical principles, we are confident in our path toward lasting prosperity.

**This integrated approach ensures our business growth remains aligned with our dedication to social responsibility and environmental care, creating enduring value for all stakeholders.**

# Sustainability Report

Below are the strategic focus areas centred on people and the planet that will be used to bring the Group forward through a sustainable approach.

## Continuous Talent Improvement and Nurturing



**FOCUS**

Investing in our employees' development to enhance skills, performance and career progression.

**UNSDG**



## Process and Service Improvement and Innovation



**FOCUS**

Utilising digitalisation to enhance efficiency, effectiveness, and stakeholder satisfaction.

**UNSDG**



## Commitment Towards Identified SDGs



**FOCUS**

Aligning our projects and practices with global sustainability goals to contribute to a sustainable future.

**UNSDG**



## Partnering and Developing an Eco-Efficient Community and Environment



**FOCUS**

Collaborating with stakeholders to promote eco-friendly practices and support environmental conservation.

**UNSDG**



## Practising Institutional Ethics and Governance



**FOCUS**

Upholding strong ethical standards and governance practices to ensure transparency and accountability.

**UNSDG**



# Sustainability Report

## **Our Value Chain And Creation Model**

The Group adopts a holistic approach in articulating its value creation story.

Its Business & Value Creation Framework presents how Protasco leverages various forms of capital specific to its own business to execute its strategy and deliver long-term value over time. This produces resilient infrastructure, good development, engineering answers, renewable power and sustainable agribusiness products to customers who promote not only financial stability but also ESG alignment, operational resilience and the creation of lasting value in these vital industries.

With the Business & Value Creation Framework setting the foundation of Protasco's value creation process, the Sustainability Value Creation Model expands on how the Group's leverages on the six primary capitals, mainly financial, human, manufactured, intellectual, natural and social, across its businesses to produce specific non-financial outputs and outcomes. The Sustainability Value Creation Model also specifically delves into how the Group's sustainability priorities, ESG initiatives and stakeholder engagements contribute to value creation, risk management and long-term resilience.

Both the Framework and the Model share a similar overarching flow, an intentional alignment thoroughly reflecting the Group's integrated thinking at every step of its value creation journey. Together, the two models provide readers with different yet interconnected perspectives of Protasco's value creation journey: one at the foundational level and the other through a sustainability and performance-centric lens.

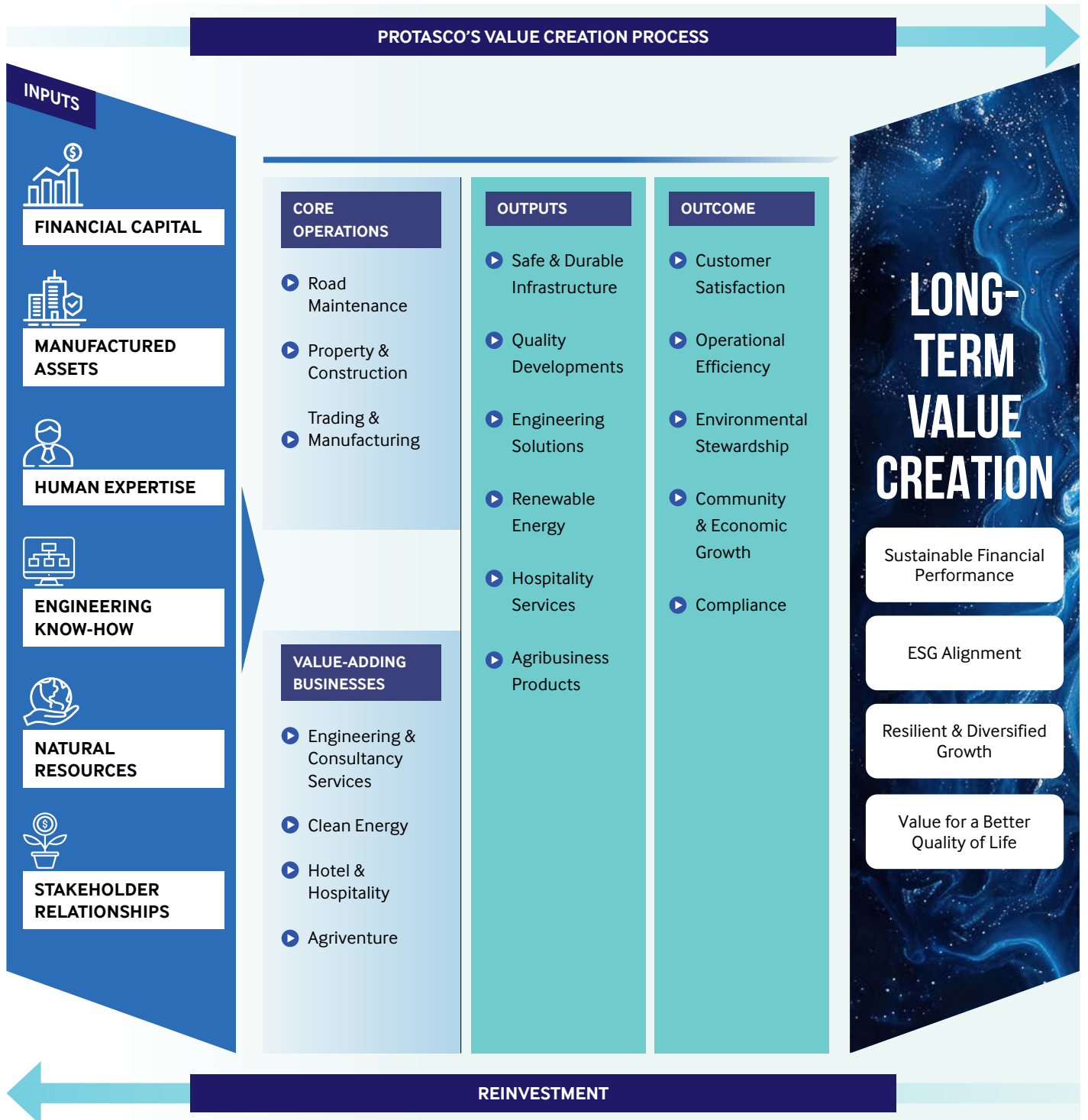
Our integrated approach allows us to deliver comprehensive solutions across these sectors while ensuring efficiency and sustainability in FY2025 and beyond.

**With the Business & Value Creation Framework setting the foundation of Protasco's value creation process, the Sustainability Value Creation Model expands on how the Group's leverages on the six primary capitals, mainly natural resources, technology, relationship, human, value chain support and financial, across its businesses to produce specific non-financial outputs and outcomes.**



# Sustainability Report

## Business & Value Creation Framework



# Sustainability Report



# Sustainability Report

## OUR VALUE TO STAKEHOLDER

### OUTPUTS

#### Preservation & Conservation

Support the development of eco-efficient community and environment through various initiatives and partnerships.

#### Humanity Care & Support

Continue to provide care and support to the stakeholders for an excellent experience and quality of life.

#### Human Capital Development

To constantly improve and nurture the Group's diversified talents with up-to-date skills and provide a healthy and safe work environment.

#### Compliance & Integrity

Continuously ensure businesses within the Group practises the institutional and environmental ethics guided by its core value and governance.

#### Economic Sustainability

Continuous enhancement in the generated and retained economic value, coupled with a robust commitment to community investment, resulting in a Sustainable Compound Annual Growth rate and a thriving business entity.

### OUTCOMES

- Total **non-renewable energy consumption FY2025** is 4,124,003 kWh with a slight increase of 0.002% from last year. (FY2024 was 4,123,909 kWh)
- Total **renewable energy consumption FY2025** is **514,076 kWh** which reduce by 5.17% from FY2024. (FY2024: 542,094 kWh)
- **TCO<sub>2</sub> emission avoidance** based on consuming solar energy (tonnes) for **FY2025 is 306**. (FY2024: 260)
- **1.03% waste recycled** from landfill, non-hazardous waste from landfills: (FY2024: 35%)
- **5 user-friendly products/materials**; recycle materials used for projects. (FY2024: 5 materials)
- **Budget spent on Biodiversity** conservation efforts/programmes/initiatives/hydro seeding for **FY2025 is RM98,346**. (FY2024: RM136,404)

- Customer satisfaction achieved on average for **FY2025 is 88%**. (FY2024: average about 88%)
- **0 Cybersecurity cases** received, **2 awareness programme** conducted, and **0 stakeholder data losses**. (FY2024: 30 cases reported; 2 awareness programme with 1 stakeholder data loss)
- In **FY2025 a total of 124 of philanthropic activities** were conducted with various stakeholders. (FY2024: 126 philanthropic activities)
- **Community investment for FY2025 is RM 561,776 for 13 beneficiaries**. (FY2024: RM2,006,061 with 6 beneficiaries)

- **RM85.5 million** paid in salaries, bonuses, and benefits. (FY2024: RM103.8 million)
- A total of **RM658,068 spent for upskilling** with a **23,030 training hours** (FY2024: RM808,928 spend with a total hour of 27,761)
- **90% of employees attended training in FY2025** (FY2024: 84% attended training).
- **2,437,288 total working manhours** with **0 fatality**. (FY2024: 2,059,632 working hours with 1 fatality)
- **201 Workplace safety and health awareness activities/programmes** were conducted. (FY2024: 374)

- Holds **9 certifications** for the **product and services provided**. (FY2024: 9 certifications)
- **RM200,000 of penalties** related to ethics and/or environment. (FY2024: RM41,497 penalties)
- **Zero cases** were recorded for **anti-corruption**. (FY2024: 0 cases)
- **819 employees trained for integrity**. (FY2024: 591 employees)

- Number of local suppliers **FY2025 is 650** which is **98% from the total suppliers** (FY2024: 472 with 98%)
- **RM28.1 million** paid for tax. (FY2024: RM22.1 million)
- Cumulative shareholders return since listing in year 2003: **FY2025 is 150% ROI** (FY2024: 142% ROI)
- Total proposed **dividend payment for FY2025** is RMO (FY2024: RMO)
- **Total finance cost FY2025: RM11.8 million** (FY2024: RM12.3 million)
- Economic Value Retained for **FY2025: RM119.4 million** (FY2024: RM55.5 million)

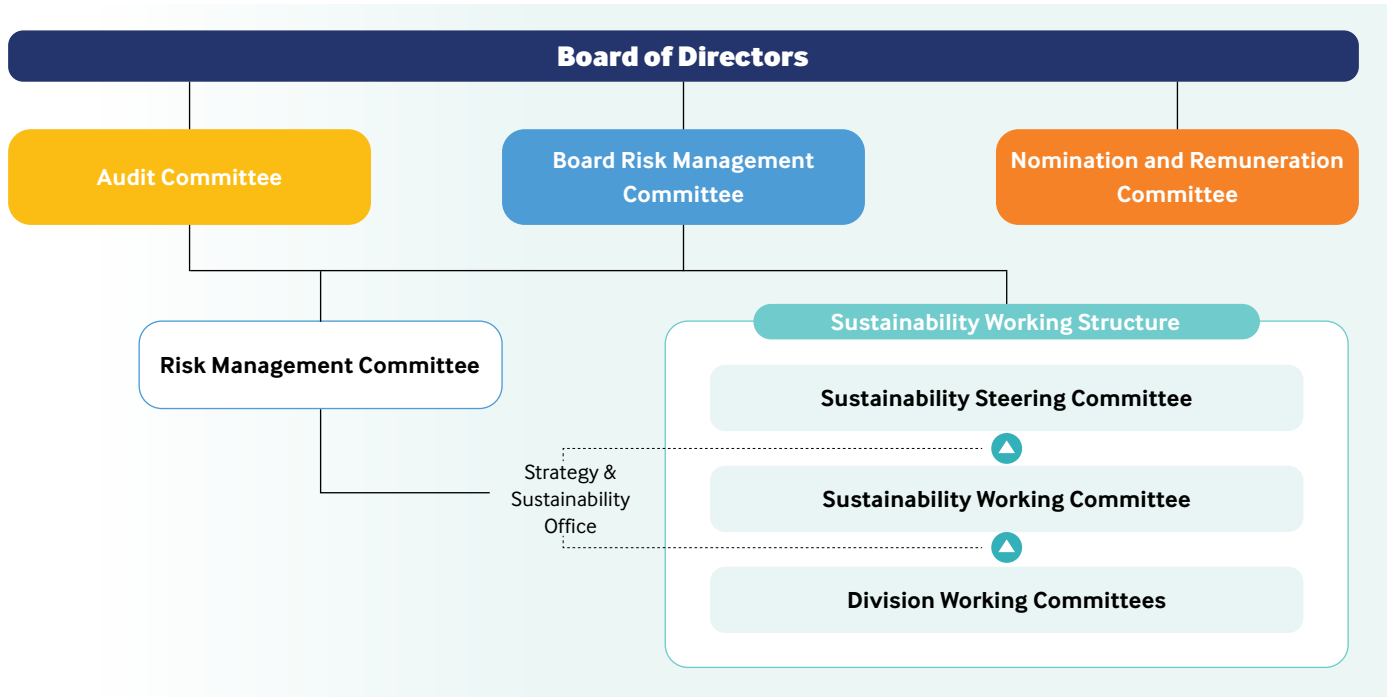
### UNSDG\*



# Sustainability Report

## OUR SUSTAINABILITY GOVERNANCE

Guided by the principles of People, Planet, and Prosperity, we focus on initiatives that strengthen our workforce, uplift society, and protect natural resources.



At Protasco, sustainability is embedded in our governance framework to ensure accountability, transparency, and effective oversight. Our structure enables clear decision-making and alignment across all levels of the organisation:

<p><b>Board Risk Management Committee (BRMC)</b></p>	<p>Provides overall oversight and ensures sustainability is integrated into the Group’s strategy, risk management, and long-term value creation. The BRMC consists of three (3) Directors from the Group’s Board of Directors and meets at least twice a year to discuss and review the Group’s sustainability progress.</p>
<p><b>Sustainability Steering Committee (SSC)</b></p>	<p>The SSC, composed of Senior Management from all BUs, deliberates on key sustainability strategies, issues, and implementation, with the support of the Sustainability Working Committee.</p>
<p><b>Sustainability Working Committee (SWC)</b></p>	<p>Comprising representatives from key BUs and corporate office, this committee drives implementation of sustainability initiatives, monitors data, and reports performance.</p>

# Sustainability Report

## Division Working Committee (DWC)



Currently, there are 7 DWCs responsible for executing sustainability initiatives in day-to-day operations within their respective BU, ensuring that commitments are translated into measurable action.

## The Sustainability Steering Office (SSO)



Responsible for coordinating, supporting, reporting and ensuring that the Group and its BUs comply with all regulatory requirements related to ESG. In addition, the SSO plays a central role in advancing the Group’s sustainability agenda by aligning initiatives across BUs and driving continuous improvement. SSO sits in the RMC where the sustainability-related risks are discussed and reviewed to ensure that the Group proactively manages ESG risks alongside its broader risk management framework.

## Audit Committee (AC)



The AC provides governance oversight to ensure the accuracy, reliability, and integrity of the Group’s sustainability data. Supported by the Internal Audit (IA) function, periodic audits are conducted to assess data completeness and consistency. Audit outcomes are reviewed with the SSO and DWC, with corrective actions implemented where necessary. Upon the AC’s satisfaction with data quality and control effectiveness, the sustainability data is endorsed for inclusion in the Group’s Sustainability Report. This structure ensures that sustainability is not managed in isolation but integrated into every part of our business, with accountability at all levels from strategy-setting at the Board to on-the-ground execution by BUs.

### NETWORK OF BUSINESS RELATIONSHIPS

As we continue to grow, Protasco remains committed to responsible business diversification, ensuring that each venture aligns with our business and sustainability goals and contributes to long-term value creation for our stakeholders. By integrating ESG considerations across all our businesses, we aim to build a more resilient, future-ready organisation that balances profitability with environmental and social responsibility.

An important part of maintaining sound business diversification and expansion is also ensuring our network of value chain partners are also sustainably strong. The Group maintains a broad network of business relationships that support our value chain and contribute to our sustainability efforts:

#### 01 Strategic Partnerships

We collaborate with some of the industry leaders, government agencies, and academic institutions to drive innovation and sustainability across our various sectoral operations.

#### 02 Supplier and Contractors Engagement

Our suppliers and contractors are key partners in our value chain, and we work closely with them to ensure ethical practices and sustainable sourcing.

#### 03 Client and Community Engagement

We engage proactively with our clients and the communities in which we operate, ensuring that our projects meet the needs of stakeholders and contribute positively to society.


# Sustainability Report

## COMMITMENT TO SUSTAINABLE BUSINESS PRACTICES

Sustainability is a core principle that guides all aspects of our business. From our construction and maintenance activities to our clean energy initiatives, we strive to reduce our environmental impact, enhance social value, and deliver long-term benefits to all stakeholders.

Guided by this direction, our sustainability policies provide a strategic framework that helps us balance economic growth with environmental stewardship, social responsibility, and robust corporate governance.

Below are some of our policies used as the guiding principles.

Group-Level Policies and Frameworks		
 <h3>Environmental Pillar</h3>	 <h3>Social Pillar</h3>	 <h3>Governance Pillar</h3>
<h4>Net-Zero GHG Transition Plan</h4> <p>It outlines the Group’s roadmap to progressively reduce greenhouse gas (GHG) emissions in line with its climate commitments. It sets out emission reduction strategies, operational efficiency measures, monitoring mechanisms and timelines to support the Group’s transition towards a lower-carbon business model.</p>	<h4>Occupational Safety &amp; Health (OSH) Policy</h4> <p>This group policy is set for all BUs to set their own policies and adopts the DOSH requirements and Group’s OSH related data for reporting. No changes have been made as of FY2025</p>	<h4>Integrity and Anti-Corruption Policy</h4> <p>The Integrity and Anti-Corruption Policy outlines the Group’s zero-tolerance approach towards bribery, corruption and unethical conduct. It establishes clear standards of behaviour, reporting mechanisms and disciplinary actions to uphold transparency and accountability.</p>
<h4>Suppliers Code of Conduct</h4> <p>Approved in 2024, the Suppliers Code of Conduct establishes minimum ESG standards for suppliers engaging with the Group. It sets expectations on ethical business conduct, regulatory compliance, human rights, labour standards, environmental stewardship and health and safety. The Code strengthens responsible supply chain management and promotes long-term partnerships aligned with the Group’s sustainability objectives.</p>		<h4>Conflict of Interest Policy</h4> <p>This policy requires employees and directors to disclose and appropriately manage situations where personal interests may conflict with professional responsibilities. It safeguards objectivity in decision-making and protects stakeholder trust.</p>
<h4>Code of Conduct for Contractors</h4> <p>This Code sets behavioural, safety and compliance standards for contractors working with the Group. It ensures contractors adhere to applicable laws, safety requirements and ethical practices, while aligning with the Group’s ESG commitments.</p>		<h4>ESG Risk Management Policy</h4> <p>The ESG Risk Management Policy integrates environmental, social and governance risks into the Group’s enterprise risk management framework. It provides guidance on identifying, assessing, mitigating and monitoring ESG-related risks that may impact business continuity and long-term value creation.</p>
<h3>Sustainability Policy</h3>		
<p>The Sustainability Policy sets the overarching principles guiding the Group’s ESG strategy and commitments. It ensures that all sustainability initiatives across Environmental, Social and Governance pillars are aligned with the Group’s long-term objectives and regulatory expectations. Enhancements to the policy framework are planned for 2026 to reflect evolving best practices.</p>		

# Sustainability Report

## Cybersecurity Policy

The Cybersecurity Policy establishes controls and procedures to safeguard the Group's information systems and data assets. It outlines responsibilities, risk management measures and incident response protocols to protect against cyber threats and ensure data confidentiality, integrity and availability.

## Human Rights Policy

The Human Rights Policy affirms the Group's commitment to respecting internationally recognised human rights principles. It covers fair labour practices, prohibition of forced and child labour, respect for freedom of association and the protection of vulnerable groups within the Group's operations.

## Non-Discrimination Policy

This policy promotes a workplace free from discrimination, harassment and unfair treatment. It ensures equal opportunities in recruitment, promotion, training and career development, fostering diversity, inclusion and mutual respect.

## Materiality Assessment Guide

The Materiality Assessment Guide is an internal framework managed by the Sustainability Steering Office (SSO). It outlines the structured process for identifying, prioritising and validating material ESG topics to ensure accurate and transparent reporting. The guide has been updated to reflect a more mature and systematic approach adopted by the Group.

## Group ESG Framework

The Group ESG Framework provides the overall structure for integrating sustainability into business strategy and operations. It defines governance roles, reporting lines, performance indicators and monitoring mechanisms to drive ESG accountability and continuous improvement.

## Whistleblowing Policy and Framework

The Whistleblowing Policy and Framework provides secure and confidential channels for reporting misconduct, unethical behaviour or regulatory breaches. It ensures protection against retaliation and promotes a culture of integrity, transparency and accountability across the organisation.

**In addition to adhering to Group-level policies, each BU, based on the nature of its operations and stakeholder expectations, has its own policies and procedures, approved by senior management and implemented in day-to-day activities. Some of the policies available are being monitored under the ISO 37001: 2016 (Anti-Bribery Management System), ISO 14001: 2015 (Environmental Management System) and ISO 45001: 2018 (OH&S Management System) by construction division.**

Management System	List of Policies
ISO 9001: 2015 (Quality Management System)	<ul style="list-style-type: none"> <li>Quality Policy</li> </ul>
ISO 37001: 2016 (Anti-Bribery Management System)	<ul style="list-style-type: none"> <li>Gift, Hospitality, Entertainment, Donation &amp; Sponsorship Policy</li> <li>Anti-Bribery Policy</li> <li>Whistleblowing Policy</li> </ul>
ISO 14001: 2015 (Environmental Management System)	<ul style="list-style-type: none"> <li>Environmental Policy</li> </ul>
ISO 45001: 2018 (OH&S Management System)	<ul style="list-style-type: none"> <li>OH&amp;S Policy</li> <li>Zero-Burning Policy</li> <li>Drugs &amp; Alcohol Policy</li> </ul>

These policies are not merely about complying with regulatory requirements; they are integral to our long-term strategic vision. By embedding these policies, frameworks, and procedures into our core business practices, we enhance our capacity to innovate, improve operational efficiency, and strengthen our competitive position in the market, all while focusing on ESG considerations. This approach, in turn, supports the creation of long-term value for our shareholders, employees, customers, and other stakeholders.

# Sustainability Report

## Our Future Outlook

The Group remains open to expanding and enhancing its value chain when needed in order to meet the evolving needs of our industry and the global shift towards sustainability. We will continue to innovate within our core businesses, ensuring responsible and sustainable business practices are adhered to.

We also remain committed to strengthening our relationships with current and relevant industry associations. Deepening our engagement can help to contribute to the development of industry standards, advocate for sustainable practices, and reinforce our leadership within the sector. Active participation in these associations remains a vital in our long-term growth and sustainability strategy.

## STAKEHOLDER ENGAGEMENT [GRI 2]

### Why is it Important?

Our commitment to sustainability is deeply rooted in active and meaningful stakeholder engagement. We are continuously improving our communication with our stakeholders, ensuring their perspectives and needs are integral to our decision-making processes.

### Our Approach [GRI 2-29]

Our approach to stakeholder management is guided by our corporate values, sustainability objectives, and regulatory requirements. We aim to create shared value by progressively aligning our business practices with the needs and expectations of our stakeholders, including employees, customers, investors, suppliers, communities, and regulatory bodies. This alignment ensures that our initiatives are not only responsive but also proactive in addressing key issues that impact both our business and the wider community.

Our stakeholder prioritisation matrix was last reviewed in 2023 and was revisited in 2025. This report, thus present the updated stakeholder prioritisation from the group perspective.

### Protasco's Stakeholders Prioritisation

In FY2025, the Group developed its stakeholder prioritisation matrix using the Stakeholder Engagement Toolkit (3<sup>rd</sup> Edition) issued by Bursa Malaysia.

Each BU identified its key stakeholder groups and assessed their levels of influence on, and dependence upon, the Group. The results were consolidated at the Group level to provide a balanced view of stakeholder expectations across all operations. The matrix helps the Group determine which stakeholders require closer engagement and how resources should be allocated to address their concerns effectively.

The assessment shows that Shareholders & Investors, Business Partners, Government & Authorities, and Customers have relatively higher levels of influence on the Group. These stakeholders play an important role in shaping the Group's financial performance, regulatory compliance, and market position. As such, the Group maintains regular, structured engagement with them through disclosures, meetings, contract management, and regulatory communications to ensure transparency and alignment with expectations.

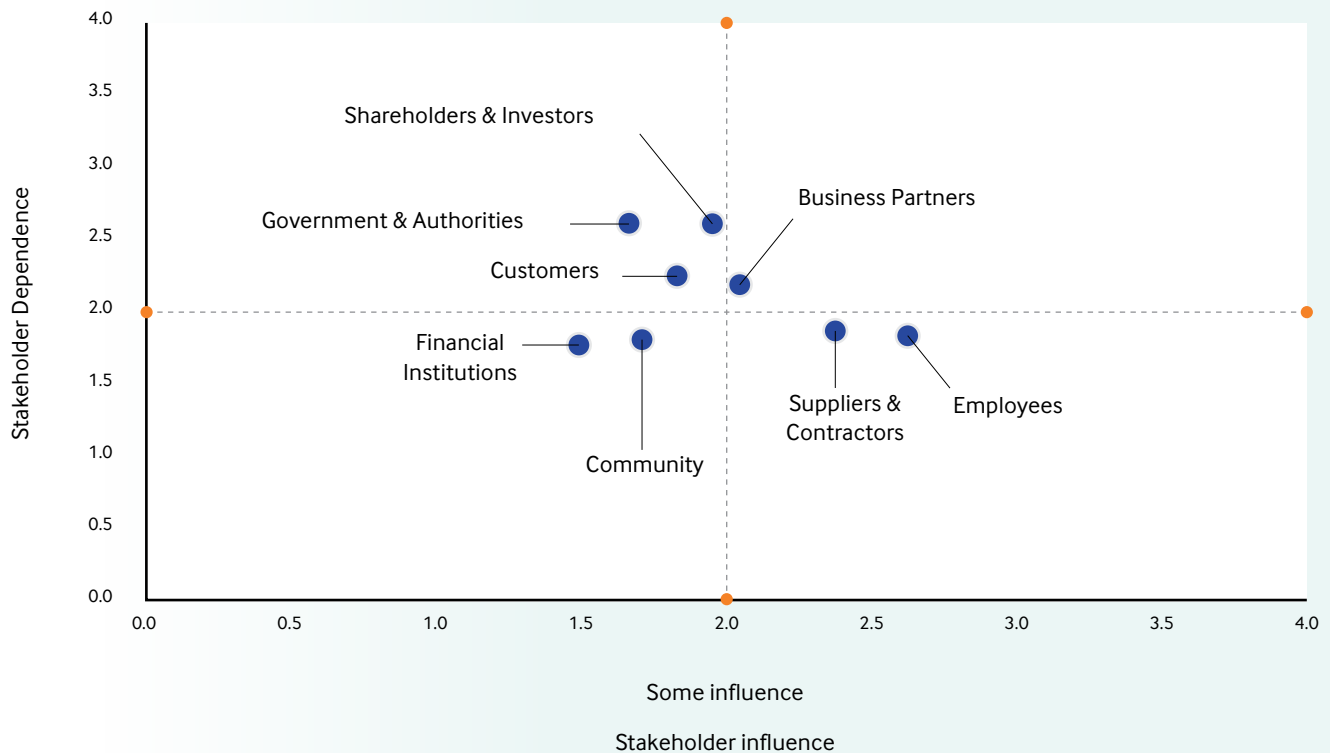
At the same time, Employees and Suppliers & Contractors demonstrate higher levels of dependence on the Group, as they rely on the Group for employment, income stability, and business continuity. This highlights the importance of fair labour practices, safe working conditions, and responsible procurement. The Community and Financial Institutions are also our important stakeholders, and the Group continues to engage them through community initiatives, transparent communication, and responsible financial management.

**The Community and Financial Institutions are also our important stakeholders, and the Group continues to engage them through community initiatives, transparent communication, and responsible financial management.**

# Sustainability Report

Overall, the prioritisation matrix enables Protasco to focus its engagement efforts where they matter most, while maintaining open and responsible relationships with all stakeholder groups.

## Protasco Berhad Stakeholder Prioritisation Matrix



### Our Performance

In FY2025, Protasco strengthened its commitment to stakeholder engagement through targeted initiatives designed to foster open communication and collaboration.




### Stakeholder Engagement [GRI 2-29]

Throughout the year, each BU within the Group conducted a series of engagement sessions with key stakeholder groups, including employees, customers, suppliers, and local communities (refer to the Stakeholder Engagement table). These sessions offered valuable insights that informed our sustainability strategies and ensured our business practices aligned with stakeholder expectations.

# Sustainability Report

Stakeholder Group	Engagement Methods	Frequency	Key Topics/Areas of Interest	Our Response / Actions
<b>Shareholders &amp; Investors</b> 	Annual General Meeting (AGM), Investor Relations periodic meetings with analysts and shareholders; Bursa announcements on material information; dedicated website with feedback emails	Quarterly/ Annually	Financial performance, corporate development, ESG disclosures and compliance, risk management, corporate governance, business resilience	Transparent reporting through Annual and Sustainability Reports, continuous engagement via investor relations team
<b>Employees</b> 	Town halls, departmental meetings, training and development programmes, engagement and events	Ongoing / Quarterly	Workplace safety, career growth, staff welfare, remuneration, well-being, work-life balance	Regular training and competency development, enhanced communication channels, employee recognition programmes, and improved workplace safety initiatives
<b>Customers</b> 	Regular meetings, customer satisfaction surveys, customer feedback channels, project review sessions	Continuous	Work progress, service quality, project delivery timelines, compliance, sustainability practices	Implementation of quality management systems, adherence to contract commitments, improvement in service delivery and communication
<b>Suppliers &amp; Contractors</b> 	Supplier audits, briefings, performance reviews, safety inductions, and training	Annually/ As needed	Ethical procurement, payment transparency, health and safety compliance, partnership opportunities	Implementation of Supplier Code of Conduct, fair procurement practices, supplier capacity-building programmes
<b>Government &amp; Authorities</b> 	Compliance reporting, consultation sessions, industry dialogues, site audits, meetings and workshops	Periodic/ As required	Regulatory compliance, sustainability disclosure requirements, occupational safety	Adherence to Bursa Malaysia Listing Requirements, CIDB, DOE and DOSH guidelines, continuous monitoring and reporting of compliance

# Sustainability Report

Stakeholder Group	Engagement Methods	Frequency	Key Topics/Areas of Interest	Our Response / Actions
<b>Employees</b> 	Community development projects, dialogue sessions, CSR initiatives, volunteer programmes	Periodic	Education support, local employment, environmental impact, infrastructure development	Implementation of CSR programmes focused on education, environmental conservation, and community well-being
<b>Business Partner</b> 	Strategic meetings, joint ventures and collaborations, performance reviews, partnership evaluations	Periodic/ As needed	Business continuity, innovation, value creation, ethical practices, sustainability collaboration	Strengthened partnerships through transparent communication, alignment on sustainability goals, and joint initiatives for business growth and innovation
<b>Financial Institutions</b> 	Discussion, financial reviews, compliance reporting, sustainability-linked discussions	Quarterly/ As required	Financial stability, creditworthiness, ESG risk management, transparency, sustainability performance	Timely financial reporting; proactive communication on ESG initiatives; maintaining strong governance and compliance with financial regulations

To identify material issues most significant to both stakeholders and the business, we conducted an online survey.

The feedback gathered through these engagement channels has been instrumental in refining our stakeholder management approach. By incorporating these insights into our decision-making processes, we ensure steadily that our strategies remain responsive to the evolving needs and concerns of those impacted by our operations.

**Looking ahead, we remain committed to enhancing our stakeholder engagement processes by broadening the scope to include more stakeholders within each BU, addressing material issues, responding to emerging concerns, and actively engaging with new stakeholder groups.**

# Sustainability Report

## MATERIALITY MATTERS [GRI 3]

In our pursuit of sustainable growth and part of the requirement, we prioritise materiality matters that align with our stakeholders’ concerns and our business objectives. The Group’s materiality assessment was conducted using a structured, six-step process to identify, assess and prioritise sustainability topics that are material from both impact and business perspectives.

### Process to Determine Material Topics [GRI 3-1]

Materiality Process	Our Approach																																				
<p><b>Step 01: Define Scope</b></p>	<p>The materiality assessment covered the Group’s core business operations, key subsidiaries and operating units. In defining the scope, the Group evaluated both actual and potential impacts on the economy, environment, people and reputation of the business, which could affect the Group’s ability to create long-term sustainable value.</p>																																				
<p><b>Step 02: Identify Stakeholders</b></p>	<p>The key stakeholders were identified based on their influence on, and exposure to, the Group’s activities. These stakeholder groups included employees, customers, suppliers and contractors, government and regulators, shareholders and investors, communities, business partners, and financial institutions.</p> <p>Stakeholder were subsequently prioritised based on their relevance and dependence, strategic decision-making, regulatory expectations and the extent to which they may be affected by, or have an impact on, the Group’s operations. The outcome is presented in the Stakeholder Prioritisation section of this report.</p>																																				
<p><b>Step 03: Identify Potential Material Issues</b></p>	<p>A comprehensive long list of potential sustainability topics was developed through multiple sources, including a review of the GRI Topic Standards (200, 300 and 400 series), industrial benchmarking against construction and infrastructure peers, SASB metrics requirement, and a review of applicable regulatory requirements and internal policies.</p> <p>Insights from prior sustainability reports and enterprise risk registers were also considered. The identified topics were consolidated into clearly sustainability themes to minimise overlap and ensure consistency across the assessment.</p> <table border="1"> <thead> <tr> <th>ESG Pillars</th> <th>No.</th> <th>Materiality Topics</th> </tr> </thead> <tbody> <tr> <td rowspan="6">Environment</td> <td>1</td> <td>Biodiversity</td> </tr> <tr> <td>2</td> <td>Climate Change</td> </tr> <tr> <td>3</td> <td>Energy Management</td> </tr> <tr> <td>4</td> <td>Material</td> </tr> <tr> <td>5</td> <td>Waste Management</td> </tr> <tr> <td>6</td> <td>Water Management</td> </tr> <tr> <td rowspan="8">Social</td> <td>7</td> <td>Community Development</td> </tr> <tr> <td>8</td> <td>Customer Satisfaction</td> </tr> <tr> <td>9</td> <td>Diversity</td> </tr> <tr> <td>10</td> <td>Data Privacy &amp; Cybersecurity (DPC)</td> </tr> <tr> <td>11</td> <td>Labour Practices &amp; Human Rights</td> </tr> <tr> <td>12</td> <td>Occupational Safety &amp; Health (OSH)</td> </tr> <tr> <td>13</td> <td>Procurement Practices</td> </tr> <tr> <td>14</td> <td>Economic Performance</td> </tr> <tr> <td>Governance</td> <td>15</td> <td>Business Ethics &amp; Compliance</td> </tr> </tbody> </table>	ESG Pillars	No.	Materiality Topics	Environment	1	Biodiversity	2	Climate Change	3	Energy Management	4	Material	5	Waste Management	6	Water Management	Social	7	Community Development	8	Customer Satisfaction	9	Diversity	10	Data Privacy & Cybersecurity (DPC)	11	Labour Practices & Human Rights	12	Occupational Safety & Health (OSH)	13	Procurement Practices	14	Economic Performance	Governance	15	Business Ethics & Compliance
ESG Pillars	No.	Materiality Topics																																			
Environment	1	Biodiversity																																			
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	13	Procurement Practices																																			
	14	Economic Performance																																			
Governance	15	Business Ethics & Compliance																																			

# Sustainability Report

## Materiality Process

## Our Approach

### Step 04: Stakeholder Engagement

Stakeholder inputs were gathered through Stakeholder Concern Survey conducted in 2024. The survey result was disclosed in the FY2024 Sustainability Report and served as a baseline for sustainability planning and prioritisation for FY2025.

The feedback gathered were used to assess the relative importance of identified topics and to validate their relevance from stakeholder's perspectives. While the survey provided useful initial insights, participation remains limited.

In light of this, and to strengthen the robustness and representation of stakeholder engagement, the Group decided to refresh its stakeholder inputs earlier than initially indicated. Accordingly, the outcomes of the 2024 survey will be applied for a two-year period, after which a new stakeholder survey will be conducted in the next reporting cycle to enhance data quality and stakeholder coverage.

### Step 05: Assess Priority Issues

The 2024 Stakeholder Concern Survey results for each sustainability topic were presented in a percentage-based priority scale. All identified topics were assessed Very High Priority, highlighting their criticality to stakeholders. Within this category:

- a) Topics scoring 85% and above represented the highest stakeholder priorities, requiring immediate and focused action.
- b) Topics scoring 75% - 84% were considered important, requiring progressive integration into the Group's strategies.

For FY2025. The Group enhanced the materiality assessment methodology, by adopting a double materiality framework, building directly on the FY2024 survey results. This approach evaluates each topic along two dimensions:

- a) Significance of Impact (X-Axis)  
The impact was assessed on the severity, scope, likelihood, and irremediability of impacts on the economy, environment, and people. Construction sectoral considerations were also used during the assessment. Topics with higher risk, broader scope, or more severe consequences received higher X-axis scores.
- b) Importance to Stakeholders (Y-Axis)  
Incorporated FY2024 stakeholder survey data as a baseline, reflecting stakeholder concern and expectations. It was further augmented by additional assessment of reputational, financial, operational, and regulatory implications. Topics with stronger consequences and higher potential impact on Group's value received higher Y-axis scores.

The combined assessment of X-and Y-axis scores allowed the Group to categorise each topic into a quadrant, prioritising topics for management action, resource allocation, and reporting.

### Step 06: Report & Act

The result of the materiality assessment undertaken by SSO is then presented in the SWC and SSC meeting to be reviewed and validated by their members. The prioritised material topics are then used to update the Group's sustainability strategy, policies (where applicable), targets, and action plans and integrated into business decision-making processes where relevant.

The outcome of the assessment is disclosed in this Report in accordance with GRI3. Topics classified as critical and significant are prioritised for performance monitoring, management action and transparent disclosure, while emerging and monitored topics continue to be tracked and reassessed periodically.

# Sustainability Report

## List of Material Topics [GRI 3-2]

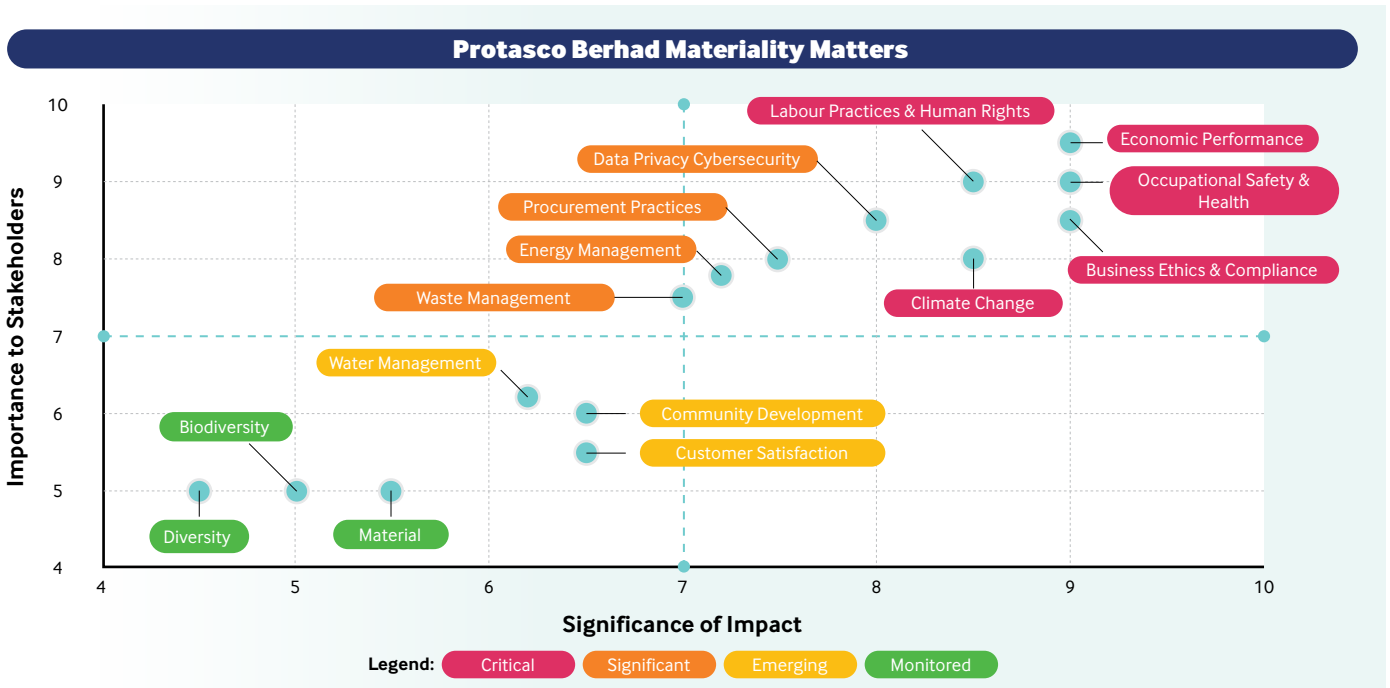
The materiality assessment identified the following sustainability topics across three ESG pillars:

ESG Pillars	No.	Materiality Topics
Environment	1	Biodiversity
	2	Climate Change
	3	Energy Management
	4	Material
	5	Waste Management
	6	Water Management
Social	7	Community Development
	8	Customer Satisfaction
	9	Diversity
	10	Data Privacy & Cybersecurity (DPC)
	11	Labour Practices & Human Rights
	12	Occupational Safety & Health (OSH)
	13	Procurement Practices
	14	Economic Performance
Governance	15	Business Ethics & Compliance

These topics represent the most significant sustainability impacts and stakeholder concerns relevant to the Group's operations.

## Management of Material Topics [GRI 3-3]

The Group manages its material sustainability topics through a structured prioritisation and monitoring framework. Material issues were categorised based on their level of significance.



# Sustainability Report


The Matrix above depicts the material matters identified by the Group. Each BU is responsible for implementing targeted actions, operational controls, and monitoring mechanisms to address the identified material matters.

In FY2025, the Group continued to strategically allocate resources across ESG pillars, reinforcing its commitment to environmental stewardship, strong governance, economic resilience, and social responsibility.






The final list of prioritised material topics serves as the foundation for the Group’s sustainability strategy, performance monitoring, and reporting, ensuring alignment with stakeholder expectations and international sustainability standards.

## ESG RISK PERFORMANCE







Our Group’s ESG Risk Strategy outlines a comprehensive approach and framework for identifying, assessing, managing, and monitoring ESG-related risks across the organisation. By proactively managing ESG risks, we aim to create long-term value, enhance our resilience to challenges, and align our business practices with the principles of sustainability.

Nos	ESG Risks	Risk Identification	Opportunities	FY2025 ESG Risk Performance
1	<b>Economic Performance</b>	<ul style="list-style-type: none"> <li>Market volatility impacting our revenue streams.</li> <li>Rising operational costs affecting profitability.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening local supply chain integration to support economic sustainability.</li> <li>Diversifying business portfolios to mitigate sector-specific risks.</li> </ul>	 <p>Refer to pages 56 to 59</p>
2	<b>Business Ethics &amp; Compliance</b>	<ul style="list-style-type: none"> <li>Non-compliance with anti-bribery laws affecting reputation and stakeholder trust.</li> <li>Potential legal consequences due to lack of awareness and training.</li> <li>Supply chain integrity issues if third-party vendors do not adhere to ethical standards.</li> <li>Non-compliance with industry standards (e.g., Occupational and Safety &amp; Health Act (OSHA), Department of Environment (DOE), Bursa Malaysia reporting) can disrupt our operations, result in the imposition of fines and penalties and be detrimental to the reputation of the Group.</li> <li>Frequent or unexpected changes in laws and regulations require the Group to quickly adapt its processes, which may increase operational costs and affect business continuity.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening governance by increasing anti-corruption training coverage beyond 50% target.</li> <li>Enhancing whistleblowing framework.</li> <li>Implementing a more robust supplier due diligence framework to prevent corruption risks in procurement.</li> <li>Strengthening internal policies to exceed minimum legal requirements.</li> <li>Conducting more compliance training for all BUs.</li> </ul>	 <p>Refer to pages 60 to 68</p>
3	<b>Procurement Practices</b>	<ul style="list-style-type: none"> <li>Overspending on overseas suppliers can result in higher transportation costs, currency risks, supply chain disruptions, and a diminished ability to support the local economy.</li> <li>Supplier ESG non-compliance affecting overall sustainability targets.</li> </ul>	<ul style="list-style-type: none"> <li>Tracking and monitoring procurement practices.</li> <li>Implementing stricter procurement evaluation metrics.</li> </ul>	 <p>Refer to pages 69 to 72</p>

# Sustainability Report

Nos	ESG Risks	Risk Identification	Opportunities	FY2025 ESG Risk Performance
4	<b>Community Development</b>	<ul style="list-style-type: none"> <li>Failure to meet community expectations may impact corporate reputation.</li> <li>Inadequate outreach leading to weak social license to operate.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening social impact through targeted education and B40 assistance programmes.</li> <li>Expanding employee volunteerism to increase engagement.</li> <li>Aligning projects with sustainable development goals (SDG).</li> </ul>	 <p><a href="#">Refer to pages 73 to 75</a></p>
5	<b>Diversity</b>	<ul style="list-style-type: none"> <li>Limited participation of women in managerial roles hinders inclusivity and limit diverse perspectives in decision-making.</li> <li>Challenges in attracting and retaining diverse talent affect innovation, employee engagement, and the Group's long-term competitiveness.</li> </ul>	<ul style="list-style-type: none"> <li>Expanding gender diversity initiatives beyond the set target.</li> <li>Introducing mentoring programmes to encourage female leadership.</li> <li>Creating an inclusive working environment.</li> </ul>	 <p><a href="#">Refer to pages 75 to 81</a></p>
6	<b>Occupational Safety &amp; Health (OSH)</b>	<ul style="list-style-type: none"> <li>Workplace accidents or unsafe conditions compromise employee well-being and disrupt business operations.</li> <li>Non-compliance with DOSH and ISO 45001 standards results in penalties and reputational damage.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening safety culture through targeted training.</li> <li>Expanding LTIR tracking for improved safety performance.</li> <li>Enhancing mental health and well-being programmes.</li> </ul>	 <p><a href="#">Refer to pages 81 to 84</a></p>
7	<b>Customer Satisfaction</b>	<ul style="list-style-type: none"> <li>Poor service quality affecting customer trust and retention.</li> <li>Failure to meet evolving customer expectations leading to decreased business growth.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening digitalisation to enhance customer experience.</li> <li>Implementing real-time feedback systems for better service improvement.</li> </ul>	 <p><a href="#">Refer to pages 85 to 89</a></p>
8	<b>Data Privacy &amp; Cybersecurity</b>	<ul style="list-style-type: none"> <li>Increasing cyber threats and potential data breaches compromise system integrity and operations.</li> <li>Non-compliance with Malaysia's Cybersecurity Act 2024 (Act 854) results in penalties and legal consequences.</li> <li>Loss of stakeholder trust due to inadequate data protection measures lead to loss of stakeholder confidence and reputational damage.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening cybersecurity policies in line with IAP 3.0 digitalisation strategy.</li> <li>Conducting cybersecurity awareness training across all levels.</li> <li>Implementing enhanced data protection systems.</li> </ul>	 <p><a href="#">Refer to pages 89 to 93</a></p>
9	<b>Labour Practices &amp; Human Rights</b>	<ul style="list-style-type: none"> <li>Labour shortages impacting project timelines.</li> <li>Non-compliance with fair labour practices leading to reputational risks.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening upskilling and training programmes.</li> <li>Enhancing employee well-being initiatives to boost retention.</li> <li>Implementing fair employment policies to attract top talent and contribute positively to society.</li> </ul>	 <p><a href="#">Refer to pages 93 to 100</a></p>

# Sustainability Report

Nos	ESG Risks	Risk Identification	Opportunities	FY2025 ESG Risk Performance
10	Water Management	<ul style="list-style-type: none"> <li>Inefficient water usage increasing operational costs.</li> <li>Excessive water waste in the less water zone results in regulatory fines and compliance issues.</li> </ul>	<ul style="list-style-type: none"> <li>Tracking and monitoring of water usage data.</li> <li>Initiate water storing and usage programmes.</li> </ul>	 <p><a href="#">Refer to pages 101 to 102</a></p>
11	Waste Management	<ul style="list-style-type: none"> <li>Lack of a dedicated waste management policy and SOPs may impact long-term sustainability.</li> <li>Rising waste disposal costs and regulatory compliance pressure.</li> </ul>	<ul style="list-style-type: none"> <li>Expanding waste reduction initiatives (e.g., beach cleaning project).</li> <li>Implementing circular economy principles to minimise waste.</li> <li>Strengthening partnerships for sustainable waste disposal solutions.</li> <li>Tracking and monitoring the waste related data.</li> </ul>	 <p><a href="#">Refer to pages 102 to 104</a></p>
12	Material	<ul style="list-style-type: none"> <li>Inconsistent sustainable sourcing affecting project certifications.</li> <li>Rising costs of eco-friendly materials.</li> </ul>	<ul style="list-style-type: none"> <li>Achieving Key Performance Indicator (KPI) for sustainable materials adoption.</li> <li>Expanding supplier engagement on responsible sourcing.</li> <li>Enhancing Research &amp; Development (R&amp;D) for cost-effective sustainable material alternatives.</li> </ul>	 <p><a href="#">Refer to pages 105 to 107</a></p>
13	Energy Management	<ul style="list-style-type: none"> <li>High energy consumption increasing operational costs.</li> <li>Non-compliance with energy efficiency regulations results in penalties and operational constraints</li> </ul>	<ul style="list-style-type: none"> <li>Cumulative reduction by 1% per square meter of building space.</li> <li>Implementing energy-efficient systems/ initiatives for cost reduction.</li> </ul>	 <p><a href="#">Refer to pages 108 and 109</a></p>
14	Climate Change	<ul style="list-style-type: none"> <li>Rising carbon footprint affecting regulatory compliance and investor confidence.</li> <li>Potential penalties for exceeding emissions limits.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening Scope 1 &amp; 2 emission tracking systems.</li> <li>Implementing low-carbon strategies to align with Bursa Malaysia's TCFD reporting requirements.</li> <li>Expanding renewable energy adoption across operations.</li> </ul>	 <p><a href="#">Refer to pages 110 to 113</a></p>
15	Biodiversity	<ul style="list-style-type: none"> <li>Environmental degradation impacting project approvals and community acceptance.</li> <li>Loss of local biodiversity due to construction and maintenance activities.</li> <li>Potential regulatory penalties due to stricter environmental policies.</li> </ul>	<ul style="list-style-type: none"> <li>Expanding conservation projects via Non-Governmental Organisation (NGO) partnerships.</li> <li>Enhancing stakeholder engagement through biodiversity impact studies.</li> </ul>	 <p><a href="#">Refer to pages 114 to 116</a></p>

# Sustainability Report

## ESG PERFORMANCE SCORECARD

In our pursuit of sustainable growth and part of the requirement, we prioritise materiality matters that align with our stakeholders' concerns and our business objectives. The Group's materiality assessment was conducted using a structured, six-step process to identify, assess and prioritise sustainability topics that are material from both impact and business perspectives.



### Environmental

Materiality Matter	Key Performance Indicator	FY2025 Actual (Progress)
Biodiversity	Implement at least 1 biodiversity-positive project each year.	3 projects were undertaken
Climate Change (Scope 1)	Cumulative reduction of Scope 1 carbon emissions by at least 1% by 2027 compared to the baseline year (2024).	Reduced by 76.2%
Climate Change (Scope 2)	Cumulative reduction of Scope 2 carbon emissions by at least 1% by 2027 compared to the baseline year (2024).	Increased by 0.6%.
Energy Management	Cumulative reduction of electricity consumption by at least 1% per square feet of building space by 2027 compared to the baseline year (2024).	Increased by 19.32%
Materials	Minimum 3 environmentally friendly or recyclable materials used for projects within the Group.	5 materials
Waste Management	Achieve a 3% annual increase in the rate of waste recycled, treated, or diverted from landfill, based on total waste generated.	Only 1.03% from the waste has been recycled/reused from the total waste
Water Management	Reduce water consumption intensity by 1% per square meter of building space compared to the previous year.	Increase by 28%



### Social

Materiality Matter	Key Performance Indicator	FY2025 Actual (Progress)
Community Development	Commit a minimum annual investment of RM200,000 in community initiatives, benefiting at least 5 community groups each year.	A total of RM561,776 was invested into community development, benefiting at least 13 community group.
Customer Satisfaction	Maintain 70% customer satisfaction score.	On average is the Group through its BU obtained 88%
Data Privacy & Cybersecurity	Achieve 50% employee participation in cybersecurity awareness programme annually.	57% employee participation in cybersecurity awareness programme
	Maintain a data loss rate of zero incidents concerning stakeholders annually.	0

# Sustainability Report



## Social

Materiality Matter	Key Performance Indicator	FY2025 Actual (Progress)
Diversity	Maintain a minimum of 20% representation of women in managerial roles across the Group.	31% representation of women in managerial roles across the Group
Labour Practices & Human Rights	Ensure that at least 80% of the Group's employees are permanent or contract staff receiving full benefits.	97% Group's employees are permanent or contract staff receiving full benefits.
	Ensure that at least 50% of the Group's employees receive awareness training on human rights violations.	55% received awareness training on human rights violations.
	Achieve a minimum of 70% of Group employees attending at least one (1) skills development training session.	90% of Group employees attend at least one (1) skills development training session.
Occupational Safety & Health	Reduce the number of workplace fatalities to zero or as low as reasonably achievable (ALARA).	0
	Ensure Group's Lost Time Incident Rate (LTIR) is less than 1.	0
	Achieve a minimum of 60% of Group employees attending at least one workplace safety and health awareness training session.	79% employees attend at least one workplace safety and health awareness training session.
Procurement Practices	Achieve at least 70% of total supplier spending with local suppliers.	97% total supplier spending with local suppliers.



## Governance

Materiality Matter	Key Performance Indicator	FY2025 Actual (Progress)
Business Ethics & Compliance	Achieve zero reported incidents of corruption.	0
	Assess at least 10% of significant operations for anti-corruption risks.	29%
	Ensure that at least 50% of employees receive training/awareness on anti-corruption policies and procedures annually.	67% of employees receive training/awareness on anti-corruption
	Ensure zero instances of non-compliance, business ethics cases, or penalties imposed by authorities.	1 of non-compliance, business ethics cases, or penalties imposed

# Sustainability Report

## MANAGEMENT APPROACH FOR MATERIAL MATTERS



### ECONOMIC PERFORMANCE [GRI-201; GRI-207]

**Related UNSDGs:**



#### Why is this Important?

At Protasco, economic sustainability is a core element of our business strategy, underpinning our commitment to delivering long-term value to stakeholders. Through consistent financial performance, we drive job creation, support local economic growth, and contribute to national development. Aligned with the United Nations Sustainable Development Goals (UNSDGs), we focus on enhancing infrastructure and public services, improving the quality of life in the communities we serve, and reinforcing our dedication to responsible and sustainable growth.

#### Our Approach

#### 1 Financial Stability and Growth [GRI 201-1]

In FY2025, we achieved a 10% increase in revenue, reflecting our continued focus on sustainable and responsible business practices. Our profitability remained strong, with a 8.5% profit margin, driven by effective cost management and strategic investments in high-growth areas.

We remain committed to long-term value creation by prioritising projects that support business resilience and sustainable growth. Through prudent financial management and strategic decision-making, we continue to strengthen our market position while contributing to economic development.

#### 2 Tax [GRI 207]

As part of our commitment to sustainable economic performance, we uphold responsible and transparent tax practices that contribute to national and community development. We ensure full compliance with all applicable tax laws, regulations, and public rulings in the jurisdictions where we operate, adhering to legal requirements and industry standards.

In FY2025, the tax payable was RM40.7 million, a 71.1% increase from 2024.

Through ethical tax practices and strict compliance with relevant laws, we continue to strengthen our economic contributions while maintaining responsible business operations.

#### 3 Risk Management [GRI 2-22], [GRI 201-2]

Our economic risk management framework is designed to anticipate and mitigate potential risks that could impact our financial performance. We conduct annual risk assessments, evaluating factors such as market fluctuations, geopolitical uncertainties, and ESG-related risks.

The findings from these assessments are presented bi-annually to the Board Risk Management Committee, ensuring proactive oversight and strategic decision-making to address both short-term disruptions and long-term challenges.

# Sustainability Report

## Our Approach

### 4 Market Presence

[GRI 202-1]

Protasco operates across several states in Malaysia, including Selangor, Terengganu, Kelantan, Pahang, Perak, Johor, Melaka, and Negeri Sembilan, through its various BUs. Our expansion not only supports economic development in emerging regions but also reinforces our competitive positioning. The Group undertakes local recruitment for road construction, engineering, manufacturing, solar, and food processing projects to support local economic growth by offering products and services that meet the increasing demand for ethical and sustainable business practices. Further, the Group is also committed to engaging local suppliers and contractors. These practices align with GRI 202-1 on local hiring and wage equity, reflecting the Group's dedication to responsible market presence and sustainable community development initiatives.

### 5 Sustainable Investment

[GRI 203], [GRI 102], [GRI 103]

In FY2025, we strengthened our sustainable investment efforts through 2 major green agendas.

#### 1) Renewable Energy Projects (Solar PV)

In addition to the existing Solar Farm 1 (Melaka) that continues to generate recurring revenue, the Clean Energy BU further strengthened its renewable energy portfolio through the implementation of two solar photovoltaic (PV) projects during FY2025. The installation for Solar Farm 2 (Pulau Pinang) comprises a 474.81 kWp system, which is expected to generate approximately 658,561 kWh of renewable electricity annually and avoid an estimated 7,696.55 tonnes of CO<sub>2</sub> emissions over a 25-year operational lifespan. Meanwhile, the 71 kWp system installed for Solar Farm 3 (Johor) is projected to produce 88,003 kWh per year and deliver approximately 1,476.91 tonnes of CO<sub>2</sub> emissions avoidance over 30 years.

As of FY2025, the construction of Solar Farm 2 and Solar Farm 3 were completed but yet to be operational. Collectively, these initiatives underscore the Group's commitment through its Clean Energy BU to advancing sustainable infrastructure, supporting climate change mitigation efforts, and delivering long-term value creation through innovation, environmental stewardship, and responsible growth.

#### 2) Circular Economy Projects

Research and development initiatives was anchored into circular economy principles. A key project involves a Black Soldier Fly (BSF) farming collaboration with FELDA, converting organic waste into high-value products such as alternative protein feed and organic fertilisers, thereby enhancing resource efficiency and reducing environmental impact. To support operational reliability and scalability, the Group invested USD140,000 in the FoodyWorm Modular System Module, inclusive of equipment and intellectual property licensing.

As the project remains at the research stage, no revenue has been generated to date. In addition, an early-stage initiative to convert Palm Oil Decanter Cake (PODC) into biofertiliser received an initial investment of RM48,400, transforming agricultural waste into environmentally beneficial products while laying the foundation for future green economic opportunities and local employment.

# Sustainability Report

## Our Approach

### 6 Sustainable Growth Strategy

[GRI 203], [GRI 102], [GRI 103]

Our sustainable growth strategy is based on a sustainable business model focused on growing revenue and profitability with an emphasis on long-term sustainability. In FY2025, we achieved a 32.6% return on capital employed.

We are committed to progressively reducing our carbon footprint, improving energy and water efficiency, and managing waste effectively across all operations. We have been prioritising the well-being of our employees, support local communities and engage stakeholders through various activities and programmes. In FY2025, 98% of our procurement was sourced from local suppliers, contributing to economic development in the communities where we operate.

Transparency, ethics and compliance are central to our governance structure ensuring the Group's sustainable growth strategy are kept in oversight, monitored and reported.

Our long-term economic planning is designed to ensure resilience and adaptability, with diversified revenue streams and flexible business models that can weather economic challenges and seize new opportunities.

With all the above management approaches, our strong ESG performance has yielded significant economic benefits, including cost savings from energy efficiency and enhanced reputation, which have opened up new business avenues. These combined efforts are crucial to maintaining our financial health and securing long-term success.

## Our Performance

### a) Economic Value

<b>Economic Details</b>	<b>FY2025 (RM'000)</b>	<b>FY2024 (RM'000)</b>	<b>FY2023 (RM'000)</b>
<b>Economic Value Generated</b>	<b>1,459,025</b>	1,327,085	1,142,663
<b>Economic Value Distributed</b>			
Operating Cost	<b>1,201,156</b>	1,129,696	1,010,113
Employee Wages & Benefits	<b>85,464</b>	103,835	84,365
Payment to Providers of Capital [i.e. Dividend and Finance Costs]	<b>11,761</b>	12,389	12,833
Payable to Government [i.e. Tax]	<b>40,700</b>	23,703	13,854
<b>Community Investment</b>	<b>562</b>	2,006	425
<b>Economic Value Retained</b>	<b>119,382</b>	55,456	21,073

In FY2025, the Group recorded strong economic performance with total economic value generated (EVG) rising by 9.9%, reflecting sustained business growth across its core operations. The Group distributed RM1,339.6 million, equivalent to 91.8% of EVG (FY2024: 95.8%; FY2023: 98.2%), indicating improved cost efficiency and higher value retention. Operating costs remained the largest component at RM1,201.1 million or 82.3% of EVG (FY2024: 85.1%; FY2023: 88.4%), with the slight decline in proportion, due to the Group's better operational management despite increased activity levels.

# Sustainability Report

Employee wages and benefits stand at RM85.5 million, accounting for 5.8% of EVG from 7.8% in FY2024, reflecting our workforce optimisation and improved productivity. Payments to providers of capital remained stable at RM11.8 million (0.8% of EVG), while tax payable to government increased significantly to RM40.7 million (2.8% of EVG), in line with stronger profitability and higher tax contributions. Community investments stands at RM0.6 million (0.04% of EVG), reflecting a more targeted approach to social contributions. Consequently, economic value retained (EVR) more than doubled to RM119.4 million, representing 8.2% of EVG (FY2024: 4.2%; FY2023: 1.8%), where we have demonstrated an enhanced financial resilience, improved cost discipline, and a stronger capacity to reinvest for long-term sustainable growth.

## b) Sustainable Investment and Green Revenue Contribution

### i) Solar PV Projects Delivered in FY2025

Details	Installed Capacity (kWp)	Estimated Annual Generation (kWh)	Estimated Lifetime CO <sub>2</sub> Avoided (tCO <sub>2</sub> e)	FY2025 Revenue (RM)
Solar Farm 1: Melaka	9,006	12,460,498	147,832	4,724,558
Solar Farm 2: Pulau Pinang	474.81	658,561	7,696.55 (25 years)	-
Solar Farm 3: Johor	71	88,003	1,476.91 (30 years)	-
<b>Total Green Revenue (Renewable Energy)</b>				<b>RM 4,724,558</b>

Note: Solar Farm 2 and 3 are completed but yet to be operational as of FY2025.

The Melaka Solar Farm project is an ongoing renewable energy project. There is no backlog reported during the reporting period. Furthermore, as of FY2025, the Group has no hydrocarbon-related projects.

### ii) Circular Economy Innovation

Project	Partner/ Client	Description	Investment (FY2025)	Status	Expected Environmental / Social Impact
<b>BSF Farming</b>	FELDA / Foodyworm	Converts organic waste into protein feed and organic fertiliser using innovative biotechnology.	USD 140,000 (FoodyWorm system & IP licensing)	R&D Stage	Waste reduction, resource efficiency, scalable sustainable product development, potential local employment
<b>PODC Biofertiliser</b>	FELDA	Converts PODC agricultural waste into high value biofertiliser.	RM48,400	R&D Stage	Waste valorisation, circular economy solution, potential employment creation, environmental stewardship

# Sustainability Report



## Governance



### BUSINESS ETHICS & COMPLIANCE [GRI 2-26; GRI 2-27; GRI205; GRI207]

**Related UNSDGs:**



**Why is this Important?**

Business ethics and compliance form the cornerstone of trust and integrity across our operations. By upholding rigorous ethical standards and meeting all regulatory requirements including anti-corruption measures, tax obligations, and other statutory obligations, the Group safeguards its reputation with stakeholders, mitigates legal and financial risks, and reinforces a culture of accountability. In an increasingly complex global business environment and requirement, maintaining transparency and ethical conduct is essential for sustainable growth and for sustaining long-term stakeholder confidence.

**Our Approach**

At Protasco, business ethics and compliance form the foundation of trust, integrity, and transparency in all our operations. Upholding ethical standards and regulatory requirements including anti-corruption measures, tax obligations, and other statutory compliance, we ensure to maintain our reputation with stakeholders, mitigate legal and financial risks, and foster a culture of accountability. In an increasingly complex business environment and constant changing requirement, transparency and ethical conduct are essential for sustainable growth, stakeholder confidence, and long-term value creation.

The Group’s approach to anti-corruption is anchored in a zero-tolerance policy toward bribery, fraud, and any form of unethical conduct. We have established a comprehensive framework to ensure that our operations are conducted with the highest level of integrity and transparency.

**Policies And Procedures [GRI 205-2]**

- |  |   |  |
|--|---|--|
| <ul style="list-style-type: none"> <li> <b>Integrity &amp; Anti-Corruption Policy</b><br/>                     Our Integrity &amp; Anti-Corruption Policy establishes a robust framework to combat corruption and bribery, clearly defining the standards of ethical conduct expected from all employees, business partners and third-party associates. This ensures that all stakeholders uphold the principles of integrity in their professional dealings. This policy is publicly accessible on our website.                 </li> </ul> | <ul style="list-style-type: none"> <li> <b>Conflict of Interest (COI) Policy</b><br/>                     A COI Policy has been established specifically for all Directors of Protasco and Key Senior Management in the Company. This policy requires that all decisions and actions taken by Directors and Senior Management are made in the best interest of the Company. They are required to make an annual declaration of COI or potential COI via the COI Declaration Form.                 </li> </ul> | <ul style="list-style-type: none"> <li> <b>Discretionary Authority Limits (DAL)</b><br/>                     A key pillar of this framework is our DAL, which sets out clear guidelines on the levels of authority and approval required for financial and operational decisions. By enforcing stringent oversight on transactions, the DAL minimises the risk of corruption, unauthorised activities and potential conflicts of interest.                 </li> </ul> |
|--|---|--|

# Sustainability Report

## Training And Awareness [GRI 205-2]

We actively promote a culture of integrity through annual anti-corruption training. To ensure broad understanding, at least 50% of employees are required to undergo training on anti-corruption measures annually.

## Whistleblowing Mechanism [GRI 2-26]

The Group maintains a whistleblowing mechanism that provides secure and confidential channels for employees and stakeholders to report suspected misconduct, unethical behaviour or policy breaches, including violations of DAL. All reported cases are managed in accordance with established procedures and are periodically reviewed to ensure effective handling, transparency and accountability.

In November 2024, the Group enhanced its whistleblowing framework to strengthen governance controls, and the updates were communicated to all BUs in FY2025 to reinforce the importance of ethical reporting and protection against retaliation. At the subsidiary level, the Construction Division operates its own whistleblowing policy under its Anti-Bribery Compliance Function (ABCF), overseen by a dedicated committee and aligned with ISO 37001:2025 Anti-Bribery Management System (ABMS) requirements, while the Hotel Division maintains an internal whistleblowing mechanism managed by its internal compliance team.

## Risk Assessment And Due Diligence [GRI 205-1]

Annual risk assessments for anti-corruption are conducted across all BUs, scheduled and reviewed by the Board of Risk Management Committee. These assessments identify potential indicator to risks and prompting mitigation strategies to mitigate the risks. The compliance with the Group's anti-corruption policies that safeguards our operational integrity is carried out by the Internal Audit Function which reports functionally to the Audit Committee.

## Monitoring And Enforcement [GRI 205-3]

The Group, through the Strategy & Sustainability Office (SSO), actively monitors anti-corruption data across all BUs, with consolidated findings reviewed biannually by the Board Risk Management Committee (BRMC). All reported data undergoes validation to ensure accuracy, completeness and transparency, supporting consistent enforcement of anti-corruption measures across the Group.

In addition, the construction team implements a structured annual audit and training plan under its compliance framework, which includes scheduled monitoring of reported cases, one internal audit and one external audit annually, as well as regular awareness programmes. Audits cover employees, suppliers, contractors and vendors to ensure comprehensive compliance oversight.

Hotel & Hospitality BU conducts monthly operational audits and spot checks across all functional areas, reviewing both financial controls (including float management) and operational procedures (such as procurement and kitchen inventory verification) to ensure adherence to established standard operating procedures. Through these multi-layered monitoring and enforcement mechanisms, the Group reinforces accountability, mitigates corruption risks and strengthens stakeholder confidence in its governance practices.

## Business Compliance Framework [GRI 2-27]

The Group's compliance strategy is centred on three core areas:

### Authority Compliance

Adherence to local and international regulations through engagement with regulators, audits, and ongoing legal training.

### Product and Service Compliance

Each BU ensures products and services meet or exceed industry standards, supported by rigorous quality control, documentation, and customer feedback.

### Value-Adding Compliance

Ethical practices and stakeholder engagement are prioritised to enhance operations, community impact, and align with SDGs.

# Sustainability Report

## A. Our Anti-Corruption Performance

### i) Whistleblowing Report [GRI 2-26]

The Group maintains a formal whistleblowing mechanism that enables employees and external stakeholders to report suspected misconduct, including bribery and corruption, in a confidential manner. All reports received are assessed and investigated in accordance with the Group's Whistleblowing Policy, with appropriate actions taken where necessary.

#### 3-Year Summary of Cases via Whistleblowing

Details	FY2025	FY2024	FY2023
No. of cases received	0	2	0
No. of cases resolved internally after investigation	0	2	0
No. of cases not valid after investigation	0	0	0
No. of cases reported to authorities	0	0	0

Over the past three financial years, the Group recorded a low incidence of whistleblowing reports. In FY2024, two cases were received and subsequently investigated and resolved internally in accordance with established procedures. No cases were reported in FY2023 and FY2025, and there were no invalid cases, pending cases or matters escalated to authorities during the three-year period. This reflects the Group's continued commitment to ethical conduct, transparent investigation processes and effective internal resolution mechanisms.

### ii) Corruption Risk Assessment [GRI 205-1]

Each BU integrates anti-corruption and anti-bribery considerations into its enterprise risk management framework. This continues in FY2025. Corruption risk assessments are conducted periodically to identify potential exposure, evaluate control effectiveness, and implement mitigation measures where required.

Over the past three financial years, the Group has progressively expanded the scope and depth of corruption risk assessments, reflecting its commitment to strengthening governance and risk oversight. Identified risks are monitored through corrective action plans and continuous improvement measures.

#### 3-Year Summary of Cases via Whistleblowing

Details	FY2025	FY2024	FY2023
Total number of operations assessed for corruption risk	24 (29%)	27 (33%)	12 (12%)
Number of corruption risk assessments / audits conducted	8 BUs	8 BUs	9 BUs
Significant risks related to corruption identified through the risk assessment	11	13	10

*Note: The Education BU was previously included in the Group's corruption risk assessment. In FY2025, this BU is no longer under the Group's control and has therefore been excluded from the assessment. This ensures that the corruption risk assessment focuses on operations and BUs that remain under the Group's governance and direct management. The percentage of total number of operations assessed for corruption risk for FY2024 was restated for better accuracy.*

In FY2025, the Group assessed 24 operations (29%) for corruption risks, a slight decrease from 27 operations (33%) in FY2024 due to structural changes, including the removal of the Education BU from Group control. Despite the reduced number of operations, 11 significant risks were identified and addressed through mitigation plans, reflecting continued focus on high-risk areas, strengthened system controls, and a targeted approach to risk management.

# Sustainability Report

### iii) Corruption-Related Training [GRI 205-2]

The Group places strong emphasis on awareness and capacity-building to promote ethical conduct and reinforce a culture of integrity across all levels of the organisation. In line with the Group's ESG KPI, a target was established for at least 50% of employees to be aware of anti-corruption principles. In FY2025, this target was surpassed, with 67% of employees participating in anti-corruption training and awareness programmes, demonstrating the Group's continued commitment to strengthening governance and ethical standards.

On 14 October 2025, the Group organised a session titled 'Taklimat Pengukuhan Integriti', featuring En. Mohd Firdaus Bin Ramlan, who shared his personal experience relating to bribery cases. The session provided practical insights into the consequences and broader impact of unethical practices, reinforcing the importance of integrity and responsible conduct in the workplace.

In addition to Group-level initiatives, BUs such as the Hotel & Hospitality and Engineering & Consultancy Services conducted their own anti-corruption programmes to reinforce awareness at the operational level.

On 14 August 2025, the Hotel & Hospitality BU organised an anti-corruption talk titled 'Undang-undang Pencegahan Rasuah', delivered by Ps Mohd Ihsan Bin Anuar, which was attended by 55 participants. The session focused on strengthening understanding of relevant anti-corruption laws and compliance obligations.

On 22 October 2025, a forum titled 'Antirasuah dan Pengurusan Perolehan Terbaik bersama Profesional Kejuruteraan 2025' was held. The session featured PKP Westmoreland Anak Ajom, Head of the Private Sector Branch, Community Education Division, Malaysian Anti-Corruption Commission (MACC), together with other officers, who shared insights on corruption prevention, ethical decision-making and integrity in procurement practices across both public and private sectors. The forum also included a 'Sesi Lafaz Ikrar Bebas Rasuah (IBR)', during which 48 participants collectively pledged their commitment to integrity and anti-corruption principles, followed by the formal signing of the IBR document.



Through these structured and ongoing initiatives, the Group continues to foster a culture of transparency, accountability and ethical business practices. In FY2025, these efforts were sustained and enhanced, with past performance serving as a baseline to monitor and improve annual participation rates. A summary of employees who have received anti-corruption training by employee category is presented below.

#### Anti-Corruption Training (Category of Employees) 3 Years Comparison

Year	Senior Management	Middle Management	Executive	Non-executive
FY2023	7 (7%)	30 (29%)	59 (57%)	7 (7%)
FY2024	8 (1%)	70 (12%)	320 (54%)	193 (33%)
<b>FY2025</b>	<b>6 (1%)</b>	<b>72 (9%)</b>	<b>366 (44%)</b>	<b>375 (46%)</b>

The data shows a steady increase in training participation among Executives and Non-Executives, demonstrating the Group's efforts to reach a broader workforce and reinforce anti-corruption principles at all organisational levels. Senior and Middle Management remain actively engaged through targeted sessions to strengthen leadership accountability in upholding ethical standards.

# Sustainability Report

## iv) Corruption Incidents [GRI 205-3]

As at FY2025, the Group continues to uphold a zero-tolerance approach towards bribery. No political contributions were made during the reporting period, and no employees were reprimanded or dismissed for breaches of the Group’s anti-corruption policy.

Over the past three (3) financial years (FY2023–FY2025), we have consistently upheld a zero-incident record in relation to bribery and corruption. This reflects the effectiveness of the Group’s governance controls, risk assessments, and training programmes.

### Number of Confirmed incidents of corruption (by Employee Category)

Category of Employees	FY2025	FY2024	FY2023
Senior Management	0	0	0
Middle Management	0	0	0
Executive	0	0	0
Non-executive	0	0	0

Over the past three financial years, the Group has recorded no confirmed incidents of corruption across all employee categories, and there are no active projects or backlog in countries outside Malaysia. This reflects the effectiveness of its anti-corruption policies, awareness programmes, and monitoring mechanisms. This consistent track record demonstrates the Group’s commitment to integrity, ethical conduct, and a zero-tolerance approach to corruption across all levels of the organisation.

## B. Our Compliance Performance [GRI 2-27]

### Compliance Overview

The Group is committed to maintaining high standards of compliance across all business operations. Compliance performance is monitored through internal audits, risk assessments, and established reporting mechanisms to ensure adherence to applicable laws, regulations, and internal policies, including those related to business ethics and governance.

### Enhanced Compliance Monitoring and Data Collection

Under the IAP 3.0 initiative and following the internal audit completed in FY2024, the Group’s enhanced compliance data-collection framework. This framework remains in place and continues to be refined in FY2025.

The enhanced framework has significantly improved tracking and reporting accuracy, ensuring that all instances of non-compliance regardless of severity; are captured, escalated and addressed in a timely manner. In FY2025, the enhanced framework has identified 1 non-compliance cases, with total fines and penalties amounting to approximately RM200,000.

# Sustainability Report

## COMPLIANCE METRICS AND KPIs

During the reporting period, we conducted ESG compliance audits across various BUs to ensure our practices align with regulatory and industry standards (refer to the Statement of Assurance in this report). This underscores our commitment to maintaining high standards and achieving necessary compliance. Additionally, employees participated in several ESG compliance training sessions, which improved their understanding and adherence to our policies. Detailed information on relevant training can be found under the various materiality sections of this report.

## ACHIEVEMENTS AND IMPROVEMENTS

Building on the comprehensive data-capturing process introduced in FY2024, our most recent rounds of compliance audits in FY2025 have enabled better monitoring and more consistent reporting of compliance performance across the Group. The enhanced framework allows us to identify trends, close gaps more quickly and track the effectiveness of corrective actions over time. Several BUs have further refined their internal procedures and documentation to align more closely with Group-level requirements. These improvements have helped standardise practices, reduce the risk of oversight and ensure that compliance expectations are clearly understood and embedded in day-to-day operations

## INCIDENTS AND RESOLUTIONS

During the FY2025 reporting period, the Group recorded 1 incident of non-compliance affecting various BUs. This incident was related to software licensing, initially identified at the end of FY2024 and largely resolved during FY2025, with total penalties amounting to RM200,000. On the project-related compliance, which includes environmental requirements and other permits, standards and regulations, the Group have met all obligations, and no issues were recorded for FY2025. The Group continues to monitor any legal claims or summonses. To prevent recurrence, the Group will continue to enhance its compliance framework through rigorous monitoring, regular audits and comprehensive training programmes. We remain committed to upholding the highest compliance standards and will continue to proactively identify and mitigate potential risks

### Summary of Compliance Performance

Details	FY2025	FY2024	FY2023
Number of non-compliance in relation to business ethics	1	5	0
Total number of non-monetary sanctions for non-compliance with laws and regulations	0	0	0
Total cost (RM) of business / operation fines and penalties during financial year	200,000	41,497	0

Non-compliance case (in relation to business ethics)	Amount (RM)	Mitigation Action
A compliance matter involving software usage	200,000	The Group has strengthened its internal controls over software asset management. Previously, software procurement was centralised, but with the establishment of the Group's ICT function, processes have been improved to include enhanced monitoring mechanisms, periodic preventive maintenance, and increased employee awareness on intellectual property compliance.

# Sustainability Report

## Regulatory Engagement & Compliance [GRI 2-27; GRI 2-29]

The Group maintains proactive and transparent engagement with relevant regulatory authorities to ensure full compliance with applicable laws, regulations and industry standards. This structured approach enables the Group to anticipate regulatory developments, incorporate regulatory feedback into internal controls, and strengthen governance and operational oversight across all BUs.

In FY2025, key areas of compliance focus included occupational safety and health, project-level statutory adherence, industry certifications and supply chain compliance.

<p><b>a) Occupational Safety and Health (OSH)</b></p> <p>All business divisions maintain dedicated OSH teams responsible for implementing and monitoring workplace safety initiatives in accordance with the requirements of DOSH.</p> <p>Regular risk assessments, site inspections and internal audits are conducted to ensure continuous compliance with statutory obligations and to mitigate workplace hazards. These measures reinforce the Group's commitment to safeguard employees, contractors and other stakeholders.</p>	<p>though the Group is actively evaluating integration of recognised sustainability standards in future projects.</p> <p>Compliance activities cover construction safety, environmental protection and quality management standards. For road maintenance operations, all works are carried out in accordance with Jabatan Kerja Raya (JKR) specifications and requirements for road maintenance.</p> <p>As for Hotel &amp; Hospitality BU, compliance obligations include adherence to the requirements of the Ministry of Tourism, Arts and Culture (MOTAC), Occupational Safety and Health regulations, Radisson brand standards requirements which includes the ESG updates, Halal certification standards. A compliance visit was made by JAIS in December 2025 and was confirmed with no non-compliance findings. As part of maintaining halal certification, the requirement for a Halal Executive has been addressed, and action has been taken and appointment made.</p>	<p>waste management controls and enhancing compliance tracking in line with the Group's Environmental Policy.</p> <p><b>ii) ISO 45001: Occupational Health and Safety Management System</b> Implemented since 2022 and renewed in 2024. This management system is applicable to Construction and Maintenance BU. In FY2025, emphasis was placed on hazard identification, risk assessments, toolbox briefings and strengthened site safety monitoring.</p>
<p><b>b) Project and Operational Compliance</b></p> <p>Specific projects, including those in Kulim and Tampin, are closely monitored to ensure compliance with statutory, environmental and contractual obligations.</p> <p>Below are some of the compliance measures taken:</p> <ul style="list-style-type: none"> <li>i) Appointment of certified Safety Officers (in-house where required; external appointments made when multiple projects run concurrently, for solar projects undertaken by Clean Energy.)</li> <li>ii) Deployment of Safety Supervisors, Safety Coordinators, Traffic Management Officers and Environmental Officers for construction matters.</li> <li>iii) Conduct of environmental studies prior to project commencement and submit to Department of Environment (DOE)</li> <li>iv) Scheduled waste management and environmental monitoring.</li> <li>v) All projects fully comply with CIDB and DOE requirements. As of FY2025, no projects held sustainability-related certifications,</li> </ul>	<p><b>c) ISO and Management System Certifications</b></p> <p>The Group's core operations are guided by internationally recognised management systems to ensure structured and systematic risk management.</p> <p><b>i) ISO 14001: Environmental Management System</b> Implemented since 2021 and was renewed in 2024.</p> <p>In FY2025, continued implementation included monitoring environmental performance, strengthening</p>	<p><b>iii) ISO 37001: Anti-Bribery Management System (ABMS)</b> Implemented in 2024 and applied to the construction division. In FY2025, ongoing monitoring, awareness programmes and internal controls were reinforced to strengthen ethical conduct and corruption prevention.</p> <p><b>iv) ISO 9001: Quality Management System</b> Implemented since 2021 and applicable across core operational divisions. In FY2025, continuous quality control procedures were improvised, documentation standards and project delivery monitoring were further enhanced to ensure consistent service and project quality.</p> <p>All projects and operations operate in alignment with these certified management systems, ensuring systematic management of environmental, health, safety and quality risks.</p>

# Sustainability Report

## d) Supply Chain and Product Compliance

The Group also enforces compliance requirements across its supply chain to ensure product safety and market access

- i. Under the Agriventure BU, suppliers (planters) are required to apply for Skim Pensijilan Amalan Pertanian Baik Malaysia (myGAP) certification to ensure that agricultural produce supplied for manufacturing is safe for consumption and free from harmful chemicals or pesticides. This applies to both local and Singapore markets. As for exports to China, suppliers are required to obtain certified farm status (Sijil Ladang) in accordance with export regulations. In addition, water supplied by Ranhill SAJ (utility company responsible for water supply services in Johor) is treated using Reverse Osmosis (RO) systems prior to use in fruit washing processes. This treatment ensures water quality and supports hygiene standards in the handling and preparation of agricultural produce.
- ii. For the Hotel & Hospitality BU, kitchen product suppliers must possess valid halal certification, and all other products must comply with Radisson brand standards and relevant regulatory requirements.

The Group's regulatory framework is further supported by policies, training programmes, monitoring mechanisms and structured reporting processes.

Through these integrated compliance and certification initiatives, the Group demonstrates its ongoing commitment to regulatory adherence, ethical business practices and operational excellence across all its activities.

## Stakeholder Feedback

Feedback from stakeholders continues to play a critical role in shaping our compliance strategies in FY2025. Through ongoing dialogue, particularly with regulators, we incorporate meaningful insights into our practices to ensure our compliance efforts remain aligned with stakeholder expectations and emerging requirements.

Looking ahead, we remain focused on elevating our compliance practices by further integrating them with our strategic and sustainability goals. This includes broadening training initiatives, strengthening a culture of accountability across all levels of the organisation, and maintaining close engagement with regulatory bodies to stay ahead of industry shifts. Upholding the highest standards of compliance continues to be a cornerstone of our operations and reinforces our commitment to responsible and sustainable growth in FY2025 and beyond.

## C. Tax Compliance [GRI 207]

### i) Our Tax Footprint

The Group contributes to national and international economic development through the payment of corporate income tax and other statutory taxes arising from its business activities. Our tax contributions reflect the value created through the operations across various BUs including construction, maintenance, trading, manufacturing, engineering consultancy, agriventure and hospitality services.

While the majority of our operations are based in Malaysia, the Group also generates international service income through its hospitality segment operating under the Park Inn by Radisson brand. As a result, we incurs withholding taxes in several foreign jurisdictions where these services are provided.

### Approach to Tax [GRI 207-1]

The Group recognises tax as an important component of its economic contribution to the jurisdictions in which it operates and is committed to full compliance with all applicable tax laws and regulations.

We have a responsible and transparent approach to tax, ensuring that taxes are paid in accordance with the substance of its business activities and the value created through its operations.

We do not engage in aggressive tax planning or arrangements designed solely to reduce tax liabilities. All tax decisions are driven by commercial considerations and conducted in line with prevailing tax legislation and ethical business practices.

# Sustainability Report

## Tax Governance, Control and Risk Management

[207-2]

The Group operates a decentralised tax governance structure, enabling BUs to manage their tax obligations effectively while aligning with the Group’s overall compliance objectives and applicable regulatory requirements.

Where intercompany transactions occur, transfer pricing policies are implemented to ensure that such transactions are conducted at an arm’s-length basis in accordance with local transfer pricing regulations and international best practices.

## Stakeholder Engagement and Management of Tax-Related Concerns

[GRI 207-3]

The Group maintains constructive and professional relationships with tax authorities, including the Inland Revenue Board of Malaysia and other relevant regulators. Each BU is responsible for liaising with tax authorities on operational tax matters, while significant issues are escalated to Group management where necessary.

The Group responds to tax audits, reviews and queries in a timely and cooperative manner, and seeks to resolve tax matters transparently and in accordance with established legal and administrative procedures.

## Country-by-Country Reporting

[GRI 207-4]

The Group’s primary tax contributions arise from its Malaysian operations. In addition, the Group records withholding taxes in several foreign jurisdictions relating to cross-border hospitality services. These taxes are deducted at source by foreign counterparties in accordance with local tax regulations and applicable tax treaties. The Group discloses its total corporate tax and withholding tax contributions as part of its sustainability reporting to enhance transparency regarding its economic impact.

### Details

**FY2025**

Tax Payable (RM' million)	<b>40.7</b>
Effective Tax Rate (%)	<b>26</b>
Withholding Tax Paid (RM)	<b>77,889.29</b>
Transfer Pricing	<b>Yes</b>

During the reporting period, the Group’s corporate income tax payable amounted to RM40.7 million, primarily arising from profitable operations in Malaysia. The Group recorded an effective tax rate of 26%, which is slightly above Malaysia’s statutory corporate income tax rate of 24%. This reflects the impact of certain non-deductible expenses and tax adjustments while demonstrating the Group’s continued commitment to complying with national tax regulations

In addition to corporate income tax, the Group incurred RM77,889.29 in withholding taxes across several international jurisdictions. These taxes mainly arise from hospitality service income associated with operations under the Park Inn by Radisson brand, where taxes are deducted at source by foreign counterparties in accordance with local tax regulations.

The Group maintains transfer pricing policies for applicable intercompany transactions to ensure compliance with relevant tax regulations and international best practices.

During the reporting period, the Group and its BUs complied with applicable tax laws and regulations. There were no material incidents of tax non-compliance, significant penalties or unresolved tax disputes that had a material impact on the Group’s financial position or reputation.

Through the payment of corporate income taxes and other statutory taxes, the Group contributes to economic development and public finances in the jurisdictions where it operates, supporting infrastructure development, public services and broader economic growth.

# Sustainability Report



## Social



### PROCUREMENT PRACTICES [GRI 204, GRI 308, GRI 414, GRI 412, GRI 205]

**Related UNSDGs:**



#### Why is this Important?

As a diversified enterprise engaged in every aspect of the construction and infrastructure value chain, Protasco plays a pivotal role in strengthening the local marketplace through our procurement practices. Our commitment to responsible procurement supports local industries, fosters the transfer of local knowledge, and contributes to the prosperity of the communities we serve.

We build and maintain trust with our external providers. This trust enables us to source competitively priced products and services that meet our specific needs while ensuring that our procurement activities align with our values and objectives. Our approach not only supports local economic development but also enhances our operational efficiency and effectiveness.

#### Our Approach

The Group adopts various approaches in implementing fair and equitable procurement practices.

<p><b>Local Supplier Support and Engagement [GRI 204-1]</b></p>	<p><b>Supplier Environmental Assessment [GRI 308]</b></p>	<p><b>Supplier Social Assessment [GRI 414]</b></p>	<p><b>Anti-Corruption [GRI 205]</b></p>
<p>Prioritising suppliers and subcontractors from significant locations of operation to strengthen local economies and community development. Exceptions, such as sourcing specific products for the Hotel &amp; Hospitality Division, comply with brand standards while maintaining procurement policies.</p>	<p>Annual evaluations of subcontractors, suppliers, and consultants by HCM and Prasarana Bistari (Construction Division) assess compliance with environmental laws, emission management, and resource efficiency. It is being done under the relevant management system.</p>	<p><b>Human Rights Assessment [GRI 412]</b></p> <p>Suppliers undergo annual evaluations on labour rights, health &amp; safety, non-discrimination, and prohibition of child and forced labour. Worker documentation, including passports and work permits, is verified and copies are maintained for audits.</p>	<p>Procurement and payments are governed by the DAL, requiring management approval based on transaction value, ensuring ethical conduct and accountability.</p>

# Sustainability Report

## Responsible Sourcing

While a uniform Group-wide ESG supplier selection framework is not yet established, several BUs have implemented focused initiatives.

BU	Focus Areas	Compliance Measures	Certifications / Requirements
<b>Agriventure</b>	Food safety, quality, price	Supplier declarations, lab test reports, documentation review	Halal certification, food safety compliance, myGAP (for agricultural produce)
<b>Construction &amp; Clean Energy</b>	Quality, health & safety, anti-bribery	Pre-tender evaluation forms, Letter of Acceptance, desktop checks on contractor history and prior projects, on-site monitoring	ISO 45001 (OHS), ISO 14001 (Environment), ISO 37001 (Anti-Bribery), local statutory compliance
<b>Hotel &amp; Hospitality</b>	Food safety, halal compliance, operational ESG standards	Supplier documentation review, periodic audits, operational spot checks	Halal certification, Radisson brand standards, relevant safety certifications

### Fair and Equitable Practices

[GRI 2; GRI 308; GRI 414]

The Group ensures fairness, transparency, and integrity in procurement through competitive bidding, clear selection criteria, and stringent anti-corruption controls. These are governed by the DAL and certified management systems, including ISO 9001, ISO 37001, ISO 14001, and ISO 45001. Project-focused BUs, particularly Maintenance and Property Development & Construction, apply structured oversight and annual internal audits, while other BUs implement similar principles for office-related supplies. These practices build trust, prevent conflicts of interest, and reinforce supplier accountability.

### Supplier Engagement and Knowledge Transfer

[GRI 2-23; GRI 2-24; GRI 2-26; GRI 308-1; GRI 308-2; GRI 414-1; GRI 414-2]

Suppliers are actively engaged through performance evaluations, feedback, ESG surveys, site visits, technical briefings, and product demonstrations.

In FY2025, the Construction Division continued ESG assessments covering regulatory compliance, environmental

management, labour rights, occupational health & safety, and anti-bribery conduct. Suppliers are required to submit integrity declarations and are reminded annually of compliance requirements.

Knowledge transfer initiatives in FY2025 focused on technical and operational expertise. For example, Clean Energy suppliers provides equipment and installation guidance, while Hotel suppliers conduct product updates and service briefings.

The Group plans to strengthen ESG-related capacity-building programmes progressively to enhance supplier capabilities, mutual growth, and long-term supply chain resilience.

### Compliance and Ethical Standards

Our procurement activities adhere to internal policies, the DAL framework, and legal requirements such as OSHA and DOE regulations. All new suppliers within the core BUs are assessed under ISO 9001:2015 procedures, including quality systems, safety track records, and regulatory compliance. Ongoing monitoring occurs twice yearly using the Approved Supplier Monitoring Form. Non-compliant suppliers

receive Supplier Corrective Action Requests (SCAR), with repeated non-compliance resulting in blacklisting.

Maintenance, Trading & Manufacturing, Property and Construction BUs source from approved entities (CIDB, SIRIM, IKRAM Quality Assurance) to ensure compliance with contract specifications and industry standards. These measures safeguard project quality, reinforce ethical procurement, and strengthen supplier accountability across all operations.

### Monitoring and Reporting

[GRI 2; GRI 204; GRI 308; GRI 414]

We monitor and report half yearly on the effectiveness of our procurement practices through performance metrics, audits, and regular assessments.

Procurement practices are monitored and reported semi-annually through performance metrics, audits, and supplier assessments. This oversight ensures transparency, tracks progress, supports timely corrective actions, and enhances the integrity and sustainability of the supply chain.

# Sustainability Report

## Our Performance

In the reporting period, our procurement practices have effectively supported our strategic objectives while enhancing local economic growth and sustainability. We have made significant strides in implementing and refining our procurement process through the ISO9001, reflecting our commitment to responsible and ethical sourcing.

Details	FY2025	FY2024	FY2023	FY2022	FY2021
Local Procurement Actual (RM)	<b>130,272,345</b>	277,059,071	298,483,994	259,381,475	4,942,232
Foreign Procurement Actual (RM)	<b>3,795,115</b>	6,762,126	3,002,531	818,349	3,020
Total Procurement Actual (RM)	<b>134,067,460</b>	283,821,197	301,486,526	263,199,824	4,945,252
Percentage of Local Procurement Actual	<b>97.17%</b>	97.62%	99.56%	98.55%	99.93%
Number of Local Suppliers	<b>650</b>	472	452	428	128
Number of Foreign Suppliers	<b>10</b>	9	15	14	1
Total Number of Suppliers	<b>660</b>	481	467	442	129
Percentage of Local Suppliers	<b>98%</b>	98%	97%	97%	99%
Number of suppliers screened / audited for good ESG performance	<b>308</b>	28	14	N/A	N/A
Number of suppliers removed from procurement list or cautioned for poor ESG performance	<b>0</b>	N/A	N/A	N/A	N/A
Number of suppliers endorsed anti-bribery anti-corruption policies	<b>308</b>	N/A	N/A	N/A	N/A

### Interpretation:

#### a) Local Procurement Performance

[GRI 204-1]

The Group continues to demonstrate a strong commitment to supporting local economies. In FY2025, 97.17% of our total procurement spending was directed to local suppliers. Although this represents a slight decrease from FY2023 (99.56%) and FY2024 (97.62%), the percentage remains consistently above 97% over five years.

This consistently high proportion of local procurement reflects our strong reliance on domestic supply chains, continued contribution to local economic development, reduced exposure to foreign supply risks, and alignment with national economic participation objectives. The significant decrease in our total procurement value in FY2025 is attributed to project cycle variations and timing differences rather than a structural shift in the Group's sourcing strategy.

#### b) Supplier Base Expansion and Diversification [GRI 204]

The total number of suppliers increased significantly in FY2025, compared to FY2024, reflecting an expansion in the Group's operational footprint and project activities. Of these, 650 were local suppliers while only 10 were foreign suppliers, maintaining

a high local supplier representation of 98%. This trend indicates the Group's broader engagement of SMEs and domestic contractors, reinforcing strong participation within the local business ecosystem. The consistently low proportion of foreign suppliers further demonstrates that we continue to maintain a predominantly domestic procurement strategy.

#### c) ESG Screening and Supplier Assessment

[GRI 308-1, GRI 308-2, GRI 414-1, GRI 414-2]

The Group has made a significant improvement in supplier ESG screening, increasing from 14 suppliers in FY2023 to 28 in FY2024, and rising substantially to 308 suppliers in FY2025. This demonstrates a marked scaling-up of ESG oversight and aligns strongly with Global Reporting Initiative 308 (Environmental Assessment of Suppliers) and GRI 414 (Social Assessment of Suppliers), as well as Bursa Malaysia's expectations for supply chain ESG risk management. However, when it is compared to the total supplier base of 660 in FY2025, approximately 47% of suppliers were screened. While we acknowledge this reflects meaningful progress in strengthening ESG governance within the supply chain, it also indicates room for improvement in expanding our assessment coverage, particularly among non-project-based or ad hoc suppliers.

# Sustainability Report

## d) Ethical Governance and Anti-Corruption Commitment

[GRI 205-2; GRI 205-3]

In FY2025, 308 of the suppliers were required to update on their anti-bribery status, while no suppliers were removed or cautioned for poor ESG performance. As for the Construction Division all suppliers, vendors, contractors are frequently updated on the Anti-bribery and anti-corruption (ABAC) policies annually through emails. This demonstrates active communication of ethical standards, formal acknowledgment by nearly half of the supplier base especially relating to construction projects, and the strengthening of governance controls through supplier commitments. From a Bursa Malaysia governance perspective, these measures reflect enhanced third-party corruption risk mitigation, clear supplier-level ethical oversight, and alignment with Malaysia’s anti-corruption regulatory framework. However in future, our disclosure will be further strengthened by providing the percentage of suppliers who signed ABAC relative to the total supplier base and clarifying whether high-risk suppliers are prioritised for monitoring and endorsement. This will be done progressively.

## e) Supplier Performance and Risk Management

The absence of supplier removals for poor ESG performance in FY2025 indicates our strong compliance among suppliers, and screening processes. In line with GRI 308-2 and GRI 414-2, no significant ESG-related non-compliances were reported among suppliers, vendors and contractors in FY2025. This indicates strong adherence to environmental and social standards within the supply chain. While no corrective actions were necessary, we continue to apply rigorous monitoring and engagement practices, ensuring continuous improvement and transparency in supplier performance management.

## f) Category Highlights

<b>ESG Tracking &amp; Support</b>	Continuous monitoring of project-related suppliers; ad hoc suppliers not assessed. Low survey response noted; proactive measures planned.
<b>Incident Reporting &amp; Resolutions</b>	No significant procurement incidents in FY2025.
<b>Training &amp; Capacity Building</b>	Supplier Code of Conduct communicated; OSH safety training conducted; formal ESG training planned.
<b>Regulatory Compliance</b>	Continued adherence to OSHA and DOE standards; regular audits confirm compliance.



# Sustainability Report



## Social



### COMMUNITY DEVELOPMENT [GRI 413-1, GRI 203-1, GRI 201-1]

**Related UNSDGs:**



#### Why is this Important?

At Protasco, our commitment to social responsibility drives us to actively invest in the growth and well-being of sustainable and inclusive communities. Our community investment efforts are an integral part of our corporate ethos, reflecting our dedication to creating lasting, positive impact in the areas where we operate.

Through targeted initiatives, we aim to support underserved groups, including B40 families, and provide meaningful opportunities for development. Employee volunteerism, strategic partnerships, and structured programmes across all BUs enable tangible outcomes in line with sustainable and inclusive community growth.

#### Our Approach

#### 1 Supporting Community Projects and Initiatives

[GRI 413-1]

The Group undertakes environmental, social, and sustainability initiatives designed to protect natural ecosystems, support community well-being, and raise awareness of responsible practices. Programmes include health, education, and social support initiatives that empower communities and promote sustainable development.

#### 2 Supporting Underserved Communities

[GRI 413-1, GRI 203-1]

We participate in initiatives that assist B40 families and vulnerable groups by providing essential resources, infrastructure improvements, and targeted community support. This includes aid for education, sports, flood relief, and school infrastructure development, in collaboration with external partners.

#### 3 Employee Engagement

[GRI 413-1]

Our employees actively contribute through volunteer programmes, dedicating 384 hours across 124 community projects in FY2025. This fosters a culture of social responsibility and strengthens engagement with local communities.

# Sustainability Report

## Our Performance

During FY2025, all BUs contributed to community well-being through structured initiatives. Key highlights include:

### a) Community Investment Metrics and KPIs

[GRI 201-1; GRI 203-1]

#### FY2025 Community Investment (Based on BUs)

BU	Percentage
Maintenance	80%
Engineering & Consultancy Services	10%
Hotel & Hospitality	4%
Trading & Manufacturing	4%
Clean Energy	2%
Property and Construction	1%

#### 3-Year Comparison on the Protasco's Community Development [GRI 203-2; GRI 413-1]

Details	FY2025	FY2024	FY2023
Total amount invested where target beneficiaries are external to the Group (RM)	712,487	2,119,060	425,056
Total amount of direct cost invested (RM)	561,776	2,006,061	425,056
Total amount of indirect cost invested (RM)	150,711	112,999	N/A
Total number of beneficiaries in communities	13	6	6
Total number of programmes undertaken throughout the Group	124	126	102
Number of employees participating in community impact programmes	750	726	391
Total hours spent on community impact programmes	384	292	233

In FY2025, Protasco's community investment remained focused on delivering meaningful impact, with Maintenance contributing 80% of initiatives, followed by Engineering & Consultancy Services (10%) and other BUs making smaller contributions. The Group invested RM712,487 in 124 programmes, reaching 13 communities, with 750 employees contributing 384 volunteer hours, reflecting increased staff engagement compared to previous years. While total investment of the Group was lower than FY2024, the broader reach and structured allocation of direct and indirect costs demonstrate sustained commitment to social responsibility. Overall, we will continue to foster inclusive and sustainable community development by prioritising resources where operational presence is greatest, expanding beneficiary coverage, and strengthening employee participation, aligning with GRI 203-2 and 413-1 expectations.

## Support for Underserved Communities

[GRI 413-1]

In FY2025, the Group prioritised initiatives that directly benefited underserved and vulnerable communities, particularly those aligned with poverty alleviation, food security, health, education, and social inclusion. Contributions under SDG 1 with 7 projects and SDG 2 with 13 projects focused on providing financial assistance, essential supplies, and food aid to low-income (B40) families. A significant portion of programmes supported SDG 3 with 35 projects, delivering medical assistance, welfare support, and community health initiatives aimed at improving quality of life.

A number of 19 projects related to education-related support under SDG 4 provided learning materials, school assistance, and access to better facilities for students from disadvantaged backgrounds. Efforts aligned with SDG 10 and SDG 5 further supported inclusive development by addressing social disparities and empowering vulnerable groups. Collectively, these targeted initiatives demonstrate the Group's commitment to uplifting underserved communities through structured, needs-based interventions that promote equitable access to basic necessities, healthcare, and education.

### Educational Contributions

GRI 413-1, GRI 203-1

In FY2025, the Group continued to support education for underserved communities by providing learning materials, school assistance, and access to better educational facilities. Through 19 targeted projects aligned with SDG 4, we invested RM95,159 to enhance learning opportunities for students from B40 families and disadvantaged backgrounds. These initiatives aimed to improve educational outcomes, support academic development, and empower youth with the skills and resources needed for a better future.

# Sustainability Report

## Employee Volunteerism

[GRI 413-1]

During FY2025, 750 employees contributed to 384 volunteer hours across 124 community service projects, demonstrating strong commitment to social responsibility and active community engagement.

## Social Impact Assessment (SIA)

[GRI 413-1, 413-2]

During the reporting period, none of the Group’s active projects required a SIA. However, Tampin Phase 2 had its SIA completed and submitted in FY2023 before project commencement.

Although current projects did not necessitate an SIA, we remain committed to monitoring the social impacts of its operations. SIAs will continue to be conducted for projects where required, ensuring responsible operations that adhere to best practices and safeguard the interests of local communities.

## Free, Prior, and Informed Consent (FPIC)

[GRI 413-2]

During this reporting period, none of the Group’s projects required the application of FPIC, as no activities impacted indigenous peoples or communities, nor did they take place on lands traditionally owned or used by these groups.

Nonetheless, relevant BUs with the projects maintain ongoing dialogue with local communities throughout project lifecycles. Feedback is actively collected, addressed, and incorporated from project initiation until completion, particularly by the construction teams, ensuring community concerns are considered and local engagement is maintained.



## Social



## DIVERSITY [GRI 405: Diversity and Equal Opportunity]

### Related UNSDGs:



### Why is this Important?

Protasco recognises that a diverse workforce enriches our company by incorporating a wide range of perspectives, experiences, and ideas, which fuels creativity and enhances problem-solving capabilities. In today’s complex and rapidly evolving business environment, leveraging the varied insights of a multi-ethnic and multi-cultural team is crucial for developing innovative solutions and strategies. As a Malaysian-based Group operating across multiple sectors, we believe that fostering a multi-ethnic, multi-generational, and inclusive workforce allows us to better reflect the communities we serve while remaining competitive and adaptable in the marketplace.

### Our Approach

The Group is committed to cultivating a diverse and inclusive workplace where all employees are treated with dignity, fairness, and respect. This commitment is underpinned by our Human Rights Policy and Non-Discrimination Policy, which reinforce zero tolerance towards discrimination based on gender, ethnicity, religion, age,

or other socio-demographic factors; a merit-based employment framework where recruitment, performance evaluation, promotions, and career development are determined solely by performance, skills, competencies, and qualifications; and alignment with applicable regulatory guidance and recognised best practices to promote diversity at all levels of the organisation, including the Board and Senior Management.

# Sustainability Report

## Leadership and Governance Diversity

[GRI 405-1]

The Group remains committed to strengthening diversity at the highest levels of leadership, including the Board of Directors and Senior Management. Key focus areas include increasing female participation in managerial and leadership roles through an initial internal target of 30% female representation at the managerial level as a foundational milestone, encouraging more balanced leadership representation within a traditionally male-dominated construction industry, and periodically reviewing Board composition to enhance diversity in terms of gender, age, and experience, in line with applicable regulatory expectations and best practices.

## Recruitment and Hiring Practices

[GRI 405-1; GRI 401-1]

The Group adopts fair and unbiased recruitment practices to ensure equal employment opportunities for all candidates.

Our approach includes avoiding the specification of gender or ethnicity in job advertisements unless role-specific requirements necessitate otherwise, applying consistent and standardised selection criteria across all BUs, and ensuring that recruitment decisions are based solely on job relevance, qualifications, and experience. Specific diversity-related recruitment data will continue to be tracked and disclosed as part of the Group's ongoing efforts to strengthen transparency and continuous improvement.

## Supportive Policies and Inclusive Practices

[GRI 405-1, GRI 406-1]

The Group is committed to fostering a diverse and inclusive workforce through strict adherence to Malaysian labour laws and best employment practices. We ensure through our Group Human Resource Department compliance with employment standards, fair wage policies, and protection of employee rights, reinforcing a workplace grounded in fairness and equity.

Diversity and non-discrimination principles are fully integrated into our HR policies, covering recruitment, training, performance evaluation, and employee engagement programmes. All Group-wide initiatives, including training sessions and events, are designed to be inclusive, ensuring accessibility and participation for employees across different genders, ethnicities, and age groups.

The Group maintains robust compliance mechanisms, including formal HR policies aligned with statutory requirements, and mandatory training for employees and managers. Contributions to EPF and SOCSO, adherence to minimum wage regulations, and systematic monitoring of working hours and leave entitlements underscore our commitment to lawful and ethical employment practices.

During FY2025, no labour law violations were reported, demonstrating the effectiveness of these policies and our dedication to maintaining a fair, safe, and compliant workplace.

## Commitment Towards Diversity

[GRI 405-1, GRI 406-1]

The Group upholds a strong commitment to diversity, equity, and inclusion through its Human Rights Policy and a robust Non-Discrimination Policy. These policies reflect our zero-tolerance stance towards

any form of discrimination, ensuring that all employees, regardless of race, gender, religion, age, or other socio-demographic factors are treated equitably, with dignity and respect.

The Group has established clear and actionable targets to strengthen gender and cultural diversity across all BUs. Recognising that the construction industry is traditionally male dominated, we set a target of 20% female representation in managerial positions and is actively creating opportunities for women to advance into leadership roles. This commitment to equitable gender representation extends to the Board of Directors and Senior Management, reinforcing a balanced and inclusive governance structure.

Aligned with relevant regulatory guidance, the Group's Diversity Policy ensures that leadership at all levels reflects diversity, while fostering a workplace culture that values different perspectives, nurtures talent, and empowers employees across the organisation.

## Measuring and Monitoring Progress

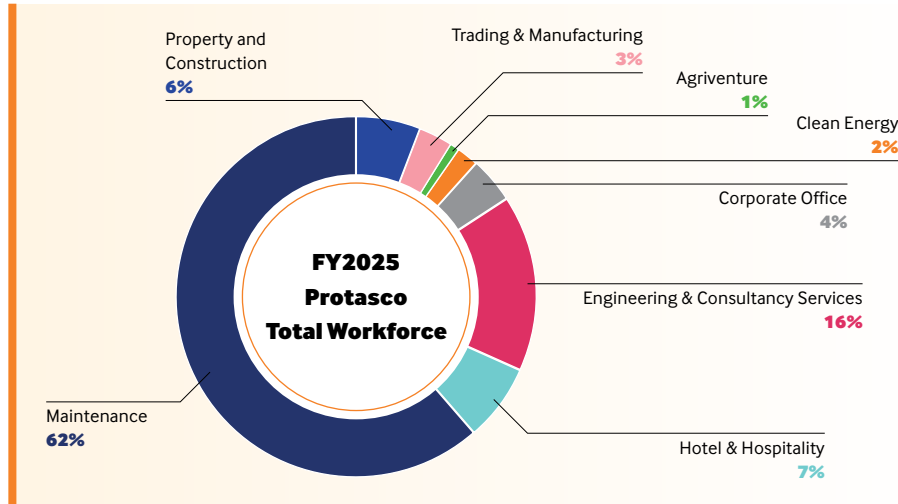
[GRI 405-1, GRI 401-1, GRI 405-2, GRI 406-1]

Our performance evaluation process is strictly merit-based, focusing solely on employees' skills, performance, capabilities, and qualifications. Factors such as ethnicity, gender, marital status, or other socio-demographic characteristics are excluded from assessments and promotion decisions, reinforcing fairness and equity across the organisation. All HR policies, including the Group's HR Manual and related procedural documents, embed principles of inclusivity and equal opportunity. This ensures that programmes and initiatives across the Group accommodate employees of diverse genders, ethnicities, and age groups, while maintaining compliance with Malaysian labour laws and relevant employment regulations.

# Sustainability Report

## Our Performance

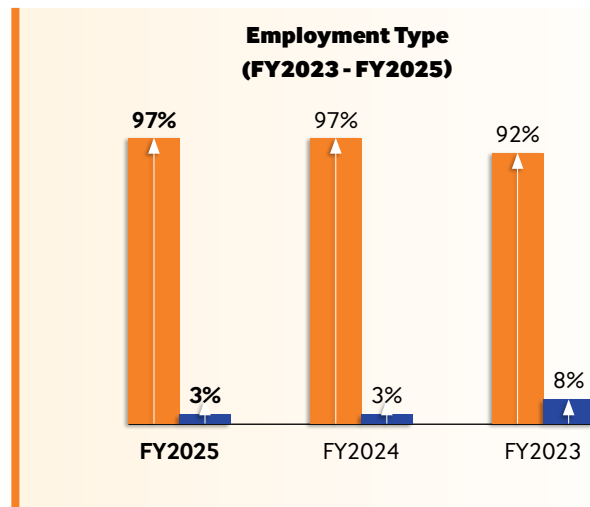
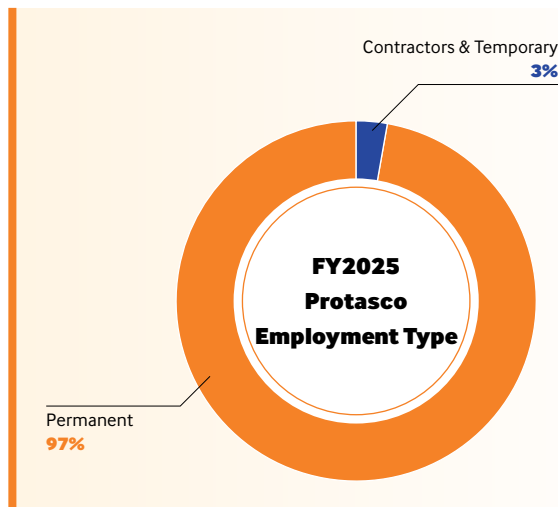
### Total Workforce Composition



As of FY2025, the Group's total workforce, inclusive of permanent and temporary employees, is distributed across its BUs with Maintenance (62%), Engineering & Consultancy Services (16%), Hotel & Hospitality (7%), Property and Construction (6%), Corporate Office (4%), Trading & Manufacturing (3%), Clean Energy (2%), and Agriventure (1%).

This distribution highlights the Group's operational focus, strength and the diversity of roles across both operational and corporate functions.

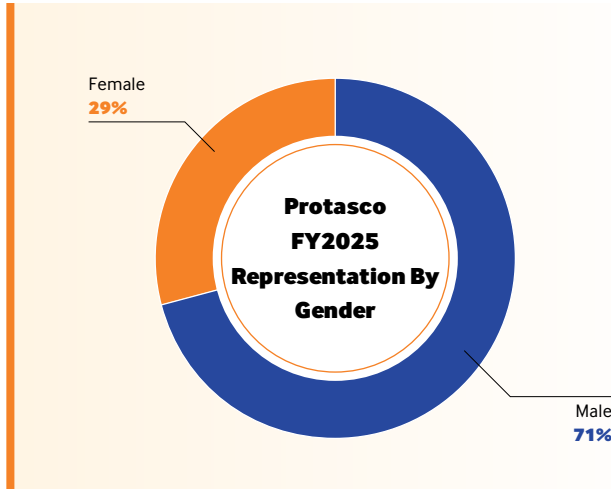
### FY2025 Workforce by Employment Type [GRI 2-7, GRI 401-1]



In FY2025, the vast majority of the Group's workforce consisted of permanent employees with full benefits, representing 97% of the total workforce, consistent with FY2024 and an increase from 92% in FY2023. Contractors and temporary staff accounted for 3%, remaining stable compared to FY2024 and decreasing from 8% in FY2023. This distribution reflects the Group's commitment to employment stability, workforce retention, and operational continuity in its construction and infrastructure maintenance activities, while still allowing for selective engagement of temporary or specialised personnel to meet short-term project demands.

# Sustainability Report

## FY2025 Workforce Gender Composition [GRI 405-1]



As of FY2025, the Group’s workforce comprised 1,257 employees, inclusive of both permanent and temporary staff. The gender distribution was 71% male and 29% female across all BUs.

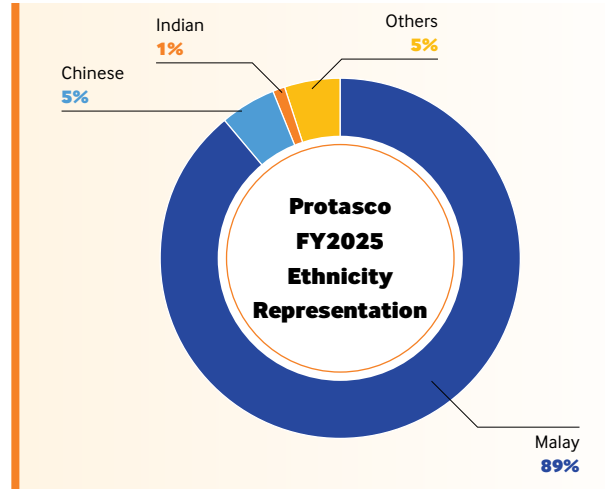
Our workforce distribution highlights a male-dominated composition in operational units, particularly Maintenance (76% male) and Engineering & Consultancy Services (72% male), reflecting the technical and field-based nature of these roles. Conversely, BUs such as the Corporate Office (64% female) and Property and Construction (50% female) shows more balanced gender representation, indicative of office-based or administrative functions.

## FY2025 Age Breakdown by Employee Category [GRI 405-1]

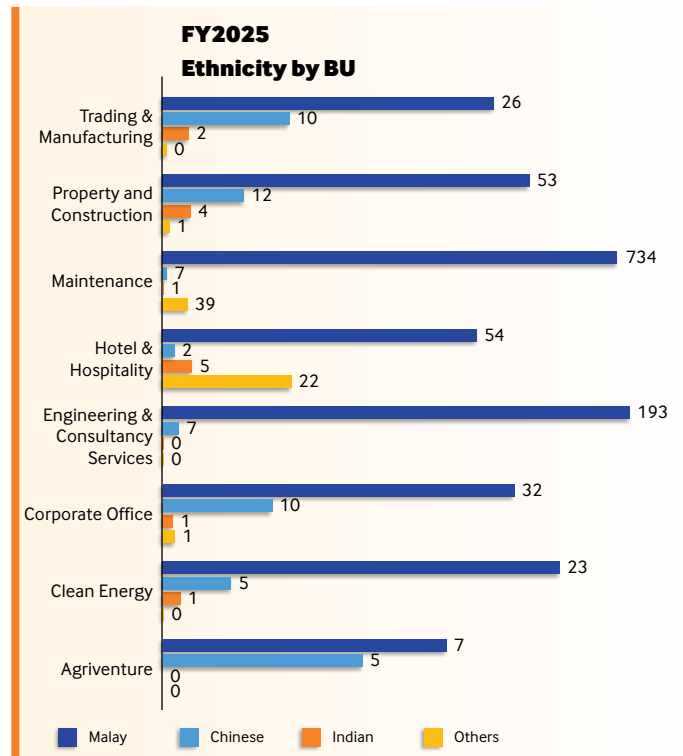
Category	<30 years old	30-50 years old	>50 years old
Senior Management	0%	1%	12%
Middle Management	0%	11%	23%
Executive	56%	41%	29%
Non-Executive	44%	47%	36%

The workforce profile shows that younger employees (<30 years) are concentrated at the Executive (56%) and Non-Executive (44%) levels, with no representation in management. The 30-50 age group forms the core of the workforce, primarily at Non-Executive (47%) and Executive (41%) levels, with a moderate presence in Middle Management (11%). Employees above 50 years are more represented in leadership roles, with 35% in Senior and Middle Management combined, indicating that senior positions are largely occupied by more experienced employees.

## FY2025 Workforce Ethnic Composition [GRI 405-1]



Across the BU, workforce is predominantly Malay, with representation from Chinese, Indian, and other ethnic groups. While the composition varies by BU, the workforce reflects the multi-ethnic nature of Malaysia and the Group’s commitment to fostering an inclusive and equitable workplace that values diversity across all levels of the organisation.



# Sustainability Report

## FY2025 Women Participation in Management [GRI 405-1]

### (i) Management Position

In the reporting period, our procurement practices have effectively supported our strategic objectives while enhancing local economic growth and sustainability. We have made significant strides in implementing and refining our procurement process through the ISO9001, reflecting our commitment to responsible and ethical sourcing.

Details	FY2025	FY2024	FY2023	FY2022	FY2021
Number of female managerial staff	53	104	70	70	72
Number of male managerial staff	113	196	132	129	134
Total staff at the managerial level	170	300	202	199	206
Percentage of female managerial staff	31%	35%	35%	35%	35%
Percentage of male managerial staff	69%	65%	65%	65%	65%

In FY2025, women represented approximately 31% of managerial positions, reflecting a slight decline from previous years when female representation at the managerial level was higher, largely due to the Education BU that previously employed a significant number of women. The absence of that BU in the current structure contributed to this reduction; however, the percentage remains within the Group's 20% target for female participation in management, demonstrating continued commitment to gender diversity in leadership.

The Group continues to actively promote opportunities for women in managerial and decision-making roles across all BUs and regularly monitors progress to ensure alignment with the Group's diversity and inclusion objectives.

### ii) Gender Breakdown by Employee Category in FY2025

Employee Category	Male (%)	Female (%)
Senior Management	81%	19%
Middle Management	65%	35%
Executive	58%	42%
Non-Executive	84%	16%

In FY2025, the Group's workforce composition by employee category reflects varying levels of gender representation across organisational levels. Female representation is most prominent at the Executive level (42%), indicating encouraging participation of women in professional and technical roles within the organisation. Middle Management also demonstrates

a relatively balanced composition, with 35% female representation, reflecting gradual progress in developing a diverse leadership pipeline.

However, our Senior Management (19% female) and Non-Executive roles (16% female) remain predominantly male. This distribution partly reflects the operational nature of several core BUs within the Group, where technical and field-based roles are traditionally male-dominated.

Nevertheless, The Group remains committed to strengthening gender diversity and inclusion, particularly by encouraging greater female participation in leadership and decision-making roles through talent development, equitable career advancement opportunities, and inclusive workplace policies.

# Sustainability Report

## iii) Gender Pay

The table below presents a comparison of gender pay. Reporting began in FY2023 and will continue to ensure ongoing transparency and accountability.

### 3 Years Comparison for Gender Pay

Indicator	FY2025	FY2024	FY2023
Average Hourly Pay (Male)	<b>RM555</b>	RM953	RM256
Average Hourly Pay (Female)	<b>RM461</b>	RM778	RM199
Pay Difference (RM)	<b>RM95</b>	RM175	RM57
Gender Pay Gap (%)	<b>17%</b>	18%	22%

Note:

1. An error was identified in the previously reported FY2023 pay difference, which was incorrectly stated as 56. The table above reflects the corrected value, ensuring accurate and reliable disclosure of our diversity and pay equity metrics.
2. FY2023: Initial data capturing for limited employees and BUs.
3. FY2024: Expanded reporting scope with additional BUs included.
4. FY2025: Education BU excluded from reporting scope.

Our analysis of average hourly pay shows that male employees earned RM555 in FY2025, compared to RM461 for female employees, resulting in a gender pay gap of 17%. FY2024 recorded higher average pay for both genders due to our reporting scope, while FY2023 figures were lower as data capturing was limited to fewer employees and units. Despite these variations, the gender pay gap remained relatively stable, demonstrating the Group's commitment to fair and equitable remuneration practices.

## iv) Board Representation

The table below presents a comparison of gender pay. Reporting began in FY2023 and will continue to ensure ongoing transparency and accountability.

### 3 Years Comparison for Gender Pay

Category	FY2025	FY2024	FY2023
<b>Age Group</b>			
Under 30	<b>0%</b>	0%	0%
Between 30-50	<b>14%</b>	29%	29%
Above 50	<b>86%</b>	71%	71%
<b>Ethnicity</b>			
Malay	<b>29%</b>	29%	29%
Chinese	<b>71%</b>	71%	71%
Indian	<b>0%</b>	0%	0%
Others	<b>0%</b>	0%	0%
<b>Nationality</b>			
Local	<b>100%</b>	100%	100%
Foreign	<b>0%</b>	0%	0%

# Sustainability Report

The Board’s diversity profile has remained largely unchanged over the past three years, with gender composition steady at 71% male and 29% female. In terms of age, the Board continues to be predominantly represented by directors above 50 years old, increasing from 71% in FY2023 and FY2024 to 86% in FY2025, with no members under 30. Ethnically, the composition has remained consistent, comprising 71% Chinese and 29% Malay directors, while all Board members are Malaysian nationals. The Group has a stable Board composition, with limited changes in diversity across the reporting period.

## 5 Years Comparison of the Board Gender Representation [GRI 405-1]

### Board Gender Representation (Five-Year Comparison)

Category	FY2025		FY2024		FY2023		FY2022		FY2021	
	Nos	%	Nos	%	Nos	%	Nos	%	Nos	%
Male	5	71%	5	71%	5	71%	5	71%	6	75%
Female	2	29%	2	29%	2	29%	2	29%	2	25%
<b>Total</b>	<b>7</b>	<b>100%</b>	<b>7</b>	<b>100%</b>	<b>7</b>	<b>100%</b>	<b>7</b>	<b>100%</b>	<b>8</b>	<b>100%</b>

Female representation on Protasco’s Board has remained stable over the past five years. Women held 25% of Board seats in FY2021 and 29% from FY2022 to FY2025, with two female directors maintained throughout this period. The trend shows consistency but limited progress, with representation remaining slightly below the 30% diversity benchmark.



## Social



## OCCUPATIONAL, SAFETY & HEALTH [GRI 403]

### Related UNSDGs:



### Why is this Important?

Occupational Safety and Health (OSH) is a non-negotiable priority at Protasco, given the inherent risks associated with our construction and infrastructure activities. We believe that robust OSH practices safeguard our workforce, the communities we serve, and ensure operational continuity. The potential repercussions of an OSH incident extend beyond immediate project delays. They can disrupt our operations, jeopardise project timelines, impact revenue streams, and affect Group’s reputation. Maintaining high standards of safety also ensures compliance with regulatory requirements, secures investor confidence, and supports our long-term sustainability.

By prioritising OSH, we invest in employee well-being, minimise disruptions, and reinforce Protasco’s commitment to delivering high-quality projects and services safely.

# Sustainability Report

## Our Approach

### Occupational Health and Safety Management System [GRI 403-1]

At Protasco, OSH is a core part of our culture and operations across all BUs, especially Maintenance, Property, and Construction. Our OSH Policy applies to all employees and third-party workers from all various business segments within the Group and is fully aligned with the DOSH and the Environmental Quality Act 1974 (EQA), ensuring compliance with national regulations.

Each BU has an active OSH committee that conducts regular activities, including annual training sessions such as fire drills, audits, and quarterly meetings, while reporting key OSH metrics such as total manhours, fatalities, and other work-related incidents to the Group. These measures ensure continuous monitoring and improvement of workplace safety practices.

In our road maintenance and property construction-focused BUs, including Prasarana Bistari, HCM, and Roadcare, ISO 45001 certification has been achieved and maintained, reflecting our commitment to international best practices in occupational health and safety. Prasarana Bistari and HCM have held certification since FY2022, while Roadcare obtained certification in FY2025. Across all BUs, we prioritise the provision of appropriate personal protective equipment, comprehensive safety training, and active leadership oversight, with HSE matters regularly reported to key executives.

Since 2019, the Group's adherence to both project and workplace safety & health, underscores our dedication to upholding the highest OSH standards and safeguarding the well-being of employees, contractors, and stakeholders.

### Hazard Identification, Risk Assessment, and Incident Investigation (HIRARC) [GRI 403-2]

The Group, with a particular focus on property construction and road construction and maintenance, proactively manages workplace risks through a comprehensive HIRARC process. For every project, the Traffic and Safety Department conducts detailed assessments to identify potential hazards, evaluate associated risks, and implement tailored mitigation strategies prior to the commencement of work.

These measures are designed to protect employees, contractors, the public, and the environment, ensuring compliance with relevant DOE guidelines and reinforcing a safe and secure work environment across all operations.

### Occupational Health Services and Promotion of Worker Health [GRI 403-3; GRI 403-6]

The Group supports employee well-being through comprehensive occupational health services and wellness initiatives. Employees have access to preventive healthcare, medical support, and mental health programmes, while awareness campaigns and health promotion activities foster a culture of holistic well-being. By prioritising both physical and mental health, we ensure a safe, productive, and resilient workforce.

At the project sites, in FY2025, the Maintenance team conducted audiometric tests for on-site employees exposed to noise, carried out by Occupational Health Doctors (OHD) registered with DOSH. In addition, noise risk assessments were performed by DOSH-registered noise assessors, and Chemical Hazard Risk Assessments (CHRA) were conducted to ensure chemicals used in operations are safely managed, monitored, and handled.

For communicable health concerns, such as influenza, the HR department especially within the Hotel & Hospitality monitors all staff and directs them to medical clinics if symptoms are reported. Security personnel conducting daily attendance checks also inquire about symptoms, ensuring that any affected staff receive appropriate testing and care.

At the Group level various programmes were conducted such as Health Screening Day by National Kidney Foundation (NKF), World Mental Health Day and ActivQWork Challenge.

All these measures reflect the Group's proactive approach to workplace health monitoring, early detection, and prevention, reinforcing a safe and healthy work environment for all employees and to ensure it does not affect to other stakeholders if it is infectious.



# Sustainability Report

## Worker Participation, Consultation, and Training

[GRI 403-4; GRI 403-5]

The Group actively engages employees and contractors in OSH through HSE committees, safety consultations, and regular feedback mechanisms. This participatory approach ensures that safety is a shared responsibility across all levels of operations.

Comprehensive training programmes equip both employees and contractors with the knowledge and skills necessary for safe work execution, emergency response, and proper use of personal protective equipment. These initiatives are reinforced by quarterly audits and evaluations, promoting adherence to safety protocols and cultivating a culture of vigilance and accountability.

Key employee training programmes conducted across all BUs include:

- Basic Occupational First Aid, CPR, and AED courses
- Working Safely at Height refresher training
- Fire drills and workplace inductions
- Health and safety awareness, including the dangers of smoking and vaping
- Stress management and mental health programmes
- Toolbox briefings (for on-site staff only)

For contractors, we provides:

- Safety awareness sessions
- Toolbox talks and safety briefings
- Temporary Construction Dock (TCD) inspections
- Routine maintenance safety protocols
- Safety inductions for new and ongoing project personnel

Through these initiatives, we ensure that all our personnel, employees and contractors alike are actively involved in maintaining a safe and healthy work environment.

In FY2025, both employees and contractors received various training sessions on health and safety. The table below presents a three-year comparison of the training provided.

No. of Training	FY2025		FY2024		FY2023	
	Employees	Contractors	Employees	Contractors	Employees	Contractors
Trained on health and safety standards	694	592	699	498	838	N/A
No. of training and awareness on safety & health	201	102	374	100	39	N/A

# Sustainability Report

## Prevention and Mitigation in Business Relationships

[GRI 403-7]

Safety extends beyond our Group’s direct workforce to include contractors and third-party partners across our value chain. All on-site contractors are required to comply with the Group’s OSH policies and procedures, ensuring consistent safety standards and effective mitigation of occupational risks across all project sites. Compliance is reinforced through contractual obligations, safety inductions, regular monitoring, and performance evaluations.

Contractors are integrated into the Group’s safety management framework, with key safety performance indicators such as total manhours worked, number of fatalities, recordable incidents, and safety training hours tracked and reported alongside employee data. This ensures transparency, accountability, and alignment with Group-wide HSE objectives.

To strengthen prevention and mitigation measures, the Group implements the following practices for contractors:

- Mandatory Safety Induction prior to site mobilisation
- Monthly toolbox meetings and regular safety briefings
- Monthly site meetings and audits to assess compliance
- Monthly on-site machinery inspections
- Annual OSH policy refresher briefings

During toolbox sessions conducted by the Maintenance Traffic and Safety Executive, safety compliance across all sites is reviewed, including subcontractor performance. Through a digital monitoring platform, the Roadcare Apps, subcontractors are required to update daily safety compliance records. This enables real-time monitoring by Management and the OSH Officer, strengthening oversight and early risk detection.

Additional preventive health measures are also implemented where relevant. For construction sites employing foreign workers, annual anti-malaria blood tests are conducted by the local Health Department in Tampin. In the Hotel operations, outsourced foreign workers undergo medical screening to ensure fitness for work and to safeguard overall workplace health standards.

Through these structured controls and monitoring mechanisms, we ensure that safety expectations are consistently upheld across all business relationships, reinforcing a proactive and integrated approach to occupational health and safety throughout the value chain.

## Work-Related Injuries and Ill Health

[GRI 403-9; GRI 403-10]

Protasco monitors work-related incidents through Lost Time Workday Rate (LTWR) and Lost Time Incident Rate (LTIR), capturing data on fatalities, injuries, and occupational illnesses.

### Key OSH Data (FY2023–FY2025)

No. of Training	FY2025		FY2024		FY2023	
	Employees	Contractors	Employees	Contractors	Employees	Contractors
Total Hours Worked	2,437,288	7,313,704	2,059,632	6,789,412	1,401,944	6,961,624
Number of work-related fatalities	0	0	1	0	0	0
Lost Time Workday Rate (LTWR)	0	0	2,918.48	0	N/A	N/A
Lost Time Incident Rate (LTIR)	0	0	0.97	0	N/A	N/A

Despite increasing operational exposure (higher manhours), the Group achieved substantial improvements in safety performance in FY2025, including zero fatalities and zero lost time incidents. This outcome underscores the effectiveness of our strengthened HSE leadership oversight, ISO 45001 implementation, enhanced contractor monitoring (including digital reporting systems), and proactive health and safety interventions across all BUs.

# Sustainability Report



## Social



## CUSTOMER SATISFACTION [GRI 2-25; GRI 2-29; GRI 416; GRI 417; GRI 418]

### Related UNSDGs:



### Why is this Important?

For Protasco, customer satisfaction is the cornerstone of our business growth and long-term business sustainability. Our diverse operations, which include agriventure, construction, property, maintenance, clean energy, engineering & consultancy services and trading & manufacturing, are driven by a commitment to delivering exceptional value. These operations involve direct engagement with customers, government agencies, and business partners, making service quality, reliability, and safety critical to business performance. By leveraging our integrated ecosystem of services, we enhance the quality, safety, and sustainability of our offerings. Our ability to share expertise and insights across these sectors enables us to deliver superior products and services that meet and exceed customer expectations. Maintaining high levels of customer satisfaction not only strengthens our relationships but also drives innovation and excellence across all areas of our business.

Through stakeholder engagement and materiality assessment processes, customer satisfaction has been identified as one of the material topics due to expectations for high-quality service delivery, project reliability, safety, transparency, and responsiveness.

### Our Approach

#### Stakeholder Engagement [GRI 2-29]

The Group actively engages with customers and clients across all business divisions to understand their expectations, address concerns, and continuously improve service delivery.

Engagement is conducted through various channels, including customer satisfaction surveys, project performance reviews, contract meetings, client feedback sessions, formal complaint and grievance mechanisms, as well as digital communication platforms and customer service touchpoints. Feedback collected through these channels is analysed at the BU level and escalated to management when necessary. Common issues raised by customers typically relate to service quality and reliability, timely project

delivery, health and safety performance, technical competence and innovation, and responsiveness to complaints and defects. Insights gained from these engagements are used to drive operational improvements, strengthen risk management practices, and support strategic decision-making across the Group.

In the Maintenance Division, customer surveys are specifically monitored under ISO 9001 standards. Survey forms are disseminated directly to customers in the field, including road users and communities surrounding the roads maintained by the Group. Clients also provide performance evaluations for the Maintenance business. For example, Kementerian Kerja Raya (KKR), as a customer, evaluated Road Care and DAL HCM, awarding them a 5-star rating, while the CIDB also awarded 5-star ratings for our performance as their service provider. Similarly, once projects are completed,

survey forms are sent to clients and monitored under ISO 9001 to track service quality and client satisfaction.

Other divisions also implement formal feedback mechanisms. The Agriventure Division provides Rejection/Feedback Forms directly to customers to obtain feedback for improvements to their products, while for the Hotel & Hospitality Division the Marketing & Communications (Marcomm) team handles guest reviews and feedback, including complaints and compliments received via Review Pro, typically upon customer departure.

Through these structured feedback processes, the Group ensures that customer insights are systematically captured, analysed, and used to enhance service quality, operational efficiency, and overall client satisfaction across all business divisions.

# Sustainability Report

## Quality Management Systems Across BUs

BU's	Quality Management System	Companies
<b>Engineering &amp; Consultancy Services</b>	ISO9001:2015	Ikram Engineering Services Sdn Bhd Ikram Paves Sdn Bhd Ikram Premier Consulting Sdn Bhd
	ISO 17025	Ikram Paves Sdn Bhd Ikram QA Services Sdn Bhd
	ISO 17065	Ikram QA Services Sdn Bhd
	CIDB G7/SPKK	Ikram Engineering Services Sdn Bhd
	BEM	Ikram Premier Consulting Sdn Bhd Ikram Engineering Consulting Sdn Bhd
<b>Maintenance</b>	ISO9001:2015	Empayar Indera Sdn Bhd Roadcare (M) Sdn Bhd
	ISO45001:2018	Roadcare (M) Sdn Bhd
<b>Construction</b>	ISO9001:2015	
	ISO 14001:2015	Prasarana Bistari Sdn Bhd
	ISO 45001:2018	HCM Engineering Sdn Bhd
	ISO37001:2025	
<b>Property</b>	ISO9001:2015	Kumpulan Ikram Sdn Bhd
<b>Trading &amp; Manufacturing</b>	ISO9001:2015	Protasco Trading Sdn Bhd

## Quality Assessment System within Construction

As part of our commitment to enhancing workmanship quality, our internal Property Development and Construction team continuously strives to exceed industry standards for both landed housing and stratified buildings. We conduct thorough quality assessments of each construction unit, identifying and recording defects for rectification before handover to purchasers. This proactive approach has significantly improved construction quality and contributed to a reduction in customer complaints.

### Remediation of Negative Impacts

[GRI 2-25]

The Group maintains structured processes to address customer complaints, service deficiencies, and product-related issues across all BUs. These processes include formal complaint and grievance channels, investigation and root-cause analysis of reported issues, and the implementation of corrective and preventive actions under the Quality Management System. Defects or service issues are rectified within agreed timelines, with ongoing

communication and follow-up to confirm resolution with the customer. Significant complaints or contractual disputes are escalated to senior management for review and resolution. Lessons learned from these cases are incorporated into operational improvements, staff training, and process enhancements to prevent recurrence. For customer complaints within the Construction Division, time frames for resolution are established and approved by clients depending on the nature and complexity of the issue. Once the corrective actions are completed, a formal mutual handover is conducted to officially close the case.

In the case of rejected products, the issue is debriefed with the team to ensure understanding, and more focused management and quality checks are implemented before the product is sent out again. This approach is specifically applied in the Agriventure Division to ensure continuous improvement and prevent recurrence of similar issues.

### Customer Feedback and Continuous Improvement

Each BU's customer feedback is systematically integrated into management review meetings, process optimisation initiatives, service delivery improvements, and training and competency development programmes. By incorporating customer insights into these key operational areas, the Group ensures that expectations are consistently met while fostering continuous improvement and strengthening long-term customer relationships.

# Sustainability Report

## Our Performance

### Customer Grievances

Product & Service Responsibility	FY2025	FY2024	FY2023
No. of product/service-related complaints received	6,977	5,240	7,457
No. of complaints that has been dealt (year of reporting)	5,050	5,132	7,412

In FY2025, the Group recorded 6,977 product and service-related complaints, with the majority originating from the Maintenance and Property and Construction BUs. These complaints were largely associated with road issues and property defects, which typically require coordination among multiple parties including contractors, suppliers, and internal technical teams, resulting in more complex resolution processes.

During the reporting year, 5,050 complaints were successfully resolved, while the remaining cases were carried forward due to their technical complexity and multi-stakeholder involvement. The fluctuation in complaint volumes reflects the operational nature of these business segments, improved transparency in reporting, and the Group's structured approach to managing grievances through formalised processes and active stakeholder engagement.

### FY2025 Product- and Service-Related Complaints

Metric	FY2025	Notes / Explanation
Total product- and service-related complaints	6,977	Complaints mainly from Maintenance and Property and Construction BUs
Primary complaint types	Road issues, property defects	Often require coordination among contractors, suppliers, and internal teams
Resolution approach	Rework and corrective actions based on customer feedback	Ensures issues are addressed and quality improved
Major defects or safety incidents leading to legal proceedings	0	No incidents reported in FY2025

### Customer Satisfaction Average Score

Year	FY2025	FY2024	FY2023
Customer Satisfaction Score	88%	88%	86%

Despite operational challenges, customer perception remained resilient. The Customer Satisfaction Score was sustained at 88% in FY2025, consistent with FY2024 and improved from 86% in FY2023. This stable performance indicates that the Group has maintained customer confidence and service reliability even amid varying complaint volumes. While the consistent 88% score reflects strong foundational service quality, we acknowledge that it does highlight an opportunity to further strengthen preventive quality controls, enhance responsiveness, and drive service innovation to achieve incremental improvements in customer satisfaction.

# Sustainability Report

## Our Performance

### Customer Health and Safety [GRI 416-2]

#### FY2025 Complaints Related to Health & Safety

Metric	FY2025
Number of complaints received regarding non-compliance with health & safety impacts	4,872
Number of product/service-related complaints received (total)	6,977
Number of complaints dealt with through CRM/grievance mechanisms	5,050

#### Assessment of Health & Safety Impacts

Metric	FY2025
Assessment reports conducted on health & safety impacts of products/ services	4,896
Assessment reports pending	0
Total assessment reports for the year	4,896



In FY2025, the Group received a total of 6,977 product and service-related complaints, of which approximately 4,872 (70%) were specifically related to the health and safety impacts of its products and services. This high proportion underscores the critical importance of robust monitoring, reporting, and mitigation practices to safeguard customers. Through the respective BUs Customer Relationship Management (CRM) system and grievance mechanisms, 5,050 complaints were addressed within the reporting period, reflecting a proactive and responsive approach to resolution. While some complaints remained unresolved due to their complexity or the involvement of multiple stakeholders, particularly in the Maintenance, Property and Construction BUs, these instances highlight the Group’s commitment to managing intricate operational challenges without compromising customer safety or accountability.

Complementing complaint management, the related BUs conducted 4,896 assessments to evaluate the health and safety impacts of its products and services, with no pending assessments by year-end. This demonstrates a systematic and proactive approach to identifying and mitigating potential risks, ensuring that all products and services were reviewed in line with compliance requirements and customer protection standards. The comprehensive coverage of assessments, coupled with structured complaint handling, highlights the Group’s diligence in preventing adverse health and safety outcomes and its commitment to continuous improvement in operational safety and customer trust.

Overall, FY2025 reflects the Group’s ongoing focus on customer safety, risk awareness, and effective grievance management, balancing operational complexity with transparent and accountable processes.

# Sustainability Report

## Marketing and Labelling

[GRI 417-2; GRI 417-3]

During FY2025, the Group recorded no incidents of non-compliance related to product and service information, labelling, or marketing communications. All BUs adhered fully to applicable regulations, standards, and voluntary codes, reflecting a strong commitment to transparency and accuracy in customer communications.

The Group maintains stringent oversight to prevent misleading or deceptive practices in product labelling and marketing materials. All projects and initiatives are marketed only after obtaining relevant approvals (e.g., from the Ministry of Housing and Local Government for sales of housing), and product labelling complies with statutory requirements, such as the Food Act 1983 for food products. For the Hotel & Hospitality business, all communications and labelling comply with brand standards, ensuring consistency and quality across services.

These measures reinforce the Group's commitment to ethical marketing, accurate product information, and customer trust, aligning with both regulatory obligations and best practise standards.

## Customer Privacy

[GRI 418-1]

During the reporting period, there were no substantiated complaints concerning breaches of customer privacy or losses of customer data, reflecting the Group's commitment to stakeholder trust and regulatory compliance.

The Group ensures that all BUs comply with the requirements of the Personal Data Protection Act 2010 (PDPA). Compliance is maintained through operational oversight and coordination with BUs to ensure that personal data is collected, processed, stored, and retained in accordance with statutory obligations. Hotel & Hospitality Division for instance conducts regular operational spot checks to verify adherence to data handling procedures and ensure that personal data is collected, processed, stored, and retained in accordance with regulatory obligations.

The Group will continue to monitor compliance across all BUs and promptly address any potential issues, ensuring that its commitment to ethical conduct, confidentiality, and transparency in managing customer information is consistently upheld.



## Social



## DATA PRIVACY & CYBERSECURITY

[GRI 2-25; GRI 2-29; GRI 3-1; GRI 3-2; GRI 3-3; GRI 418]

### Related UNSDGs:



### Why is this Important?

In our mission to harness technology for greater operational efficiency and a competitive edge, the Group is dedicated to advancing stakeholder value through innovative and digital solutions. Digitalisation, a cornerstone of our IAP 2.0 strategy and continued into IAP 3.0, is central to our ongoing progress and success.

We recognise the heightened importance of robust data privacy and cybersecurity measures. Ensuring the protection of our data against breaches and cyber threats is critical to maintaining the integrity of our operations and safeguarding stakeholder trust.

Effective data security is not only essential for operational continuity but also for upholding our reputation. Vulnerabilities or breaches can undermine stakeholder confidence and disrupt our business engagements. By prioritising cybersecurity, we are committed to protecting our stakeholders and maintaining a secure, reliable digital environment.

# Sustainability Report

Our Approach				
<b>1</b> Policy and Commitment	<b>2</b> Data Privacy	<b>3</b> Cybersecurity	<b>4</b> Training and Awareness	<b>5</b> Monitoring and Continuous Improvements
<p>The Group remains committed to upholding the highest standards of data privacy and cybersecurity. We have implemented policies to safeguard stakeholder information, secure our digital infrastructure, and ensure compliance with relevant regulations, including the Cybersecurity Act 2024 (Act 854). While these policies provide a strong foundation, we are continuously refining them to address all aspects of cybersecurity and Information Technology (IT), ensuring full alignment to regulatory requirements and industry best practices.</p>	<p>We prioritise the protection of personal and sensitive information through stringent data privacy measures, ensuring full compliance to the Personal Data Protection Act and other relevant regulations. Our practices are designed to uphold our data security, safeguard stakeholder information with robust policies and controls as required by the regulators.</p>	<p>Our Group is progressively looking into the cybersecurity protocols to defend against potential threats and vulnerabilities. This includes deploying security technologies, and ensuring that our IT systems are resilient against cyber-attacks. Cybersecurity is integral to our risk assessment processes, enabling us to identify and mitigate potential risks associated with our digital operations.</p>	<p>We recognise the critical role that employee awareness and training play in maintaining a secure digital environment. We provide ongoing training programmes to ensure that our staff are knowledgeable about data privacy and cybersecurity practices. These programmes are designed to equip our employees with the skills to identify and respond to potential threats, fostering a culture of security within the organisation.</p>	<p>The Group is committed to monitoring our data privacy and cybersecurity practices to ensure their effectiveness. This is achieved by establishing KPIs aligned to the sustainability agenda and collecting relevant data.</p>

Through these measures, the Group aims to ensure that our digital operations are secure and that stakeholder trust is upheld. We remain committed to enhancing our practices in line with evolving threats and regulatory requirements.

### Process to Determine Data privacy and Cybersecurity

[GRI 3-1]

Data privacy and cybersecurity have been identified as material topics due to the Group’s increasing reliance on digital solutions across all BUs and the potential operational, financial, and reputational risks associated with data breaches or cyberattacks. The introduction of the Cybersecurity Act 2024 (Act 854) further underscores the importance of protecting sensitive data and maintaining secure digital operations to uphold stakeholder trust.

### Approach to Stakeholder Engagement

[GRI 2-29]

The Group engages with key stakeholders including employees, IT service providers, and business partners to identify risks, gather feedback, and strengthen cybersecurity practices. Engagement occurs through multiple channels, including IT service provider feedback, cybersecurity audits, employee participation in awareness and training programmes, internal risk assessments, reporting mechanisms, and regulatory compliance updates. Insights from these interactions lead the enhancement of cybersecurity policies, the reinforcement of risk mitigation strategies, and the development of targeted employee education, ensuring stakeholder concerns are addressed proactively and effectively.

# Sustainability Report

## Management of Data privacy and Cybersecurity

[GRI 3-3]

The Group manages data privacy and cybersecurity through a comprehensive framework of governance, policies, and operational measures. The Group's Information Technology Centre (ITC) coordinates centralised cybersecurity monitoring across all BUs with support from IT service providers, while formal incident management procedures are in place to detect, investigate, and remediate cyber incidents, including root-cause analysis and corrective actions.

Preventive controls, such as regular system updates, software patches, and access management, are implemented to reduce vulnerabilities, and cybersecurity training and awareness programmes are conducted to enhance employee knowledge and adherence to best practices. Collectively, these measures aim to prevent cyber risks,

mitigate the impact of potential incidents, and strengthen the Group's overall digital resilience.

## Processes to Remediate Negative Impacts [GRI 2-25]

In FY2025, the Group recorded Zero incidents of cyberattacks across its business units. Reported incidents are managed according to defined procedures, including immediate containment, investigation, and corrective action.

No data loss was reported during the reporting period. However, an incident involving the use of unlicensed software was identified during a software audit. The matter was confined with no impact to other stakeholders. Corrective actions were implemented, including upgrading all affected devices with licensed software and enhancing security protocols to prevent recurrence.

As part of the Group's proactive approach to remediating negative impacts, regular cybersecurity awareness training is conducted for employees. This training reinforces safe digital practices, educates staff on potential cyber threats, and strengthens the organisation's overall risk management culture.

For the Hotel & Hospitality Division, operations comply with brand standards, including proactive cybersecurity awareness measures. Staff receive daily simulated phishing emails, and employees who fall victim to the simulations are required to complete targeted online cybersecurity training, reinforcing awareness and preventive practices.

Through these initiatives, the Group collectively demonstrate a structured and proactive approach in managing digital risks, protecting stakeholders, and fostering a culture of cybersecurity vigilance and continuous improvement across all BUs.

## Our Performance

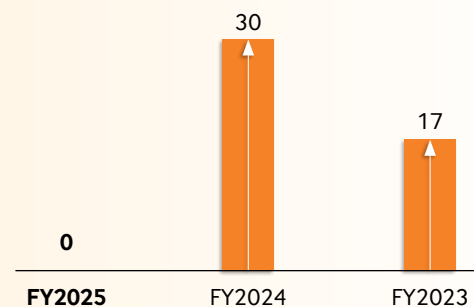
### Cyber Attacks Incidents [GRI 418-1]

In FY2025, the Group recorded zero incidents of cyber-attacks across all BUs, a significant improvement compared to 30 incidents in FY2024 and 17 in FY2023.

In FY2025, the Group recorded zero incidents of cyber-attacks across all BUs, attributable to the implementation of robust cybersecurity measures, including the deployment of Acronis Cyber Protect for real-time threat detection, endpoint protection, automated patch management, and continuous system monitoring, alongside strengthened internal controls and user awareness practices.

The incidents reported in FY2024 and FY2023 were derived from system-generated security alerts and have been reassessed as non-material cybersecurity events, rather than confirmed cyber-attacks. These events were managed in accordance with the Group's established cybersecurity framework and controls.

### Total Number of Incidents of Cyber Attacks

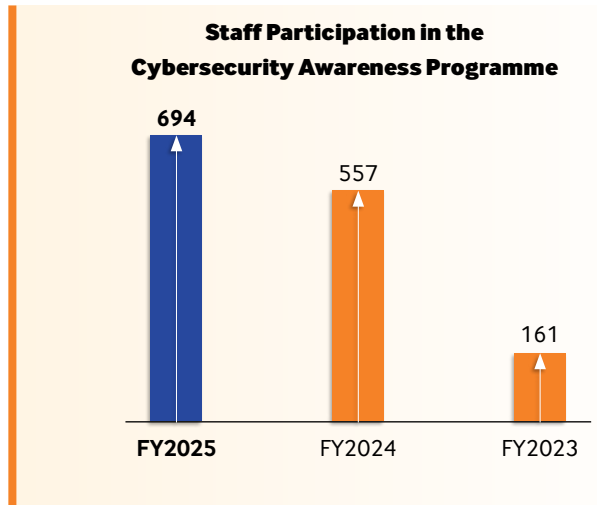


# Sustainability Report

Key clarifications are as follows:

<p><b>Nature of Events</b></p> <p>▼</p> <p>The reported incidents primarily relate to routine security detections (e.g., malware signatures, suspicious files, or system-triggered alerts) identified through automated monitoring systems.</p>	<p><b>Automated Mitigation Measures</b></p> <p>▼</p> <p>All events were fully contained and neutralised through standard security protocols, including real-time detection, antivirus flagging, and auto-quarantine functionalities within Acronis Cyber Protect, without requiring user intervention.</p>	<p><b>No Operational or Data Impact</b></p> <p>▼</p> <p>There was no impact on business operations, system availability, or data integrity, and no unauthorised access, data exfiltration, or system compromise was recorded.</p>	<p><b>Materiality Assessment</b></p> <p>▼</p> <p>In line with internal governance and ESG reporting principles, events that are fully mitigated within routine security processes, with zero user interaction and no impact, are not classified as material cyber-attack incidents.</p>	<p><b>Data Privacy and Breach Status</b></p> <p>▼</p> <p>The Group confirms that there were no material cybersecurity breaches and no reported complaints concerning the privacy of customers, employees, or contractors during the reporting periods.</p>
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**Cybersecurity Awareness Training** [GRI 2-25]



In FY2025, the Group reinforced its commitment to protecting its digital environment and mitigating cybersecurity risks that could affect employees, customers, and other stakeholders. A total of 694 employees participated in cybersecurity awareness programmes, an increase from 557 in FY2024 and 161 in FY2023, surpassing the target participation rate of 50% with an achieved rate of 57%. These

programmes are designed to equip staff with the knowledge and practical skills to identify, prevent, and respond to potential cyber threats, reflecting the Group’s proactive and preventive approach to managing digital risks.

While no cyberattacks or data loss were reported in FY2025, the Group recognises the evolving nature of cybersecurity threats. Accordingly, it continues to refine training, enhance system controls, and enforce preventive measures, ensuring that risks are mitigated before they materialise and that stakeholder trust remains protected.

**Customer Privacy** [GRI 418-1]

The Group is committed to protecting the personal information of its customers and employees, ensuring full compliance with the Personal Data Protection Act 2010 (PDPA) and cybersecurity best practices. Robust monitoring systems and operational oversight are maintained across all BUs to safeguard data from unauthorised access, misuse, or loss.

During FY2025, the Group recorded zero substantiated complaints regarding breaches of customer privacy or loss of customer data, demonstrating the effectiveness of its privacy safeguards and adherence to regulatory requirements.

# Sustainability Report

## FUTURE COMMITMENTS

Under the Group's IAP 3.0 strategic framework, digitalisation continues to be a key focus area, driving operational efficiency, innovation, and stakeholder value across all BUs. As part of this digital transformation, the Group is committed to strengthening the capabilities of the ITC for real-time cybersecurity monitoring, expanding cybersecurity awareness programmes to reach all employees, and enhancing preventive measures through regular penetration testing and system audits. These initiatives are aligned with IAP 3.0's emphasis on leveraging technology to improve resilience and performance, while maintaining full compliance with the Cybersecurity Act 2024 and other regulatory obligations, ensuring a secure and reliable digital environment for all stakeholders.



## Social



## LABOUR PRACTICES & HUMAN RIGHTS

[GRI 2-6; GRI 2-7; GRI 2-29; GRI 2-25; GRI 401 – 412]

### Related UNSDGs:



### Why is this Important?

Fair labour practices with an inclusion of human rights are of paramount importance to the Group. These principles form the foundation of our commitment to ethical business operations and are essential for building trust and credibility with our stakeholders. By upholding these standards, we not only comply with legal and regulatory requirements but also foster a positive work environment that enhances employee well-being and productivity. Moreover, our dedication to human rights and fair labour practices supports the Group's long-term sustainable growth, ensuring that we remain competitive and respected in the global market.

As for continuous training and development, the Group recognises it is essential for maintaining a workforce that is not only competent in their roles but also aligned to the Group's sustainability goals. Our Talent Management Programme plays a critical role in equipping employees with the skills and knowledge needed to navigate the complexities of sustainability in a rapidly evolving business environment. This focus on learning and development enhances employee satisfaction and engagement, reinforcing the Group's reputation as an employer of choice for individuals who value continuous professional growth. By investing in our people, the Group ensures that all BUs remain agile, responsible, and well-prepared to face future challenges, supporting long-term sustainable success.

# Sustainability Report

## Our Approach

### Approach to Stakeholder Engagement

[GRI 2-29]

The Group engages with employees, regulators, business partners, and contractors to ensure fair labour practices and uphold human rights. Engagement channels include employee feedback, training participation records, internal reporting mechanisms, and HR consultations. Feedback gathered informs policies, training programmes, and operational improvements to ensure concerns are addressed proactively and that labour practices meet both stakeholder expectations and regulatory requirements.

### Management Approaches [GRI 3-3]

#### a) Labour Practices & Human Rights

The Group adopts a structured and accountable approach to managing labour practices and human rights across all BUs, underpinned by clear governance oversight, formal policies, and operational controls. Our framework is designed not only to ensure compliance with applicable labour laws but also to embed a culture of fairness, dignity, and respect throughout the organisation.

Human Rights and Non-Discrimination Policies are firmly established to prevent harassment, discrimination, forced labour, and any form of unfair treatment. These policies are supported by accessible grievance mechanisms and whistleblowing channels to ensure concerns can be raised safely and addressed promptly. The Group recognises that policy effectiveness

depends on employee understanding and engagement. Therefore, structured training and awareness initiatives are implemented to reinforce ethical labour practices, non-discrimination principles, and mutual workplace respect.

In FY2025, the Group conducted three targeted awareness programmes which are Grievance Procedure Awareness Talk, Workplace Bullying Awareness Talk, and Sexual Harassment Awareness in the Workplace session conducted by external experts. These initiatives were designed to strengthen employees' understanding of reporting channels, clarify behavioural expectations, and promote accountability at all levels of the organisation. By proactively investing in awareness and preventive education, the Group demonstrates not only its commitment but also its seriousness in safeguarding human rights and fostering a safe, inclusive, and respectful workplace environment.

While we acknowledge no organisation is immune to workplace risks, the Group through its centralised HRD remains vigilant in continuously reviewing its policies, strengthening training coverage, and enhancing monitoring mechanisms to ensure labour practices align with both regulatory requirements and stakeholder expectations.

#### b) Training and Development

The Group recognises that continuous learning and professional development are fundamental to sustaining a competent, ethical, and high-performing workforce in every sector of business. Training participation is

systematically tracked and integrated into the Group's Performance Management System (PMS) to ensure transparency, accountability, and alignment with organisational objectives. This structured approach enables management to monitor compliance with mandatory training requirements while identifying skill gaps and development needs across all BUs.

Beyond compliance-driven training, the Group invests in broader people-development initiatives, including career progression pathways, employee recognition programmes, and comprehensive employee benefits. These initiatives are designed to enhance well-being, strengthen retention, and foster long-term engagement.

As part of our measurable commitment, the Group has established a KPI requiring at least 75% of employees to attend a minimum of one training programme annually, whether technical or soft skills based. Training participation against this KPI is closely monitored and reported to management, ensuring sustained focus on workforce capability development.

By embedding structured training, performance monitoring, and employee-centric initiatives into daily operations, the Group reinforces its commitment to ethical labour practices and human rights while cultivating a motivated, productive, and inclusive workforce.

# Sustainability Report

## Our Performance [GRI 401 – 412]

In the reporting period, the Group has made significant strides in enhancing our labour practices and upholding human rights across all operations. Below are key highlights of our performance:

### a) Incidents of Discrimination and Harassment [GRI 406-1]

As of FY2025, we are pleased to report that there have been no recorded incidents of discrimination or harassment within the Group. This reflects the effectiveness of our Non-Discrimination and Sexual Harassment Policies, as well as the ongoing training and awareness programmes aimed at fostering a respectful and inclusive workplace.

Indicator	FY2025
Total number of incidents of discrimination and harassment reported	0
Incidents reviewed by management	0
Incidents resulting in corrective / disciplinary action	0
Incidents where remediation plan was implemented	0
Incidents resolved and closed during the reporting period	0
Incidents pending resolution at year-end	0

### b) Human Rights and Ethical Labour Practices Training [GRI 412-2]

In FY2025, 55% of employees completed training on human rights, non-discrimination, and ethical labour practices, surpassing the Group's internal target of 50% and demonstrating strong engagement in fostering an ethical and inclusive workplace. This marks a significant improvement from 35% in FY2024, reflecting the effectiveness of ongoing awareness initiatives and the organisation's commitment towards mitigating any human rights, non-discrimination, and ethical labour practices issues within the Group.

Details	FY2025	FY2024	FY2023
Total training hours on human rights	6	2	N/A
Average employee participation	671	524	N/A
% Participated	55%	35%	N/A

### c) Incidents on Rights Violations [GRI 406-1, GRI 412-3]

In FY2025, there were no reported violations of human rights across the Group's operations. This includes the absence of any labour rights infringements, such as unfair labour practices, harassment, or forced labour, underscoring the effectiveness of the Group's policies, awareness initiatives, and monitoring mechanisms.

The Group has established a robust reporting system that allows employees to raise concerns at multiple levels directly to their superior, the Head of Division, and ultimately to Human Resources Managers. During the reporting period, no complaints were submitted through this system, demonstrating both the low occurrence of human rights issues and the strong culture of compliance and respect within the workplace.

Details	FY2025	FY2024	FY2023	FY2022[N]
Number of substantiated complaints concerning human rights violations	0	0	0	0

The consistent absence of reported incidents over multiple years highlights our commitment to ethical labour practices, human rights, and maintaining a safe, inclusive, and respectful workplace. The reporting mechanism ensures that employees can raise concerns confidently, while ongoing monitoring reinforces proactive compliance and continuous improvement.

# Sustainability Report

## d) Operations Subject to Human Rights Reviews or Impact Assessments [GRI 412-1]

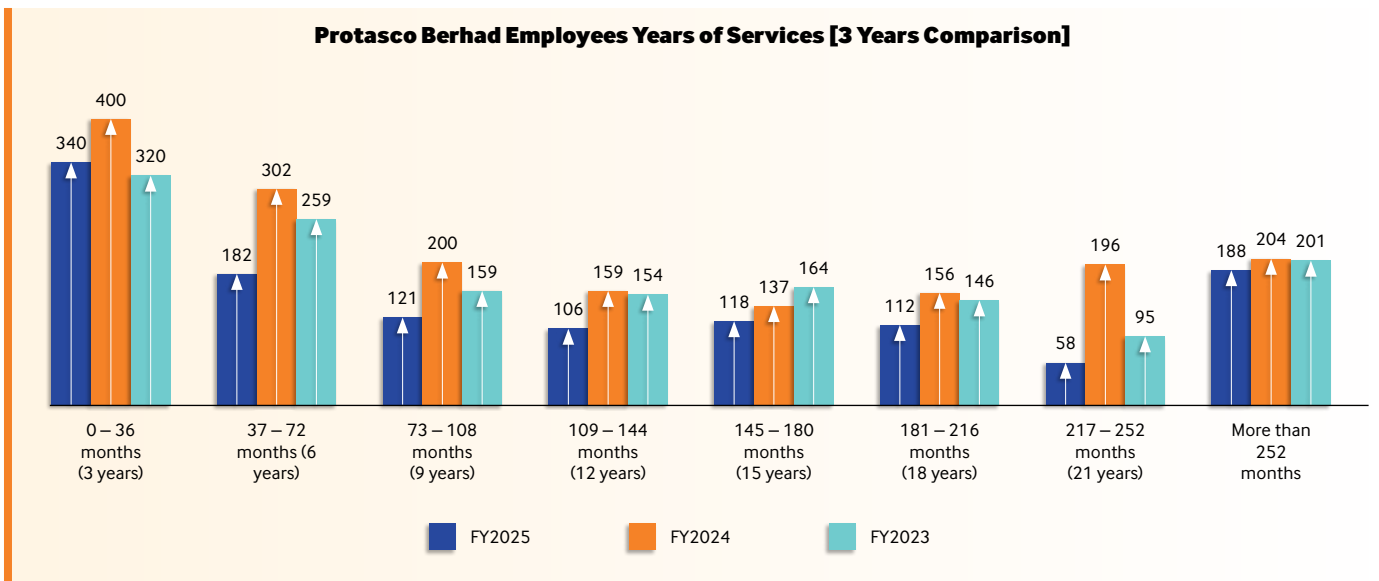
In FY2025, the Group did not conduct formal human rights reviews or impact assessments across its operations. Instead, the Group focused on proactive prevention of human rights risks through robust governance, policies, and awareness initiatives. The HRD implemented comprehensive Human Rights and Non-Discrimination Policies, alongside training programmes and awareness sessions, to ensure all employees understand their rights and responsibilities in the workplace.

A structured reporting system is in place, enabling employees to raise any concerns regarding human rights issues. During the reporting period, no complaints or incidents were raised, reflecting the effectiveness of the Group’s preventative approach. The Group remains committed to embedding human rights awareness into daily operations and will continue to evaluate opportunities to strengthen due diligence processes in future reporting periods.

## e) Employee Retention and Attrition [GRI 401-1]

The Group takes pride in its deeply committed workforce, a testament to the enduring tenure of our employees.

On average, our employees remain with us for approximately more than 10 years. The table below illustrates the distribution of our employees’ tenure.

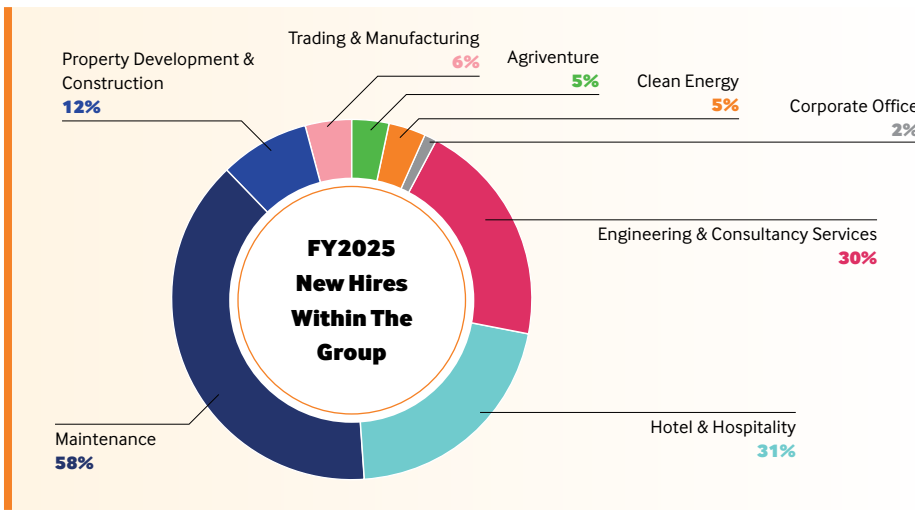


Over the three-year period, workforce composition reflects a phase of expansion in FY2024, followed by normalisation in FY2025, with early tenure employees (0–36 months) increasing in FY2024 due to active recruitment and moderating thereafter in line with a more measured hiring approach and natural attrition. A decline across mid-tenure categories (37–144 months) in FY2025 indicates movement within the Group’s core operational workforce, underscoring the continued need to strengthen retention, engagement and career development initiatives. Similarly, reductions in long-tenure categories (145–252 months) were primarily driven by retirements and workforce transitions, prompting ongoing focus on succession planning and knowledge transfer to ensure continuity of expertise. Employees with more than 252 months of service remained relatively stable, reflecting sustained organisational loyalty and a strong base of institutional knowledge. Overall, the Group remains committed to maintaining a balanced workforce through disciplined hiring and targeted retention strategies to support long-term business sustainability.

# Sustainability Report

## f) New Hires and Turnover [GRI 401-1]

In FY2025, the Group welcomed a total of 146 new employees across all of its BUs. Recruitment efforts continued to emphasise diversity, equity, and inclusion, ensuring candidates were evaluated based on merit and skills in alignment with the Group’s corporate values.

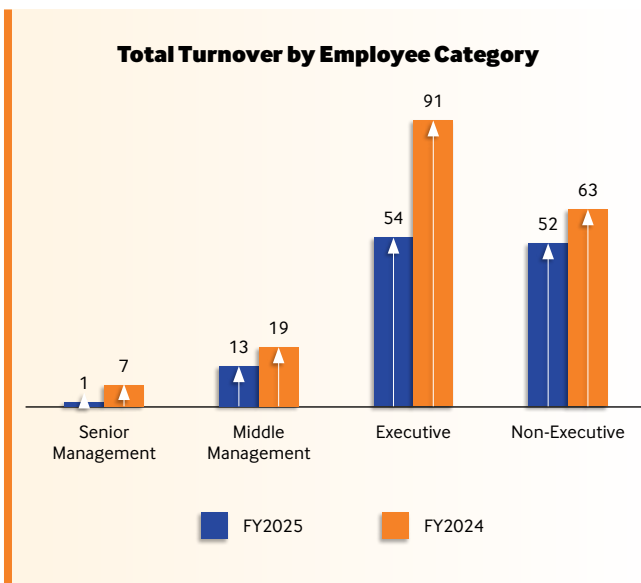


**This hiring pattern demonstrates our Group’s strategic approach to workforce planning, ensuring critical functions are staffed to support business operations.**

## g) Employee Turnover [GRI 401-1]

In FY2025, the Group demonstrated overall improvement in employee retention compared to FY2024.

In FY2025, the Group achieved a notable reduction in employee turnover across all employee categories compared to FY2024. Turnover among Senior Management reduce approximately 42.9% and Middle Management was 31.6% reduction.



At the operational levels, both Executive and Non-Executive turnover reduced to 39.6%, and 17.5% respectively. These reductions demonstrate the effectiveness of our retention and engagement initiatives, including targeted career development programmes, structured learning opportunities, and proactive human resource interventions.

We have substantial improvements among Senior Management, Middle Management, and Executives through our retention strategies addressing both leadership and operational talent needs. However, the smaller reduction in Non-Executive turnover is due to our operational and project-based roles which remains more exposed to relevant BUs workforce mobility and external market pressures. We are committed to continued focus on retention strategies, employee engagement, and career development programmes at this level to maintain workforce stability and sustaining organisational performance across all employee categories.

# Sustainability Report

## Turnover Rate by BUs

Details	FY2025	FY2024	FY2023
Agriventure	0%	64%	N/A
Clean Energy	11%	3%	0%
Corporate Office	5%	17%	13%
Engineering & Consultancy Services	12%	13%	1%
Hotel & Hospitality	28%	60%	N/A
Maintenance	7%	7%	4%
Property and Construction	24%	26%	0%
Trading & Manufacturing	18%	13%	0%

In FY2025, employee turnover across the Group's BUs generally showed a mixed trend compared to FY2024, with improvements in some BUs, while others recorded increase or remained relatively stable.

The Agriventure BU recorded a full stabilisation of workforce, with turnover decreasing from 64% to 0% in FY2025, reflecting a strong retention workforce. Similarly, the Corporate Office saw turnover decline, indicating strengthened organisational stability and effective retention practices. Several BUs maintained low to moderate turnover levels.

Higher turnover was recorded in Clean Energy and Trading & Manufacturing, indicating higher workforce movement within this segment in the Group.

Overall, our data proves that the Group's retention and workforce management initiatives are beginning to yield positive outcomes, particularly in stabilising previously high-turnover units.

## h) Parental Leave [GRI 401-3]

In FY2025, a total of 37 employees took parental leave, with 24 employees utilising paternity leave and 13 employees taking maternity leave. This represents a slight decrease from FY2024, where 48 employees benefited from parental leave, and is an increase from FY2023, when 31 employees availed themselves of this entitlement. The Group's parental leave programme, implemented in accordance with applicable legal requirements, supports employees in balancing work and family responsibilities. While aligned with statutory requirements, this provision forms a part of the Group commitment to social sustainability by promoting gender equality, fostering a family-supportive workplace, and encouraging shared caregiving responsibilities.

Parental Leave	FY2025	FY2024	FY2023
Employees Who Took Paternity Leave	24	27	17
Employees Who Took Maternity Leave	13	21	14
Total Employees Who Took Parental Leave	37	48	31

# Sustainability Report

## i) Employee Benefits [GRI 401-2]

The Group offers a competitive benefits package that includes health insurance, retirement plans, paid time off, and wellness programmes.

Details	FY2025 (RM)	FY2024 (RM)	FY2023 (RM)
Total payments made to employees in terms of salaries, bonuses, and benefits	77,398,835	71,292,932	70,532,372
Total statutory payments made for employees' retirement benefits (EPF)	8,410,902	8,263,483	7,748,507
Total payments in medical insurance (SOCISO) for employees	979,404	944,612	900,836
Payments made for life insurance, including death and disability	1,780,363	1,858,110	1,281,517
Staff Training	658,068	800,795	626,165
<b>Total</b>	<b>89,227,572</b>	<b>83,159,932</b>	<b>81,089,397</b>

### Employee Benefits Breakdown

List of Benefits	FY2025		FY2024	
	Amount (RM)	Nos of Staff Benefitted	Amount (RM)	Nos of Staff Benefitted
Medical Outpatient	1,568,331	1,376	2,371,345	1,455
Insurance - GHS	1,347,160	180	900,880	108
Insurance - GTL/GPA	186,809	65	272,657	3
Marriage Leave	3,636.91	18	4,433	20
Exam Leave	6,561.54	4	1,267	11
Compassionate Leave	19,819.6	51	83,858	61
Hajj Leave	5,830.75	1	10,018	4
Festive Leave	213,814	1,231	173,795	1,362
Special Leave (Natural Disaster Leave)	700	5	34,877	10
Company Declared Leave	173,173	1,170	86,928	1,362
<b>Total</b>	<b>3,525,836</b>		<b>3,940,058</b>	

Note: Nos of staff benefitted in the above table indicates how many utilised the benefits in FY2025.

In FY2025, the Group invested RM3.53 million in employee benefits, ensuring well-being and work-life balance, compared to RM3.94 million in FY2024. Medical Outpatient assistance was the highest allocated benefit at RM1.57 million, supporting 1,376 employees, slightly lower than RM2.37 million for 1,455 employees in the previous year. Insurance coverage for hospitalisation, surgical, and personal accident protection increased in both investment and coverage, benefiting 180 (Insurance - GHS) and 65 (Insurance – GTL/ GPA) employees in FY2025, compared to 108 and 3 employees respectively in FY2024. Various leave entitlements, including Marriage, Exam, Compassionate, Hajj, Festive, Special (Natural Disaster), and Company-Declared Leave, continued to provide essential support, with Festive and Company-Declared Leave benefiting 1,231 and 1,170 employees, respectively, reflecting minor shifts from FY2024. This continued investment demonstrates the Group's commitment to employee welfare, financial security, and fostering a supportive work environment.

# Sustainability Report

## j) Employee Training Hours [GRI 404-1]

In FY2025, the Group continued its commitment to employee development, maintaining a structured training programme across all BUs. Over the three-year period, training initiatives were aligned with operational priorities, skill enhancement, and efficiency improvement objectives.

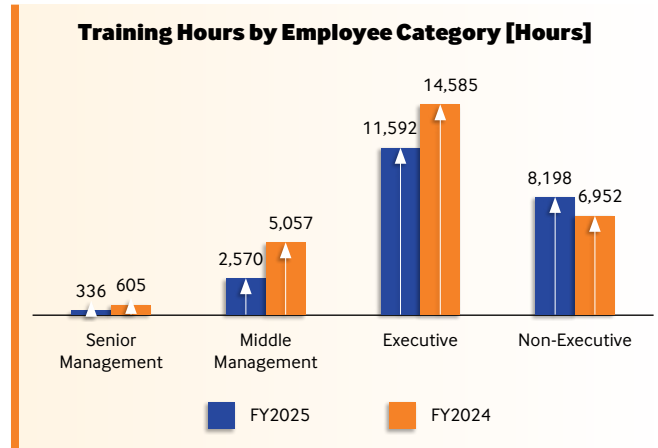
### Three-Year Training Performance

Details	FY2025 (RM)	FY2024 (RM)	FY2023 (RM)
Total training hours	23,030	27,761	20,520
Total training spend	658,068	808,928	626,165
Total training hours per BU	2,879	3,084	2,931
Total training spend per BU	82,259	89,881	89,452
Average training hours per employee	20.26	19.08	14.80
Average training days per employee	3.00	3.17	2.04
Average training spend per employee	579	556	451

A total of 23,030 training hours were delivered in FY2025, reflecting a strategic focus on targeted, high-impact programmes, including those eligible for HRDF claims. While this represents a 17.0% decrease from FY2024, it marks a 12.2% increase compared to FY2023, demonstrating continued progress in strengthening workforce capability.

Total training expenditure amounted to RM658,068, a 18.6% reduction from FY2024, achieved through more cost-efficient delivery methods such as leveraging in-house expertise and structured learning approaches, without compromising training quality. On average, employees received 20.26 hours of training (approximately 3.00 days), with an average investment of RM579 per employee, ensuring meaningful skill development and operational readiness. These results underscore the Group's continued commitment to enhancing workforce competencies while balancing efficiency and sustained investment in employee growth.

## Training Hours by Employee Category [GRI 404-1]



In FY2025, training hours were allocated based on operational priorities and employee categories, reflecting the Group's focus on developing skills across all levels of the workforce. Executives received the largest share of training, totalling 11,592 hours, followed by non-executive employees with 8,198 hours, highlighting the Group's emphasis on enhancing frontline skills and operational competency. Middle Management participated in 2,570 hours of training, while Senior Management received 336 hours, primarily focused on strategic and leadership development. Compared to FY2024, training hours decreased for Executives, Middle Management, and Senior Management, while Non-Executive training increased, demonstrating a deliberate shift toward strengthening operational capabilities at the frontline level without compromising overall workforce development.

## k) Performance and Career Development Reviews [GRI 404-3]

The Group conducts regular performance and career development reviews through its Performance Management System (PMS). These reviews assess employee performance, identify development needs, and support career progression planning across all BUs. In FY2025, 100% of employees received formal performance and career development reviews, reflecting the Group's commitment to structured feedback, continuous improvement, and employee growth.

# Sustainability Report



## Environmental



### WATER MANAGEMENT [GRI 303]

#### Related UNSDGs:



#### Why is this Important?

Protasco recognises the critical role water plays in our operations and the wider environment. We remain committed to responsible water use and conservation. Effective water management helps mitigate risks associated with resource scarcity and regulatory compliance, while also enhancing operational efficiency and reducing costs.

#### Our Approach

##### Interactions with Water as a Shared Resource [GRI 303-1]

Although our operations are not classified as water intensive, the Group is deeply committed to responsible water management as part of our broader sustainability agenda. In FY2024, we established a baseline to monitor this material topic to drive sustainable water practices. Through this step, we intend to set the foundation for long-term conservation efforts. In FY2025, we continue to build on this baseline.

Water is a shared natural resource that supports communities, ecosystems, and economic activities. The Group uses water primarily for operational purposes across its BUs, including construction activities, facility maintenance, and general office use. Water utilised in operations is mainly sourced from municipal water supply, ensuring compliance with local regulatory requirements and responsible water management practices.

Given the shared nature of water resources, the Group recognises the importance of responsible water use across its operations. Water consumption is currently monitored across BUs to better understand usage patterns and support the Group's ongoing efforts to manage water resources responsibly. Basic operational practices, such as routine maintenance to prevent leakages and general

water management at construction sites, are carried out to ensure efficient use of water where applicable.

During FY2025, water usage within most BUs is limited to domestic or operational purposes, and any wastewater produced is discharged through municipal sewerage systems in accordance with local regulations.

##### Management of Water Discharge-Related Impacts [GRI 303-2]

The Group's business operations rely primarily on municipal water supply, and all wastewater discharges are managed in accordance with applicable regulatory and municipal requirements.

For construction and project sites, no untreated water is released directly into the environment. Any wastewater generated is handled in compliance with relevant environmental and local authority guidelines to prevent adverse impacts.

For housing development projects, wastewater from completed residential units is connected to and stored within approved sewerage or treatment systems, in line with municipal housing and infrastructure requirements. This ensures that all discharges are properly managed and treated through the appropriate public systems.

# Sustainability Report

## Water Withdrawal [GRI 303-3]

The Group’s business operations do not involve the direct withdrawal of water from surface water, groundwater, or other natural sources. The Group primarily relies on municipal or third-party supplied water for its operational and office-related needs.

Although our activities are not water-intensive and do not require direct abstraction from rivers, lakes, or aquifers, the Group continues to monitor total water consumption across all BUs. In FY2024, we established a baseline by measuring water usage in cubic metres, providing a reference point for future efficiency initiatives and reduction targets.

In FY2025, this monitoring approach continues, enabling the Group to track consumption patterns, identify high-usage areas, and implement practical water-saving measures. This data-driven approach supports responsible resource management, cost optimisation, and alignment with our environmental objectives.

## Our Performance

### Water Consumption [GRI 303-5]

Details	FY2025 (RM)	FY2024 (RM)
Total volume of water used (m <sup>3</sup> )	<b>85,614</b>	64,246
Amount paid for the volume used (RM)	<b>226,200</b>	177,173
Recycled water (m <sup>3</sup> )	<b>0</b>	0
Building occupancy (m <sup>2</sup> )	<b>88,973</b>	85,527
Water intensity (total ML per m <sup>2</sup> )	<b>0.96</b>	0.75

*Note: FY2024 data has been restated, replacing the Education BU with Hotel & Hospitality BU. FY2023 is excluded as a comparison is not possible with the revised scope.*

Water consumption increased from 64,246 m<sup>3</sup> in FY2024 to 85,614 m<sup>3</sup> in FY2025, representing a 33% rise. The associated cost also increased by 28% to RM226,200. While building occupancy grew slightly by 4%, water intensity per m<sup>2</sup> rose by 28%, indicating higher operational demand. No recycled water was used during the reporting period. The Group continues to monitor water usage across its BUs to better understand consumption patterns and identify potential efficiency improvements.



## Environmental



## WASTE MANAGEMENT [GRI 306]

### Related UNSDGs:



### Why is this Important?

The Group recognises waste management as a critical aspect of sustainability, helping to minimise environmental impact, conserve natural resources and reduce pollution. Effective waste management strengthens our commitment to environmental stewardship, improves operational efficiency and supports regulatory compliance, reinforces our commitment to environmental stewardship across all BUs.

# Sustainability Report

## Our Approach

### Waste Generation and Significant Waste-Related Impacts

[GRI 306-1]

The Group's operations, particularly in property development, construction, and maintenance activities, generate various types of non-hazardous waste, including paper, plastics, metals, packaging materials, and general construction waste. Improper handling of such waste may lead to pollution, resource depletion, and increased disposal costs. As a construction-related organisation, the Group recognises the importance of minimising material wastage and promoting responsible resource use.

To address these impacts, construction division focuses on efficient material planning and procurement, the reuse of surplus construction materials, recycling initiatives for paper, plastics, metals, and other materials, and strict compliance with environmental and waste regulations. In property construction, intelligent material planning systems are used to order materials according to project requirements, reducing excess inventory and associated waste, while any remaining materials are reused in subsequent projects where feasible.

### Management of Significant Waste-Related Impacts [GRI 306-2]

The Group is committed to managing waste in compliance with all applicable regulatory requirements. While a formal standalone waste management policy has not yet been established, environmental regulations are strictly adhered to across operations.

Our key practices include:

- Compliance with relevant waste management laws and regulations.
- Engagement of independent environmental consultants to conduct Environmental Impact Assessments (EIA) prior to project commencement.
- Implementation of waste reduction and recycling initiatives where feasible.
- Awareness programmes to promote responsible waste practices among employees and contractors.
- Improved data monitoring and reporting across project-related BUs.

For road maintenance operations, most waste generated is collected and managed by the project client, and the Group divisions do not maintain records for these materials. Where possible, waste is reused within operations, contributing to circular use of resources.

## Our Performance

### Waste Generated [GRI 306-3]

Details	FY2025	FY2024	FY2023
Total waste generated (tonnes)	1,549	14	12

Note: FY2025 data includes two additional BUs, which contributed to higher waste generation. As a result, direct comparisons with FY2024 and FY2023 are not applicable.

The significant increase in reported waste in FY2025 reflects the expanded reporting boundary rather than a sudden surge in waste generation. Waste management practices continue to comply with regulatory requirements, and the Group is monitoring waste streams across all BUs to improve tracking and management. Most waste from road maintenance projects is collected by project clients, and where feasible, materials are reused to support circular resource use.

### Waste Diverted from Disposal [GRI 306-4]

Details	FY2025	FY2024	FY2023
Reused waste (tonnes)	9.3	0	0
Recycled waste (tonnes)	6.6	5	3
Total waste diverted (tonnes)	15.9	5	3
% recycled and reused	1.03%	35%	29%

Note: FY2025 data includes two additional BUs, which contributed to higher waste generation. As a result, direct comparisons with FY2024 and FY2023 are not applicable.

Although the total volume of waste diverted in FY2025 appears high at 15.9 tonnes, the proportion of reused and recycled waste relative to total waste generated remains low at 1.03%, as most waste is project-related and managed by clients. Within the Group's operations, small quantities were reused (9.3 tonnes) or recycled (6.6 tonnes). With the inclusion of additional BUs in the reporting boundary, the Group will continue to monitor waste generation and explore opportunities to strengthen waste diversion and recycling initiatives in future sustainability efforts.

# Sustainability Report

## Waste Directed to Disposal [GRI 306-5]

Details	FY2025	FY2024	FY2023
Waste directed to disposal (tonnes)	<b>1,533</b>	9	8

Note: FY2025 data includes two additional BUs, which contributed to higher waste generation. As a result, direct comparisons with FY2024 and FY2023 are not applicable.

The substantial increase in waste directed to disposal in FY2025 reflects the inclusion of 2 additional BUs in the reporting boundary, rather than a sudden surge in operational waste. Most of this waste is project-related and managed by clients. The Group continues to monitor waste streams across all BUs and will explore opportunities to enhance waste diversion and recycling initiatives in future sustainability efforts.



## Waste Reduction and Recycling Initiatives [GRI 306-4]

### a) Recycling Initiatives within Workspace

Small efforts have been implemented to reduce and recycle materials such as papers, plastics and metals within the workspace. These initiatives aim to minimise environmental impact, promote responsible use of resources, and support the Group’s ongoing monitoring of waste streams. While quantities are currently limited, such practices lay the groundwork for broader waste reduction and recycling initiatives in the future.

BUs	Total Waste (tonnes)
Engineering & Consultancy Services	920.00
Maintenance	0.61
Property and Construction	0.04
<b>Total</b>	<b>920.65</b>

The majority of recycled waste in FY2025 originated from the Engineering & Consultancy Services BU, reflecting the higher potential for workspace material reuse in office-based operations. These efforts complement project-related waste initiatives and provide a foundation for the Group to expand recycling and waste minimisation practices across all BUs in the future.

### b) Circular Economy Projects

As of FY2025, the Group is focusing on transforming organic and agricultural waste into high-value products. A key project involves a collaboration with FELDA on BSF farming, converting organic waste into alternative protein feed and organic fertilisers to improve resource efficiency and reduce environmental impact. To support operational reliability and scalability, the Group invested USD140,000 in the FoodyWorm Modular System, covering equipment and intellectual property licensing.

Another project which is also at the research stage is to convert PODC into biofertiliser. It is the Group’s commitment to turn agricultural waste into environmentally beneficial products and lay the foundation for future green economic opportunities.

# Sustainability Report



## Environmental



### MATERIALS [GRI 301]

**Related UNSDGs:**



**Why is this Important?**

Materials are a key component of the Group’s operations, particularly in road maintenance and construction. The selection and use of materials directly influence environmental footprint, resource efficiency and regulatory compliance. By prioritising more sustainable and innovative materials, the Group aims to minimise resource depletion and waste, support long-term project viability, and align with stakeholder expectations. This approach also encourages innovation and can deliver financial benefits through cost savings and regulatory incentives, contributing to both environmental and economic sustainability.

**Our Approach**

In line with our commitment to environmental stewardship, we continue to explore and integrate more environmentally friendly materials into our operations.

This approach supports our sustainability goals and contributes to a more circular economy by promoting resource efficiency and reducing environmental impact, while maintaining or improving performance and durability of our road assets.

**1) Sourcing and procurement of materials**



We prioritise sourcing materials from suppliers who demonstrate environmental responsibility and comply with quality standards set by relevant regulatory bodies, such as the Construction Industry Development Board Malaysia (CIDB).

**2) Environmentally friendly and waste reduction focus**



While cost and other practical considerations may influence the extent to which we can procure environmental friendly materials, we remain committed to optimising material use, minimising waste and enhancing resource efficiency across our operations.

# Sustainability Report

## Our Performance

### Materials Used by Weight or Volume [GRI 301-1]

The Group monitors the consumption of key construction and road maintenance materials across its projects. This data provides insight into resource usage trends and supports efforts to optimise material efficiency and reduce environmental impact.

### Material Consumption (FY2023–FY2025)

The Group utilises a range of construction materials in its roadworks, infrastructure maintenance and engineering activities. These include conventional materials such as cement, crusher run and asphalt concrete, as well as specialised asphalt binders and pavement technologies designed to enhance durability and sustainability. Material consumption is monitored to support efficient resource management and responsible procurement practices across the Group’s operations.

The table below summarises the key materials used in the Group’s construction and pavement works for FY2023–FY2025.

Details	FY2025	FY2024	FY2023
Cement (tonnes)	1,043	5,478	1,969
Crusher run (tonnes)	2,359	20,505	4,030
Asphalt Concrete 28mm (AC28)	12,119	34,579	15,677
Asphalt Concrete 14mm (AC14)	16,126	33,377	32,870
Crumb Rubber Modified Bitumen (CRMB)	0	NIL	8,688
Cuplump Modified Bitumen (CMB)	0	NIL	10,796
Polymer Modified Bitumen (PG76)	0	NIL	208
Cuplump Modified Asphalt (CMA)	0	NIL	20,864
Crumb Rubber Modified Gap Graded Asphalt (CRMA)	34,528	83,738	109,943
Petronas Plastic Modified Binder (PMB)	34,407	2,107	–
Fibre Mastic Asphalt (FMA)	14,982	18,262	–
MacRebur 6 (MR6)	18,931	74,380	–
Polymer Modified Cementitious Binder – RHAzyme	654	16,897	–

## Recycled Input Materials Used

[GRI 301-2]

Since the maintenance and construction of road has been the core area for the Group, it continues to incorporate recycled and recycle-based materials into its projects. These materials help divert waste from landfills, reduce reliance on virgin resources, and improve durability, thereby lowering overall material consumption over the asset lifecycle.

In addition to conventional construction materials, we incorporate alternative and recycled-based materials such as Crumb Rubber Modified Gap Graded Asphalt (CRMA), plastic-modified binders, and rice husk ash-based cementitious binders as part of our commitment to responsible material use and waste reduction, in line with GRI 301.

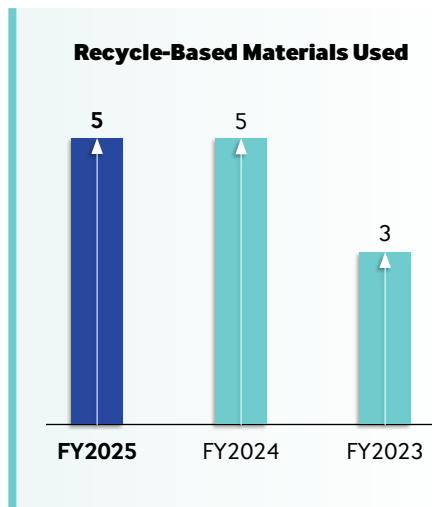
By using these materials, we recover and repurpose waste streams including end-of-life tyres, plastic waste, and agricultural by-products. Our approach diverts these materials from landfills and reintegrates them into construction applications, supporting circular economy practices while reducing reliance on virgin raw materials. Furthermore, the enhanced durability and performance of these recycled materials contribute to longer-lasting pavements, helping us reduce the frequency of road maintenance, material consumption, and the associated environmental impacts across our infrastructure projects.

# Sustainability Report

## Recycled or Recycle-Based Materials in Use

Material	Recycled Content	Sustainability Contribution	Contribution Through the use of this material
<b>CRMA</b>	Recycled rubber from end-of-life tyres	Uses tyres from landfills while improving asphalt elasticity, durability and resistance to cracking	We support the diversion of end-of-life tyres from landfills, reduce the need for virgin asphalt materials, and lower carbon emissions associated with raw material extraction.
<b>Petronas Plastic Modified Binder (PMB)</b>	15% - 22% recycled rubber	Reduces landfill waste from used tyres and supports resource recovery in asphalt production	We minimise tyre waste in landfills, promote resource recovery in asphalt production, and reduce carbon emissions from producing virgin bitumen.
<b>Fibre Mastic Asphalt (FMA)</b>	5% - 15% recycled plastics	Reduces plastic waste while enhancing pavement strength and durability	We divert plastic waste from landfills, support circular use of plastics, and reduce greenhouse gas emissions from producing new polymer materials.
<b>MacRebur 6 (MR6)</b>	0.3% - 0.6% recycled plastic waste	Diverts plastic waste from landfills and reduces reliance on virgin polymer modifiers	We reduce plastic waste disposal, limit reliance on virgin polymers, and lower carbon emissions associated with polymer production.
<b>RHAzyme Binder</b>	6% - 10% rice husk ash	Utilises agricultural by-products, reducing cement consumption and promoting circular use of biomass waste	We divert rice husk ash from disposal, reduce cement consumption, and decrease CO <sub>2</sub> emissions associated with cement production.

## Trend in Recycled or Recycle-Based Materials



## Reclaimed Products and Their Packaging Materials [GRI 301-3]

Due to the nature of the Group’s core activities in construction and road maintenance, there are currently no significant programmes for reclaiming products or packaging materials. However, we place strong emphasis on the reuse of surplus construction materials wherever feasible, efficient material planning to minimise excess inventory, and the ongoing exploration of circular construction practices.

For example, in property construction, we carefully plan material orders to match consumption needs, avoiding unnecessary waste. Materials such as cement, steel, and wood are stocked for reuse where possible, ensuring that they are fully utilised before being replenished. Through these practices, we optimise material efficiency, reduce waste generation on-site, and support more sustainable construction operations.

## Material Sourcing and Sustainability Approach [GRI 301-1 & GRI 301-2]

The Group recognises that material selection is critical to advancing sustainability objectives and has implemented key practices to support this goal. Sustainable sourcing is prioritised through procurement from suppliers who comply with regulatory and quality standards, including those set by the Construction Industry Development Board Malaysia (CIDB), and by giving preference to suppliers demonstrating environmental responsibility.

In addition, the Group focuses on environmentally friendly and waste reduction practices by exploring and adopting innovative, more sustainable materials, integrating recycled and recycle-based materials into road projects, optimising material use to minimise waste and improve efficiency, and considering cost, performance, and practical constraints while maintaining sustainability objectives. Through these initiatives, the Group promotes a more circular economy while maintaining or enhancing the performance and durability of its infrastructure assets, even though they are at a small scale.

# Sustainability Report



## Environmental



### ENERGY MANAGEMENT [GRI 103]

**Related UNSDGs:**



**Why is this Important?**

Effective energy management remains critical for reducing environmental impact, managing operating costs and supporting our broader climate strategy and regulatory obligations. By improving efficiency and increasing the share of renewable energy, the Group strengthens its resilience and contributes to national decarbonisation efforts.

**Our Approach** [GRI 103-1, GRI 103-3, GRI 103-4, GRI 103-7]

The Group tracks energy consumption across all BUs and facilities, including offices, operational buildings, and construction sites. Total energy consumption is monitored for both renewable and non-renewable sources to understand usage patterns, identify hotspots, and guide efficiency interventions to guide investment decisions, evaluate project performance and support long-term energy cost optimisation.

**a) Energy Efficiency Initiatives**

[GRI 103-7]

The Group has implemented a range of energy efficiency initiatives to reduce consumption and environmental impact, including solar photovoltaic installations at De Centrum City and Park Inn that supply renewable energy to offset grid demand, optimisation of equipment scheduling, and upgrades to lighting and HVAC systems where feasible.

**b) Data Monitoring and Analysis**

[GRI 103-3]

The Group continuously tracks energy consumption across both renewable and non-renewable sources to maintain a comprehensive understanding of operational energy use. Annual assessments of this data inform decision-making, guide investment planning, and support the optimisation of facility operations.

Energy performance is further evaluated through the calculation of Energy Use Intensity (EUI), expressed as total energy consumption per square metre of occupied space, enabling benchmarking and the identification of opportunities for improved efficiency.

**c) Continuous Improvement**

[GRI 103-7]

Energy management is a continuous improvement process for the Group. We regularly review and enhance our strategies by analysing performance data, incorporating stakeholder feedback, and adapting to emerging trends. This commitment ensures sustained progress in our sustainability efforts.

# Sustainability Report

## Our Performance

Details	FY2025	FY2024	FY2023
Total energy consumption (kWh) from non-renewable sources	4,124,003	4,123,909	1,707,795
Total energy consumption (kWh) from renewable sources	514,076	542,094	1,264,152
Total energy consumption (kWh) from renewable and non-renewable sources	4,638,079	4,666,003	1,062,795
CO <sub>2</sub> emission avoidance based on consuming solar energy (tonnes)	306	260	691
Building Occupancy	938,840	1,128,415	1,062,730
Energy Use Intensity (EUI)	4.94 kWh/sq ft	4.14 kWh/sq ft	2.80 kWh/sq ft

### Note:

1.  $EUI = \text{Total Energy Consumption (kWh)} / \text{Total Occupied Space (m}^2\text{)}$
2. FY2024 and FY2023 data updated: Education BU excluded; Hotel & Hospitality BU included for better comparison
3. FY2023 does not include Agriventure and Hotel & Hospitality data

In FY2025, the Group consumed a total of 4,638,079 kWh of energy, comprising 4,124,003 kWh (89%) from non-renewable sources and 514,076 kWh (11%) from renewable sources.

This represents a decrease approximately 0.6% in total energy consumption compared to FY2024, which recorded 4,666,003 kWh, largely due to lower non-renewable energy use. Compared to FY2023, total energy consumption increased by approximately 56%, driven by operational changes and occupancy adjustments.

## Energy Use Intensity by Energy Source

Year	Non-Renewable EUI (kWh/sq ft)	Renewable EUI (kWh/sq ft)	Total EUI (kWh/sq ft)
FY2025	4.39	0.55	4.94
FY2024	3.65	0.48	4.14
FY2023	1.61	1.19	2.80

These EUI trends highlight the effectiveness of energy efficiency measures implemented across BUs and provide stakeholders with transparent, comparable data aligned with GRI reporting standards, showing measurable progress in reducing environmental impact.

In line with reporting expectations, the Group monitors its total energy consumption and energy intensity across all occupied spaces, distinguishing between renewable and non-renewable sources.

In FY2025, the Group's Total EUI was 4.94 kWh/sq ft, comprising 4.39 kWh/sq ft (89%) from non-renewable sources and 0.55 kWh/sq ft (11%) from renewable sources. This represents an increase approximately 19% in total EUI compared to FY2024 (4.14 kWh/sq ft), primarily driven by higher non-renewable energy consumption across key business operations.

The consistent use of renewable energy contributes to carbon footprint reduction, as evidenced by CO<sub>2</sub> emissions avoided through solar energy use. Although renewable energy accounted for a smaller share of total energy in FY2025 compared to FY2023, its demonstrates our commitment and progressive steps to transitioning towards lower-carbon operations. The reduction in non-renewable energy consumption directly mitigates greenhouse gas emissions, supporting the Group's broader sustainability and environmental stewardship objectives.

# Sustainability Report



## Environmental



### CLIMATE CHANGE [GRI 102]

**Related UNSDGs:**



**Why is this Important?**

Addressing climate change is a key regulatory and economic priority for Protasco. By adopting a structured approach to climate-related risks and emissions, the Group is able to comply with evolving regulatory standards, mitigate both physical and transition risks, build operational resilience, and ensure long-term business continuity. In addition, embedding low-carbon practices and improving resource efficiency enables the Group to reduce operational costs, meet stakeholder expectations, and contribute meaningfully to global and national climate objectives.

**Our Approach**

Protasco applies a comprehensive approach to climate change that brings together risk assessment, compliance and emissions management.

**Climate Risk Assessment and Management**

[GRI 102-1, GRI 102-2, GRI 102-3, GRI 102-8, GRI 102-9, GRI 102-10]

The Group systematically identifies and evaluates climate-related risks and opportunities across all operations, considering both physical risks, such as the impacts of extreme weather and climate events, and transition risks, including regulatory changes, market shifts, and the low-carbon transition. Insights from these assessments are integrated into BU and Group-level risk registers, enabling the Group to refine strategies, guide investment decisions, and strengthen the resilience of its assets against climate-related disruptions. Readers can refer to IFRS S2 Climate-Related Disclosures section of this AR2025 on page 124 for Protasco’s NSRF-compliant climate-related disclosures, as reported using the IFRS S2 standards.



# Sustainability Report

## Emission Reduction Initiatives [GRI 102-8]

### a) Monitoring and Continuous Improvement



The Group remains committed to reducing greenhouse gas (GHG) emissions through continuous improvement and targeted initiatives. A comprehensive emissions baseline, encompassing both mobile combustion and stationary emissions, has been established to guide priority-setting and track progress. Key focus areas include reducing fuel consumption, enhancing energy efficiency in operational buildings, and improving monitoring and management of refrigerants and other fugitive emissions.

All initiatives are aligned with national climate objectives and regulatory requirements, ensuring that emission reduction efforts support both compliance and long-term operational sustainability. In recent years, efforts have been directed toward strengthening the emissions baseline by improving data capture across all BUs, particularly in mobile combustion and stationary emissions. This enhanced data enables the Group to define realistic reduction pathways and set measurable performance indicators.

### b) Emission Reduction Projects



In parallel, the Group is advancing research and development in Solid Recovered Fuel (SRF) as a carbon-optimised, charcoal-replacement solution for energy-intensive industries. The SRF programme integrates feedstock characterisation, controlled sorting and preprocessing (drying, shredding, densification), and fuel formulation engineering to achieve stable calorific value, low moisture content, controlled chlorine levels, and predictable combustion performance suitable for high-temperature kilns and boilers.

A dedicated carbon-accounting and emissions assessment module complements this initiative, quantifying the biogenic fraction, lifecycle CO<sub>2</sub> reductions, landfill methane avoidance, and potential carbon tax mitigation under applicable regulatory frameworks. Pilot-scale combustion trials, ash behaviour studies, and quality assurance protocols validate the technical performance, environmental compliance, and economic viability of SRF, positioning it as a scalable, climate-aligned industrial energy solution.

## Compliance and Reporting [GRI 102-1, GRI 102-2, GRI 102-3, GRI 102-9, GRI 102-10]

Protasco ensures compliance with climate-related regulations and reporting frameworks, including NSRF, IFRS S1 and S2, and SASB standards. Through transparent reporting, the Group provides stakeholders with clear insights into its climate-related performance, risks, and progress, supporting informed decision-making and reinforcing accountability across all BUs. Readers can refer to IFRS S2 Climate-Related Disclosures section of this AR2025 on page 124 for Protasco's NSRF-compliant climate-related disclosures, as reported using the IFRS S2 standards.

# Sustainability Report

## Our Performance

In recent years, Protasco has significantly strengthened its approach to climate-related disclosures by building a more complete GHG inventory. Scope 1 and Scope 3 emissions, which were not previously recorded, are now being tracked, while Scope 2 data continue to be refined. The figures for FY2024 provide a baseline for ongoing improvement

### GHG Scope 1: Direct Emissions [GRI 102-4]

#### FY2025 Scope 1 Emissions (by BU)

BU	Petrol (tCO <sub>2</sub> e)	Diesel (tCO <sub>2</sub> e)	LPG (tCO <sub>2</sub> e)	Total Scope 1 (tCO <sub>2</sub> e)	% Contribution
Agriventure	10.80	6.12	0.00	16.92	0.48%
Clean Energy	44.06	2.03	0.00	46.09	1.30%
Corporate Office	0.00	0.00	0.00	0.00	0.00%
Engineering & Consultancy Services	57.19	161.75	0.52	219.46	6.20%
Hotel & Hospitality	0.00	10.36	0.00	10.36	0.29%
Maintenance	1,019.91	1,897.13	8.58	2,925.62	82.68%
Property and Construction	72.75	69.80	9.1	151.65	4.29%
Trading & Manufacturing	57.51	111.01	0.00	168.52	4.76%
<b>Total Scope 1</b>	<b>1,262.22</b>	<b>2,258.20</b>	<b>18.20</b>	<b>3,538.62</b>	<b>100%</b>

Note:

- LPG emissions are calculated using 1.60 kgCO<sub>2</sub>e per litre of LPG.
- % contribution = (unit total ÷ total Scope 1 including LPG) × 100.

### GHG Scope 2: Indirect Emissions from Purchased Energy [GRI 102-5]

Scope 2 emissions represent the Group's indirect GHG emissions from purchased electricity. These emissions arise entirely from electricity consumption, with no steam or heating accounted for.

Source	FY2025 (tCO <sub>2</sub> e)	FY2024 (tCO <sub>2</sub> e)
Purchased Electricity	3,617.70	3,639.48

In FY2025, Scope 2 emissions totalled 3,617.70 tCO<sub>2</sub>e, representing a slight decrease of approximately 0.60% compared to 3,639.48 tCO<sub>2</sub>e in FY2024.

The FY2024 figure has been restated to reflect the exclusion of the Education BU and the inclusion of Hotel & Hospitality. These emissions arise entirely from electricity consumption, with no steam or heating included. The Group continues to implement energy efficiency measures and explore renewable energy solutions to manage and reduce indirect emissions, supporting both regulatory compliance and long-term sustainability objectives.

# Sustainability Report

## GHG Scope 3: Other Indirect Emissions [GRI 102-6]

Scope 3 emissions, which include other indirect GHG emissions from sources not owned or directly controlled by the Group, are currently in the early stages of monitoring and data collection.

Category	FY2025 (tCO <sub>2</sub> e)	FY2024 (tCO <sub>2</sub> e)	Notes
Category 5: Waste	1,239	3	Waste-related emissions captured; data collection ongoing across all operations.
Category 6: Business Travel	N/A	N/A	Early stage of monitoring; data to be collected in the next reporting period.
Category 7: Employee Commute	1,637,875	N/A	Data from 731 employees were collected from an online survey; further participation required to improve coverage.
<b>Total Scope 3</b>	<b>1,639,114</b>	3	Focus on improving accuracy and coverage over time; total to be updated as data matures.

In FY2025, the Group's Scope 3 emissions, representing other indirect GHG emissions from sources not directly controlled, totalled 1,639,114 tCO<sub>2</sub>e. Of the categories with available data, employee commuting contributed the majority (99.9%), while waste-related emissions accounted for a minimal 0.08%. Data for upstream transportation and business travel yet to be collected, and the total Scope 3 emissions will be updated as monitoring and coverage improve. This early-stage reporting highlights the Group's ongoing efforts to expand Scope 3 tracking across all relevant indirect emission sources.

## Total GHG Emissions and Trends [GRI 102-4, GRI 102-5, GRI 102-6]

Details	FY2025 (tCO <sub>2</sub> e)	FY2024 (tCO <sub>2</sub> e)
Scope 1	3,539	14,886
Scope 2	3,618	3,639
Scope 3	1,639,114	3
<b>Total GHG Emissions</b>	<b>1,646,271</b>	18,528

Note: Previously, the FY2024 data included the Education BU. Since FY2025, this entity is no longer under the Group, and it has been removed and Hotel & Hospitality data for FY2024 was included. FY2024 data has been restated to show this data update.

Efforts to reduce emissions include energy efficiency measures, renewable energy adoption, and improved monitoring and reporting, forming the basis for future reduction targets.

## Ozone-Depleting Substances [GRI 102-2]

The Group during this reporting period does not report on ozone-depleting substances due to limited data availability across its operations. This is because systematic monitoring and data collection processes for these emissions have not yet been established. To address this gap, the Group plans to implement improved data collection and reporting systems in future, enabling accurate tracking, management, and reduction of ozone-depleting substances as part of its broader environmental compliance and sustainability strategy.

## Other Significant Air Emissions [GRI 102-2]

The Group does not currently report on other significant air emissions, including nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>x</sub>), and particulate matter, due to limited operational data and measurement capabilities. To address this limitation, the Group is committed to gradually enhancing its emissions monitoring framework, enabling the capture of these pollutants in future reporting cycles. This will allow the Group to integrate these emissions into its environmental management practices and provide more comprehensive sustainability disclosures once reliable data becomes available.

## Continuous Improvement and Future Focus

The Group is committed to continuously enhancing its climate change management by expanding GHG emissions monitoring across all BUs, covering Scope 1 (direct), Scope 2 (energy indirect), and Scope 3 (other indirect) emissions to ensure more comprehensive and reliable reporting. Currently, Scope 3 data management systems are being strengthened to enhance granularity, traceability, and overall reliability of indirect emissions reporting. Additionally, climate considerations are being progressively integrated into investment decisions, business planning, and operational strategies, supporting long-term resilience and reinforcing our commitment to sustainability performance.

# Sustainability Report



## Environmental



### BIODIVERSITY [GRI 101]

**Related UNSDGs:**



#### Why is this Important?

Biodiversity plays a critical role in supporting sustainability across the Group, as it underpins essential ecosystem functions such as pollination, water purification, natural habitat regulation and soil fertility, processes that indirectly enable and safeguard our operations. Protecting biodiversity also supports regulatory compliance, reduces the risk of legal or environmental breaches and strengthens our reputation as a responsible and environmentally conscious organisation.

By conserving biodiversity, the Group reduces operational risks related to resource availability, climate variability and ecosystem degradation. These efforts also align with global sustainability priorities and national expectations. Integrating biodiversity considerations into our strategy helps ensure responsible land use, protects natural resources vital to our operations and responds to rising stakeholder expectations for environmental stewardship.

#### Our Approach

We take a structured approach to biodiversity that focuses on minimising ecological footprint, strengthening monitoring mechanisms and supporting conservation efforts where feasible.

#### 1. Significant Impacts of Activities on Biodiversity

[GRI 101-4]

The Group conducts EIAs and environmental monitoring before any projects as required by DOE and submit the report accordingly, where required, across relevant projects to identify, mitigate and manage potential effects on local ecosystems and wildlife. This compliance ensures that our operations align with conservation objectives and regulatory requirements. To minimise our ecological footprint, we adopt sustainable practices such as reducing habitat disruption during project execution, eliminating or minimising the use of harmful substances, and promoting responsible land use and resource management. These measures reflect our commitment to environmental stewardship and support the long-term sustainability of our operations.

# Sustainability Report

## 2. Habitats Protected or Restored

[GRI 101-6]

The Group supports and participates in biodiversity-related initiatives aimed at protecting and restoring natural habitats. While these efforts are currently implemented on a modest scale, they reflect our ongoing commitment to environmental stewardship across our operations.

Tree planting is carried out as a programme-based initiative, contributing to habitat enhancement and environmental awareness. Within the Construction division, tree tagging activities are conducted primarily within project areas and on a small scale to support site-level biodiversity monitoring and responsible land management.

The Maintenance division undertakes environmental initiatives including tree planting, reforestation programmes and beach cleaning activities as part of its broader environmental responsibility efforts. Although the Group does not yet have a long-term conservation programme in place, we are exploring structured conservation initiatives and partnerships and will report further developments in due course

## 3) Monitoring and Reporting

### Operational Sites in or Adjacent to Protected Areas [GRI 101-3]

In FY2025, the Group did not operate within or in close proximity to any legally protected areas or locations recognised as having high biodiversity value. The Group continues to assess site conditions during project planning to ensure that operational activities do not adversely affect ecologically sensitive areas.

### IUCN Red List Species [GRI 101-7]

During the reporting year, no IUCN Red List species or nationally protected species were identified within the Group's owned or managed operational sites. Regular site assessments and monitoring activities are conducted, where relevant, to support early identification of biodiversity risks.

The Group continues to monitor biodiversity-related indicators through the relevant divisions and incorporate relevant metrics into its sustainability reporting framework. Biodiversity considerations are integrated into operational planning and environmental management practices to promote responsible land use and ensure ongoing compliance with regulatory and environmental expectations.

## Our Performance

In FY2025, Protasco continued to strengthen the integration of biodiversity considerations across its operations and project activities. The Group remains committed to responsible environmental management and ongoing improvement in biodiversity-related practices. Below is a summary of our performance for the year:

### EIAs

Ongoing environmental monitoring were undertaken where required to ensure compliance with applicable environmental laws, regulations and standards. In FY2025, the Group, through its various projects, submitted to the DOE its Environmental Management Plan (EMP) for all of its projects. By integrating environmental considerations into project planning and execution, the Group strengthens its risk management approach and promotes responsible development practices.

### Conservation Projects

No standalone, large-scale conservation projects were implemented in FY2025, consistent with the previous reporting year. While biodiversity conservation remains part of Group's long-term sustainability commitment, the Group continues to evaluate the feasibility, resource requirements and potential strategic partnerships necessary to implement structured conservation programmes. Future initiatives will be pursued in alignment with operational priorities and sustainability objectives, and progress will be disclosed in subsequent reporting periods.

# Sustainability Report

## Monitoring And Reporting

Monitoring efforts were further strengthened through the continued application of biodiversity-related metrics developed in previous years.

Items	FY2025	FY2024	FY2023
Number of Trees Planted (Tree Planting Programme)	286	1,816	0
Number of Tree Tagging Activities	0	166	0
Budget Spent on Biodiversity and Conservation Efforts / Programmes / Initiatives (RM)	98,346	136,404	11,296
Identification of IUCN Red List of Threatened Species on Owned Sites	0	0	0
Number of Biodiversity Assessments Undertaken on New Sites	0	0	0
Number of Biodiversity Audits Undertaken on Existing Sites	0	7	0

Group continued to implement biodiversity-related initiatives across its operations, focusing on tree planting, tree tagging, and environmental stewardship activities.

Tree planting was conducted as part of programme-based initiatives, while the Construction division carried out tree tagging within project areas to support site-level biodiversity monitoring and responsible land management. The Maintenance division also contributed through activities such as tree planting, reforestation programmes, and beach

cleaning initiatives, reflecting the Group's broader commitment to environmental sustainability.

The overall number of trees planted in FY2025 was lower compared to previous years, primarily because certain construction projects, where tree planting was scheduled, did not materialise during the reporting period. Despite this, the Group remains committed to promoting biodiversity through ongoing and planned initiatives across all operational units.

Biodiversity audits and related assessments were conducted on selected sites, where applicable, to support responsible land use and ensure continued compliance with environmental expectations. The Group also continued to allocate resources to biodiversity-related programmes, reflecting its commitment to environmental protection and gradual improvement in biodiversity practices.

**Moving forward, we intend to progressively integrate biodiversity considerations into our broader sustainability strategy. We are exploring a more structured and long-term conservation initiatives and will provide updates as these programmes are developed and implemented in due course.**

# Sustainability Report

## SASB CONTENT INDEX

### Engineering and Construction Services

Topic	Code	Unit of Measure	Metric	Disclosure/ Page Reference
Environmental Impacts of Project Development	IF-EN-160a.1	Number	Number of incidents of non-compliance with environmental permits, standards and regulations	Pages 65 - 66
	IF-EN-160a.2	n/a	Discussion of processes to assess and manage environmental risks associated with project design, siting and construction	Pages 43; 71 - 72; 115
Structural Integrity & Safety	IF-EN-250a.1	Presentation currency	Amount of defect- and safety-related rework costs	Page 87; Numbers are reported but currency is not disclosed
	IF-EN-250a.2	Presentation currency	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	Page 84
Workforce Health & Safety	IF-EN-320a.1	Rate	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Pages 83 - 84
Lifecycle Impacts of Buildings & Infrastructure	IF-EN-410a.1	Number	Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard and (2) active projects seeking such certification	N/A
	IF-EN-410a.2	n/a	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	Pages 101 - 104; 108
Climate Impacts of Business Mix	IF-EN-410b.1	Presentation currency	Amount of backlog for (1) hydrocarbon-related projects and (2) renewable energy projects	Page 59
	IF-EN-410b.2	Presentation currency	Amount of backlog cancellations associated with hydrocarbon-related projects	N/A
	IF-EN-410b.3	Presentation currency	Amount of backlog for non-energy projects associated with climate change mitigation	Pages 57; 111
Business Ethics	IF-EN-510a.1	Number, Presentation currency	(1) Number of active projects and (2) backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Page 64
	IF-EN-510a.2	Presentation currency	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anti-competitive practices	(1) RM 0 (2) RM 0
	IF-EN-510a.3	n/a	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behaviour in the project bidding processes	Pages 60 - 67; 70
Activity Metrics	IF-EN-000.A	Number	Number of active projects	8
	IF-EN-000.B	Number	Number of commissioned projects	2
	IF-EN-000.C	Presentation currency	Total backlog	RM1,293.2 million

# Sustainability Report

## STATEMENT OF ASSURANCE

In strengthening the credibility of the Sustainability Statement, selected aspects of this Sustainability Statement have been subjected to an internal review by the company's internal auditors and have been approved by the Company's Audit Committee.

### Subject Matter

The subject matter covered by the internal review included the following indicators:

Indicator	Sub Indicator	Sustainability Statement
Community Investment	C2 (a)	Total amount invested in the community where the target beneficiaries are external to the listed issuer In 2025, the Group invested RM712,487 in programmes supporting external beneficiaries.
	C2 (b)	Total number of beneficiaries of the investment in communities These investments spanned 13 different beneficiary categories.
Energy Management	C4 (a)	Total energy consumption Total energy consumption across the Group is 4,638,079 kWh with non-renewable energy made up 89% of this usage, and renewable energy contributing 11%.
Procurement Practices	C7 (a)	Proportion of spending on local suppliers Spending on local suppliers constituted 97% of total expenditure, exceeding the established target of 70%.
Customer Privacy	C8 (a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data Zero substantiated complaints related to breaches of customer privacy and losses of customer data.
Water Management	C9 (a)	Total volume of water used Total volume of water used by the Group in 2025 is recorded at 85,614m <sup>3</sup> .
Waste Management	C10 (a)	Total waste generated, and a breakdown of the following: i. Total waste diverted from disposal ii. Total waste directed to disposal i. Total waste diverted from disposal is recorded at 15.9 tonnes. ii. Total waste directed to disposal is recorded at 1,533 tonnes
Emissions Management	C11 (a)	Scope 1 emissions in tonne of CO <sub>2</sub> e Total emission of GHG Scope 1 is 3,539 tCO <sub>2</sub> e
	C11 (b)	Scope 2 emissions in tonne of CO <sub>2</sub> e Total emission of GHG Scope 2 is 3,618 tCO <sub>2</sub> e
Biodiversity	S1(a)	Percentage of existing operations or projects assessed for biodiversity risks Zero assessment for biodiversity risks undertaken on existing operations or projects

### Scope

The internal audit review covered Protasco Group operations within Peninsular Malaysia, applying a sampling methodology onto selected business units i.e. divisions to assess reasonableness.

# Sustainability Report

## GRI CONTENT INDEX

<b>Statement of use</b>	Protasco has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S)
<b>General Disclosures</b>		
<b>GRI 2: General Disclosures 2021</b>	2-1 Organisational details	Pages 2 - 5; 13 - 25
	2-2 Entities included in the organisation's sustainability reporting	Page 31
	2-3 Reporting period, frequency and contact point	Pages 31 - 33
	2-4 Restatements of information	Restatements of information are disclosed at the appropriate sections of this report
	2-5 External assurance	Page 33
	2-6 Activities, value chain and other business relationships	Pages 34 - 39; 41
	2-7 Employees	Pages 75 - 81; 93 - 100
	2-9 Governance structure and composition	
	2-10 Nomination and selection of the highest governance body	
	2-11 Chair of the highest governance body	
	2-12 Role of the highest governance body in overseeing the management of impacts	
	2-13 Delegation of responsibility for managing impacts	
	2-14 Role of the highest governance body in sustainability reporting	Pages 40 - 41; 50 - 168
	2-15 Conflicts of interest	
	2-16 Communication of critical concerns	
	2-17 Collective knowledge of the highest governance body	
	2-18 Evaluation of the performance of the highest governance body	
	2-19 Remuneration policies	
	2-20 Process to determine remuneration	
	2-21 Annual total compensation ratio	Disclosure on compensation ratios is excluded due to the confidentiality of remuneration details.
	2-22 Statement on sustainable development strategy	Pages 28 - 29; 42 - 44
	2-23 Policy commitments	Pages 60 - 61
	2-24 Embedding policy commitments	Pages 60 - 61
	2-25 Processes to remediate negative impacts	Pages 86; 92
	2-26 Mechanisms for seeking advice and raising concerns	Pages 61 - 62
	2-27 Compliance with laws and regulations	Pages 60 - 68
	2-28 Membership associations	Pages 31 - 32
	2-29 Approach to stakeholder engagement	Pages 44 - 47; 66; 85
	2-30 Collective bargaining agreements	Not included

# Sustainability Report

<b>GRI STANDARD</b>	<b>DISCLOSURE</b>	<b>PAGE NUMBER(S)</b>
<b>Material Topics</b>		
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Pages 48 - 55; 90
	3-2 List of material topics	
<b>Economic Performance</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	Pages 56 - 59; 74
	201-2 Financial implications and other risks and opportunities due to climate change	
	201-3 Defined benefit plan obligations and other retirement plans	
	201-4 Financial assistance received from government	
<b>Indirect Economic Impacts</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 50
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	Pages 57 - 58; 73 - 75
	203-2 Significant indirect economic impacts	
<b>Procurement Practices</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 50
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	Pages 69 - 72
<b>Anti-corruption</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 50
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	Pages 61 - 66; 69
	205-2 Communication and training about anti-corruption policies and procedures	
	205-3 Confirmed incidents of corruption and actions taken	
<b>Materials</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 50
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	Pages 105 - 107
	301-2 Recycled input materials used	
<b>Energy</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 50
<b>GRI 103: Energy 2025</b>	103-1 Energy policies and commitments	Pages 108 - 109
	103-2 Energy consumption and self-generation within the organisation	
	103-3 Upstream and downstream energy consumption	
	103-4 Energy intensity	
	103-5 Reduction in energy consumption	

# Sustainability Report

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S)
<b>Water and Effluents</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 50
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource 303-2 Management of water discharge-related impacts 303-3 Water withdrawal 303-5 Water consumption	Pages 101 - 102
<b>Biodiversity</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 50
<b>GRI 101: Biodiversity 2024</b>	101-1 Policies to halt and reverse biodiversity loss 101-2 Management of biodiversity impacts 101-3 Access and benefit-sharing 101-4 Identification of biodiversity impacts 101-5 Locations with biodiversity impacts 101-6 Direct drivers of biodiversity loss 101-7 Changes to the state of biodiversity 101-8 Ecosystem services	Pages 114 - 116
<b>Climate Change</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 50
<b>GRI 102: Climate Change 2025</b>	102-1 Transition plan for climate change mitigation 102-2 Climate change adaptation plan 102-3 Just transition 102-4 GHG emissions reduction targets and progress 102-5 Scope 1 GHG emissions 102-6 Scope 2 GHG emissions 102-7 Scope 3 GHG emissions 102-8 GHG emissions intensity 102-9 GHG removals in the value chain 102-10 Carbon credits	Pages 110 - 113
<b>Waste</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 50
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts 306-2 Management of significant waste-related impacts 306-3 Waste generated 306-4 Waste diverted from disposal 306-5 Waste directed to disposal	Pages 102 - 104

# Sustainability Report

<b>GRI STANDARD</b>	<b>DISCLOSURE</b>	<b>PAGE NUMBER(S)</b>
<b>Supplier Environmental Assessment</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	Pages 67; 69 - 72
<b>Employment</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 50
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees 401-3 Parental leave	Pages 93 - 100
<b>Labour/Management Relations</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	
<b>GRI 402: Labour/Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	Pages 93 - 100
<b>Occupational Health and Safety</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 50
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system 403-2 Hazard identification, risk assessment, and incident investigation 403-4 Worker participation, consultation, and communication on occupational health and safety 403-5 Worker training on occupational health and safety 403-6 Promotion of worker health 403-9 Work-related injuries 403-10 Work-related ill health	Pages 81 - 84
<b>Training and Education</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee 404-2 Programmes for upgrading employee skills and transition assistance programmes 404-3 Percentage of employees receiving regular performance and career development reviews	Pages 94; 100

# Sustainability Report

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S)
<b>Diversity and Equal Opportunity</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 50
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees 405-2 Ratio of basic salary and remuneration of women to men	Pages 75 - 81; 95 - 96
<b>Non-discrimination</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 75 - 81; 95 - 96
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	
<b>Tax</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 67 - 68
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax	
	207-2 Tax governance, control and risk management	
	207-3 Stakeholder engagement of tax-related concerns 207-4 Country-by-country reporting	
<b>Local Communities</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 73 - 75
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programmes	
<b>Supplier Social Assessment</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Pages 67; 69 - 72
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	
<b>Public Policy</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Not material and covered in the report
<b>GRI 415: Public Policy 2016</b>	415-1 Political contributions	

# Sustainability Report

<b>GRI STANDARD</b>	<b>DISCLOSURE</b>	<b>PAGE NUMBER(S)</b>
<b>Customer Health and Safety</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Pages 50; 85 - 89
<b>Marketing and Labelling</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	
<b>GRI 417: Marketing and Labelling 2016</b>	417-1 Requirements for product and service information and labelling 417-2 Incidents of non-compliance concerning product and service information and labelling 417-3 Incidents of non-compliance concerning marketing communications	Page 89
<b>Customer privacy</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pages 89; 91 - 92
<b>Socioeconomic Compliance</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	
<b>GRI 419: Socioeconomic Compliance</b>	419-1 Non-compliance with laws and regulations in the social and economic area	Pages 50; 64 - 67

## IFRS S2 CLIMATE-RELATED DISCLOSURES

In FY2025, Protasco began aligning its climate-related disclosures with IFRS S2, supporting the Group’s alignment with Malaysia’s National Sustainability Reporting Framework (NSRF). This reflects Protasco’s commitment to strengthening sustainability reporting through a best-practice approach to energy, emissions and other climate-related disclosures, including the key climate risks and opportunities that may affect the Group’s operations and long-term performance.

This section outlines Protasco’s alignment with the four IFRS S2 pillars, namely Governance, Strategy, Risk Management, and Metrics and Targets, together with the corresponding disclosure recommendations. Looking ahead, the Group intends to further deepen its alignment with the NSRF and progressively enhance its adoption of IFRS S1 and IFRS S2, as internal capabilities, data readiness and reporting maturity continue to evolve.

# Sustainability Report

## BASIS OF PREPARATION

### Statement of Compliance

The sustainability-related disclosures of Protasco have been prepared with reference to the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB), in line with Bursa Malaysia's Main Market Listing Requirements.

These disclosures are prepared for the Group and should be read together with the Group's consolidated financial statements, which are prepared in accordance with the Malaysian Financial Reporting Standards (MFRS), IFRS Accounting Standards, and the requirements of the Companies Act 2016 in Malaysia. This report covers the financial year ended 31 December 2025 and is aligned with the reporting period of the related consolidated financial statements.

### First-time adoption of IFRS Sustainability Disclosure Standards

The Group is reporting with reference to the IFRS Sustainability Disclosure Standards for the first time for the annual reporting period ended 31 December 2025, also known as FY2025. For the reporting period commencing 1 January 2025, the Group has applied the following standard:

#### IFRS S2 Climate-related Disclosures

As a Group 2 company under the NSRF, Protasco is scheduled to commence formal climate-first NSRF reporting aligned with IFRS S2 Climate-related Disclosures from FY2026 onwards. The Group has proactively presented its climate-related disclosures in FY2025 before its formal implementation timeline in order to enhance its reporting transparency and build internal readiness ahead of the mandatory reporting requirements. This early adoption approach reflects the Group's continued commitment to strengthening its climate-related governance, risk management and disclosure practices in line with regulatory expectations.

## GOVERNANCE

### Board's Role

The Board of Directors of Protasco has oversight of the Group's approach to sustainability matters, supported by the Board Risk Management Committee (BRMC) and the Sustainability Steering Committee (SSC).

An overview of the Group's sustainability governance structure is set out below:

- At Protasco, the Board Risk Management Committee (BRMC) holds ultimate responsibility for overseeing sustainability-related matters.

In practice, the Board's oversight of climate-related risks and opportunities is integrated into the Group's broader governance and risk management processes, with the BRMC providing Board-level review, supervision and recommendations on sustainability strategy, ESG targets, performance, progress and scorecard matters that are relevant to climate transition and physical risk exposure. The function of the BRMC has been expanded to incorporate sustainability governance in order to adopt sustainability practices and principles.

- The Sustainability Steering Committee (SSC), which is chaired by the Group Managing Director, reports to the BRMC. This governance arrangement supports the Board's ability to direct, review and challenge management on climate-related priorities by ensuring that climate-relevant sustainability strategies, implementation progress and key issues are escalated through the SSC to the BRMC for oversight and decision-making.

The Board monitors the sustainability performance of the Group against the target set for the year from the aspects of Environment, Social and Governance (ESG). The Board also takes appropriate action to ensure it stays abreast with and understands the sustainability issues relevant to the business, including climate-related risks and opportunities.

# Sustainability Report

## Management's Role

Management's role in assessing and monitoring sustainability related risks and opportunities at Protasco is embedded within the executive level Sustainability Steering Committee (SSC).

The SSC comprises senior management and is chaired by the Group's top management, bringing together leaders from the Group's key BUs to ensure sustainability considerations are integrated into strategic and operational decision making. The Chair of the SSC provides structured updates to the Board level governance forums, supporting the Board's oversight of sustainability matters within the Group's overall risk management and governance framework.

The SSC assists the Board Risk Management Committee in the strategic management of Protasco's sustainability related risks and opportunities, including, but not limited to the following:

- overseeing the materiality assessment process and key sustainability priorities
- developing and refining sustainability strategies, policies, and action plans across the Group
- monitoring day to day implementation of sustainability initiatives in line with the Group's strategy and BU responsibilities
- recommending sustainability metrics and targets, and reviewing progress against agreed targets and performance indicators
- reviewing inputs and key messages for the sustainability report, including consistency of disclosures and supporting data

The SSC convenes up to 2 times a year and receives updates on sustainability targets, progress, performance, and emerging risks and opportunities from the Sustainability and Strategy and Sustainability Office (SSO), supported by the Sustainability Working Committee and Division Working Committees across BUs.

The SSC provides half yearly reports to the relevant Board committee and delivers quarterly updates to the Board on material sustainability related matters.

## STRATEGY

Protasco is a diversified group with operations across several sectors that are directly exposed to physical climate conditions and resource constraints.



# Sustainability Report

## Climate-Related Risks and Opportunities - Physical Risks

### Physical Risks

Protasco underwent a climate risk assessment exercise in October 2025 and have concluded that extreme weather events and climate change are both acute and chronic physical risk that could affect the Group's various operations in the short, medium, and long term.

Heatwaves (Rising Temperatures)	Heavy Rainfall	Dry spell / Drought
Prolonged heatwaves, which can increase safety and health risks for outdoor activities and affect operating conditions.	Heavy rainfall and subsequent flooding, which are common during monsoon periods, can cause physical damage and operational disruptions.	Extended dry spells and drought conditions can constrain water availability and increase the need for water efficiency and storage measures.

Physical risks may affect Protasco across both its upstream and downstream value chain.

Upstream	Downstream
Extreme weather can disrupt the availability and movement of key inputs, including materials, logistics support, equipment and workforce capacity.	This extreme weather can interrupt project execution and service delivery and may affect the performance and reliability of completed assets and customer facing operations.

### Effects on Business Model and Value Chain

Climate Hazard	Category	Effects On Business Model and Value Chain
Heatwaves (Rising Temperatures)	Workforce Health & Safety	Increased occupational safety and health risks for outdoor workers (construction, maintenance, agriventure) due to prolonged heat exposure
	Productivity & Project Delivery	Reduced effective working hours leading to lower productivity, extended project durations and delays in delivery timelines
	Equipment & Materials	Higher temperatures cause equipment overheating, accelerated wear and increased maintenance needs Heat affects handling and performance of construction materials, increasing quality risks and affecting outcomes
Heavy Rainfall & Flash Floods	Logistics & Mobilisation	Flooding disrupts access to project sites, delaying movement of materials, equipment and workforce mobilisation Causes delays in site readiness and prolongs project schedules
	Cost & Operational Efficiency	Increased costs from rescheduling work and extended equipment standby time
	Site Operations & Project Execution	Work stoppages and slowdowns, especially for exposed or partially completed structures Increased damage to works and materials, leading to rework and higher operating expenditure Repeated disruptions (e.g. monsoon periods) reduce delivery certainty and increase cost overrun risks
	Asset Performance & Service Continuity	Flooding affects performance and accessibility of completed infrastructure assets Water ingress and access disruptions impact service levels in hospitality and property operations, affecting stakeholder satisfaction

# Sustainability Report

Climate Hazard	Category	Effects On Business Model and Value Chain
Dry Spell / Drought	Resource Availability & Operations	Reduced water availability affects water-intensive construction activities and site welfare needs
	Supply Chain (Agriventure)	Water stress disrupts upstream agricultural suppliers, reducing consistency and availability of raw materials  Leads to operational disruptions and increased costs, especially for water-dependent processes
	Customer Operations & Service Continuity	Water scarcity (rationing/low pressure) disrupts hospitality and property operations Reduced service continuity, customer comfort and satisfaction during prolonged dry periods

### Effects on Strategy and Decision Making

Physical climate risks, including extreme rainfall and flash floods, rising temperatures and drought, influence Protasco’s strategy by:

Category	Heatwaves (Rising Temperatures)	Heavy Rainfall & Flash Floods	Dry Spell / Drought
<b>Strategic Risk Integration</b>	<ul style="list-style-type: none"> <li>Influences evaluation of delivery certainty, asset exposure and operational continuity, particularly for outdoor workforce-dependent activities</li> <li>Treated as a strategic consideration due to impacts on project feasibility, schedule reliability, workforce safety and asset performance</li> <li>Management emphasises resilience, reliability and long-term viability alongside cost, quality and timing</li> </ul>	<ul style="list-style-type: none"> <li>Influences evaluation of delivery certainty, asset exposure and operational continuity due to disruption to access, logistics and infrastructure</li> <li>Treated as a strategic consideration affecting project feasibility, schedule reliability and performance of customer-facing assets</li> <li>Drives management focus on resilience, reliability and long-term viability</li> </ul>	<ul style="list-style-type: none"> <li>Influences evaluation of operational continuity and asset exposure, particularly for water-dependent activities and supply chains</li> <li>Treated as a strategic consideration due to impacts on feasibility, reliability and performance of operations and customer-facing assets</li> <li>Reinforces management focus on resilience, reliability and long-term viability</li> </ul>
<b>Strategic Planning &amp; Time Horizons</b>	<ul style="list-style-type: none"> <li>Considered in planning assumptions for outdoor workforce capacity across different time horizons</li> <li>Influences evaluation of operational dependencies affecting project execution and delivery requirements</li> <li>Supports decisions to maintain service continuity and reduce vulnerability of operations</li> </ul>	<ul style="list-style-type: none"> <li>Considered in planning assumptions for site access, stable ground conditions and logistics across time horizons</li> <li>Influences evaluation of upstream supply chain dependencies and downstream delivery requirements</li> <li>Supports decisions to maintain service continuity during weather disruptions and reduce asset vulnerability</li> </ul>	<ul style="list-style-type: none"> <li>Considered in planning assumptions for reliable water supply across operations and time horizons</li> <li>Influences evaluation of upstream supply chain dependencies and downstream delivery requirements</li> <li>Supports decisions to maintain service continuity and reduce vulnerability during water shortages</li> </ul>

# Sustainability Report

Category	Heatwaves (Rising Temperatures)	Heavy Rainfall & Flash Floods	Dry Spell / Drought
<b>Capital Allocation &amp; Project Prioritisation</b>	<ul style="list-style-type: none"> <li>Investment decisions consider exposure over asset life, including risks of downtime, operational instability and recurring maintenance</li> <li>Project evaluation reflects climate exposure factors affecting approvals and programme expectations</li> </ul>	<ul style="list-style-type: none"> <li>Investment decisions consider whole-life exposure, including recurring repairs, downtime and operational instability from flooding events</li> <li>Project selection and site evaluation incorporate climate exposure factors affecting approvals and programme expectations</li> </ul>	<ul style="list-style-type: none"> <li>Investment decisions consider long-term exposure to water scarcity, including operational disruption and instability</li> <li>Project selection incorporates climate exposure factors affecting approvals and programme expectations</li> </ul>
<b>Operations, Procurement &amp; Risk Governance</b>	<ul style="list-style-type: none"> <li>Workforce planning prioritises safety and continuity for site-based operations</li> <li>Risk governance integrates climate risks for early identification, escalation and decision-making</li> <li>Influences insurance, financial planning and operational risk appetite</li> </ul>	<ul style="list-style-type: none"> <li>Procurement considers supplier reliability under disrupted logistics and mobilisation conditions</li> <li>Risk governance integrates climate risks for early identification and escalation</li> <li>Influences insurance coverage, financial planning and operational risk appetite</li> </ul>	<ul style="list-style-type: none"> <li>Procurement considers supplier reliability under resource constraints and input availability risks</li> <li>Risk governance integrates climate risks for early identification, escalation and response</li> <li>Influences insurance, financial planning and continuity assumptions</li> </ul>

## Financial Effects

Heatwaves (Rising Temperatures)	
Classification	Financial Effects
<b>Current Financial Effects</b>	Rising temperatures contribute to reduced labour efficiency, leading to higher operating costs
	Heat conditions increase equipment servicing needs due to overheating and accelerated wear, increasing costs
	Contributes to overall cost pressure across project delivery timelines
	Effects are episodic but increase sensitivity of costs and delivery certainty to climate conditions
	Chronic heat conditions may increase long-term productivity impacts for outdoor workforces
	Contributes to higher recurring cost base associated with maintaining heat-exposed assets and operations
	May increase pressure on margins if higher costs cannot be recovered
	Strengthens need to consider climate risks in investment planning and long-term asset strategy

# Sustainability Report

Heavy Rainfall & Flash Floods	
Classification	Financial Effects
<b>Current Financial Effects</b>	Higher operating costs due to temporary work stoppages, rescheduling and overtime following weather disruption
	Repair and replacement costs for damaged machinery, equipment, materials and partially completed works
	Revenue timing effects due to postponed projects, slower progress and delayed milestone achievement
	Deferred billings due to site inaccessibility and disrupted inbound deliveries
	Insurance-related cost pressures from higher claims exposure and renewal conditions
	Effects are episodic but impact cost profiles and delivery timelines
<b>Anticipated Financial Effects</b>	Higher recurring maintenance costs for roads, buildings, equipment and operating sites exposed to flooding
	Increased cost volatility and reduced schedule predictability due to logistics disruptions
	Higher insurance premiums, more restrictive coverage terms or exclusions for high-risk locations
	Increased likelihood of severe asset damage and potential impairment risk in flood-exposed areas
	Increased uncertainty in cash flow timing and pressure on margins if costs cannot be recovered
	Greater importance of climate risk in investment planning, siting decisions and long-term asset strategy

Dry Spell / Drought	
Classification	Financial Effects
<b>Current Financial Effects</b>	Periods of low rainfall contribute to operational cost pressure affecting cost profiles and delivery timelines
	Effects are episodic but influence sensitivity of operations to climate conditions
<b>Anticipated Financial Effects</b>	Water stress and variable weather may increase variability in raw material availability for agriventure
	May affect operational consistency, throughput and revenue stability
	Contributes to higher operational cost variability and reduced predictability
	Increases uncertainty in cash flow timing and potential pressure on margins
	Strengthens importance of climate cons

## Climate Resilience

Protasco's climate resilience approach is implemented through a strategic climate plan that focuses on practical adaptation and mitigation measures across business divisions. These measures are designed to strengthen operational continuity, protect workforce welfare, and reduce disruption to key assets and service delivery during periods of extreme weather. The actions below summarise measures that are currently implemented.

# Sustainability Report

## Extreme rainfall and flash floods

Measure Implemented	Business Unit	Implementation Status / Remarks
Solar arrays installed above identified flood levels	Clean Energy	Implemented / reduces flood damage and downtime
Concrete canvas for slope stabilisation	Engineering & Consultancy Services	Implemented / improves slope stability in wet conditions
Temporary earth ramps / fabricated steel structures for access	Engineering & Consultancy Services	Implemented / maintains site accessibility during heavy rain
Flood barriers and sandbags	Engineering & Consultancy Services	Implemented / protects work areas, materials, equipment
Monsoon fogging for vector control	Engineering & Consultancy Services; Hotel & Hospitality	Implemented / reduces health risks from vector-borne diseases
Insurance coverage assessment for natural disasters	Engineering & Consultancy Services	Implemented / strengthens risk transfer planning
Early warning channels with government agencies	Group-wide	Planned / enhances preparedness and coordination
Integration of flood risk into ERM	Group-wide	Planned / improves oversight and prioritisation
Insurance options with flood coverage	Group-wide	Planned / strengthens financial protection
Flood gauge & traffic management enhancements	Maintenance	Planned / set up Standby Team and shift working schedule for readiness

## Rising temperatures and heat stress

Measure Implemented	Business Unit	Implementation Status / Remarks
Water dispensers at work areas	Agriventure	Implemented / supports hydration and reduces heat stress
Air conditioning in facilities	Agriventure	Implemented / stabilises operating conditions
Shaded rest areas for projects	Clean Energy	Implemented / reduces heat exposure
WC and EAR facilities before project execution	Clean Energy	Implemented / supports workforce welfare
Adequate spacing between solar arrays	Clean Energy	Implemented / improves airflow and reduces overheating
Toolbox training on heat risks	Property and Construction; Maintenance	Implemented / strengthens safe work practices
Daily plant & machinery inspections	Maintenance	Implemented / prevents heat-related equipment failure
Cold drinks provision	Trading & Manufacturing	Implemented / improves worker comfort
Temperature & humidity tracking with SOP thresholds	Group-wide	Planned / improves decision-making during extreme heat

# Sustainability Report

## *Drought and water scarcity*

Measure Implemented	Business Unit	Implementation Status / Remarks
Alternative water sourcing	Agriventure	Implemented / ensures continuity of operations
Water storage tanks	Hotel & Hospitality	Implemented / maintains water availability
Rainwater harvesting system	Hotel & Hospitality	Implemented / reduces reliance on direct supply
Water efficiency (dual flush, sensor taps)	Hotel & Hospitality	Implemented / reduces water demand
Engagement with local water authorities	Engineering & Consultancy Services	Planned / improves coordination during shortages
Staff training on water saving	Engineering & Consultancy Services	Planned / enhances site-level water management
Manager training on water efficiency oversight	Engineering & Consultancy Services	Planned / strengthens governance
Quarterly staff training on water conservation	Hotel & Hospitality	Planned / reinforces consistent water-saving practices

## Transition Risks

Transition risks arise from the shift towards a lower carbon economy and are driven by changes in regulation, technology, market expectations, and stakeholder behaviour.

For Protasco, these risks may affect operating costs, procurement and supply chain decisions, project delivery requirements, and the level of reporting and governance needed to meet evolving expectations.

Risk Category	Transition Risk Effects
<b>Policy and Regulatory Risks</b>	Increasingly stringent environmental and energy policies, including stricter green building requirements
	Requirement to use green-certified materials or suppliers, affecting procurement decisions and supply chain selection
	Potential exposure to carbon tax or carbon ceiling, increasing operating cost pressure
	Heightened expectations for recycling and waste management compliance
	Increasingly complex and expanding climate-related compliance and reporting requirements
<b>Cost and Input Price Risks</b>	Potential cost implications from removal of fuel subsidies, increasing operating and logistics costs
	Broader increase in compliance-related costs due to more demanding regulatory expectations
<b>Legal and Compliance Risks</b>	Risk of fines or regulatory censures if sustainability-related obligations are not consistently met
	Expanding scope of sustainability disclosure requirements increases compliance burden
	Possible delays to expansion or investment plans due to stricter permitting processes and standards
<b>Market, Customer and Stakeholder Risks</b>	Shifting market and stakeholder expectations influence competitiveness and customer demand
	Sustainability performance increasingly affects access to financing and investor confidence
	Reputation and credibility increasingly important in securing market position and stakeholder trust

# Sustainability Report

## Effects on Business Model and Value Chain

Potential Transition Risks	Effects On Business Model and Value Chain
<b>Potential carbon tax or carbon ceiling measures</b>	Increases cost base for emissions-intensive activities and carbon-intensive materials used in infrastructure and construction
	Raises procurement costs for materials and services across the value chain
	Increases site operating costs from fuel and electricity consumption
	Creates margin pressure where contracts do not allow full cost recovery
	Requires stronger contract pricing discipline, operational efficiency, and emissions monitoring to manage cost volatility and protect profitability
<b>Higher expectations for recycling and waste management</b>	Requires more structured waste segregation, recovery and tracking at project sites and facilities
	Increases process controls and coordination with contractors and subcontractors
	Strengthens oversight of waste handling partners across the value chain
	Enhances downstream customer and regulatory scrutiny through higher delivery standards and documentation requirements
<b>Removal of fuel subsidies and related energy price adjustments</b>	Increases transportation and logistics costs across operations
	Raises operating costs for heavy equipment and fleet-dependent activities
	Alters economics of road maintenance and construction delivery
	Requires changes to route planning, scheduling, equipment selection and fuel efficiency measures
	Affects pricing strategy and competitiveness in tenders where fuel is a key cost driver
<b>Reputation and credibility increasingly important in securing market position and stakeholder trust</b>	Reputation and credibility increasingly important in securing market position and stakeholder trust
	Requires stronger internal systems, data governance and assurance readiness for climate-related reporting
	Increases need for consistent data capture across sites and business units
	Strengthens internal controls and accountability for climate metrics
<b>Increases operational overhead costs but improves risk management, decision-making and stakeholder credibility</b>	Increases operational overhead costs but improves risk management, decision-making and stakeholder credibility
	Can cause direct financial impacts and operational disruption across the Group
	Requires stronger compliance controls in procurement, contractor management and site operations
	May affect ability to bid for projects, maintain licences/approvals and sustain customer trust
<b>Increases need for documented compliance evidence across the value chain</b>	Increases need for documented compliance evidence across the value chain
	Affects market positioning, stakeholder confidence and reputation
	May impact client retention, partnerships and workforce attraction
	Influence's ability to secure projects and negotiate favourable commercial terms
<b>Increases scrutiny from regulators and financiers on delivery and disclosure credibility</b>	Influence's ability to secure projects and negotiate favourable commercial terms
	Increases scrutiny from regulators and financiers on delivery and disclosure credibility

# Sustainability Report

Potential Transition Risks	Effects On Business Model and Value Chain
<b>Decarbonisation initiatives</b>	Creates opportunity costs as capital is allocated to emissions reduction initiatives (e.g. renewable energy, RECs)
	Reduces short-term flexibility for other growth priorities
	Influences implementation pace of upgrades across business units and sites
	Requires strong prioritisation and governance to ensure alignment with long-term competitiveness and resilience
<b>Supply chain trade-offs</b>	Arises from efforts to reduce Scope 3 emissions through stricter supplier requirements or lower-carbon materials
	May affect availability, quality, pricing and quantity of materials and services
	Can create delivery and cost pressures if not managed through supplier engagement and alternative sourcing
	Requires adjustments to procurement frameworks and contract terms to balance decarbonisation with operational continuity

## Financial Effects

Category	Financial Effects
<b>Current Financial Effects</b>	Transition risks are already creating observable financial effects driven by evolving regulatory expectations, rising compliance and reporting requirements, changing customer preferences, and increasing energy and carbon-related cost pressures
	Effects are not uniform across all BUs but influence cost structures, tender competitiveness, procurement decisions and delivery requirements
	Higher operating costs arise from increased compliance effort, stronger documentation requirements and additional internal controls for climate-related disclosures and stakeholder expectations
	Procurement and supply chain costs may increase due to sourcing green-certified materials and higher-standard suppliers, affecting availability, lead times and pricing
	Energy price increases or removal of fuel subsidies create cost pressure across logistics, fleet operations and site activities, impacting project cost profiles and margins
<b>Anticipated Financial Effects</b>	Transition risks are expected to intensify as regulatory frameworks, standards and stakeholder expectations continue to tighten
	Medium-term increase in recurring cost base due to stronger compliance, reporting, governance, emissions management systems and internal controls
	Higher procurement costs and project cost volatility as clients and tenders prioritise sustainability criteria (e.g. low-carbon materials, responsible sourcing, waste management)
	Financing conditions may become more sensitive to sustainability performance, affecting access to capital and cost of funding for long-term or capital-intensive projects
	Longer-term risk of misalignment with low-carbon pathways if assets and capabilities do not adapt, potentially leading to accelerated upgrade cycles
	Possible increased capital requirements and risk of stranded assets
	Overall increase in cash flow uncertainty, margin pressure if costs cannot be recovered, and stronger need to integrate transition risks into strategy, procurement and investment planning

# Sustainability Report

## Climate Resilience

Protasco's climate resilience approach is implemented through a strategic climate plan that focuses on practical adaptation and mitigation measures across business divisions. These measures are designed to strengthen operational continuity, protect workforce welfare, and reduce disruption to key assets and service delivery during periods of extreme weather. The actions below summarise measures that are currently implemented.

Transition Risk Area	Climate Resilience Actions
<b>Environmental and Energy Policy Shifts</b>	To address tighter requirements for green-certified materials, carbon pricing exposure, and higher waste recovery expectations, Protasco is strengthening efficiency and sustainability across operations
	Engineering & Consultancy Services, Maintenance, Trading & Manufacturing, and Agriventure are adopting more energy-efficient equipment and machinery to reduce fuel consumption and improve operational efficiency
	Property and Construction and procurement functions are increasing budget allocation for green-certified products and projects while maintaining certification of existing developments
	Clean Energy and other divisions are increasing investment in renewable energy and electric vehicle-related initiatives to reduce emissions and prepare for policy changes
	Operational teams are strengthening waste recovery and recycling practices to meet stricter circular economy requirements
<b>Compliance and Legal</b>	Protasco maintains active engagement with authorities to track regulatory developments and implement compliance measures ahead of enforcement timelines
	Engineering & Consultancy Services ensures engineering designs and advisory services comply with current and emerging environmental regulations
	Trading & Manufacturing enforces supplier and product compliance with recognised environmental certification standards
	Agriventure maintains compliance with agricultural, land use, and sustainability requirements through documented practices and certifications for audit readiness
	Maintenance applies environmental compliance procedures across maintenance projects to ensure adherence to permits and operational requirements
	Property and Construction integrates green building and regulatory compliance requirements at early planning and design stages to reduce redesign risk and approval delays
	Hotel & Hospitality applies sustainability and regulatory practices for energy, water and waste management and is transitioning towards ISO 14001 or equivalent-certified suppliers
<b>Market, Reputation &amp; Technology</b>	Protasco strengthens external engagement through participation in industry forums, regulatory consultations, and sustainability and renewable energy associations
	This supports awareness of market and technology developments and strengthens credibility with customers, financiers and stakeholders
	Collaboration with complementary industries is being explored to access specialised, higher-margin sustainable projects
	Diversification efforts are particularly relevant for Property and Construction, Engineering & Consultancy Services, and Clean Energy, while supporting overall Group reputation and market access

# Sustainability Report

Transition Risk Area	Climate Resilience Actions
<b>Transition to Low-Carbon Business Model</b>	Protasco is implementing decarbonisation measures across business units through greater use of energy-efficient equipment and renewable energy adoption
	Group-wide initiatives aim to secure long-term green energy and supply arrangements to reduce exposure to energy price volatility and support national decarbonisation alignment
	Procurement and operational teams prioritise lower-carbon suppliers to reduce embedded carbon exposure and support Scope 3 emissions reduction
	Focus areas include Trading & Manufacturing, Property and Construction, Engineering & Consultancy Services, and Maintenance

## Opportunities

In addition to climate related risks, Protasco recognises that the transition to a lower carbon and more climate resilient economy also presents opportunities across its business segments. Although climate change presents various risks that the Group must manage, it also offers opportunities to enhance operational efficiency and strengthen long term resilience. These opportunities include the adoption of renewable energy solutions to support energy cost optimisation, rising market demand for more sustainable property developments, and the potential to generate additional revenue through the acquisition and sale of excess carbon credits in the Voluntary Carbon Market (VCM). Under IFRS S2, the Group assesses climate related opportunities alongside risks to better understand how they may influence business model, value chain, current financial effects and anticipated financial effects.

Climate-Related Opportunities	Effects On Business Model and Value Chain
<b>Adoption of Renewable Energy Solutions</b>	On site renewable generation reduces dependency on grid stability and supports continuity of operations, particularly where disruptions to electrical infrastructure may take time to restore by third parties.
	Renewable energy assets allow the Group to manage energy related specifications and maintenance scheduling more directly, supporting better planning for energy reliability.
	Renewable energy adoption supports the Group’s carbon reduction efforts by lowering greenhouse gas emissions associated with purchased electricity and supporting longer term climate resilience positioning.
<b>Purchase of Carbon Credits</b>	Supports Protasco’s transition toward a lower-carbon business model by enabling the Group to offset residual emissions across key operating segments
	Creates value chain opportunities through potential partnerships with carbon offset projects, including reforestation, mangrove restoration, and other nature-based solutions.
	Strengthens downstream market positioning, especially in hospitality, by allowing Protasco to position its hotels and offerings as more carbon-conscious.
<b>Deploy Integrated Solar-plus-Storage Systems (Clean Energy)</b>	Builds Protasco’s internal engineering expertise through early adoption of advanced battery energy storage system (BESS) technologies
	Lower reliance on grid electricity, and reduced exposure to energy price volatility.

# Sustainability Report

## Financial Effects

Climate-Related Opportunities	Current Financial Effects	Anticipated Financial Effects
<b>Adoption of Renewable Energy Solutions</b>	Protasco incurs higher upfront investment when deploying renewable energy installations compared to sourcing electricity from the grid.	The Group expects reduced reliance on grid electricity to lower medium to long term exposure to rising electricity costs, including the impacts of subsidy rationalisation and emerging carbon pricing mechanisms.
	Renewable generation offsets a portion of electricity purchased from the grid, which reduces exposure to near term electricity cost volatility where systems are operational.	Protasco expects renewable energy adoption to improve longer term cost predictability by enabling electricity to be sourced locally rather than fully purchased at market tariffs.
	Improved energy reliability reduces the likelihood of disruption related costs for operations that are sensitive to power interruptions.	The Group foresees that, where feasible, excess electricity generated may be exported and sold back to the grid, creating the potential for an additional income stream over time.
<b>Purchase of Carbon Credits</b>	Additional revenue-related opportunities linked to the acquisition and sale of excess carbon credits in the Voluntary Carbon Market.	Carbon trading and carbon credit participation may create future revenue potential through emissions management and participation in carbon markets, including Malaysia's voluntary carbon market landscape.
	Purchase and management of carbon credits strengthen Protasco's market positioning and brand value, particularly in hospitality, where carbon-conscious offerings improve commercial appeal to corporate clients, multinational organisations.	Carbon offset projects may also enhance long-term enterprise value indirectly through stronger reputation, biodiversity-linked co-benefits and closer alignment with national climate commitments.
<b>Deploy Integrated Solar-plus-Storage Systems (Clean Energy)</b>	Access to energy storage incentives provide near-term financial support for deployment.	The group expects to lower long-term operating costs associated with rising energy tariffs and fuel price volatility.
	Integrated solar-plus-storage systems improve operational efficiency by optimising energy use, reducing reliance on grid electricity and lowering exposure to short-term energy price volatility.	Integrated solar-plus-storage systems are expected to reduce operating costs associated with higher energy tariffs and fuel price volatility. The group expects to strengthen revenue potential by supporting client demand for integrated low-carbon and energy-resilient solutions.

# Sustainability Report

## RISK MANAGEMENT

### Climate-Related Scenario Analysis

Protasco utilised globally recognised climate scenarios that are most likely to occur based on current ESG trends, serving as a foundation for evaluating potential risks and opportunities across various future possibilities. The Shared Socioeconomic Pathway (SSP) 2-4.5 scenario was created by the IPCC as the most likely projection to occur in the mid-to-long term, assuming a moderate development of climate-friendly initiatives that involve advancement in decarbonisation technologies with continued reliance on fossil fuels. The Net Zero 2050 framework is a more optimistic scenario that was established by the Network of Green Financing Systems (NGFS), an international organisation with 144 members from national banks and financial institutions. The scenario assumes that most, if not all countries achieve their carbon neutrality goal by 2050 through policies such as the National Energy Transition Roadmap (NETR) in the case of Malaysia.

Two primary scenarios were used in the assessment:

SSP 2 – 4.5	NGFS Net Zero 2050
<p>SSP2-4.5 has been rated as one of the most probable scenarios in peer reviews and serves as a foundational basis for estimating future conditions.</p> <p>Under SSP2-4.5, moderate yet persistent greenhouse gas emissions will lead to incremental warming, resulting in gradually intensified climate impacts projected for the years 2035 and 2050.</p>	<p>It aims to guide financial institutions in aligning their portfolios to achieve net-zero greenhouse gas emissions by the year 2050.</p> <p>This initiative is part of a broader global effort to limit global warming to 1.5°C above pre-industrial levels, as outlined in the Paris Agreement, via stringent climate policies and innovation.</p>

For this assessment, the timeframes were defined below to capture the evolving nature of climate risks:

Short Term	<2 years	2025 – 2027
Medium Term	2-10 years	2027 – 2035
Long Term	>10 years	2036 – 2050

The application of the SSP2-4.5 scenario to project medium-term (2035) and long-term (2050) climate conditions allows for an evaluation of the evolving physical risks, such as floods and other climate-related effects, resulting from alterations in temperature and precipitation patterns. Similarly, the NGFS Net Zero 2050 scenario offers valuable insights into the operational and financial consequences of governmental policies and regulatory changes linked to the national shift towards a low-carbon economy. This proactive strategy planning enhances the precision of Protasco’s risk evaluation, enabling the rating system to account for both gradual and significant fluctuations in climate variables over time, subsequently improving the Group’s readiness and resilience planning.

To support this assessment, Protasco engaged external consultants to facilitate the climate risk assessment process, including technical desktop analysis to strengthen location specific understanding of physical risks. This analysis incorporated climate and site related mapping inputs such as flood susceptibility, digital elevation model interpretation, proximity to streams, land use and land cover characteristics and annual average rainfall patterns. The process was complemented by this technical desktop analysis to provide a more robust basis for evaluating location specific exposure and to support more informed resilience planning.

# Sustainability Report

The results are summarised below, together with the impact of each scenario on the Group's strategy and business model:

## Scenario 1 - SSP2-4.5 (Moderate to high physical risk)

Physical Risk	Time Horizon	Timeframe	Overall Risk Rating	Impact on the Group's strategy and business model
Extreme rainfall and flash floods	Short term	2025–2027	Moderate	<p>Continued monsoon-related operational challenges.</p> <p>a) Construction, maintenance and certain property activities may face reduced productivity, temporary access constraints and minor site disruptions.</p> <p>b) For agriventure, short interruptions may arise mainly from supplier and logistics disruption affecting inbound crop deliveries and material handling.</p>
	Medium term	2028–2035	Moderate	<p>a) Flash flood events projected to become more frequent and intense, potentially leading to wider operational and supply chain disruptions.</p> <p>b) Heavy rainfall may damage temporary works, hinder logistics and delay delivery of materials and equipment, affecting project timelines.</p> <p>c) For agriventure, supplier-side disruption may increase variability in raw material availability and delivery reliability.</p>
	Long term	2036–2050	High	<p>a) Intensifying rainfall extremes increase the potential for recurring disruption across business segments, including greater exposure to site damage, more frequent work stoppages and higher maintenance needs, particularly in flood-prone areas.</p> <p>b) For agriventure, higher disruption risk may be driven by supplier production and transport constraints affecting continuity of inputs.</p>
Rising temperatures and heatwaves	Short term	2025–2027	Low	<p>a) Generally manageable operational impact.</p> <p>b) Impacts may include temporary productivity loss, isolated heat-related symptoms and minor equipment overheating in outdoor operations.</p> <p>c) For agriventure, the more immediate exposure is upstream, where heat stress may affect supplier crop quality and consistency, with downstream implications for processing stability.</p>
	Medium term	2028–2035	Moderate	<p>a) More frequent and intense hot periods may place greater pressure on operational efficiency across segments and reduce effective working time during peak heat.</p> <p>b) For agriventure, heat-related stress on supplier crops may begin to affect input quality and availability more noticeably, increasing variability in processing throughput and fulfilment reliability.</p>
	Long term	2036–2050	High	<p>a) Significantly intensified heat-related risks.</p> <p>b) Occupational safety and health exposure may rise for outdoor workforces, increasing the likelihood of structural productivity losses.</p> <p>c) Higher cooling demand may become more material for buildings and hospitality operations.</p> <p>d) For agriventure, prolonged heat may increasingly affect supplier crop yields and quality, creating larger and more persistent supply-side volatility for the manufacturing segment.</p>

# Sustainability Report

Physical Risk	Time Horizon	Timeframe	Overall Risk Rating	Impact on the Group's strategy and business model
Drought and water scarcity	Short term	2025–2027	Low	<ul style="list-style-type: none"> <li>a) Drought risk expected to remain manageable, with impacts mainly from localised water supply interruptions.</li> <li>b) Exposure is most evident in water-dependent operations such as hospitality and certain site activities.</li> <li>c) For agriventure, near-term impacts are more likely to arise indirectly if upstream suppliers face short-term water constraints that affect crop supply consistency.</li> </ul>
	Medium term	2028–2035	Low	<ul style="list-style-type: none"> <li>a) More frequent dry spells and hotter conditions may increase the likelihood of water shortages and pressure drops, particularly during El Niño influenced periods.</li> <li>b) This could create more noticeable operational constraints for hospitality and certain site activities.</li> <li>c) For agriventure, supplier-side water stress may increase variability in crop output and delivery, affecting input availability to Protasco's processing operations.</li> </ul>
	Long term	2036–2050	Moderate	<ul style="list-style-type: none"> <li>a) Water scarcity may become more recurrent and persistent, increasing the risk of material disruption for operations requiring consistent water access.</li> <li>b) Hospitality and site operations may face higher disruption risk if rationing or pressure drops become more frequent.</li> <li>c) For agriventure, prolonged drought conditions may increasingly affect supplier production capacity and consistency, with downstream implications for Protasco's raw material supply reliability and processing continuity.</li> </ul>

## Scenario 2 - [NGFS NET ZERO 2050]

Physical Risk	Time Horizon	Timeframe	Overall Risk Rating	Impact on the Group's strategy and business model
Environmental & Energy Policy Shifts	Short term	2025–2027	Moderate	<ul style="list-style-type: none"> <li>a) While no immediate legislation limiting energy consumption or carbon emissions is anticipated in the short term, the Group recognises that carbon taxation presents an imminent regulatory risk and will proactively implement measures to reduce its overall carbon footprint.</li> <li>b) The enforcement of MSPO 2.0 and alignment with RSPO principles require immediate investment in compliance audits, traceability systems, and supplier engagement to ensure adherence to zero-deforestation standards.</li> </ul>
	Medium term	2028–2035	High	<ul style="list-style-type: none"> <li>a) Carbon taxation is expected to be applicable to other industries as well, and the Group needs to take measures to decarbonise its value chain.</li> <li>b) Green building certification schemes may become increasingly stringent, causing customer demands to shift towards more sustainable products.</li> <li>c) Higher tariffs and reduced fuel subsidies are also expected to occur, necessitating the Group's renewable energy transition.</li> </ul>
	Long term	2036–2050	Very High	<ul style="list-style-type: none"> <li>a) In line with the country's 2050 national commitment, there may be a possibility of increasing tariffs. But by this point, the Group should implement various infrastructures such as EV and solar panels throughout all operations.</li> <li>b) Green-certified materials should become common place throughout all the Group's products.</li> <li>c) However, achieving net-zero greenhouse gas (GHG) emissions faces substantial challenges, particularly within the real estate sector.</li> </ul>

# Sustainability Report

Physical Risk	Time Horizon	Timeframe	Overall Risk Rating	Impact on the Group's strategy and business model
Compliance and Legal Risks	Short term	2025–2027	Moderate	<p>While the Group has fulfilled most compliance requirements, laws have been continuously developing like the NFRS's mandatory reporting of Scope 1 and 2 emissions.</p> <p>Accordingly, audited GHG emission benchmarks are urgently needed as they will be mandated in 2027.</p>
	Medium term	2028–2035	High	<p>a) Higher likelihood of increased disclosure requirements and a stronger regulatory push to adopt green building standards for the Property team.</p> <p>b) This will require additional resources to address, including enhanced data collection, reporting systems, and certification processes, potentially driving up operational costs and posing challenges to the Group's readiness in meeting evolving compliance expectations.</p>
	Long term	2036–2050	High	<p>a) By this stage, supply chains are expected to be well-established in regions with strong ESG integration, reducing challenges related to sourcing alternative suppliers.</p> <p>b) Climate-resilient infrastructure is also projected to be more advanced, and the Group is expected to have developed internal systems capable of accommodating increasing disclosure and compliance requirements.</p> <p>c) However, the Group acknowledges that regulatory compliance may become progressively complex, particularly as the nation advances toward its net-zero GHG emissions target.</p>
Market, Reputation & Technology	Short term	2025–2027	Low	<p>Business operations face limited immediate market pressure to demonstrate high ESG performance. However, early adoption of sustainability practices and transparent communication of environmental initiatives can enhance brand reputation, attract potential investors, and strengthen market positioning ahead of stricter regulations and growing stakeholder expectations.</p>
	Medium term	2028–2035	High	<p>Risks associated with the market and reputation to remain relatively unchanged from those seen in the short term. While ESG awareness will continue to grow among the populace, the Group estimates that its coverage of green-certified residential projects will be more than sufficient to accommodate the demand by this point in time.</p>
	Long term	2036–2050	Significant	<p>Green financing requirements and market preference for sustainable materials will have reached their peak, especially as the timeline grows closer to the country's carbon neutrality target in 2050.</p>

# Sustainability Report

Physical Risk	Time Horizon	Timeframe	Overall Risk Rating	Impact on the Group's strategy and business model
Transition to Low-Carbon Business Model	Short term	2025–2027	Moderate	<ul style="list-style-type: none"> <li>a) Continuous research and development efforts are underway to drive innovation in new technologies that respond to evolving customer demand.</li> <li>b) In parallel, renewable energy initiatives are being expanded to support a reduction in Scope 2 greenhouse gas emissions. Based on current progress in carbon-related regulations, exposure to near-term carbon compliance risks is assessed as relatively low.</li> <li>c) Nonetheless, proactive steps continue to strengthen preparedness for future carbon taxation and related regulatory developments.</li> </ul>
	Medium term	2028–2035	High	<ul style="list-style-type: none"> <li>a) By this stage, various decarbonisation initiatives and technologies are expected to be in place, strengthening positioning in sustainable real estate development and responsible plantation management.</li> <li>b) Nonetheless, further exploration and implementation of additional low carbon solutions, including carbon capture and utilisation and nature-based carbon sequestration projects, will remain important in preparation for the nation's 2050 carbon neutrality target.</li> </ul>
	Long term	2036–2050	Very High	<ul style="list-style-type: none"> <li>a) Key decarbonisation measures are expected to be implemented, including renewable energy integration, adoption of energy efficient equipment, and the use of low carbon materials across operations.</li> <li>b) However, as Malaysia advances toward its national net zero target by 2050, exposure to evolving decarbonisation legislation and increasingly stringent regulatory requirements is anticipated to increase.</li> </ul>

## METRICS AND TARGETS

The Group has targets in relation to its material climate related risks and opportunities and broader sustainability related risks. These targets, which have been developed internally, are supported by performance metrics that enable the Group to monitor progress and assess effectiveness over time. Further details on the Group's targets and corresponding metrics are set out on pages 54 and 55.

In addition, Protasco currently discloses its greenhouse gas (GHG) emissions across Scope 1, Scope 2 and Scope 3. Scope 1 emissions comprise direct emissions from mobile combustion, stationary combustion, LPG gas, fugitive emissions and process emissions. Scope 2 emissions relate to indirect emissions from purchased electricity usage. Scope 3 emissions currently include business travel, employee commuting, waste generated and transportation by suppliers or contractors for Protasco's business purposes. For further details on the underlying calculation approach, boundaries and year on year comparisons, please refer to pages 112 and 113.

The Group did not purchase any renewable energy certificates (RECs) during the FY2025. However, Protasco may consider the use of RECs in the future as part of its broader approach to managing emissions and supporting decarbonisation efforts.

### Global warming potential (GWP) values

The Group applies the GWP values based on a 100-year time horizon from the most recent (6<sup>th</sup>) Assessment Report (AR6) of the IPCC to convert the constituent gases into CO<sub>2</sub> equivalent values, which represents the latest published GWP values by IPCC.

# Sustainability Report

## BURSA MALAYSIA CSI PLATFORM PRESCRIBED TABLE

Protasco Berhad BMLR Transition Period		Date & Time: 2026-04-23_12:23:48 FYE 31/12/2025			
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Anti-corruption)	C1(a) Percentage of employees who have received training on anti-corruption by employee categories - Senior Management	Percentage	1%	>60%	No assurance
Bursa (Anti-corruption)	C1(a) Percentage of employees who have received training on anti-corruption by employee categories - Middle Management	Percentage	9%	>60%	No assurance
Bursa (Anti-corruption)	C1(a) Percentage of employees who have received training on anti-corruption by employee categories - Executive	Percentage	44%	>60%	No assurance
Bursa (Anti-corruption)	C1(a) Percentage of employees who have received training on anti-corruption by employee categories - Non-Executive	Percentage	46%	>60%	No assurance
Bursa (Anti-corruption)	C1(b) Percentage of operation assessed for corruption-related risks	Percentage	29%	>60%	No assurance
Bursa (Anti-corruption)	C1(c) Confirmed incidents of corruption and action taken	Number	0	0	No assurance
Bursa (Community/Society)	C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	561,776	200,000	Internal
Bursa (Community/Society)	C2(b) Total number of beneficiaries of the investment in communities	Number	13	5	Internal
Bursa (Diversity)	C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management (<30 years)	Percentage	0%	—	No assurance

# Sustainability Report

Date & Time: 2026-04-23\_12:23:48  
FYE 31/12/2025

**Protasco Berhad**  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity)	C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management (30 - 50 years)	Percentage	28.13%	—	No assurance
Bursa (Diversity)	C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management (>50 years)	Percentage	71.88%	—	No assurance
Bursa (Diversity)	C3(a) Percentage of employees by gender and age group, for each employee category - Middle Management (<30 years)	Percentage	0%	—	No assurance
Bursa (Diversity)	C3(a) Percentage of employees by gender and age group, for each employee category - Middle Management (30 - 50 years)	Percentage	63.77%	—	No assurance
Bursa (Diversity)	C3(a) Percentage of employees by gender and age group, for each employee category - Middle Management (>50 years)	Percentage	36.23%	—	No assurance
Bursa (Diversity)	C3(a) Percentage of employees by gender and age group, for each employee category - Executive (<30 years)	Percentage	28.68%	—	No assurance
Bursa (Diversity)	C3(a) Percentage of employees by gender and age group, for each employee category - Executive (30 - 50 years)	Percentage	60%	—	No assurance
Bursa (Diversity)	C3(a) Percentage of employees by gender and age group, for each employee category - Executive (>50 years)	Percentage	11.32%	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-23\_12:23:48

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# Sustainability Report

Date & Time: 2026-04-23\_12:23:48  
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Protasco Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity)	C3(a) Percentage of employees by gender and age group, for each employee category - Non Executive (<30 years)	Percentage	21.07%	—	No assurance
Bursa (Diversity)	C3(a) Percentage of employees by gender and age group, for each employee category - Non Executive (30 - 50 years)	Percentage	66.61%	—	No assurance
Bursa (Diversity)	C3(a) Percentage of employees by gender and age group, for each employee category - Non Executive (>50 years)	Percentage	12.32%	—	No assurance
Bursa (Diversity)	C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management (Male)	Percentage	81%	—	No assurance
Bursa (Diversity)	C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management (Female)	Percentage	19%	—	No assurance
Bursa (Diversity)	C3(a) Percentage of employees by gender and age group, for each employee category - Middle Management (Male)	Percentage	66%	—	No assurance
Bursa (Diversity)	C3(a) Percentage of employees by gender and age group, for each employee category - Middle Management (Female)	Percentage	34%	—	No assurance
Bursa (Diversity)	C3(a) Percentage of employees by gender and age group, for each employee category - Executive (Male)	Percentage	57%	—	No assurance

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# Sustainability Report

**Protasco Berhad**  
BMLR Transition Period

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity)	C3(a) Percentage of employees by gender and age group, for each employee category - Executive (Female)	Percentage	43%	—	No assurance
Bursa (Diversity)	C3(a) Percentage of employees by gender and age group, for each employee category - Non Executive (Male)	Percentage	84%	—	No assurance
Bursa (Diversity)	C3(a) Percentage of employees by gender and age group, for each employee category - Non Executive (Male)	Percentage	16%	—	No assurance
Bursa (Diversity)	C3(b) Percentage of Directors by gender and age group - Male	Percentage	71%	—	No assurance
Bursa (Diversity)	C3(b) Percentage of Directors by gender and age group - Female	Percentage	29%	—	No assurance
Bursa (Diversity)	C3(b) Percentage of Directors by gender and age group - <30 years	Percentage	0%	—	No assurance
Bursa (Diversity)	C3(b) Percentage of Directors by gender and age group - Between 30 - 50 years	Percentage	14%	—	No assurance
Bursa (Diversity)	C3(b) Percentage of Directors by gender and age group - >50 years	Percentage	86%	—	No assurance
Bursa (Energy Management)	C4(a) Total energy consumption	Kilowatt-hour (kWh)	4,638,079 kWh	Cumulative reduction by 1% sq ft compared to baseline (2024)	Internal
Bursa (Health and Safety)	C5(a) Number of work-related facilities	Number	0	0	No assurance
Bursa (Health and Safety)	C5(b) Lost time incident rate (LTIR)	Rate	0	<1	No assurance
Bursa (Health and Safety)	C5(c) Number of employees trained on health and safety standards	Number	694	> 50%	No assurance

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# Sustainability Report

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Protasco Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Labour Practices and Standards)	C6(e) Total hours of training by employee category - Senior Management	Hours	336	—	No assurance
Bursa (Labour Practices and Standards)	C6(e) Total hours of training by employee category - Middle Management	Hours	2,570	—	No assurance
Bursa (Labour Practices and Standards)	C6(e) Total hours of training by employee category - Executive	Hours	11,592	—	No assurance
Bursa (Labour Practices and Standards)	C6(e) Total hours of training by employee category - Non Executive	Hours	8,098	—	No assurance
Bursa (Labour Practices and Standards)	C6(b) Percentage of employees that are contractors or temporary staff	Percentage	3%	< 5%	No assurance
Bursa (Labour Practices and Standards)	C6(c) Total number of employee turnover by employee category - Senior Management	Number	1	—	No assurance
Bursa (Labour Practices and Standards)	C6(c) Total number of employee turnover by employee category - Middle Management	Number	13	—	No assurance
Bursa (Labour Practices and Standards)	C6(c) Total number of employee turnover by employee category - Executive	Number	54	—	No assurance
Bursa (Labour Practices and Standards)	C6(c) Total number of employee turnover by employee category - Non Executive	Number	52	—	No assurance
Bursa (Labour Practices and Standards)	C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	No assurance
Bursa (Supply Chain Management)	C7(a) Proportion of spending on local suppliers	Percentage	97.7%	>80%	Internal

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# Sustainability Report

Date & Time: 2026-04-23\_12:23:48  
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**Protasco Berhad**  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Data Privacy and Security)	C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	Internal
Bursa (Water)	C9(a) Total volume of water used	Cubic meter (m <sup>3</sup> )	85,614 m <sup>3</sup>	Reduce by 1% sq m <sup>2</sup> from the baseline by 2027	Internal
Bursa (Waste Management)	C10(a) Total waste generated	Metric tonnes	1,549	—	Internal
Bursa (Waste Management)	C10(b) Total waste diverted from disposal	Metric tonnes	15.9	To increase by 3% annually	Internal
Bursa (Waste Management)	C10(c) Total waste directed to disposal	Metric tonnes	1,533	—	Internal
Bursa (Emissions Management)	C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	3,559	Cumulative reduction by 1% from the baseline (2024) by 2027	Internal
Bursa (Emissions Management)	C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	3,217	Cumulative reduction by 1% from the baseline (2024) by 2027	Internal
Bursa (Emissions Management)	C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	1,639,114	—	No assurance

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# Sustainability Report

**Protasco Berhad**  
IFRS S2

Date & Time: 2026-04-23\_12:23:48  
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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
GHG emissions	—	—	—	—	No assurance

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# Profile of Directors



## Dato' Sri Ir Chong Ket Pen

Executive Chairman

### Nationality

Malaysian

### Age

71

### Gender

Male

### Term of Office

Director of Protasco Berhad since 18 May 2001

### Board Committee

None

### EDUCATION & QUALIFICATION

- Master of Philosophy (Civil Engineering), University of Birmingham, United Kingdom, 1990
- Registered Chartered Engineer with the United Kingdom's Engineering Council, 1987
- Member of the Institution of Civil Engineers, United Kingdom, 1985
- Registered Professional Engineer with the Board of Engineers Malaysia (BEM), 1985
- Member of the Institute of Engineers Malaysia (IEM), 1984
- Bachelor of Engineering (Honours), University of Malaya, Malaysia, 1979

### OTHER PUBLIC COMPANY DIRECTORSHIP

None

### SKILLS & EXPERIENCE

Dato' Sri Ir Chong Ket Pen is the founder of Protasco Berhad Group of Companies. He is a road pavement specialist with extensive experience in the evaluation, design, construction, and maintenance of roads and pavements. His expertise has contributed to the development of key infrastructure projects in Malaysia.

After graduating with a Civil Engineering degree from the University of Malaya in 1979, Dato' Sri Chong joined the Public Works Department of Kelantan (JKR Kelantan) as a Road Design Engineer. He was then promoted to Project Engineer, where he oversaw the construction of roads and bridges in southern Kelantan. With a strong foundation in both design and site experience, he moved to the Design and Research Branch at JKR Headquarters as a Senior Research Engineer, focusing on pavement technology and innovation.

Dato' Sri enhanced his specialisation in pavement engineering by earning a Master of Philosophy (Civil Engineering) from the University of Birmingham in 1990. In 1991, he transitioned into the private sector, establishing engineering consultancy and construction firms that laid the groundwork for the formation of Protasco Berhad.

On 1 January 2020, he was appointed as the Executive Chairman of Protasco Berhad, where he continues to lead and provide strategic direction to the company.

In addition to his corporate responsibilities, Dato' Sri Ir Chong is actively involved in various cultural organisations. He is currently the Permanent Honourable President, Federal Hopo Association of Malaysia; Trustee, Malaysia Hopo Cultural Foundation; and Deputy President, KL-Selangor Chinese Assembly Hall.

# Profile of Directors



02

## Dato' Ir Kenny Chong Ther Nen

Group Managing Director

### Nationality

Malaysian

### Age

45

### Gender

Male

### Term of Office

Director of Protasco Berhad since  
1 January 2020

### Board Committee

A member of the Board Risk  
Management Committee

*Dato' Ir Kenny Chong Ther Nen is the eldest son of Dato' Sri Ir Chong Ket Pen, Executive Chairman who is a major shareholder of Protasco Berhad.*

### EDUCATION & QUALIFICATION

- Professional Engineer, Board of Engineers Malaysia (BEM), 2010
- Corporate Member, the Institute of Engineers, Malaysia (IEM), 2010
- Master of Engineering Science, University of Melbourne, Australia, 2005
- A member of the Institute of Engineers, Australia, 2004
- Bachelor of Civil Engineering (Honours), University of Melbourne, Australia, 2003

### OTHER PUBLIC COMPANY DIRECTORSHIP

None

### SKILLS & EXPERIENCE

Dato' Ir Kenny Chong Ther Nen is the Group Managing Director of Protasco Berhad, a position he assumed in January 2020. He has been instrumental in driving strategic growth, operational efficiency, and sustainable innovation within the organisation.

Graduating with a Masters in Engineering in 2005, Dato' Ir Kenny Chong began his career at VicRoads Australia as a Senior Pavement Engineer in Technical Consulting. During his tenure, he gained invaluable expertise in road pavement design, construction supervision, and infrastructure assessment. Notably, he was the principal engineer in the development of a condition assessment module for major freeways across Victoria.

Upon returning to Malaysia, he joined Kumpulan Ikram Sdn Bhd as a Senior Engineer in the Infrastructure Research & Development Centre (IRDC), where he played a pivotal role in geotechnical and pavement design research. His dedication to sustainability and innovation led to his appointment as Director of Ikram Centre of Excellence for Sustainability & Green Technology (ICSG). In this capacity, he spearheaded numerous green technology initiatives, implemented sustainability best practices, and championed energy conservation and recycling programmes, including the establishment of a recycling collection centre in De Centrum City.

In 2012, Dato' Ir Kenny Chong transitioned to Protasco Berhad, initially as Special Assistant to the Group Managing Director, where he played a strategic role in business expansion and operational efficiency. His leadership and vision swiftly propelled him to greater responsibilities, leading to his appointment as Executive Director of International Business & Property Development Division in 2013.

He was promoted to Managing Director of Protasco Berhad's Property & Infrastructure Division in 2014 and under his leadership, the division achieved government housing projects, including the prestigious Projek Perumahan Penjawat Awam, valued at nearly RM1 billion.

Prior to his current role as Group Managing Director, he successfully led multiple business segments, including Construction, Property, Trading & Manufacturing, Corporate Security, and Special Projects. His ability to navigate complex business landscapes, drive operational excellence, and execute large-scale projects underscores his versatility and strategic acumen.

# Profile of Directors



## Suhaimi Bin Badrul Jamil

Senior Independent Non-Executive Director

### Nationality

Malaysian

### Age

63

### Gender

Male

### Term of Office

Director of Protasco Berhad since  
16 December 2014

### Board Committee

Chairman of the Audit Committee

### EDUCATION & QUALIFICATION

- Post Graduate Diploma in Business Administration (Pass with Merit), University of Wales Trinity Saint David, 2020
- Master of Business Administration from Deakin University, Australia, 2005
- Fellow of CPA Australia, 2002
- Chartered Accountant (Malaysia) with the Malaysian Institute of Accountants, 1989
- Graduate Diploma in Accounting, Australian National University, 1986
- Bachelor of Economics (with specialisation in Accounting), Australian National University, 1985

### OTHER PUBLIC COMPANY DIRECTORSHIP

None

### SKILLS & EXPERIENCE

Suhaimi Bin Badrul Jamil is a highly accomplished and experienced leader with corporate expertise across multifaceted domains such as transformation, value management, restructuring, finance, risk management, turnaround management, cross-border investments, mergers & acquisitions, and strategic management.

He began his career in an international chartered accounting firm's audit and financial consulting department. He then transitioned to the corporate sector, where he held a series of senior positions, including Group Financial Controller, Group General Manager, and Group Executive Director, in a Malaysian conglomerate with diversified business interests that include property development, transportation, insurance and banking, plantation, construction, manufacturing and investment holdings.

Suhaimi's experience extends to board directorships in public listed companies and licensed financial institutions, where he contributed significantly to their growth and success. He served as Chairman of the Board for MEMS Technology Berhad and held directorship positions in Petra Energy Berhad, Credit Corporation (M) Berhad, MIMB Investment Bank Berhad, Gadek Capital Berhad, SPK-Sentosa Corporation Berhad, Intrakota Consolidated Berhad, eB Capital Berhad, and SJ Kumpulan Berhad. In addition, he served as an Executive Director with Ferrier Hodgson MH and Baker Tilly MH.

# Profile of Directors



## Tham Wei Mei

Independent Non-Executive Director

### Nationality

Malaysian

### Age

59

### Gender

Female

### Term of Office

Director of Protasco Berhad since 1 January 2018

### Board Committee

Chairman of the Nomination & Remuneration Committee

### EDUCATION & QUALIFICATION

- Diploma in Nutritional Medicine, School of Complementary and Traditional Medicine, affiliated with University College Yayasan Pahang, 2023
- Professional Certificate in Nutritional Medicine, School of Complementary and Traditional Medicine, affiliated with University College Yayasan Pahang, 2021
- Degree in Mass Communications, Universiti Sains Malaysia, 1991

### OTHER PUBLIC COMPANY DIRECTORSHIP

Tham Wei Mei is a Director of Lay Hong Berhad since 31 May 2023 and CPE Technology Berhad since 17 July 2023, where she sits on the Audit, Nomination, Remuneration Committees and Nomination & Remuneration Committee respectively.

### SKILLS & EXPERIENCE

Tham Wei Mei has over 30 years of experience in the fields of mass media, communications, journalism, marketing, publishing and public relations garnered through a distinguished career both domestically and internationally.

Her journey commenced in Jakarta before she embarked on a pivotal role in Phnom Penh, Cambodia, where she was a journalist and the Assistant Bureau Chief for The Cambodia Times, a prominent newspaper published in both English and Khmer languages. During her tenure in Cambodia, Tham was also a principal writer for a United Nations newsletter, The Peacekeeper.

She returned to Malaysia to serve in a US telco services company with clients in Hong Kong, Singapore, Indonesia and Thailand. Subsequently, Tham established Alpha Platform Sdn Bhd, a public relations consultancy where she served GLCs, MNCs and Government agencies, working on national issues, crisis, lobbying, mergers and acquisitions as well as corporate exercises. She was also actively involved in social media campaigns.

Beyond her professional achievements, Tham distinguishes herself as a qualified nutritional therapist and a member of the Association of Nutritional Medicine Practitioners, Malaysia, underscoring her commitment to holistic well-being and her dedication to contributing positively to society.

# Profile of Directors



## Celine Chan Hooi Li

Independent Non-Executive Director

### Nationality

Malaysian

### Age

56

### Gender

Female

### Term of Office

Director of Protasco Berhad since  
1 January 2020

### Board Committee

- Chairman of the Board Risk Management Committee
- A member of the Audit Committee
- A member of the Nomination & Remuneration Committee

### EDUCATION & QUALIFICATION

- Bachelor of Business (Accounting), RMIT Melbourne Australia, 1993

### OTHER PUBLIC COMPANY DIRECTORSHIP

None

### SKILLS & EXPERIENCE

Celine Chan is the Regional Client Success and Business Development Director, for Transcosmos APAC. She is responsible for the overall management of global accounts in Asia Pacific, and the growth and success of the portfolio of clients.

She is a seasoned business leader in the CX space, with a proven track record of success in founding, restructuring, and scaling businesses across diverse industries. With over two decades of experience, Celine has established herself as a visionary strategist and influential leader in the Asia-Pacific region.

Throughout her career, Celine has held key executive positions in renowned organisations, driving growth, fostering innovation, and championing operational excellence. Celine played a pivotal role in rebuilding and restructuring management teams, leading to exponential business expansion and revenue growth.

Celine's passion for driving industry growth and excellence extends beyond her corporate endeavours. As Deputy President of the Contact Centre Association of Malaysia (CCAM), she actively supports the advancement of the CX industry in Malaysia, collaborating with government agencies and industry stakeholders to promote digital technology adoption and facilitate networking opportunities for members.

Celine's dedication to excellence, strategic acumen, and commitment to driving positive change have earned her recognition as a leader and influencer in the business community. Her leadership philosophy centres on fostering a culture of adaptability, innovation, and collaboration, empowering teams to achieve sustainable growth and success.

# Profile of Directors



## Khoo Siang Hsi @ Khoo Chen Nan

Independent Non Executive Director

### Nationality

Malaysian

### Age

59

### Gender

Male

### Term of Office

Director of Protasco Berhad since  
1 January 2025

### Board Committee

- A Member of the Audit Committee
- A Member of Board Risk Management Committee
- A Member of the Nomination and Remuneration Committee

### EDUCATION & QUALIFICATION

- A Chartered Accountant registered with the Malaysian Institute of Accountants in 1994
- A Bachelor of Accounting (Honours) degree from University of Malaya in 1991

### OTHER PUBLIC COMPANY DIRECTORSHIP

None

### SKILLS & EXPERIENCE

Khoo Chen Nan began his career with Ernst & Young, a global audit firm, where he served until 1993. During his tenure, he gained extensive experience in auditing across a wide range of industries, including acquisition audits and other specialised assignments.

He subsequently joined the Group Investment Division of Berjaya Group Berhad, where he was actively involved in various corporate finance exercises. In 1995, he returned to the auditing profession and is currently practising as an auditor with CN Khoo & Associates.

He previously served as an Independent Non-Executive Director of ES Ceramics Technology Berhad, a listed company engaged in the manufacturing of ceramic formers and ready-mix concrete, from 2005 to 2023. He also served as an Independent Non-Executive Director of LBI Capital Bhd, a listed company involved in property investment and property development, from 2012 to 2024.

#### Notes:

- a) *Save as disclosed, none of the Directors have:*
  - i) *any family relationship with each other and with any substantial shareholders of the Company;*
  - ii) *any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries; and*
  - iii) *any conviction for offences, other than traffic offences, for the past five (5) years and have no public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2025.*
- b) *Other than Dato' Sri Ir Chong Ket Pen's interests in related party transactions as disclosed in Note 45 on page 274 of the Financial Statements, none of the other Directors have conflict of interest with the Company.*
- c) *The Directors' shareholdings in the Company are disclosed in the Analysis of Shareholdings section of the Annual Report*

# Profile of Senior Management Team



01

## Dato' Ir Kenny Chong Ther Nen

Group Managing Director, Protasco Berhad (Since 2020)

Nationality	Age	Gender
Malaysian	45	Male



Please refer to Profile of Directors on page 156.



02

## Freddie Cheong Kah Wang

Chief Financial Officer, Protasco Berhad (Since 2019)

Nationality	Age	Gender
Malaysian	59	Male



03

## Benny Chong Ther Vern

Executive Director, Engineering, Industries & Agriventures Division (Since 2022)

Nationality	Age	Gender
Malaysian	42	Male

### WORK EXPERIENCE

- Chief Financial Officer, Vertice Berhad, 2018
- Associate Director, Sierac Corporate Advisers Sdn Bhd, 2012
- Group Financial Controller, Malaysia Pacific Corporation Berhad, 2012
- Project Manager (Finance), Powertek Berhad, 2011
- Head Of Finance, Mahmood Security (Malaysia) Sdn Bhd, 2008
- Senior Finance Manager, Ranhill Berhad, 2005
- Financial Controller, Steel Circle Industries Sdn Bhd, 2000
- Finance & Administration Manager, Impsa Asia Sdn Bhd, 1997
- Accountant, Aggreko (Malaysia) Sdn Bhd, 1995
- Accountant, Malaysian United Manufacturing Berhad, 1993
- Executive, Pacific & Orient Insurance Company Sdn Bhd, 1989

### QUALIFICATION

- Chartered Accountant, Malaysian Institute of Accountants, 1993
- Association of Chartered Certified Accountants, United Kingdom, 1993

### DATE APPOINTED TO KEY SENIOR MANAGEMENT POSITION

July 2019

### WORK EXPERIENCE

- Director, Tenggara Food Industries Sdn Bhd, 2022
- Director, PJP Barisan HCM JV Sdn Bhd, 2020
- Executive Director, Engineering, Education & Industries, Protasco Berhad, 2019
- Executive Director, Engineering & Consultancy Services, Education and Clean Energy, Protasco Berhad, 2018
- Executive Director, Group Corporate Office, Protasco Berhad, 2017
- Business Development Consultant, Protasco Berhad & Head of De Centrum Mall, De Centrum Development Sdn Bhd, 2016
- Managing Director, Tutti Frutti Australia Pty Ltd, 2011
- Head of After Sales Service, XiMAX Communications Sdn Bhd, 2009
- Electronic Engineer, XiMAX Communications Sdn Bhd, 2006

### QUALIFICATION

- Master of Sustainable Energy, RMIT University, Melbourne, Australia, 2011
- Master of Finance, RMIT University, Melbourne, Australia, 2005
- Bachelor of Electronic Engineering (Honours), RMIT University, Melbourne, Australia, 2003
- Graduate Member, Institute of Engineers, Malaysia, 2010

### DATE APPOINTED TO KEY SENIOR MANAGEMENT POSITION

January 2017

*Benny Chong Ther Vern is the son of Dato' Sri Ir Chong Ket Pen, Executive Chairman who is a major shareholder of Protasco Berhad and sibling of Dato' Ir Kenny Chong Ther Nen, Group Managing Director.*

# Profile of Senior Management Team

04

## Denny Chong Ther Shern

Executive Director, Clean Energy Division  
(Since 2018)

Nationality	Age	Gender
Malaysian	39	Male

### WORK EXPERIENCE

- Director, IKRAM Greentech Sdn Bhd, 2017
- Director, i2 Energy Sdn Bhd, 2017
- Director, i2 Solarpark One Sdn Bhd, 2017
- Head, Special Projects, Protasco Berhad, 2015
- Technical Head, Special Projects, Protasco Berhad, 2014
- Project Manager, C&H Engineering Consultants Sdn Bhd, 2013
- Project Engineer, C&H Engineering Consultants Sdn Bhd, 2011

### QUALIFICATION

- Masters in Environmental Engineering, University of Melbourne, Australia, 2010
- Bachelor of Engineering (Civil), (Honours), University of Melbourne, Australia, 2009

### DATE APPOINTED TO KEY SENIOR MANAGEMENT POSITION

January 2018

*Denny Chong Ther Shern is the son of Dato' Sri Ir Chong Ket Pen, Executive Chairman who is a major shareholder of Protasco Berhad and sibling of Dato' Ir Kenny Chong Ther Nen, Group Managing Director.*

05

## Ir Edward Khoo Mong Wei

Executive Director, Property & Construction Division  
(Since 2016)

Nationality	Age	Gender
Malaysian	48	Male

### WORK EXPERIENCE

- Director, Protasco Development Sdn Bhd, 2013
- Project Director, Protasco Development Sdn Bhd, 2009
- Project Engineer, with Cardno Grogans Richards in Melbourne, Australia, 2007
- Project Manager, Mahajaya Berhad, 2004
- Structural Engineer, Sepakat Setia Perunding, 2001

### QUALIFICATION

- Chartered Professional Engineer Of Australia (CP Eng), 2007
- Professional Engineer Membership, National Professional Engineering Register, Australia (NPER), 2007
- Professional Engineer Membership, Board of Engineer Malaysia (BEM), 2006
- Professional Engineer Membership, Institute of Engineer Malaysia (IEM), 2006
- Green Building Index (GBI) Accredited Facilitator, 2010
- Bachelor of Engineering (Civil), (Honours), University of Melbourne, Australia, 2000

### DATE APPOINTED TO KEY SENIOR MANAGEMENT POSITION

January 2009

# Profile of Senior Management Team



**06** **Dato' Ronnie Yap Kee Tian**  
 Executive Director, Trading & Manufacturing Division  
 (Since 2001)

Nationality	Age	Gender
Malaysian	52	Male

### WORK EXPERIENCE

- General Manager, Protasco Trading Sdn Bhd, 2001
- Assistant Manager, Marketing, Protasco Trading Sdn Bhd, 1997

### QUALIFICATION

- B.A. (Honours) in Business Administration, University of Coventry, United Kingdom, 1995
- Certificate in Business Administration & Higher Diploma Business Administration, INTI College, Petaling Jaya, 1994

### DATE APPOINTED TO KEY SENIOR MANAGEMENT POSITION

July 2001



**07** **Dato' Wan Imran Bin Wan Omar**  
 Chief Executive Officer, Maintenance Division  
 (Since 2019)

Nationality	Age	Gender
Malaysian	52	Male

### WORK EXPERIENCE

- Assistant General Manager, Roadcare (M) Sdn Bhd, 2013
- Contracts Manager, Roadcare (M) Sdn Bhd, 2007
- Kerteh Area Manager, Roadcare (M) Sdn Bhd, 2007
- Quantity Surveyor, Roadcare (M) Sdn Bhd, 2006
- Contracts Officer, Roadcare (M) Sdn Bhd, 2002
- Senior Quantity Surveyor, Pasir Puteh Development Corporation Sdn Bhd, 2001
- Site Quantity Surveyor, Ranhill Bersekutu Sdn Bhd, 1999
- Assistant Contracts Manager, Pengurusan KPRJ Ranhill Sdn Bhd, 1997

### QUALIFICATION

- Master of Business Administration (Construction Business), International Islamic University Malaysia, 2015
- Bachelor in Quantity Surveying, Universiti Teknologi Malaysia, 1997

### DATE APPOINTED TO KEY SENIOR MANAGEMENT POSITION

September 2015

# Profile of Senior Management Team



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## Dato' Ts. Haji Mohd Taufik Bin Haron

Chief Executive Officer, Engineering & Consultancy Services Division (Since 2023)

Nationality	Age	Gender
Malaysian	53	Male

### WORK EXPERIENCE

- BIM Director IKRAM, 2022
- Chief Executive Officer, Kumpulan IKRAM Sdn Bhd, 2019
- Executive Director, Group Business Development, Roadcare (M) Sdn Bhd, 2018
- Executive Director, HCM Engineering Sdn Bhd, 2016
- Chief Operating Officer, Protasco Berhad, 2014
- Chief Operating Officer, Kumpulan IKRAM Sdn Bhd, 2013
- Head of Geotechnical Forensic Unit, Kumpulan IKRAM Sdn Bhd, 2007
- Senior Engineer, Kumpulan IKRAM Sdn Bhd, 2005
- Senior Engineer (Research & Development Centre), Kuala Lumpur Infrastructure University College (KLIUC), 2003
- Geotechnical Engineer, IKRAM R&D Centre, 2002
- Geotechnical Engineer, IKRAM Runding Sdn Bhd, 2001
- Project Engineer, Geopancar Sdn Bhd, 2000
- Project Manager, Shinei Engineering & Bauer, 1999
- Site Manager, Bachy Soletanche (M) Sdn Bhd, 1998
- Trainee Engineer, Bachy Soletanche (M) Sdn Bhd, 1996

### QUALIFICATION

- Professional Engineer, Board of Engineers Malaysia (BEM), 2024
- Professional Technologist, Malaysia Board of Technologists (MBOT), 2022
- Professional Engineer Membership, Institute of Engineers Malaysia (IEM), 2015
- Professional Engineer Membership, Board of Engineers Malaysia (BEM), 2014
- Bachelor in Civil Engineering, Universiti Putra Malaysia, 1997

### DATE APPOINTED TO KEY SENIOR MANAGEMENT POSITION

January 2014

#### Notes:

Save as disclosed, none of the Senior Management have:

- any family relationship with any Directors and /or major shareholders of the Company;
- any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries;
- any conviction for offences, other than traffic offences, for the past five (5) years and have no public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2025; and
- any directorship in any listed companies and public companies.



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## Lenny Chong Ther Zern, CFA

Chief Growth & Strategy Officer, Protasco Berhad (Since 2025)

Nationality	Age	Gender
Malaysian	31	Male

### WORK EXPERIENCE

- Executive Director, Education Division, 2021
- Corporate Finance Manager, Protasco Berhad, 2020
- Assistant Manager, OCBC Bank, 2019
- Associate, OCBC Bank, 2018
- Office Administrator, Tutti Frutti Frozen Yogurt, Australia 2013

### QUALIFICATION

- CFA@charterholder, CFA Institute, 2022
- Master of Finance, University of Melbourne, Australia, 2017
- Bachelor of Commerce, Accounting & Finance, University of Melbourne, 2015

### DATE APPOINTED TO KEY SENIOR MANAGEMENT POSITION

April 2021

Lenny Chong Ther Zern is the son of Dato' Sri Ir Chong Ket Pen, Executive Chairman who is a major shareholder of Protasco Berhad and sibling of Dato' Ir Kenny Chong Ther Nen, Group Managing Director.

# Audit Committee Report

The Board of Directors is pleased to present the Audit Committee (AC) Report which provides insights into how the AC discharged responsibility for the Company and the Group during the financial year ended 31 December 2025.

The AC, as a sub-committee of the Board, plays a substantial role in assisting the Board in fulfilling its oversight responsibilities. It provides independent review of the Group's financial reporting, internal controls, risk management, and governance processes, ensuring alignment with best practices and supporting the Group's operational efficiency in a dynamic market environment.

## COMPOSITION AND ATTENDANCE

The AC comprises three (3) members, all of whom are Independent Non-Executive Directors.

The composition of the AC for the financial year 2025 is as follows:

Members	Position	Date of Appointment
Suhaimi Bin Badrul Jamil	Chairperson (Senior Independent Non-Executive Director)	31 May 2015
Celine Chan Hooi Li	Member (Independent Non-Executive Director)	1 January 2020
Khoo Siang Hsi (Q Khoo Chen Nan)	Member (Independent Non-Executive Director)	1 January 2025

The AC's composition and the qualifications of its members comply with the Main Market Listing Requirements (MMLR) of Bursa Malaysia.

The Nomination and Remuneration Committee annually reviews the AC's composition, terms of office and performance to ensure its members discharge their duties in accordance with the AC's Terms of Reference.

## MEETINGS

During the financial year, the AC held five (5) meetings. Attendance was as follows:

Members	Meetings Attended
Suhaimi Bin Badrul Jamil	5/5
Celine Chan Hooi Li	4/5
Khoo Siang Hsi (Q Khoo Chen Nan)	5/5

The Company's Chief Financial Officer (CFO) attended meetings to facilitate deliberations and provide clarifications on audit matters. The Head of Corporate Assurance presented internal audit reports, and External Auditors attended by invitation to discuss management letters, audit findings, and other relevant matters.

The Company Secretaries act as secretary to the AC and are responsible for maintaining accurate minutes of all AC meetings. Minutes are signed by the AC Chairman, distributed to all attendees, and presented to the Board for notation. Through its Chairman, the AC reports to the Board at the next Board meeting following each AC meeting, providing sufficient background and supporting information to enable informed Board decisions.

# Audit Committee Report

## SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

In line with its Terms of Reference, the AC performed the following key activities during the financial year:

### 1) Financial Reporting

- i) Reviewed the Group's quarterly unaudited financial results and audited financial statements to ensure compliance with the MMLR, applicable approved accounting standards and other statutory and regulatory requirements prior to recommending them to the Board for approval.
- ii) Reviewed the impact of any changes to the accounting policies and adoption of new accounting standards, as well as accounting treatments used in the financial statements.
- iii) Obtained assurance from the Chief Financial Officer that:
  - a) appropriate accounting policies had been adopted and applied consistently.
  - b) the going concern basis applied in the audited financial statements and quarterly financial results was appropriate.
  - c) adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the Malaysian Financial Reporting Standards and MMLR; and
  - d) the relevant financial statements for the financial year ended 31 December 2025 gave a true and fair view of the state of affairs of the Group.
  - e) all material related party transactions were tabled to the AC for review before recommendation to the Board for approval, and disclosure requirements under the MMLR were duly observed.

### 2) External Audit

- i) Reviewed the External Auditors' Audit Review Memorandum and drafted financial statements.
- ii) Reviewed and recommended the Statement on Risk Management and Internal Control (SORMIC) to the Board, subject to clearance from the External Auditors.
- iii) Assessed the External Auditors' performance, independence, competency and provision of non-audit services. The AC was satisfied with their independence and technical capability and recommended their re-appointment for the next financial year.
- iv) Conducted one (1) private meeting with the External Auditors during the year to ensure independence and candid discussion without management presence.

### 3) Internal Audit

- i) Reviewed quarterly internal audit reports, follow-up reports, management responses and recommendations prepared by the Corporate Assurance Department (CAD).
- ii) Approved the Annual Internal Audit Plan for FY 2025, ensuring sufficient coverage of key risk areas and adequate resources.
- iii) Monitored management's timely implementation of corrective actions to address audit findings.
- iv) Reviewed CAD's structure, resources, and budget to ensure adequacy in supporting its function.
- v) Reviewed the AC Report prepared by CAD for inclusion in the Annual Report.

# Audit Committee Report

## **INTERNAL AUDIT FUNCTION**

The Internal Audit function, which reports functionally to the AC, provides independent assurance on the effectiveness of the Group's risk management, internal controls and governance processes.

Audit activities are conducted in accordance with the International Professional Practices Framework (IPPF) and include:

- i) Evaluating the effectiveness and adequacy of risk management and internal controls across operating divisions;
- ii) Conducting special reviews, audits and investigations on an ad-hoc basis as requested by the AC or the Management;
- iii) Reviewing and assessing the compliance with the established policies and procedures.
- iv) Identifying opportunities to improve the operations and business processes in the Group; and
- v) Recommending improvements on the existing internal controls within the Group.

Total costs incurred by CAD to discharge its functions and responsibilities in 2025 were approximately RM807,000 (2024: RM690,000).

# Corporate Governance Overview Statement

The Board of Directors of Protasco Berhad (the Board) is committed to upholding good corporate governance practices aligned with the principles, requirements, and best practices outlined in the Malaysian Code on Corporate Governance.

## THE ROLES AND RESPONSIBILITIES OF THE BOARD

The Board acknowledges its accountability to the shareholders and various stakeholders of Protasco Berhad in discharging its duties and regulatory responsibilities in building a sustainable business. It is responsible for delivering long-term shareholder value through the Group's culture, strategy, values and governance. The Independent Directors play a crucial role in challenging the Group's strategy and overseeing the performance of Executive Directors against established goals and objectives.

The Board is further supported by the Audit, Nomination and Remuneration, and Risk Management Committees. Decisions on operational matters and the day-to-day management of the business are delegated to the Group Managing Director and senior management. These responsibilities include implementing group policies and procedures, managing clients and contractor services, monitoring financial performance, and overseeing human resource management.

### Board Charter

The Board has adopted a Board Charter which serves as a reference for the Directors.

The Board Charter sets out the roles, functions, composition, operations and processes of the Board, ensuring that all the Board members understand their obligations in discharging their duties and responsibilities.

The Board Charter is subject to periodic review by the Board to maintain consistency with the Board's roles and responsibilities, the evolving needs of the Company and development in prevailing legislation and practices.



The Board Charter is available for reference on the company's website at [www.protasco.com.my](http://www.protasco.com.my)

### Code of Conduct

The Director's Code of Conduct establishes the rules and values that guide Directors in carrying out their duties and responsibilities to the highest ethical standards.



The Director's Code of Conduct is accessible for reference on the company's website at [www.protasco.com.my](http://www.protasco.com.my)

### Board Information

Board papers containing the current quarter results, business plans, proposed projects, operational risks, governance updates and litigation updates are distributed in advance of the meeting to allow Directors sufficient time for preparation. During the meeting, the Board receives presentations from the Group Managing Director and senior management on issues within the Group.

### Company Secretary

Both company secretaries are qualified to act as company secretaries under Section 235 of the Companies Act 2016. They are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA). The company secretaries provide support to the Board in fulfilling its fiduciary duties. They are responsible for advising the Board regarding the Company's constitution, Board policies and procedures, and the Company's compliance with regulatory requirements, codes, guidelines and legislation, as well as best practices of corporate governance. All Directors have access to the advice and services of the company secretaries. The company secretaries ensure that deliberations of Board and Board Committee meetings are properly documented and maintained at the registered office of the Company.

### Promote Sustainability

The Board acknowledges that sustainability is an integral part of the Group's business and supports environmental, economic and social sustainability in its operations.



For further information, please refer to the Sustainability Report on pages 28 to 149.



The Sustainability Policy is available on the company's website at [www.protasco.com.my](http://www.protasco.com.my)

# Corporate Governance Overview Statement

## Professional Advice

The Company extends full assistance to the Board and provides complete access to necessary materials and relevant information. With proper advice from qualified company secretaries and other professionals, the Board is able to effectively fulfill its functions. Directors are also encouraged to conduct independent verification and to seek external professional advice, when necessary.

## Whistleblowing

The Board encourages employees and other stakeholders to report any suspected or known misconduct, wrongdoing, corruption and instances of fraud, waste and abuse involving the Group's resources.

The Whistleblowing Policy enables employees and other stakeholders to raise their concerns without fear of retaliation.



*The Whistleblowing Policy is available on the Company's website at [www.protasco.com.my](http://www.protasco.com.my)*

The following channels may be used by employees and other stakeholders to raise their concerns:

- Via email : [whistleblow@protasco.com.my](mailto:whistleblow@protasco.com.my)
- In writing to : The Chairman of the Audit Committee  
Protasco Berhad, 2<sup>nd</sup> Floor, Corporate  
Block, Unipark Suria, Jalan Ikram- Uniten, 43000 Kajang, Selangor.

## Composition of the Board

The Board aims to achieve diversity in skills, experience, knowledge and gender. The profiles of the Directors, as set out on pages 150 to 155, showcase a diverse range of expertise and experience. Diversity within the Board promotes more robust decision-making processes, particularly on matters relating to strategy, performance, resources and conduct, which are crucial for the success of the Group.

Currently, the Board comprises six members, consisting of four Independent Non-Executive Directors and two Executive Directors. Among them, two are female Directors, representing 33% female representation on the Board.



*The Group Diversity, Equity & Inclusion Policy is available on the company's website at [www.protasco.com.my](http://www.protasco.com.my)*

## Appointments and Re-Election of Directors

The Nomination and Remuneration Committee (NRC), when recommending new appointments to the Board, will assess the suitability of an individual by considering their skills, industry experience, knowledge, character, integrity and availability to effectively discharge their roles and responsibilities.

Candidates considered for appointment as Directors are identified through recommendations from various sources, such as senior management staff, independent advisors or third-party referrals.

In compliance with the Company's Constitution, at each Annual General Meeting (AGM), one-third (1/3) of the Directors, or if their number is not three, the number nearest to one-third (1/3), shall retire from office at least once every three years. The Directors to retire shall be those who have been longest in office since their last re-election or appointment.

The NRC assesses the Directors who are due for re-election at the AGM based on the Directors' Fit & Proper Policy and the outcome of the annual performance evaluation, before making its recommendations to the Board for approval.

The Board approved the recommendation of the NRC that two directors, Dato' Chong Ther Nen and Celine Chan Hooi Li, who are due to retire at the forthcoming AGM, be eligible to stand for re-election.



*The two directors have offered themselves for re-election at the forthcoming AGM and their profiles can be found on pages 151 and 154 of this Annual Report.*

# Corporate Governance Overview Statement

The Board has also conducted an assessment on the independence of En Suhaimi bin Badrul Jamil (En Suhaimi), who has served as an Independent Director for more than nine years. Based on the evaluation, the Board is satisfied that En Suhaimi continues to demonstrate independence in both judgment and character, and that he acts in the best interest of the Company. His long-standing experience also provides valuable contributions to the Company. Accordingly, the Board, upon the recommendation of the NRC, will propose his retention as an Independent Director to the shareholders for approval at the forthcoming AGM.



*En Suhaimi's profile can be found on page 152.*



*The Fit and Proper Policy is available at the company's website [www.protasco.com.my](http://www.protasco.com.my)*

## Board Performance Evaluation

The Board conducts an annual performance evaluation comprising a Board assessment, self-assessment and an assessment of the board committees. The Chairman of the Nomination and Remuneration Committee will be provided with the analysis of the overall performance evaluation for deliberation at the Nomination and Remuneration Committee meeting. The Nomination and Remuneration Committee will assess and identify areas requiring improvement and recommend appropriate actions to the Board.

## Independence

The NRC conducts a review and assessment of the independence of the independent directors based on the criteria outlined in the Independent Directors Assessment checklist. Following the assessment, the NRC is satisfied that the Independent Directors remain independent of management and are free from any business or other relationships that could impede their ability to exercise independent judgement, objectivity and to act in the best interest of the Company.

## Chairman and Group Managing Director

The roles of Executive Chairman and Group Managing Director are held by separate individuals, each having distinct responsibilities as outlined in the Board Charter.

The Board is led by the Executive Chairman, who is responsible for ensuring the effectiveness of the governance processes. He provides leadership and ensures that all strategic and critical issues are discussed in a timely manner.

The Group Managing Director is responsible for the management of the Group's business, making key decisions and overseeing day-to-day operations.

## Board Meetings

During the year under review, five Board meetings were held. Details of Directors' attendance are set out as follows:

	Board meeting attended in 2025
Dato' Sri Ir Chong Ket Pen	5/5
Dato' Ir Kenny Chong Ther Nen	5/5
Dato' Sri Su-Azian (Q Muzaffar Bin Abd Rahman (resigned on 1 January 2026)	4/5
Suhaimi Bin Badrul Jamil	5/5
Tham Wei Mei	5/5
Celine Chan Hooi Li	5/5
Khoo Siang Hsi (Q Khoo Chen Nan	5/5

# Corporate Governance Overview Statement

## Directors' Training

Details of training programmes attended by the Directors during the year under review, are provided below:

Name	Date	Description of Training
Dato' Sri Ir Chong Ket Pen	3 March 2025	Building Tomorrow: Geopolymer as a sustainable cement alternative, The Institution of Engineers, Malaysia
	16 April 2025	Development of guidelines on landslide vulnerability assessment and landslide risk index for critical infrastructure in Malaysia, The Institution of Engineers, Malaysia
	23 April 2025	Design and innovation of structural fire resistance for tunnel and underground structure, The Institution of Engineers, Malaysia
	9 September 2025	Board Simulation – Balancing Risks & Opportunity in Sustainability Leadership, Bursa Malaysia
Dato' Ir Kenny Chong Ther Nen	7 - 8 May 2025	Mandatory Accreditation Programme Part II: Leading for Impact (LIP), Institute of Corporate Directors Malaysia (ICDM)
Suhaimi Bin Badrul Jamil	19 - 20 February 2025	Mandatory Accreditation Programme Part II: Leading for Impact (LIP), Institute of Corporate Directors Malaysia (ICDM)
	28 July 2025	Strategic Oversight in Strategy Implementation: Getting Execution Right at the Board Level, Bursa Malaysia
Tham Wei Mei	17 June 2025	The Journey into the AI Age: Game Changer for Your Digital Transformation Era, Bursa Malaysia
	17 October 2025	National Sustainability Reporting Framework Data to Disclosures Forum, Securities Commission
Celine Chan Hooi Li	19 - 20 February 2025	Mandatory Accreditation Programme Part II: Leading for Impact (LIP), Institute of Corporate Directors Malaysia (ICDM)
Khoo Siang Hsi @ Khoo Chen Nan	12 March 2025	Transfer Pricing: Revised Scope, Requirements & Audit Approach, Chartered Tax Institute of Malaysia (CTIM)
	21 July 2025	Half Yearly Tax Updates, Malaysian Institute of Accountants (MIA)

## FINANCIAL REPORTING

The Board is responsible for ensuring that the financial statements are prepared in compliance with regulatory requirements and applicable financial reporting standards in Malaysia. The Board reviews financial statements to ensure that appropriate accounting policies are applied, supported by reasonable and prudent judgment and estimates. The Audit Committee assists the Board by scrutinising the information to be disclosed.



The Group's financial statements are presented on pages 185 to 311 of this Annual Report.

# Corporate Governance Overview Statement

## RELATIONSHIP WITH THE AUDITORS

Through the Audit Committee, the Group maintains a professional, transparent and constructive relationship with its internal and external auditors, particularly in obtaining their professional advice to ensure full compliance with applicable accounting standards.

### External Auditors

During the year under review, the Audit Committee met with the external auditors on 16 April 2025, without the presence of the Executive Directors and Management, to exchange independent views on matters requiring the Committee's attention.

The Audit Committee assessed the suitability and independence of the external auditors. In its assessment, the Audit Committee considered factors such as the firm's experience and resources, the independence of Crowe Malaysia PLT and the extent of the engagement partner's involvement in the audit process.

Crowe Malaysia PLT confirmed that they remained independent throughout the audit engagement in accordance with all relevant professional and regulatory requirements for the financial year 2025.

Satisfied with Crowe Malaysia PLT's performance, technical competency and audit independence, the Audit Committee recommended to the Board the proposal to re-appoint Crowe Malaysia PLT as external auditors for the financial year ending 2026 at the forthcoming Annual General Meeting.

### Internal Auditors

The Board acknowledges its responsibility for the Group's system of internal controls and regularly reviews its effectiveness through the Internal Audit function of the Corporate Assurance Department (CAD) which supports the Audit Committee in discharging its responsibilities regarding the adequacy and integrity of the system of internal controls within the Group. The internal audit function operates independently of the Group's business operations and reports directly to the Audit Committee.



*The works of the internal auditors during 2025 are set out in the Audit Committee Report on pages 160 to 162 of this Annual Report.*

## BOARD COMMITTEES

### Audit Committee

The Audit Committee plays an active role in assisting the Board in discharging its responsibilities.



*The full details of its composition and a summary of the works of the Audit Committee are set out in the Audit Committee Report on page 161 of the Annual Report.*

### Board Risk Management Committee

The Board has established a Board Risk Management Committee (BRMC) for the following primary objectives:

- maintain reliable and effective risk management practices. Such practices will identify, assess and monitor key business risks as well as safeguard and enhance the Group's assets and shareholders' investments.
- review the effectiveness of the risk management framework in identifying and managing risks and internal processes which include but not limited to ensuring the adequacy of risk management policy and infrastructure, to facilitate the implementation of action plans for risk management.
- determine the nature and extent of significant risks which the Group is willing to take in achieving its strategic objectives and ensuring the execution and implementation of the Group's sustainability strategy. These will allow the Group to continue generating economic value while reducing its environmental and social footprint, by monitoring the progress of the Group's sustainability initiatives through an effective governance framework against the set targets.

A Risk Management Committee (RMC) assists the BRMC in achieving its primary objectives. RMC comprises senior management staff from the Group Corporate Assurance Department and Group Corporate Office.

Significant risk, policy and procedural matters that require the attention of the Board are reported to the BRMC.



*The Statement on Risk Management and Internal Control is set out on pages 170 to 179 of this Annual Report.*

# Corporate Governance Overview Statement

## Nomination And Remuneration Committee

The Nomination and Remuneration Committee supports the Board in various aspects, including Board appointments, succession planning, performance evaluation of the Directors and Board Committees, and reviewing the remuneration of the Board of Directors.

A summary of the Nomination and Remuneration Committee's activities during the year is set out below:

- Reviewed the performance of the Directors and Board Committees;
- Reviewed the terms of office and performance of the Audit Committee and each of its members;
- Reviewed the training needs of the Directors;
- Reviewed the Directors standing for re-election at the forthcoming Annual General Meeting;
- Assessed the independence of the independent directors;
- Reviewed the appraisal/declaration forms and evaluation checklist; and
- Reviewed the composition of the board.

Details of the Directors' Remunerations for the financial year ended 31 December 2025 are as follows:

	Director's Fee		Salary/Bonus/Benefits		Total
	Protasco Bhd (RM)	Subsidiary (RM)	Protasco Bhd (RM)	Subsidiary (RM)	
Dato' Sri Ir Chong Ket Pen	-	-	756,893	1,140,555	1,897,448
Dato' Ir Kenny Chong Ther Nen	-	-	358,033	425,489	783,522
Dato' Sri Su-Azian @ Muzaffar Syah Bin Abd Rahman (Resigned on 1 January 2026)	-	-	-	904,116	904,116
Suhaimi Bin Badrul Jamil	51,000	-	6,000	-	57,000
Tham Wei Mei	51,000	-	4,000	-	55,000
Celine Chan Hooi Li	51,000	-	7,000	-	58,000
Khoo Siang Hsi @ Khoo Chen Nan	51,000	-	7,500	-	58,500

Top five (5) Senior Management's Remuneration for the financial year ended 31 December 2025 are as follows:

Senior Management	Remuneration Band
1. Freddie Cheong Kah Wang	RM450,000 – RM500,000
2. Dato' Wan Imran Bin Wan Omar	RM400,000 – RM450,000
3. Dato' Mohd Taufik Bin Haron	RM350,000 – RM400,000
4. Benny Chong Ther Vern	RM350,000 – RM400,000
5. Ir Edward Khoo Mong Wei	RM350,000 – RM400,000

## CORPORATE DISCLOSURE

To ensure quality disclosure, the Company has a corporate disclosure policy to ensure accurate, clear and timely disclosure of material information, and to take reasonable steps so that the general public has access to such information. The Company is committed to communicating the Company's strategy, operational performance, financial results and other material developments to Bursa Malaysia, analysts, investors, shareholders, and other stakeholders in a timely, open and comprehensive manner.



The Corporate Disclosure Policy is available on the Company's website at [www.protasco.com.my](http://www.protasco.com.my)

# Corporate Governance Overview Statement

## GROUP CORPORATE WEBSITE

The Board is committed to leveraging technology for the effective and timely dissemination of information. Protasco's corporate website ([www.protasco.com.my](http://www.protasco.com.my)) provides easy access to information about the Group. Information available on the corporate website includes Protasco's corporate profile, the profiles of the Board of Directors and Group senior management, financial results, Annual Reports, Group newsletters and the latest corporate news.

In addition, stakeholders can obtain regulatory announcements made by Protasco to Bursa Malaysia via [www.bursamalaysia.com](http://www.bursamalaysia.com).

## ANNUAL REPORT

The Company's Annual Report provides a comprehensive report on the Group's operations and financial performance for the year under review. It contains the relevant disclosures and complies with applicable regulations to ensure greater transparency. An online version of the Annual Report is also available at Protasco's corporate website.

## ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) is the principal forum for dialogue with all shareholders. Shareholders are encouraged and given opportunities to enquire about the Group's activities and prospects, as well as to communicate their expectations and concerns.

Notices of AGM are sent out to shareholders at least 28 days prior to the meeting, exceeding the 21-day requirement under the Companies Act 2016 and the Listing Requirements.

Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Additionally, Shareholders may reach out to the Company with any queries they may have.

Shareholders are encouraged to be aware of their rights regarding the convening of general meetings, proxy appointments, and access to information. Detailed information regarding shareholders' rights can be found on the Company's website at [www.protasco.com.my](http://www.protasco.com.my)

In line with the Listing Requirements aimed at reinforcing good Corporate Governance practices, the Company has implemented electronic poll voting at General Meetings. An independent scrutineer is appointed to verify the votes cast at the AGM.

## INVESTOR RELATIONS

The Company's Investor Relations Department engages in periodic dialogues with analysts and shareholders to provide updates on business performance and corporate developments.

In addition, the Company releases its financial results and other mandatory announcements in a timely manner and responds promptly to enquiries from investors, regulators, the public and financial analysts.

To further assist its stakeholders, the Company maintains a dedicated website at [www.protasco.com.my](http://www.protasco.com.my). Additionally, the Company has subscribed to Bursa Malaysia's website linking service, enabling concurrent retrieval of the Company's announcements made to Bursa Malaysia.

Investor Relations Contact:  
Freddie Cheong Kah Wang  
Tel: 603-8738 3388

Email: [freddie@protasco.com.my](mailto:freddie@protasco.com.my)



*This statement is prepared in compliance with the Main Market Listing Requirements and it should be read together with the Corporate Governance Report 2025 of the Company, which is available on Protasco Berhad's website at [www.protasco.com.my](http://www.protasco.com.my)*

# Statement on Risk Management and Internal Control

The Board of Directors (the Board) is committed to maintaining a sound system of risk management and internal control of the Group and is pleased to present its Statement on Risk Management and Internal Control (Statement) for the financial year ended 31 December 2025. This Statement is prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Listing Requirements), in accordance with the Malaysian Code of Corporate Governance (MCCG) and as guided by the latest Statement on Risk Management and Internal Control (SORMIC): Guidelines for Directors of Listed Companies (the Guidelines).

This Statement describes the nature and scope of the risk management and internal control of the group, excluding associate companies.

## OBJECTIVES

- To maintain a reliable and effective risk management practices to identify, assess and monitor key business risks, and to safeguard and enhance the Group's assets and shareholders' investments; and
- To review the effectiveness of the risk management framework in identifying and managing risks and internal processes, including, but not limited to, ensuring adequacy of risk management policy and infrastructure to facilitate the implementation of risk management action plans.

## ROLES & RESPONSIBILITIES

A sound framework of risk management and internal control is fundamental for good corporate governance. This includes the roles of the Board, its Board Committee and Senior Management in relation to governance, risk management and internal control.

### (1) The Board

The Board is cognisant of its overall responsibility and accountability for maintaining a sound system of risk management and internal control processes to safeguard the shareholders' wealth and the Group's assets by keeping abreast with developments in risk and governance. In view of limitations inherent in any process, and that risks cannot be eliminated completely, the Group has established a risk management and internal control system designed to manage and mitigate risks within tolerable levels. The system of internal control refers to the processes and measures established by the Board and Management to identify, assess and manage risks, thereby enhancing the likelihood of achieving the company's strategic and operational objectives. This system provides reasonable but not absolute assurance against material misstatement, loss or fraud.

The Board affirms its responsibility in reviewing and monitoring the adequacy, effectiveness and integrity of the Group's system of risk management and internal control, including adhering to the applicable laws, regulations, rules, directives and guidelines. The Board approves and monitors the Group's risk management strategy that oversees its implementation. The Board is supported by the Board Risk Management Committee (BRMC) and the Audit Committee (AC) in evaluating the adequacy and effectiveness of risk management framework and the internal control system.

The Board is satisfied that the Group has put in place a systematic risk management framework entailing processes to identify, evaluate and monitor principal risks, and implemented adequate internal control to manage the risks across the Group.

# Statement on Risk Management and Internal Control

## (2) Board Risk Management Committee (BRMC) Overview

The BRMC is established to uphold risk oversight within the Group. It is chaired by an Independent Non-Executive Director, who is neither the Chairman of the Board nor the Chairman of the AC.

The BRMC provides a strategic direction on risk management and mandates the Risk Management Committee (RMC) to oversee the establishment and implementation of the risk management process.

A total of two (2) BRMC Meetings were held during the financial year 2025, which have been attended by the following BRMC members:

Members	Directorship	Roles
Celine Chan Hooi Li	Independent Non-Executive Director	Chairman
Dato' Ir Kenny Chong Ther Nen	Group Managing Director	Member
Khoo Siang Hsi (Q Khoo Chen Nan	Independent Non-Executive Director	Member

The responsibilities of the BRMC in respect of risk management and internal control are as follows:

- Oversee and recommend risk management strategies, framework and policies and procedures of the Group.
- Review and recommend changes as needed to ensure that the Group has in place at all times a Risk Management policy which addresses the strategic, operational, financial and compliance risks.
- Oversee the implementation and maintenance of a sound risk management framework which identifies, assesses, manages and monitors the Group's business and other risks.
- Develop and inculcate a risk awareness culture within the Group.
- Review the adequacy and effectiveness of the said risk management and internal control systems.
- Oversee specific risk management concerns raised by business units.
- Review the Group's risk profiles and evaluate the measures taken to mitigate business and other risks.

The BRMC's responsibility is guided by the Terms of References which are approved at the Board level. It does not review the risk management activity of associates where the Group does not have any direct control over their operations.

Notwithstanding the above, the Group's interests are assured through board representation in the respective associates and the receipt and review of the management accounts and enquiries thereon.

The BRMC has established ongoing oversight processes for identifying the principal risks impeding the achievement of the organisation's goals and objectives:

- To evaluate the nature and extent of those risk;
- To manage them efficiently, effectively and economically; and
- To regularly review and take into account changes in the regulatory and business environment as mentioned in the Guidelines.

In accordance with the Guidelines, the Board assures that this process has been in place for the year under review and up to the date of approval of this Statement for inclusion in the Annual Report.

# Statement on Risk Management and Internal Control

### (3) The Risk Management Committee

The management, through its RMC, assists the BRMC in ensuring a sound and robust risk management framework, processes and practices to achieve the Group’s strategic objectives and to safeguard shareholders’ investments and Group’s assets.

The RMC is responsible for the implementation of the approved framework, policies and procedures pertaining to risk management to ensure that business strategies and risk management are aligned.

The members of the RMC for the financial year 2025 are as follows:

Members	Designation
Group Managing Director	Chairman
Chief Growth & Strategy Officer	Committee Member (appointed on 17 July 2025)
Head of Corporate Office	Committee Member
Head of Strategic Planning & Sustainability	Committee Member (appointed on 22 January 2025)
Head of Corporate Assurance	Committee Member cum ERM Coordinator

### (4) The Corporate Assurance Department

The CAD is an independent function which provides objective assurance and consulting activity designed to add value and improve the Group’s operations. It assists the Group in achieving its objectives by adopting a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance process.

The Internal Audit function is adequately resourced with personnel possessing the necessary competencies and experience. Internal audits are conducted based on a risk-based audit plan approved annually by the Audit Committee.

Significant internal audit findings are reported to the Audit Committee together with management action plans. Key audit findings identified from internal audit activities are the basis for the Board assessment and consideration on the adequacy and effectiveness of Group’s risk management and internal control system

It also provides assessments as to whether risks, which may hinder the Group from achieving its objectives are being adequately evaluated, managed and controlled. It further evaluates the effectiveness of the governance, risk management and internal control framework and facilitates enhancement, where appropriate.

The Internal Audit Function within CAD reports functionally to the AC, and administratively to the Group Managing Director (GMD).

## RISK MANAGEMENT FRAMEWORK

### The Group Enterprise Risk Management Framework

The Group has established the Group Enterprise Risk Management Framework to guide the effective management of risks through the application of Enterprise Risk Management (ERM) processes at varying levels and within the Group.

The framework ensures that the risk-related information derived from the ERM process is adequately reported and used as a basis for decision-making process and is accounted for at all relevant organisational levels. The framework shall be continuously assessed and improved to ensure its adaptability with the changing business environment.

# Statement on Risk Management and Internal Control

The framework outlines:

- Policy and governance structure for the ERM within the Group;
- Risk management roles and responsibilities within the Group and outlining procedures to mitigate risks;
- Methodology for risk assessment and risk response; and
- Reporting framework to ensure clear communication for all risk management activities and reporting.

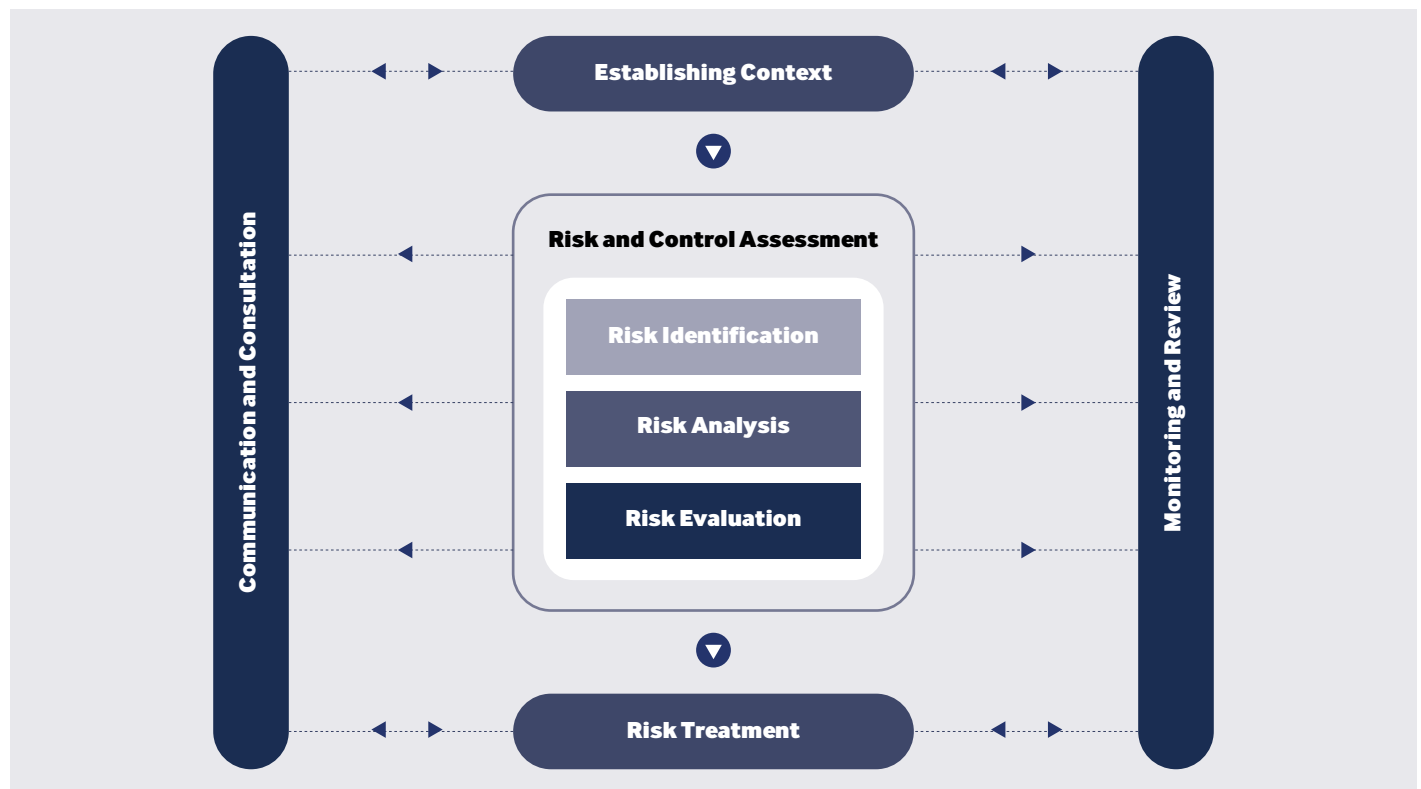
## Risk Appetite and Tolerance

The Board via BRMC has established a Risk Appetite Framework which defines the nature and level of risk the Group is willing to accept in pursuit of its strategic objectives. The risk appetite is articulated through a combination of qualitative statements and quantitative thresholds across key risk categories, including financial, operational, compliance and strategic risks as defined in ERM Policies and Procedures. The Key Risk Matrix in the ERM policies and procedures that implies the likelihood and impact assessment, reflects the risk appetite approved by the Board.

Key Risk Indicators (KRI) have been established reflects the risk tolerance levels to enable ongoing monitoring of risk exposures against the approved risk appetite. Each KRI is assigned to a designated risk owners for its performance monitoring. These are periodically reviewed by Management and tabled to the RMC and BRMC on a half-yearly basis.

## Risk Management Process

The objective of the risk management process is to develop an individual risk profile where risk assessment is conducted from risk identification, analysis, and evaluation of existing controls. The following diagram depicts the risk management approach in the Group:



# Statement on Risk Management and Internal Control

The risks identified are evaluated based on their potential impact on the Group, the likelihood of occurrence as well as the effectiveness of available control procedures. The Business Risk Profile, where identified risks are recorded, is reviewed and updated on an ongoing basis. The review and update of the risk profile includes identification of risks resulting from changes in business environment, both external and internal.

The Group adopts the following risk rating matrix to articulate the relationship between risk impact and likelihood: -

Likelihood	Insignificant Impact	Minor Impact	Moderate Impact	Major Impact	Catastrophic Impact
Almost Certain	Moderate	High	High	Extreme	Extreme
Likely	Low	Moderate	High	High	Extreme
Possible	Low	Moderate	Moderate	High	High
Unlikely	Trivial	Low	Moderate	Moderate	High
Rare	Trivial	Trivial	Low	Low	Moderate

Each business unit's identified risks are presented in forums to the RMC for their deliberation and tabled bi-annually to the BRMC. The risk profile/register, where identified risks are recorded, reviewed and updated on an ongoing basis.

Material sustainability-related risks, including environmental, social and governance (ESG) risks, are identified and managed as part of the Group's ERM framework and integrated into the Group's risk registers with assigned risk owners, managed by Sustainability Department.

Scenario analysis for selected key and emerging risks, including global risk such as cybersecurity risk is assessed for potential impacts under different assumptions via a proposal for Key Risk. The outcomes are deliberated at the RMC and BRMC to support decision-making as Key Risk for future assessment and deliberation at RMC and BRMC. Where relevant, appropriate risk mitigation strategies and monitoring actions are implemented and tracked.

The Group continuously monitors emerging risks arising from external developments including economic, regulatory and technological changes, and assesses their potential impact to the Group.

## Risk Assessment Reporting and Risk Management Initiatives

Building on the enhanced Key Risk Register exercises in prior year, the Group further strengthened its Enterprise Risk Management (ERM) framework during FY2025. The Corporate Assurance Department (CAD), as the Group Risk Management function and ERM coordinator under the Three Lines Model, continued to work closely with Management to embed structured and disciplined risk management practices across the Group.

During the financial year, CAD facilitated structured risk engagement sessions with divisional Risk Owners to reassess key risks, validate risk assumptions, and refine Key Risk Indicators (KRI) to ensure continued relevance to business objectives, operating conditions, and emerging risk trends. These engagements also reinforced Management ownership and accountability for risk identification, assessment, and control effectiveness.

A comprehensive KRI Analysis and Assessment was conducted during FY2025 based on the Key Risks previously approved by the Risk Management Committee (RMC) and the Board Risk Management Committee (BRMC). The assessment covered major operating divisions, namely Property, Hotel & Hospitality, Construction, Clean Energy, Maintenance, Trading & Manufacturing, and Engineering & Consultancy. The scope of analysis was enhanced to incorporate trend analysis, tolerance thresholds, and early warning indicators to enable proactive risk monitoring and timely management intervention.

# Statement on Risk Management and Internal Control

The objective of the KRI assessment was to provide early signals of potential emerging risk and to evaluate the effectiveness of existing key controls in mitigating the likelihood and impact of identified risks. The assessment outcomes provided Management and the RMC with greater visibility over control performance, emerging vulnerabilities, and areas requiring enhanced risk response.

The KRI analysis also supported a reassessment of Net Risk Ratings, facilitated by CAD, taking into consideration changes in the internal and external risk environment. This enabled more informed risk-based decision-making and ensured that risk responses remained aligned with the Group's risk appetite, strategic priorities, and sustainability objectives.

Following the determination of Net Risk Ratings, Risk Mitigation Strategies and Risk Action Plans were refined, prioritised, and deliberated at the RMC level. Where control gaps or governance improvement opportunities were identified, CAD provided targeted recommendations to strengthen internal controls, monitoring mechanisms, and risk governance practices. These recommendations were reviewed, agreed upon, and formally committed by the respective divisions, with clear ownership.

The consolidated outcomes of the KRI assessment, Net Risk Ratings, and agreed mitigation actions were subsequently tabled to the BRMC for review and approval.

Overall, the continuous enhancement of the Group's risk management practices during FY2025 reflects the Company's commitment to strengthening risk governance, embedding a risk-aware culture across the organisation, proactively managing emerging and strategic risks, and safeguarding long-term business sustainability and shareholder value.

## INTERNAL CONTROL

The Group's system of internal control is aligned with a recognised internal control framework, namely the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework. This framework encompasses the five interrelated components of internal control, namely control environment, risk assessment, control activities, information and communication, and monitoring activities.

The Group's internal control practices are designed and implemented in a manner that is consistent with these components, and are tailored to the Group's operational structure, business activities and risk profile.

The key elements of the Group's internal control system include:

### Internal Control Element

#### a) Control Environment

The Board sets a strong tone at the top by demonstrating a clear commitment to integrity, ethical values, and high standards of corporate governance. This commitment is embedded through the Group's Code of Conduct, governance policies, and consistent leadership expectations, thereby fostering a culture of accountability, transparency, and ethical behaviour across all levels of the organisation.

The Board has established the Board Risk Management Committee (BRMC), the majority of whom are Independent Non-Executive Directors, while the Audit Committee (AC) comprises entirely Independent Non-Executive Directors. The BRMC and AC provide independent and objective oversight over the adequacy and effectiveness of the Group's risk management and internal control framework. The BRMC is supported by the Risk Management Committee (RMC) in overseeing enterprise and strategic risks, while the AC is supported by the Internal Audit Function within CAD in providing independent assurance on internal controls, governance processes, and compliance, in line with the Three Lines Model.

# Statement on Risk Management and Internal Control

## b) Policies and Procedures

The Group has instituted a robust and comprehensive governance framework encompassing policies and procedures designed to uphold effective internal controls across all divisions and subsidiaries. Standard Operating Procedures (SOPs), meticulously aligned with Group-wide directives, are further customised to integrate seamlessly within the respective divisions' operational workflows. These cover key areas such as contract administration, project management, financial reporting, procurement, human resources, health and safety. The written policies and procedures provide a structured framework as guidance for daily operations and decision-making across the organisation. They establish unequivocal expectations, harmonise work processes, and safeguard that all business undertakings are executed in a consistent, controlled, and compliant manner, in strict adherence to prevailing laws, regulatory requirements, and internal governance standards.

The Group, via certain subsidiaries, comply with ISO 9001 (Quality Management Systems) and ISO 45001 (Occupational Health and Safety Management Systems), while the Property & Construction Division via its subsidiary holds ISO 14001 (Environmental Management Systems), reinforcing structured environmental management practices and regulatory compliance within its operations.

The Group via certain subsidiaries under Agriventure Division implements internationally recognised food safety and quality systems, including FSSC 22000, Good Manufacturing Practice (GMP), MeSTI, MS 1480:2019, and Halal Certification Malaysia for several products, ensuring safe and compliant food production.

The Engineering & Consultancy Division is accredited under ISO 17025 and ISO 17065, holds the Perakuan Pendaftaran sebagai Amalan Jurutera Perunding from Board of Engineers Malaysia, and the Perakuan Pendaftaran sebagai Pengamal Perundangan Senibina from Lembaga Arkitek Malaysia, reinforcing technical competence, regulatory compliance, and professional integrity.

Collectively, these certifications and registrations strengthen the Group's internal control environment, governance practices, and operational resilience, ensuring business activities are conducted with accountability, transparency, and alignment with stakeholder expectations.

## c) Management Structure

The Group has established an organisational structure which clearly defines roles, responsibilities and reporting line to support effective internal control across its diversified businesses. The structure is designed to provide clear accountability at various Committees of the Board, management, divisional and subsidiary levels.

Critical positions, including the Managing Director, Executive Directors overseeing the respective divisions, the Chief Financial Officer and the Chief Growth and Strategy Officer, are filled by calibre personnel to uphold the principles of integrity, competence and accountability.

The management structure is reviewed periodically to ensure it remains appropriate to the Group's business needs, risk profile and strategic direction, and continues to support effective oversight and internal control across the Group.

## d) Operational Plans and Strategies

Each division prepares an Annual Business Plan and a five-year financial projection, which set out key operational objectives and projected financial performance, aligned with the Group's overall strategic direction. To ensure effective execution, management monitors progress against these plans through pre-board meeting on quarterly basis with every division, supplemented by regular reporting and variance analysis. The business plan and the financial projection is then tabled to Board for approval.

# Statement on Risk Management and Internal Control

## e) Employees' Authority and Responsibilities

Employees' role and responsibilities are meticulously defined in Job Description, which outline key tasks, reporting lines and expected performance measurement. The positions are staffed by competent personnel which are matched to job requirements.

Performance reviews, supervision, and monitoring mechanisms are conducted bi-annually to ensure adherence to assigned responsibilities and to promptly identify and address any deviations.

## f) Discretionary Authority Limits

The Group has established clearly defined Discretionary Authority Limits (DAL) to regulate decision-making and ensure that transactions are executed with appropriate oversight and accountability. The DAL specifies approval thresholds for financial commitments, procurement, contract execution and other key operational decisions at various management levels.

The discretionary authority limits are communicated to relevant employees and applied consistently across divisions and subsidiaries. Compliance with these limits is monitored through management reviews and internal audit assessments, with deviations subject to escalation and corrective action. This structured framework helps mitigate the risk of unauthorised transactions, reinforces financial discipline and supports the effectiveness of the Group's internal control environment.

## g) Procurement

Procurement activities within the Group are governed by either division-owned standard operating procedures or the standard practices, established to reflect the nature, scale and operational requirements of each business segment. These procedures define procurement workflows, vendor selection processes, documentation requirements and divisional approval controls, ensuring that procurement activities are conducted in a transparent and accountable manner.

Notwithstanding the decentralised procurement SOPs, procurement spending is subject to Discretionary Authority Limits (DAL) governed at the Group level, which set out approval thresholds and escalation requirements for financial commitments. Common internal control principles such as segregation of duties, competitive procurement practices and compliance with approved authority limits are embedded within divisional procedures. Adherence to procurement controls is monitored through management oversight and periodic internal audit reviews and mitigating the risk of unauthorised or inappropriate expenditure.

## h) Integrity

The Group has developed and adopted the Integrity and Anti-Corruption Policy as part of the Group's Anti-Bribery Management System which has been designed to align with the requirements set out in the provision of section 17A under the Malaysian Anti-Corruption Commission (MACC) Act 2018. It places strong emphasis on integrity as a core value guiding all business activities. Employees are expected to conduct themselves with honesty, professionalism and accountability in accordance with the Group's code of conduct as per HR Policy and Procedures.

In line with this, the Group also maintains a Conflict of Interest Policy to ensure that all decisions and actions are taken in the best interests of the Company. Directors and key senior management are required to identify, declare and manage any actual or potential conflicts of interest that could compromise their objectivity or judgement. Annual declarations are made and appropriate measures are taken to address any conflict, including abstaining from decision-making where necessary.

In support of this, the Group upholds zero tolerance towards bribery and corrupt practices and is committed to compliance with the Malaysian Anti-Corruption Commission Act 2009, including the requirements under Section 17A on corporate liability. The Property & Construction Division further reinforces this commitment through certification to ISO 37001 (Anti-Bribery Management Systems), which establishes structured controls for bribery risk assessment, due diligence, financial and non-financial controls, reporting mechanisms, and independent monitoring. Ethical expectations are reinforced through leadership example, internal communication and appropriate disciplinary mechanisms, promoting ethical decision-making and safeguarding the Group's reputation.

# Statement on Risk Management and Internal Control

## **i) Cybersecurity**

The Group recognises cybersecurity as an important component of its risk management and internal control framework and has established a Cybersecurity Policy to protect its information systems and data assets. The Policy sets out clear governance structures, defined roles and responsibilities, and security requirements to ensure the confidentiality, integrity and availability of information across the organisation.

Cybersecurity risks are monitored as part of the Group's Risk Management framework, with regular reporting to Management and the Board to support effective oversight. Incident response and recovery procedures are in place to enable timely identification, containment and remediation of security incidents. These measures strengthen the resilience and reliability of the Group's IT environment and support the continuity of its business operations.

## **j) Health, Safety & Environment (HSE)**

Health, Safety and Environment (HSE) management is embedded within the internal control framework. While divisions maintain its own HSE policy tailored to operational requirements, governance and oversight are centralised under one HSE function to ensure consistent standards, regulatory compliance, and alignment with corporate directives.

Each division has an established HSE Committee responsible for monitoring safety practices and compliance. Committees are required to meet quarterly, with minutes submitted to the HSE function to facilitate oversight and follow-up where necessary. In addition, quarterly workplace HSE inspections are conducted to assess control effectiveness and identify areas for improvement.

This structured oversight and reporting mechanism strengthens accountability, enhances risk mitigation, and supports continuous improvement in HSE performance across the Group.

## **k) Human Resource Management**

The Group's Human Resource (HR) function operates within a structured policy framework designed to support sound governance and internal controls over workforce management. Comprehensive HR policies and procedures are in place outlining terms and conditions of employment, compensation and benefits, code of conduct, conflict of interest, training and development, and industrial relations. These policies establish clear standards of behaviour, promote ethical conduct, and ensure compliance with applicable labour laws and regulatory requirements.

The HR Department functions as a centralised unit supporting all divisions, thereby promoting consistency in human capital management practices across the Group. Formalised policies governing recruitment and training processes are implemented to ensure structured hiring practices, competency development, and alignment of workforce capabilities with operational requirements.

This centralised and policy-driven approach enhances transparency, accountability, and standardisation in personnel management, while mitigating operational, compliance, and conduct-related risks across the Group.

## **l) Sustainability Reporting Control**

The Group has established control processes over sustainability-related data and reporting, including defined data ownership, validation checks and management review processes to ensure accuracy and reliability of disclosures.

Where appropriate, independent assurance by internal audit function or internal verification processes are undertaken to enhance the credibility of sustainability disclosures.

# Statement on Risk Management and Internal Control

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Listing Requirements, the external auditors have reviewed this Statement. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide 3 (AAPG 3): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, 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 management and internal control system. It also does not require the external auditors to assess whether the processes addressing material internal control aspects of significant problems will effectively remedy them.

Based on their review, nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material aspects, in accordance with the disclosures required by the Guidelines, nor is this Statement factually inaccurate.

## CONCLUSION

The Board has received assurance from the Group Managing Director (GMD) and Chief Financial Officer (CFO) that the Group's risk management and internal control system is operating adequately and effectively in all material aspects.

For the financial year under review, the Board is of the opinion that the Group's system of internal controls is satisfactory. The Board has considered multiple sources of assurance in forming its opinion, including assurance from GMD and CFO, reports from Internal Audit Function, deliberation and recommendation from BRMC and AC and regular management reporting on risk management and internal control matters.

# Other Compliance Information

## 1. AUDIT AND NON-AUDIT FEES

The details of total audit and non-audit fees paid/payable to the external auditors of the Group for the financial year ended 31 December 2025 were as follows:

	<b>RM'000</b>
Audit Fees	943
Non-Audit Fees *	208

\* Fees incurred primarily in relation to assurance related services.

## 2. MATERIAL CONTRACTS

Other than as disclosed in Note 49 of the Financial Statements, there were no material contracts entered into by the Company or its subsidiaries involving Directors' and major shareholders' interests since the end of the previous financial year.

## 3. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

There were no proceeds raised from any corporate proposal during the financial year ended 31 December 2025.

## 4. OPTIONS, WARRANTS AND CONVERTIBLE SECURITIES

There were no options, warrants, and convertible securities being issued during the financial year.

## 5. RECURRENT RELATED PARTY TRANSACTIONS

Details of the Recurrent Related Party Transactions are disclosed in Note 45 of the Financial Statements.

## 6. GOING CONCERN STATEMENT

Having exercised due and reasonable enquiry into the affairs on the Company, the Board is satisfied with the Company and shall proceed to operate as a going concern business in the foreseeable future.

# Shariah Screening Disclosures

## DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements / Paragraph 9.41(b) of the MAIN Market Listing Requirements / Rule 9.25A of the ACE Market Listing Requirements / Rule 6.13A of the LEAP Market Listing Requirements]\*, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

### (a) Group Total Income and Total Assets

	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
<b>Total Income</b>			
Revenue		1,420,431	1,307,638
Other income		25,325	5,585
Interest/Finance income		2,647	1,799
Dividend income		2,401	3,751
Share of profit of associates		8,221	4,495
<b>Total</b>		<b>1,459,025</b>	<b>1,323,268</b>
<b>Total Assets</b>		<b>1,095,287</b>	<b>947,269</b>

### (b) Business Activities

	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
<b>Shariah Non-Compliant Activities</b>			
Interest Income	Conventional	193	274

## Shariah Screening Disclosures

### (c) Component of Financial Position

#### (i) Cash Component

	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
<b>Islamic Account/Instruments</b>			
Cash at bank		333,846	203,026
Deposits with licensed bank		33,803	11,923
Money market instruments		21,189	18,942
<b>Total Cash</b>		<b>388,838</b>	<b>233,891</b>
<b>Conventional Account/Instruments</b>			
Cash at bank		28,827	22,811
Cash held under Housing Development Accounts		1,191	1,731
Deposits with licensed bank		6,594	6,232
Money market instruments		329	2,407
Other cash equivalents		847	353
<b>Total Cash</b>		<b>37,788</b>	<b>33,534</b>

#### (ii) Debt Component

	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
<b>Islamic Financing</b>			
<b>Current</b>			
Bank overdrafts		2,047	7,516
Bill payables		10,782	17,306
Hire purchase payables		182	97
Invoice financing		14,071	4,816
Revolving credit and loans		35,500	29,500
Term loans		5,518	8,025
<b>Non-Current</b>			
Hire purchase payables		223	290
Term loans		18,556	22,751
<b>Total Financing</b>		<b>86,879</b>	<b>90,301</b>

## Shariah Screening Disclosures

Conventional Borrowing	Remarks	Group	
		2025 (RM'000)	2024 (RM'000)
<b>Current</b>			
Bank overdrafts		39,501	41,835
Bill payables		20,901	11,346
Hire purchase payables		632	492
Revolving credit and loans		39,757	49,757
Term loans		107	3,540
<b>Non-Current</b>			
Hire purchase payables		1,252	1,158
Term loans		619	914
<b>Total Debt</b>		<b>102,769</b>	<b>109,042</b>

# Directors' Responsibility Statement

for the Audited Financial Statements

Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires the Board of Directors (the Directors) to make a statement explaining their responsibility for preparing the annual audited financial statements.

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

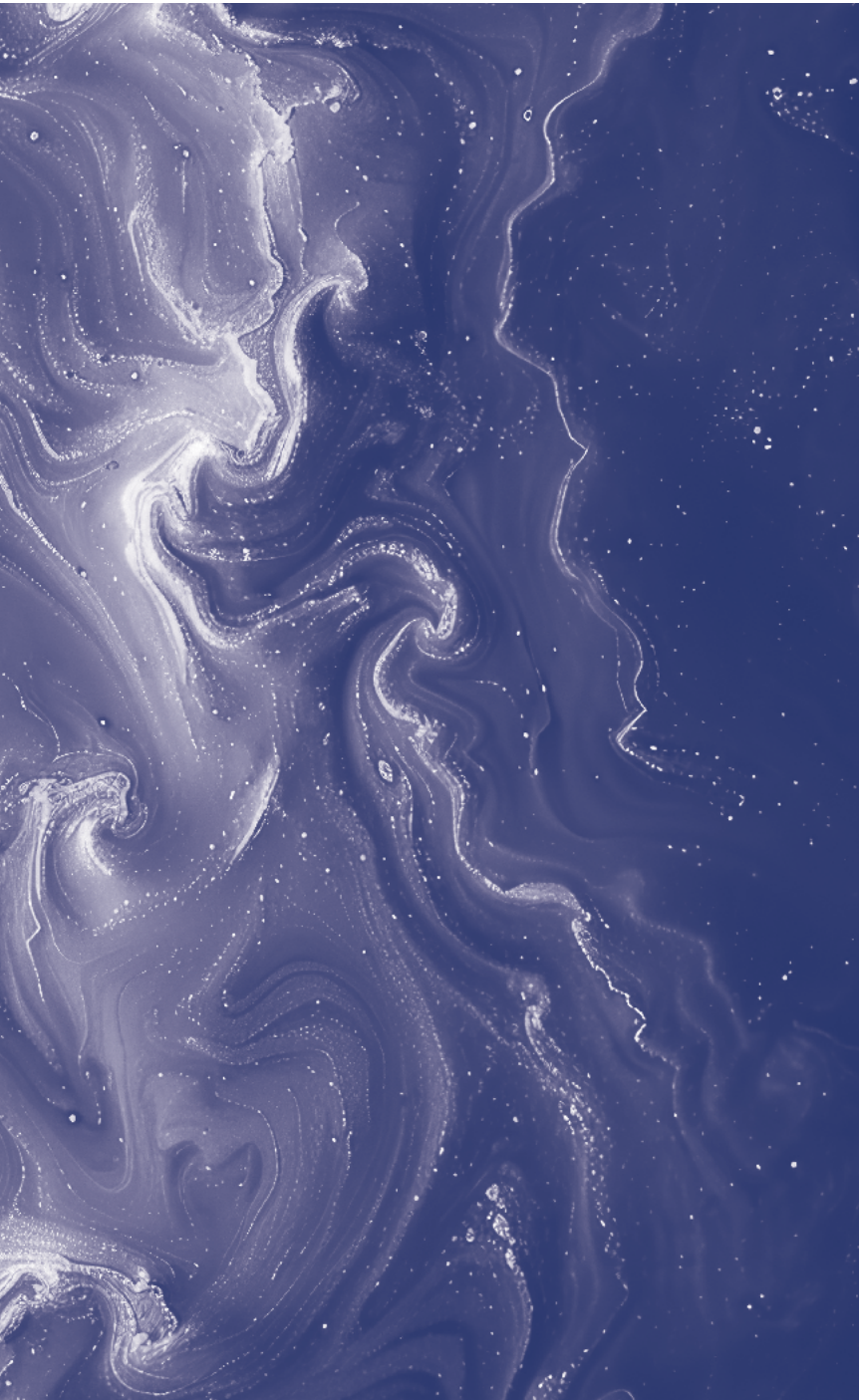
The Directors are satisfied that in preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2025, they have taken the following measures:

- adopted and reviewed the appropriate accounting policies that are consistently applied;
- made judgements and estimates that are reasonable and prudent;
- ensured compliance with the application of approved accounting standards in Malaysia; and
- prepared the financial statements on the assumption that the Company and the Group will operate on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company maintains proper accounting and other records, which accurately disclose the financial position of the Group and the Company and in compliance with the Act.

In addition, the Directors have also taken the necessary steps to safeguard the assets of the Group and of the Company and to prevent and detect fraud and other irregularities.

# Financial Statements & **04** Others



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# Directors' Report

The Directors hereby submit their annual 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 the business of investment holding and the provision of management services to its subsidiaries. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## RESULTS

	<b>The Group RM'000</b>	<b>The Company RM'000</b>
Profit after taxation for the financial year	119,382	1,831
Attributable to:-		
Owners of the Company	70,392	1,831
Non-controlling interests	48,990	-
	119,382	1,831

## DIVIDENDS

No dividend was recommended by the directors for the financial year.

## RESERVES AND PROVISIONS

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

## ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

# Directors' Report

## TREASURY SHARES

The shareholders of the Company, by a resolution passed in the last Annual General Meeting held on 29 May 2025, renewed their approval of the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders. The shares purchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity.

During the financial year, there were no repurchase of ordinary shares from the open market and no resale of issued ordinary shares that were held as treasury shares.

As at 31 December 2025, the Company held as treasury shares a total of 13,656,900 (2024 - 13,656,900) of its 495,392,310 (2024 - 495,392,310) issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM3,752,841 (2024 - RM3,752,841). The details of the treasury shares are disclosed in Note 25 to the financial statements.

## OPTIONS GRANTED OVER UNISSUED SHARES

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

## BAD AND DOUBTFUL DEBTS

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

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

## CURRENT ASSETS

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

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

## VALUATION METHODS

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

# Directors' Report

## **CONTINGENT AND OTHER LIABILITIES**

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

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

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

## **CHANGE OF CIRCUMSTANCES**

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

## **ITEMS OF AN UNUSUAL NATURE**

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

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

## **DIRECTORS**

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

Dato' Sri Chong Ket Pen  
Dato' Chong Ther Nen  
Suhaimi Bin Badrul Jamil  
Tham Wei Mei  
Celine Chan Hooi Li  
Khoo Siang Hsi (Q Khoo Chen Nan (Appointed on 1 January 2025)  
Dato' Sri Su-Azian (Q Muzaffar Syah Bin Abd Rahman (Resigned on 1 January 2026)

The names of Directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those Directors mentioned above, are disclosed in Appendix A to the financial statements.

# Directors' Report

## DIRECTORS' INTERESTS

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

	← Number of Ordinary Shares →			
	At 1.1.2025	Bought	Sold	At 31.12.2025
<b>The Company</b>				
<i>Direct Interests</i>				
Dato' Sri Chong Ket Pen	<b>93,626,376</b>	-	-	<b>93,626,376</b>
Dato' Chong Ther Nen	<b>2,866,458</b>	-	-	<b>2,866,458</b>
Dato' Sri Su-Azian (Q Muzaffar Syah Bin Abd Rahman)	<b>875,000</b>	-	-	<b>875,000</b>
Suhaimi Bin Badrul Jamil	<b>105,832</b>	-	<b>(95,832)</b>	<b>10,000</b>
<i>Indirect Interests</i>				
Dato' Sri Chong Ket Pen^^	<b>50,312,361</b>	-	-	<b>50,312,361</b>
Dato' Chong Ther Nen**	<b>2,095,800</b>	-	-	<b>2,095,800</b>
Dato' Sri Su-Azian (Q Muzaffar Syah Bin Abd Rahman)*	<b>3,645,833</b>	-	-	<b>3,645,833</b>

### Notes:-

^^ Deemed interest by virtue of his substantial shareholdings in Penmacorp Sdn Bhd which in turn is a substantial shareholder of the Company pursuant to Section 8 of the Companies Act 2016 as well as his spouse and children's shareholdings in the Company pursuant to Section 59(1)(c) of the Companies Act 2016.

\*\* Deemed interest through his spouse's shareholdings in the Company pursuant to Section 59(1)(c) of the Companies Act 2016.

\* Deemed interest by virtue of his substantial shareholdings in Rencana Berkat Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

By virtue of his interest in the Company, Dato' Sri Chong Ket Pen is deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interest, in accordance with Section 8 of the Companies Act 2016.

The other Directors holding office at the end of the financial year had no interest in shares, options over unissued shares or debentures of the Company or its related corporations during the financial year.

# Directors' Report

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" section of this report) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain Directors have substantial financial interests as disclosed in Note 45 to the financial statements.

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

## DIRECTORS' REMUNERATION

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

	<b>The Group RM'000</b>	<b>The Company RM'000</b>
Fees	204	204
Salaries, bonuses and other benefits	3,337	1,059
Defined contribution benefits	205	66
	<b>3,746</b>	<b>1,329</b>

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the Directors of the Company were RM67,675 and RM14,400 respectively.

## INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Company were RM20,000,000 and RM103,000 respectively. No indemnity was given to or insurance effected for auditors of the Company.

## SUBSIDIARIES

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 5 to the financial statements.

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

# Directors' Report

## SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year is disclosed in Note 50 to the financial statements.

## AUDITORS

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

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

	<b>The Group RM'000</b>	<b>The Company RM'000</b>
Audit fees	943	112
Non-audit fees	208	8
	1,151	120

Signed in accordance with a resolution of the Directors dated 21 April 2026.

**Dato' Chong Ther Nen**

**Suhaimi Bin Badrul Jamil**

# Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Dato' Chong Ther Nen and Suhaimi Bin Badrul Jamil, being two of the Directors of Protasco Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 198 to 311 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the Directors dated 21 April 2026.

**Dato' Chong Ther Nen**

**Suhaimi Bin Badrul Jamil**

# Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Cheong Kah Wang, MIA Membership Number: 7854, being the officer primarily responsible for the financial management of Protasco Berhad, do solemnly and sincerely declare that the financial statements set out on pages 198 to 311 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned  
Cheong Kah Wang,  
at Kuala Lumpur  
in the Federal Territory  
on this 21 April 2026.

**Cheong Kah Wang**

Before me

**Muhammad Faiz Dharmendra Bin Abdullah (W737)**

Commissioner for Oaths

# Independent Auditors' Report

to the Members of Protasco Berhad (Incorporated in Malaysia)

Registration No: 200101012322 (548078 - H)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Protasco Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 December 2025, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 198 to 311.

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, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

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

#### *Independence and Other Ethical Responsibilities*

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

### Key Audit Matters

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

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

# Independent Auditors' Report

to the Members of Protasco Berhad (Incorporated in Malaysia)

Registration No: 200101012322 (548078 - H)

## Key Audit Matters (Cont'd)

<b>Revenue and Profit Recognition for Construction Services</b>	
Refer to Note 4.1.1(e) and Note 36 to the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
<p>Construction services accounting is inherently complex due to the contracting nature of the business, which involves significant judgements. This includes the determination of the total budgeted contract costs to complete the projects and the calculation of percentage of completion which affects the quantum of revenue and profit to be recognised.</p> <p>In estimating the revenue to be recognised, the management considers past experience and work done certified by customers and/or independent third parties, where applicable.</p> <p>In estimating the total budgeted contract costs to completion, the management considers the completeness and accuracy of its costs estimation, including its obligations to contract variations and claims. The total costs to completion are subject to a number of variables including the accuracy of designs, market conditions in respect of materials and sub-contractor cost and construction issues.</p> <p>An error in the estimated profit on contracts could result in a material variance in the amount of profit or loss recognised to date and therefore also in the current period. The profit recognition on contract includes key judgements over the expected recovery of costs arising from variations and claims and assessment on liquidated and ascertained damages costs, where applicable. In addition, changes in judgements, and the related estimates, as contracts progress, can result in material adjustments to margin, which can be both positive and negative. The potential outcome for contracts can have an individually and collectively material impact on the financial statements, whether through error or management bias.</p> <p>We determined this to be a key audit matter due to the complexity and judgemental nature of the budgeting of contract costs to completion, calculation of percentage of completion and the determination of revenue and profit to be recognised.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> <li>• read all key contracts and discussed with management to obtain a full understanding of the terms and risks to assess our consideration of whether revenue was appropriately recognised;</li> <li>• testing the operating effectiveness of internal controls over the completeness, accuracy and timing of revenue recognised in the financial statements;</li> <li>• assessing the management's assumptions in determining the percentage of completion of projects, estimations of revenue and costs, provisions for foreseeable losses, liquidated and ascertained damages as well as recoverability of billed receivables and costs incurred on variation orders;</li> <li>• assessing the reasonableness of percentage of completion by comparing to certification by external parties;</li> <li>• assessing the estimated profit and costs to completion, adjustments for job costing and potential contract losses;</li> <li>• performing subsequent event review to support year-end judgements;</li> <li>• assessing whether the amounts recognised in the financial statements were in line with the Group's accounting policy and relevant accounting standards; and</li> <li>• considering the adequacy of the Group's disclosures in respect of the judgements taken with respect to profit recognition and the key risks relating to these amounts.</li> </ul>

# Independent Auditors' Report

to the Members of Protasco Berhad (Incorporated in Malaysia)

Registration No: 200101012322 (548078 - H)

## Key Audit Matters (Cont'd)

<b>Impairment of Trade Receivables</b>	
Refer to Note 4.1.1(d), Note 15 and Note 48.1(b) in the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
<p>The Group carries significant trade receivables and is exposed to credit risk, or the risk of counterparties defaulting. The details of trade receivables and its credit risk are disclosed in Note 15 and Note 48.1(b) to the financial statements.</p> <p>The management applied assumptions in assessing the level of allowance for impairment losses on trade receivables based on the following:-</p> <ul style="list-style-type: none"> <li>customers' payment profiles of past sales and corresponding historical credit losses; or</li> <li>specific known facts or circumstances on customers' ability to pay.</li> </ul> <p>The impairment assessment involves significant judgements and there is inherent uncertainty in the assumptions applied by the management to determine the level of allowance for impairment losses.</p> <p>We determined this to be a key audit matter due to the significant judgements and level of uncertainty involved in assessing the recoverability of trade receivables.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> <li>obtaining an understanding of:- <ul style="list-style-type: none"> <li>the Group's control over the trade receivables collection process;</li> <li>how the Group assesses the recoverability of trade receivables; and</li> <li>how the Group determines the accounting estimates for impairment losses.</li> </ul> </li> <li>reviewing the ageing analysis of trade receivables and testing the reliability thereof;</li> <li>reviewing the payment history during the financial year and subsequent cash collections for major trade receivables and overdue balances;</li> <li>making inquiries of management regarding action plans to recover overdue amounts;</li> <li>challenging management's assessment of the recoverability of overdue balances by reference to historical collection patterns;</li> <li>examining other corroborating evidence, including customer correspondences, proposed or existing settlement plans, repayment schedules;</li> <li>assessing the reasonableness and accuracy of the calculation of expected credit losses as at the end of the reporting period; and</li> <li>evaluating the reasonableness and testing the adequacy of the Group's allowance for impairment losses on trade receivables.</li> </ul>

There are no key audit matters to report for the Company.

# Independent Auditors' Report

to the Members of Protasco Berhad (Incorporated in Malaysia)

Registration No: 200101012322 (548078 - H)

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

# Independent Auditors' Report

to the Members of Protasco Berhad (Incorporated in Malaysia)  
Registration No: 200101012322 (548078 - H)

## Auditors' Responsibilities for the Audit of the Financial Statements (Cont'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 Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all 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 5 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.

### Crowe Malaysia PLT

201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

Kuala Lumpur  
21 April 2026

### Kaw Hoong Siang

03379/06/2026 J  
Chartered Accountant

# Statements of Financial Position

as at 31 December 2025

	Note	The Group		The Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>ASSETS</b>					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	<b>194,808</b>	189,031
Investments in associates	6	<b>20,668</b>	14,587	-	-
Property, plant and equipment	7	<b>228,389</b>	234,134	<b>92</b>	123
Investment properties	8	<b>69,079</b>	69,631	-	-
Right-of-use assets	9	<b>8,539</b>	8,960	-	-
Inventories	10	<b>35,899</b>	35,899	-	-
Goodwill on consolidation		<b>36</b>	36	-	-
Intangible assets	11	<b>597</b>	-	-	-
Long-term investments	12	<b>520</b>	520	-	-
Deferred tax assets	13	<b>426</b>	119	-	-
		<b>364,153</b>	363,886	<b>194,900</b>	189,154
CURRENT ASSETS					
Inventories	10	<b>59,268</b>	54,199	-	-
Contract cost assets	14	<b>12,077</b>	9,396	-	-
Trade receivables	15	<b>191,764</b>	206,900	-	-
Contract assets	16	<b>14,187</b>	4,064	-	-
Other receivables, deposits and prepayments	17	<b>16,620</b>	12,179	<b>67</b>	59
Amount owing by subsidiaries	18	-	-	<b>69,594</b>	74,701
Amount owing by associates	19	<b>6,218</b>	4,434	-	-
Current tax assets		<b>4,374</b>	13,853	-	-
Short-term investments	20	<b>21,518</b>	21,349	-	-
Deposits with licensed banks	21	<b>40,397</b>	18,155	<b>2,055</b>	2,018
Cash and bank balances	22	<b>364,711</b>	227,921	<b>902</b>	464
		<b>731,134</b>	572,450	<b>72,618</b>	77,242
Assets of disposal group classified as held for sale	23	-	10,933	-	-
		<b>731,134</b>	583,383	<b>72,618</b>	77,242
<b>TOTAL ASSETS</b>		<b>1,095,287</b>	947,269	<b>267,518</b>	266,396

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

# Statements of Financial Position

as at 31 December 2025

	Note	The Group		The Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>EQUITY AND LIABILITIES</b>					
EQUITY					
Share capital	24	<b>249,437</b>	249,437	<b>249,437</b>	249,437
Treasury shares	25	<b>(3,753)</b>	(3,753)	<b>(3,753)</b>	(3,753)
Foreign exchange translation reserve	26	<b>(14,315)</b>	(15,411)	-	-
Capital reserve	27	<b>275</b>	8,875	-	-
Fair value reserve		<b>(30)</b>	(30)	-	-
Retained profits		<b>159,320</b>	80,893	<b>7,209</b>	5,378
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
		<b>390,934</b>	320,011	<b>252,893</b>	251,062
Non-controlling interests		<b>85,636</b>	62,601	-	-
TOTAL EQUITY					
		<b>476,570</b>	382,612	<b>252,893</b>	251,062
NON-CURRENT LIABILITIES					
Other payables	33	<b>23,733</b>	23,576	-	-
Deferred tax liabilities	13	<b>1,607</b>	2,069	-	-
Long-term borrowings	28	<b>20,650</b>	25,113	-	-
Lease liabilities	29	<b>4,705</b>	4,898	-	-
		<b>50,695</b>	55,656	-	-
CURRENT LIABILITIES					
Trade payables	32	<b>293,846</b>	245,246	-	-
Other payables and accruals	33	<b>80,904</b>	48,199	<b>1,272</b>	1,273
Contract liabilities	16	<b>10,754</b>	12,290	-	-
Amount owing to subsidiaries	18	-	-	<b>3,289</b>	1,836
Amount owing to associates	19	<b>4,462</b>	5,270	-	-
Current tax liabilities		<b>7,182</b>	3,302	<b>2,583</b>	2,804
Short-term borrowings	34	<b>127,450</b>	124,879	-	-
Lease liabilities	29	<b>1,876</b>	2,003	-	-
Bank overdrafts	35	<b>41,548</b>	49,351	<b>7,481</b>	9,421
		<b>568,022</b>	490,540	<b>14,625</b>	15,334
Liabilities of disposal group classified as held for sale	23	-	18,461	-	-
		<b>568,022</b>	509,001	<b>14,625</b>	15,334
TOTAL LIABILITIES					
		<b>618,717</b>	564,657	<b>14,625</b>	15,334
TOTAL EQUITY AND LIABILITIES					
		<b>1,095,287</b>	947,269	<b>267,518</b>	266,396

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

# Statements of Profit or Loss and Other Comprehensive Income

for the Financial Year Ended 31 December 2025

	Note	The Group		The Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>CONTINUING OPERATIONS</b>					
REVENUE	36	<b>1,410,692</b>	1,277,581	<b>10,035</b>	9,841
COST OF SALES		<b>(1,161,323)</b>	(1,098,707)	-	-
GROSS PROFIT		<b>249,369</b>	178,874	<b>10,035</b>	9,841
OTHER INCOME		<b>30,373</b>	11,135	<b>604</b>	1,699
ADMINISTRATIVE EXPENSES		<b>(53,270)</b>	(42,351)	<b>(8,797)</b>	(9,398)
OTHER EXPENSES		<b>(59,130)</b>	(59,802)	<b>(3,596)</b>	-
PROFIT/(LOSS) FROM OPERATIONS		<b>167,342</b>	87,856	<b>(1,754)</b>	2,142
FINANCE COSTS		<b>(11,761)</b>	(12,281)	<b>(622)</b>	(503)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	37	<b>(4,537)</b>	3,823	<b>4,369</b>	(114)
SHARE OF PROFITS OF EQUITY ACCOUNTED ASSOCIATES		<b>8,221</b>	4,495	-	-
PROFIT BEFORE TAXATION	38	<b>159,265</b>	83,893	<b>1,993</b>	1,525
INCOME TAX EXPENSE	39	<b>(40,700)</b>	(23,785)	<b>(162)</b>	(363)
PROFIT AFTER TAXATION FROM CONTINUING OPERATIONS		<b>118,565</b>	60,108	<b>1,831</b>	1,162
<b>DISCONTINUING OPERATIONS</b>					
PROFIT/(LOSS) AFTER TAXATION FROM DISCONTINUING OPERATIONS	40	<b>817</b>	(4,652)	-	-
PROFIT AFTER TAXATION		<b>119,382</b>	55,456	<b>1,831</b>	1,162
OTHER COMPREHENSIVE INCOME					
<u>Item that Will be Reclassified Subsequently to Profit or Loss</u>					
Foreign currency translation differences		<b>1,378</b>	1,017	-	-
		<b>1,378</b>	1,017	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<b>120,760</b>	56,473	<b>1,831</b>	1,162

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

# Statements of Profit or Loss and Other Comprehensive Income

for the Financial Year Ended 31 December 2025

	Note	The Group		The Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>PROFIT/(LOSS) AFTER TAXATION</b>					
<b>ATTRIBUTABLE TO:-</b>					
Owners of the Company:					
- continuing operations		<b>69,575</b>	30,025	<b>1,831</b>	1,162
- discontinuing operations		<b>817</b>	(4,652)	-	-
		<b>70,392</b>	25,373	<b>1,831</b>	1,162
Non-controlling interests		<b>48,990</b>	30,083	-	-
		<b>119,382</b>	55,456	<b>1,831</b>	1,162
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE)</b>					
<b>ATTRIBUTABLE TO:-</b>					
Owners of the Company:					
- continuing operations		<b>70,671</b>	30,818	<b>1,831</b>	1,162
- discontinuing operations		<b>817</b>	(4,652)	-	-
		<b>71,488</b>	26,166	<b>1,831</b>	1,162
Non-controlling interests		<b>49,272</b>	30,307	-	-
		<b>120,760</b>	56,473	<b>1,831</b>	1,162
<b>EARNINGS/(LOSS) PER SHARE (SEN)</b>					
	41				
Basic:					
- continuing operations		<b>14.44</b>	6.23		
- discontinuing operations		<b>0.17</b>	(0.97)		
		<b>14.61</b>	5.26		
Diluted:					
- continuing operations		<b>14.44</b>	6.23		
- discontinuing operations		<b>0.17</b>	(0.97)		
		<b>14.61</b>	5.26		

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

# Statements of Changes in Equity

for the Financial Year Ended 31 December 2025

	← Non-Distributable			→ Distributable			Attributable to Owners of the Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Foreign Exchange Translation Reserve RM'000	Capital Reserve RM'000	Fair Value Reserve RM'000	Retained Profits RM'000			
Balance at 1.1.2024	249,437	(3,753)	(16,204)	8,875	(30)	55,520	293,845	42,414	336,259
Profit after taxation for the financial year	-	-	-	-	-	25,373	25,373	30,083	55,456
Other comprehensive income for the financial year:									
- foreign currency translation	-	-	793	-	-	-	793	224	1,017
Total comprehensive income for the financial year	-	-	793	-	-	25,373	26,166	30,307	56,473
Contributions by and distribution to owners of the Company:-									
Issuance of shares by a subsidiary to non-controlling interests ("NCI")	-	-	-	-	-	-	-	5,400	5,400
Dividends:									
- by subsidiaries to NCI	-	-	-	-	-	-	-	(15,520)	(15,520)
Total transactions with owners	-	-	-	-	-	-	-	(10,120)	(10,120)
Balance at 31.12.2024	249,437	(3,753)	(15,411)	8,875	(30)	80,893	320,011	62,601	382,612

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

# Statements of Changes in Equity

for the Financial Year Ended 31 December 2025

	← Non-Distributable			→ Distributable			Total Equity RM'000		
	Share Capital RM'000	Treasury Shares RM'000	Foreign Exchange Translation Reserve RM'000	Capital Reserve RM'000	Fair Value Reserve RM'000	Retained Profits RM'000		Attributable to Owners of the Company RM'000	Non-Controlling Interests RM'000
<b>The Group</b>	<b>249,437</b>	<b>(3,753)</b>	<b>(15,411)</b>	<b>8,875</b>	<b>(30)</b>	<b>80,893</b>	<b>320,011</b>	<b>62,601</b>	<b>382,612</b>
Balance at 1.1.2025									
Profit after taxation for the financial year	-	-	-	-	-	<b>70,392</b>	<b>70,392</b>	<b>48,990</b>	<b>119,382</b>
Other comprehensive income for the financial year:									
- foreign currency translation	-	-	<b>1,096</b>	-	-	-	<b>1,096</b>	<b>282</b>	<b>1,378</b>
Total comprehensive income for the financial year	-	-	<b>1,096</b>	-	-	<b>70,392</b>	<b>71,488</b>	<b>49,272</b>	<b>120,760</b>
Contributions by and distribution to owners of the Company:-									
Changes in subsidiaries' ownership interests that do not result in a loss of control	-	-	-	-	-	<b>(565)</b>	<b>(565)</b>	<b>1,713</b>	<b>1,148</b>
Disposal of a subsidiary	-	-	-	<b>(8,600)</b>	-	<b>8,600</b>	-	-	-
Dividends:									
- by subsidiaries to NCI	-	-	-	-	-	-	-	<b>(27,950)</b>	<b>(27,950)</b>
Total transactions with owners	-	-	-	<b>(8,600)</b>	-	<b>8,035</b>	<b>(565)</b>	<b>(26,237)</b>	<b>(26,802)</b>
Balance at 31.12.2025	<b>249,437</b>	<b>(3,753)</b>	<b>(14,315)</b>	<b>275</b>	<b>(30)</b>	<b>159,320</b>	<b>390,934</b>	<b>85,636</b>	<b>476,570</b>

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

# Statements of Changes in Equity

for the Financial Year Ended 31 December 2025

<b>The Company</b>	<b>Share Capital RM'000</b>	<b>Treasury Shares RM'000</b>	<b>Distributable Retained Profits RM'000</b>	<b>Total Equity RM'000</b>
Balance at 1.1.2024	249,437	(3,753)	4,216	249,900
Profit after taxation/Total comprehensive income for the financial year	-	-	1,162	1,162
Balance at 31.12.2024/1.1.2025	<b>249,437</b>	<b>(3,753)</b>	<b>5,378</b>	<b>251,062</b>
Profit after taxation/Total comprehensive income for the financial year	-	-	<b>1,831</b>	<b>1,831</b>
Balance at 31.12.2025	<b>249,437</b>	<b>(3,753)</b>	<b>7,209</b>	<b>252,893</b>

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

# Statements of Cash Flows

for the Financial Year Ended 31 December 2025

Note	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit/(Loss) before taxation:				
- continuing operations	<b>159,265</b>	83,893	<b>1,993</b>	1,525
- discontinuing operations	<b>817</b>	(4,734)	-	-
Adjustments for:				
Bad debts written off	-	143	-	-
Depreciation of:				
- investment properties	<b>1,827</b>	1,822	-	-
- property, plant and equipment	<b>11,863</b>	13,193	<b>75</b>	243
- right-of-use assets	<b>2,701</b>	2,553	-	-
Amortisation of intangible assets	<b>26</b>	-	-	-
Allowance for impairment losses on:				
- trade receivables	<b>4,060</b>	3,874	-	-
- amount owing by subsidiaries	-	-	<b>100</b>	114
- investment in a subsidiary	-	-	<b>3,596</b>	-
- other receivables	<b>4</b>	5,400	-	-
- long-term investments	<b>2,312</b>	-	-	-
Interest expense	<b>11,670</b>	12,606	<b>728</b>	611
Inventories written off	<b>25</b>	21	-	-
Inventories written down	<b>1,244</b>	-	-	-
Property, plant and equipment written off	<b>7</b>	73	-	-
Property development costs written off	<b>42</b>	-	-	-
Fair value gain on derivatives	-	(22)	-	-
Gain on disposal of property, plant and equipment	<b>(11)</b>	(67)	-	-
Gain on lease modification	<b>(1)</b>	-	-	-
Gross dividends from subsidiaries	-	-	<b>(1,430)</b>	(1,100)
Income from short-term investments	<b>(80)</b>	(97)	-	-
Interest income	<b>(2,567)</b>	(1,702)	<b>(603)</b>	(1,699)
Loss on disposal of associates	-	56	-	-
Share of profits of equity accounted associates	<b>(8,221)</b>	(4,495)	-	-
Unrealised loss/(gain) on foreign exchange	<b>2</b>	(21)	-	-
Gain on disposal of a subsidiary	<b>(24,392)</b>	-	-	-
Reversal of impairment losses on:				
- trade receivables	<b>(1,727)</b>	(11,377)	-	-
- amount owing by subsidiaries	-	-	<b>(4,469)</b>	-
- contract cost assets	<b>(16)</b>	(97)	-	-
- other receivables	<b>(112)</b>	(144)	-	-
Operating profit/(loss) before working capital changes	<b>158,738</b>	100,878	<b>(10)</b>	(306)

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

# Statements of Cash Flows

for the Financial Year Ended 31 December 2025

	Note	The Group		The Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES BROUGHT FORWARD		<b>158,738</b>	100,878	<b>(10)</b>	(306)
Increase in inventories		<b>(7,655)</b>	(10,611)	-	-
Increase in contract cost assets		<b>(2,665)</b>	(5,362)	-	-
(Increase)/Decrease in contract assets		<b>(10,123)</b>	495	-	-
(Decrease)/Increase in contract liabilities		<b>(1,536)</b>	1,851	-	-
Increase in amount owing by associates		<b>(1,764)</b>	(3,659)	-	-
(Decrease)/Increase in amount owing to associates		<b>(808)</b>	917	-	-
Decrease/(Increase) in amount owing by subsidiaries		-	-	<b>669</b>	(1,309)
Increase/(Decrease) in amount owing to subsidiaries		-	-	<b>1,453</b>	(2,382)
Decrease/(Increase) in trade and other receivables		<b>8,470</b>	30,721	<b>(8)</b>	14
Increase/(Decrease) in trade and other payables		<b>71,462</b>	41,861	<b>(1)</b>	(596)
<b>CASH FROM/(FOR) OPERATIONS</b>		<b>214,119</b>	157,091	<b>2,103</b>	(4,579)
Interest paid		<b>(3,913)</b>	(3,943)	<b>(728)</b>	(611)
Income tax paid, net of refunded		<b>(28,110)</b>	(22,083)	<b>(383)</b>	(350)
<b>NET CASH FROM/(FOR) OPERATING ACTIVITIES</b>		<b>182,096</b>	131,065	<b>992</b>	(5,540)
<b>CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES</b>					
Acquisition of shares of a subsidiary from non-controlling interests		<b>(11)</b>	-	-	-
Addition in other investments		-	(15)	-	-
Addition in investment in an associate		<b>(260)</b>	-	-	-
Interest income received		<b>2,547</b>	1,702	<b>37</b>	36
Increase of deposits pledged to licensed banks		<b>(1,485)</b>	(1,683)	<b>(37)</b>	(396)
Income from short-term investments received		<b>80</b>	97	-	-
Net dividends received from subsidiaries		-	-	<b>1,430</b>	1,100
Net dividends received from associates		<b>2,401</b>	3,751	-	-
Net cash inflow from disposal of a subsidiary	42	<b>24,578</b>	-	-	-
Increase in deposits with licensed banks with tenure more than three months		<b>(3,662)</b>	-	-	-
Proceeds from disposal of property, plant and equipment		<b>474</b>	126	-	-
Proceeds from partial disposal of a subsidiary		<b>682</b>	-	-	-
Proceeds from disposal of associates		-	2,989	-	-
Purchase of property, plant and equipment	43(a)	<b>(3,687)</b>	(8,979)	<b>(44)</b>	(27)
Addition in intangible assets		<b>(623)</b>	-	-	-
Redemption of preference shares of a subsidiary		-	-	-	175
<b>NET CASH FROM/(FOR) INVESTING ACTIVITIES</b>		<b>21,034</b>	(2,012)	<b>1,386</b>	888
<b>BALANCE CARRIED FORWARD</b>		<b>203,130</b>	129,053	<b>2,378</b>	(4,652)

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

# Statements of Cash Flows

for the Financial Year Ended 31 December 2025

	Note	The Group		The Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
BALANCE BROUGHT FORWARD		<b>203,130</b>	129,053	<b>2,378</b>	(4,652)
CASH FLOWS FOR FINANCING ACTIVITIES					
Dividends paid to non-controlling interests		<b>(27,950)</b>	(15,520)	-	-
Interest paid	43(b)	<b>(7,602)</b>	(9,278)	-	-
Proceeds from issuance of shares to non-controlling interests		-	5,400	-	-
Drawdown of term loans	43(b)	<b>929</b>	3,386	-	-
Repayment of term loans	43(b)	<b>(11,590)</b>	(27,618)	-	-
Repayment of lease liabilities	43(b)	<b>(2,599)</b>	(2,417)	-	-
Repayment of hire purchase payables	43(b)	<b>(747)</b>	(500)	-	-
Net drawdown/(repayment) of short-term borrowings	43(b)	<b>8,286</b>	(315)	-	-
NET CASH FOR FINANCING ACTIVITIES		<b>(41,273)</b>	(46,862)	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<b>161,857</b>	82,191	<b>2,378</b>	(4,652)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		<b>203,052</b>	125,166	<b>(8,957)</b>	(4,305)
TRANSFER TO ASSETS OF DISPOSAL GROUP HELD FOR SALE		-	(4,305)	-	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	43(d)	<b>364,909</b>	203,052	<b>(6,579)</b>	(8,957)

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

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 1. GENERAL INFORMATION

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

Registered office : 802, 8<sup>th</sup> Floor, Block C, Kelana Square,  
17, Jalan SS7/26, 47301 Petaling Jaya,  
Selangor Darul Ehsan.

Principal place of business : 2<sup>nd</sup> Floor, Corporate Building,  
Unipark Suria, Jalan Ikram-Uniten,  
43000 Kajang, Selangor Darul Ehsan.

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

The financial statements of the Company and of the Group are presented in Ringgit Malaysia (“RM”), which is the Company’s functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 21 April 2026.

## 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and provision of management services to its subsidiaries. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## 3. BASIS OF PREPARATION

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

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

### **MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

Amendments to MFRS 121: Lack of Exchangeability

The adoption of the above accounting standard and/or interpretation (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

### 3. BASIS OF PREPARATION (CONT'D)

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

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

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

#### MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 ‘Presentation and Disclosure in Financial Statements’ will replace MFRS 101 ‘Presentation of Financial Statements’ upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: “operating”, “investing” and “financing” and introduces 2 new subtotals: “operating profit or loss” and “profit or loss before financing and income tax”. In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group and of the Company has yet to be assessed.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

#### 4.1.1 *Key Sources of Estimation Uncertainty*

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

#### **(a) Impairment of Property, Plant and Equipment**

The Group and the Company determine whether an item of its property, plant and equipment is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 7 to the financial statements.

#### **(b) Impairment of Investment Properties**

The Group determines whether its investment properties are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. The carrying amount of investment properties as at the reporting date is disclosed in Note 8 to the financial statements.

#### **(c) Write-down of Inventories**

Management periodically reviews damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 10 to the financial statements.

#### **(d) Impairment of Trade Receivables and Contract Assets**

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying amounts of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 15 and 16 to the financial statements respectively.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

#### 4.1.1 *Key Sources of Estimation Uncertainty (Cont'd)*

##### **(e) Revenue Recognition for Construction Services**

The Group recognises construction revenue by reference to the construction progress based on the physical proportion of contract work certified by professional consultants. Significant judgement is required in determining the progress towards complete satisfaction of the performance obligation based on the contract work certified to-date corroborated by the level of completion of the construction based on actual costs incurred to-date over the estimated total contract costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists. The carrying amounts of contract assets and contract liabilities as at the reporting date are disclosed in Note 16 to the financial statements.

##### **(f) Property Development**

The Group recognises property development revenue and expenses in profit or loss by using an input method which is based on cost incurred to-date relative to the total expected cost to the satisfaction of that performance obligation.

Significant judgement is required in determining the measure of progress, the extent of the property development cost incurred, the estimated total property development revenue and cost, as well as the recoverability of the property development cost. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. The carrying amounts of the land held for property development and property development costs as at the reporting date are disclosed in Note 10 to the financial statements.

#### 4.1.2 *Critical Judgement Made in Applying Accounting Policies*

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

##### **(a) Classification between Investment Properties and Owner-occupied Properties**

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment properties.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

#### 4.1.2 Critical Judgement Made in Applying Accounting Policies (Cont'd)

##### **(b) Contingent Liabilities**

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, the managements are of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Group and the Company are remote.

### 4.2 FINANCIAL INSTRUMENTS

#### **(a) Financial Assets**

##### Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

##### Financial Assets at Amortised Cost

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

##### Financial Assets Through Other Comprehensive Income

The financial assets are initially measured at fair value plus transaction costs. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes taken up in other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference of a debt instrument which are recognised directly in profit or loss. The fair value changes do not include interest and dividend income.

#### **(b) Financial Liabilities**

##### Financial Liabilities at Amortised Cost

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

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 4.2 FINANCIAL INSTRUMENTS (CONT'D)

#### (c) Equity

##### Ordinary Shares

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

##### Treasury Shares

Treasury shares are recorded on initial recognition at the consideration paid less directly attributable transaction costs incurred. The treasury shares are not remeasured subsequently.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the treasury shares. If such shares are issued by resale, any difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity. Where treasury shares are cancelled, their carrying amounts are shown as a movement in retained profits.

#### (d) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

### 4.3 GOODWILL

Goodwill is initially measured at cost. Subsequent to the initial recognition, the goodwill is measured at cost less accumulated impairment losses, if any. A bargain purchase gain is recognised in profit or loss immediately.

### 4.4 INVESTMENTS IN SUBSIDIARIES

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

### 4.5 INVESTMENTS IN ASSOCIATES

Investments in associates are stated in the separate financial statements of the Company at cost less impairment losses, if any, and accounted for using the equity method in the consolidated financial statements.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 4.6 PROPERTY, PLANT AND EQUIPMENT

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

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

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Solar plant	4.70%
Buildings	2%
Renovation	10% - 33.33%
Reference books, office equipment, furniture and fittings	10% - 33.33%
Laboratory equipment, plant and machinery	12.50% - 20%
Motor vehicles	12.50% - 20%

Capital work-in-progress represents construction in progress. They are not depreciated until such time when the asset is available for use.

### 4.7 INVESTMENT PROPERTIES

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

Depreciation on investment properties is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives. The estimated useful lives of the investment properties are 50 years.

### 4.8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

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

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

#### (b) Right-of-use Assets

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

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

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 4.8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

#### (c) Lease Liabilities

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

### 4.9 INTANGIBLE ASSETS

Intangible assets are initially measured at cost. Subsequent to the initial recognition, the intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

#### (a) Intangible Assets with Definite Useful Lives

The intangible assets are amortised using the straight-line method to allocate their depreciable amounts over the following period:-

Smart farm blueprint software	10 years
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### 4.10 INVENTORIES

#### (a) Land Held for Property Development

Land held for property development represents freehold land and right-of-use assets (leasehold land) on which development activities are not expected to be completed within the normal operating cycle.

Land held for property development is classified within non-current assets and is stated at the lower of cost and net realisable value.

Costs associated with the acquisition of land include the purchase price of freehold land, payment of the right-of-use asset (leasehold land), professional fees, stamp duties, commissions, conversion fees and other relevant levies. Pre-acquisition costs are charged to profit or loss as incurred unless such costs are directly identifiable to the consequent property development activity.

Net realisable value represents the estimated selling price of intended properties that to be developed less the estimated costs of completion and the estimated costs necessary in selling the properties. If future development layout plan is not available, the replacement cost of the land held for property development will be the best available measure of the net realisable value.

Land held for property development is transferred to property development costs category (within current assets) when development activities have commenced and are expected to be completed within the normal operating cycle.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 4.10 INVENTORIES (CONT'D)

#### (b) Property Development Costs

Property development costs are those assets on which significant works have been undertaken and are expected to be completed within the normal operating cycle.

Property development costs comprise costs associated with the purchase of freehold land, payment for the right-of-use asset (leasehold land) and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities as well as borrowing costs relating to the financing of the development activities.

Property development costs that are not recognised as an expense are recognised as an asset and carried at the lower of cost and net realisable value.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary in selling the property.

When the financial outcome of a development activity can be reliably estimated, the amount of property revenue and expenses recognised in profit or loss are determined by reference to the stage of completion method. The stage of completion is determined based on the proportion that the property development costs incurred for work performed to date bear to the estimated total property development costs at the end of the reporting period.

When the financial outcome of a development activity cannot be reliably estimated, the property development revenue is recognised only to the extent of property development costs incurred that will be recoverable. The property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

Where it is probable that property development costs will exceed property development revenue, any expected loss is recognised as an expense in profit or loss immediately, including costs to be incurred over the defects liability period.

On completion, sold properties are recognised in profit or loss and unsold properties are transferred to developed properties held for sale.

#### (c) Developed Properties Held for Sale

Developed properties held for sale are stated at the lower of cost and net realisable value. Cost is determined by the specific identification method and comprises the cost associated with the purchase of freehold land, payment for the right-of-use assets (leasehold land), construction costs and other related development expenditure incurred in bringing the inventories to their present location and condition.

#### (d) Other Inventories

Other inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost and comprises all cost of purchase plus other costs incurred in bringing the inventories to their present location and condition.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 5. INVESTMENTS IN SUBSIDIARIES

	<b>The Company</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
At cost:-		
<u>Unquoted shares in Malaysia</u>		
Ordinary shares:-		
At 1 January	<b>188,704</b>	152,679
Additions during the financial year	<b>9,373</b>	18,700
Conversion from redeemable convertible preference shares ("RCPS")	-	17,325
At 31 December	<b>198,077</b>	188,704
Redeemable convertible preference shares:-		
At 1 January	-	17,500
Redemption during the financial year	-	(175)
Conversion to ordinary shares	-	(17,325)
At 31 December	-	-
	<b>198,077</b>	188,704
Accumulated impairment losses	<b>(3,596)</b>	-
	<b>194,481</b>	188,704
<u>Unquoted shares outside Malaysia</u>		
Ordinary shares:-		
At 1 January/31 December	<b>327</b>	327
	<b>194,808</b>	189,031

During the financial year:-

- (a) the Company subscribed for an additional 4,026,980 ordinary shares of RM1 each in its existing wholly-owned subsidiary namely, Protasco Infra Sdn. Bhd. ("PISB") by way of capitalising RM4,026,980 from the amount owing by PISB to the Company.
- (b) the Company subscribed for an additional 1,749,998 ordinary shares of RM1 each in its existing wholly-owned subsidiary namely, Ikram Works Sdn. Bhd. ("IWSB") by way of capitalising RM1,749,998 from the amount owing by IWSB to the Company.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

During the financial year (Cont'd):-

- (c) the Company subscribed for an additional 3,595,710 ordinary shares of RM1 each in its existing wholly-owned subsidiary namely, HCM Kasturi Sdn. Bhd. ("HCMKSB") by way of capitalising RM3,595,710 from the amount owing by HCMKSB to the Company.
- (d) Kumpulan Ikram Sdn. Bhd. ("KISB"), a wholly-owned subsidiary of the Company, disposed 90% of its equity interest held in Ikram Education Sdn. Bhd. ("IESB") for a total cash consideration of RM27,000,000. Following the completion of the disposal, IESB ceased to be a subsidiary of the Group. The details of the disposal are disclosed in Note 42 to the financial statements.
- (e) Protasco Infra Sdn. Bhd. ("PISB"), a wholly-owned subsidiary of the Company disposed 2% of its equity interest held in Empayar Indera Sdn. Bhd. ("EISB") for a total cash consideration of RM681,978 while retaining control over EISB.
- (f) Infratech Dynamics Sdn. Bhd. ("IDSB"), a wholly-owned subsidiary of the Company subscribed for an additional 1,200,000 ordinary shares of RM1 each in its existing subsidiary namely, Prasarana Bistari Sdn. Bhd. ("PBSB") by way of capitalising RM1,200,000 from the amount owing by PBSB to IDSB.
- (g) IWSB has further acquired the remaining 40% equity interest in Ikram Libyana Sdn. Bhd. ("ILSB") for a total cash consideration of RM11,250. Following the completion of the acquisition, the Group increased its equity interest held in ILSB from 60% to 100% and the latter became a wholly-owned subsidiary of the Group.

The effects of the partial disposal and acquisition of equity interest in subsidiaries while retaining control during the financial year as disclosed in Note 5(e) and Note 5(g) above, has no significant impact on the financial statements of the Group for the current financial year and the financial position of the Group as at the end of the reporting period.

Details of the subsidiaries held by the Company are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025	2024	
HCM Engineering Sdn. Bhd.	Malaysia	100%	100%	Buildings, bridges and road construction, rehabilitation and maintenance.
Kumpulan Ikram Sdn. Bhd.	Malaysia	100%	100%	Investment holding, engineering and consultancy services, hotel operations and property management.
Protasco Trading Sdn. Bhd.	Malaysia	100%	100%	Trading of construction materials, products and equipment, petroleum based products and highway safety products and equipment.
Protasco Infra Sdn. Bhd.	Malaysia	100%	100%	Investment holding.
Protasco Development Sdn. Bhd.	Malaysia	100%	100%	Property development.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries held by the Company are as follows (Cont'd):-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025	2024	
Protasco Venture Partners Inc. <sup>A</sup>	British Virgin Islands	100%	100%	Investment holding.
Ikrametics Sdn. Bhd. (formerly known as Ikram Greentech Sdn. Bhd.)	Malaysia	100%	100%	Investment holding and providing green project management services.
HCM Kasturi Sdn. Bhd.*	Malaysia	100%	100%	Investment holding.
Ikram Works Sdn. Bhd.	Malaysia	100%	100%	Investment holding and provision of engineering consultancy services.
Infratech Dynamics Sdn. Bhd.	Malaysia	100%	100%	Investment holding.
Protasco Biotech Sdn. Bhd.*	Malaysia	100%	100%	Dormant.
Protasco Resources Sdn. Bhd.*	Malaysia	100%	100%	Dormant.

Details of subsidiaries held through HCM Engineering Sdn. Bhd. are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025	2024	
Permint Granite-HCM Sdn. Bhd.	Malaysia	70%	70%	Road maintenance and rehabilitation.
HCM Kijang Sdn. Bhd.	Malaysia	60%	60%	Dormant.
Roadcare (M) Sdn. Bhd.*	Malaysia	51%	51%	Road maintenance and rehabilitation.
HCM (L) Bhd.*	FT Labuan	100%	100%	Investment holding.
HCM-Ikhtisas Sdn. Bhd.*	Malaysia	78%	78%	Dormant.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of subsidiaries held through HCM Engineering Sdn. Bhd. are as follows (Cont'd):-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025	2024	
HCM Arabia Sdn. Bhd.*	Malaysia	<b>78%</b>	78%	Dormant.
Konsortium HCM Perkasa Sdn. Bhd.*	Malaysia	<b>100%</b>	100%	Dormant.
Infra Water Sdn. Bhd.*	Malaysia	<b>51%</b>	51%	Dormant.
HCM Builders Lanka (Private) Limited®	Sri Lanka	<b>100%</b>	100%	Dormant.
Infrabuild BIM Sdn. Bhd.	Malaysia	<b>100%</b>	100%	Dormant.
Ikram Skills Academy Sdn. Bhd.	Malaysia	<b>100%</b>	100%	Provision of skills training courses.

Details of a subsidiary held through HCM (L) Bhd. are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025	2024	
Global Traders Ltd.*	FT Labuan	<b>100%</b>	100%	Dormant.

Details of subsidiaries held through Kumpulan Ikram Sdn. Bhd. are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025	2024	
Ikram Education Sdn. Bhd.	Malaysia	<b>Not applicable</b>	100%	Providing tertiary education.
Ikram Latihan Sdn. Bhd.*	Malaysia	<b>100%</b>	100%	Investment holding.
Ikram Infra Ventures Sdn. Bhd.*	Malaysia	<b>100%</b>	100%	Dormant.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of subsidiaries held through Protasco Trading Sdn. Bhd. are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025	2024	
QP Industries Sdn. Bhd.*	Malaysia	100%	100%	Dealing in materials for road pavement and road maintenance.
QP Trading Sdn. Bhd.*	Malaysia	100%	100%	Dealing in materials for road pavement.

Details of a subsidiary held through Protasco Infra Sdn. Bhd. are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025	2024	
Empayar Indera Sdn. Bhd. <sup>o</sup>	Malaysia	49%	51%	Road maintenance and rehabilitation.

Details of a subsidiary held through Protasco Development Sdn. Bhd. are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025	2024	
Protasco Land Sdn. Bhd.	Malaysia	100%	100%	Property investment.
De Centrum Development Sdn. Bhd.	Malaysia	100%	100%	Property investment.
Sun Rock Development Sdn. Bhd.*	Malaysia	100%	100%	Property development.
De Centrum Land Sdn. Bhd.	Malaysia	100%	100%	Property development.
DC Resort Homes Sdn. Bhd.	Malaysia	100%	100%	Property development.
Jalur Saujana Sdn. Bhd.*	Malaysia	100%	100%	Dormant.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of a subsidiary held through Protasco Land Sdn. Bhd. are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025	2024	
Protasco Land SA (Pty) Ltd.*	South Africa	100%	100%	Dormant.

Details of a subsidiary held through Protasco Venture Partners Inc. are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025	2024	
Protasco Agro Ltd. <sup>Δ</sup>	British Virgin Islands	100%	100%	Dormant.
PT. Protasco Infra Indonesia ("PPII") <sup>Δ&amp;</sup>	Indonesia	67%	67%	Dormant.

Details of a subsidiary held through Ikrametics Sdn. Bhd. are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025	2024	
I2 Energy Sdn. Bhd.	Malaysia	51%	51%	Solar panel installation contract work.
I2 Solarpark One Sdn. Bhd. ("I2SOSB") <sup>Ω</sup>	Malaysia	44%	44%	Supply of power and electricity derived from solar power plant.

Details of a subsidiary held through I2 Energy Sdn. Bhd. are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025	2024	
Solarcap Sdn. Bhd.*	Malaysia	100%	100%	Solar panel installation contract work.
Powerup Synergy Sdn. Bhd.*	Malaysia	100%	-	Dormant.
Quantive Resources Sdn. Bhd.*	Malaysia	100%	-	Trading of energy and electrical equipment, components, machinery and accessories.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of a subsidiary held through HCM Kasturi Sdn. Bhd. are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025	2024	
Ikram International Sdn.Bhd.*	Malaysia	51%	51%	Dormant.
Tenggara Food Industries Sdn. Bhd.*	Malaysia	51%	51%	Fruit processors and manufacturers.

Details of a subsidiary held through Ikram Works Sdn. Bhd. are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025	2024	
Ikram Engineering Services Sdn. Bhd.	Malaysia	100%	100%	Site investigation and soil testing services.
Ikram QA Services Sdn. Bhd.	Malaysia	100%	100%	Certification and listing of products.
Ikram Paves Sdn. Bhd.	Malaysia	100%	100%	Provision of evaluation and testing services for road pavement.
Ikram Engineering Consulting Sdn. Bhd.	Malaysia	100%	100%	Provision of engineering consultancy services.
Kumpulan Ikram (Sabah) Sdn. Bhd.*	Malaysia	60%	60%	Site investigation and soil testing services.
Ikram Libyana Sdn. Bhd.*	Malaysia	100%	60%	Dormant.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of a subsidiary held through Infratech Dynamics Sdn. Bhd. are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025	2024	
Prasarana Bistari Sdn. Bhd.* <sup>Ω</sup>	Malaysia	47%	40%	Road construction and rehabilitation.

Notes:-

\* These subsidiaries were audited by other firms of chartered accountants.

<sup>Δ</sup> These subsidiaries are not required to be audited under the laws of the country of incorporation.

<sup>@</sup> The subsidiary is currently dormant and the audited financial statements and the auditors' reports on the financial statements are not available. The financial result of the subsidiary is not material to the Group.

<sup>§</sup> A company incorporated in Indonesia with a registered capital of USD1 million. The Group agreed to contribute 67% of the registered share capital whilst the remaining 33% equity interests will be contributed by a local business partner. Both parties have yet to inject their respective agreed capital contribution into PPII at the end of the reporting period.

<sup>Ω</sup> These companies have been assessed to be subsidiaries of the Group as the Group has control over these companies.

<sup>#</sup> These subsidiaries were newly incorporated during the financial year and the statutory auditors of these subsidiaries have yet to be appointed.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of non-controlling interests ("NCI") at the end of the reporting period are as follows:-

	Roadcare (M) Sdn. Bhd. ("Roadcare") %	Permint Granite- HCM Sdn. Bhd. ("PG- HCM") %	Empayar Indera Sdn. Bhd. ("EISB") %	Prasarana Bistari Sdn. Bhd. ("PBSB") %	HCM Arabia Sdn. Bhd. ("HCMA") %	Kumpulan Ikram (Sabah) Sdn. Bhd. ("KI- Sabah") %		
Effective Equity Interest								
At 31.12.2024	49	30	49	60	22	40		
At 31.12.2025	<b>49</b>	<b>30</b>	<b>51</b>	<b>53</b>	<b>22</b>	<b>40</b>		
	<b>Roadcare RM'000</b>	<b>PG-HCM RM'000</b>	<b>EISB RM'000</b>	<b>PBSB RM'000</b>	<b>HCMA RM'000</b>	<b>KI-Sabah RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
Total NCI								
Balance at 31.12.2024	50,862	3,211	17,238	833	(9,160)	2,212	(2,595)	62,601
Balance at 31.12.2025	<b>70,715</b>	<b>3,428</b>	<b>18,496</b>	<b>1,426</b>	<b>(8,914)</b>	<b>2,412</b>	<b>(1,927)</b>	<b>85,636</b>

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The summarised financial information (before intra-group elimination) for each subsidiary that has NCI that are material to the Group is as follows:-

	<b>Roadcare RM'000</b>	<b>PG-HCM RM'000</b>	<b>EISB RM'000</b>	<b>PBSB RM'000</b>	<b>HCMA RM'000</b>	<b>KI-Sabah RM'000</b>
<u>At 31 December 2025</u>						
Non-current assets	<b>12,642</b>	<b>1,930</b>	<b>4,265</b>	<b>351</b>	-	<b>1,623</b>
Current assets	<b>379,551</b>	<b>12,134</b>	<b>64,269</b>	<b>11,793</b>	<b>367</b>	<b>5,868</b>
Non-current liabilities	<b>(1,841)</b>	<b>(349)</b>	<b>(152)</b>	<b>(35)</b>	-	<b>(268)</b>
Current liabilities	<b>(246,036)</b>	<b>(2,288)</b>	<b>(32,115)</b>	<b>(9,419)</b>	<b>(40,883)</b>	<b>(1,194)</b>
Net assets/(liabilities)	<b>144,316</b>	<b>11,427</b>	<b>36,267</b>	<b>2,690</b>	<b>(40,516)</b>	<b>6,029</b>
<u>Financial year ended 31 December 2025</u>						
Revenue	<b>934,904</b>	<b>22,787</b>	<b>133,390</b>	<b>6,375</b>	-	<b>5,996</b>
Profit/(Loss) for the financial year	<b>90,517</b>	<b>2,223</b>	<b>7,086</b>	<b>101</b>	<b>(163)</b>	<b>498</b>
Total comprehensive income	<b>90,517</b>	<b>2,223</b>	<b>7,086</b>	<b>101</b>	<b>1,119</b>	<b>498</b>
Total comprehensive income attributable to NCI	<b>44,353</b>	<b>667</b>	<b>3,543</b>	<b>61</b>	<b>246</b>	<b>200</b>
Dividends paid to NCI	<b>24,500</b>	<b>450</b>	<b>3,000</b>	-	-	-
Net cash flows from/(for) operating activities	<b>165,902</b>	<b>4,766</b>	<b>18,935</b>	<b>(62)</b>	<b>(247)</b>	<b>9</b>
Net cash flows (for)/from investing activities	<b>(449)</b>	<b>1,515</b>	<b>306</b>	<b>(260)</b>	-	<b>(1,716)</b>
Net cash flows (for)/from financing activities	<b>(51,540)</b>	<b>(1,689)</b>	<b>(6,359)</b>	<b>1,175</b>	-	<b>(128)</b>
Net increase/(decrease) in cash and cash equivalents	<b>113,913</b>	<b>4,592</b>	<b>12,882</b>	<b>853</b>	<b>(247)</b>	<b>(1,835)</b>

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The summarised financial information (before intra-group elimination) for each subsidiary that has NCI that are material to the Group is as follows (Cont'd):-

	<b>Roadcare RM'000</b>	<b>PG-HCM RM'000</b>	<b>EISB RM'000</b>	<b>PBSB RM'000</b>	<b>HCMA RM'000</b>	<b>KI-Sabah RM'000</b>
<u>At 31 December 2024</u>						
Non-current assets	15,052	2,389	5,995	122	-	885
Current assets	259,972	10,629	51,716	9,092	615	5,435
Non-current liabilities	(1,897)	(522)	(273)	(62)	-	(77)
Current liabilities	(169,328)	(1,792)	(22,259)	(7,764)	(42,249)	(712)
<b>Net assets/(liabilities)</b>	<b>103,799</b>	<b>10,704</b>	<b>35,179</b>	<b>1,388</b>	<b>(41,634)</b>	<b>5,531</b>
<u>Financial year ended 31 December 2024</u>						
Revenue	746,379	22,381	142,752	9,978	-	4,972
Profit/(Loss) for the financial year	52,211	2,459	8,264	(844)	(137)	931
Total comprehensive income/(expenses)	52,211	2,459	8,264	(844)	871	931
Total comprehensive income/(expenses) attributable to NCI	25,583	737	4,050	(506)	192	372
Dividends paid to NCI	12,250	1,800	1,470	-	-	-
Issuance of shares to NCI	-	-	-	5,400	-	-
Net cash flows from/(for) operating activities	116,394	9,558	17,052	(15,345)	(228)	1,137
Net cash flows (for)/from investing activities	(313)	(1,693)	(1,757)	112	-	(207)
Net cash flows (for)/from financing activities	(26,420)	(6,186)	(3,353)	8,976	-	96
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>89,661</b>	<b>1,679</b>	<b>11,942</b>	<b>(6,257)</b>	<b>(228)</b>	<b>1,026</b>

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 6. INVESTMENTS IN ASSOCIATES

	<b>The Group</b>	
	<b>2025</b> <b>RM'000</b>	<b>2024</b> <b>RM'000</b>
Unquoted shares, at cost		
At 1 January	<b>5,182</b>	8,282
Addition during the financial year	<b>260</b>	-
Disposal during the financial year	-	(3,100)
At 31 December	<b>5,442</b>	5,182
Share of post acquisition results, net of dividend received	<b>18,343</b>	11,122
Foreign exchange translation reserve	<b>(438)</b>	(438)
	<b>23,347</b>	15,866
Redeemable preference shares	-	1,400
	<b>23,347</b>	17,266
Accumulated impairment losses	<b>(2,679)</b>	(2,679)
	<b>20,668</b>	14,587

During the financial year, a subsidiary of the Group namely, Prasarana Bistari Sdn. Bhd. ("PBSB") subscribed 260,000 ordinary shares of RM1 each in Senggara Utara Sdn. Bhd. ("SUSB"), representing 26% equity interest in SUSB.

Details of associates held through HCM Engineering Sdn. Bhd. are as follows:-

<b>Name of Associate</b>	<b>Principal Place of Business and Country of Incorporation</b>	<b>Percentage of Ownership</b>		<b>Principal Activities</b>
		<b>2025</b>	<b>2024</b>	
KPS-HCM Sdn. Bhd.^	Malaysia	<b>49%</b>	49%	In liquidation.
DAL HCM Sdn. Bhd.	Malaysia	<b>30%</b>	30%	Road maintenance and rehabilitation.
PJP Barisan HCM JV Sdn. Bhd.	Malaysia	<b>30%</b>	30%	Road maintenance and rehabilitation.
V-HCM Engineering & Construction Co., Ltd. ("V-HCM")*φ	Kingdom of Cambodia	<b>70%</b>	70%	Road construction and rehabilitation.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 6. INVESTMENTS IN ASSOCIATES (CONT'D)

Details of an associate held through HCM-Ikhtisas Sdn. Bhd. are as follows:-

Name of Associate	Principal Place of Business and Country of Incorporation	Percentage of Ownership		Principal Activities
		2025	2024	
Libyan Malaysian Company for Roads and Construction*	Libya	49%	49%	Construction and maintenance.

Details of an associate held through Prasarana Bistari Sdn. Bhd. are as follows:-

Name of Associate	Principal Place of Business and Country of Incorporation	Percentage of Ownership		Principal Activities
		2025	2024	
Senggara Utara Sdn. Bhd.	Malaysia	26%	-	Road maintenance and rehabilitation.

Details of associates held through Ikram Works Sdn. Bhd. are as follows:-

Name of Associate	Principal Place of Business and Country of Incorporation	Percentage of Ownership		Principal Activities
		2025	2024	
Ikram Premier Consulting Sdn. Bhd.	Malaysia	30%	30%	Provision of consultancy services.
Kumpulan Ikram (Sarawak) Sdn. Bhd.	Malaysia	30%	30%	Site investigation and soil testing services.

Notes:-

# A company which has been assessed to be an associate of the Group as the Group only has significant influence over the company.

φ The associate company is not required to be audited under the laws of the country of incorporation.

^ A Company under Members' Voluntary Liquidation.

\* The management accounts of Libyan Malaysian Company for Roads and Construction for the financial year ended 31 December 2025 has been used for the purpose of applying the equity method of accounting. As no results have been generated by the associated company during the financial year, there was no share of profit or loss recognised for the financial year.

The Group has impaired its investment in Libyan Malaysian Company for Roads and Construction in prior years due to a civil war in Libya.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 6. INVESTMENTS IN ASSOCIATES (CONT'D)

(a) The summarised unaudited financial information for the associate that is material to the Group is as follows:-

	<b>DAL HCM Sdn. Bhd.</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>At 31 December</u>		
Non-current assets	<b>5,104</b>	4,777
Current assets	<b>95,331</b>	73,977
Non-current liabilities	<b>(352)</b>	(611)
Current liabilities	<b>(55,263)</b>	(49,763)
Net assets	<b>44,820</b>	28,380
<u>12 months Period Ended 31 December</u>		
Revenue	<b>178,543</b>	144,714
Profit for the financial period	<b>22,443</b>	12,710
Total comprehensive income	<b>22,443</b>	12,710
Group's share of profit for the financial period	<b>6,733</b>	3,813
Dividend received	<b>1,801</b>	3,152
<u>Reconciliation of Net Assets to Carrying Amount</u>		
Group's share of net assets above	<b>13,446</b>	8,514
Goodwill	<b>3,692</b>	3,692
Carrying amount of the Group's interest in this associate	<b>17,138</b>	12,206

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 6. INVESTMENTS IN ASSOCIATES (CONT'D)

(a) The summarised unaudited financial information for the associate that is material to the Group is as follows (Cont'd):-

	<b>PJP Barisan HCM JV Sdn. Bhd.</b>	
	<b>2025 RM'000</b>	<b>2024 RM'000</b>
<u>At 31 December</u>		
Non-current assets	<b>904</b>	868
Current assets	<b>18,102</b>	14,193
Non-current liabilities	<b>(107)</b>	(45)
Current liabilities	<b>(12,064)</b>	(8,982)
<b>Net assets</b>	<b>6,835</b>	6,034
<u>12 months Period Ended 31 December</u>		
Revenue	<b>35,573</b>	33,036
Profit for the financial period	<b>2,801</b>	1,767
Total comprehensive income	<b>2,801</b>	1,767
<b>Group's share of profit for the financial period</b>	<b>840</b>	530
<b>Dividend received</b>	<b>600</b>	600
<u>Reconciliation of Net Assets to Carrying Amount</u>		
Group's share of net assets above	<b>2,051</b>	1,810
Carrying amount of the Group's interest in this associate	<b>2,051</b>	1,810

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 6. INVESTMENTS IN ASSOCIATES (CONT'D)

(a) The summarised unaudited financial information for the associate that is material to the Group is as follows (Cont'd):-

	<b>Senggara Utara Sdn. Bhd.</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>At 31 December</u>		
Non-current assets	<b>2,187</b>	N/A
Current assets	<b>19,876</b>	N/A
Non-current liabilities	<b>(1,081)</b>	N/A
Current liabilities	<b>(16,819)</b>	N/A
Net assets	<b>4,163</b>	N/A
<u>12 months Period Ended 31 December</u>		
Revenue	<b>25,829</b>	N/A
Profit for the financial period	<b>3,163</b>	N/A
Total comprehensive income	<b>3,163</b>	N/A
Group's share of profit for the financial period	<b>822</b>	N/A
<u>Reconciliation of Net Assets to Carrying Amount</u>		
Group's share of net assets above	<b>1,082</b>	N/A
Carrying amount of the Group's interest in this associate	<b>1,082</b>	N/A

(b) The summarised unaudited financial information for all associates (except for Libyan Malaysian Company for Roads and Construction) that are individually immaterial to the Group is as follows:-

	<b>Individually Immaterial Associates</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Financial year ended 31 December</u>		
Group's share of (loss)/profit for the financial year	<b>(174)</b>	152
Aggregate carrying amount of the Group's interests in these associates	<b>397</b>	571

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 7. PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold Land		Solar Plant		Buildings		Renovation		Reference Books, Office Equipment, Furniture and Fittings		Laboratory Equipment, Plant and Machinery		Motor Vehicles		Capital Work-in-Progress		Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At cost</b>																	
At 1 January 2024	65,349	27,979	146,342	30,061	66,784	87,718	50,348	877	475,458								
Additions	-	868	-	286	1,217	2,920	3,124	893	9,308								
Disposals	-	-	-	(48)	(484)	(84)	(1,088)	-	(1,704)								
Written off	-	-	-	-	(162)	(7)	(172)	-	(341)								
Reclassification	-	-	-	1,770	-	-	-	(1,770)	-								
Classified as held for sale (Note 23)	-	-	-	(8,436)	(19,491)	(15,620)	(1,005)	-	(44,552)								
At 31 December 2024	65,349	28,847	146,342	23,633	47,864	74,927	51,207	-	438,169								
<b>Accumulated depreciation</b>																	
At 1 January 2024	-	3,630	31,041	24,894	60,665	77,410	36,477	-	234,117								
Depreciation charges	-	1,334	2,849	1,126	2,315	2,347	3,222	-	13,193								
Disposals	-	-	-	(48)	(482)	(83)	(1,032)	-	(1,645)								
Written off	-	-	-	-	(162)	(7)	(99)	-	(268)								
Classified as held for sale (Note 23)	-	-	-	(6,166)	(18,635)	(15,560)	(1,001)	-	(41,362)								
At 31 December 2024	-	4,964	33,890	19,806	43,701	64,107	37,567	-	204,035								
<b>Carrying amount at 31 December 2024</b>	65,349	23,883	112,452	3,827	4,163	10,820	13,640	-	234,134								

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

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

The Group	Freehold Land		Solar Plant		Buildings		Renovation		Reference Books, Office Equipment, Furniture and Fittings		Laboratory Equipment, Plant and Machinery		Motor Vehicles		Capital Work-in-Progress		Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At cost</b>																	
At 1 January 2025	65,349	28,847	146,342	23,633	47,864	74,927	51,207	-	438,169								
Additions	-	233	-	267	741	1,177	1,814	687	4,919								
Disposals	-	-	-	-	(416)	(236)	(2,103)	-	(2,755)								
Written off	-	-	-	-	(11)	-	-	-	(11)								
Reclassification from assets held for sale	-	-	-	2,636	-	-	-	-	2,636								
Cost saving	-	(21)	-	-	-	-	-	-	(21)								
At 31 December 2025	65,349	29,059	146,342	26,536	48,178	75,868	50,918	687	442,937								
<b>Accumulated depreciation</b>																	
At 1 January 2025	-	4,964	33,890	19,806	43,701	64,107	37,567	-	204,035								
Depreciation charges	-	1,333	2,643	826	1,564	2,239	3,258	-	11,863								
Disposals	-	-	-	-	(413)	(236)	(1,643)	-	(2,292)								
Written off	-	-	-	-	(4)	-	-	-	(4)								
Reclassification from assets held for sale	-	-	-	946	-	-	-	-	946								
At 31 December 2025	-	6,297	36,533	21,578	44,848	66,110	39,182	-	214,548								
<b>Carrying amount at 31 December 2025</b>	<b>65,349</b>	<b>22,762</b>	<b>109,809</b>	<b>4,958</b>	<b>3,330</b>	<b>9,758</b>	<b>11,736</b>	<b>687</b>	<b>228,389</b>								

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

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

<b>The Company</b>	<b>Motor Vehicles RM'000</b>	<b>Office Equipment, Furniture and Fittings RM'000</b>	<b>Total RM'000</b>
<b>At cost</b>			
At 1 January 2025	10	1,163	1,173
Additions	-	44	44
At 31 December 2025	10	1,207	1,217
<b>Accumulated depreciation</b>			
At 1 January 2025	(2)	(1,048)	(1,050)
Depreciation charges	(1)	(74)	(75)
At 31 December 2025	(3)	(1,122)	(1,125)
<b>Carrying amount at 31 December 2025</b>	<b>7</b>	<b>85</b>	<b>92</b>
<b>At cost</b>			
At 1 January 2024	10	1,138	1,148
Additions	-	27	27
Written off	-	(2)	(2)
At 31 December 2024	10	1,163	1,173
<b>Accumulated depreciation</b>			
At 1 January 2024	(1)	(808)	(809)
Depreciation charges	(1)	(242)	(243)
Written off	-	2	2
At 31 December 2024	(2)	(1,048)	(1,050)
<b>Carrying amount at 31 December 2024</b>	<b>8</b>	<b>115</b>	<b>123</b>

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

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

- (a) The carrying amounts of the property, plant and equipment of the Group at the end of the reporting period pledged as security with the financial institutions for credit facilities granted to the Group as disclosed in Note 31 and Note 34 to the financial statements were as follows:-

	<b>The Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Freehold land	<b>62,782</b>	62,782
Buildings	<b>22,001</b>	22,804
Solar plant	<b>22,762</b>	23,883
	<b>107,545</b>	109,469

- (b) Included in the carrying amounts of the property, plant and equipment of the Group at the end of the reporting period were the following assets held under hire purchase arrangements:-

	<b>The Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Plant and machineries	<b>1,560</b>	1,609
Motor vehicles	<b>1,263</b>	728
	<b>2,823</b>	2,337

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 8. INVESTMENT PROPERTIES

### The Group

2025	Mall RM'000	Condominium RM'000	Total RM'000
<b>At cost</b>			
At 1 January 2025	38,807	46,319	85,126
Transfer from inventories	-	1,275	1,275
At 31 December 2025	38,807	47,594	86,401
<b>Accumulated depreciation</b>			
At 1 January 2025	(7,522)	(7,973)	(15,495)
Depreciation charges	(851)	(976)	(1,827)
At 31 December 2025	(8,373)	(8,949)	(17,322)
<b>Carrying amount at 31 December 2025</b>	<b>30,434</b>	<b>38,645</b>	<b>69,079</b>
<b>At fair value:-</b>			
<b>2025</b>	<b>37,000</b>	<b>56,434</b>	
<b>2024</b>			
<b>At cost</b>			
At 1 January 2024/31 December 2024	38,807	46,319	85,126
<b>Accumulated depreciation</b>			
At 1 January 2024	(6,672)	(7,001)	(13,673)
Depreciation charges	(850)	(972)	(1,822)
At 31 December 2024	(7,522)	(7,973)	(15,495)
<b>Carrying amount at 31 December 2024</b>	<b>31,285</b>	<b>38,346</b>	<b>69,631</b>
<b>At fair value:-</b>			
<b>2024</b>	<b>37,000</b>	<b>55,088</b>	

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 8. INVESTMENT PROPERTIES (CONT'D)

Notes:-

- (a) The investment properties of the Group are leased to customers under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods ranging from 1 to 15 years and an option that is exercisable by the customers to extend their leases ranging from 1 to 3 years.

The Group requires 1 to 3 months of advanced rental payments from the customers. When considered necessary, the Group would require a bank guarantee on certain of its lease arrangements. The leases do not include residual value guarantee and variable lease payments that depend on an index or rate.

- (b) As at the reporting date, the future minimum rentals receivable under the non-cancellable operating leases are as follows:-

<b>The Group</b>	<b>Mall RM'000</b>	<b>Condominium RM'000</b>	<b>Total RM'000</b>
<b>2025</b>			
Within 1 year	<b>1,520</b>	<b>3,065</b>	<b>4,585</b>
Between 1 and 2 years	<b>1,574</b>	-	<b>1,574</b>
Between 2 and 3 years	<b>1,574</b>	-	<b>1,574</b>
Between 3 and 4 years	<b>1,633</b>	-	<b>1,633</b>
Between 4 and 5 years	<b>1,633</b>	-	<b>1,633</b>
Later than 5 years	<b>1,633</b>	-	<b>1,633</b>
	<b>9,567</b>	<b>3,065</b>	<b>12,632</b>
<b>2024</b>			
Within 1 year	1,281	3,240	4,521
Between 1 and 2 years	1,311	-	1,311
Between 2 and 3 years	1,311	-	1,311
Between 3 and 4 years	1,311	-	1,311
Between 4 and 5 years	1,371	-	1,371
Later than 5 years	2,023	-	2,023
	8,608	3,240	11,848

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 8. INVESTMENT PROPERTIES (CONT'D)

- (c) The fair values of the investment properties are within level 2 of the fair value hierarchy.

The fair values of investment properties were determined by reference to:-

- (i) market evidence of transaction prices for similar properties;
- (ii) valuation reports performed by registered valuers having appropriate professional qualification; and
- (iii) recent experience in the locations and category of properties being valued.

The most significant input into these valuation approaches is the price per square foot of comparable properties.

## 9. RIGHT-OF-USE ASSETS

The Group	At 1.1.2025 RM'000	Addition RM'000	Depreciation Charges RM'000	Modification of Lease Liabilities RM'000	At 31.12.2025 RM'000
<b>2025</b>					
Carrying Amount					
Freehold land	3,186	-	(187)	-	2,999
Leasehold land	3,122	-	(94)	-	3,028
Office and shop lots	2,652	2,164	(2,420)	116	2,512
	<b>8,960</b>	<b>2,164</b>	<b>(2,701)</b>	<b>116</b>	<b>8,539</b>

The Group	At 1.1.2024 RM'000	Addition RM'000	Depreciation Charges RM'000	Reassessment of Lease Liabilities RM'000	At 31.12.2024 RM'000
<b>2024</b>					
Carrying Amount					
Freehold land	3,373	-	(187)	-	3,186
Leasehold land	3,216	-	(94)	-	3,122
Office and shop lots	3,654	908	(2,272)	362	2,652
	<b>10,243</b>	<b>908</b>	<b>(2,553)</b>	<b>362</b>	<b>8,960</b>

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 9. RIGHT-OF-USE ASSETS (CONT'D)

(a) The Group leases certain pieces of leasehold land, various offices and shop lots of which the leasing activities are summarised below:-

- |                             |   |
|-----------------------------|---|
| (i) Freehold land           | The Group has entered into a non-cancellable operating lease agreement for the use of land. The lease is for a period of 24 years with no renewal or purchase option included in the agreements.          |
| (ii) Leasehold land         | The Group has entered into several non-cancellable operating lease agreements for the use of land. The leases are for a period of 99 years with no renewal or purchase option included in the agreements. |
| (iii) Offices and shop lots | The Group has leased a number of offices and shop lots that run between 1 year and 3 years, with an option to renew the lease after that date.  |

## 10. INVENTORIES

	<b>The Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Non-current:-		
Land held for property development (Note 10(a))	<b>35,899</b>	35,899
Current:-		
Property development costs (Note 10(b))	<b>22,101</b>	22,543
Stores and spares	<b>16,671</b>	12,788
Developed properties held for sale	<b>20,496</b>	18,868
	<b>59,268</b>	54,199
	<b>95,167</b>	90,098
Recognised in profit or loss:-		
Inventories recognised as cost of sales	<b>196,349</b>	244,238
Amount written down to net realisable value	<b>1,244</b>	-
Inventories written off	<b>25</b>	21
Property development costs written off	<b>42</b>	-

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 10. INVENTORIES (CONT'D)

### (a) Land held for property development (non-current)

	The Group	
	2025 RM'000	2024 RM'000
At 1 January/31 December	<b>35,899</b>	35,899
Comprise:-		
Freehold land - proprietor's entitlement	<b>35,899</b>	35,899

### (b) Property development costs (current)

	The Group	
	2025 RM'000	2024 RM'000
At 1 January:-		
Freehold land	<b>721</b>	2,885
Development costs	<b>21,822</b>	14,360
	<b>22,543</b>	17,245
During the financial year:-		
Additions	<b>7,583</b>	17,209
Written off	<b>(42)</b>	-
	<b>7,541</b>	17,209
Costs recognised in profit or loss during the financial year:-		
Development costs	<b>(5,080)</b>	(11,041)
Transfer to completed properties held for sale	<b>(2,903)</b>	(870)
At 31 December	<b>22,101</b>	22,543
Represented by:-		
Freehold land	<b>282</b>	721
Development costs	<b>21,819</b>	21,822
	<b>22,101</b>	22,543

The freehold land included in the property development costs of the Group are pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 31 to the financial statements.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 11. INTANGIBLE ASSETS

<b>The Group</b>	<b>Smart farm blueprint software RM'000</b>
<b>At cost</b>	
At 1 January 2025	-
Addition during the financial year	<b>623</b>
At 31 December 2025	<b>623</b>
<b>Accumulated Amortisation</b>	
At 1 January 2025	-
Amortisation charges	<b>(26)</b>
At 31 December 2025	<b>(26)</b>
<b>Carrying amount at 31 December 2025</b>	<b>597</b>

## 12. LONG-TERM INVESTMENTS

	<b>The Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
At fair value:-		
Unquoted shares	<b>10</b>	10
Golf club memberships	<b>510</b>	510
	<b>520</b>	520

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 12. LONG-TERM INVESTMENTS (CONT'D)

	<b>The Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Unquoted shares:-		
<b>At cost</b>		
At 1 January	<b>10</b>	10
Transfer from a subsidiary at fair value	<b>2,312</b>	-
At 31 December	<b>2,322</b>	10
<b>Accumulated impairment losses</b>		
At 1 January	-	-
Addition during the financial year	<b>(2,312)</b>	-
At 31 December	<b>(2,312)</b>	-
Carrying amount at 31 December	<b>10</b>	10
Golf club memberships:-		
At 1 January	<b>510</b>	495
Addition during the financial year	-	15
At 31 December	<b>510</b>	510

During the financial year, Kumpulan Ikram Sdn. Bhd. ("KISB"), a wholly-owned subsidiary of the Company disposed its 90% equity interest in Ikram Education Sdn. Bhd. ("IESB") while remaining 10% equity interest held in IESB. Following the completion of the disposal, the 10% retained stake in IESB has been remeasured and transferred to long-term investments at fair value.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 13. DEFERRED TAX ASSETS/(LIABILITIES)

	<b>The Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	<b>(1,950)</b>	(2,239)
Recognised in profit or loss (Note 39)	<b>769</b>	197
Classified as held for sale (Note 23)	<b>-</b>	92
<b>At 31 December</b>	<b>(1,181)</b>	(1,950)
Presented as follows:-		
Deferred tax assets	<b>426</b>	119
Deferred tax liabilities	<b>(1,607)</b>	(2,069)
	<b>(1,181)</b>	(1,950)

The deferred tax assets/(liabilities) recognised at the end of the reporting period and before appropriate offsetting are as follows:-

	<b>The Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Deferred tax assets:-		
Lease liabilities	<b>425</b>	321
Unutilised tax losses	<b>326</b>	5
Unabsorbed capital allowances	<b>8,350</b>	6,740
	<b>9,101</b>	7,066
Deferred tax liabilities:-		
Accelerated capital allowances	<b>(9,872)</b>	(8,712)
Right-of-use assets	<b>(410)</b>	(304)
	<b>(10,282)</b>	(9,016)
<b>Net</b>	<b>(1,181)</b>	(1,950)

The deferred tax assets on unutilised tax losses and unabsorbed capital allowances have been recognised by certain subsidiaries on the basis of their previous history of recording profits and to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 13. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Excess of depreciation over capital allowances	5	110	-	104
Provisions	14,404	13,426	-	-
Unutilised tax losses:				
- expires year of assessment YA2028	36,849	36,259	-	-
- expires year of assessment YA2029	3,940	3,940	-	-
- expires year of assessment YA2030	9,378	9,378	-	-
- expires year of assessment YA2031	6,820	6,820	-	-
- expires year of assessment YA2032	8,541	9,927	-	-
- expires year of assessment YA2033	12,982	12,115	-	-
- expires year of assessment YA2034	10,124	6,696	-	-
- expires year of assessment YA2035	3,760	-	-	-
Unabsorbed capital allowances	16,317	15,454	11	-
	<b>123,120</b>	114,125	<b>11</b>	104

Certain comparative figures have been restated to reflect the revised tax losses carry-forward and other temporary differences available to the Group.

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

## 14. CONTRACT COST ASSETS

	The Group	
	2025 RM'000	2024 RM'000
Costs to fulfil a contract	12,077	9,412
Allowance for impairment losses	-	(16)
	<b>12,077</b>	9,396

The costs to fulfil a contract mainly represent material and related costs incurred for construction and energy solution works that will be used to fulfil the related contract in future. The costs were amortised on a straight-line method over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 15. TRADE RECEIVABLES

	<b>The Group</b>	
	<b>2025</b> <b>RM'000</b>	<b>2024</b> <b>RM'000</b>
Trade receivables	<b>140,982</b>	170,005
Unbilled receivables	<b>9,106</b>	6,486
Retention sums	<b>82,506</b>	68,906
	<b>232,594</b>	245,397
Allowance for impairment losses	<b>(40,830)</b>	(38,497)
	<b>191,764</b>	206,900
Allowance for impairment losses:-		
At 1 January	<b>(38,497)</b>	(47,652)
Addition during the financial year	<b>(4,060)</b>	(3,874)
Reversal during the financial year	<b>1,727</b>	11,377
Write-off during the financial year	-	754
Classified as held for sale	-	898
At 31 December	<b>(40,830)</b>	(38,497)

The Group's normal trade credit terms range from 30 to 90 (2024 - 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

The retention sums are unsecured, interest-free and due to be received within 6 to 24 months or within normal operating cycle (2024 - 6 to 24 months or within normal operating cycle).

## 16. CONTRACT ASSETS/(LIABILITIES)

	<b>The Group</b>	
	<b>2025</b> <b>RM'000</b>	<b>2024</b> <b>RM'000</b>
Contract assets relating to:		
- Construction contracts	<b>13,807</b>	1,909
- Property development	<b>380</b>	2,155
	<b>14,187</b>	4,064

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 16. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

The contract assets primarily relate to the Group's right to consideration for completed works but not yet billed as at the reporting date. The contract assets are recoverable upon billing to customers.

	The Group	
	2025 RM'000	2024 RM'000
Contract liabilities relating to:		
- Amount billed for unfulfilled performance obligation	<b>(661)</b>	(2,146)
- Advances received from customers	<b>(10,093)</b>	(10,144)
	<b>(10,754)</b>	(12,290)

The contract liabilities primarily relate to advances received from contract customers to render services of which the amount will be recognised as revenue over the remaining contract terms when the performance obligations are satisfied.

## 17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other receivables	<b>98,013</b>	98,203	<b>84,688</b>	84,680
Deposits	<b>29,675</b>	25,827	<b>17</b>	17
Prepayments	<b>2,686</b>	2,011	<b>6</b>	6
	<b>130,374</b>	126,041	<b>84,711</b>	84,703
Allowance for impairment losses	<b>(113,754)</b>	(113,862)	<b>(84,644)</b>	(84,644)
	<b>16,620</b>	12,179	<b>67</b>	59
Allowance for impairment losses:-				
At 1 January	<b>(113,862)</b>	(108,606)	<b>(84,644)</b>	(84,644)
Addition during the financial year	<b>(4)</b>	(5,400)	-	-
Reversal during the financial year	<b>112</b>	144	-	-
At 31 December	<b>(113,754)</b>	(113,862)	<b>(84,644)</b>	(84,644)

- (a) Included in the other receivables and deposits of the Group and of the Company was an amount of RM84,643,170 (2024 - RM84,643,170) paid for the proposed acquisition of 78,750,000 ordinary shares of IDR1,000 each, representing 63% equity interest in PT Anglo Slavic Indonesia. The amount has been fully impaired in the financial year ended 31 December 2014. Notwithstanding that, the Group has initiated legal proceedings to recover the amount as disclosed in Note 49(a) to the financial statements.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

- (b) Included in the deposits of the Group was an amount of RM18,904,000 (2024 - RM18,904,000) paid as coal trades deposits. The amount has been fully impaired in the financial year ended 31 December 2014. Notwithstanding that, the Group has initiated legal proceedings to recover the amount as disclosed in Note 49(b) to the financial statements.

## 18. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	<b>The Company</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Amount Owing by Subsidiaries</b>		
Non-trade balances	<b>71,167</b>	80,643
Allowance for impairment losses	<b>(1,573)</b>	(5,942)
	<b>69,594</b>	74,701
<b>Amount Owing to Subsidiaries</b>		
Allowance for impairment losses:-		
At 1 January	<b>(5,942)</b>	(5,828)
Addition during the financial year	<b>(100)</b>	(114)
Reversal during the financial year	<b>4,469</b>	-
At 31 December	<b>(1,573)</b>	(5,942)
Non-trade balances	<b>(3,289)</b>	(1,836)

The amounts owing are non-trade in nature, unsecured, and bore effective interest rates ranging from 7.12% to 7.45% (2024 - 7.37% to 7.70%) per annum and repayable on demand. The amounts owing are to be settled in cash.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 19. AMOUNTS OWING BY/(TO) ASSOCIATES

	The Group	
	2025 RM'000	2024 RM'000
<b>Amount Owing by Associates</b>		
Trade balances	5,081	-
Non-trade balances	1,137	4,434
	<b>6,218</b>	4,434
<b>Amount Owing to Associates</b>		
Trade balances	(2,093)	-
Non-trade balances	(2,369)	(5,270)
	<b>(4,462)</b>	(5,270)

The trade balances are subject to normal trade credit terms ranging from 30 to 90 (2024 - 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

The non-trade balances are unsecured, interest-free and repayable on demand.

The amounts owing are to be settled in cash.

## 20. SHORT-TERM INVESTMENTS

	The Group	
	2025 RM'000	2024 RM'000
Money market fund, at fair value	21,518	21,349

Short-term investments are classified as financial assets at fair value through profit or loss, measured at fair value.

## 21. DEPOSITS WITH LICENSED BANKS

Deposits with licensed banks of the Group and of the Company amounting to approximately RM14,890,000 and RM2,055,000 (2024 - RM13,405,000 and RM2,018,000) respectively, are pledged to banks for bank guarantees and credit facilities granted to the Group and the Company.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 21. DEPOSITS WITH LICENSED BANKS (CONT'D)

The effective interest rates of the deposits with licensed banks at the end of the reporting period were as follows:-

	The Group		The Company	
	2025	2024	2025	2024
	%	%	%	%
Effective interest rates	<b>1.75 to 6.75</b>	1.85 to 3.80	<b>1.75</b>	2.00

The maturity periods of the deposits with licensed banks at the end of the reporting period were as follows:-

	The Group		The Company	
	2025	2024	2025	2024
Maturity periods (day)	<b>24 to 365</b>	1 to 365	<b>30</b>	30

## 22. CASH AND BANK BALANCES

Included in cash and bank balances of the Group are as follows:-

- (i) a sum of RM1,190,978 (2024 - RM1,730,547) held under a Housing Development Account pursuant to Section 7A of the Housing Development (Control & Licensing) Act 1966.
- (ii) a Debt Service Account amounting to approximately RM1,000,000 (2024 - RM1,000,000) pledged to a licensed bank for bank overdraft facilities granted to a subsidiary.
- (iii) a Finance Service Account amounting to approximately RM402,000 (2024 - RM402,000) pledged to a licensed bank for term loan facility granted to a subsidiary.

## 23. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

In the previous financial year, the Company announced the disposal of its indirect wholly-owned subsidiary namely, Ikram Education Sdn. Bhd. ("IESB"), which consists of the education segment. IESB has been underperforming for the past few financial years and the decision of the proposed disposal allows the Group an opportunity to unlock and monetise its investment in IESB.

At the end of the previous reporting period, the assets and liabilities of the education business have been presented in the consolidated statement of financial position as "Assets of disposal group classified as held for sale" and "Liabilities of disposal group classified as held for sale", and its results have also been presented separately on the consolidated statement of profit or loss and the other comprehensive income as "Loss after taxation from discontinuing operations".

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 23. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D)

The assets and liabilities of the disposal group were as follows:-

	<b>The Group 2024 RM'000</b>
<b>Assets</b>	
Property, plant and equipment	3,190
Trade receivables	2,708
Other receivables and deposits	682
Current tax assets	48
Deposit with a licensed bank	150
Cash and bank balances	4,155
<b>Assets of disposal group classified as held for sale</b>	<b>10,933</b>
<b>Liabilities</b>	
Deferred tax liability	92
Trade payables	6,373
Other payables and accruals	11,996
<b>Liabilities of disposal group classified as held for sale</b>	<b>18,461</b>

The carrying amount of the non-current asset is the same as its carrying amount before it was reclassified as held for sale.

## 24. SHARE CAPITAL

	<b>The Group/The Company</b>			
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>Number of Shares</b>			
	<b>'000</b>	<b>'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Issued and fully paid-up</b>				
Ordinary Shares				
At 1 January/31 December	<b>495,392</b>	495,392	<b>249,437</b>	249,437

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 24. SHARE CAPITAL (CONT'D)

Of the total 495,392,310 (2024 - 495,392,310) issued and fully paid-up ordinary shares at the end of the reporting period, ordinary shares amounted to 13,656,900 (2024 - 13,656,900) were held as treasury shares by the Company. At the end of the reporting period, the number of outstanding ordinary shares in issue and fully paid-up, net of treasury shares, amounted to 481,735,410 (2024 - 481,735,410).

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

## 25. TREASURY SHARES

	The Group/The Company	
	2025 RM'000	2024 RM'000
At 1 January/31 December	3,753	3,753

The amount relates to the acquisition cost of treasury shares.

At the annual general meeting held on 29 May 2025, the shareholders of the Company approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, there were no repurchase of ordinary shares from the open market and no resale of issued ordinary shares that were held as treasury shares. The details of the treasury shares are as follows:

	Number of Shares	Total Costs RM'000
At 1 January/31 December	13,656,900	3,753

The total shares purchased under the share buy-back programme were financed by internally generated funds. The shares purchased were retained as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from shareholders' equity.

## 26. FOREIGN EXCHANGE TRANSLATION RESERVE

The exchange fluctuation reserve arose from the translation of the financial statements of foreign subsidiaries, foreign associates and foreign branch and is not distributable by way of dividends.

## 27. CAPITAL RESERVE

The capital reserve relates to the Group's portion of bonus shares issued by a sub-subsidiary through the capitalisation of its retained profits account. The reserve is not distributable as cash dividends.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 28. LONG-TERM BORROWINGS

	The Group	
	2025 RM'000	2024 RM'000
Secured:-		
Hire purchase payables (Note 30)	<b>1,475</b>	1,448
Term loans (Note 31)	<b>19,175</b>	23,665
	<b>20,650</b>	25,113

The long-term borrowings are obtained in accordance with the following terms:-

	The Group	
	2025 RM'000	2024 RM'000
Conventional:-		
Hire purchase payables	<b>1,252</b>	1,158
Term loans	<b>619</b>	914
	<b>1,871</b>	2,072
Islamic:-		
Hire purchase payables	<b>223</b>	290
Term loans	<b>18,556</b>	22,751
	<b>18,779</b>	23,041
	<b>20,650</b>	25,113

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 29. LEASE LIABILITIES

	<b>The Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	<b>6,901</b>	8,048
Addition during the financial year	<b>2,164</b>	908
Interest expense recognised in profit or loss (Note 38)	<b>514</b>	527
Changes due to reassessment of lease term	<b>-</b>	362
Changes due to lease modification	<b>115</b>	-
Repayment of principal	<b>(2,599)</b>	(2,417)
Repayment of interest expense	<b>(514)</b>	(527)
<b>At 31 December</b>	<b>6,581</b>	6,901
Analysed by:-		
Current liabilities	<b>1,876</b>	2,003
Non-current liabilities	<b>4,705</b>	4,898
	<b>6,581</b>	6,901

## 30. HIRE PURCHASE PAYABLES

	<b>The Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Minimum hire purchase payments:-		
- not later than 1 year	<b>914</b>	695
- later than 1 year and not later than 5 years	<b>1,511</b>	1,518
- later than 5 years	<b>98</b>	66
	<b>2,523</b>	2,279
Less: Future finance charges	<b>(234)</b>	(242)
<b>Present value of hire purchase payables</b>	<b>2,289</b>	2,037
Analysed by:-		
Current liabilities	<b>814</b>	589
Non-current liabilities	<b>1,475</b>	1,448
	<b>2,289</b>	2,037

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 30. HIRE PURCHASE PAYABLES (CONT'D)

- (a) The hire purchase payables of the Group are secured by certain property, plant and equipment under hire purchase arrangement as disclosed in Note 7(b) to the financial statements. The hire purchase arrangements will be expiring in 1 to 7 (2024 - 1 to 6) years.
- (b) The hire purchase payables of the Group at the end of the reporting period bore effective interest rates ranging from 2.33% to 6.64% (2024 - 2.41% to 6.36%) per annum. The interest rates are fixed at the inception of the hire purchase arrangements.

## 31. TERM LOANS

	<b>The Group</b>	
	<b>2025</b> RM'000	<b>2024</b> RM'000
Current (Note 34):		
- not later than 1 year	<b>5,625</b>	11,565
Non-current (Note 28):		
- later than 1 year but not later than 2 years	<b>5,930</b>	5,462
- later than 2 years but not later than 5 years	<b>6,968</b>	8,972
- later than 5 years	<b>6,277</b>	9,231
	<b>19,175</b>	23,665
	<b>24,800</b>	35,230

Details of the repayment terms are as follows:-

<b>Term Loan</b>	<b>Number of Monthly Installments</b>	<b>Monthly Installments RM</b>	<b>Date of Commencement of Repayment</b>	<b>The Group Amount Outstanding</b>	
				<b>2025</b> RM'000	<b>2024</b> RM'000
1	240	8,205	February 2011	<b>486</b>	564
2	240	3,809	March 2012	<b>240</b>	271
3	120	#	June 2017	-	2,584
4	**	**	March 2020	<b>2,800</b>	8,400
5	143	41,808	March 2021	<b>2,769</b>	3,129
6	143	247,045	July 2021	<b>17,173</b>	19,247
7	^	^	January 2024	-	855
8	@	@	May 2028	<b>180</b>	180
9	120	10,334	December 2025	<b>1,152</b>	-
				<b>24,800</b>	35,230

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 31. TERM LOANS (CONT'D)

Notes:-

# The repayment of the term loan will be commencing on the 25<sup>th</sup> month from the date of first drawdown. The monthly repayment schedule is as follows:-

		RM'000
(i)	1 <sup>st</sup> - 24 <sup>th</sup> month	-
(ii)	25 <sup>th</sup> - 48 <sup>th</sup> month	250
(iii)	49 <sup>th</sup> - 60 <sup>th</sup> month	400
(iv)	61 <sup>st</sup> - 108 <sup>th</sup> month	500
(v)	109 <sup>th</sup> - 143 <sup>rd</sup> month	700
(vi)	144 <sup>th</sup>	12,700

\*\* The term loan is repayable on quarterly basis with 20 equal instalments of RM1,400,000 per quarter and repayable as follows, whichever is earlier:-

- (a) upon expiry of twenty-four (24) months period from the date of the first disbursement of the term loan; or
- (b) upon full disbursement of the term loan.

^ The term loan is repayable on monthly basis and repayable as follows, whichever is earlier:-

- (a) upon expiry of thirty-six (36) months period commence on 19<sup>th</sup> month from the date of the first disbursement of the term loan;  
or
- (b) upon redemption of the term loan.

Q The term loan is repayable upon the end of the 5 years maturity period from 28 May 2023.

Term loans 1 to 9 are secured by a corporate guarantee of the Company. In addition, the respective term loans are secured as follows:-

Term Loans 1 and 2 are secured by legal charges over certain freehold land and buildings of the Group as disclosed in Note 7(a) to the financial statements.

Term Loan 3 was secured by:-

- (a) a third party legal charge over the freehold land which is included in the property development costs of a subsidiary as disclosed in Note 10(b) to the financial statements;
- (b) a third party legal charge over certain freehold land and building of a subsidiary;
- (c) a fixed and floating charge over all present and future asset of a certain project of a subsidiary;
- (d) a legal charge and an assignment over the Project Account of the property development project of a subsidiary; and

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 31. TERM LOANS (CONT'D)

Notes (Cont'd):-

Term Loan 3 was secured by (Cont'd):-

- (e) a legal charge and an assignment over the residual value in the Housing Development Account upon completion of a certain project of a subsidiary.

Term Loan 4 is secured by:-

- (a) a first party legal charge over the freehold land of the Group as disclosed in Note 7(a) to the financial statements; and
- (b) a charge over the Finance Service Reserve Account maintained by a subsidiary as disclosed in Note 22(iii) to the financial statements.

Term Loans 5 and 6 are secured by legal charges over the solar plant of the Group as disclosed in Note 7(a) to the financial statements.

Term loan 7 are secured by legal charges over certain freehold land of a subsidiary.

Term loan 8 is secured by legal charge over the solar plant of the Group as disclosed in Note 7(a) to the financial statements.

Term loan 9 is secured by:-

- (a) a legal assignment over the rights and interests to the proceeds to be received from the sales of power; and
- (b) an assignment of Supply Agreement with Renewable Energy.

## 32. TRADE PAYABLES

	<b>The Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Trade payables	<b>240,952</b>	76,710
Accrued costs	<b>27,687</b>	126,723
Retention sums	<b>23,427</b>	41,813
	<b>292,066</b>	245,246
Deferred income	<b>1,780</b>	-
	<b>293,846</b>	245,246

The normal trade credit terms granted to the Group range from 14 to 180 (2024 - 14 to 180) days.

The retention sums are unsecured, interest-free and due to be paid within 6 to 12 (2024 - 6 to 12) months or within normal operating cycle.

The deferred income represents customer trade deposits which will be recognised as revenue upon rendering of services to the related customers.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

### 33. OTHER PAYABLES AND ACCRUALS

	Note	The Group		The Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current:-					
Other payables	(a)	<b>23,733</b>	23,576	-	-
Current:-					
Other payables	(b)	<b>25,007</b>	23,485	<b>90</b>	118
Accruals		<b>19,380</b>	15,245	<b>1,182</b>	1,155
Sales and services tax payable		<b>36,517</b>	9,469	-	-
		<b>80,904</b>	48,199	<b>1,272</b>	1,273
		<b>104,637</b>	71,775	<b>1,272</b>	1,273

- (a) The non-current payables represent the proprietor's entitlement payable to Penmaland Sdn. Bhd., pursuant to the Joint Development Agreement dated 1 March 2019.
- (b) Included in other payables of the Group is an advance payment received from the Government of Malaysia amounting to RM8,700,000 (2024 - RM8,700,000). The amount owing is interest-free, repayable on demand and secured by a corporate guarantee given by a subsidiary to the Government of Malaysia. The amount owing is to be settled in cash.

### 34. SHORT-TERM BORROWINGS

	The Group	
	2025 RM'000	2024 RM'000
Secured:-		
Revolving credit	<b>75,257</b>	79,257
Hire purchase payables (Note 30)	<b>814</b>	589
Term loans (Note 31)	<b>5,625</b>	11,565
Bills payable	<b>31,683</b>	28,652
Invoice financing	<b>14,071</b>	4,816
	<b>127,450</b>	124,879

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 34. SHORT-TERM BORROWINGS (CONT'D)

The short-term borrowings are obtained in accordance with the following terms:-

	The Group	
	2025 RM'000	2024 RM'000
Conventional:-		
Revolving credits	<b>39,757</b>	49,757
Hire purchase payables	<b>632</b>	492
Term loans	<b>107</b>	3,540
Bills payable	<b>20,901</b>	11,346
	<b>61,397</b>	65,135
Islamic:-		
Revolving credits	<b>35,500</b>	29,500
Hire purchase payables	<b>182</b>	97
Term loans	<b>5,518</b>	8,025
Bills payable	<b>10,782</b>	17,306
Invoice financing	<b>14,071</b>	4,816
	<b>66,053</b>	59,744
Total short-term borrowings	<b>127,450</b>	124,879

The secured revolving credit is secured by:-

- a corporate guarantee of the Company;
- fixed and floating charges on certain property, plant and equipment as disclosed in Note 7(a) to the financial statements; and
- a pledge of certain deposits placed with licensed banks as disclosed in Note 21 to the financial statements.

## 35. BANK OVERDRAFTS

Included in the bank overdrafts is approximately RM16,895,000 (2024 - RM19,940,000) which is secured by:-

- a Debt Service Account maintained by a subsidiary as disclosed in Note 22(ii) to the financial statements;
- a fixed and floating charge over all present and future assets of the property development project of a subsidiary;
- deed of assignment over the Project Account of the property development project of a subsidiary; and
- a corporate guarantee of the Company.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 36. REVENUE

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Continuing Operations</b>				
Gross dividends from subsidiaries	-	-	<b>1,430</b>	1,100
Management fees from:				
- subsidiaries	-	-	<b>8,284</b>	8,420
- associates	<b>321</b>	572	<b>321</b>	321
Maintenance	<b>1,091,081</b>	911,512	-	-
Construction	<b>39,907</b>	33,474	-	-
Property	<b>9,030</b>	24,333	-	-
Engineering & consultancy services	<b>28,515</b>	27,921	-	-
Trading & manufacturing	<b>195,394</b>	245,460	-	-
Clean energy	<b>26,278</b>	20,070	-	-
Hotel & hospitality	<b>13,279</b>	12,696	-	-
Asset management	<b>3,646</b>	1,097	-	-
Agriventure	<b>3,241</b>	446	-	-
	<b>1,410,692</b>	1,277,581	<b>10,035</b>	9,841
<b>Discontinuing Operations</b>				
Education	<b>9,739</b>	30,057	-	-
	<b>1,420,431</b>	1,307,638	<b>10,035</b>	9,841

- (a) Other than the contracts for original periods of one year or less, the transaction price allocated for the remaining performance obligations that are unsatisfied or partially unsatisfied as at the end of the reporting period in relation to maintenance and clean energy services amounting to approximately RM187,754,000 (2024 - RM223,096,000) are expected to be recognised as revenue within 1 to 2 (2024 - 1 to 2) years.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 36. REVENUE (CONT'D)

(b) The information about the respective revenue by nature is summarised as below:-

No.	Revenue by Nature	Timing and Method of Revenue Recognition	Defect Liability Period	Returns, Refunds and Other Similar Obligations
1	Dividend income	- Dividend income is recognised at point in time when the right to receive dividend payment is established.	Not applicable.	Not applicable.
2	Management fee	- Management fee is recognised over time in the period in which the services are rendered.	Not applicable.	Not applicable.
3	Maintenance	- Revenue is recognised over time in the period in which the services are rendered using the output method.	6 to 24 months, where applicable.	Not applicable.
4	Construction	- Revenue is recognised over time in the period in which the services are rendered using the output method by reference to the construction progress based on the physical proportion of construction work certified by professional consultants.	24 months, where applicable.	Not applicable.
5	Property	- Revenue is recognised over time or point in time depending on the terms of the contract and the laws that apply to the contract on determining as and when control of the asset is transferred to the customer. If control of the asset transfers over time, revenue is recognised over the period of the contract using an input method which is based on cost incurred to-date relative to the total expected cost to the satisfaction of that performance obligation. Otherwise, revenue is recognised at point in time when customer obtains control of the asset.	Not applicable.	Not applicable.
		- Revenue arising from sale of completed properties is recognised at point in time when the control of the properties has been transferred to the purchaser, being when the properties have been completed and delivered to the customer.	24 months after vacant possession.	
6	Engineering & consultancy service	- Revenue is recognised over time in the period in which the services are rendered using the output method. - Revenue arising from issuance of engineering report is recognised at point in time when the goods have been delivered to the customer.	Not applicable.	Not applicable.
7	Trading & manufacturing	- Revenue is recognised at point in time when control of the goods are transferred to the customer, being when the goods have been delivered to the customer and upon its acceptance.	Not applicable.	Not applicable.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 36. REVENUE (CONT'D)

(b) The information about the respective revenue by nature is summarised as below (Cont'd):-

<b>Revenue by No.</b>	<b>Nature</b>	<b>Timing and Method of Revenue Recognition</b>	<b>Defect Liability Period</b>	<b>Returns, Refunds and Other Similar Obligations</b>
8	Education	- Revenue is recognised on an accrual basis whereas non-refundable registration and enrolment fees are recognised when chargeable.	Not applicable.	Not applicable.
9	Clean energy	- Revenue arising from engineering, procurement, construction and commissioning ("EPCC") services is recognised over time in the period in which the goods and services rendered using the output method, by reference to the percentage of completion of the work progress report.  - Revenue arising from sale of energy is recognised over time upon delivery of electricity by kilowatt-hour to the utility company's grid and acceptance by the utility company.	1 year to 10 years.	Not applicable.
10	Hotel & hospitality	- Revenue arising from hotel room rental is recognised over time during the period of stay for the customer.  - Revenue arising from sale of food, beverage and other ancillary services is recognised at point in time when the goods have been delivered to the customer and/or the services have been rendered.	Not applicable.	Not applicable.
11	Asset management	- Revenue arising from rental of premises is recognised over time on a straight-line method over the lease term.  - Revenue arising from sale of food, beverage and other ancillary services is recognised at point in time when the goods have been delivered to the customer and/or the services have been rendered.	Not applicable.	Not applicable.
12	Agriventure	- Revenue is recognised at point in time when control of the goods are transferred to the customer, being when the goods have been delivered to the customer and upon its acceptance.	Not applicable.	Not applicable.

The normal credit terms range from 30 to 90 (2024 - 30 to 90) days from the invoice date. Other credit terms are agreed on a case-by-case basis.

There is no significant financing component in the selling price as the sales are made on normal credit terms not exceeding 12 months.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 37. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Continuing Operations</b>				
Impairment losses:				
- long-term investments (Note 12)	<b>2,312</b>	-	-	-
- trade receivables (Note 15)	<b>4,060</b>	2,141	-	-
- other receivables (Note 17)	<b>4</b>	5,400	-	-
- amount owing by subsidiaries (Note 18)	-	-	<b>100</b>	114
Reversal of impairment losses:				
- trade receivables (Note 15)	<b>(1,727)</b>	(11,220)	-	-
- other receivables (Note 17)	<b>(112)</b>	(144)	-	-
- amount owing by subsidiaries (Note 18)	-	-	<b>(4,469)</b>	-
	<b>4,537</b>	(3,823)	<b>(4,369)</b>	114
<b>Discontinuing Operations</b>				
Impairment losses:				
- trade receivables (Note 15)	-	1,733	-	-
Reversal of impairment losses:				
- trade receivables (Note 15)	-	(157)	-	-
	-	1,576	-	-
	<b>4,537</b>	(2,247)	<b>(4,369)</b>	114

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 38. PROFIT BEFORE TAXATION

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before taxation is arrived at after charging/(crediting):-				
Audit fee:				
- for the financial year	<b>943</b>	955	<b>112</b>	99
- underprovision in the previous financial year	<b>28</b>	70	<b>13</b>	5
Non-audit fee:				
- for the financial year	<b>208</b>	8	<b>8</b>	8
Amortisation of intangible assets	<b>26</b>	-	-	-
Bad debts written off	-	143	-	-
Depreciation:				
- property, plant and equipment	<b>11,863</b>	13,193	<b>75</b>	243
- investment properties	<b>1,827</b>	1,822	-	-
- right-of-use assets	<b>2,701</b>	2,553	-	-
Property, plant and equipment written off	<b>7</b>	73	-	-
Direct operating expenses on investment properties	<b>1,892</b>	1,877	-	-
Directors' remuneration (Note 46)	<b>7,762</b>	7,142	<b>1,329</b>	1,333
Interest expense:				
- bank overdrafts	<b>3,769</b>	3,824	<b>622</b>	503
- bills payable	<b>1,271</b>	1,845	-	-
- hire purchase	<b>118</b>	175	-	-
- lease liabilities	<b>514</b>	527	-	-
- revolving credit	<b>3,963</b>	3,949	-	-
- term loans	<b>1,496</b>	2,569	-	-
- bank guarantees	<b>134</b>	119	-	-
- invoice financing	<b>238</b>	171	-	-
- letter of credit	<b>10</b>	-	-	-
- accretion/(diminution) on other payables	<b>157</b>	(573)	-	-
- amount owing to a subsidiary	-	-	<b>106</b>	108
Inventories written off	<b>25</b>	21	-	-
Inventories written down	<b>1,244</b>	-	-	-
Impairment losses on investment in a subsidiary	-	-	<b>3,596</b>	-
Property development costs written off	<b>42</b>	-	-	-
Lease expenses:				
- short-term leases	<b>737</b>	2,206	<b>495</b>	413
- low-value leases	<b>175</b>	94	<b>3</b>	17

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 38. PROFIT BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before taxation is arrived at after charging/(crediting) (Cont'd):-				
Staff costs:				
- salaries, wages, bonuses and allowances	<b>66,764</b>	85,613	<b>4,310</b>	3,722
- defined contribution benefits	<b>7,259</b>	9,606	<b>526</b>	556
- other benefits	<b>11,441</b>	8,616	<b>298</b>	309
Dividend income from subsidiaries	-	-	<b>(1,430)</b>	(1,100)
Dividend income from associates	<b>(2,401)</b>	(3,751)	-	-
Gain on disposal of property, plant and equipment	<b>(11)</b>	(67)	-	-
Gain on lease modification	<b>(1)</b>	-	-	-
Fair value gain on financial liabilities measured at fair value through profit or loss mandatorily:				
- derivatives	-	(22)	-	-
Interest income from:				
- financial institutions	<b>(2,547)</b>	(1,702)	<b>(37)</b>	(36)
- subsidiaries	-	-	<b>(566)</b>	(1,663)
- associates	<b>(20)</b>	-	-	-
Government grant	<b>(349)</b>	-	<b>(349)</b>	-
Income from short-term investments	<b>(80)</b>	(97)	-	-
Net gain on disposal of a subsidiary	<b>(24,392)</b>	-	-	-
Loss on disposal of investment in associates	-	56	-	-
Net foreign exchange (gain)/loss:				
- realised	<b>(17)</b>	39	-	-
- unrealised	<b>2</b>	(21)	-	-
Lease income:				
- property, plant and equipment	<b>(163)</b>	(202)	-	-
Reversal of impairment losses:				
- contract cost assets	<b>(16)</b>	(97)	-	-

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 39. INCOME TAX EXPENSE

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current tax expense:				
- for the financial year	<b>39,871</b>	24,149	<b>162</b>	366
- under/(over) provision in the previous financial year	<b>1,058</b>	(249)	-	(3)
	<b>40,929</b>	23,900	<b>162</b>	363
Capital gains tax	<b>540</b>	-	-	-
	<b>41,469</b>	23,900	<b>162</b>	363
Deferred tax (Note 13):				
- relating to origination and reversal of temporary differences	<b>87</b>	(2)	-	-
- overprovision in the previous financial year	<b>(856)</b>	(195)	-	-
	<b>(769)</b>	(197)	-	-
	<b>40,700</b>	23,703	<b>162</b>	363
Represented by:				
- Income tax expense on continuing operations	<b>40,700</b>	23,785	<b>162</b>	363
- Income tax credit on discontinuing operations (Note 40)	-	(82)	-	-
Total income tax expense	<b>40,700</b>	23,703	<b>162</b>	363

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 39. INCOME TAX EXPENSE (CONT'D)

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

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit after taxation	<b>119,382</b>	55,456	<b>1,831</b>	1,162
Total income tax expense	<b>40,700</b>	23,703	<b>162</b>	363
Results from continuing and discontinuing operations before income tax expense	<b>160,082</b>	79,159	<b>1,993</b>	1,525
Tax at the statutory rate of 24% (2024 - 24%)	<b>38,420</b>	18,998	<b>478</b>	366
Tax effects of:-				
Share of results in associates	<b>(1,973)</b>	(1,078)	-	-
Non-taxable income	<b>(9,616)</b>	(4,194)	<b>(1,416)</b>	(264)
Non-deductible expenses	<b>10,968</b>	8,778	<b>1,122</b>	278
Utilisation of deferred tax assets previously not recognised	<b>(476)</b>	(2,624)	<b>(22)</b>	(14)
Deferred tax assets not recognised during the financial year	<b>2,635</b>	4,267	-	-
Capital gains tax arising from disposal of share of a subsidiary	<b>540</b>	-	-	-
(Over)/Underprovision in the previous financial year:				
- current tax	<b>1,058</b>	(249)	-	(3)
- deferred tax	<b>(856)</b>	(195)	-	-
Income tax expense for the financial year	<b>40,700</b>	23,703	<b>162</b>	363

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2024 - 24%) of the estimated assessable profit for the financial year. The taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 39. INCOME TAX EXPENSE (CONT'D)

Income tax savings during the financial year arising from:-

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Utilisation of deferred tax assets previously not recognised arising from:				
- excess of depreciation over capital allowances	<b>428</b>	2,385	<b>93</b>	58
- unabsorbed capital allowances	<b>1,244</b>	238	-	-
- provisions	<b>61</b>	5,595	-	-
- unutilised tax losses	<b>249</b>	2,716	-	-
	<b>1,982</b>	10,934	<b>93</b>	58

## 40. PROFIT/(LOSS) AFTER TAXATION FROM DISCONTINUING OPERATIONS

As disclosed in Note 23 to the financial statements, the Group was in the process of disposing its education business segment which was then completed on 25 April 2025.

An analysis of the results of the discontinuing operations is as follows:-

	The Group	
	2025 RM'000	2024 RM'000
<b>Profit or Loss</b>		
Revenue	<b>9,739</b>	30,057
Cost of sales	<b>(4,056)</b>	(16,936)
Gross profit	<b>5,683</b>	13,121
Other income	-	1,631
Administrative expenses	<b>(518)</b>	(1,637)
Other expenses	<b>(4,348)</b>	(16,165)
Finance costs	-	(108)
Net impairment losses on financial assets	-	(1,576)
Results from operating activities	<b>817</b>	(4,734)
Income tax credit	-	82
Profit/(Loss) after taxation from discontinuing operations	<b>817</b>	(4,652)

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 40. PROFIT/(LOSS) AFTER TAXATION FROM DISCONTINUING OPERATIONS (CONT'D)

(a) Included in the results from operating activities are the following:-

	The Group	
	2025 RM'000	2024 RM'000
Allowance for Impairment losses on trade receivables	-	1,576
Depreciation of property, plant and equipment	-	884
Staff costs	<b>1,243</b>	19,326

(b) The cash flows attributable to the discontinuing operations are the following:-

	The Group	
	2025 RM'000	2024 RM'000
Net cash for operating activities	<b>(7,124)</b>	(773)
Net cash for investing activities	<b>(21)</b>	(199)
Net cash for financing activities	-	(4,697)
	<b>(7,145)</b>	(5,669)

## 41. EARNINGS/(LOSS) PER SHARE

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

	The Group 2025			The Group 2024		
	Continuing Operations	Discontinuing Operations	Total	Continuing Operations	Discontinuing Operations	Total
Profit/(Loss) after taxation attributable to owner of the Company (RM'000)	<b>69,575</b>	<b>817</b>	<b>70,392</b>	30,025	(4,652)	25,373
Weighted average number of ordinary shares in issue ('000)	<b>481,736</b>	<b>481,736</b>		481,736	481,736	
Basic earning/(loss) per share (sen)	<b>14.44</b>	<b>0.17</b>	<b>14.61</b>	6.23	(0.97)	5.26
Diluted earning/(loss) per share (sen)	<b>14.44</b>	<b>0.17</b>	<b>14.61</b>	6.23	(0.97)	5.26

The diluted earnings/(loss) per share is equal to the basic earnings/(loss) per share as there is no outstanding dilutive equity instrument issued by the Company as at the end of the reporting period.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 42. DISPOSAL OF A SUBSIDIARY

As disclosed in Note 5(d), KISB disposed 90% of its equity interest held in IESB for a total cash consideration of RM27,000,000.

The financial effects of the disposal at the date of disposal are summarised below:-

	<b>The Group 2025 RM'000</b>
Property, plant and equipment	<b>1,375</b>
Trade and other receivables	<b>1,005</b>
Cash and bank balances	<b>2,422</b>
Trade and other payables	<b>(5,986)</b>
Deferred tax liability	<b>(92)</b>
Carrying amount of net liabilities disposed of	<b>(1,276)</b>
Add: Transaction costs	<b>6,196</b>
Less: Fair value transfer to long-term investments	<b>(2,312)</b>
Less: Gain on disposal of subsidiary (Note 38)	<b>24,392</b>
Consideration received, satisfied in cash	<b>27,000</b>
Less: Cash and bank balances of a subsidiary disposed of	<b>(2,422)</b>
Net cash inflow from the disposal of a subsidiary	<b>24,578</b>

## 43. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment and addition of right-of-use assets are as follows:-

	<b>The Group</b>		<b>The Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Property, plant and equipment</b>				
Cost of property, plant and equipment purchased (Note 7)	<b>4,919</b>	9,308	<b>44</b>	27
Less: Amount financed through hire purchase	<b>(999)</b>	(329)	-	-
Less: Amount financed through term loan	<b>(233)</b>	-	-	-
	<b>3,687</b>	8,979	<b>44</b>	27
<b>Right-of-use assets</b>				
Cost of right-of-use assets (Note 9)	<b>2,164</b>	908	-	-
Less: Addition of new lease liabilities (Note 29)	<b>(2,164)</b>	(908)	-	-
	-	-	-	-

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 43. CASH FLOW INFORMATION (CONT'D)

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

	<b>Term Loans RM'000</b>	<b>Lease Liabilities RM'000</b>	<b>Hire Purchase Payables RM'000</b>	<b>Other Short-term Borrowings RM'000</b>	<b>Total RM'000</b>
<b>The Group</b>					
<b>2025</b>					
At 1 January	<b>35,230</b>	<b>6,901</b>	<b>2,037</b>	<b>112,725</b>	<b>156,893</b>
<u>Changes in Financing Cash Flows</u>					
Proceeds from drawdown	<b>929</b>	-	-	<b>147,150</b>	<b>148,079</b>
Repayment of principal	<b>(11,590)</b>	<b>(2,599)</b>	<b>(747)</b>	<b>(138,864)</b>	<b>(153,800)</b>
Repayment of interests	<b>(1,498)</b>	<b>(514)</b>	<b>(118)</b>	<b>(5,472)</b>	<b>(7,602)</b>
	<b>(12,159)</b>	<b>(3,113)</b>	<b>(865)</b>	<b>2,814</b>	<b>(13,323)</b>
<u>Other Changes</u>					
Acquisition of new leases	-	<b>2,164</b>	-	-	<b>2,164</b>
Acquisition of property, plant and equipment through hire purchase	-	-	<b>999</b>	-	<b>999</b>
Acquisition of property, plant and equipment through term loan	<b>233</b>	-	-	-	<b>233</b>
Changes due to lease modification	-	<b>115</b>	-	-	<b>115</b>
Interest expense recognised in profit and loss	<b>1,496</b>	<b>514</b>	<b>118</b>	<b>5,472</b>	<b>7,600</b>
	<b>1,729</b>	<b>2,793</b>	<b>1,117</b>	<b>5,472</b>	<b>11,111</b>
	<b>24,800</b>	<b>6,581</b>	<b>2,289</b>	<b>121,011</b>	<b>154,681</b>

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 43. CASH FLOW INFORMATION (CONT'D)

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

	<b>Term Loans RM'000</b>	<b>Lease Liabilities RM'000</b>	<b>Hire Purchase Payables RM'000</b>	<b>Other Short-term Borrowings RM'000</b>	<b>Total RM'000</b>
<b>The Group</b>					
<b>2024</b>					
At 1 January	59,504	8,048	2,208	113,040	182,800
<u>Changes in Financing Cash Flows</u>					
Proceeds from drawdown	3,386	-	-	37,241	40,627
Repayment of principal	(27,618)	(2,417)	(500)	(37,556)	(68,091)
Repayment of interests	(2,611)	(527)	(175)	(5,965)	(9,278)
	(26,843)	(2,944)	(675)	(6,280)	(36,742)
<u>Other Changes</u>					
Acquisition of new leases	-	908	-	-	908
Acquisition of property, plant and equipment through hire purchase	-	-	329	-	329
Reassessment of lease liabilities	-	362	-	-	362
Interest expense recognised in profit and loss	2,569	527	175	5,965	9,236
	2,569	1,797	504	5,965	10,835
	35,230	6,901	2,037	112,725	156,893

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 43. CASH FLOW INFORMATION (CONT'D)

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

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Payment of short-term leases	<b>737</b>	2,206	<b>495</b>	413
Payment of low-value assets	<b>175</b>	94	<b>3</b>	17
Interest paid on lease liabilities	<b>514</b>	527	-	-
Payment of lease liabilities	<b>2,599</b>	2,417	-	-
	<b>4,025</b>	5,244	<b>498</b>	430

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

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Short-term investments	<b>21,518</b>	21,349	-	-
Deposits with licensed banks	<b>40,397</b>	18,155	<b>2,055</b>	2,018
Cash and bank balances	<b>364,711</b>	227,921	<b>902</b>	464
Bank overdrafts	<b>(41,548)</b>	(49,351)	<b>(7,481)</b>	(9,421)
	<b>385,078</b>	218,074	<b>(4,524)</b>	(6,939)
Less: Deposits with tenure more than 3 months and pledged to licensed banks	<b>(5,173)</b>	(9,536)	-	-
Deposits with tenure less than 3 months and pledged to licensed banks	<b>(9,717)</b>	(3,869)	<b>(2,055)</b>	(2,018)
Deposits with tenure more than 3 months	<b>(3,877)</b>	(215)	-	-
Cash and bank balances pledged to licensed a bank	<b>(1,402)</b>	(1,402)	-	-
	<b>364,909</b>	203,052	<b>(6,579)</b>	(8,957)

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 44. CAPITAL COMMITMENTS

	The Group	
	2025 RM'000	2024 RM'000
Purchase of property, plant and equipment	2,984	-

## 45. RELATED PARTY DISCLOSURES

### (a) Subsidiaries

The subsidiaries as disclosed in Note 5 to the financial statements.

### (b) Significant Related Party Transactions and Balances

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

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<u>Subsidiaries</u>				
- Advances to subsidiaries	-	-	3,000	2,500
- Advances from subsidiaries	-	-	1,500	-
- Subscription of ordinary shares by way of capitalisation of amount owing by a subsidiary	-	-	9,373	18,700
- Gross dividends received/receivable	-	-	1,430	1,100
- Interest paid/payable	-	-	106	108
- Interest received/receivable	-	-	566	1,663
- Management fees received/receivable	-	-	8,284	8,420
- Redemption of redeemable convertible preference shares	-	-	-	175
- Rental expense paid/payable	-	-	494	413

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 45. RELATED PARTY DISCLOSURES (CONT'D)

### (b) Significant Related Party Transactions and Balances (Cont'd)

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

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<u>Associates:</u>				
- Advances to an associate	500	-	-	-
- Advances from associates	54	-	-	-
- Interest received/receivable	20	-	-	-
- Dividend received/receivable	2,401	3,751	-	-
- Management fees received/receivable	321	572	321	321
- Rental income received/receivable	259	84	-	-
- Rental expense paid/payable	225	-	-	-
- Sales and services rendered to	3,132	2,632	-	-
- Services rendered by	2,366	5,324	-	-

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

## 46. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 46. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

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

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>(a) Directors</b>				
<u>Directors of the Company</u>				
Executive Directors' remuneration:				
Short-term employee benefits:				
- salaries, bonuses and other benefits	<b>3,312</b>	2,910	<b>1,034</b>	1,034
Defined contribution benefits	<b>205</b>	212	<b>66</b>	66
	<b>3,517</b>	3,122	<b>1,100</b>	1,100
Non-executive Directors' remuneration:				
Short-term employee benefits:				
- fees	<b>204</b>	204	<b>204</b>	204
- salaries, bonuses and other benefits	<b>25</b>	29	<b>25</b>	29
	<b>229</b>	233	<b>229</b>	233
<u>Directors of the Subsidiaries</u>				
Executive Directors' remuneration:				
Short-term employee benefits:				
- fees	<b>716</b>	555	-	-
- salaries, bonuses and other benefits	<b>3,000</b>	2,949	-	-
	<b>3,716</b>	3,504	-	-
Defined contribution benefits	<b>300</b>	283	-	-
	<b>4,016</b>	3,787	-	-
Total directors' remuneration (Note 38)	<b>7,762</b>	7,142	<b>1,329</b>	1,333

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 46. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensation during the financial year are as follows (Cont'd):-

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>(b) Other Key Management Personnel</b>				
Short-term employee benefits	<b>2,177</b>	2,010	<b>1,313</b>	814
Defined contribution benefits	<b>261</b>	239	<b>158</b>	97
Total compensation for other key management personnel	<b>2,438</b>	2,249	<b>1,471</b>	911

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the key management personnel are as follows:-

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors of the Company	<b>68</b>	74	<b>14</b>	42
Directors of the Subsidiaries	<b>14</b>	14	-	7
Other Key Management Personnel	<b>36</b>	29	<b>14</b>	7
	<b>118</b>	117	<b>28</b>	56

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 47. OPERATING SEGMENTS

### BUSINESS SEGMENTS

The Group is organised into ten major business segments:-

<b>Business Segment</b>	<b>Principal activities</b>
Maintenance	The maintenance of federal and state roads.
Construction	The construction of buildings and other infrastructures.
Property	The development of commercial and residential properties.
Engineering & consultancy services	The provision of full spectrum of civil engineering work and related services.
Trading & manufacturing	Trading and manufacturing of construction materials.
Education	The provision of tertiary education.
Clean energy	Solar panel installation contract works and supply of power and electricity derived from solar power plant.
Hotel & hospitality	Management operation of hotels.
Asset management	Rental of premises and the provision of property management services.
Agriventure	Processing and trading of fruits and related products.

Other business segments mainly represent investment holding and management services activities.

The key management personnel assess the performance of the reportable segments based on their profit before taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.

#### (a) Segment Revenue and Results

Segment results represent profit before taxation of the segment. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned. The effects of such inter-segment transactions are eliminated on consolidation.

#### (b) Segment Assets

Segment assets are measured based on all assets (including goodwill) of the segment, excluding current tax assets and deferred tax assets.

#### (c) Segment Liabilities

Segment liabilities are measured based on all liabilities, excluding current tax liabilities and deferred tax liabilities.

Income taxes are managed on a group basis and are not allocated to operating segments.

Assets and liabilities which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly tax-related assets and liabilities.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 47. OPERATING SEGMENTS (CONT'D)

### BUSINESS SEGMENTS (CONT'D)

2025	Maintenance RM'000	Construction RM'000	Property RM'000	Engineering & Consultancy Services RM'000	Trading & Manufacturing RM'000	Education (Discontinuing) RM'000	Clean Energy RM'000	Hotel & Hospitality RM'000	Asset Management RM'000	Agriventure RM'000	Others RM'000	Eliminations RM'000	Consolidation RM'000
	1,091,081	39,907	9,030	28,515	195,394	9,739	26,278	13,279	3,646	3,241	321	-	1,420,431
	-	6,937	2,223	18,724	5,336	-	-	-	1,646	4	9,714	(44,584)	-
	1,091,081	46,844	11,253	47,239	200,730	9,739	26,278	13,279	5,292	3,245	10,035	(44,584)	1,420,431
	<b>Represented by revenue recognised:</b>												
	-	-	-	6,101	195,394	-	-	4,857	-	3,241	-	-	209,593
	1,091,081	39,907	9,030	22,414	-	9,739	26,278	8,422	3,646	-	321	-	1,210,838
	1,091,081	39,907	9,030	28,515	195,394	9,739	26,278	13,279	3,646	3,241	321	-	1,420,431
	<b>Results</b>												
	137,369	1,348	(5,761)	9,532	848	817	5,493	470	22,671	(1,928)	(2,037)	(663)	168,159
	(501)	(2,673)	(2,493)	(158)	(1,936)	-	(1,586)	(772)	(2,714)	(846)	(621)	2,529	(11,761)
	(4)	2,666	206	(723)	361	-	(632)	-	(3,815)	(3)	4,369	(6,962)	(4,537)
	8,395	-	-	(174)	-	-	-	-	-	-	-	-	8,221
	145,259	1,341	(8,048)	8,477	(717)	817	3,275	(302)	16,142	(2,777)	1,711	(5,096)	160,082
													(40,700)
													119,382
													(48,990)
													70,392

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 47. OPERATING SEGMENTS (CONT'D)

### BUSINESS SEGMENTS (CONT'D)

2025	BUSINESS SEGMENTS (CONT'D)											Eliminations RM'000	Consolidation RM'000	
	Maintenance RM'000	Construction RM'000	Property RM'000	Engineering & Consultancy Services RM'000	Trading & Manufacturing RM'000	Education (Discontinuing) RM'000	Clean Energy RM'000	Hotel & Hospitality RM'000	Asset Management RM'000	Agriverture RM'000	Others RM'000			
<b>Assets</b>														
Segment assets	479,878	252,906	172,860	54,320	103,944	-	44,233	51,626	172,125	13,224	268,308	(522,937)	1,090,487	
Unallocated corporate assets													4,800	
Consolidated total assets													1,095,287	
<b>Liabilities</b>														
Segment liabilities	289,354	92,163	170,266	36,782	77,186	-	43,444	49,055	164,631	15,931	14,438	(343,322)	609,928	
Unallocated corporate liabilities													8,789	
Consolidated total liabilities													618,717	
<b>Other Information</b>														
Depreciation and amortisation	7,347	528	2,202	618	400	-	1,810	996	1,940	638	106	(168)	16,417	
Impairment losses on:														
- trade and other receivables	18	-	29	1,346	296	-	632	-	4,052	3	-	-	6,376	
Interest expense	251	2,547	1,632	81	1,925	-	1,545	595	2,454	18	622	-	11,670	
Loss/(Gain) on disposal of property, plant and equipment	8	(5)	-	(13)	(1)	-	-	-	-	-	-	-	(11)	
Interest and investment income	(2,239)	(220)	(21)	(86)	(1)	-	(14)	-	(29)	-	(37)	-	(2,647)	
Reversal of impairment losses on:														
- trade and other receivables	-	-	(235)	(710)	(657)	-	-	-	(237)	-	-	-	(1,839)	
Capital expenditure	1,005	851	1	1,595	110	-	749	-	19	491	721	-	5,542	

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

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 47. OPERATING SEGMENTS (CONT'D)

### BUSINESS SEGMENTS (CONT'D)

2024	Maintenance RM'000	Construction RM'000	Property RM'000	Engineering & Consultancy Services RM'000	Trading & Manufacturing RM'000	Education (Discontinuing) RM'000	Clean Energy RM'000	Hotel & Hospitality RM'000	Asset Management RM'000	Agriventure RM'000	Others RM'000	Eliminations RM'000	Consolidation RM'000
External sales	911,512	33,474	24,333	27,921	245,460	30,057	20,070	12,696	1,097	446	572	-	1,307,638
Inter-segment sales	-	11,474	866	5,637	7,673	-	79	-	3,336	-	9,520	(38,585)	-
Total revenue	911,512	44,948	25,199	33,558	253,133	30,057	20,149	12,696	4,433	446	10,092	(38,585)	1,307,638
<b>Represented by revenue recognised:</b>													
- at a point in time	-	-	8,254	11,465	245,460	-	-	4,697	-	446	-	-	270,322
- over time	911,512	33,474	16,079	16,456	-	30,057	20,070	7,999	1,097	-	572	-	1,037,316
	911,512	33,474	24,333	27,921	245,460	30,057	20,070	12,696	1,097	446	572	-	1,307,638
<b>Results</b>													
Profit/(Loss) from operations	85,256	479	(4,454)	5,307	4,266	(3,050)	2,039	403	821	(1,299)	2,032	(6,994)	84,806
Finance costs	(736)	(2,813)	(2,205)	(209)	(2,339)	(108)	(1,590)	(628)	(2,715)	(711)	(503)	2,168	(12,389)
Net impairment losses on financial assets	-	(7,976)	-	5,578	403	(1,576)	7	-	3,486	-	(114)	2,439	2,247
Share of profit/(loss) in associates	4,343	(46)	-	198	-	-	-	-	-	-	-	-	4,495
Segment results	88,863	(10,356)	(6,659)	10,874	2,330	(4,734)	456	(225)	1,592	(2,010)	1,415	(2,387)	79,159
Income tax expense													(23,703)
Profit after taxation													55,456
Non-controlling interests													(30,083)
Net profit attributable to owners of the Company													25,373

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 47. OPERATING SEGMENTS (CONT'D)

### BUSINESS SEGMENTS (CONT'D)

2024	Engineering & Consultancy Services										Consolidation RM'000		
	Maintenance Construction RM'000	Property RM'000	Trading & Manufacturing (Discontinuing) RM'000	Clean Energy RM'000	Hotel & Hospitality Management RM'000	Asset Management RM'000	Agriventure RM'000	Others RM'000	Eliminations RM'000	Consolidation RM'000			
<b>Assets</b>													
Segment assets	355,825	199,839	183,293	45,725	118,615	10,944	36,811	51,257	178,283	11,596	266,760	(525,699)	933,249
Unallocated corporate assets													14,020
Consolidated total assets													947,269
<b>Liabilities</b>													
Segment liabilities	210,338	90,314	173,024	38,977	90,945	51,809	39,727	49,516	145,048	15,123	14,213	(359,840)	559,194
Unallocated corporate liabilities													5,463
Consolidated total liabilities													564,657
<b>Other information</b>													
Depreciation and amortisation	7,318	456	2,266	553	329	884	1,788	1,053	2,386	456	243	(164)	17,588
Impairment losses on:													
- trade and other receivables	-	5,400	-	1,399	742	1,733	-	-	-	-	-	-	9,274
Interest expense	306	2,642	1,598	137	2,340	108	1,544	960	2,448	20	503	-	12,606
Gain on disposal of property, plant and equipment	(43)	-	(3)	-	(1)	-	-	-	-	(20)	-	-	(67)
Interest and investment income	(1,290)	(251)	(29)	(70)	(2)	-	(31)	(91)	-	-	(35)	-	(1,799)
Reversal of impairment losses on:													
- trade and other receivables	-	-	-	(1,671)	(1,145)	(157)	(7)	-	(8,541)	-	-	-	(11,521)
Capital expenditure	3,732	544	137	635	341	199	934	-	207	2,552	27	-	9,308

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

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 47. OPERATING SEGMENTS (CONT'D)

### MAJOR CUSTOMER

The following is a major customer with revenue equal to or more than 10% of the Group's revenue:-

Customer Name	Revenue		Segment
	2025 RM'000	2024 RM'000	
Customer A	1,091,081	911,511	Maintenance

## 48. FINANCIAL INSTRUMENTS

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

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES

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

#### (a) Market Risk

##### (i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily Libyan Dinar ("LYD"), Euro ("EUR"), South African Rand ("ZAR"), Sri Lanka Rupee ("LKR") and United States Dollar ("USD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (a) Market Risk (Cont'd)

##### (i) Foreign Currency Risk (Cont'd)

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of financial instruments at the end of the reporting period is summarised below:-

#### Foreign Currency Exposure

The Group	Libyan Dinar RM'000	Euro RM'000	South African Rand RM'000	Sri Lanka Rupee RM'000	United States Dollar RM'000	Ringgit Malaysia RM'000	Total RM'000
<b>2025</b>							
<i>Financial Assets</i>							
Long-term investments	-	-	-	-	-	520	520
Trade receivables	-	-	-	-	-	191,764	191,764
Other receivables	-	-	-	-	142	3,021	3,163
Amount owing by associates	-	-	-	-	-	6,218	6,218
Short-term investments	-	-	-	-	-	21,518	21,518
Deposits with licensed banks	-	-	-	188	-	40,209	40,397
Cash and bank balances	365	20	150	907	26	363,243	364,711
	<b>365</b>	<b>20</b>	<b>150</b>	<b>1,095</b>	<b>168</b>	<b>626,493</b>	<b>628,291</b>

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (a) Market Risk (Cont'd)

##### (i) Foreign Currency Risk (Cont'd)

##### Foreign Currency Exposure (Cont'd)

The Group	Libyan Dinar RM'000	Euro RM'000	South African Rand RM'000	Sri Lanka Rupee RM'000	United States Dollar RM'000	Ringgit Malaysia RM'000	Total RM'000
<b>2025</b>							
<i>Financial Liabilities</i>							
Trade payables	7	-	-	-	-	292,059	292,066
Other payables and accruals	74	74	-	-	519	67,453	68,120
Amount owing to associates	-	-	-	-	-	4,462	4,462
Borrowings	-	-	-	-	-	148,100	148,100
Bank overdrafts	-	-	-	-	-	41,548	41,548
	<b>81</b>	<b>74</b>	<b>-</b>	<b>-</b>	<b>519</b>	<b>553,622</b>	<b>554,296</b>
<i>Financial Assets</i>							
Net financial assets/(liabilities)	<b>284</b>	<b>(54)</b>	<b>150</b>	<b>1,095</b>	<b>(351)</b>	<b>72,871</b>	<b>73,995</b>
Less: Net financial assets denominated in the respective entities functional currencies	<b>(284)</b>	<b>(2)</b>	<b>(150)</b>	<b>-</b>	<b>(143)</b>	<b>(72,871)</b>	<b>(73,450)</b>
Currency exposure	<b>-</b>	<b>(56)</b>	<b>-</b>	<b>1,095</b>	<b>(494)</b>	<b>-</b>	<b>545</b>

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (a) Market Risk (Cont'd)

##### (i) Foreign Currency Risk (Cont'd)

##### Foreign Currency Exposure (Cont'd)

The Group	Libyan Dinar RM'000	Euro RM'000	South African Rand RM'000	Sri Lanka Rupee RM'000	United States Dollar RM'000	Ringgit Malaysia RM'000	Total RM'000
<b>2024</b>							
<u>Financial Assets</u>							
Long-term investments	-	-	-	-	-	520	520
Trade receivables	-	-	-	-	-	206,900	206,900
Other receivables	-	-	-	-	275	2,970	3,245
Amount owing by associates	-	-	-	-	-	4,434	4,434
Short-term investments	-	-	-	-	-	21,349	21,349
Deposits with licensed banks	-	-	-	188	-	17,967	18,155
Cash and bank balances	613	12	146	-	5	227,145	227,921
	613	12	146	188	280	481,285	482,524

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (a) Market Risk (Cont'd)

##### (i) Foreign Currency Risk (Cont'd)

##### Foreign Currency Exposure (Cont'd)

The Group	Libyan Dinar RM'000	Euro RM'000	South African Rand RM'000	Sri Lanka Rupee RM'000	United States Dollar RM'000	Ringgit Malaysia RM'000	Total RM'000
<b>2024</b>							
<i>Financial Liabilities</i>							
Trade payables	9	-	-	-	1,352	243,885	245,246
Other payables and accruals	89	134	4	-	442	61,637	62,306
Amount owing to associates	-	-	-	-	-	5,270	5,270
Borrowings	-	-	-	-	-	149,992	149,992
Bank overdrafts	-	-	-	-	-	49,351	49,351
	98	134	4	-	1,794	510,135	512,165
Net financial assets/(liabilities)	515	(122)	142	188	(1,514)	(28,850)	(29,641)
Less: Net financial (assets)/ liabilities denominated in the respective entities functional currencies	(515)	6	(142)	(188)	(276)	28,850	27,735
Currency exposure	-	(116)	-	-	(1,790)	-	(1,906)

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (a) Market Risk (Cont'd)

##### (i) Foreign Currency Risk (Cont'd)

###### *Foreign Currency Risk Sensitivity Analysis*

Any reasonably possible change in the foreign currency exchange rates at the end of the reporting period against the respective functional currencies of the entities within the Group does not have a material impact on the profit or loss after taxation and other comprehensive income of the Group and of the Company and hence, no sensitivity analysis is presented.

##### (ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group and the Company adopt a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings. Any surplus funds of the Group and the Company will be placed with licensed financial institutions to generate interest income.

###### *Exposure to Interest Rate Risk*

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on the carrying amounts as at the end of the reporting period are as follows:-

	<b>The Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Fixed Rate Instruments</b>		
Deposits with licensed banks	<b>40,397</b>	18,155
Hire purchase payables	<b>(2,289)</b>	(2,037)
Bills payable	<b>(31,683)</b>	(28,652)
Revolving credit	<b>(75,257)</b>	(79,257)
Invoice financing	<b>(14,071)</b>	(4,816)
	<b>(82,903)</b>	(96,607)
<b>Floating Rate Instruments</b>		
Term loans	<b>(24,800)</b>	(35,230)
Bank overdrafts	<b>(41,548)</b>	(49,351)
	<b>(66,348)</b>	(84,581)

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (a) Market Risk (Cont'd)

##### (ii) Interest Rate Risk (Cont'd)

##### *Exposure to Interest Rate Risk (Cont'd)*

	<b>The Company</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Fixed Rate Instrument</b>		
Deposits with a licensed bank	<b>2,055</b>	2,018
<b>Floating Rate Instrument</b>		
Bank overdrafts	<b>(7,481)</b>	(9,421)

##### *Interest Rate Risk Sensitivity Analysis*

The interest rate risk sensitivity analysis on the fixed rate instruments is not disclosed as these financial instruments are measured at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither their carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	<b>The Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Effects on Profit After Taxation/Other Comprehensive Income</b>		
Increase of 100 basis points	<b>(504)</b>	(643)
Decrease of 100 basis points	<b>504</b>	643

	<b>The Company</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Effects on Profit After Taxation/Other Comprehensive Income</b>		
Increase of 100 basis points	<b>(57)</b>	(72)
Decrease of 100 basis points	<b>57</b>	72

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (a) Market Risk (Cont'd)

##### (iii) Equity Price Risk

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

#### (b) Credit Risk

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

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

##### (i) Credit Risk Concentration Profile

The Group's major concentration of credit risks relates to the amount owing by the Government of Malaysia which constituted a significant amount of its total trade receivables at the end of the reporting date.

##### (ii) Maximum Exposure to Credit Risk

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

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries as disclosed under the 'Maturity Analysis' of item (c) below, representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

##### (iii) Assessment of Impairment Losses

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

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

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

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (b) Credit Risk (Cont'd)

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

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

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

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group and the Company in full or is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

#### Trade Receivables and Contract Assets

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

#### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

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

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

The expected loss rates are based on the payment profiles of sales over 12 months (2024 - 12) months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts.

For construction contracts, the Group assessed the expected credit loss of each customer individually based on their financial information and past trends of payments as there are only a few customers.

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

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

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (b) Credit Risk (Cont'd)

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

##### Trade Receivables and Contract Assets (Cont'd)

##### *Allowance for Impairment Losses*

The information about the exposure to credit risk and the loss allowances calculated for both trade receivables and contract assets are summarised below:-

<b>The Group</b>	<b>Gross Amount RM'000</b>	<b>Lifetime Individual Allowance RM'000</b>	<b>Lifetime Collective Allowance RM'000</b>	<b>Carrying Amount RM'000</b>
<b>2025</b>				
Not past due	<b>13,928</b>	-	<b>(562)</b>	<b>13,366</b>
Past due:				
- less than 6 months	<b>87,988</b>	-	<b>(1,256)</b>	<b>86,732</b>
- 6 to 12 months	<b>67,116</b>	-	<b>(268)</b>	<b>66,848</b>
- 1 to 2 years	<b>17,041</b>	-	<b>(1,881)</b>	<b>15,160</b>
- more than 2 years	<b>4,328</b>	-	<b>(3,776)</b>	<b>552</b>
	<b>190,401</b>	-	<b>(7,743)</b>	<b>182,658</b>
Credit impaired:				
- individually impaired	<b>33,087</b>	<b>(33,087)</b>	-	-
Trade receivables	<b>223,488</b>	<b>(33,087)</b>	<b>(7,743)</b>	<b>182,658</b>
Unbilled receivables	<b>9,106</b>	-	-	<b>9,106</b>
Contract assets	<b>14,187</b>	-	-	<b>14,187</b>
	<b>246,781</b>	<b>(33,087)</b>	<b>(7,743)</b>	<b>205,951</b>

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (b) Credit Risk (Cont'd)

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

##### Trade Receivables and Contract Assets (Cont'd)

##### *Allowance for Impairment Losses (Cont'd)*

The information about the exposure to credit risk and the loss allowances calculated for both trade receivables and contract assets are summarised below (Cont'd):-

<b>The Group</b>	<b>Gross Amount RM'000</b>	<b>Lifetime Individual Allowance RM'000</b>	<b>Lifetime Collective Allowance RM'000</b>	<b>Carrying Amount RM'000</b>
<b>2024</b>				
Not past due	94,030	-	(208)	93,822
Past due:				
- less than 6 months	81,291	-	(466)	80,825
- 6 to 12 months	20,205	-	(571)	19,634
- 1 to 2 years	9,701	-	(4,005)	5,696
- more than 2 years	1,294	(37)	(820)	437
	206,521	(37)	(6,070)	200,414
Credit impaired:				
- individually impaired	32,390	(32,390)	-	-
Trade receivables	238,911	(32,427)	(6,070)	200,414
Unbilled receivables	6,486	-	-	6,486
Contract assets	4,064	-	-	4,064
	249,461	(32,427)	(6,070)	210,964

The movements in the loss allowances in respect of trade receivables are disclosed in Note 15 to the financial statements.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (b) Credit Risk (Cont'd)

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

##### Other Receivables

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

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

Under this approach, the Group and the Company assess whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group and the Company consider there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

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

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

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

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

In deriving the PD and LGD, the Group and the Company consider the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

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

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (b) Credit Risk (Cont'd)

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

##### Other Receivables (Cont'd)

##### *Allowance for Impairment Losses*

The information about the exposure to credit risk and the loss allowances calculated for other receivables are summarised as below:-

<b>The Group</b>	<b>Gross Amount RM'000</b>	<b>Lifetime Loss Allowance RM'000</b>	<b>Carrying Amount RM'000</b>
<b>2025</b>			
Low credit risk	<b>3,163</b>	-	<b>3,163</b>
Credit impaired	<b>94,850</b>	<b>(94,850)</b>	-
	<b>98,013</b>	<b>(94,850)</b>	<b>3,163</b>
<b>2024</b>			
Low credit risk	3,245	-	3,245
Credit impaired	94,958	(94,958)	-
	98,203	(94,958)	3,245
<b>The Company</b>			
<b>2025</b>			
Low credit risk	<b>44</b>	-	<b>44</b>
Credit impaired	<b>84,644</b>	<b>(84,644)</b>	-
	<b>84,688</b>	<b>(84,644)</b>	<b>44</b>
<b>2024</b>			
Low credit risk	36	-	36
Credit impaired	84,644	(84,644)	-
	84,680	(84,644)	36

The movements in the loss allowances are disclosed in the Note 17 to the financial statements.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## **48. FINANCIAL INSTRUMENTS (CONT'D)**

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### **(b) Credit Risk (Cont'd)**

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

###### Deposits with Licensed Banks, Cash and Bank Balances

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

###### Amount Owing by Subsidiaries

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. Generally, the Company considers loans and advances to subsidiaries to be of low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when the subsidiary is unlikely to repay its loan or advance in full or the subsidiary is continuously loss-making or the subsidiary is having a deficit in its total equity.

The Company determines the probability of default for these loans and advances individually using internal information available.

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

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (b) Credit Risk (Cont'd)

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

##### Amount Owing by Subsidiaries (Cont'd)

##### *Allowance for Impairment Losses*

The information about the exposure to credit risk and the loss allowances calculated for amount owing by subsidiaries are summarised below:-

<b>The Company</b>	<b>Gross Amount RM'000</b>	<b>Lifetime Loss Allowance RM'000</b>	<b>Carrying Amount RM'000</b>
<b>2025</b>			
Low credit risk	<b>69,594</b>	-	<b>69,594</b>
Credit impaired	<b>1,573</b>	<b>(1,573)</b>	-
	<b>71,167</b>	<b>(1,573)</b>	<b>69,594</b>
<b>2024</b>			
Low credit risk	74,701	-	74,701
Credit impaired	5,942	(5,942)	-
	80,643	(5,942)	74,701

The movements in the loss allowance are disclosed in Note 18 of the financial statements.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## **48. FINANCIAL INSTRUMENTS (CONT'D)**

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### **(b) Credit Risk (Cont'd)**

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

###### Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contracts.

###### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss-making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

###### *Allowance for Impairment Losses*

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

#### **(c) Liquidity Risk**

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

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (c) Liquidity Risk (Cont'd)

##### Maturity Analysis

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

The Group	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	On Demand or Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
<b>2025</b>						
<i>Non-derivative Financial Liabilities</i>						
Trade payables	-	292,006	292,006	292,006	-	-
Other payables and accruals:						
- non-current	8.03	23,733	33,600	-	18,997	14,603
- current	-	44,387	44,387	44,387	-	-
Amount owing to associates	-	4,462	4,462	4,462	-	-
Lease liabilities	5.46 - 5.91	6,581	9,140	2,234	2,828	4,078
Hire purchase payables	2.33 - 6.64	2,289	2,523	914	1,511	98
Term loans	4.71 - 6.50	24,800	27,483	6,453	14,417	6,613
Bills payable	3.79 - 6.50	31,683	31,683	31,683	-	-
Invoice financing	4.77 - 6.51	14,071	14,071	14,071	-	-
Revolving credit	4.04 - 6.19	75,257	75,257	75,257	-	-
Bank overdrafts	7.45 - 8.07	41,548	41,548	41,548	-	-
		<b>560,817</b>	<b>576,160</b>	<b>513,015</b>	<b>37,753</b>	<b>25,392</b>

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The Group	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	On Demand or Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
<b>2024</b>						
<u>Non-derivative Financial Liabilities</u>						
Trade payables	-	245,246	245,246	245,246	-	-
Other payables and accruals:						
- non-current	8.03	23,576	33,600	-	33,169	431
- current	-	38,730	38,730	38,730	-	-
Amount owing to associates	-	5,270	5,270	5,270	-	-
Lease liabilities	5.46 - 5.91	6,901	9,191	1,527	3,195	4,469
Hire purchase payables	2.41 - 6.36	2,037	2,279	695	1,518	66
Term loans	4.75 - 8.39	35,230	40,443	13,025	17,505	9,913
Bills payable	3.50 - 6.04	28,652	28,652	28,652	-	-
Invoice financing	6.45 - 6.86	4,816	4,816	4,816	-	-
Revolving credit	4.04 - 6.50	79,257	79,257	79,257	-	-
Bank overdrafts	7.37 - 8.26	49,351	49,351	49,351	-	-
		519,066	536,835	466,569	55,387	14,879

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (c) Liquidity Risk (Cont'd)

##### Maturity Analysis (Cont'd)

The Company	Contractual Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	On Demand or Within 1 Year RM'000	1 - 5 Years RM'000
<b>2025</b>					
<u>Non-derivative Financial Liabilities</u>					
Other payables and accruals	-	1,272	1,272	1,272	-
Amount owing to subsidiaries	7.12	3,289	3,289	3,289	-
Bank overdrafts	7.45	7,481	7,481	7,481	-
Financial guarantee contracts in relation to corporate guarantees given to certain subsidiaries*	-	-	324,611	324,611	-
		<b>12,042</b>	<b>336,653</b>	<b>336,653</b>	<b>-</b>
<b>2024</b>					
<u>Non-derivative Financial Liabilities</u>					
Other payables and accruals	-	1,273	1,273	1,273	-
Amount owing to subsidiaries	7.37	1,836	1,836	1,836	-
Bank overdrafts	7.70	9,421	9,421	9,421	-
Financial guarantee contracts in relation to corporate guarantees given to certain subsidiaries*	-	-	334,268	334,268	-
		12,530	346,798	346,798	-

\* - The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.2 CAPITAL RISK MANAGEMENT

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

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt (total interest-bearing borrowings less short-term investments, deposits with licensed banks, cash and bank balances) divided by total equity.

The debt-to-equity ratio of the Group at the end of the reporting period is as follows:-

	<b>The Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM'000</b>	<b>RM'000</b>
Hire purchase payables	<b>2,289</b>	2,037
Term loans	<b>24,800</b>	35,230
Bills payable	<b>31,683</b>	28,652
Revolving credit	<b>75,257</b>	79,257
Invoice financing	<b>14,071</b>	4,816
Bank overdrafts	<b>41,548</b>	49,351
	<b>189,648</b>	199,343
Less: Short-term investments	<b>(21,518)</b>	(21,349)
Deposits with licensed banks	<b>(40,397)</b>	(18,155)
Cash and bank balances	<b>(364,711)</b>	(227,921)
Net debt	<b>(236,978)</b>	(68,082)
Total equity	<b>476,570</b>	382,612
Debt-to-equity ratio	<b>*</b>	<b>*</b>

\* Not applicable as the Group's aggregated short-term investments, deposits with licensed banks, cash and bank balances exceeded its borrowings.

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

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Financial Assets</b>				
<u>Designated at Fair Value Through Other Comprehensive Income Upon Initial Recognition</u>				
Long-term investments	<b>520</b>	520	-	-
<u>Amortised Cost</u>				
Trade receivables	<b>191,764</b>	206,900	-	-
Other receivables	<b>3,163</b>	3,245	<b>44</b>	36
Amount owing by subsidiaries	-	-	<b>69,594</b>	74,701
Amount owing by associates	<b>6,218</b>	4,434	-	-
Deposits with licensed banks	<b>40,397</b>	18,155	<b>2,055</b>	2,018
Cash and bank balances	<b>364,711</b>	227,921	<b>902</b>	464
	<b>606,253</b>	460,655	<b>72,595</b>	77,219
<u>Fair Value Through Profit or Loss</u>				
Short-term investments	<b>21,518</b>	21,349	-	-

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Financial Liabilities</b>				
<u>Amortised Cost</u>				
Trade payables	<b>292,006</b>	245,246	-	-
Other payables and accruals	<b>68,120</b>	62,306	<b>1,272</b>	1,273
Amount owing to subsidiaries	-	-	<b>3,289</b>	1,836
Amount owing to associates	<b>4,462</b>	5,270	-	-
Hire purchase payables	<b>2,289</b>	2,037	-	-
Term loans	<b>24,800</b>	35,230	-	-
Bills payable	<b>31,683</b>	28,652	-	-
Invoice financing	<b>14,071</b>	4,816	-	-
Revolving credit	<b>75,257</b>	79,257	-	-
Bank overdrafts	<b>41,548</b>	49,351	<b>7,481</b>	9,421
	<b>554,236</b>	512,165	<b>12,042</b>	12,530

### 48.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Financial Assets</b>				
<u>Amortised Cost</u>				
Net (losses)/gains recognised in profit or loss	<b>(2,140)</b>	5,536	<b>4,972</b>	1,585
<u>Fair Value Through Profit or Loss</u>				
Net gains recognised in profit or loss	<b>80</b>	97	-	-
<b>Financial Liabilities</b>				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	<b>(11,672)</b>	(12,714)	<b>(728)</b>	(611)
<u>Fair Value Through Profit or Loss</u>				
Net gains recognised in profit or loss	-	22	-	-

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.5 FAIR VALUE INFORMATION

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

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
The Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>2025</b>								
<u>Financial assets</u>								
Long-term investments	-	-	518	-	-	-	518	520
Short-term investments	-	21,518	-	-	-	-	21,518	21,518
<u>Financial liabilities</u>								
Hire purchase payables	-	-	-	-	1,743	-	1,743	2,289
Term loans	-	-	-	-	24,800	-	24,800	24,800
<b>2024</b>								
<u>Financial assets</u>								
Long-term investments	-	-	523	-	-	-	523	520
Short-term investments	-	21,349	-	-	-	-	21,349	21,349
<u>Financial liabilities</u>								
Hire purchase payables	-	-	-	-	1,994	-	1,994	2,037
Term loans	-	-	-	-	35,230	-	35,230	35,230

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 48. FINANCIAL INSTRUMENTS (CONT'D)

### 48.5 FAIR VALUE INFORMATION (CONT'D)

#### (a) Fair Value of Financial Instruments Carried at Fair Value

- (i) The fair values above have been determined using the following basis:-
- (aa) The fair value of golf club memberships is determined based on enquiry made to the respective golf clubs; and
  - (bb) The fair value of short-term investments is determined by reference to statements provided by the respective financial institution, with which the investments were entered into.
- (ii) There were no transfer between level 1 and level 2 during the financial year.

#### (b) Fair Value of Financial Instruments not Carried at Fair Value

The fair value of term loans, which are for disclosure purpose, are determined by discounting the relevant cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	<b>The Group</b>	
	<b>2025</b>	<b>2024</b>
	%	%
Hire purchase payables	<b>2.33 - 6.64</b>	2.41 - 6.36
Term loans	<b>4.71 - 6.50</b>	4.75 - 8.39

## 49. MATERIAL LITIGATIONS

The following are the material litigations involving the Group and the Company during the financial year:-

- (a) High Court of Malaya at Kuala Lumpur ("KL High Court") Suit No. 22NCC-362-09/2014 between Protasco Berhad ("Company") as plaintiff against PT Anglo Slavic Utama ("PT ASU") as the 1<sup>st</sup> defendant, Tey Por Yee as the 2<sup>nd</sup> defendant and Ooi Kock Aun as the 3<sup>rd</sup> defendant:-

On 28 December 2012, the Company entered into a conditional Sale and Purchase Agreement ("Conditional SPA") with PT ASU to acquire 95,000,000 ordinary shares of IDR1,000 each in PT Anglo Slavic Indonesia ("PT ASI"), representing 76% equity interest in PT ASI for a proposed purchase consideration of USD55,000,000.

PT ASI holds 95% equity interest in PT Firman Andalan Sakti ("PT FAS") which in turn holds 70% equity interest in PT Hase Bumou Aceh ("PT Haseba") ("PT ASI Group"). PT ASU as vendor represented in the Conditional SPA that PT Haseba had a 10-year production management partnership agreement ("PMP Agreement") with PT Pertamina (PERSERO) ("Pertamina") to develop and to produce oil and gas in the Kuala Simpang Timur Field from 14 December 2004.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 49. MATERIAL LITIGATIONS (CONT'D)

- (a) High Court of Malaya at Kuala Lumpur ("KL High Court") Suit No. 22NCC-362-09/2014 between Protasco Berhad ("Company") as plaintiff against PT Anglo Slavic Utama ("PT ASU") as the 1<sup>st</sup> defendant, Tey Por Yee as the 2<sup>nd</sup> defendant and Ooi Kock Aun as the 3<sup>rd</sup> defendant (Cont'd):-

On 29 January 2014, the Company entered into an Amended and Restated Sale and Purchase Agreement ("Restated SPA") with PT ASU to amend vary and restate, in its entirety, the Conditional SPA. With the execution of the Restated SPA, the Company agreed to acquire 78,750,000 ordinary shares of IDR1,000 each in PT ASI representing 63% equity interest in PT ASI from PT ASU for a total purchase consideration of USD22,000,000 (RM68,393,170) ("Purchase Consideration").

Parties thereto agreed that the Purchase Consideration was to be settled by way of setting off the deposit of USD16,340,563 (equivalent to RM50,000,000 based on the agreed exchange rate of USD1:RM3.05987 as at 28 December 2012) initially paid by the Company to PT ASU pursuant to the Conditional SPA and the balance thereof in cash.

The Restated SPA was subject to, among others, the following conditions subsequent to the completion of the Restated SPA which were to be fulfilled within six months from the date of the Restated SPA ("Conditional Period"):-

- (i) Consent of Pertamina for the sale and purchase of the shares pursuant to the Restated SPA;
- (ii) Extension of the PMP Agreement for a further 10-year period; and
- (iii) Issuance of Surat Keterangan Terdaftar Minyak & Gas license by the Ministry of Energy and Mineral Resources' General of Oil and Gas Indonesia to PT Haseba.

Upon execution of the Restated SPA, the Company paid the balance Purchase Consideration amounting to USD5,659,437 (RM18,393,170) to PT ASU. In February 2014, pursuant on the terms of the Restated SPA, the Company made a further advance of USD5,000,000 (RM16,250,000) to PT ASI for working capital purposes ("Advance"). The total amounts paid to PT ASU and PT ASI collectively amounted to USD27,000,000 being the Purchase Consideration and the Advance.

On 5 August 2014, the Company announced that the conditions subsequent pursuant to the completion of Restated SPA had not been fulfilled by PT ASU within the Conditional Period and accordingly, the Restated SPA lapsed on 28 July 2014. The Company terminated the Restated SPA on 4 August 2014 and 14 August 2014.

On 22 September 2014, the Company filed a legal suit against PT ASU and the two former Directors, namely the 2<sup>nd</sup> and the 3<sup>rd</sup> defendants for, among others, the refund of the Purchase Consideration and Advance.

The total amount claimed against PT ASU and the two former Directors ("2<sup>nd</sup> and 3<sup>rd</sup> Defendants") are as follows:-

### Against PT ASU

- (i) A payment of USD22,000,000;
- (ii) Pre-judgement interest on USD22,000,000 pursuant to Section 11 of the Civil Law Act 1956 from the date of the suit until the date of judgement at an interest rate of 5% per annum;
- (iii) Post-judgement interest on USD22,000,000 pursuant to Order 42 Rule 12 of the Rules of Court 2012 from the date of judgement until full and final settlement thereof at an interest rate of 5% per annum; and
- (iv) Damages for the breach of the Restated SPA.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 49. MATERIAL LITIGATIONS (CONT'D)

- (a) High Court of Malaya at Kuala Lumpur ("KL High Court") Suit No. 22NCC-362-09/2014 between Protasco Berhad ("Company") as plaintiff against PT Anglo Slavic Utama ("PT ASU") as the 1<sup>st</sup> defendant, Tey Por Yee as the 2<sup>nd</sup> defendant and Ooi Kock Aun as the 3<sup>rd</sup> defendant (Cont'd):-

### Against the 2<sup>nd</sup> and 3<sup>rd</sup> Defendants

- (i) A payment of USD27,000,000 (including the Advance);
- (ii) Pre-judgement interest on USD27,000,000 pursuant to Section 11 of the Civil Law Act 1956 from the date of the suit until the date of judgement at an interest rate of 5% per annum;
- (iii) Post-judgement interest on USD27,000,000 pursuant to Order 42 Rule 12 of the Rules of Court 2012 from the date of judgement until full and final settlement thereof at an interest rate of 5% per annum;
- (iv) Damages for fraud and conspiracy; and
- (v) General damages, aggravated and exemplary.

The status of this suit is as follows:-

The Full Trial for the Kuala Lumpur High Court Suit No. 22NCC-362-09/2014 commenced from 15 October 2022 and continued on various dates. The Full Trial is scheduled to continue on 25 and 26 April 2023 and on 12 May 2023. The Full Trial has been concluded on 12 May 2023. The Kuala Lumpur High Court has fixed 30 August 2023 for clarification and/or decision of the Kuala Lumpur High Court Suit No. 22NCC-362-09/2014.

The Kuala Lumpur High Court Judge had on 30 August 2023 delivered the following judgement ("Judgement") in favour of the Company:-

- (i) The Company has established its claim for breach of fiduciary duties, breach of Sections 131 and 132E of the Companies Act 1965, fraud and conspiracy to defraud on the part of the 2<sup>nd</sup> and 3<sup>rd</sup> Defendants;
- (ii) The Company's claim for a declaration that the 2<sup>nd</sup> and 3<sup>rd</sup> Defendants have acted in breach of their fiduciary duties as directors of the Company has been allowed;
- (iii) The 2<sup>nd</sup> and 3<sup>rd</sup> Defendants are adjudged to pay a sum of RM84,643,170 to the Company ("Judgement Sum") with interest of 5% per annum to be calculated from 22 September 2014 (the date of filing of the Writ of Summons) until full and final settlement of the Judgement Sum; and
- (iv) Costs in the sum of RM650,000 has been awarded in favour of the Company to be paid by 2<sup>nd</sup> and 3<sup>rd</sup> Defendants.

The 2<sup>nd</sup> and 3<sup>rd</sup> Defendants had on 8 September 2023 filed an appeal ("Appeal") at the Court of Appeal to appeal against the Judgement of the Kuala Lumpur High Court on 30 August 2023. The Appeal has been fixed for Decision on 9 March 2026. On 9 March 2026, the Court of Appeal held as follows:

- (i) The Appeal has been dismissed with costs of RM150,000 to be paid by the 2<sup>nd</sup> and 3<sup>rd</sup> Defendants to the Company; and
- (ii) The Company's cross-appeal for exemplary and aggravated damages against the 2<sup>nd</sup> and 3<sup>rd</sup> Defendants had also been dismissed.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 49. MATERIAL LITIGATIONS (CONT'D)

- (a) High Court of Malaya at Kuala Lumpur ("KL High Court") Suit No. 22NCC-362-09/2014 between Protasco Berhad ("Company") as plaintiff against PT Anglo Slavic Utama ("PT ASU") as the 1<sup>st</sup> defendant, Tey Por Yee as the 2<sup>nd</sup> defendant and Ooi Kock Aun as the 3<sup>rd</sup> defendant (Cont'd):-

The 2<sup>nd</sup> and 3<sup>rd</sup> Defendants had on 4 September 2023 filed an application for a stay of proceeding ("Stay Application") at the Kuala Lumpur High Court to stay the execution of the Judgement delivered by the Kuala Lumpur High Court on 30 August 2023. The Stay Application was dismissed by the High Court on 17 October 2023 with costs of RM4,500 to be paid to the Company.

The 2<sup>nd</sup> and 3<sup>rd</sup> Defendants had on 23 October 2023 filed a notice of motion for a stay of proceeding ("Stay Motion") at the Court of Appeal to stay the execution of the Judgement dated 30 August 2023. The Stay Motion has been fixed for hearing on 22 November 2023 and the Court of Appeal has dismissed the stay of execution with costs of RM10,000 to be paid to the Company.

Further to the Judgement obtained by the Company against the 2<sup>nd</sup> and 3<sup>rd</sup> Defendants on 30 August 2023 and the dismissal of the Stay Application and the Stay Motion, the Company has executed the Judgement by filing:

1. A Bankruptcy Notice against the 2<sup>nd</sup> Defendant in the Shah Alam High Court, Bankruptcy No. BA-29NCC-3214-12/2023 on 13 December 2023 demanding the total sum of RM124,370,962 from the 2<sup>nd</sup> Defendant; and
2. A Bankruptcy Notice against the 3<sup>rd</sup> Defendant in the Shah Alam High Court, Bankruptcy No. BA-29NCC-3213-12/2023 on 13 December 2023 demanding the same amount from the 3<sup>rd</sup> Defendant.

The respective sealed Bankruptcy Notices were extracted on 21 December 2023. The Court has fixed 12 March 2024 for Case Management of the Bankruptcy Notice against the 2<sup>nd</sup> Defendant and 13 March 2024 for Case Management of the Bankruptcy Notice against the 3<sup>rd</sup> Defendant.

The Bankruptcy Notices were personally served on the 2<sup>nd</sup> and 3<sup>rd</sup> Defendants on 16 January 2024.

The 2<sup>nd</sup> and 3<sup>rd</sup> Defendants have filed their respective applications to set aside the said Bankruptcy Notices on 26 January 2024. In this regard, the Shah Alam High Court fixed the date for hearing the said applications by the 2<sup>nd</sup> and 3<sup>rd</sup> Defendants on 8 May 2024.

The Shah Alam High Court had on 8 May 2024 dismissed their applications to set aside the Bankruptcy Notice with costs of RM400 to be paid to the Company by each of them. Consequently, it was also held that the 2<sup>nd</sup> and 3<sup>rd</sup> Defendants had committed an act of bankruptcy on 8 May 2024. Hence the final date for filing creditor's petition against the 2<sup>nd</sup> and 3<sup>rd</sup> Defendants is on 7 November 2024. The 2<sup>nd</sup> and 3<sup>rd</sup> Defendants have filed an appeal at the High Court to appeal against the decision of the Shah Alam High Court on 8 May 2024 which has dismissed their applications to set aside the Bankruptcy Notice. The appeal has been fixed for Hearing on 23 January 2025. However, both the 2<sup>nd</sup> and 3<sup>rd</sup> Defendants had, on 30 December 2024, discontinued the said appeals.

On 6 May 2024, both the 2<sup>nd</sup> and 3<sup>rd</sup> Defendants have filed their respective applications via Summons in Chambers to set aside the Bankruptcy Notices and to stay the entire bankruptcy proceedings ("**new applications**"). In this regard, the Shah Alam High Court fixed the date for decision of the new applications filed by both the 2<sup>nd</sup> and 3<sup>rd</sup> Defendants on 3 July 2024.

The Shah Alam High Court had on 3 July 2024, dismissed the new applications with costs of RM400 per application to be paid to the Company by each of them.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 49. MATERIAL LITIGATIONS (CONT'D)

- (a) High Court of Malaya at Kuala Lumpur ("KL High Court") Suit No. 22NCC-362-09/2014 between Protasco Berhad ("Company") as plaintiff against PT Anglo Slavic Utama ("PT ASU") as the 1<sup>st</sup> defendant, Tey Por Yee as the 2<sup>nd</sup> defendant and Ooi Kock Aun as the 3<sup>rd</sup> defendant (Cont'd):-

Meanwhile, the Company has presented a creditor petition to the High Court at Malaya in Shah Alam on 24 May 2024, following an act of bankruptcy by the 2<sup>nd</sup> and 3<sup>rd</sup> Defendants on 8 May 2024. The date for the creditor petition hearing is fixed on 26 August 2024.

Prior to the hearing of the creditor petition, both the 2<sup>nd</sup> and 3<sup>rd</sup> Defendants had on 19 and 21 August 2024, filed their respective applications via Summons in Chambers to stay the creditor petition and the entire bankruptcy proceedings pending their appeal at the Court of Appeal ("**Stay Applications**"). In this regard, the Shah Alam High Court fixed the date for decision of the Stay Applications filed by both the 2<sup>nd</sup> and 3<sup>rd</sup> Defendants on 18 October 2024. The Shah Alam High Court had on 18 October 2024 allowed both the 2<sup>nd</sup> and 3<sup>rd</sup> Defendants' Stay Applications pending the disposal of their appeal at the Court of Appeal. The Company had, on 30 October 2024, filed an appeal at the Shah Alam High Court to appeal against the decision to allow the Stay Applications ("Company Appeal"). The Company's appeal has been fixed for Hearing on 24 February 2026. On the hearing date, the Shah Alam High Court has fixed the Company's Appeal for Case Management on 10 March 2026 and for Decision on 3 April 2026.

Following the dismissal of the 2<sup>nd</sup> and 3<sup>rd</sup> Defendants' Appeal by the Court of Appeal on 9 March 2026 above stated against the Judgement of the Kuala Lumpur High Court granted on 30 August 2023, the Stay Order for the stay of the creditor petition and the entire bankruptcy proceeding granted on 18 October 2024 has been lifted by the Shah Alam Court, and the bankruptcy proceedings against the 2<sup>nd</sup> and 3<sup>rd</sup> Defendants are hereby resumed.

In light of the above, the Company Appeal against the Stay Order is no longer necessary, and the Company has obtained leave from the Shah Alam High Court to withdraw the same and the dates fixed for Case Management on 10 March 2026 and for Decision on 3 April 2026 for the Company Appeal have been vacated. The withdrawal was granted without any order as to costs.

Thereafter, Shah Alam High Court has proceeded to fix the Hearing of the creditor petition on 20 May 2026.

Notwithstanding the above litigation, the purchase consideration paid and advance made amounting to RM68,393,170 and RM16,250,000 respectively have been fully impaired in the financial year ended 31 December 2014.

- (b) High Court of Malaya at Shah Alam ("SA High Court") Suit No. 22NCVC-561-11/2014 between Protasco Trading Sdn. Bhd. ("PTSB") as plaintiff against PT Goldchild Integritas Abadi ("Goldchild") and Ooi Kock Aun ("OKA") as defendants:-

PTSB, a wholly-owned subsidiary of the Company, had entered into an agreement dated 4 February 2013 ("Agreement") to undertake coal trades with Goldchild.

Pursuant to the terms of the Agreement and to facilitate coal purchases, a deposit ("Deposit") of USD5,161,290 (approximately RM16,000,000) was paid by PTSB to Goldchild on 4 February 2013. The Deposit is to be deducted in stages against future coal trades.

On 19 July 2013, PTSB entered into a Coal Stockpile Joint Venture Agreement with Goldchild to provide a sum of not exceeding USD900,000 (approximately RM2,904,000) for the purpose of the joint venture to purchase coal in Indonesia and resell the coal to potential buyers, subject to such terms and conditions as stipulated in the Coal Stockpile Joint Venture Agreement.

# Notes to the Financial Statements

for the Financial Year Ended 31 December 2025

## 49. MATERIAL LITIGATIONS (CONT'D)

- (b) High Court of Malaya at Shah Alam ("SA High Court") Suit No. 22NCVC-561-11/2014 between Protasco Trading Sdn. Bhd. ("PTSB") as plaintiff against PT Goldchild Integritas Abadi ("Goldchild") and Ooi Kock Aun ("OKA") as defendants (Cont'd):-

On 21 November 2014, PTSB filed a legal suit against Goldchild and one of the former Directors of the Company, OKA, when the Company uncovered that OKA has an undisclosed interest in Goldchild.

The status of this suit is as follows:-

OKA filed an application to strike out the legal suit against him and the application was dismissed on 19 October 2015. Thereafter, OKA filed an appeal against the SA High Court decision to the Court of Appeal. OKA's appeal has been struck off with liberty to file afresh and with no order as to costs by the Court of Appeal on 17 May 2018.

Goldchild's application to stay this legal proceeding pending arbitration was allowed by the SA High Court on 19 October 2015. Thereafter, PTSB filed an appeal against the SA High Court decision to the Court of Appeal. This appeal was withdrawn by PTSB on 24 August 2016.

Since the legal suit against Goldchild has been stayed pending arbitration, OKA filed an application for stay pending arbitration between PTSB and Goldchild which was allowed on 13 January 2016. PTSB then filed an appeal against the SA High Court decision to the Court of Appeal. This application was dismissed by the Court of Appeal on 24 August 2016. PTSB had on 23 September 2016 filed an application for leave via notice of motion seeking leave to appeal to the Federal Court of Malaysia at Wilayah Persekutuan Putrajaya ("Federal Court"). The Motion has been dismissed by the Federal Court on 11 January 2018.

Pursuant to the decision of the Federal Court, the action against PT Goldchild and OKA in the SA High Court is now stayed pending the arbitration proceedings between PT Goldchild and PTSB in Jakarta, Indonesia in accordance with the rules of Badan Arbitrase Nasional Indonesia ("BANI").

Notwithstanding the above litigation, the coal trade deposits made to Goldchild amounted to RM18,904,000 had been fully impaired in the financial year ended 31 December 2014.

## 50. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 19 July 2024, Kumpulan Ikram Sdn. Bhd. ("KISB"), a wholly-owned subsidiary of the Company, entered into a Share Sale Agreement ("SSA") with Star Teenagers International Sdn. Bhd. ("STISB") to dispose 20,000,000 of its ordinary shares held in Ikram Education Sdn. Bhd. ("IESB"), representing 100% equity interest in IESB, to STISB for a total cash consideration of RM30,000,000 in the manner as set out in the SSA ("Proposed Disposal"). The Proposed Disposal was yet to be completed at the end of the previous reporting period.

In connection to the Proposed Disposal and on 9 January 2025, KISB had entered into a Supplementary Agreement ("SA") to the SSA with STISB whereby both KISB and STISB have agreed to reduce the number of shares of IESB being disposed by KISB to STISB from 20,000,000 ordinary shares to 18,000,000 ordinary shares, representing 90% equity interest held by KISB, for a total cash consideration of RM27,000,000 ("Revised Proposed Disposal"). The Revised Proposed Disposal was completed on 25 April 2025.

# Appendix A

## for the Financial Year

Ended 31 December 2025

### **DIRECTORS OF SUBSIDIARY COMPANIES OF THE GROUP**

The following is the list of Directors who served on the boards of the subsidiary companies of the Group since the beginning of the current financial year to the date of the Directors' Report:-

Abdul Rashid Bin Halim  
Adlin Binti Masood  
Aminah Binti Mohd Taib  
Asri Bin Ramli  
Azlina Binti Mohd Yusof (Appointed on 1 April 2026)  
Cheong Kah Wang  
Chong Ther Shern  
Chong Ther Vern  
Chong Ther Zern  
Daniel Wong Bin Abdullah (Appointed on 15 January 2026)  
Da'suki Bin Razali  
Dato' Akram Ali Al Agil  
Dato' Mohd Ibrahim Bin Mohd Nor  
Dato' Mohd Fauzi Bin Yaakub  
Dato' Ir Ts. Mohd Taufik Bin Haron  
Dato' Ronnie Yap Kee Tian  
Dato' Ts. Azizee Bin Ismail (Resigned on 15 January 2026)  
Dato' Wan Imran Bin Wan Omar  
Dato' Jamal Bin Nasir (Resigned on 31 December 2025)  
Dato' Wan Mohamed Yaacob Bin Wan Salaidin  
Datuk Hasrin Bin Abdul Rahman  
Hiew Yun Heng  
Hishamuddin Bin Hussein  
Hong Au Sheue  
Hong Jok Hon  
Hong Sun Ho  
Idham Bin Mustafa  
Ir Edward Khoo Mong Wei  
Johari Bin Zainal  
Kamaljeet Kaur (Resigned on 10 November 2025)  
Kenneth Lim Wei Sen  
Marina Binti Jaal  
Mat Zin Bin Hussain  
Mohd Akhir Bin Abdullah  
Mohd Fairuz Bin Mohamed Isa  
Mohd Hafiz Bin Belal Din (Resigned on 4 December 2025)

# Appendix A for the Financial Year

Ended 31 December 2025

## **DIRECTORS OF SUBSIDIARY COMPANIES OF THE GROUP (CONT'D)**

The following is the list of Directors who served on the boards of the subsidiary companies of the Group since the beginning of the current financial year to the date of the Directors' Report (Cont'd):-

Mohd Kamsatul Aidi Bin Mohd Noor (Resigned on 1 April 2026)  
Mohd Najib Bin Abdullah  
Mohd Shahrul Bin Sidin  
Mohd Soud Bin Said @ Mat Ali  
Mohd Yazip Bin Matori  
Nafisah Binti Abdul Aziz  
Nik Farzimar Binti Nik Omar  
Nikifli Nurizan Bin Nik Saad  
Nik Nur Aini Binti Nik Abdullah  
Nor Azmi Bin M Salleh (Appointed on 4 December 2025)  
Nora Binti Amir  
Nordin Bin Kasiran  
Pon Tiam Wee (Resigned on 31 May 2025)  
Rameli Bin Ismail  
Rosli Bin Ibrahim  
Siti Nurbaya Binti Ismail  
Tan Heng Kui  
Tan Sri Dato' Seri Dr Aseh Bin Haji Che Mat (Resigned on 30 May 2025)  
Tan Wei Meng  
Taufik Bin Abd Rahim  
Ting Choon Fook  
Tuan Haji Zulkifli Bin Ibrahim  
Vong Kee Sin  
Victor Weida Lee (Appointed on 5 December 2025)  
Wong Chun Wei (Resigned on 5 December 2025)  
Wong Meng Jinn  
Wong Wirry @ Wong Wee Chong  
Zainal Abidin Bin Abu Bakar

# List of Properties

No.	Location	Description/ Existing Use	Age of Buildings	Tenure	Approx. Land Area sq. ft.	Net Book Value at 31.12.2025 RM'000	Date of Revaluation*/ Acquisition#
1	Lot No. 52500,52501, 52502, 52503, 52504 & P.T. 70410, Bandar Baru Bangi, District of Sepang State of Selangor Darul Ehsan.	Institutional, commercial and residential	Between 17 - 43 years	Freehold	3,411 million	90,032	18.04.02*
2	Lot No. P.T. 172, Section 90, Town and District of Kuala Lumpur, State of Wilayah Persekutuan.	Intermediate four-storey shophouse	42 years	Leasehold 99 years expiring in 2076	1,760	473	01.03.02#
3	Lot No. P.T. 166, Section 90, Town and District of Kuala Lumpur, State of Wilayah Persekutuan.	Intermediate four-storey shophouse	42 years	Leasehold 99 years expiring in 2076	1,760	396	11.06.02#
4	Lot No. P.T. 167, Section 90, Town and District of Kuala Lumpur, State of Wilayah Persekutuan.	Intermediate four-storey shophouse	42 years	Leasehold 99 years expiring in 2076	1,760	396	11.06.02#
5	Lot No. P.T. 168, Section 90, Town and District of Kuala Lumpur, State of Wilayah Persekutuan.	Intermediate four-storey shophouse	42 years	Leasehold 99 years expiring in 2076	1,760	396	11.06.02#
6	Lot No. P.T. 169, Section 90, Town and District of Kuala Lumpur, State of Wilayah Persekutuan.	Corner lot four-storey shophouse	42 years	Leasehold 99 years expiring in 2076	2,208	555	11.06.02#
7	Country Lease No. 075356580, Sungai Tinosan, Sandakan, Sabah.	Land for future development	N/A	Leasehold 99 years expiring in 2074	291,850	501	10.03.05#
8	HS (M) 1156, Blok 7, Mukim of Dengkil, District of Sepang, State of Selangor Darul Ehsan.	Workshop	20 years	Leasehold 99 years expiring in 2080	126,300	1,305	05.08.05#
9	HS (M) 3647, Mukim of Dengkil, District of Sepang, State of Selangor Darul Ehsan.	Vacant Land	N/A	Leasehold 99 years expiring in 2091	79,100	537	25.06.08#
10	No. Hakmilik Geran 79109, Lot 3223 Mukim of Beranang, District of Ulu Langat, State of Selangor Darul Ehsan.	Factory	14 years	Freehold	185,566	2,121	07.10.10#
11	Parcel No #17-16, Level 17, Type A Lot No HS(D) 452849 PTD 198871, Mukim of Plentong, District of Johor Bahru, State of Johor Darul Takzim.	Service Apartment	14 years	Leasehold 99 years expiring in 2105	609	239	18.10.12#

## List of Properties

No.	Location	Description/ Existing Use	Age of Buildings	Tenure	Approx. Land Area sq. ft.	Net Book Value at 31.12.2025 RM'000	Date of Revaluation*/ Acquisition#
12	De Centrum Mall Jalan Ikram-Uniten, 43690 Kajang, State of Selangor Darul Ehsan.	Retail mall	10 years	Freehold	197,327	30,434	16.03.26*
13	C-13-1 till C-13-10 C-14-1 till C-14-10 C-15-1 till C-15-10 C-16-1 till C-16-10 D-13-1 till D-13-10 D-14-1 till D-14-10 D-15-1 till D-15-10 D-16-1 till D-16-10 Kondominium Unipark Jalan US 1, Taman Unipark Suria, Off Jalan Ikram-Uniten, 43690 Kajang, State of Selangor Darul Ehsan.	Condominiums	9 years	Freehold	208,000	37,374	21.11.16#
14	C-02-5 C-04-5 C-06-5 C-10-6 Kondominium Unipark Jalan US 1, Taman Unipark Suria, Off Jalan Ikram-Uniten, 43690 Kajang, State of Selangor Darul Ehsan.	Condominiums	9 years	Freehold	5,208	1,271	19.11.25#
15	Lot No. P.T. 70411 Bandar Baru Bangi, District of Sepang, State of Selangor Darul Ehsan.	Twelve-storey academic block	9 years	Freehold	42,688	34,599	06.04.16#
16	Park Inn by Radisson Hotel Taman Unipark Suria, 43000 Kajang, Selangor	Hotel	6 years	Freehold	131,277	37,307	20.02.20#
17	45-3A, The Residence St Regis Kuala Lumpur, 6, Jalan Stesen Sentral2, 50470 Kuala Lumpur	Condominium	4 Years 9 months	Freehold	2,408	4,500	26.03.21#
18	No 11, Jalan Gangsa 3 Desa Perindustrian, Kulai 2 Kelapa Sawit, 81030 Kulai, Johor	Factory	30 years	Freehold	47,508	4,697	01.11.23#
19	Lot No. 1827 Title No. PN32554 Mukim Pagoh, Daerah Alor Gajah, Melaka	Vacant Land	N/A	Leasehold 99 years expiring in 2094	7,653	135	28.10.22#

# Analysis of Shareholdings

as at 27 March 2026

Issued Share Capital : RM249,436,954  
 Class of Shares : Ordinary Shares  
 Voting Rights : One vote per ordinary share

## DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
Less than 100	725	12.347	33,784	0.007
100 – 1,000	390	6.642	139,282	0.029
1,001 – 10,000	2,123	36.155	10,297,686	2.138
10,001 – 100,000	2,148	36.580	69,764,845	14.482
100,001 to less than 5% of issued shares	482	8.208	228,115,890	47.353
5% and above of issued shares	4	0.068	173,383,923	35.991
<b>*TOTAL</b>	<b>5,872</b>	<b>100.000</b>	<b>481,735,410</b>	<b>100.000</b>

Remarks:

\* Excluding 13,656,900 treasury shares

## SUBSTANTIAL SHAREHOLDERS

Name	Direct Shareholdings		Indirect Shareholdings	
	No. of Shares Held	%	No. of Shares Held	%
Dato' Sri Ir Chong Ket Pen	93,626,376	19.44	45,597,197 <sup>(1)</sup>	9.47
Penmacorp Sdn Bhd	45,597,197	9.47	-	-
Gan Chun Hui	35,814,100	7.43	-	-

Notes:

(1) Deemed interested pursuant to Section 8 of the Company's Act 2016 by virtue of his shareholdings in Penmacorp Sdn Bhd

## DIRECTORS' SHAREHOLDINGS

Name	Direct Shareholdings		Indirect Shareholdings	
	No. of Shares Held	%	No. of Shares Held	%
Dato' Sri Ir Chong Ket Pen	93,626,376	19.44	50,312,361 <sup>(a)</sup>	10.44
Dato' Ir Kenny Chong Ther Nen	2,866,458	0.60	2,095,800 <sup>(b)</sup>	0.44
Khoo Siang Hsi (ꤵ Khoo Chen Nan	-	-	-	-
Suhaimi Bin Badrul Jamil	10,000	0.002	-	-
Tham Wei Mei	-	-	-	-
Celine Chan Hooi Li	-	-	-	-

Notes:

(a) by virtue of his interest via his spouse, children and Penmacorp Sdn Bhd

(b) by virtue of his interest via spouse

# Analysis of Shareholdings

as at 27 March 2026

## LIST OF TOP 30 SHAREHOLDERS

No.	Name	No. of Shares Held	%
1	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR CHONG KET PEN (PB)	57,777,816	11.994
2	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK ISLAMIC BERHAD FOR PENMACORP SDN BHD	43,943,447	9.122
3	CHONG KET PEN	35,848,560	7.442
4	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR GAN CHUN HUI (PB)	35,814,100	7.434
5	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR INTERACTIVE BROKERS (U.K.) LIMITED (CLIENT)	9,958,400	2.067
6	TAN HENG KUI	7,656,250	1.589
7	MAR WOOL LIENG	7,567,000	1.571
8	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (PHEIM)	5,089,100	1.056
9	ADDEEN HOLDINGS SDN BHD	4,899,999	1.017
10	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUNG MAN CHONG	3,869,658	0.803
11	DYNAQUEST SDN BHD	3,271,400	0.679
12	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GOALKEY SYSTEM SDN BHD (MY14 61)	2,900,000	0.602
13	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW CHOON CHONG	2,840,000	0.590
14	RONNIE YAP KEE TIAN	2,755,307	0.572
15	MOOMOO NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HO CHU CHAI	2,391,700	0.496
16	YAP MAN CHAN	2,370,500	0.492
17	LEE BOON KIAN	2,291,479	0.476
18	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SHEAH KOK FAH (7000808)	2,200,000	0.457
19	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PANG CHING (E-TSA)	2,200,000	0.457
20	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR YAP OON NEO (PB)	2,178,883	0.452
21	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD EXEMPT AN FOR CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD. (RETAIL CLIENTS)	2,159,000	0.448
22	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ROSEMARY KHOO MONG SAN	2,095,800	0.435
23	KHOR KENG SAW (Q KHAW AH SOAY)	2,088,300	0.433
24	LAI SEE CHEH	2,013,520	0.418

# Analysis of Shareholdings

as at 27 March 2026

## LIST OF TOP 30 SHAREHOLDERS

No.	Name	No. of Shares Held	%
25	SABRINA HO WEI LING	1,939,266	0.403
26	ONG PEI BOON	1,771,600	0.368
27	PENMACORP SDN BHD	1,653,750	0.343
28	LIM YING ZHEN	1,645,141	0.342
29	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG TACK PENG (LBU1031)	1,600,000	0.332
30	LEE MEE KUEN	1,580,000	0.328
<b>TOTAL</b>		<b>256,369,976</b>	<b>53.218</b>

Note:  
Without aggregating securities from different securities accounts belonging to the same person.

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the 25<sup>th</sup> Annual General Meeting of the Company will be held at Conference Hall, 1<sup>st</sup> Floor, Corporate Building, Unipark Suria, Jalan Ikram-Uniten, 43000 Kajang, Selangor Darul Ehsan on Thursday, 28 May 2026 at 11.00 a.m. to transact the following businesses:

## AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 and the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors' fees and benefits of up to RM500,000 for the period from the day after the Annual General Meeting to the next Annual General Meeting. **Ordinary Resolution 1**
3. To re-elect the following Directors retiring in accordance with the Company's Constitution:
  - (i) Dato' Chong Ther Nen [Article 107(1)(b)] **Ordinary Resolution 2**
  - (ii) Celine Chan Hooi Li [Article 107(1)(b)] **Ordinary Resolution 3**
4. To appoint auditors of the Company and authorise the Directors to determine their remuneration. **Ordinary Resolution 4**
5. To consider and if thought fit, to pass the following Ordinary Resolutions, with or without modifications:

### (A) AUTHORITY TO ALLOT SHARES

"THAT subject always to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby authorised pursuant to Section 75 of the Companies Act 2016 to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be allotted pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company for the time being."

**Ordinary Resolution 5**

### (B) PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

"THAT subject to the Companies Act 2016 (**Act**), the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (**Bursa Securities**) and requirements of any other relevant authorities, the Directors of the Company be and are hereby authorised to purchase its own shares through Bursa Securities, subject to the following:

**Ordinary Resolution 6**

- (a) The maximum number of shares which may be purchased by the Company shall not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time;
- (b) The maximum fund to be allocated by the Company for the purpose of purchasing its shares shall not exceed the retained profits of the Company;

# Notice of Annual General Meeting

- (c) The authority conferred by this Resolution will be effective upon the passing of this Resolution and will continue in force until:
- (i) the conclusion of the next Annual General Meeting (**AGM**), at which time the said authority will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
  - (ii) the expiry of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 340 of the Act; or
  - (iii) the authority is revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;
- whichever occurs first;
- (d) Upon completion of the purchase(s) of the shares by the Company, the shares shall be dealt with in the following manner as the Directors of the Company may decide:
- (i) cancel the shares so purchased; or
  - (ii) retain the shares so purchased as treasury shares; or
  - (iii) retain part of the shares so purchased as treasury shares and cancel the remainder; or
  - (iv) distribute the treasury shares as dividends to shareholders; or
  - (v) resell the treasury shares or any of the shares in accordance with the relevant rules of Bursa Securities; or
  - (vi) transfer the treasury shares, or any of the shares for the purposes of or under an employee share scheme; or
  - (vii) transfer the treasury shares, or any of the shares as purchase consideration; or
  - (viii) cancel the treasury shares or any of the treasury shares; or
  - (ix) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister may by order prescribe.

THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary and enter into all other agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time to implement or to effect the purchase of its own shares.”

## **(C) APPROVAL TO CONTINUE IN OFFICE AS AN INDEPENDENT DIRECTOR**

“THAT Encik Suhaimi bin Badrul Jamil who has served the Board as the Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company until the end of the term of twelve (12) years as allowed under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.”

## **Ordinary Resolution 7**

6. To transact any other business of which due notice shall have been received.

## **BY ORDER OF THE BOARD**

**KHOR HOOI LING** (SSM Practising Certificate No. 202008000854)

**SEOW FEI SAN** (SSM Practising Certificate No. 201908002299)

Secretaries

Petaling Jaya  
29 April 2026

# Notice of Annual General Meeting

## NOTES TO NOTICE OF THE 25<sup>TH</sup> ANNUAL GENERAL MEETING:

1. Only members whose names appear on the Record of Depositors as at 18 May 2026 shall be entitled to attend, speak and vote at the 25<sup>th</sup> AGM.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his stead. A proxy may but need not be a member of the Company.
3. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the AGM. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holdings to be represented by each proxy.
4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.
7. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the Registered Office of the Company at 802, 8<sup>th</sup> Floor, Block C, Kelana Square, 17 Jalan SS 7/26, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time for holding the meeting or at any adjournment thereof, otherwise, the instrument of proxy shall not be treated as valid.
8. Explanatory notes:

**Ordinary Resolution 1** - The proposed Ordinary Resolution 1 is to approve the Directors' fees and benefits payable to the Non-Executive Directors (NED) of up to an amount of RM500,000 with effect from the day after the AGM to the next AGM of the Company.

The fees and benefits payable to the NEDs of the Company are as follows:

- Monthly fixed fees for discharging duties as Director; and
- Meeting allowance for each Board/Board Committee/General Meeting attended.

The shareholders at the 24<sup>th</sup> AGM held on 29 May 2025 approved the Directors' fees and benefits of up to RM500,000 for the period from 30 May 2025 until the AGM for year 2026. The actual Directors' fees and benefits paid to the NEDs for the period from 30 May 2025 until the 25<sup>th</sup> AGM is RM236,000.

Details of the fees and benefits paid to the Non-Executive Directors for the financial year ended 31 December 2025 are disclosed on page 168 of the Overview Statement on Corporate Governance in the 2025 Annual Report.

The Directors' fees and benefits for the Non-Executive Directors for the period from the day after the AGM to the next AGM in year 2027 are estimated not to exceed RM500,000. The calculation is based on the estimated number of scheduled Board and Board Committees' meetings and on assumption that the number of the Non-Executive Directors will remain the same until the next AGM in year 2027.

The Board will seek shareholders' approval at the next AGM in the event the Directors' fees and benefits proposed are insufficient.

# Notice of Annual General Meeting

**Ordinary Resolution 5** - The proposed Ordinary Resolution 5, if passed, will empower the Directors of the Company to allot and issue not more than 10% of the issued shares of the Company subject to the approvals of all the relevant governmental and/or other regulatory bodies and for such purposes as the Directors consider would be in the interests of the Company.

The authority, if granted, will enable quick and cost-efficient fundraising for various corporate purposes, including but not limited to future investment projects, working capital, acquisitions, or strategic opportunities involving equity deals, which may require the allotment of new shares.

The authorisation, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of printing of the Annual Report, no new shares were issued by the Company pursuant to the authority granted to the Directors at the 24<sup>th</sup> AGM held on 29 May 2025 and the said authority will lapse at the conclusion of the 25<sup>th</sup> AGM.

**Ordinary Resolution 6** - The proposed Ordinary Resolution 6, if passed, will empower the Directors of the Company to purchase the Company's shares up to ten percent (10%) of the total number of issued shares of the Company (Proposed Share Buy-Back) by utilising the funds allocated which shall not exceed the total retained earnings of the Company. Further information on the Proposed Share Buy-Back is set out in the Share Buy-Back Statement to shareholders dated 29 April 2026.

Ordinary Resolution 7 - The proposed Ordinary Resolution 7, if passed, will allow Encik Suhaimi bin Badrul Jamil (Encik Suhaimi) to be retained and continue to act as an Independent Non-Executive Director of the Company.

This ordinary resolution is proposed to the shareholders for approval by way of two-tier voting, in accordance with the recommendation of the Malaysian Code of Corporate Governance, to enable Encik Suhaimi to continue serving as an Independent Director of the Company notwithstanding that he has been an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years but less than twelve (12) years.

Encik Suhaimi is a highly accomplished and experienced leader with expertise in corporate transformation, value management, restructuring, finance, turnaround and risk management, cross-border investments, mergers & acquisitions, and strategic management.

His extensive background spans multiple industries, having held key senior roles such as Group Financial Controller, Group General Manager, and Group Executive Director within a Malaysian conglomerate. The conglomerate operates across diverse sectors, including property development, transportation, insurance and banking, plantation, construction, manufacturing, and investment holdings.

The Board of Directors, through the Nomination and Remuneration Committee, has conducted the Directors' annual performance evaluation and assessment of Encik Suhaimi based on the following justifications:

- a. compliance with independence criteria as set out in the independent self-assessment test;
- b. possession of sufficient self-esteem and confidence to uphold an independent point of view;
- c. demonstrate impartiality and fairness in evaluating proposals, risks and corporate strategies;
- d. ability to remain free from relationships or circumstances that may compromise his independence; and
- e. willingness to question and challenge management proposals constructively while contributing solutions.

The Board believes that the skills, competence, experience and familiarity with the fundamentals of the Group's business possessed by Encik Suhaimi are crucial for effective decision-making. Furthermore, the Board is of the opinion that Encik Suhaimi's long service does not compromise his independence, and he consistently provides the required checks and balances in his role as an Independent Director of the Company. Consequently, the Board recommends his continuation as an Independent Non-Executive Director of the Company.

Encik Suhaimi's 12-year term as an Independent Non-Executive Director will conclude on 15 December 2026. Therefore, he will be redesignated to Non-Independent Non-Executive Director should the Company retains him as a Director.

I/We \_\_\_\_\_  
 (Full Name)

NRIC/Passport/Company No. \_\_\_\_\_

 of \_\_\_\_\_  
 (Full Address)

 being a member/members of **Protasco Berhad** hereby appoint \_\_\_\_\_  
 (Full name)

NRIC/Passport No. \_\_\_\_\_

 of \_\_\_\_\_  
 (Full Address, Email Address & Contact Number)

 or failing him/her \_\_\_\_\_  
 (Full Name)

NRIC/Passport No. \_\_\_\_\_

 of \_\_\_\_\_  
 (Full Address, Email Address & Contact Number)

 or failing him/her, the Chairman of the Meeting as my/our proxy to vote on my/our behalf at the 25<sup>th</sup> Annual General Meeting of the Company to be held at Conference Hall, 1<sup>st</sup> Floor, Corporate Building, Unipark Suria, Jalan Ikram-Uniten, 43000 Kajang, Selangor Darul Ehsan on Thursday, 28 May 2026 at 11.00 a.m. and at any adjournment thereof and to vote as indicated below:

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	To approve the payment of Directors' fees and benefits.		
2.	To re-elect Dato' Chong Ther Nen as a director of the Company.		
3.	To re-elect Celine Chan Hooi Li as a director of the Company.		
4.	To appoint auditors of the Company and authorise the Directors to determine their remuneration.		
5.	To approve the authority to allot shares.		
6.	To approve the proposed renewal of share buy-back authority.		
7.	To approve the retention of office of Encik Suhaimi bin Badrul Jamil as an Independent Non-Executive Director.		

Please indicate with an "X" in the space above on how you wish to cast your vote. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2026

 \_\_\_\_\_  
 Signature/Seal of Member

No. of Shares Held	
CDS Account No.	
Proportion of shareholdings to be represented	1 <sup>st</sup> Proxy: 2 <sup>nd</sup> Proxy:

*Notes:*

1. Only members whose names appear on the Record of Depositors as at 18 May 2026 shall be entitled to attend, speak and vote at the 25<sup>th</sup> AGM.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his stead. A proxy may but need not be a member of the Company.
3. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the AGM. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holdings to be represented by each proxy.
4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.
7. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the Registered Office of the Company at 802, 8<sup>th</sup> Floor, Block C, Kelana Square, 17 Jalan SS 7/26, 47301 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time for holding the meeting or at any adjournment thereof, otherwise, the instrument of proxy shall not be treated as valid.

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**STAMP**

The Company Secretaries

**PROTASCO BERHAD**

802, 8<sup>th</sup> Floor, Block C, Kelana Square  
17, Jalan SS7/26, 47301 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

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