TALIWORKS CORPORATION
LGB Group

ANNUAL REPORT
2025

STRONGER FOUNDATIONS,

ADVANCING WITH VIGOUR AND PURPOSE.

INSIDE THIS REPORT

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Cover Rationale

STRONGER FOUNDATIONS, ADVANCING WITH VIGOUR AND PURPOSE.

The cover continues the visual journey from the previous year, carrying forward the Luban Lock concept as the central narrative of progression and stability. Renowned for its precise interlocking mechanism and remarkable strength without nails or adhesives, the Luban Lock symbolises a structure built on discipline, balance, and enduring capability. This symbolism aligns with the message "Stronger Foundations, Advancing with Vigour and Purpose," reflecting how Taliworks has strengthened its core pillars through strategic planning, sound management, and long-term sustainability priorities. The interconnected compartments highlight the Group's key business segments, illustrating how each function plays a critical role within an integrated ecosystem. The seamless continuity from one block to another conveys collaboration, stability, and forward motion. By extending the Luban Lock into the 2025 design, the cover reinforces the idea that Taliworks is not only preserving strong fundamentals but also using them as a platform for purposeful advancement, resilience, innovation, and sustainable value creation for all stakeholders.

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35TH ANNUAL GENERAL MEETING

Wednesday
10 June 2026

2.00 p.m. local time
(GMT+8)

Grand Ballroom, Level 1, M World Hotel Petaling Jaya,
Persiaran Bandar Utama, Bandar Utama,
47800 Petaling Jaya, Selangor

2025 AT A GLANCE

REVENUE
RM461.9
MILLION

PROFIT FOR THE FINANCIAL YEAR
RM107.4
MILLION

TOTAL SHAREHOLDERS' EQUITY
RM1,019.4
MILLION

02

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NAVIGATION ICONS
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This icon tells you where you can go for more information online.

This icon tells you where you can find related information in this report.

CORPORATE INFORMATION

BOARD OF DIRECTORS

YAM Tunku Ali Redhauddin Ibni Tuanku Muhriz
Independent Non-Executive Chairman

Kevin Chin Soong Jin
Executive Director

Datuk Roger Tan Kor Mee
Senior Independent
Non-Executive Director
(Redesignated on 24 February 2025)

Datin Pauline Tam Poh Lin
Independent Non-Executive Director

Datin Irene Lim Ai Ling
Non-Independent
Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman:
Datin Pauline Tam Poh Lin

Members:
Datuk Roger Tan Kor Mee
Datin Irene Lim Ai Ling

NOMINATING AND REMUNERATION COMMITTEE

Chairman:
Datuk Roger Tan Kor Mee

Members:
Datin Pauline Tam Poh Lin
Datin Irene Lim Ai Ling

COMPANY SECRETARIES

Tai Yit Chan
(SSM PC No.: 202008001023)
(MAICSA 7009143)

Tai Yuen Ling
(SSM PC No.: 202008001075)
(LS 0008513)

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SHARE REGISTRARS

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AUDITORS

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Chartered Accountants (AF 0080)
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PRINCIPAL BANKERS

AmBank Islamic Berhad
CIMB Bank Berhad
HSBC Bank Malaysia Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
Maybank Islamic Berhad
United Overseas Bank (Malaysia) Bhd
Standard Chartered Bank Malaysia Berhad

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad

Stock & Code:
TALIWRK & 8524 (Utilities)

AGM HELPDESK

Contact Person:
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VISION STATEMENT

Provide sustainable and equitable returns to shareholders and investors through business progression and value creation.

Provide exceptional services and a compelling value proposition to our clients by engaging with them in a customer-centric manner.

As an established infrastructure company, we continuously advance our capabilities in designing, building, and operating infrastructure projects, delivering end-to-end solutions to our customers. We are committed to:

1

2

3

4

Promote the development of human capital to enhance the value of employees both as individuals and as assets to the organisation.

Conduct our business affairs in an ethical and socially responsible manner, with a particular emphasis on implementing environmentally sustainable practices within the organisation.

Taliworks aims to develop new growth platforms by exploring investment and business opportunities both locally and internationally, with a focus on activities that complement its current core businesses. With a track record of success, expertise, and technical know-how, Taliworks is equipped to take on any future opportunities and challenges. In pursuit of responsible and sustainable commercial success, Taliworks is committed to providing services that are socially, environmentally, and economically responsible.

CORPORATE PROFILE

BACKGROUND HISTORY

Taliworks Corporation Berhad ("Taliworks" or the "Group") is listed on the Main Market of Bursa Malaysia Securities Berhad under the Utilities Sector (Name & Code: TALIWRK & 8524). Taliworks, an established infrastructure company, is primarily involved in five core businesses as follows:-

1. Water Treatment and Supply
2. Highway Toll Concessionaire, Operations and Maintenance Operator
3. Engineering and Construction
4. Waste Management
5. Renewable Energy

LGB Group is one of the pioneers in the privatisation of potable water treatment and supply services in Malaysia since 1987. In year 2000, it undertook a reverse takeover exercise by injecting 100% equity interest in Sungai Harmoni Sdn. Bhd. ("Sungai Harmoni") and Taliworks (Langkawi) Sdn. Bhd. ("Taliworks Langkawi") respectively, and a 45% equity interest in C.G.E Utilities (M) Sdn. Bhd. into Carpets International Malaysia Berhad, which was then listed on the Second Board of the Kuala Lumpur Stock Exchange ("KLSE") (now known as Bursa Malaysia Securities Berhad). Subsequently on 27 October 2000, it was transferred to the Main Board of the KLSE and was renamed Taliworks Corporation Berhad on 24 November 2000. The water treatment, supply and distribution business subsequently became Taliworks' main core business.

In 2004, Taliworks diversified its business interests to include wastewater management in the People's Republic of China. Thereafter, it expanded into the highway toll concessionaire, operations and maintenance business in 2007.

In 2016, Taliworks completed the realignment of its strategic businesses, focusing on mature operational cash-generating utilities/ infrastructure businesses to support its general dividend policy by disposing its businesses in the People's Republic of China and subsequently acquired a 35% equity interest in SWM Environment Holdings Sdn. Bhd. ("SWMEH"), adding waste management business in Malaysia to Taliworks' profile.

In 2022, Taliworks successfully acquired four solar assets near Kuala Lumpur International Airport ("KLIA"), with a total capacity of 19 megawatt peak ("MWp"). The acquisition is an important first step for Taliworks in its journey to become a prominent player in the renewable energy space.

WATER TREATMENT AND SUPPLY

One of Taliworks' core businesses is in the water supply sector. The business entails an operations and maintenance ("O&M") contract for the Sungai Selangor Water Treatment Plant Phase 1 ("SSP1") that supplies potable water to large parts of Selangor and Kuala Lumpur. Total daily treated water production of SSP1 is equivalent to almost 20% of total treated water requirement of Klang Valley and Selangor.

The Group had previously operated and maintained Pulau Langkawi's entire water supply and distribution facilities under the Langkawi Water Supply Privatisation Agreement with the State Government of Kedah. Taliworks Langkawi was granted a 25-year concession to undertake and carry out O&M activities from 7 October 1995 to 31 October 2020. All operations have since been handed over to Syarikat Air Darul Aman Sdn. Bhd., a corporatised body under the State Government of Kedah.

Sungai Harmoni is the O&M operator of SSP1 with a design operating capacity of 950 million litres per day. As part of a water restructuring exercise undertaken by the State Government of Selangor to consolidate the water industry in the state, Sungai Harmoni entered into a Bulk Water Supply Agreement in 2019 with Pengurusan Air Selangor Sdn. Bhd. ("Air Selangor") in which its SSP1's O&M contract was extended for an additional 7 years to December 2036. To operate SSP1, Sungai Harmoni was awarded an Individual License pursuant to Section 9 of the Water Services Industry Act 2006 by the Ministry of Energy, Green Technology and Water (now known as the Ministry of Energy Transition and Water Transformation) with recommendation from the Suruhanjaya Perkhidmatan Air Negara ("SPAN").

CORPORATE PROFILE

HIGHWAY TOLL CONCESSIONAIRE, OPERATIONS AND MAINTENANCE OPERATOR

Taliworks owns and operates two highways, being the Cheras-Kajang Highway which is also known as the Grand Saga Highway, and the New North Klang Straits Bypass Expressway, or commonly referred to as the Grand Sepadu Highway.

Grand Saga Sdn. Bhd. ("Grand Saga")

The acquisition of the 55% equity interest in a joint venture company, Cerah Sama Sdn. Bhd. ("Cerah Sama") in 2007 marked Taliworks' first venture into highway ownership and toll operations. Cerah Sama is the holding company of Grand Saga, a company that owns and operates the concession for the Grand Saga Highway until September 2045. The highway, one of Malaysia's first four-lane dual carriageways, spans 11.5 km, stretching from the Connaught Interchange in Cheras to Saujana Impian in Kajang. It serves the densely populated and fast-growing Cheras-Kajang vicinity, easing traffic congestion and reducing travel time for daily commuters. The highway concession comprises two toll plazas (with toll collection at one bound), namely the Batu 9 toll plaza (Kajang bound) and the Batu 11 toll plaza (Kuala Lumpur bound), one rest and service area, and nine interchanges.

2014 marked Taliworks' first collaboration with the Employees Provident Fund Board ("EPF") through EPF's acquisition of an effective 31.85% equity interest in Cerah Sama via TEI Sdn. Bhd. ("TEI"). TEI, the immediate holding company of Cerah Sama, was established as the flagship vehicle for both parties to acquire and operate mature, cash-generating utilities and infrastructure assets in Malaysia and developed countries. In 2015, TEI acquired the remaining 35% equity interest in Cerah Sama held by SEASAF Highway Sdn. Bhd. TEI is currently 51% held by Taliworks and 49% held by EPF.

Grand Sepadu (NK) Sdn. Bhd. ("Grand Sepadu")

In December 2014, Taliworks through its indirect joint venture company, Grand Sepadu, acquired the assets and concession rights to the New North Klang Straits Bypass Expressway ("Grand Sepadu Highway") from Lebuhraya Shapadu Sdn. Bhd. (in liquidation) for a cash consideration of RM265 million. At the time of the acquisition, the concession had 18 years remaining, set to end in December 2032. The Grand Sepadu Highway, which commenced toll operations in 2002, is a 17.5 km two-lane and three-lane dual carriageway highway that links North Port to Bukit Raja, Klang. The Grand Sepadu Highway is partly parallel to the old tolled North Klang Straits Bypass (which became a non-tolled road after the Grand Sepadu Highway became operational) and is linked to the Federal Highway, the New Klang Valley Expressway and the West Coast Expressway, which connects Banting in Selangor to Taiping in Perak.

Subsequently in 2015, EPF acquired a 50% equity interest in Pinggiran Muhibbah Sdn. Bhd., a company which holds a 75% equity interest in Grand Sepadu. As a result, Taliworks and EPF now effectively own 37.5% equity interest each in Grand Sepadu, with 45% economic interest each in the Grand Sepadu Highway. This officially marked the second partnership between Taliworks and EPF.

ENGINEERING AND CONSTRUCTION

Taliworks' engineering and construction activities are undertaken by its wholly-owned subsidiary, Taliworks Construction Sdn. Bhd. ("Taliworks Construction"). Taliworks secured its first construction project in 2002, i.e., the RM120 million Projek Bekalan Air Kedah Tengah, which was implemented according to the design and build mode of delivery. In 2006, the State Government of Kedah awarded another design and build water supply project to Taliworks known as the Padang Terap Water Supply Project which was worth a contract sum of RM149 million in 2006.

In 2011, Taliworks made its foray into earth fill dam construction and completed the Mengkuang Dam Expansion Project in 2017 where the final contract sum was RM273 million. The scope of works comprised site clearance, earthworks, construction of reinforced concrete structures and pipe laying works. In December 2021, Taliworks Construction achieved a noteworthy milestone by successfully procuring two (2) design and build packages with a total contract value of RM896 million under the overall 'Proposed Development of Sungai Rasau Water Treatment Plant and Water Supply Scheme (Stage 1), Selangor Darul Ehsan' project.

Taliworks Construction, a ISO9001 certified construction company, is registered with the Construction Industry Development Board of Malaysia ("CIDB") and is accorded with the highest grade, Grade G7 license. Taliworks Construction also holds the Sijil Perolehan Kerja Kerajaan ("SPKK") license awarded by CIDB.

CORPORATE PROFILE

WASTE MANAGEMENT

Taliworks' involvement in the waste management business started in May 2016 when it acquired a 35% equity interest in SWMEH. SWMEH is a waste management and public cleansing service provider in the southern region states of Peninsular Malaysia, namely Johor, Negeri Sembilan and Melaka, established in line with the National Privatisation of Solid Waste Management. SWMEH's wholly owned subsidiary, SWM Environment Sdn. Bhd. ("SWME") is the concession owner for the provision of solid waste collection and public cleansing management services, with the concession ending on 1 September 2033.

Its business covers a total geographical region of approximately 28,500 sq. km and serves a population of over 5 million. It services 26 local authorities in Negeri Sembilan (7), Melaka (4) and Johor (15) with 9,387 staff and 279 sub-contractors who collectively manage approximately 5,200 tonnes of waste per day.

As a waste management and public cleansing service provider, SWME provides collection and cleansing services for residential and commercial entities within the municipal jurisdictions. The collection and transportation of domestic waste, garden waste, bulky waste, and recyclables form the crux of the company's business. Currently, the company manages a fleet of about 1,050 collection vehicles and a workforce of over 2,400 dedicated employees to provide scheduled and timely collection services. SWME averages a collection of 156,000 tonnes of waste a month with an approximate total of 1.8 million tonnes of waste collected for the year 2025. As part of the mandatory Separation at Source ("SAS") for recyclable items, SWME introduced a Mobile Application called "KITARecycle" in 2018 to encourage the public to recycle through a reward programme (i.e. accumulated recycling points ("RP") can be redeemed for cash). The programme has attracted 152,534 participants thus far with a total of 6,695 tonnes of recyclables segregated and diverted from the landfills since its inception in 2018. The public cleansing services, which include grass cutting, drain cleaning, street sweeping, wet/dry market cleaning and beach cleansing, form an important part of the company's scope of work and plays a critical role for the benefit of the public. A fleet of over 650 cleansing vehicles, machines, and a workforce of over 6,227 employees are deployed for the cleansing services.

In 2015, EPF acquired a 35% equity interest in SWMEH. The acquisition by Taliworks into SWMEH marks the third partnership between Taliworks and EPF.

RENEWABLE ENERGY

In June 2022, Taliworks completed its maiden foray into the renewable energy sector with the acquisition of four (4) brownfield solar asset companies together with its operations and maintenance company in the vicinity of KLIA with an aggregate capacity of 19 MWp:

1. TR Sepang Sdn. Bhd. ("TR Sepang") operates a 5.0 MWp ground-mounted solar photovoltaic project, built on a palm oil plantation area accessible via Jalan Pekeliling, Sepang;

2. TR SaTerm Sdn. Bhd. ("TR SaTerm") operates a 4.0 MWp rooftop-mounted solar project above the satellite terminal of KLIA;

3. TR CPark Sdn. Bhd. ("TR CPark") operates two separate 5.0 MWp rooftop-mounted solar projects within two long-term car parks at KLIA; and

4. Taliworks Renewables Operations Sdn. Bhd. provides end-to-end operations and maintenance services to the above solar assets.

TR Sepang, TR SaTerm, and TR CPark operate under the Feed-in Tariff ("FIT") programme, which is administered by the Sustainable Energy Development Authority ("SEDA"), a statutory body formed under the Sustainable Energy Development Authority Act 2011. The FIT programme aimed to promote development of renewable energy by guaranteeing grid access and favourable tariff rates. These solar assets achieved Commercial Operations Date in 2013.

The acquisition provided Taliworks with three (3) diversified premium solar asset companies in Malaysia generating stable operating cashflow. The addition of a strong and capable management team now bolsters Taliworks's capability in the renewables space. With the completion of the acquisition of the four (4) solar projects, Taliworks consolidated the financial results from the renewable energy division from the date of acquisition. Taliworks started recognising revenue under the newly created renewables segment from the second quarter of 2022 from sales of electricity generated from its solar photovoltaic plants.

The management team is focused on driving performance improvements and risk mitigation initiatives. In 2022, TR SaTerm completed its solar panel replacement, which contributed to improved financial performance. Subsequent solar panel replacements at TR Sepang and TR CPark, completed in 2024, further strengthened the financial performance of the renewables division in FY2025.

Looking ahead, Taliworks remains committed to adopting and refining industry-leading O&M practices to maximise yield, optimise operational efficiency, and ensure long-term sustainability. With a culture of continuous improvement, Taliworks aims to strengthen operational performance while meeting evolving industry standards and stakeholder expectations.

CORPORATE MILESTONES

2000

- LGB Group undertook a reverse takeover exercise by injecting 100% equity interest in Sungai Harmoni Sdn. Bhd. ("Sungai Harmoni") and Taliworks (Langkawi) Sdn. Bhd. ("Taliworks Langkawi") respectively, and a 45% equity interest in C.G.E Utilities (M) Sdn Bhd (which had since ceased operations) into Carpets International Malaysia Berhad ("Carpets"), which was then listed on the Second Board of the Kuala Lumpur Stock Exchange ("KLSE") (now known as Bursa Securities Malaysia Berhad) (July).
- Carpets was transferred to the Main Board of KLSE (which has since been merged with the Second Board into a single board known as the Main Market) (October).
- Carpets was renamed Taliworks Corporation Berhad ("Taliworks") (November).

2002

- Taliworks was named Forbes 100 best Smaller-Sized Enterprises in the Asia Pacific.
- Taliworks secured its maiden construction project i.e. the design, construction and supervision for water supply works to the Northern Area of the Central Kedah Water Supply Scheme for RM120 million (January).

2003

- Taliworks was named Forbes 100 Best Smaller-Sized Enterprises in the Asia Pacific and KPMG/The Edge Shareholders Value Awards (ranked no. 21 out of top 100 companies and ranked 2nd within the Infrastructure Grouping).
- Taliworks completed a bonus issue exercise with the issuance of 58,700,000 new ordinary shares of RM1.00 each on the basis of one (1) new ordinary share for every two (2) existing ordinary shares held in Taliworks (December).

2004

- Taliworks diversified its business interests to include waste management in the People's Republic of China.
- Taliworks was ranked no. 85 out of the top 100 companies for the KPMG/The Edge Shareholders Value Awards.

2005

- Tianjin-SWM (M) Environment Ltd. Co., a 90% owned subsidiary of Taliworks commenced operations in the Tianjin Panlou Municipal Solid Waste Transfer Station, People's Republic of China (January).
- Taliworks was ranked no. 78 for The Edge Top 100 Best Companies in terms of return (3 years).
- Taliworks was ranked no. 40 out of the top 100 companies for the KPMG/The Edge Shareholders Value Awards.
- Taliworks issued 70,440,000 warrants 2005/2010 pursuant to a rights issue of warrants on the basis of one (1) warrant for every five (5) ordinary shares of RM0.50 each held after the split of every one (1) ordinary share of RM1.00 each into two (2) ordinary shares of RM0.50 each (September).
- Taliworks adopted a general dividend policy of distributing not less than 50% of its net earnings as gross dividends for the next three years commencing from the financial year 2006 (November).

2006

- Taliworks was ranked no. 124 out of 200 Public Listed Companies ("PLC") based on market capitalisation as at 31 December 2005 under the Corporate Governance Survey Report 2006 published jointly by the Minority Shareholder Watchdog Group and The University of Nottingham – Malaysia Campus.
- Taliworks was ranked amongst the top 212 main board companies selected based on market capitalisation as at 31 December 2005 under the Dividend Survey 2006 published jointly by the Minority Shareholder Watchdog Group and Universiti Teknologi MARA.
- Taliworks issued 17,000,000 new placement shares of RM0.50 each at RM1.35 per share pursuant to a private placement of shares (May).
- Air Kedah Sdn. Bhd., a 60% owned subsidiary, received the Letter of Acceptance to implement the Padang Terap Water Supply Scheme from the Kedah State Government for a contract sum of RM149 million (July).

CORPORATE MILESTONES

2007

- Taliworks acquired a 56% stake in Puresino (Guanghan) Water Co. Ltd., a wastewater treatment service provider in April, and subsequently commenced commercial operations of the Guanghan San Xin Dui wastewater treatment plant (September).
- Taliworks was ranked no. 87 out of 350 main board companies under the Corporate Governance Survey Report 2007 published jointly by the Minority Shareholder Watchdog Group and The University of Nottingham – Malaysia Campus.
- Taliworks was ranked amongst the top 500 PLCs selected based on market capitalisation as at 31 December 2006 under the Dividend Survey 2007 published jointly by the Minority Shareholder Watchdog Group and Universiti Teknologi MARA.
- Taliworks diversified its business interests to highway toll operations and maintenance through the acquisition of 55% interest in a then joint venture company, Cerah Sama Sdn. Bhd. ("Cerah Sama") for the Cheras-Kajang Highway, also known as Grand Saga Highway (November).
- Taliworks issued 5-year unsecured convertible bonds 2007/12 with a nominal value of RM225 million ("Convertible Bonds") (December).

2008

- Taliworks was ranked no. 45 out of 960 PLCs under the Corporate Governance Survey Report 2008 published jointly by the Minority Shareholder Watchdog Group and The University of Nottingham – Malaysia Campus.

2009

- Taliworks was ranked amongst the top 100 PLCs under the Malaysian Corporate Governance Report 2009 published by the Minority Shareholder Watchdog Group.
- Due to changes in market conditions, Taliworks re-purchased RM112 million nominal value of the Convertible Bonds (December).

2010

- Taliworks redeemed the balance RM113 million nominal value of the Convertible Bonds and its obligations in respect of the Convertible Bonds were fully extinguished (December).

2011

- Taliworks was awarded the sub-contract of the Mengkuang Dam Expansion Project for a contract sum of RM339 million (September).
- Taliworks (Yinchuan) Wastewater Treatment Co. Ltd., a wholly-owned subsidiary of Taliworks, completed the takeover of the operation of four municipal wastewater treatment plants with recycled water facilities in Yinchuan (December).

2012

- Taliworks was awarded the Brandlaureate Best Brand Awards 2011-2012 - Best Brands in Industrial - Water Treatment.
- Taliworks' entered into a joint-venture with LGB Engineering Sdn. Bhd. to undertake a contract by the State Government of Selangor for the construction and completion of Raw Water Pumping Main and Inter-connection at Matang Pagar Reservoir for a contract sum of RM20.3 million (March).

2013

- Cerah Sama issued RM420 million Islamic Medium-Term Notes (Sukuk Musharakah) under the Sukuk Programme of up to RM750 million in nominal value (January).
- Taliworks (Langkawi) was granted an authorisation by the National Water Service Commission to undertake and carry out the operations and activities under the Langkawi Water Supply Privatisation Agreement (October).
- Taliworks was listed among the Top 100 Malaysian PLCs by the Minority Shareholder Watchdog Group as per the ASEAN Corporate Governance Scorecard methodology on 862 PLCs.

CORPORATE MILESTONES

2014

- Taliworks gained control over Cerah Sama which subsequently became Taliworks' subsidiary as a result of an internal re-organisation exercise. Subsequent to the internal re-organisation, Employees Provident Fund ("EPF") acquired 31.85% effective equity interest in the Grand Saga Highway via TEI Sdn. Bhd. ("TEI"), marking its first partnership with EPF. Taliworks' equity interest in Cerah Sama reduced from 55% to 28.05% (June to August).
- The consortium of LGB-Taliworks JV was awarded the SSP3 Package Pipeline, involving the supplying and laying of 11 km of 1,200 mm diameters of steel pipes with a contract value of RM30.6 million (June).
- Taliworks announced a dividend policy of declaring a dividend payout ratio of not less than 75% of its consolidated profit after tax (excluding exceptional items) commencing the financial year ending 31 December 2015 (September).
- Grand Sepadu Sdn. Bhd. ("Grand Sepadu") executed a Novation Agreement and a Second Supplemental Concession Agreement to take over the New North Klang Straits Bypass Expressway, also known as Grand Sepadu Highway for cash consideration of RM265 million (December).

2015

- Grand Sepadu issued a RM210 million Sukuk Murabahah.
- TEI acquired the remaining 35% equity interest in Cerah Sama held by SEASAF Highway Sdn. Bhd. Taliworks's equity interest in Cerah Sama increased from 28.05% to 51%.
- LGB Taliworks Consortium Sdn. Bhd., a 20% associate of Taliworks was awarded the SSP7 Project contract by Pengurusan Aset Air Berhad with a contract sum of RM75.9 million (September).
- Taliworks issued 43,980,000 new placement shares of RM0.50 each at RM3.20 per share pursuant to a private placement exercise (October).
- Taliworks issued 241,897,790 warrants 2015/2018 on the basis of one (1) warrant for every five (5) ordinary shares held after the share split comprising the subdivision of every two (2) existing ordinary shares of RM0.50 each into five (5) ordinary shares of RM0.20 each (November).
- Taliworks completed the 2nd partnership with EPF via the disposal of its 50% equity interest in Pinggiran Muhibbah Sdn. Bhd. (the holding company of Grand Sepadu) to EPF (December).
- Taliworks was included in the MSCI Global Small Cap Indexes for Malaysia.
- Taliworks was ranked no. 91 out of the Top 100 Overall Corporate Governance Companies – Disclosures with ROE Performance by the Minority Shareholder Watchdog Group.

2016

- In line with Taliworks' new business strategy to focus on mature operational cash-generating utilities/ infrastructure businesses to support its dividend policy, Taliworks completed the disposal of its entire waste management operations in the People's Republic of China and acquired 35% equity interest in SWM Environment Holdings Sdn. Bhd. ("SWMEH"), a waste management and public cleansing service provider in the southern region of Peninsular Malaysia. This marked Taliworks' 3rd partnership with EPF, where EPF also held 35% equity interest in SWMEH (May).
- A consortium comprising of Taliworks and Ikatan Gemajaya Sdn. Bhd. was awarded the Ganchong Water Treatment Works from the East Coast Economic Region Development Council with the total contract sum of RM73.1 million (September).
- SWM Environment Sdn. Bhd. ("SWME"), a 100% owned subsidiary of SWMEH, was awarded the Brandlaureate SMEs BESTBRANDS Award 2015-2016 - Signature Brand Services – Integrated Solid Waste Management.
- Taliworks was awarded the IEM 2016 Award for Water Management in Malaysia.
- Taliworks was ranked no. 44 out of the Top Malaysian 100 PLCs with Good Disclosures by the Minority Shareholder Watchdog Group.
- Taliworks was ranked no. 29 out of the Top 100 Malaysian PLCs for Overall Corporate Governance and Performance by the Minority Shareholder Watchdog Group.

CORPORATE MILESTONES

2017

- Taliworks was ranked no. 45 out of the Top Malaysian 100 PLCs with Disclosures by the Minority Shareholder Watchdog Group.
- Taliworks was ranked no. 26 out of the Top 100 Malaysian PLCs for Overall Corporate Governance and Performance by the Minority Shareholder Watchdog Group.
- SWME was awarded the Best Employer Branding Awards (3rd Edition) by Employer Branding Institute (India) in Malaysia.
- SWME was awarded Gold Award (Private Sector) for the Human Resources Award – Employer of Choice category by the Malaysian Institution of Human Resource Management.
- SWME was awarded Gold Award (Head of Department) for the Human Resources Leader category by the Malaysian Institution of Human Resource Management.

2018

- Sungai Harmoni accepted the Letter of Offer from Pengurusan Air Selangor Sdn. Bhd. ("Air Selangor") relating to the settlement of past receivables owing from Syarikat Pengeluar Air Selangor Sdn. Bhd. ("SPLASH") and to enter into a new operations and maintenance agreement (August).
- Taliworks completed a bonus issue exercise with the issuance of 806,325,239 new ordinary shares on the basis of two (2) new ordinary shares for every three (3) existing ordinary shares in Taliworks (October).
- Taliworks Construction Sdn. Bhd. accepted the Letter of Award for the proposed construction and completion including handing over to the authority of 76ML R.C. reservoir R4 and related ancillary works at Cyberjaya Flagship Zone for a contract sum of RM42.4 million (October).
- The unexercised Warrants 2015/2018 that have lapsed were subsequently delisted (November).
- SWME was awarded two silver medals by Perbadanan Teknologi Hijau Melaka under the category of Green Corporate Social Responsibility and Green Practices.
- Taliworks was ranked no. 88 out of the Top Malaysian 100 PLCs with Disclosures by the Minority Shareholder Watchdog Group.
- Taliworks was ranked no. 82 out of the Top 100 Malaysian PLCs for Overall Corporate Governance and Performance by the Minority Shareholder Watchdog Group.

2019

- Sungai Harmoni completed its negotiations with Air Selangor resulting in the execution of the following agreements (May):
  i. Termination and Settlement Agreement ("TSA") with Air Selangor and SPLASH in relation to the settlement of outstanding receivables due from SPLASH arising from the operations and maintenance agreement dated 24 January 2000 for Sungai Selangor Water Treatment Plant Phase 1 ("SSP1");
  ii. Bulk Water Supply Agreement ("BWSA") with Air Selangor in relation to the appointment of Sungai Harmoni as the operator for SSP1 and the supply of treated water up till 31 December 2036; and
  iii. Raw Water Abstraction Agreement with Air Selangor in relation to the abstraction of raw water from the relevant raw water source for SSP1.
- Sungai Harmoni received the Individual Licence pursuant to Section 9 of the Water Services Industry Act 2006 from the Suruhanjaya Perkhidmatan Air Negara and commenced operations of SSP1 under the BWSA (September).
- Sungai Harmoni completed the securitisation of receivables owing from SPLASH under the TSA via Starbright Capital Berhad pursuant to an asset-backed securitisation exercise (December).
- SWME was awarded the Perkhidmatan Skim Terbaik 2019 (Muar, Johor) by Perbadanan Pengurusan Sisa Pepejal dan Pembersihan Awam.
- Grand Sepadu was awarded the Silver Rating for operational highway from 31 June 2019 to 30 June 2024 under the Green Highway Index.

CORPORATE MILESTONES

2020

- The expiration of Taliworks Langkawi's privatisation contract with the Government of Kedah Darul Aman for the management, operations and maintenance of the water supply system in Pulau Langkawi. All operations were handed over to Syarikat Air Darul Aman Sdn. Bhd., a corporatised body under the State Government of Kedah (October).
- Taliworks was ranked no. 53 out of the Top 100 Malaysian PLCs for Corporate Governance Disclosure 2020 by the Minority Shareholder Watchdog Group.
- Taliworks entered into two separate Sales and Purchase Agreements to acquire four (4) solar assets with an aggregate capacity of 19-megawatt peak, located within the vicinity of the Kuala Lumpur International Airport (December).

2021

- Taliworks was ranked no. 8 out of the top 10 mid-cap companies (RM1 billion to RM2 billion) of the inaugural Malaysia Board Diversity Study & Index, conducted by the Institute of Corporate Directors Malaysia in collaboration with Wills Towers Watson (April).
- Taliworks received Letters of Award from Air Selangor for the proposed development of Sungai Rasau Water Supply Scheme (Stage 1), Selangor Darul Ehsan, for the following packages (December):
  i. Package 2 – Design and Build of Proposed Rasau Treated Water Pumping Station, Treated Water Pumping Mains to existing Bukit Lipat Kajang Reservoirs, Distribution and Associated Works at a contract sum of RM602.4 million; and
  ii. Package 3 – Design and Build of Proposed New Bukit Lipat Kajang Booster Station, Reservoirs and Associated Works at a contract sum of RM293.9 million.

2022

- Taliworks successfully acquired the majority economic interest in four (4) brownfield solar projects within the vicinity of the Kuala Lumpur International Airport with an aggregate capacity of 19-megawatt peak and 100% equity in TerraForm Global Operating (Malaysia) Sdn. Bhd. (now known as Taliworks Renewables Operations Sdn. Bhd.), an operations and maintenance services provider of the solar projects (April).
- Taliworks completed the acquisition of the remaining minority stake in the four (4) brownfield solar projects (June).
- Taliworks was ranked no. 86 out of the Top 100 Malaysian PLCs for Corporate Governance Disclosure 2021 by the Minority Shareholder Watchdog Group (November).

2023

- Sungai Harmoni exchanged a signed Collaboration Agreement with Universiti Selangor ("UNISEL") to explore opportunities in water supply including management of water treatment plant residuals through UNISEL's Faculty of Engineering and Life Sciences (October).
- SWME was honoured with the SME100 Award 2023, which recognises exceptional small medium enterprises for their growth, resilience, and commitment to best practices, sustainability, and innovation (December).

CORPORATE MILESTONES

THIS YEAR

2024

- Sungai Harmoni signed a Collaboration Agreement with University Teknologi MARA to jointly drive innovative research in water treatment plant operations and sustainable management of water residuals (August).
- Sungai Harmoni was awarded the Institut Kimia Malaysia ("IKM") Laboratory Excellence Award 2024. This award was designed to recognise and promote the laboratory's commitment to excellence in providing quality and competent testing services in accordance with local legislation, particularly in the fields of health, safety, and the environment.
- Sungai Harmoni was awarded the Zero Violation of Treated Water Produced in 2023 Award by Air Selangor, based on assessments conducted by the Ministry of Health Malaysia and Air Selangor. The award recognises compliance with the established National Drinking Water Quality Standards and the BWSA Quality Standards.
- SWME was recognised among the Top 30 at the GUCI Awards 2024 (Government-University-Community-Industry), receiving three awards from Majlis Bandaraya Iskandar Puteri, Universiti Teknologi Malaysia, and the Iskandar Regional Development Authority for collaborative projects with Universiti Tun Hussein Onn Malaysia ("UTHM"):
  i. Gold – JESAWIL: School Heroes Exploration Competition;
  ii. Silver – Eco-Trap: Tackling River Pollution in Panchor, Muar; and
  iii. Bronze – Ecobricks: Reducing Plastic Waste Through Building Materials.

2025

- Sungai Harmoni was awarded the IKM Laboratory Excellence Award 2025, recognising the laboratory's strong commitment to delivering high-quality, competent testing services in compliance with local legislation, particularly in the areas of health, safety, and environmental protection.
- SWME was awarded the Social Impact Through Waste Management Award by the Waste Management Association of Malaysia ("VWAM"), which recognises SWME's transformative contributions in driving meaningful social impact through sustainable, innovative, and responsible waste management practices that benefit communities nationwide.
- SWME was awarded the Youth Sustainability Champion Award by WMAM in recognition for its JESAWIL programme, an environmental education initiative in collaboration with UTHM, which empowers young minds to champion waste segregation, 3R practices, and sustainable living, cultivating a new generation of environmental leaders for Malaysia's future.
- Taliworks achieved a 3-star rating on the MSWG (Minority Shareholders Watch Group) Sustainability Scorecard.
- Taliworks was awarded the Company of the Year (Utilities) - ESG Champion at the Sustainability & CSR Malaysia Awards 2025.

KEY CORPORATE AND FINANCIAL EVENTS 2025

ANNOUNCEMENTS/ EVENTS

26 MARCH 2025

Announcement of the proposed renewal of existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature, which was tabled as Special Business at the Thirty-Fourth Annual General Meeting of the Company.

12 JUNE 2025

The Thirty-Fourth Annual General Meeting of the Company was successfully concluded with all proposed resolutions duly passed.

RELEASE OF FINANCIAL RESULTS

27 FEBRUARY 2025

Unaudited interim results for the 4th Quarter ended 31 December 2024.

29 APRIL 2025

Audited financial statements for the financial year ended 31 December 2024.

19 MAY 2025

Unaudited interim results for the 1st Quarter ended 31 March 2025.

27 AUGUST 2025

Unaudited interim results for the 2nd Quarter ended 30 June 2025.

19 NOVEMBER 2025

Unaudited interim results for the 3rd Quarter ended 30 September 2025.

DECLARATION OF DIVIDEND PAYMENT

27 FEBRUARY 2025

Fourth interim single-tier dividend of 0.5 sen per ordinary share on 2,015,817,574 shares amounting to RM10.1 million in respect of the financial year ended 31 December 2024, paid on 28 March 2025.

19 MAY 2025

First interim single-tier dividend of 0.5 sen per ordinary share on 2,015,817,574 shares amounting to RM10.1 million in respect of the financial year ended 31 December 2025, paid on 30 June 2025.

27 AUGUST 2025

Second interim single-tier dividend of 0.5 sen per ordinary share on 2,015,817,574 shares amounting to RM10.1 million in respect of the financial year ended 31 December 2025, paid on 30 September 2025.

19 NOVEMBER 2025

Third interim single-tier dividend of 0.5 sen per ordinary share on 2,015,817,574 shares amounting to RM10.1 million in respect of the financial year ended 31 December 2025, paid on 24 December 2025.

CORPORATE STRUCTURE

TALIWORKS CORPORATION
LGB Group

SUBSIDIARIES

- 100% Sungai Harmoni Sdn. Bhd.
- 100% Taliworks (Langkawi) Sdn. Bhd.
- 100% Taliworks Technologies Sdn. Bhd.
- 100% Taliworks Construction Sdn. Bhd.
- 100% Taliworks Renewables Sdn. Bhd
  - 100% TR (SG1) Pte. Ltd.
    - 48% TR Sepang Sdn. Bhd. (52%)
  - 100% TR (SG2) Pte. Ltd.
    - 48% TR Saterm Sdn. Bhd. (52%)
  - 100% TR (SG3) Pte. Ltd.
    - 48% TR Cpark Sdn. Bhd. (52%)
  - 100% Taliworks Renewable Singapore Pte. Ltd.
    - 100% Taliworks Renewables Operations Sdn. Bhd.
  - 100%# TRS Uno Pte. Ltd.
  - 100%# TRS Dos. Pte. Ltd.
  - 100%# TRS Tres. Pte. Ltd.
- 51% TEI Sdn. Bhd.
  - 100% (10%) Trinitywin Sdn. Bhd.
  - 90% Cerah Sama Sdn. Bhd.
    - 100% Grand Saga Sdn. Bhd.
    - 100% Trupadu Sdn. Bhd.

JOINT VENTURE

- 50% Pinggiran Muhibbah Sdn. Bhd.
  - 75% Grand Sepadu (NK) Sdn. Bhd.

ASSOCIATES

- 35% SWM Environment Holdings Sdn. Bhd.
- 20% LGB Taliworks Consortium Sdn. Bhd.
- 24% Aqua Flo Sdn. Bhd.

LEGEND

- Investment Holding Company/Others
- Engineering and Construction
- Waste Management
- Highway Toll Concessionaire, Operations and Maintenance Operator
- Water Treatment and Supply
- Renewable Energy

Companies have submitted applications to be struck off in the current financial year. The companies were subsequently struck off with effect from 2 January 2026.

SHARE PERFORMANCE HIGHLIGHTS

52W HIGH
RM0.80

52W LOW
RM0.50

YEAR-END CLOSING PRICE
RM0.50

TALIWORKS SHARE PRICE PERFORMANCE 2025

5-YEAR FINANCIAL HIGHLIGHTS

	2021 RM MIL	2022 RM MIL	2023 RM MIL	2024 RM MIL	2025 RM MIL
PROFITABILITY					
Revenue	302.6	337.7	374.7	451.4	**461.9**
EBITDA[(i)]	152.2	159.5	145.4	204.3	**200.4**
Profit Before Taxation	114.0	81.9	67.1	118.3	**138.0**
Profit for the Financial Year	102.4	66.4	49.5	102.5	**107.4**
KEY AMOUNTS IN THE STATEMENT OF FINANCIAL POSITION					
Total Assets	1,943.1	1,854.3	1,747.9	1,690.7	**1,720.4**
Total Borrowings	358.5	328.9	304.2	273.8	**233.4**
Total Shareholders' Equity	1,157.4	1,047.9	963.9	962.4	**1,019.4**
No. of Shares in issue	2,015.8	2,015.8	2,015.8	2,015.8	**2,015.8**
BREAKDOWN OF REVENUE AND PROFIT BEFORE TAXATION					
Revenue					
- water treatment and supply	169.1	184.9	196.0	195.3	**186.8**
- construction	14.8	33.0	59.8	72.6	**109.1**
- toll highway	113.7	97.6	89.7	149.6	**130.5**
- renewable energy	-	17.2	24.9	29.6	**31.2**
- others	5.0	5.0	4.3	4.3	**4.3**
	302.6	337.7	374.7	451.4	**461.9**
Profit/(Loss) Before Taxation					
- water treatment and supply	58.6	60.9	58.4	65.3	**68.3**
- construction	(1.0)	0.7	4.6	2.5	**(0.2)**
- toll highway	51.7	34.1	22.5	81.3	**65.6**
- renewable energy	-	7.8	9.4	0.7	**12.1**
- others	(9.7)	(4.8)	(12.5)	(14.3)	**(11.5)**
	99.7	98.7	82.4	135.5	**134.3**
- share of results of joint venture	6.0	6.2	5.5	12.7	**6.8**
- share of results of associates	8.3	(23.0)	(20.8)	(29.9)	**(3.1)**
	114.0	81.9	67.1	118.3	**138.0**
KEY FINANCIAL RATIO					
Gross dividend per share (sen)	6.60	6.60	5.95	4.50	**2.25**
Net Assets per share (sen)	44.89	39.06	34.52	33.19	**35.37**
Earnings per share (sen)					
- basic	3.89	2.74	2.08	3.63	**4.14**
- fully diluted	3.89	2.74	2.08	3.63	**4.14**
Return on Equity (%)[(ii)]	8.66	6.02	4.92	10.65	**10.84**
Return on Assets Employed (%)[(iii)]	5.09	3.50	2.75	5.96	**6.30**
Dividend payout ratio (%)[(iv)]	169.48	241.28	285.83	124.03	**54.29**
Net Debt to Equity ratio (%)[(v)]	-	10.67	12.97	8.78	**5.29**

NOTES:

(i) EBITDA is defined as earnings before finance costs, taxation, depreciation and amortisation costs (and excludes share of results of associate and joint venture).

(ii) Return on Equity is calculated by dividing the profit for the financial year with the average of the opening and closing Total Shareholders' Equity.

(iii) Return on Assets Employed is calculated by dividing the profit for the financial year with the average of the opening and closing Total Assets Employed.

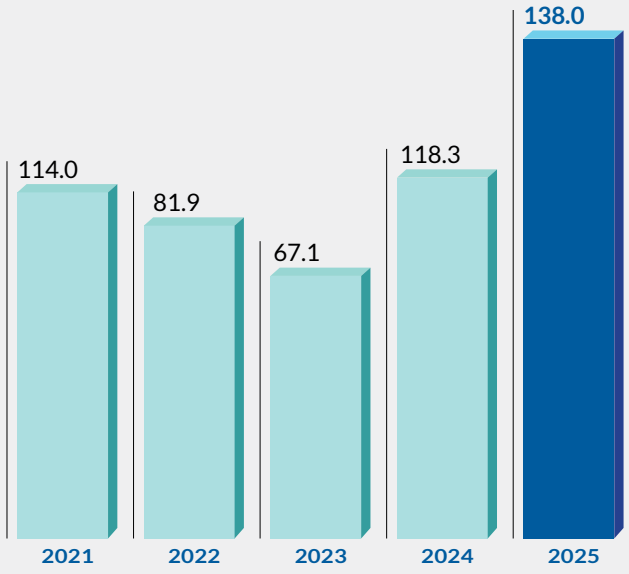
(iv) Dividend payout ratio is calculated by dividing the Dividend Per Share for the particular financial year with the Earnings Per Share. The 5-year historical numbers have been restated to reflect this calculation.

(v) Net Debt-to-Equity is calculated by dividing the net deposits, cash and bank balances, investments designated at fair value through profit or loss and total borrowings with Total Shareholders' Equity.

5-YEAR FINANCIAL HIGHLIGHTS

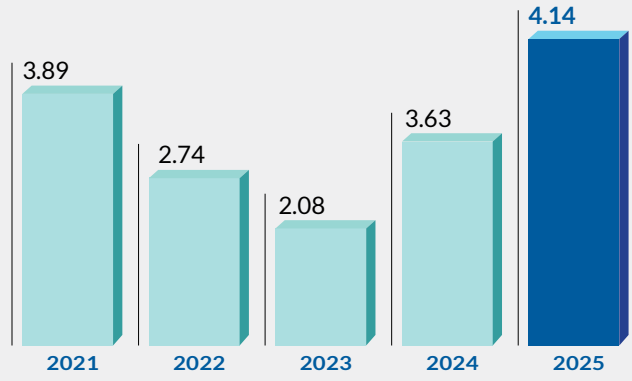
PROFIT BEFORE TAXATION
(RM million)

RM138.0
MILLION



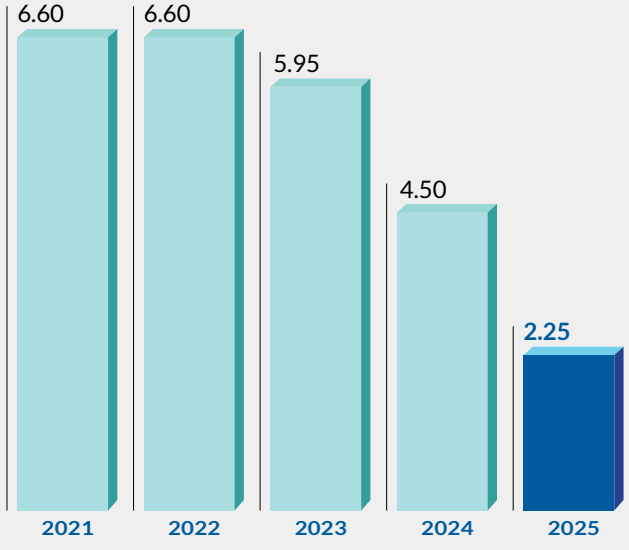
BASIC EARNING PER SHARE
(Sen)

4.14
SEN



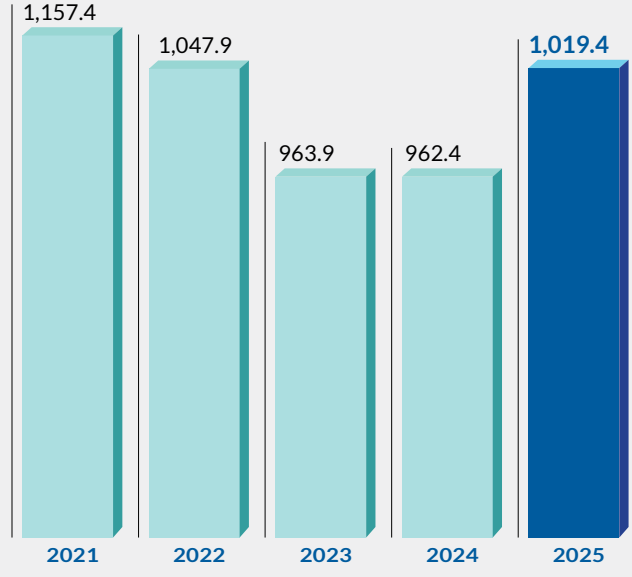
GROSS DIVIDEND PER SHARE
(Sen)

2.25
SEN



TOTAL SHAHOLDERS' EQUITY
(RM million)

RM1,019.4
MILLION



CHAIRMAN'S STATEMENT

CLARITY OF PURPOSE

Dear Valued Shareholders,

On behalf of the Board of Directors ("the Board"), I am pleased to present you with the Annual Report and Audited Financial Statements of Taliworks Corporation Berhad ("Taliworks") and its subsidiaries ("the Group") for the financial year ended 31 December 2025 ("FY2025").

YAM Tunku Ali Redhauddin Ibni Tuanku Muhriz

Independent Non-Executive Chairman

REVENUE
(RM million)

FY2023
FY2024
FY2025

PAT
(RM million)

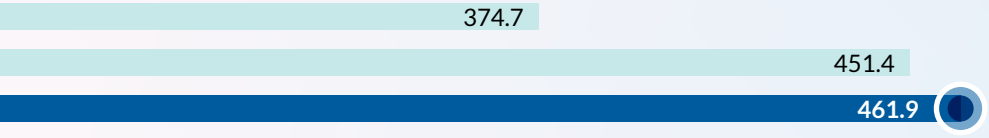
FY2023
FY2024
FY2025

CHAIRMAN'S STATEMENT

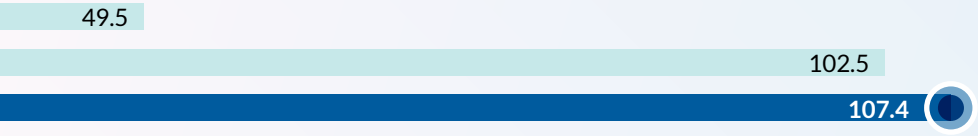
2025 unfolded in a still-fragile global economic environment, characterised by heightened policy uncertainties, structural adjustments across major economies and ongoing energy market volatility, which continued to weigh on global supply chains, capital flows and investment sentiment. Persistent geopolitical tensions, including war in Eastern Europe and the Middle East, continue to influence risk sentiment, while the increasing shifts in macroeconomic policy, particularly the imposition of a series of tariffs by the U.S. Government, further created ripples of uncertainty throughout the global economy. Against this backdrop, central banks adopted a more cautious stance, transitioning from prolonged monetary tightening towards a more accommodative policy to support growth. At the same time, China's pursuit of economic rebalancing, which includes prioritising domestic demand and a shift in government-led investment from industries with over-capacity toward infrastructure and advanced technology sectors, is reshaping regional supply chains. This transformation will inevitably have direct implications on the landscape of regional manufacturing activities and cross-border trade within Southeast Asia.

On the home front, Malaysia's economy remained robust amidst a complex global landscape, achieving growth by 5.2% in 2025, an improvement from 5.1% in 2024. This performance was driven by sustained domestic demand. Household consumption continued to be a key pillar, underpinned by a stable employment environment, income-enhancing policy measures and targeted cash assistance initiatives. Investment momentum remained firm, fuelled by sustained capital expenditure by both the private and public sectors.

These key drivers are well supported by Malaysia's growth-oriented policies and strategic initiatives outlined in the 13th Malaysia Plan, which aims to elevate the nation to developed-nation status by 2030. The Plan focuses on enhancing economic competitiveness through AI adoption, digitalisation and the development of high-value industries, while advancing social equity, improving living standards, promoting good governance, fostering inclusivity and facilitating the transition to a green economy. The National Budget 2026, which was tabled in October 2025, further reinforces this framework, translating the Plan's vision into action through targeted development spending, infrastructure allocations and investment-friendly measures, that ensures sustained economic growth.



RM461.9 million



RM107.4 million

Taliworks' FY2025 performance showcased consistent strength across its core business segments, demonstrating the Group's adaptability to evolving market conditions and commitment to operational excellence.

CHAIRMAN'S STATEMENT

As we progress into 2026, the global landscape has grown increasingly complex stemming from the ongoing Iran war. This has triggered significant disruptions across global markets, driving up oil and gas prices as well as prices of certain key commodities, while simultaneously straining critical supply chains. Market volatility has also amplified uncertainties in global financial markets, weighing on investor confidence.

According to the Economic Outlook 2026 published by the Ministry of Finance, Malaysia is expected to maintain a reasonably good growth trajectory for 2026, with GDP projected to expand by 4.0% to 4.5%, outpacing the estimated global average GDP growth of 2.7%. Several investment banks and research houses anticipate an even stronger performance, forecasting growth in the range of 4.4% to 5.1%, above the official budget projection, with the outlook is primarily underpinned by Malaysia's strong policy and strategic framework which continues to provide resilience amid prevailing global uncertainties. Investment activities continue to gain traction as infrastructure projects progress, approved investments are translated into project-level execution and key national master plans move into their implementation phases. The above have, in part, contributed to the strengthening of ringgit against global currencies, including the US dollar and Singapore dollar. Notwithstanding these developments, we remain cautious that the external headwinds arising from the Iran conflict may nevertheless weigh on the 2026 outlook amidst persistent global uncertainty.

Building upon this supportive policy and economic backdrop, Taliworks is well positioned to capitalise on **the emerging opportunities arising from Malaysia's ongoing infrastructure and sustainable energy development landscapes.**

Against this evolving backdrop, Budget 2026 continues to underpin Malaysia's growth outlook, having earmarked an investment of RM13 billion for Pengurusan Aset Air Berhad ("PAAB") over the next five years for new water treatment plants. Complementing this is an allocation of RM3 billion for the continuation of the National Non-Revenue Water ("NRW") programme for critical pipe replacements. Efforts are concentrated on the replacement of more than 820 kilometres of ageing pipelines across Johor, Melaka, Negeri Sembilan, Kelantan, Pahang and Selangor. Together, these initiatives align with the broader objectives of the Water Sector Transformation 2040 agenda, a long-term national strategy, designed to support the goal of enhancing water treatment capacity, reliability and operational efficiency.

Simultaneously, Malaysia's energy transition is accelerating, reflecting the nation's firm commitment to building a more sustainable and inclusive future. This momentum is set to intensify further, as conflicts in the Middle East underscore the importance of new energy sources in safeguarding energy security and supply continuity. Budget 2026 supports the nation's energy transition through strategic allocations to catalyse large-scale renewable energy deployment, green technology adoption and improve energy efficiency initiatives across the economy. These efforts are anchored by the National Energy Transition Roadmap ("NETR"), including a RM150 million allocation to the National Energy Transition Fund. This transition is further driven by high-impact initiatives such as the RM6 billion Large-Scale Solar 6 and the RM3.5 billion Corporate Renewable Energy Scheme, alongside the introduction of a carbon tax and the RM1 billion Green Technology Financing Scheme 5.0 to expedite decarbonisation and foster a diversified and sustainable energy mix which aligns with Malaysia's climate commitments. Other additional energy transition initiatives encompass a 300 MW Feed-in Tariff allocation for small hydro, biomass and biogas plants as well as the expanded deployment of solar photovoltaics across government buildings.

Building upon this supportive policy and economic backdrop, Taliworks is well positioned to capitalise on the emerging opportunities arising from Malaysia's ongoing infrastructure and sustainable energy development landscapes. In particular, the Group stands to benefit from increased investments in water infrastructure, including initiatives under the National NRW programme, as well as the growing pipeline of renewable energy projects driven by supportive policy frameworks. By leveraging our proven technical expertise and operational capabilities, we aim to expand participation across these segments, strengthen our earnings base, deliver sustainable growth and stable return to our shareholders, while contributing to Malaysia's energy transition to support renewable energy and energy efficiency initiatives.

FINANCIAL PERFORMANCE

Taliworks' FY2025 performance showcased consistent strength across its core business segments, demonstrating the Group's adaptability to evolving market conditions and commitment to operational excellence. Revenue for the year rose by 2.3% to RM461.9 million, predominantly driven by the construction segment, following the continued progress on Package 2 and Package 3 of Stage 1 of the Sungai Rasau Water Treatment Plant and Water Supply Scheme, alongside higher revenue from the renewable energy segment, underpinned by the full year contribution from completed solar panel replacements across all the solar photovoltaic plants, translating into higher electricity generation and sales to off-takers.

Demonstrating steady improvement, profit after tax climbed to RM107.4 million from RM102.5 million in FY2024, translating to earnings per share of 4.14 sen, in comparison to 3.63 sen a year ago. The key contributors to the profitability growth were the lower share of losses from an associate company, SWM Environment Holdings Sdn Bhd, which declined from RM32.2 million to RM5.1 million, the absence of a one-off property, plant and equipment write-off and the non-recurrence of upkeep and maintenance costs associated with last year's solar panel replacement, as well as a gain on lease modification and lower financing cost.

As we progress, the Group remains encouraged to sustain its profitability by strengthening operational efficiency, driving innovation and responding proactively to market changes, while exploring strategic opportunities that enhance shareholder value.

As we progress, the Group remains encouraged to sustain its profitability by strengthening operational efficiency, driving innovation and responding proactively to market changes, while exploring strategic opportunities that enhance shareholder value.

For a comprehensive analysis of our performance and outlook, please refer to the Management Discussion and Analysis section of the Annual Report.

REVENUE FOR THE YEAR ROSE BY

2.3%

to **RM461.9 million**

PROFIT AFTER TAX CLIMBING TO

RM107.4 MILLION

from **RM102.5 million** in FY2024

EARNINGS PER SHARE

4.14 SEN

in comparison to **3.63 sen** a year ago

CHAIRMAN'S STATEMENT

SUSTAINABILITY

For Taliworks, sustainability is more than a guiding principle. It is embedded in our corporate DNA, shaping our operations and strategic growth from responsible resource management and environmental stewardship to community engagement, innovation and operational efficiency. In FY2025, we continued to advance our sustainability journey, focusing on strengthening governance, enhancing operational resilience and reinforcing accountability across the Group.

During the year, we commenced our adoption of Malaysia's National Sustainability Reporting Framework ("NSRF"). As part of this foundational step, the Group undertook a cross-functional climate risk assessment and a climate value-at-risk financial impact assessment. These early-stage initiatives lay the groundwork for developing early insights into the Group's potential climate risk impacts and their financial implications to ensure alignment with the upcoming climate-related disclosure compliance requirement. In parallel, we strengthened our governance architecture to embed sustainability and climate-related risks and opportunities more firmly within our decision-making structures. The Board Charter and the respective Terms of Reference of relevant Board Committees were reviewed to clarify oversight responsibilities.

Operationally, the Group continued to maintain disciplined environmental management practices across all five business divisions in FY2025, supported by structured monitoring of energy use, emissions generated, and resource consumption. Efforts during the year included initiatives to sustain operational efficiency through optimisation of processes, targeted maintenance programmes and selective upgrading of mechanical and electrical equipment to support asset reliability and minimise avoidable resource losses. During the year, we also enhanced the scope of our greenhouse gas data collection processes in preparation for upcoming climate-related disclosure requirements.

In upholding fair and equitable business practices, the Group continues to prioritise engagement with local suppliers and support domestic economic participation. We have also maintained a track record of regulatory compliance and ethical conduct throughout the year by continuously strengthening our internal controls and governance instruments.

On the social front, we continuously place emphasis on employee well-being and workplace safety, strengthening workforce capability through structured training and development programmes, while maintaining disciplined safety management practices across our operations. We continue to invest in the communities where we serve by implementing impactful initiatives across education, environmental stewardship, and social assistance.

Taliworks' sustainability initiatives received national recognition in 2025, achieving a 3-star rating on the MSWG Sustainability Scorecard. The Group was also awarded Company of the Year (Utilities) – ESG Champion at the Sustainability & CSR Malaysia Awards 2025. These accolades underscore Taliworks' dedication to sustainable practices and positive ESG outcomes.

Further details of the Group's sustainability performance and initiatives are provided in the Sustainability Statement in this Annual Report.

CHAIRMAN'S STATEMENT

DELIVERING VALUE TO SHAREHOLDERS

In a fluid economic environment, we continue to focus on running the business with discipline, by growing revenues where opportunities are sustainable, managing costs carefully and deploying capital thoughtfully. At the same time, we remain mindful of our responsibility to deliver meaningful returns to shareholders, while strengthening the Group's foundations through selective investments in defensive and growth-oriented areas. This balanced approach allows us to navigate uncertainties with confidence while maintaining steady performance over time.

For FY2025, Taliworks declared a total dividend of 2.25 sen per share, amounting to a total payout of RM45.4 million. Based on the last traded price of RM0.45 per share in 2025, this represents a dividend yield of 5.0%.

FORGING A RESILIENT FUTURE

Taliworks is driven by a commitment to sustainable growth and value creation. Our strategic trajectory is guided by our steadfast objectives of strengthening our core competencies in designing, building and operating essential infrastructure assets. Our robust business model is reinforced by our experience and expertise across a well-diversified portfolio, which provides an enduring foundation for stability, supported by long-term contracts.

In approaching new opportunities, we will focus on delivering dependable, recurring income streams, considering strategic alignment, scalability and capacity to deliver sustainable returns, within a prudent risk-return framework.

Operational excellence is another key strategic lever across the Group. Within our water and waste management segments, we focus on optimising resource utilisation and maximising asset uptime to deliver reliable services while maintaining cost discipline. In parallel, our highway concessions strategy emphasises asset lifecycle management and safety standards to preserve the long-term value of our brownfield assets and ensure dependable connectivity that underpins economic activity. Meanwhile, our renewable energy assets form part of our broader portfolio and further support revenue diversification in line with Malaysia's clean energy transition.

We continue to progress with clarity of purpose, leveraging a proven business model to fortify financial stability and ensuring agile, high performing operations. Through mindful accountability and informed decision-making, we support responsible strategic business expansion, efficient capital deployment and sustainable returns while maintaining business continuity.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to convey our sincere appreciation to all our stakeholders. The continued confidence of our shareholders, the close cooperation of our business partners, with the engagement and the support of the communities in which we operate remains fundamental to our progress. It is through this shared commitment and collective effort that we continue to advance our objectives and deliver sustainable value.

I would also like to recognise the dedication and professionalism of our management team and employees. Their expertise, discipline and unwavering dedication are central to our operational strength and continued success.

Our gratitude extends to our partners, suppliers, regulators, advisors and financial institutions for their continued faith and constructive collaboration. Your support, insights and trust have been instrumental as we navigate an evolving operating environment and execute our strategic priorities.

On a personal note, I wish to thank my fellow Board members for their leadership, guidance and steadfast dedication to strong governance. Their experience and counsel continue to provide a solid foundation for Taliworks' continued growth, ensuring we remain agile in an evolving economic landscape.

Tunku Ali Redhauddin Ibni Tuanku Muhriz
Independent Non-Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF FINANCIAL PERFORMANCE

The following is a summary of our financial performance for the financial year ended 31 December 2025 as compared to the previous financial year.

Financial Results (in RM'000)

REVENUE	FY2024	451,398	RM461.9 million
	FY2025	461,867	
GROSS PROFIT	FY2024	174,143	RM179.0 million
	FY2025	179,041	
OPERATING PROFIT	FY2024	151,404	RM148.2 million
	FY2025	148,204	
PROFIT BEFORE TAX ("PBT")	FY2024	118,264	RM138.0 million
	FY2025	138,015	
PROFIT AFTER TAX ("PAT")	FY2024	102,534	RM107.4 million
	FY2025	107,387	
TOTAL ASSETS EMPLOYED	FY2024	1,690,679	RM1,720.4 million
	FY2025	1,720,412	
TOTAL SHAREHOLDERS' EQUITY	FY2024	962,408	RM1,019.4 million
	FY2025	1,019,427	

MANAGEMENT DISCUSSION AND ANALYSIS

Key Financial Ratios

BASIC AND DILUTED EPS
(Sen)

FY2024	3.63
FY2025	4.14

4.14 sen

RETURN ON ASSETS EMPLOYED
(%)[b]

FY2024	5.96
FY2025	6.30

6.30 %

NET ASSETS PER SHARE
(Sen)

FY2024	33.19
FY2025	35.37

35.37 sen

NET DEBT-TO-EQUITY
(%)[c]

FY2024	8.78
FY2025	5.29

5.29 %

RETURN ON EQUITY
(%)[a]

FY2024	10.65
FY2025	10.84

10.84 %

(a) The Return on Equity is calculated by dividing the profit for the financial year with the average of the opening and closing balance of Total Shareholders' Equity.

(b) The Return on Assets Employed is calculated by dividing the profit for the financial year with the average of the opening and closing balance of Total Assets Employed.

(c) Net Debt-to-Equity is calculated by dividing the net deposits, cash and bank balances, investments designated at fair value through profit or loss and total borrowings with Total Shareholders' Equity.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL SUMMARY OF FINANCIAL RESULTS

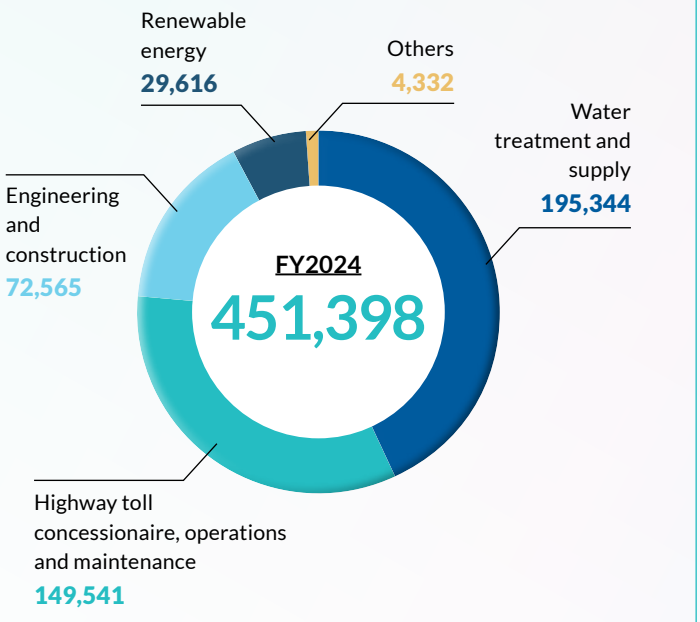
For the financial year ended 31 December 2025, the Group reported a revenue of RM461.87 million, an increase of 2.3% or RM10.47 million compared to the previous year's revenue of RM451.40 million, mainly due to stronger contributions from the engineering and construction, as well as the renewable energy segments, while the toll highway and water treatment and supply segments recorded a decline. The increase in the Group's revenue was primarily driven by the continued progress of Packages 2 and 3 of Stage 1 of the Sungai Rasau Water Supply Scheme Project ("Rasau Projects"). The renewable energy segment also contributed positively, benefiting from the full-year impact of the successful completion of solar panel replacement at the TR Sepang Sdn. Bhd. ("TR Sepang") and TR CPark Sdn. Bhd. ("TR CPark") solar photovoltaic sites in the previous year, which resulted in higher electricity generation and sales to off-takers. The toll highway segment delivered a lower contribution following the reduced government compensation of RM37.38 million compared to RM56.54 million a year ago. In the water treatment and supply segment, revenue declined by RM8.52 million mainly due to a reduction in metered sales and lower electricity rebates from the Sungai Selangor Water Treatment Plant Phase 1 ("SSP1") operations. The decrease in electricity rebates arose from the reduction in the Imbalance Cost Pass-Through surcharge by Tenaga Nasional Berhad ("TNB") from RM0.037/kWh to RM0.027/kWh effective 1 July 2024, coupled with the implementation of TNB's revised tariff structure and rates effective 1 July 2025 ("Electricity Tariff Restructuring"), which provided a better reflection of the consumption patterns and energy costs. In line with the higher revenue, the Group's gross profit increased by 2.8% to RM179.04 million from RM174.14 million achieved in the previous year. The improvement also reflects the absence of one-off expenses totalling RM22.72 million in the corresponding year, comprising RM15.13 million in property, plant and equipment written off and RM7.59 million in upkeep and maintenance costs related to the replacement of the solar panels. The Group's PBT rose 16.7% to RM138.02 million, up from RM118.26 million in 2024. Contributing to the higher PBT were lower share of losses from an associate, SWM Environment Holdings Sdn. Bhd. ("SWMEH"), driven by a one-off net reversal of provision for loss allowance on receivables of RM112.69 million, following an agreement with a customer on the repayment of long outstanding receivables, a one-off gain of RM2.48 million on lease modification as well as lower finance costs. The Group's profitability was also impacted by a lower share of profits from a joint venture company, Grand Sepadu (NK) Sdn Bhd. ("Grand Sepadu"), arising from lower government compensation of RM15.03 million as compared to RM39.51 million in the year before, as well as the absence of sundry income of RM10.67 million from insurance claims in the renewable energy segment. Corresponding with the higher PBT, PAT increased by RM4.85 million to RM107.39 million (2024: RM102.53 million) while earnings per share improved from 3.63 sen per share to 4.14 sen per share.

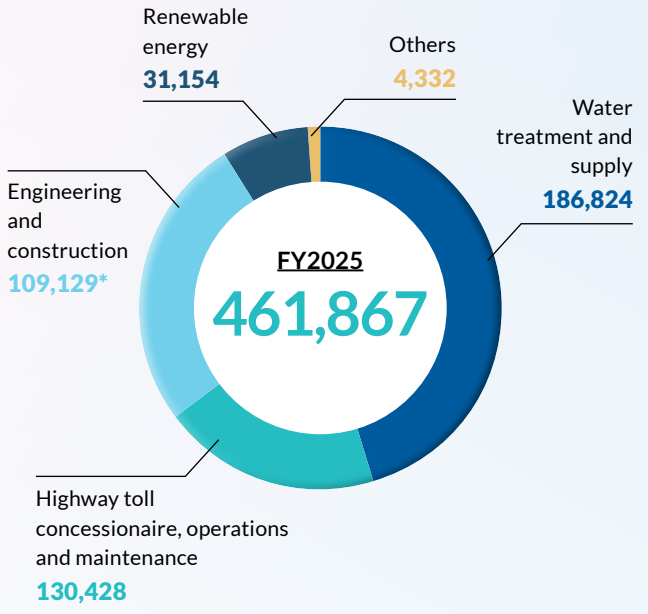
COMMENTARY ON THE REVENUE OF THE GROUP

The water treatment and supply segment generated RM186.82 million in revenue, compared to RM195.34 million a year earlier. The decline was mainly due to lower contributions in all revenue components, comprising metered sales of RM159.21 million (2024: RM161.61 million) and electricity and chemical rebates of RM27.61 million (2024: RM33.73 million). The reduction in electricity rebates arose from the Electricity Tariff Restructuring instituted by TNB. However, this had no significant impact on SSP1's financial performance as it was accompanied by a corresponding decrease in electricity costs. Similarly, the effect of a reduction in chemical rebates was negated by lower chemical costs. The water treatment and supply segment continued to be the largest revenue contributor to the Group, accounted close to 40.4% (2024: 43.3%) of the total Group revenue for the year.

For the toll highway segment, revenue saw a decline to RM130.43 million, down from RM149.54 million in the corresponding year, mainly from lower government compensation recognised in the year. In 2025, the Average Daily Traffic ("ADT") declined marginally from 164,230 vehicles per day to 164,104 vehicles per day or by a mere 0.1%, following the opening of the East Klang Valley Expressway ("EKVE") on 30 August 2025, which offered free access until 24 October 2025 by the concessionaire company. The EKVE is an alternative route connecting Bandar Sungai Long in Cheras to Ukay Perdana in Ampang. However, with the commencement of tolling at the EKVE, traffic volume at the Grand Saga Highway picked up again towards the later part of the year. The ADT at the Batu 9 toll plaza increased by 0.3% to 89,564 vehicles per day (2024: 89,302 vehicles per day) whereas for the Batu 11 toll plaza, the ADT was 0.5% lower at 74,540 vehicles per day (2024: 74,928 vehicles per day). Despite the reduced ADT, revenue from toll operations was marginally higher at RM79.57 million (2024: RM79.02 million) due to lower festive toll discount of 50% compared to the full discount given in 2024. The other revenue component of the toll highway segment was derived from deferred income of RM13.48 million (2024: RM13.99 million) and government compensation of RM37.38 million (2024: RM56.54 million). Due to the lower government compensation, the toll highway segment's contribution to the Group's revenue for the year dropped to 28.2% from 33.1% in the previous year.

Revenue of the Group (RM'000)





* *Includes notional revenue of RM2.42 million recognised pursuant to IC Interpretation 12 Service Concession Arrangements, arising from the construction of a Residual Treatment Facility.*

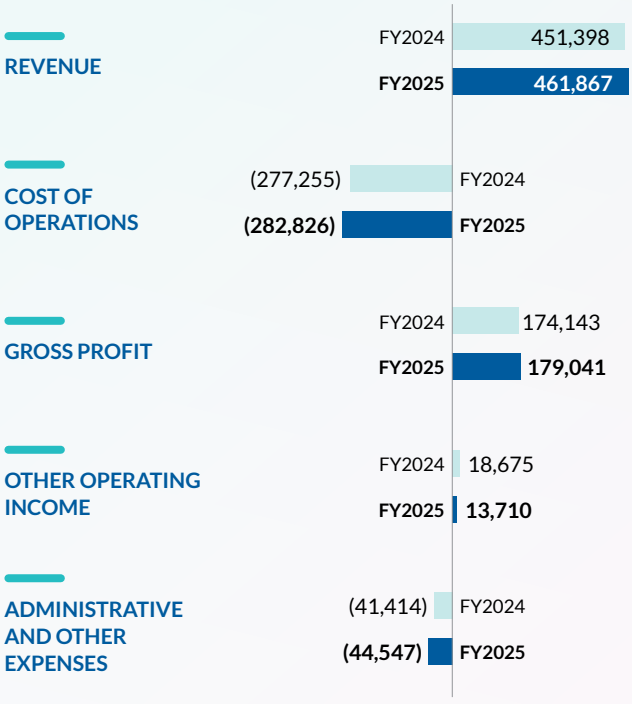
For the engineering and construction segment, revenue was higher at RM109.13 million as compared to the previous year's RM72.57 million, primarily driven by contributions from the Rasau Projects. The Rasau Projects commenced in December 2021. However, the slower-than-expected progress of these projects was attributed to delays by the authorities in granting the requisite approvals to commence certain works. In 2024, Packages 2 and 3 of the Rasau Projects were granted an extension of time ("EOT") to complete by 29 November 2025 and 19 December 2025 respectively. During the year, EOT No.2 was approved by the client, Pengurusan Air Selangor Sdn. Bhd. ("Air Selangor"), to further extend the date for completion to 16 November 2026 for Rasau Package 2 and 31 March 2027 for Rasau Package 3. As at the end of 2025, the actual physical completion of Rasau Package 2 and Rasau Package 3 were 46.8% (2024: 21.6%) and 31.1% (2024: 13.1%) respectively, measured according to the approved work programme under EOT No. 2. As both packages are behind schedule from the planned progress, all efforts are being made to expedite the progress to complete by the extended timeline stipulated under EOT No.2. Even though revenue and profit contributions for 2025 did not materialise as expected, the Rasau Projects would contribute positively to the Group's financial performance in 2026 and up to early 2027. The successful completion of the Rasau Projects remains one of our top priorities, given its sizeable combined contract sum of RM896.11 million, before taking into account any variation of price adjustments. Overall, the segment accounted for 23.6% (2024: 16.1%) of the Group's revenue for the year.

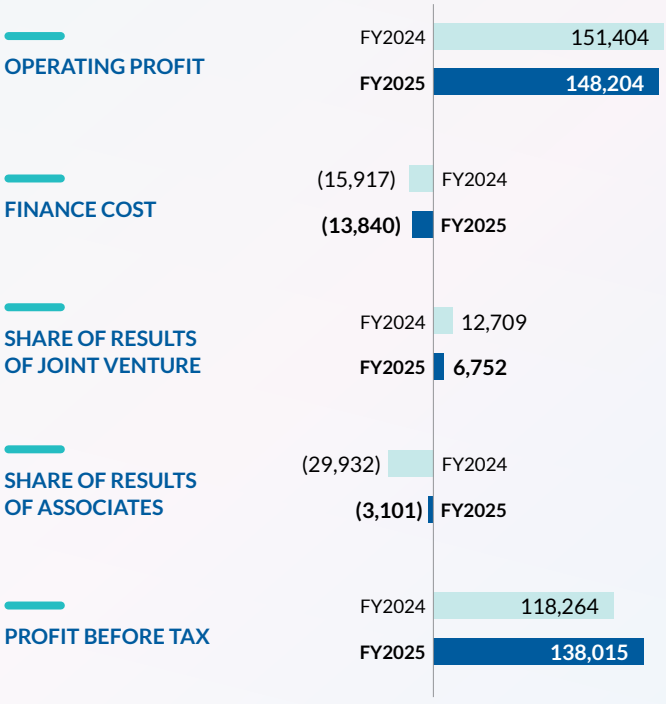
As for the renewable energy segment, revenue grew from RM29.62 million to RM31.2 million, driven by a 3.3% rise in total energy output from 25,289 MWh to 26,112 MWh. The higher energy output was made possible by the solar panel replacements at TR Sepang in April 2024 and TR CPark 1 and 2 in June 2024. Currently, the revenue contribution from the renewable energy segment is comparatively small at 6.7% of the Group's total revenue (2024: 6.6%).

MANAGEMENT DISCUSSION AND ANALYSIS

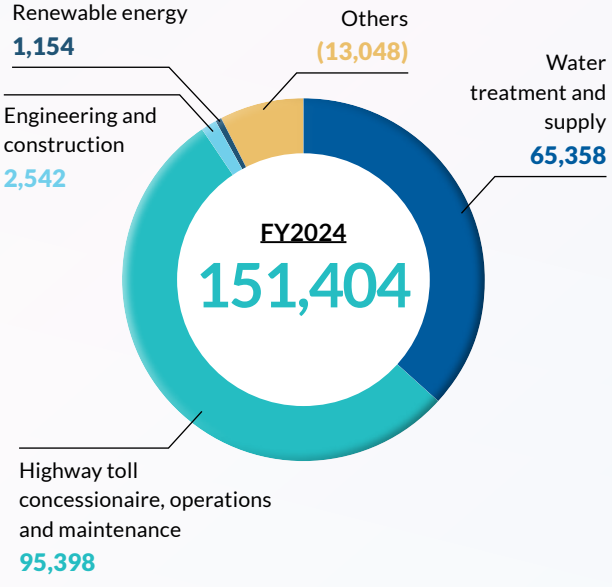
Profit of the Group

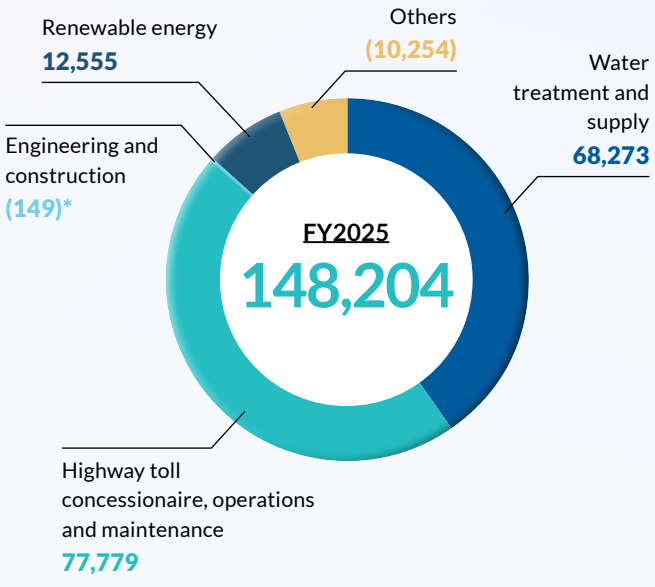
Income Statement (RM'000)





Segmental Information - Operating Profit (RM'000)





* *Includes notional profit of RM59,000 recognised pursuant to IC Interpretation 12 Service Concession Arrangements, arising from the construction of a Residual Treatment Facility.*

COMMENTARY ON THE PROFIT OF THE GROUP

The Group reported a full year PBT of RM138.02 million, higher than the RM118.26 million recorded a year ago. The increase in PBT was mainly attributed to amongst others, (a) lower share of losses from SWMEH of RM5.07 million (2024: RM32.23 million), (b) property, plant and equipment written-off amounting to RM15.13 million in the previous year and lower upkeep and maintenance expenses amounting to RM29.08 million (2024: RM38.20 million) primarily from prior year's costs related to the solar panel replacement at TR Sepang and TR CPark, and (c) gain on lease modification from the renewal of rental of a leased premises amounting to RM2.48 million (2024: Nil), as well as lower finance cost in the current financial year. However, the higher PBT was tempered by lower sundry income in the current financial year from lower receipt of insurance claims in the renewable energy segment and lower share of profits from the joint-venture company, Grand Sepadu, amounting to RM6.75 million (2024: RM12.71 million).

The Group's share of losses of associates, particularly from our investment in SWMEH, was significantly lower at RM5.07 million (2024: RM32.23 million) on account of higher PAT recorded by SWMEH of RM239.41 million as compared to RM161.04 million, along with a group adjustment (mainly due to dividend on the cumulative preferences shares held by parties other than the Group) of RM255.21 million (2024: RM251.81 million) to SWMEH's PAT. The PAT of SWMEH increased significantly as compared to the year before mainly from a substantial one-off net reversal of provision of loss allowance, following a settlement with a customer on the repayment of long outstanding receivables. However, the higher PAT was partly offset by higher expenses incurred in 2025, amongst others, payroll, subcontractor costs, depreciation, repair and maintenance expenses, finance costs and taxes, as well as the absence of a one-off gain of RM13.72 million from disposal of an investment recorded in the corresponding year.

The Group's share of results in Grand Sepadu declined significantly by RM5.96 million, mainly due to the lower government compensation of RM15.03 million (2024: RM39.51 million) recognised in the current financial year. The results achieved by the company were however, mitigated by lower depreciation and amortisation expenses of RM17.72 million (2024: RM19.88 million), finance costs of RM1.96 million (2024: RM2.77 million) and tax expense of RM12.29 million (2024: RM17.80 million). In 2025, the number of vehicles passing through the four (4) toll plazas at the Grand Sepadu Highway stood at 32.98 million, slightly above 32.88 million vehicles in 2024. This translated to an ADT of 90,345 vehicles per day (2024: 89,848 vehicles per day), an increase of 0.6% year-on-year.

In terms of segmental performance, the operating profit of the water treatment and supply segment was higher at RM68.27 million as compared to RM65.36 million a year ago, despite lower metered billings. The improved operating profit was achieved on the back of lower rehabilitation and maintenance expenses of RM21.33 million (2024: RM24.87 million), higher sundry income from insurance claims and a reversal of provision for loss allowance on receivables.

On the other hand, the operating profit of the toll highway segment declined substantially to RM77.78 million as compared to RM95.40 million in the prior year largely due to lower government compensation recognised for the year. This lower operating profit was also impacted by higher repair and maintenance expenses of RM5.32 million (2024: RM4.44 million). Nonetheless in 2025, the segment recorded lower financing costs of RM12.20 million (2024: RM14.14 million); and lower depreciation and amortisation charges totalling RM36.79 million (2024: RM38.53 million).

For the engineering and construction segment, despite the higher revenue, the segment incurred an operating loss of RM0.15 million as compared to a operating profit of RM2.54 million a year ago. This was primarily attributable to the substantial downward revision in the estimated margin arising primarily from the delay in the progress of Rasau Package 2.

In the renewable energy segment, operating profit improved significantly in line with the stronger top line growth, coupled with the absence of prior year's property, plant and equipment write off and lower upkeep and maintenance expenses. The better financial performance was partly offset by higher net foreign exchange losses, depreciation and amortisation, corporate costs and lower sundry income recognised for the year.

MANAGEMENT DISCUSSION AND ANALYSIS

STATEMENT OF FINANCIAL POSITION

	As at 31 December 2024 RM'000	As at 31 December 2025 RM'000
Non-current assets	1,414,399	**1,359,126**
Current assets	276,280	**361,286**
Total Assets	**1,690,679**	**1,720,412**
Non-current liabilities	546,828	**483,505**
Current liabilities	181,443	**217,480**
Total liabilities	**728,271**	**700,985**
Total shareholders' equity	962,408	**1,019,427**
Net assets per share (sen)	**33.19**	**35.37**

As at the end of 2025, the net assets per share was 35.37 sen, an increase by 6.6% from 33.19 sen recorded a year ago. The Group's total assets were higher at RM1,720.41 million (2024: RM1,690.68 million) primarily attributable to increase in the carrying amounts of the trade and other receivables by RM62.01 million, largely driven by the higher billings from the Rasau Projects, as well as recognition of toll compensation receivable and inventories by RM30.31 million, comprising materials purchased and delivered on site for the Rasau Projects, but yet to be installed or consumed.

On the other hand, the following asset classes recorded a decrease in carrying amounts, namely (a) property, plant and equipment by RM10.38 million and intangible assets by RM33.85 million, due to depreciation and amortisation charges, (b) investments designated at fair value through profit or loss ("FVTPL"), cash and bank balances by RM9.88 million. The decrease in the cash reserves of the Group was principally due to dividend payments to shareholders, repayments of the Islamic Medium-Term Notes ("IMTN") under an IMTN (Sukuk) Programme issued by a subsidiary, Cerah Sama Sdn. Bhd. ("Cerah Sama") and interest payments during the financial year, (c) investment in associates by RM5.47 million, primarily due to share of losses for the current financial year and (d) investment in joint venture by RM2.25 million, primarily due to the RM9.00 million dividend received from Grand Sepadu which was partially offset against its share of profit for the current financial year.

Out of the total assets of the Group, intangible assets and goodwill amounted to RM1,020.54 million (2024: RM1,054.39 million), investments in joint ventures and associates were RM142.74 million (2024: RM150.46 million), while cash and bank balances and investments designated at FVTPL totalled RM179.50 million (2024: RM189.37 million). These class of assets accounted for 70.7% (2024: 82.5%) of the total assets of the Group. The substantial drop in the percentage of holding by this class of assets was due to the higher inventories and trade receivables which accounted for 13.2% of total assets of the Group (2024: 7.6%).

Total liabilities decreased by 3.7% or RM27.29 million, primarily due to redemption of the sixth tranche of the IMTN of RM40.00 million, deferred income recognised as revenue of RM12.71 million, a reduction in deferred tax liabilities by RM7.85 million mainly attributed to changes in temporary differences related to intangible assets as well as a lower tax provision by RM4.35 million. These decreases were partly offset by higher amounts due to contract customers of RM40.99 million, arising from increased billings for inventory purchases, as well as higher trade and other payables of RM3.77 million, due to lower payments made during the year.

Total shareholders' equity was higher by RM57.02 million to RM1,019.43 million (2024: RM962.41 million) and consequently, the net assets per share increased to 35.37 sen from 33.19 sen as of 31 December 2024 based on the issued and paid-up share capital of 2,015.82 million ordinary shares.

KEY AUDIT MATTERS BY OUR AUDITORS

As in the previous years, our auditors highlighted the impairment assessment of goodwill related to Cerah Sama, the parent company of Grand Saga Sdn. Bhd. ("Grand Saga"), as a key audit matter in the Independent Auditors' Report. Key audit matters are issues, in the professional judgement of the auditors, which are of most significance in their audit of the financial statements of the Group and Company for the current financial year. The assets of Cerah Sama are significant to our Group and the key bases and assumptions used in the estimation of recoverable amount involved a significant degree of management judgement. As of 31 December 2025, the carrying amount of goodwill remained unchanged at RM132.50 million, of which RM129.39 million (2024: RM129.39 million) was related to Cerah Sama. The auditors have indicated how the matter was addressed in their report by setting out the audit procedures. The audit report on the financial statements of our Group and Company for the current financial year does not contain a modified opinion or material uncertainty related to going concern.

REVIEW OF BUSINESS SEGMENTS

The following is a review of the operating and financial performance of each of our operating business segments.

WATER TREATMENT AND SUPPLY

The SSP1 Water Treatment Plant ("SSP1") operated and managed by Sungai Harmoni Sdn. Bhd. registered a 1.2% year-on-year decline in average daily treated water production. For 2025, SSP1 recorded an average output of 909 million litres per day ("MLD") compared to 920 MLD in 2024. The reduction in production was principally attributable to lower drawdown requirements from Air Selangor for both SSP1 and the Sungai Selangor Water Treatment Plant Phase 3 ("SSP3") operated by Gamuda Water Sdn. Bhd.. Additionally, a portion of the water supply and demand for Kuala Lumpur and Selangor previously supplied by SSP1 and SSP3 has been partially redirected to the Langat 2 Water Treatment Plant ("Langat 2 WTP") and the Sungai Selangor Water Treatment Plant Phase 2 ("SSP2"), both operated by Air Selangor, as part of Air Selangor's inter-connection and supply optimisation strategy. The Langat 2 WTP continues to expand its operational role within the regional supply network. In 2024, Langat 2 WTP delivered an average treated water output of approximately 800 MLD as part of its progressive ramp-up phase. By 2025, the plant had achieved stable operational performance, consistently supplying over 900 MLD to the distribution system. The steady increase in production from the Langat 2 WTP requires Air Selangor to reassess and realign overall demand allocation, particularly across SSP1 and SSP3 to ensure optimal system efficiency and balanced load distribution.

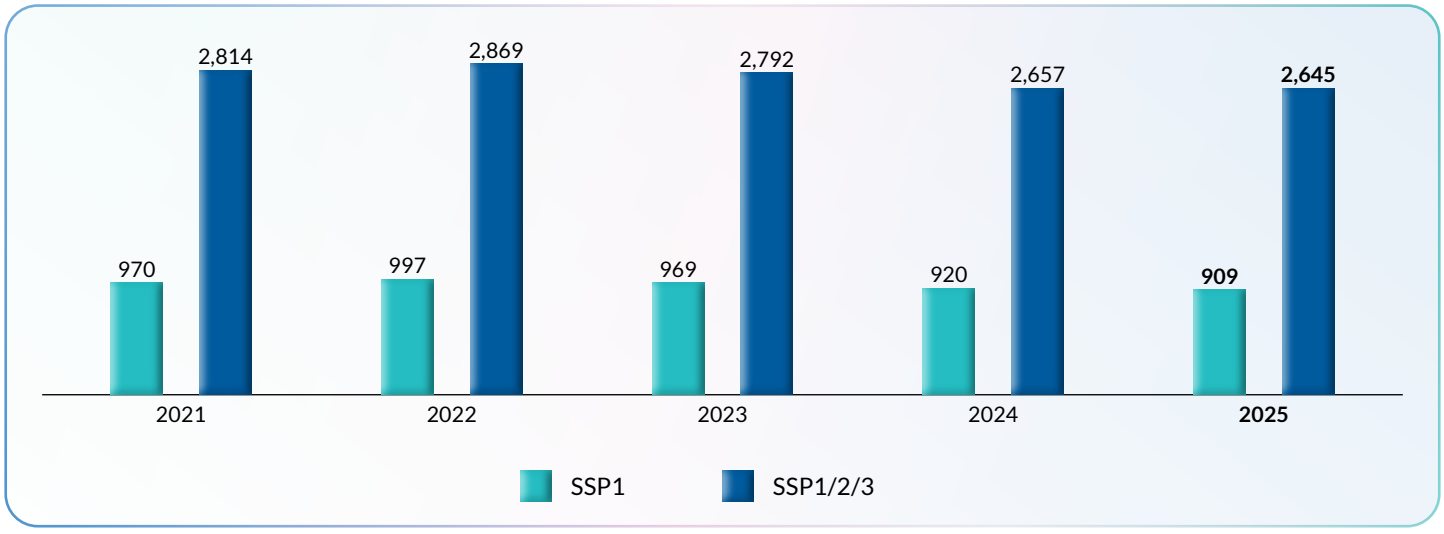
MANAGEMENT DISCUSSION AND ANALYSIS

Air Selangor's on-going initiatives to curb Non-Revenue Water ("NRW") have continued to influence treated water requirements across the Sungai Selangor water treatment plant facilities. As a result of these optimisation measures within the distribution network, SSP1 delivered 331.76 million m^3 of metered output in 2025, compared to 336.73 million m^3 in 2024. This translates to a 1.5% year-on-year reduction, driven largely by decreased drawdown at the plant. To meet its NRW target of 23.5% by 2030, Air Selangor has intensified several system-level interventions including the implementation of Supply Input Volume regulation at all water treatment plants ("WTP") outlets and the expansion of pressure management controls across the distribution grid. These technical measures have collectively lowered distribution losses, subsequently reducing the volume of treated water required from SSP1 and SSP3.

Air Selangor is progressing with the development of a new pumping system at the Bukit Mayong reservoir under SSP1 to enhance future treated water supply capacity. The catalyst for this upgrade is driven by the projected increase in demand associated with major regional developments, including the East Coast Rail Link ("ECRL"), new township expansions, data centre developments and Eco-Industrial Park within the Puncak Alam and Kuala Selangor districts. The upgrade is scheduled for completion in the first half of 2026 and engineered to support rising supply requirements in the northern service areas, as well as selected zones in Klang and Kuala Selangor. Upon completion, the pumping system will undergo commissioning and subsequently enter the defect liability period, after which it will be formally handed over to the Group as an integral component of the SSP1 pumping infrastructure.

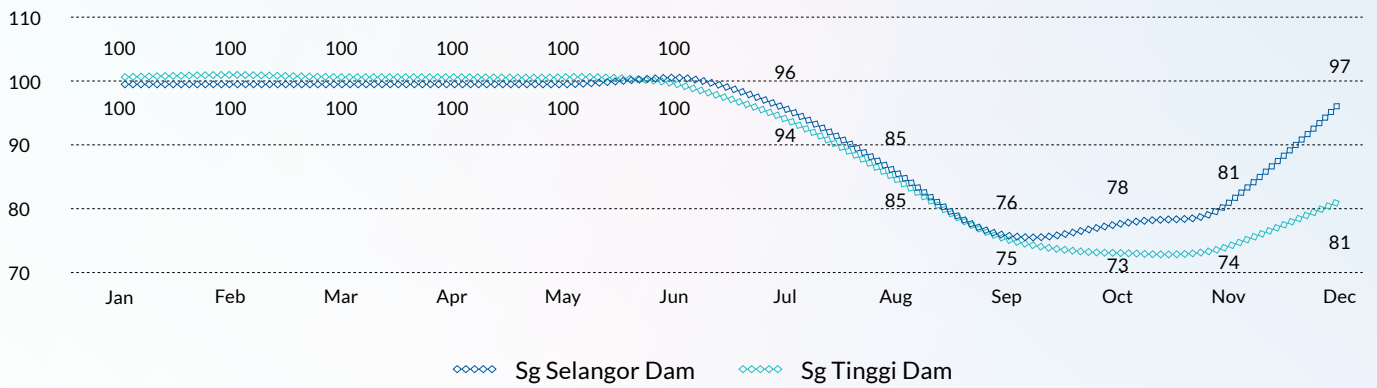
The following dataset presents the five-year historical metered output of SSP1, alongside the combined treated water production from SSP1, SSP2, and SSP3. These figures, compiled from internal operational records, highlight the stable and recurring demand patterns for treated water within Klang Valley. The data consistently demonstrates the region's strong consumption requirements, supported by the integrated supply capacity of the three major WTPs along the Sungai Selangor system.

Average production in MLD



The weather in Klang Valley has been highly variable, with intense rainfall occurring outside normal seasonal periods. The wetter-than-usual conditions consistent with broader climate change have triggered sporadic floods and river overtopping in low-lying corridors. In 2025, both regulating dams started the year at near full capacity. Sungai Selangor Dam was at 100% capacity from January to June before easing to 95.8% in July. Subsequently it dipped to a low of 76.1% in September before recovering to 96.6% in December, keeping it near its strategic operating band of 95%. In contrast, Sungai Tinggi Dam was also at the 100% level in January to June, but experienced a deeper and longer drawdown in the second half of the year, falling to 73.1% by October and only recovering to 81.0% by the end of the year. Overall, rainfall in 2025 was sufficient to prevent any major raw water shortages. With reservoir levels below full capacity at the end of 2025 and lower rainfall in late December, there is a chance that dam levels could decline again in 2026 if dry spells were to persist.

% Dam Storage Levels



State entities such as Unit Perancang Ekonomi Negeri, Lembaga Urus Air Selangor ("LUAS") together with Air Selangor play a vital role in monitoring river discharges and storage trajectories to ensure adequate raw water for treatment operations and avert potential supply disruptions. In parallel, yield enhancement initiatives such as HORAS 600, Operasi Pengepaman Air Kolam ("OPAK") and the on-going HORAS 3000 project have further strengthened the reliability of raw water sources feeding the WTPs. Throughout 2025, raw water conditions along Sungai Selangor remained highly stable with no major pollution incidence recorded during the year. The overall improvement in raw water quality significantly reduced operational strain on SSP1 and provided a more predictable treatment environment compared to the previous years. Continuous monitoring, together with coordinated surveillance among all WTP operators in the Sungai Selangor corridor, ensure consistent real-time visibility of river conditions. This monitoring network is further strengthened by an upstream River Monitoring System, which continues to provide advance notifications on shifts in water quality parameters and support rapid process adjustments whenever minor variations occur. A major milestone for 2025 was the completion and commissioning of Skim Jaminan Air Mentah ("SJAM") in May 2025, a key state-led infrastructure project designed to protect the SSP1, SSP2 and SSP3 intake plants from contamination. SJAM enables the diversion of compromised river water away from the intakes using dedicated inflatable river gates and channelled alternative raw water sources from HORAS and OPAK directly to the intake plants. The system also provides dilution capability to moderate the pollutant load whenever quality fluctuations were detected. Following its commissioning, SJAM entered the defect liability period, during which the Selangor state government continues to manage the scheme before its full handover to Air Selangor. With improved source water conditions and the added resilience provided by SJAM, SSP1 experienced uninterrupted operations throughout the second half of 2025. Treatment performance remained highly consistent, reflected in the treated water compliance level exceeding 99%, demonstrating the reliability of SSP1's process controls and treatment regime.

To deliver safe and high quality drinking water that complies with Ministry of Health ("MOH") requirements, we place strong emphasis on keeping SSP1 and its supporting systems in excellent working order. Our operations rely on a structured approach to equipment care, which includes ongoing preventive work, systematic rehabilitation efforts and disciplined asset management to ensure all facilities operate at optimal performance levels. To operate SSP1, we are required to fulfil the licensing conditions set by Suruhanjaya Perkhidmatan Air Negara ("SPAN"). One of the key obligations is the preparation of a five-year Rolling Business Plan ("RBP"), which outlines our planned maintenance and rehabilitation activities and projected KPI targets. Our existing Individual License, granted by SPAN, took effect from 13 September 2022 and will remain valid until 31 December 2026. SPAN also requires us to submit our renewal application one year before the licence expires, together with an updated five-year RBP. In line with this requirement, we have submitted the new RBP and accompanying licence renewal application to SPAN on 21 December 2025. Beyond the Water Services Industry Act 2006 and its subsidiary regulations, the SSP1 operations must also adhere to the standards enforced by several other regulatory bodies, including the MOH, the Department of Occupational Safety and Health ("DOSH") and the Department of Environment ("DoE"). Together, these regulatory frameworks ensure that SSP1 operates safely, responsibly and in full compliance with national requirements. Compliance obligations form an important layer of assurance. Beyond compliance with the Water Services Industry Act and its subsidiary regulations, as well as standards imposed by the MOH, DOSH and DoE, we maintain continuous adherence to the performance requirements set out in the Bulk Water Supply Agreement ("BWSA") executed with Air Selangor, including the production of treated water that meets both quantity and quality specifications. Air Selangor provides ongoing oversight to ensure full compliance with contractual and regulatory requirements.

MANAGEMENT DISCUSSION AND ANALYSIS

A key initiative currently underway is our collaboration with the Microwave Research Institute of Universiti Teknologi MARA ("UiTM"). This research examines the microwave dielectric characteristics of WTP residuals to identify materials suitable for conversion into pre-carbonised products. The study has achieved its core objective, confirming that selected WTP residuals can be transformed into value-added material with potential use in both agricultural applications and water treatment processes. We are also continuing to pursue additional technology driven projects with UiTM, including the development of an AI-supported system for optimising coagulant dosing and a neural-network-based model capable of forecasting short- and long-term variations in raw water quality parameters. In parallel, we are working with Universiti Malaysia Perlis on the development of an AI-enhanced electronic nose system designed to provide real-time threshold odour monitoring in Sungai Selangor. This technology aims to support early detection during odour pollution events and reduce dependence on human sensory assessments, which can vary significantly between individuals. All current R&D programmes are targeted for completion in 2026, positioning SSP1 to adopt more advanced, data-driven and sustainable approaches in WTP operations.

Since the commencement of SSP1 operations in 1993, we remain committed to deliver the highest standards of treated water quality, a commitment that continues to earn industry wide recognition. Our commendable performance in achieving 99.9% compliance in treated water quality has been acknowledged by Air Selangor. In addition, our laboratory has sustained its exceptional performance since 2024 and was honoured with the Institut Kimia Malaysia Laboratory Excellence Award 2025 for outstanding achievements in both chemical and microbiological testing. Our focus on operational excellence is further supported by a suite of international certifications. These include MS ISO 9001:2015 for operations and maintenance at SSP1, ISO/IEC 17025:2017 for SSP1, Matang Pagar Reservoir and Bukit Mayong Reservoir laboratories as well as ISO/IEC 27001:2022 for our information security management systems. Building on this, we secured the ISO 14001:2015 Environmental Management certification in early 2024, covering our treatment plant, intake, and reservoir facilities. We have also obtained the ISO 45001:2018 Occupational Health and Safety Management Systems certification in November 2025, further reinforcing our commitment to safe and sustainable operations. Looking ahead, SSP1 plans to further strengthen its operational resilience by updating its in-house Business Continuity Plan and Business Impact Analysis in 2026 to ensure that operational readiness remains robust and forward-looking. Business continuity is maintained through a round-the-clock operating structure based on three rotating shifts, supported by well-defined command structures and escalation procedures for incident response. Post incident analyses are conducted to identify root causes and implement corrective and preventive actions to avoid recurrence. Scheduled rehabilitation, maintenance programmes and chemical supply management further reduce the risk of major equipment failures and ensure operational stability.

SSP1 is an in-house National Dual Training System ("NDTS") accredited training provider under Jabatan Pembangunan Kemahiran ("JPK"), supporting the development of a strong pipeline for certified water operations talent. To-date, forty-nine personnel have been certified under our programme. The effort accelerated in 2023, adding five more production staff and ten WTP staff from multiple sections including administrative, civil and mechanical staff. Professional recognition extends across supervisory roles. Through the Recognition of Prior Achievement ("RPA") pathway with JPK in 2019, our supervisors earned the Sijil Kemahiran Malaysia ("SKM") Level 2 in Water Treatment Operation Service. Building on this foundation, JPK appointed SSP1 as a practical training centre for the RPA programme, enabling in-house certification for water treatment operations, laboratory and water quality, facility management, and instrumentation, from SKM Level 2 up to Level 5. Certification progress continued in December 2025 with five executives, five supervisors and four laboratory technicians having achieved SKM Level 3. In parallel, nine mechanical staff obtained SKM Level 2 under Facility Management, while two instrument technicians secured SKM Level 2 in instrument application. Looking ahead, our capability building approach is aligned with national talent strategies. In June 2025, our team qualified as coaches and trainers under the Akademi Dalam Industri programme led by the Malaysian Productivity Corporation. This platform will integrate NDTS and RPA in a single, stronger framework, which strengthens our internal training ecosystem and scaling the certification of skilled water industry professionals.

Given the scale of our responsibility as a key WTP provider within the Sungai Selangor supply system, our operational framework is designed to manage a wide spectrum of risks that could affect the quality and continuity of treated water production. These risks include shifts in raw water characteristics such as turbidity surges, increases in organic and inorganic pollutants, algal activity, odour related compounds, as well as hydrological changes arising from intense rainfall, sediment laden flows or temporary low flow conditions along Sungai Selangor. A significant portion of our risk exposure also arises from the reliability of critical assets. This covers intake pumping systems, flocculation and clarification units, filtration facilities, chemical dosing systems, treated-water pumping equipment, electrical switchgear, monitoring instruments, sensors, and control systems. Failures in any of these components may lead to process instability, reduced efficiency, or interruptions in water supply. We also recognise physical security threats and cybersecurity risks, such as unauthorised access to the plant site, interference at the intake location, tampering of equipment, and attempts to compromise our control systems. These risks require continuous vigilance as they can disrupt process integrity as well as compromise water quality assurance.

Climate-related challenges are treated as material risks within our ESG framework. Changes in rainfall distribution, prolonged dry spells, sediment mobilisation due to upstream land use activities and deterioration in river health have the potential to influence raw water treatability and long-term source sustainability. These risks extend beyond short term operational impacts and therefore form an important part of our long-range planning and strategic mitigation. To manage these exposures effectively, we apply a structured enterprise risk management approach that includes continuous identification, assessment and monitoring of risks based on their likelihood and impact. Each risk is evaluated for the effectiveness of existing controls, with any increase in risk severity triggering timely intervention. Operational risks are reviewed at defined intervals and are complemented by external regulatory inspections, audits by independent bodies, and internal audits conducted under our certified management systems. Risks with longer term implications are incorporated into investment planning, rehabilitation programmes and strategic business planning in the RBP.

MANAGEMENT DISCUSSION AND ANALYSIS

Process stability is supported by real-time monitoring at the SSP1 intake in Sungai Selangor, where online instruments assess key indicators such as colour, turbidity, pH, conductivity, temperature and other parameters relevant to raw water quality. Alarm thresholds integrated into the control system notify operators of anomalies, enabling the rapid activation of contingency operating procedures during raw water deterioration events. Optimisation of treatment performance is supported by routine jar testing, validated coagulant dosage curves, filter performance monitoring and compliance with required contact time standards for disinfection. Asset reliability is maintained through preventive and condition-based maintenance that is planned, recorded and monitored through a computerised maintenance management system. Predictive diagnostics, such as vibration assessments, thermographic inspections and equipment health checks, are utilised for critical assets to reduce the probability of unplanned failures. Spare parts for highly critical components are managed through structured stocking policies that account for lead times and obsolescence, ensuring availability when required. Information security and physical security are reinforced through strict access controls, network segregation between business and operational processes, controlled remote connectivity, regular security updates, and verified backup and recovery procedures. These measures protect system integrity and reduce the likelihood of disruptions caused by security breaches or malicious interference. Through these integrated controls and technical safeguards, SSP1 continues to operate reliably and efficiently, delivering treated water that consistently meets the required standards despite evolving environmental and operational challenges.

Pursuant to the BWSA, we are obligated to construct a mechanical Residual Treatment Facility ("RTF") at our own cost. The RTF will facilitate the efficient management, treatment and disposal of dried sludge or residuals, which are by-products of the water treatment process. The facility, with an estimated cost of RM88 million, was slated for commissioning in June 2026. However, the project has been delayed due to a new proposal submitted to Air Selangor to consider a plant expansion and drying bed system instead, which is more cost effective over the longer term. Further engagements with Air Selangor are on-going on the new proposal. Application for Kebenaran Merancang for the RTF project has been submitted and an approval by Majlis Perbandaran Kuala Selangor has since been granted. In 2025, SSP1 recorded a significant reduction in treatment residuals, generating approximately 22,558 metric tonnes, compared with 29,170 metric tonnes in the previous year. The residuals produced from the treatment process continue to undergo on-site handling, where they are stabilised within the existing sludge lagoons before being transferred to a nearby sludge depository area that has been approved by the DoE. While this disposal method remains compliant with regulatory requirements, the planned RTF, once operational, is expected to offer a more sustainable and environmentally progressive long-term solution for residuals management. This is particularly relevant in light of the major regulatory development affecting SSP1, with the new effluent management requirements introduced by LUAS in 2025. In June 2024, LUAS formally gazetted the Discharge of Return Water, and Entry or Discharge of Waste and Pollutants (State of Selangor) Licensing Regulations 2024, which came into full enforcement on 1 January 2025. Under this regulation, all thirteen scheduled activities including water supply operations are required to obtain a discharge licence. In response, we have obtained the licence in March 2025 and presently pays LUAS a fee based on the volume of discharge from SSP1.

On our corporate social responsibility ("CSR") initiatives, we continue to advance our environmental, social and community focused commitments through a wide range of programmes designed to strengthen environmental stewardship and support local communities. Our initiatives are anchored around education, conservation and direct involvement in protecting river ecosystems. One of our key efforts this year was the tree planting programme conducted at Sekolah Kebangsaan Bukit Badong and within the SSP1 treatment plant grounds, aimed at promoting biodiversity enhancement and reinforcing green cover development in the surrounding area. Complementing this initiative, we collaborated with a vocational school to produce a recycling awareness video, encouraging responsible waste sorting and strengthening environmental literacy among students and plant personnel. Our social and environmental conservation activities also expanded through Kembara Hijau 2.0, which included a fish-fry release programme to support natural stock replenishment in local rivers. We further intensified our river care activities by participating in a clean-up programme at the Chilling River, working closely with the Fisheries Department and the Forestry Department to protect the river's status as a renowned fish sanctuary. These activities collectively contributed to improving river health and reinforcing the importance of sustainable catchment management. We continue our outreach efforts within the local community through several engagement activities. At the Pusat Pemulihan Dalam Komuniti ("PPDK") in Ijok, our employees carried out communal work, including general cleaning, minor repairs, and joint activities with the centre's members, strengthening our commitment to supporting people with disabilities. Additional programmes such as Merdeka PPDK activities further deepened our relationship with the centre and its surrounding community. Our community support extended to welfare initiatives, through food contributions to underprivileged families around Ijok and Bukit Badong, reaffirming our commitment to caring for vulnerable groups. Through these collective initiatives, we strengthened our ESG footprint by promoting conservation, environmental awareness and community well-being. These programmes reflect our ongoing dedication to protecting natural water resources while fostering a resilient, inclusive and environmentally responsible community.

In terms of financial performance, we recorded a stronger financial performance this year, achieving a PAT of RM50.10 million, reflecting a 5.4% increase compared to RM47.53 million in the previous year. This improvement was achieved despite a 3.1% decline in revenue, which decreased from RM195.34 million in 2024 to RM189.25 million. The lower revenue was mainly attributed to a reduction in bulk water sales, which fell from 336.68 million m^3 to 331.69 million m^3 during the year, as well as lower electricity rebates following the implementation of new electricity tariff by TNB in July 2025. The total operating expenditure amounted to RM113.47 million, a reduction from RM123.04 million recorded in the previous year. Electricity continued to represent the largest cost component, which accounted for 43% of total expenditure, compared with 45% a year ago. The unit electrical cost also declined by 2.7% primarily driven by the effective execution of multiple energy-efficiency initiatives. Key measures included the refurbishment and performance optimisation of major mechanical equipment, particularly large pumps and motors, as well as the adoption of a controlled pumping regime for both raw-water and treated-water pumping operations. Additional savings were achieved through the replacement of conventional lighting with LED systems, the transition from centralised chiller-based air-conditioning to a more energy efficient split unit systems, and continuous energy-awareness efforts led by the on-site electrical team. To reinforce and institutionalise these improvements, a registered energy efficiency manager has been formally appointed to supervise and drive the energy-management programme at both the intake facilities and the SSP1 treatment plant.

HIGHWAY TOLL CONCESSIONAIRE, OPERATIONS AND MAINTENANCE OPERATOR

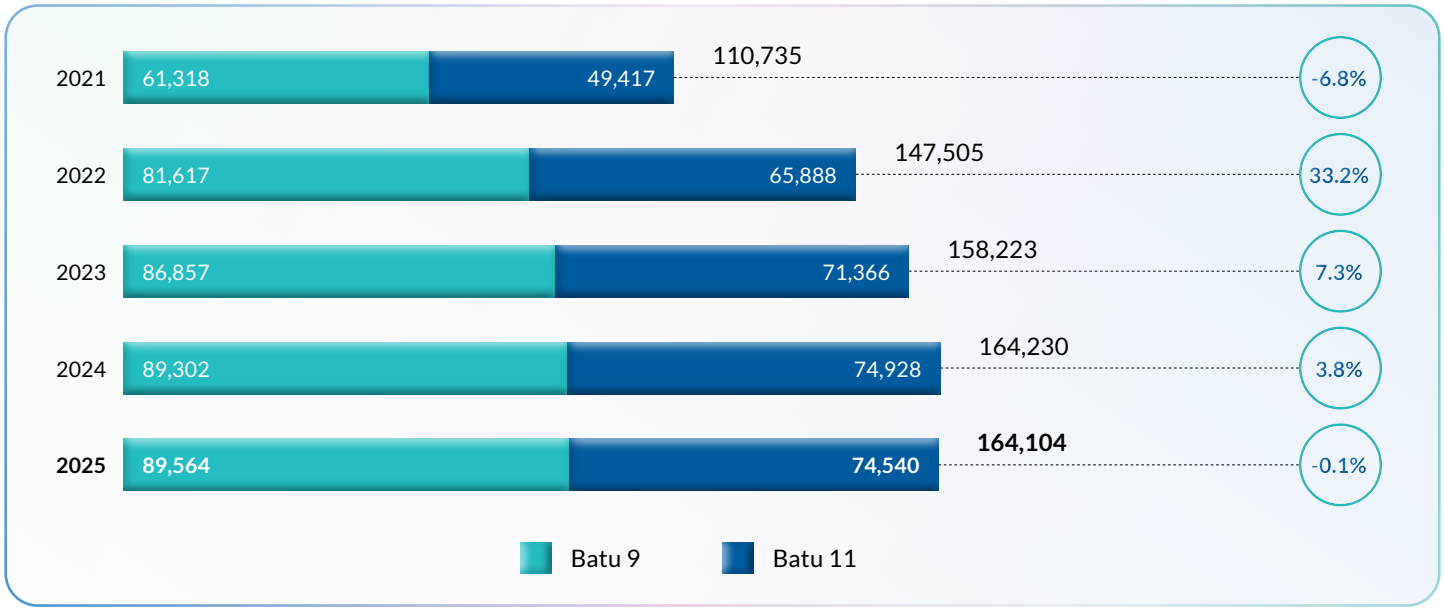
GRAND SAGA SDN. BHD. ("GRAND SAGA")

In 2025, the Cheras-Kajang Highway (also known as the Grand Saga Highway), managed by Grand Saga recorded a marginally lower ADT of 0.1% compared to the previous year, mainly from the opening of the EKVE on 30 August 2025 which was toll-free until 24 October 2025. The EKVE provides an alternate route for commuters travelling from Bandar Sungai Long in Cheras to Ampang. The decrease in ADT was more prevalent at the Batu 11 toll plaza as it is directly affected by the EKVE. Compared to 0.3% increase in ADT at the Batu 9 toll plaza, the ADT at Batu 11 was lower by 0.5%. Nonetheless, the ADT recovered after the initial toll-free period of the EKVE. During the toll-free period, ADT for Grand Saga Highway fell to 155,566 vehicles per day in September and October 2025 compared to 165,565 vehicles per day from January to August 2025 and to 164,819 vehicles per day in November and December 2025. The imposition of toll at the EKVE diverted some of the traffic back to the Grand Saga Highway, indicating that the dip in the ADT was temporary. The Grand Saga Highway is expected to continue to record traffic growth in the years ahead, complemented by the opening of the Sungai Besi-Ulu Kelang Elevated Expressway ("SUKE") in September 2022.

During the year, a total of 59.90 million vehicles, representing an ADT of 164,104 vehicles per day, passed through the two toll plazas at Batu 9 and Batu 11, as compared to 60.11 million vehicles in 2024, or an ADT of 164,230 vehicles per day. The ADT at the Batu 9 toll plaza increased marginally by 0.3% from 89,302 to 89,564 vehicles per day. In contrast, ADT for the Batu 11 toll plaza decreased by 0.5% to 74,540 vehicles per day, from 74,928 vehicles per day in the previous year. As the Grand Saga Highway is a mature intra-urban highway, approximately 96.0% of traffic passing through both toll plazas comprises Class 1 motor vehicles i.e., vehicles with 2 axles and three or four wheels, and this has consistently prevailed over the years.

The following is a 5-year historical data on the ADT for both the Batu 9 and Batu 11 toll plazas and the overall growth at the Grand Saga Highway. As expected, the ADT for 2021 saw a severe contraction with the imposition of travel restrictions during the Movement Control Order period due to the onset of the COVID-19 pandemic in 2020. However, the ADT rebounded sharply thereafter when the impact of the pandemic gradually diminished with all restrictions being removed and economic activities began to thrive once again.

Yearly ADT by Toll Plaza from 2021-2025



In terms of our level of service, we are committed to provide regular patrolling and break down service along the highway including free towing assistance and emergency first aid care for commuters in need. We have established the "Saga Ronda Service" with a commitment to attend to all incidents along the highway within ten minutes and to relay information back to the command centre for necessary actions to be taken. We also maintain other quality related services to road users such as the Rest & Service stop at the Bukit Dukong area, which includes a petrol station, various F&B outlets and a post office for the convenience of our road users. To engage with our customers, we communicate via our official social media platforms, namely Facebook (Lebuhraya Grand Saga) and X (@GrandSagaTrafik), where we share traffic updates and other relevant information for road users. For road users who are unable to access updates via the social media, we have installed two Video Message System ("VMS") gantries along the highway at KM13.6 Kajang bound and KM14.0 Kuala Lumpur bound to disseminate traffic information from our control centre. Our collaboration with Dewan Bandaraya Kuala Lumpur and the Kuala Lumpur Traffic Police continues with the existing contra flow operations for the Kuala Lumpur bound traffic in the morning and for the Kajang bound traffic in the evening to alleviate the congestion along the highway during peak periods. In our efforts to combat climate change and support the government's initiative to utilise renewable energy sources, we have installed solar panels at the Batu 9 and Batu 11 toll plazas and LED lightings at the motorcycle lane and bridges underpass. Additionally, in 2025, we embarked on the replacement of all the streetlights along the highway with LED lights, replacing the conventional units currently in use, at a cost of approximately RM2.20 million. These LED lights are more environmentally friendly and will reduce our overall electricity cost and carbon emission. The conversion process will be completed in 2026.

As a responsible toll highway operator, both safety and comfort of the road users are our key priorities. Some of the road safety measures undertaken include ensuring adequate and clear signboards and signages, proper working streetlights, along with timely inspection of the highway infrastructure for signs of wear and tear. In 2025, repairs and maintenance expenditure increased to RM4.78 million from RM3.85 million a year ago. This excludes the RM4.80 million (2024: RM1.67 million) incurred on routine pavement rehabilitation works. Additionally, to enhance our service and operational excellence, we have maintained the ISO9001:2015 Quality Management System as re-certified by INTERTEK Certification during the year. The scope of the certification covers the provision of highway maintenance and toll collections. We also maintained the four-star rating in respect of the Expressway Performance Index as set by Lembaga Lebuhraya Malaysia ("LLM") for the year 2025. Our continuous efforts to ensure safety for the road users have been successful as the number of accidents dropped to 2.13 vehicles per million (2024: 2.20 vehicles per million), well below the benchmark of 3.15 vehicles per million set by LLM.

MANAGEMENT DISCUSSION AND ANALYSIS

In August 2025, the Ministry of Works Malaysia announced that the Federal Government expects the Multi Lane Fast Flow ("MLFF") system to be operational by 2027 and that all highway concessionaires are free to negotiate directly with service providers for implementation. In this respect, we had a series of discussions and workshops with LLM and other concessionaires to determine the business, operations, legal and technical rules for the implementation of MLFF. As in previous years, the continued uncertainty of the Federal Government's proposal to restructure the toll industry remains a major concern. By 2025, several tolled highways had undergone toll rate restructuring. The government has stipulated that, where possible, highway concessionaires should consider a non-increase in the toll rates until end of concession and that no government compensation to be paid in any toll restructuring proposal. We draw comfort from the stand taken by the government's commitment to uphold the sanctity of the concession agreement and the rights of investors and shareholders will be protected. As required by the government, we have submitted our toll restructuring proposal in March 2025 to the Works Ministry for the government's consideration.

In terms of financial performance, the toll collections were marginally higher at RM79.57 million as compared to RM79.02 million in 2024, an increase of 0.7% despite of the lower ADT recorded for the year. This was attributable to lower festive toll discount of 50% given in 2025 for Class 1 vehicles compared to 100% toll discount in year 2024. The total operating revenue was lower at RM130.43 million as compared to RM149.54 million achieved a year ago, mainly due to lower recognition of government compensation of RM37.38 million (2024: RM56.54 million). The government compensation consisted of compensation for non-increase of toll rates, 2022 general elections toll discount and recognition of festival toll discounts. Other than toll collections and government compensation, operating revenue also comprised deferred income totalling RM13.48 million (2024: RM13.99 million). Other income increased from RM3.32 million in the previous year to RM4.17 million primarily attributable to higher interest and rental income and monitoring and maintenance charges from third party developments along the highway. Total operating expenditure (excluding depreciation and amortisation) of RM12.86 million (2024: RM11.65 million) was higher than the prior year mainly due to higher repair and maintenance costs by RM0.93 million.

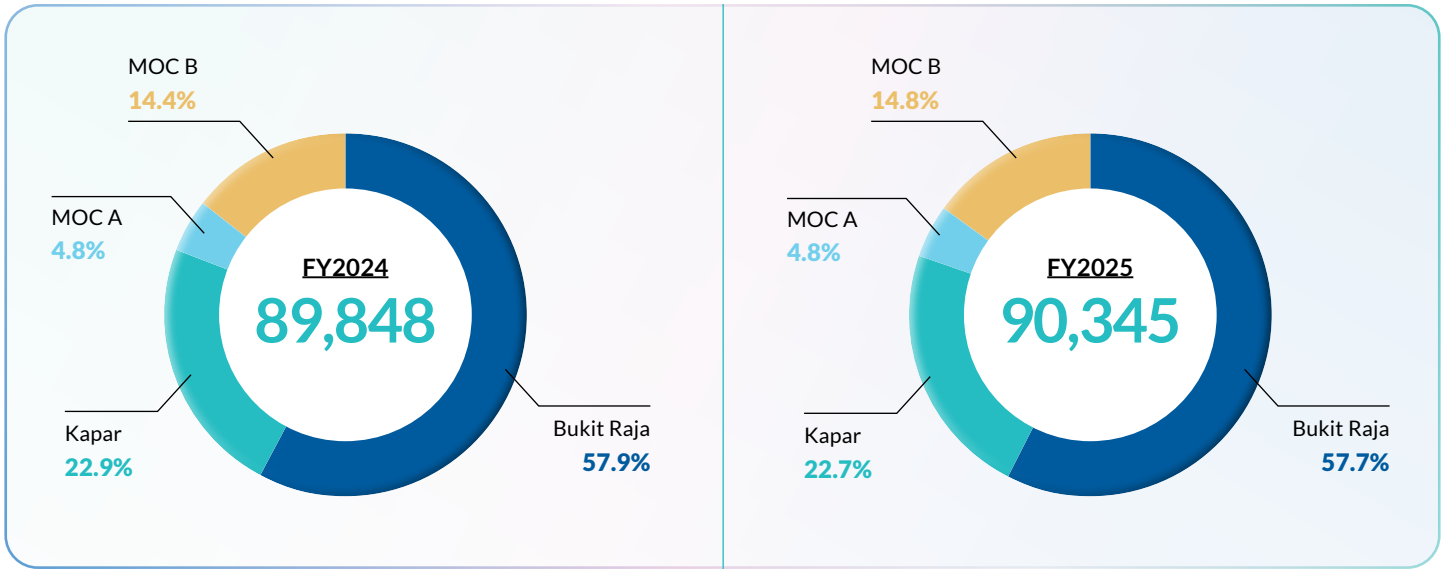
In 2025, the expenditure on pavement rehabilitation works amounted to RM4.80 million (2024: RM1.67 million) and this was deducted from the existing provision brought forward. During the financial year, depreciation and amortisation accounted for RM19.08 million, compared to RM19.25 million in 2024. Finance charges from the issuance of the IMTN stood at RM12.20 million, a reduction from RM14.14 million last year due to further repayment of RM40.00 million IMTN principal sum during the year. In 2013, Cerah Sama, the holding company of Grand Saga, issued IMTN with a nominal value of RM420.00 million. In December 2025, Malaysian Rating Corporation Berhad affirmed a rating of AA-IS with a stable outlook on the IMTN. The rating agency cited the steady performance of the Grand Saga Highway as a mature highway, undemanding repayment schedule and low operational risks as key strengths, while highlighting its moderately leveraged capital structure as a key risk. The outstanding IMTN was RM230.00 million as at end of 2025 with a further principal sum repayment of RM40.00 million made in January 2026. The last repayment is due in January 2030. For the financial year, Cerah Sama recorded lower PBT of RM79.23 million compared to RM96.54 million in 2024, on account of lower government compensation receivable. In line with the lower PBT, PAT decreased to RM59.86 million from RM72.59 million achieved in the previous year. Cerah Sama paid a total of RM22.00 million dividend in 2025 compared to RM8.00 million in 2024.

GRAND SEPADU (NK) SDN BHD. ("GRAND SEPADU")

The New North Klang Straits Bypass Expressway, also known as the Grand Sepadu Highway, registered a growth in traffic with the ADT up by 0.6% compared to 1.5% in the preceding year. The overall growth in the ADT was attributed to the increase in commercial activities particularly the port bound traffic with the overall ADT at the four toll plazas attaining 90,345 vehicles per day compared to 89,848 vehicles per day in the previous year. During the year, the total traffic throughput at the highway was 32.98 million vehicles per day compared to last year's 32.88 million vehicles per day. All the toll plazas, save for Kapar, recorded an improvement in the ADT with MOC B toll plaza registering a robust growth of 3.7%, whilst both MOC A and Bukit Raja toll plazas recorded a more modest increase of 0.9% and 0.2% respectively. On the other hand, Kapar toll plaza recorded a decline of 0.5% in the ADT.

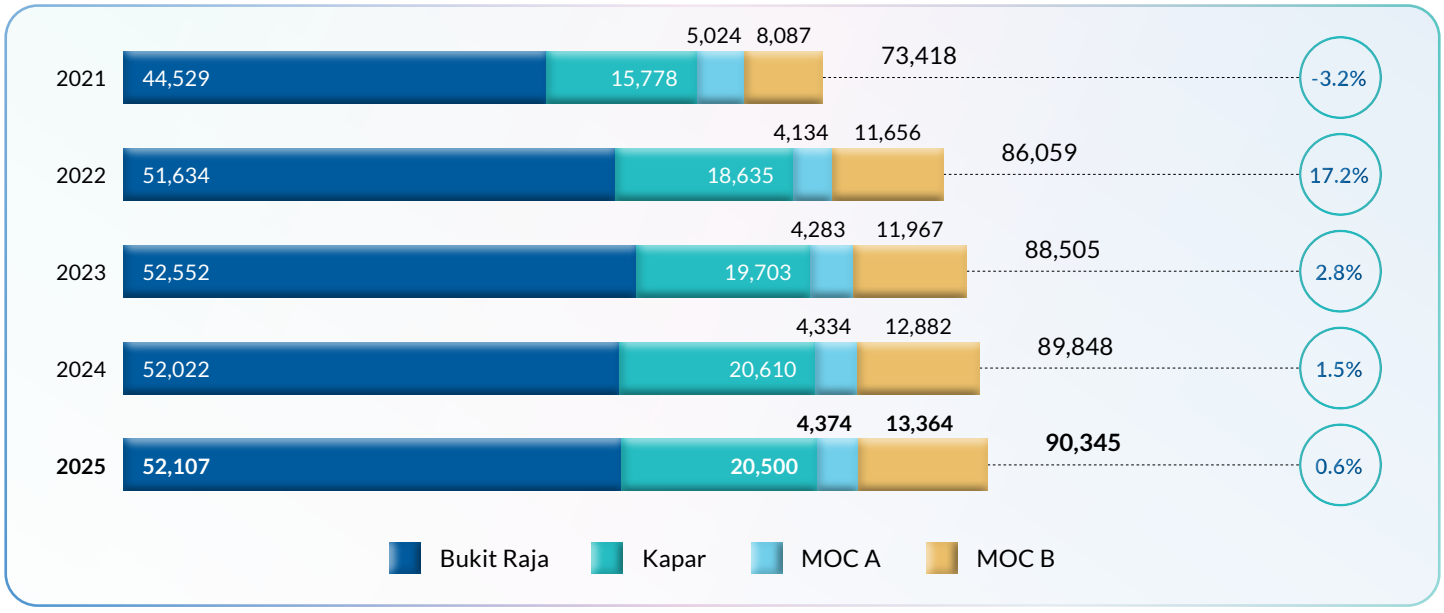
The distribution of the overall ADT by plazas is reflected in the graphs below, with the Bukit Raja toll plaza contributing the highest number of vehicles at 57.7% (2024: 57.9%), followed by the Kapar toll plaza at 22.7% (2024: 22.9%).

Average Daily Traffic ("ADT") by Plaza for Year 2024 and 2025



In terms of toll collections, the Kapar toll plaza alone generated RM31.47 million (2024: RM31.71 million) as Class 2 and Class 3 accounted for 8.4% and 10% respectively of the total traffic at the plaza. The Bukit Raja toll plaza earned RM12.32 million (2024: RM12.16 million) with both plazas collectively accounted for approximately 79.6% (2024: 79.6%) of total toll collections. Based on the five-year historical data below, 2021 recorded a dip of 3.2% due to the COVID-19 pandemic in 2020 before rebounding by 17.2% in 2022. The current year's ADT of 90,345 vehicles is still well below the pre-pandemic period where the ADT in 2019 was a high of 93,372 vehicles. This was particularly evident at the Bukit Raja toll plaza where the opening of the Persiaran Astana flyover at Meru diverted some of the traffic towards the North Klang Valley Expressway ("NKVE") via Setia Alam.

Yearly ADT by Toll Plaza from 2021-2025



MANAGEMENT DISCUSSION AND ANALYSIS

The Grand Sepadu Highway is linked to several major highways in Klang Valley, including the Federal Highway Route 2 and NKVE connecting developments in Klang, Bandar Bukit Raja, Bandar Sultan Sulaiman Industrial Zone, Northport and Westport. Class 1 vehicles are still the predominant users of the highway, having accounted for 80.6% (2024: 80.7%) of the total vehicles that passed the toll plazas with Class 2 and Class 3 vehicles collectively made up 18.4% (2024: 18.3%). Although smaller in numbers, Class 2 and 3 commercial vehicles accounted for 47.0% (2024: 47.0%) of the total toll collections as they pay higher toll rates.

To further boost the traffic along the highway, we are continuing with our marketing efforts such as the Frequent Travellers Programme and promotional activities across our Facebook and X social media platforms. As in the past years, the close collaboration with the Klang Utara traffic police facilitated smooth traffic flow particularly in the morning and evening peak periods at the Jalan Meru and Federal Highway intersections which greatly benefitted the road users. In addition, we are liaising with PLUS Highway to re-route commercial traffic currently congesting the Sungai Buloh Rest & Service area to move to our Rest & Service Area, thereby benefitting the Kapar toll plaza, whilst waiting for peak period travel restrictions imposed by the authorities on heavy vehicles to end.

As with any other toll operators, health and safety are top concerns in operating and managing a toll highway and as such, every effort is carried out to safeguard the road users. During the year, we implemented various safety measures, including short-term measures such as routine monitoring of pavement for defects, annual visual inspection of bridges, culverts and retaining structures. Longer term measures, on the other hand, include annual heavy repair of pavements and detailed bridge inspections by external consultants, which are conducted every six years. To date, these efforts have been effective with the number of accidents reported, equivalent to 1.42 vehicles per million (2024: 1.33 vehicles per million), remaining well within the 3.15 benchmark set by LLM. Nonetheless, we will continue to place the utmost priority on traffic safety to assure road users of our commitment to ensure safe and seamless travel along the highway. Since 2018, we have been certified by SIRIM QAS International and implemented the ISO9001:2015 Quality Management System. The scope of the certification covers the provision of highway operations and maintenance works.

As a responsible toll operator, we recognise that climate-related risk is a key concern to our operations, particularly the deterioration of our highway infrastructure in the long-term. Towards this end, we had undertaken pavement rehabilitation works along the highway based on the Pavement Condition Assessment 2024 report, Non-Conformance Report issued by LLM and internal visual inspection at a total cost of RM3.60 million. This has resulted in improved pavement quality and riding comfort for our road users. Overall, we had incurred repair and maintenance costs of RM5.59 million (2024: RM5.54 million) to maintain our level of service. In addition to managing the risk of highway deterioration arising from severe weather conditions, we remain cognisant of potential risks associated with occasional flooding along the highway. We are working closely with the relevant authorities to implement a long-term mitigation solution, which includes the proposed construction of a retention pond at the Meru Interchange, to be financed by Jabatan Pengairan dan Saliran Negeri Selangor. In 2025, Phase 1 and Phase 2 flood mitigation works were carried out at KM3.0 and KM4.0 to address high tide issues in the surrounding areas. In addition, proactive measures continue to be undertaken to minimise the impact of flooding including routine cleaning and regular inspection of the drainage systems.

Recognising that our operations contribute to carbon emissions, we are committed to progressively reducing our environmental footprint through the adoption of cleaner and more energy efficient practices. One of the key initiatives undertaken was the reduction of electricity consumption by partially substituting grid electricity with renewable energy sources. Solar panels were installed at the Bukit Raja toll plaza in 2024, and subsequently extended to the Kapar toll plaza in 2025. We have also completed the installation of LED high-mast lighting at Kapar and MOC toll plazas, and will continue to progressively implement LED street lighting across our highway network.

In terms of financial performance, Pinggiran Muhibbah Sdn. Bhd. ("PMSB"), the holding company of Grand Sepadu, recorded lower operating revenue of RM70.48 million (2024: RM94.63 million), a decrease of RM24.15 million due to lower government compensation. Operating revenue comprises toll collections of RM55.45 million (2024: RM55.12 million) and government compensation of RM15.03 million (2024:RM39.51 million) due to the non-increase of toll rates in 2016 and 2020, as well as reimbursement of festive toll discount for 2024. Total operating costs (excluding amortisation of expressway development expenditure and toll equipment) were RM14.17 million, up from RM13.84 million in 2024. The higher costs in 2025 was primarily due to major repairs such as pavement rehabilitation and drainage upgrading works. Depreciation and amortisation decreased by RM2.74 million to RM23.02 million (2024: RM25.76 million), whereas finance charges from the issuance of Sukuk Murabahah was lower at RM1.96 million compared to RM2.77 million last year due to further repayment of a principal sum of RM15.00 million Sukuk Murabahah during the year. For the financial year under review, PMSB recorded a lower PBT of RM29.04 million compared to RM50.29 million in 2024. In line with the lower PBT, PAT decreased to RM18.01 million compared to RM33.90 million in the preceding year. During the year, PMSB declared and paid dividends amounting to RM18.00 million (2024: RM18.00 million).

In 2015, Grand Sepadu issued Sukuk Murabahah with a nominal value of RM210.00 million. In May 2025, Malaysian Rating Corporation Berhad upgraded the rating from AA-IS to AAIS with the outlook revised from positive to stable. The rating report cited Grand Sepadu Highway's maturity, resilient traffic profile and improved leverage profile as key strengths, whilst noting uncertainties in toll rate hikes and susceptibility of commercial traffic to economic slowdown as key risks. The upgrade reflects Grand Sepadu's improving leverage and coverage ratios, underpinned by disciplined dividend payouts and stable profitability. The outstanding Sukuk Murabahah stood at RM30 million, with a further principal sum repayment of RM15 million to be made in June 2026 and the last repayment scheduled by June 2027.

ENGINEERING AND CONSTRUCTION

According to the Economic Outlook 2026 Report published by the Ministry of Finance, Malaysia's economy is projected to expand between 4% and 4.5% in 2026, supported by resilient domestic demand and a steady external sector. The services and manufacturing sectors will remain key drivers of growth, complemented by sustained expansion in construction and agriculture. To ensure a more balanced development across all states, collaborative efforts between the federal and state governments were undertaken for major development projects involving transport connectivity, the green economy, and advanced manufacturing, with an allocation of RM37.5 billion. These projects are Johor-Singapore RTS, expansion of Port Klang and widening of roads at the Pulau Indah Ring Road and North Port Klang in Selangor, Kulim Hi-Tech Park expansion in Kedah, Machang Water Treatment Plant in Kelantan and renewable energy ventures, including Kenyir Hybrid Hydro Floating Solar Farm ("HHFS") and a green hydrogen hub in Terengganu.

The construction sector is expected to remain stable in 2026, with a robust growth of 6.1%, underpinned by positive performance across all sub-sectors and an increasing demand for the construction of data centres and renewable energy-related projects. Major infrastructure and utilities developments, such as LRT Mutiara line, HHFS and ASEAN Power Grid, are projected to drive the civil engineering sub-sector's performance. In addition, the non-residential building subsector should benefit from sustained demand for industrial facilities, logistics hubs, and data centres, in line with the expansion of advanced technologies and digitalisation. Meanwhile, the residential building sub-sector is poised to gain support from government-led affordable housing programmes and targeted home-ownership initiatives under the Thirteenth Malaysia Plan, as well as from new private-sector projects.

As for our engineering and construction activities, we are continuing with the two on-going water infrastructure projects i.e. Stage 1 of the Rasau Water Supply Scheme Package 2 – Construction of Treated Water Pumping Station and Pumping and Distribution Mains for a contract sum of RM602.43 million ("Rasau Package 2") and Stage 1 of the Rasau Water Supply Scheme Package 3 – Construction of Booster Pumping Station and Low- and High-Level Reservoirs for a contract sum of RM293.86 million ("Rasau Package 3"). The Rasau Package 2 is a design and build construction project procured in December 2021. The project commenced in the same month with an initial completion target of December 2024. However, we were granted EOT No. 2 under the contract, extending the completion date to 16 November 2026 on the principal ground of unforeseen delay in procuring approvals and work permits from local authorities and government agencies ("Authorities"). Although this project was awarded on a lump sum basis, we project the contract sum to increase by RM11.94 million to RM614.37 million due to the variation of prices adjustments on the mild steel pipe supply. The construction activities undertaken during the year at the site of the Treated Water Pumping Station included piling of precast spun piles, incidental excavation, and continuation of temporary sheet-piled cofferdam construction. We also continued with pipe laying and pipe jacking works, alongside the pursuit of approvals from the Authorities to commence work on the remaining pipe laying sites. As of the end of 2025, the actual physical progress was 46.8% (2024: 21.6%), measured according to the approved work programme under EOT No. 2. The actual progress was behind schedule by 4.1%. The construction progress continued to be affected by heavy precipitation during the northeast monsoon season, which further slowed pipe laying works in extremely soft ground conditions. In addition, the delays from the Authorities in issuing the necessary approvals and permits also impacted our planned commencement of pipe laying works and jackings in urban areas.

The Rasau Package 3 project was also procured in December 2021 under the same design and build mode of delivery. This project also encountered similar challenges as the Rasau Package 2. Construction activities during the year involved pipe laying and jacking of distribution pipes in the Klang town, construction of reinforced concrete structures, such as the balancing reservoir and retaining wall at the booster pumping station and piling works for the high-level reservoir at the Bukit Lipat Kajang site. We were granted EOT No. 2 until 31 March 2027 on the same basis of unforeseen delay in procuring the required approvals and work permits from the Authorities. We project the contract sum to increase by RM2.06 million to RM295.92 million due to the variation of prices adjustments for the mild steel pipe supply. As of the end of 2025, the actual physical progress was 31.1% (2024: 13.1%), which is 5.0% behind schedule. Construction progress of reinforced concrete structures has been hampered by a recent shortage of raw materials, which affected the production of ready-mixed concrete. Nonetheless, our perseverance to complete both Rasau Projects within the contract period remains intact, underscoring our commitment to fulfilling our contractual obligations.

For the year, the Rasau Projects exhibited steady progress, contributed to an increase in revenue to RM106.38 million, comprising RM84.61 million from Rasau Package 2 and RM21.77 million from Rasau Package 3. For the same period last year, we achieved a revenue of RM72.57 million. Despite the higher revenue, the construction segment posted an operating loss of RM0.15 million, compared to an operating profit of RM2.54 million recorded a year ago. This was mainly attributed to a downward revision in the estimated profit margin for Rasau Package 2, principally arising from the prolongation of works due to site-related issues, revisions to pile design due to soil conditions, and challenges in carrying out pipe laying works in the town areas.

WASTE MANAGEMENT

Our involvement in the waste management sector is through the 35% equity interest in SWMEH, which we acquired in 2016. SWMEH's wholly owned subsidiary, SWM Environment Sdn. Bhd. holds a concession to provide solid waste collection and public cleansing services in the southern region of Peninsular Malaysia until September 2033. To effectively manage solid waste collection and public cleansing services across a sizeable service area of approximately 28,500 square kilometres covering twenty-six local authorities in the southern states namely Negeri Sembilan (seven local authorities), Melaka (four local authorities) and Johor (fifteen local authorities), we leverage a comprehensive suite of technological solutions. These technologies improve the efficiency of our extensive operations, fleet of vehicles and machinery, while enabling scalability to accommodate the continued expansion of service areas.

To enhance operational efficiency and reporting accuracy, our in-house operational systems namely the *i-Jadual* Intelligent Work Scheduling System and the *i-Work* System, which incorporate the Work Completion Report System and Automatic Vehicle Locator System ("AVLS"), are fully integrated with the unified platform implemented by Perbadanan Pengurusan Sisa Pepejal dan Pembersihan Awam ("SWCorp"), namely the Sistem Pengurusan Bayaran Perkhidmatan ("SPBP") and Sistem Pemantauan Kawalan Kebersihan ("SPKK"). This integration under a single platform system improves the accuracy and timeliness of online reporting for work completion, strengthens operational monitoring capabilities and seamlessly connect the intelligent scheduling system to both the reporting platform and the monthly payment interface.

Since August 2025, artificial intelligence ("AI") capabilities have been integrated into the i-Work mobile application for operational cleansing services system, incorporating features such as an Image Analyzer, Geo-location with Neural Network tracking and a Vision Learning Model. These AI-driven features automatically detect and validate non-compliant works, immediately identifying and rejecting non-compliant Laporan Siap Kerja ("LSK"). The adoption of AI automation has significantly reduced the reliance on manual intervention for LSK validation, leading to substantial gains in operational productivity with comprehensive audit trails, enhancing both transparency and accountability. Currently, the i-Work AI engine processes approximately 17,000 images per day, further demonstrating its scalability and efficiency. We continue to strengthen the strategic partnership and collaboration with SWCorp and the other two concessionaires through the Command, Control, Communications, Computers, and Intelligence Centre in Cyberjaya, which enables real-time monitoring of operations. With this advanced monitoring infrastructure in place, we are committed to deliver superior service quality to both industrial and residential consumers, while enhancing operational transparency and operational efficiency.

Our operations, which are labour-intensive by nature, face ongoing challenges related to the recruitment of ground crews, particularly in urban areas such as Johor Bahru, Melaka, and the Seremban-Nilai region. The proximity of these areas to Singapore, which offers higher wages and the added benefit of a more favourable currency exchange rate, further complicates efforts to attract local workers. Additionally, the industry's perception for being physically demanding, hazardous, and less desirable further limits the pool of local talent. The government's suspension of foreign worker intakes since March 2023 has further compounded the challenge of addressing the shortage of manpower. Despite these constraints, we have successfully maintained service schedules across all service areas through enhanced manpower optimisation and the strategic deployment of temporary outsourcing solutions. Furthermore, our ongoing investments in mechanising cleansing services, have significantly mitigated the impact of the workforce shortages, ensuring continued service delivery with minimal disruption.

Recognising that manpower constraints remain a persistent challenge, we continue to implement initiatives aimed at enhancing productivity, operational efficiency and sustainability. These initiatives include feasibility studies plus investments in new electric vehicles ("EV") and machinery under the third cycle of the concession, reinforcing our commitment to environmentally sustainable and low-emission operations. As an initial step, electric motorbikes have been introduced into our fleet. In parallel, we place strong emphasis on human capital development, implementing capacity building programmes across all levels of staff. Given that frontline staff constitute the majority of our workforce, ongoing skill development trainings are critical to reducing non-compliance in service delivery. We conducted various training programmes covering technical skills, safety and health, defensive driving for all drivers, supervisory and leadership development, as well as digital and system training. A significant proportion of our workforce has participated in these programmes, with many employees undertaking multiple courses to ensure they are fully equipped to meet their responsibilities. The 'Driver-Trainer' programme continued to be a key component of our training strategy, with experienced drivers appointed in each region to re-train and mentor fellow drivers. Additionally, we successfully conducted two batches of the management trainee programme in 2025, placing thirty-nine candidates into our recruitment pipeline to address the ongoing shortage of operations supervisors.

MANAGEMENT DISCUSSION AND ANALYSIS

During the year, we were honoured to receive four awards from the Waste Management Association of Malaysia ("WMAM"), namely the Social Impact Through Waste Management Award, Waste Management Icon Award – Private Sector, Youth Sustainability Champion Award, and WMAM Icon Award, in recognition of our dedication to sustainability, community engagement, job creation, and exemplary governance practices. Further demonstrating our commitment to sustainability, our collaboration with Iskandar Regional Development Authority, Majlis Bandaraya Iskandar Puteri, Jabatan Pendidikan Negeri Johor and Universiti Teknologi Malaysia, as strategic partners in sustainability, was recognised as a finalist for the 2025 Local Leaders Award (Category 6: Power of Partnership) by Bloomberg Philanthropies and C40 Cities, under the Iskandar Malaysia Ecolife Challenge programme. These recognitions underscore our steadfast commitment to fostering a sustainable and responsible operational framework, particularly in alignment with ESG practices and principles that are integral to our long-term growth and value creation.

In the realm of CSR, we remain committed to making a positive societal impact through SWM Kasih programmes. This year-round initiative is dedicated to supporting low-income communities by providing essential resources and necessities. SWM Kasih has extended assistance to 2,190 individuals across three states, reinforcing our commitment to social welfare. Additionally, we continue to play an active role in community service through various CSR-driven cleansing operations, particularly in supporting communities affected by natural disasters. These initiatives include Gotong Royong, Bantuan Operasi Pembersihan Khas Banjir, Clean and Clear, and Operasi Pasca Banjir, all of which demonstrate our ongoing commitment to supporting communities in times of need.

As part of our ongoing commitment to address environmental challenges, we actively encourage public participation to raise awareness of our collective environmental impact through KITARecycle programme, This programme seeks to effectively educate and engage the public in the practice of Separation waste at Source ("SAS") and promote the Reduce, Reuse, Recycle ("3R") initiatives. These efforts are aimed at fostering a circular economy through increased recycling participation. Throughout the year, we have conducted 554 Communication, Education, and Public Awareness ("CEPA") programmes, engaging a total of 151,892 participants to inspire broader public involvement in voluntary recycling activities as a key step toward waste reduction and sustainability. Additionally, the KITARecycle membership grew by 35% or 39,579 new members in 2025, bringing the total number of registered users to 152,534, a significant increase from 112,955 in the previous year. Through the implementation of SAS and 3R, alongside the KITARecycle and CEPA programmes in 2025, we successfully diverted 2,381,686 kilograms of recyclables from being ended up in the landfills, and this volume was 128% higher than the previous year.

For the year, revenue increased by RM36.2 million or 3.6% on the back of continuous expansion of service areas for both solid waste collection and public cleansing. With operational enhancements made to the in-house developed i-Jadual Intelligent Work Scheduling System and i-Work System, direct operating expenditure has been efficiently managed, notwithstanding higher payroll-related expenditures arising from the substantial hike in minimum wage from RM1,500 to RM1,700 with effect from 1 February 2025 under the Minimum Wages Order 2024. We made favourable progress in the recovery of long outstanding receivables through continuous negotiations, putting us in a healthier cash flow position to meet operational working capital requirements and capital expenditure for the replacement of waste collection bins throughout the three states under the 2-year bin replacement programme. As the third cycle tariff review was scheduled for finalisation by September 2025, we have been actively engaged in discussions with key government stakeholders, including SWCorp, the Ministry of Housing and Local Government ("KPKT"), and the Department of National Solid Waste Management, in collaboration with the other two waste management concessionaires. We are optimistic that the negotiations will be concluded in 2026.

RENEWABLE ENERGY

During the year, we continued to focus on strengthening the operational performance and resilience of our renewable energy assets in the face of increasingly volatile weather patterns. The year was characterised by improved operational efficiency across most of our solar photovoltaic plants, as well as the successful management of a significant flood event at the TR Sepang Solar Farm.

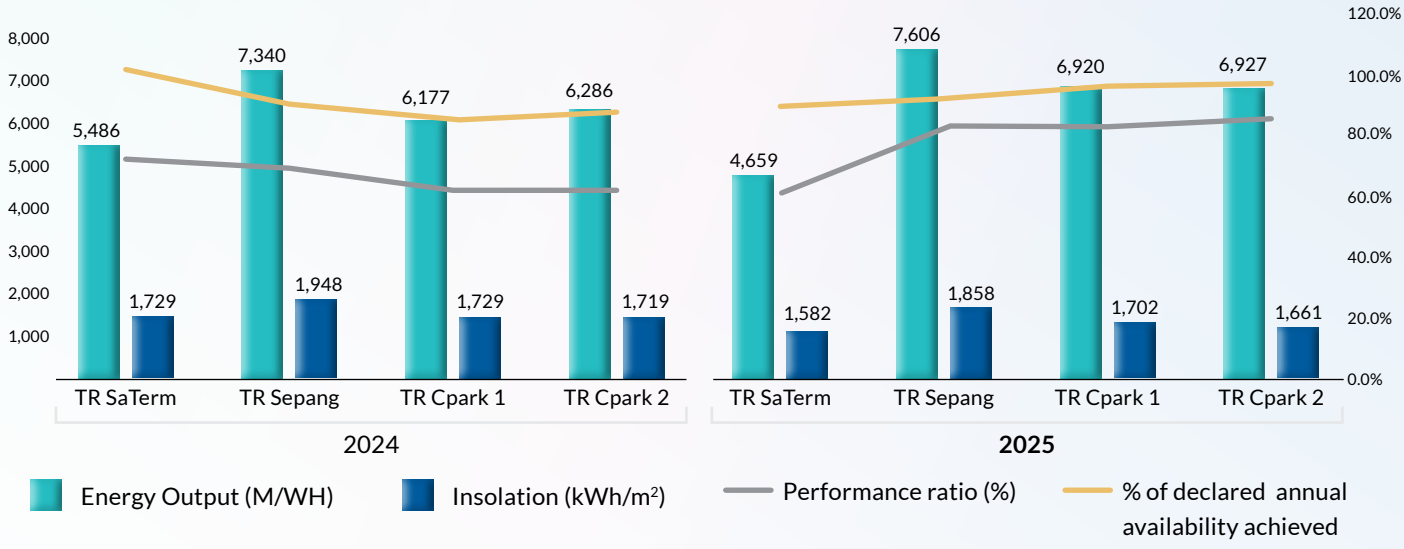
In November 2025, the TR Sepang Solar Farm experienced its fourth flood incident since the commencement of its operations in 2013. The flood levels recorded were comparable to those during the major flooding in October 2021. Notwithstanding the severity of the event, the operational and financial impact was significantly mitigated through proactive flood mitigation measures implemented following earlier incidents. The site recorded only one day of total shutdown, with minimal property damage and limited business interruption. This represents a substantial improvement compared to the previous three flood incidents, which resulted in total shutdown ranging from three to five months, business interruption losses and property damages, which fortunately were covered by insurance.

The significantly reduced impact of the recent flood incident was primarily attributable to the timely completion of mitigation measures aimed at addressing flood-related operational risks at the TR Sepang site. These measures included the elimination of major electrical hazards through removal of the 33kV isolator, elevation of critical electrical equipment such as string combiner boxes, inverters, and transformer electronics and sensors above historical flood levels, and elevation of the lowest photovoltaic modules in selected high-risk zones by approximately 300mm to reduce water exposure. In addition, improvements were made to pumping efficiency by adjusting water pump operating levels to ensure continuous operation during flooding, while flood preparedness was enhanced through the advance deployment of boats to facilitate safe access and mobility. The installation of a flood alarm system further strengthened early warning capabilities by providing timely alerts of rising water levels and enabling prompt response actions. With these measures in place, we were able to minimise damage to plant assets and restore operations significantly faster compared to previous flood events.

MANAGEMENT DISCUSSION AND ANALYSIS

In addition to enhanced flood resilience, we recorded improved operational performance across most of our solar photovoltaic plants in 2025. Comparison of key operating metrics with the previous year indicates improvements in energy production, yield and performance ratio across three of the four plants, despite generally lower insolation levels during the year. The higher performance recorded at TR CPark and TR Sepang as compared to a year ago, was mainly driven by the completion of photovoltaic panel replacement works undertaken in 2024, which improved overall system efficiency, reliability and availability. This performance reflects improvements in asset condition, maintenance effectiveness and operational efficiency, rather than reliance on favourable weather conditions.

Plant Performance Trend 2024 vs 2025



At TR CPark 1, energy production increased from 6,177 MWh in 2024 to 6,920 MWh in 2025, representing a notable improvement in generation performance. This was achieved despite slightly lower insolation levels, which declined from 1,729.0 kWh/m² in 2024 to 1,702.0 kWh/m² in 2025. The performance ratio improved significantly from 71.3% to 81.2%, indicating stronger operational efficiency and improved system availability during the year. The improvement was mainly attributable to better asset reliability and enhanced operational management following the completion of the panel replacement works in 2024. Similarly, TR CPark 2 recorded improvement in operational performance in 2025. Energy production increased from 6,286 MWh in 2024 to 6,927 MWh in 2025, notwithstanding a reduction in insolation levels from 1,719 kWh/m² to 1,661 kWh/m². The plant recorded the highest performance ratio within the portfolio at 83.9%, up from 73.5% in 2024, reflecting effective operational optimisation and improved system performance.

At TR Sepang Solar Farm, energy production increased from 7,340 MWh in 2024 to 7,606 MWh in 2025, while insolation declined from 1,948 kWh/m² to 1,858 kWh/m². Despite the lower insolation levels and the flood incident experienced during the year, the plant recorded a substantial improvement in performance ratio from 75.2% to 81.7%. This indicates the significant improvement in operational efficiency and plant availability during the year. The successful implementation of flood mitigation measures also contributed in minimising operational disruption and supporting stable plant performance.

In contrast, TR SaTerm experienced weaker operational performance in 2025. Energy production decreased from 5,486 MWh in 2024 to 4,659 MWh in 2025, while insolation levels also declined from 1,729 kWh/m² to 1,582 kWh/m². The performance ratio correspondingly reduced from 77.0% to 71.5% during the year. The reduction in generation was primarily due to a transformer failure, which resulted in the plant operating at approximately 50% capacity for about three months in the early part of the year. The occurrence of equipment failures and extreme weather events continue to present operational risks to our solar portfolio. While TR SaTerm experienced a temporary reduction in generation due to a transformer failure earlier in the year, the issue has since been rectified and the plant has resumed normal operations, whereas the successful management of the recent flood incident at TR Sepang demonstrates the effectiveness of our risk mitigation measures.

These developments highlight the importance of continuous asset monitoring, preventive maintenance and climate resilience planning across our renewable energy portfolio. Going forward, we will continue to strengthen operational reliability across all sites by closely monitoring asset performance, enhancing resilience measures where necessary and implementing targeted improvement initiatives to address underperforming assets. Overall, despite the operational challenges encountered during the year, our renewable energy portfolio remains resilient, with most plants demonstrating improved operational efficiency in 2025. We remain confident that our assets are well positioned to deliver stable operational performance and sustainable long-term contributions.

In terms of financial performance, the renewable energy segment recorded a total income of RM34.75 million in 2025, comprising RM31.15 million from solar energy generation and RM3.60 million from other income. Revenue from solar energy remained the core income stream for the segment, accounting for approximately 90% of total income, reflecting the stable and predictable revenue stream under the long-term power purchase agreements. Compared to 2024, the contribution from other income declined significantly, as the previous year included a non-recurring item, namely warranty claims received. As such, the financial performance in 2025 reflects a more normalised operating year without significant one-off gains.

Total expenditures for the year amounted to RM22.66 million, comprising RM15.08 million in operating costs, RM7.11 million in general and administrative expenses, of which RM11.71 million was related to depreciation and amortisation, and RM0.46 million of finance costs. The lower expenditure compared to 2024 was mainly attributable to the absence of major panel replacement construction costs and write-off of old photovoltaic panels, which were recognised in the previous year following the completion of asset enhancement works at TR Sepang and TR CPark 1 and 2. Despite the absence of one-off gains recorded in 2024, the renewable energy segment remained profitable, having recorded a PAT of RM13.71 million in 2025. The positive earnings performance was supported by stable electricity generation and improved operational efficiency across the solar portfolio following the completion of panel replacement works.

Overall, the financial performance in 2025 reflects a more sustainable and stable earnings profile for the renewable energy segment, underpinned by improved plant performance and the absence of significant non-recurring income and expenditure items. The segment demonstrated improved operational efficiency and resilience in 2025 despite lower insolation levels and operational challenges during the year. The completion of panel replacement works and the successful implementation of flood mitigation measures have strengthened the reliability and long-term performance of our solar portfolio. With stable electricity generation and a normalised cost structure following the completion of major asset enhancement works in the previous year, we remain well positioned to deliver sustainable earnings and operational stability going forward.

MANAGEMENT DISCUSSION AND ANALYSIS

DIVIDEND POLICY AND DIVIDEND PAYOUT

In accordance with the dividend policy of the Group, the dividend payout will not be less than 75% of the Group's consolidated profit after tax (excluding exceptional items), subject to its operating results, financial condition, capital expenditure plans and other factors to be considered by the Board. For the current financial year, the Board declared a total dividend payout of 2.25 sen per share (2024: 4.50 sen per share) totalling RM45.36 million (2024: RM90.71 million), which represented a dividend payout ratio of 54%. Over the past five years prior to 2025, the amount of dividends paid exceeded the stated dividend policy and this has been made possible, facilitated by proceeds from the securitisation of receivables in 2019 amounting to RM660.00 million and operating cashflows from the Group's concession-based businesses, particularly from the water treatment and supply, and toll highway segments. For the past five years, we have paid out a total of RM522.10 million, averaging close to RM104.42 million per year to shareholders. The consistent payment of dividends reflects our commitment to reward shareholders. Nonetheless, in determining the dividends for the year and coming years, we are mindful of retaining sufficient cash reserves for business expansion as and when investment opportunities materialise. In proposing further dividend payouts, the Board assesses the Group's projected financial and cash flow requirements, including our banking facilities to ensure that there will be sufficient cash reserves to be quickly deployed as we aspire to expand our core businesses to maintain our dividend payout.

A summary of the dividend payments together with the historical financial information and key financial ratios are disclosed in the 5-Year Financial Highlights in this Annual Report.

PROSPECTS

Except for the engineering and construction segment, we derive a steady stream of income and cash flow from our core business activities which are predominantly in the concession-based space. Our investments in the water treatment and supply, toll operations and renewable energy businesses have done admirably well with prompt payments received for services rendered. This has enabled us to operate and manage our operations smoothly with minimal risks of payment defaults, thus placing us in a strong financial position to withstand the challenges in the business environment. Since the current government came into office, the business environment and economic conditions have remained stable, attracting foreign direct investments into the country and sustaining strong domestic consumption patterns. On this basis, we are optimistic that the Malaysian economy will remain resilient in the face of external headwinds. Nonetheless, we are conscious of the heightened geopolitical tensions that may cause supply chain disruptions and uncertainties that undermine the business community's confidence in the economy.

Despite the difficulties brought about by the volatile and unpredictable global economic conditions, our concession-based businesses are expected to remain resilient as we operate services that are deemed essential and critical. The water treatment and supply and the toll highway segments are expected to deliver the bulk of our profits and cashflow. Being a basic necessity, demand for safe and clean treated water, both to residential and commercial users will remain strong, supported by an ever-expanding population and increased economic activities within the Klang Valley area. This can be seen by the Selangor state government's efforts to ramp up construction of water infrastructure facilities to cater for future demand of raw water. While this inevitably provides vast opportunities for us to undertake some of these projects, the expected increase in the supply of treated water within Klang Valley may dampen the volume of supplies required from our water treatment facilities over the longer term. Nonetheless, as the economy continues to expand, especially with the Malaysian government actively promoting data centre investments and development to establish the country as a regional hub for digital infrastructure, demand for clean treated water, especially in Klang Valley, will remain highly sought after.

In the toll highway segment, both Grand Saga and Grand Sepadu highways continue to enjoy high traffic volume. The prospect of this segment remains positive driven by heightened economic activities. For Grand Saga, performance remains resilient on the back of development along the corridor and interchange connected to the SUKE Expressway. Following the opening of the EKVE in August 2025, which was toll-free until the last week of October 2025, the ADT at the Grand Saga Highway dipped momentarily. However, traffic volume has since recovered with the commencement of EKVE's tolling and is expected to remain robust. For the Grand Sepadu highway, ADT growth is more modest compared to the Grand Saga highway, given its dependency on commercial vehicles travelling to and from the Northport and Westport terminals, as well as the residential traffic within the vicinity of the highway. However, the gradual opening of the West Coast Expressway presents a potential boost for the Grand Sepadu highway, as it could increase traffic flow and contribute to growth in the traffic volume.

On our expansion plans, we view the renewable energy business as a key long-term growth driver for the Group. To strengthen our presence in this sector, we strive to expand our footprint particularly through brownfield acquisitions that will provide us with more visibility into project viability and expected returns on our investments. The government aspires to promote and strengthen the renewable energy generation capacity, diversify energy sources and invest in sustainable infrastructure. In line with this, we intend to play a more prominent and profound role in the renewables sector by expanding beyond our current involvement in solar generation, to include other forms of renewable energy projects. We also plan to pivot our businesses towards sectors that present growth opportunities, positioning ourselves at the forefront in the environmental space.

Other than our participation in the renewable energy sector, we view our engineering and construction business, particularly infrastructure-related activities, as another important enabler to boost our growth trajectory. Our involvement in Stage 1 of the Rasau Projects implemented by Air Selangor is a testament of our ability to implement large-scale infrastructure projects and places us favourably to vie for the packages tendered under Stage 2 of the Sungai Rasau Water Supply Scheme. Prior to our involvement in this major infrastructure project, we successfully constructed and delivered other major undertakings, including construction of dam and flood mitigation projects for our clients. Another business segment that we are closely following is the waste management, where the prolonged delay in securing a tariff revision under the third tariff review cycle has impacted our investment in SWMEH. After various discussions and engagements with the relevant stakeholders, progress has been made to bring the issue closer to being resolved amicably. We are hopeful that the negotiations for the tariff review can be concluded in 2026.

Overall, we are optimistic that the Group's business prospects and outlook will remain positive. We believe the engineering and construction, together with the renewable energy segments will be the main drivers to create strategic value for the Group, supported by the strong cash generation of our other core businesses. Moving ahead, we are confident that our continued focus on infrastructure and utility investments will be a key factor in the Group's long-term success and sustainability.

OUR VALUE CREATION STRATEGY

Our Commitment to Shareholders

As an established infrastructure company, we continuously advance our capabilities in designing, building, and operating infrastructure projects, delivering end-to-end solutions to our customers.

To increase shareholder value via new contracts and value enhancing mergers and acquisitions ("M&A")

To perform obligations under existing contracts efficiently while meeting all required key performance indicators under the contracts, in accordance with best practices and guided by regional standards

To continue our commitment on environmental, social and governance ("ESG") matters and work towards enhancing our decarbonisation efforts in line with national net zero targets

Strengths, Opportunities, Risk and Challenges

BUSINESS STRENGTHS

- Strong recurring income from water, toll and renewables division; higher contribution from Rasau Projects
- Strong balance sheet with healthy cash balances and ability to gear up
- Defensive businesses which have proven to be resilient against economic downturn
- Highly experienced senior management team
- Established track record in the water infrastructure industry

OUR VALUE CREATION STRATEGY

INDUSTRY LANDSCAPE

Identified Opportunities and Strategic Priorities

1. The water industry has been identified as one of the Government's priority. We foresee significant infrastructure opportunities in this sector, which the Group is well-positioned to capitalise on.
   - Under the 13th Malaysia Plan, the Water Sector Transformation 2040 will continue, with a focus on accelerating the development and innovation of efficient water technologies.
   - Key focus areas include resolving non-revenue water ("NRW") issues, upgrading ageing water infrastructure, addressing potable water scarcity in water-stressed states, enhancing raw water quality, and managing water-intensive industries, particularly the rapid growth of data centres.
   - Under Budget 2026, the Government has allocated RM13 billion for Pengurusan Aset Air Berhad's ("PAAB") investment in new water treatment plants and to continue the National Non-Revenue Water (NRW) programme with an allocation of RM3 billion for critical pipe replacements
2. Malaysia's commitment to achieve net zero carbon emission as early as 2050, driven by initiatives such as increasing allocation under the National Energy Transition Roadmap ("NETR") and Green Tech Financing Scheme ("GTFS") will continue to support the Group's expansion plan in the renewable energy sector.
   - The Government has allocated an additional RM150 million to the National Energy Transition Fund under Budget 2026, and the continuation of GTFS with RM1 billion in financing for the period until 31 December 2026.
3. The proliferation of data centres in Malaysia, particularly in Selangor and Johor, is anticipated to drive demand for electricity and water, thereby creating opportunities for growth in the renewable energy, construction and water sectors.
4. To achieve resolution for the tariff negotiations for our waste management and toll concession agreements.
5. Rising ESG and climate risk management expectations across the infrastructure sector create opportunities for operators with mature ESG practices and robust risk management frameworks to differentiate themselves competitively.

Risk and Challenges

1. Taliworks operates in competitive markets with limited projects, which may constrain our ability to secure value-accretive opportunities that meet return requirements.
2. Taliworks is susceptible to political volatilities which influence the economic landscape of the country.
3. Like all businesses in Malaysia, Taliworks faces inflationary pressures from geopolitical uncertainties, including rising raw material and labour costs, and manpower shortages.
4. Increasing regulatory and stakeholder expectations on climate-related and ESG disclosures may heighten compliance complexity, reporting requirements and cost pressures.

OUR VALUE CREATION STRATEGY

We will draw upon the following resources to achieve our strategic focus

Financial Capital

- As at 31 December 2025, Taliworks has net assets of RM1.0 billion and cash balances (comprising deposits, cash and bank balances, and investments designated at fair value through profit and loss) of RM179.5 million
- Taliworks's PAT for FY2025 is RM107.4 million
- Taliworks has healthy cash balances of and ability to gear up to pursue new contracts

Manufactured Capital

- Each division has the necessary assets and infrastructure to perform its obligation under the contracts and is undertaking digitalisation efforts to increase efficiencies in their operations
- Our Waste Management division has the most physical assets, with a fleet of approximately 1700 vehicles comprising mainly Compactors, ROROs and Ultra Whack fitted with GPS and fuel sensor for efficiency monitoring, and 27 in-house workshops and mobile tyre teams to ensure fleet and machines are in best working conditions
- To enhance Taliworks' manufactured capital base by pursuing viable investments in brownfield solar assets and new solar development, and by expanding into other segments of renewable energy

Intellectual Capital

- Each division has operating procedures which are guided by international standards
- As part of Taliworks's efforts to be in the forefront of the water industry, the Water Treatment and Supply division has a research and development team which promotes new water treatment technologies to the Malaysia water industry such as the ceramic membrane filtration technology, sustainable filtration technology for rural water supply and alternative water usage of water treatment residual
- Our Water Treatment and Supply division also utilises a Computerised Maintenance Management System ("CMMS") and has a river water quality monitoring programme

Human Capital

- The group has a staff strength of over 9,000 staff
- Each division is led by senior management team with multiple decades of experience
- Employees are trained in areas of leadership development, technical aspects relevant to their roles, and occupational safety and health

Social and Relationship Capital

- Each division maintains strong relationship with the relevant authorities, contractors, suppliers and the local communities it operates in
- At Taliworks, there are also constant engagements with our shareholders, financiers, the investment community and the press

Natural Capital

- Each division embarks on various initiatives to meet its respective timeline driven sustainability goals
- For more details, please refer to our sustainability statement included in this Annual Report

OUR VALUE CREATION STRATEGY

Focus

To increase shareholder value via new contracts and value enhancing M&A

Division

Goals

- For Water Treatment and Supply division, to continue research and development efforts to contribute to the overall improvement of the water industry and keep us at the forefront of getting new O&M, and other contracts.
- For Engineering and Construction division, pending completion of the Rasau Projects, to continue to tender for and secure major water infrastructure projects in line with the government's Water Sector Transformation 2040 agenda.
- For Renewable Energy division, to explore viable investments in brownfield solar assets and new solar development, as well as to expand into other segments of renewable energy, leveraging on government incentives under the NETR that aims to achieve carbon neutrality for Malaysia by 2050.
- For Waste Management division, to explore new waste management services or explore potential contracts which are not under the privatisation scheme.

Strategies

- Engagement and negotiations with local universities, State & Federal government agencies to explore solutions to improve water distribution and production in selected targeted states.
- Work closely with the water division and maintain relationship with industry players and relevant government entities for the identification of potential business opportunities with higher margins.
- To stay ahead of the curve in the rapidly changing renewable energy industry, by actively engaging with industry players within the supply chain, keeping up-to-date with government policies and incentives, and explore potential collaboration opportunities with experienced players.
- To actively engage the relevant States and Federal Government agencies.

OUR VALUE CREATION STRATEGY

Focus

To perform obligations under existing contracts efficiently and achieve resolution for the tariff negotiations for our waste management and toll concession agreements

Division

Goals

- For each division, to generate stable income by performing obligations under the contracts safely, securely and efficiently.
- For Water Treatment and Supply division, to ensure proper and efficient execution of planned projects to satisfy our obligations under the Bulk Water Supply Agreement.
- For Toll division, to continue toll rate restructuring to ensure sustainability of cashflow.
- For Waste Management division, to finalise negotiation for tariff review, which has been deferred since September 2018.
- For each division, to maintain and add ISO accreditations where applicable.

Strategies

- Proactive monitoring to ensure operation is conducted efficiently.
- To work closely with Air Selangor to secure the necessary approvals for successful implementation of the dewatering plant.
- Continued proactive engagement with the relevant government agencies with collaborative efforts from the other concessionaires.
- Continuous review and update of operating procedures to ensure that they align with regional standards and best practices.

OUR VALUE CREATION STRATEGY

Focus

To continue our commitment on ESG matters and work towards enhancing our decarbonisation efforts in line with national net zero targets

Division

Goals

- To achieve time-bound targets set out in Taliworks' Sustainability Framework.
- To establish a more robust time-bound measurable targets and goals in line with international sustainability standards.
- To embed a sustainable workplace culture.
- To enhance Taliworks' long-term sustainability performance.

Strategies

- Continuous monitoring of sustainability data and periodic progress reporting by the business divisions.
- Empowerment of the Sustainability Steering Committee and the Sustainability Working Group through the establishment of the Terms of Reference and ESG Framework and Policy Guidelines.
- To undertake a review of a refreshed Taliworks Sustainability Framework and enhance climate-related risk reporting for alignment with the IFRS S1 and S2 standards, including establishment of time-bound measurable targets and goals toward an effective sustainability performance management.
- Continue organising regular skill-based and sustainability related personal development trainings and maintain practice of performance review to instill culture of continuous self-improvement among employees, while inspiring them about the importance of sustainability and the role of employee environmental commitment in the workplace.
- Establish governance mechanisms to assess senior management's effectiveness in overseeing material ESG matters.
- Outlining a decarbonisation framework with clear, actionable roadmap and strategic milestones, driving the transition towards carbon neutrality and ultimately achieve net-zero emissions.

DIRECTORS' PROFILE

Age: 49

YAM TUNKU ALI REDHAUDDIN IBNI TUANKU MUHRIZ

Independent Non-Executive Chairman

Date of Appointment
27 November 2019

Board Committee
Nil

Board Meeting Attendance in the Financial Year

5/5

YAM Tunku Ali Redhauddin Ibni Tuanku Muhriz ("Tunku Ali") holds a BA (Hons) in History and Social & Political Sciences from the University of Cambridge and a Masters in Public Administration from the John F Kennedy School of Government, Harvard University.

With more than 25 years of corporate experience, Tunku Ali brings his extensive expertise in governance, strategy consulting, and principal investing to the board.

He is a Senior Advisor to TPG Capital, a global private equity firm, and sits on the boards of several TPG portfolio companies, including Pathology Asia Holdings Pte. Ltd and Asia OneHealthcare Sdn. Bhd. (formerly known as Columbia Asia Healthcare Sdn. Bhd.). The portfolio also encompasses Peel Healthcare Sdn. Bhd. of Northern Heart Hospital Penang, Cardiac Vascular Sentral (Kuala Lumpur) Sdn. Bhd. and Integrated Oncology Center (Kuala Lumpur) Sdn. Bhd., which operates under Picaso, the PJ Integrated Centre of Advanced Surgery and Oncology. Additionally, he is Chairman of International Medical University and XCL Education Malaysia. Separately, he is also a partner of Vynn Capital Sdn. Bhd., Non-Executive Chairman of Astro Malaysia Holdings Berhad and Cement Industries of Malaysia Berhad, Independent Director of Mr. D.I.Y. Group (M) Berhad, a listed home improvement retailer, and a board member of Bangkok Bank Berhad.

Tunku Ali is Chairman and Founding Trustee of Teach For Malaysia, President of WWF Malaysia and Chairman of Cancer Research Malaysia. He is also Chairman of the Board of Trustees of Yayasan Munarah, a Trustee of Amanah Warisan Negara and Cambridge (Malaysia) Foundation, Pro-Chancellor of Universiti Kebangsaan Malaysia and Royal Fellow of Universiti Sains Islam Malaysia, Chairman of Board of Governors of Marlborough College Malaysia and an International Council Member of Marlborough College, United Kingdom.

Previously, Tunku Ali was Director of Investments at Khazanah Nasional Berhad, and prior to that, a management consultant at McKinsey & Company.

He has no family relationship with any directors and/or major shareholders of the Company and to his best knowledge and belief, he has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries. He has not been convicted for any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

He has attended all the Board meetings of the Company held during the financial year.

Age: 58

KEVIN CHIN SOONG JIN

Executive Director

Date of Appointment
1 March 2024

Board Committee
Nil

Board Meeting Attendance in the Financial Year

5/5

Mr. Kevin Chin Soong Jin ("Kevin") holds a Bachelor of Laws and a Bachelor of Economics from Monash University, Melbourne, Australia.

He joined Taliworks Corporation Berhad in March 2009 as the Corporate Adviser prior to his current role as Executive Director. He was appointed to the Board as Executive Director on 1 March 2024. He also sits on the board of several privately-held companies within the LGB Group. Prior to his appointment, he was responsible for the corporate finance and funding division of several listed companies between 2000 and 2009.

Kevin started his career as a lawyer before joining the corporate finance division of RHB Sakura Merchant Bankers Berhad between 1994 and 2000.

He has no family relationship with any directors and/or major shareholders of the Company and to his best knowledge and belief, he has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries. He has not been convicted for any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

He has attended all the Board meetings of the Company held during the year.

DIRECTORS' PROFILE

Age: 64

DATUK ROGER TAN KOR MEE

Senior Independent Non-Executive Director

Date of Appointment
27 November 2019

Board Committee
- Member of Audit and Risk Management Committee
- Chairman of Nominating and Remuneration Committee

Board Meeting Attendance in the Financial Year

5/5

Datuk Roger Tan Kor Mee ("Datuk Roger Tan") serves as a member of the Audit and Risk Management Committee of the Company since 27 February 2020 and was appointed as a member of the Nominating Committee of the Company on 24 August 2022. On 15 August 2024, the Company merged the Nominating Committee and Remuneration Committee into Nominating and Remuneration Committee, and he was re-designated as the Chairman.

Datuk Roger Tan holds a Bachelor of Laws (Honours) from Queen Mary College, University of London. He was admitted as a barrister-at-law of the Gray's Inn, London. He was also admitted as an advocate and solicitor in Singapore and Malaya. Datuk Roger Tan also holds a Master of Laws degree from the National University of Singapore. He is also a Notary Public and Commissioner for Oaths.

Datuk Roger Tan is the managing partner of Messrs Roger Tan & Partners. He was a senior partner of Messrs Nik Saghir & Ismail between 1995 to 2009. He was an elected member of the Malaysian Bar Council between 2004 - 2008. He re-joined the Bar Council in March 2018 until March 2023. At the Bar Council, he had chaired various committees, notably the Conveyancing Practice Committee. He was also a Board Member of the Advocates & Solicitors Disciplinary Board (July 2013 - June 2015 and July 2017 - June 2019).

In June 2009, he was appointed as a Commissioner of the National Water Services Commission (SPAN); a position he held for eight years until May 2017. At SPAN, he chaired the Disciplinary Committee (for Director General & Senior Executive level) and the Licensing, Enforcement & Legal Affairs Committee.

He was also a Board Member of the Solid Waste Management and Public Cleansing Corporation (SWCorp) from March 2009 to March 2015. At SWCorp, he chaired its Licensing Committee. He is one of the founders of Waste Management Association of Malaysia, and is now its Honorary Secretary.

Between May 2015 to August 2017, he was also an Independent Non Executive Director of Cityneon Holdings Limited in Singapore.

Datuk Roger Tan was also a Commissioner of the Malaysian Aviation Commission. On 22 March 2023, he was also appointed and re-appointed in March 2024 as a member of the Panel of Experts of the Ministry of Housing and Local Government.

He had also served as a president of the Strata Management Tribunal between July 2015 to June 2022. On 26 November 2020, he was appointed as a trustee of the TARC Education Foundation.

He writes regularly in local and international news media, and has a column with The Sunday Star entitled, 'With All Due Respect'. He is also a Life Fellow of the Institute of Corporate Directors Malaysia.

He has no family relationship with any directors and/or major shareholders of the Company and to his best knowledge and belief, he has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries. He has not been convicted of any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

He has attended all the Board meetings of the Company held during the financial year.

Age: 63

DATIN PAULINE TAM POH LIN

Independent Non-Executive Director

Date of Appointment
17 August 2022

Board Committee
- Chairman of Audit and Risk Management Committee
- Member of Nominating and Remuneration Committee

Board Meeting Attendance in the Financial Year

5/5

Datin Pauline Tam Poh Lin ("Datin Pauline") serves as a member of the Audit and Risk Management Committee since 17 August 2022 and redesignated as the Chairperson on 24 August 2022. She was appointed as a member of the Remuneration Committee on 24 August 2022 and on 15 August 2024, the Company merged the Nominating Committee and Remuneration Committee into Nominating and Remuneration Committee.

Datin Pauline was an Executive Director/Tax Partner in KPMG Malaysia and retired on 31 December 2017. Datin Pauline has 34 ½ years of professional experience with 4 years spent in audit and the balance of 30 ½ years in tax. Datin Pauline was leading the Global Mobility Services of KPMG Malaysia in addition to her role as one of the KPMG Corporate Tax Executive Directors prior to her retirement.

Datin Pauline has significant experience in both corporate and personal tax advisory and tax compliance and also immigration related matters.

Some of Datin Pauline's key areas of expertise include corporate and personal tax compliance and also corporate tax advisory, personal tax planning, immigration related matters, payroll tax compliance reviews, advice on stock option plans, corporate tax due diligence reviews, tax audit and investigation, evaluation of tax incentives for foreign/local investments, advice on tax incentives and implications on foreign investment in Malaysia.

Datin Pauline has provided tax services to a diversified portfolio of clients including public listed companies and multinational corporations in a wide range of industries including airlines, oil and gas, infrastructure, manufacturing, trading, investment holding, financial services, educational services, plantation, construction and property development.

Datin Pauline is a member of the Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants and the Chartered Tax Institute of Malaysia.

She has no family relationship with any directors and/or major shareholders of the Company and to her best knowledge and belief, she has no conflict of interest or potential conflict of interest including interest in any competing business with the Company or its subsidiaries. She has not been convicted for any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

She has attended all the Board meetings of the Company held during the financial year.

DIRECTORS' PROFILE

Age: 49

DATIN IRENE LIM AI LING

Non-Independent Non-Executive Director

Date of Appointment
15 August 2024

Board Committee
- Member of Audit and Risk Management Committee
- Member of Nominating and Remuneration Committee

Board Meeting Attendance in the Financial Year

5/5

Datin Irene Lim Ai Ling ("Datin Irene Lim") serves as a member of the Audit and Risk Management Committee as well as the Nominating and Remuneration Committee of the Company since 15 August 2024.

She holds a Bachelor of Commerce (Accounting and Finance) from Curtin University of Technology, Australia.

Datin Irene Lim started her career in Audit team with Ernest & Young. In 1999 she joined LGB Group as Finance Director in Alam Ria Sdn. Bhd., overlooking daily accounting and finance planning.

In 2004, she held the position of Group Finance Director in LGB Holdings Sdn. Bhd. She is involved in corporate and management exercises, daily accounting and finance-related matters, account analysis, treasury and funding investment management throughout the Group and Companies.

Datin Irene Lim is a motivated Director of Finance in LGB Group, promoting more than 20 years of proficiency in identifying and analysing trends and partnering with other departmental leaders.

She is an action-oriented individual with experience in tracking actual business results against plans, including acquisitions, budget preparations and implementation.

She is the younger sister to Dato' Lim Chee Meng and the elder sister to Lim Chin Sean who are the major shareholders of the Company. By virtue of her connection with the directors of LGB Engineering Sdn. Bhd., which is involved in the construction industry, there may be potential or perceived conflict of interest with her being a director of the Company. To her best knowledge and belief, she has no other conflict of interest or potential conflict of interest including interest in any competing business with the Company and its subsidiaries. She has not been convicted for any offences within the past 5 years and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

She has attended all the Board meetings of the Company held during the financial year.

SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY COMMITMENT

Taliworks Corporation Berhad ("Taliworks" or "the Group") presents its annual Sustainability Statement ("SS2025") for the financial year ended 31 December 2025 ("FY2025").

This report underscores our commitment to long-term value creation by embedding Environmental, Social, and Governance ("ESG") principles into the core of our operations. Throughout FY2025, we focused on maturing our reporting framework to enhance resilience and transparency for all stakeholders.

Our approach is driven by proactive engagement and environmental stewardship, ensuring that business growth remains both inclusive and responsible. By leveraging strategic partnerships, we contribute to Malaysia's national progress while safeguarding natural and social capital. Building upon the foundations established in our previous Sustainability Statement, we continue to advance our strategic direction and decision-making processes to better address our material impacts. This alignment is codified through our four-pillar framework, Better Business Through Innovation, Impact-Positive Environmental Practices, Valued Human Capital and Enriched Communities, which guides our performance targets and reflects our continuous evolution toward a transparent business model.

SUSTAINABILITY STATEMENT

REPORTING FRAMEWORKS AND STANDARDS

To ensure transparency and comparability, SS2025 is developed in compliance with Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirement ("MMLR") with reference to the GRI Sustainability Reporting Standards, addressing the matters most material to Taliworks.

The Statement is also guided by:

- Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
- FTSE4Good Bursa Malaysia Index
- United Nations Sustainable Development Goals ("UN SDGs")
- Taskforce for Climate-Related Financial Disclosures ("TCFD")
- National Sustainability Reporting Framework ("NSRF")
- International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards

SCOPE AND BOUNDARY

Taliworks' scope and boundary comprise corporate office and five business divisions namely Water Treatment and Supply Division, Highway Toll Concessionaire, Operations and Maintenance Operator Division, Engineering and Construction Division, Waste Management Division and Renewable Energy Division. There were no material changes to the reporting scope and boundary compared to FY2024. SS2025 reports ESG disclosures over a 3-year time frame on a rolling basis wherever applicable. Information, operations, activities and data collected are scoped to the following companies. Some aspects of the sustainability may only be scope to certain companies applicability and data availability and will be referenced accordingly.

Division	List of Companies
Corporate Office	• Taliworks Corporation Berhad
Water Treatment and Supply	• Sungai Harmoni Sdn. Bhd.
Highway Toll Concessionaire, Operations and Maintenance Operator	• Grand Saga Sdn. Bhd. • Grand Sepadu (NK) Sdn. Bhd.
Engineering and Construction	• Taliworks Construction Sdn. Bhd.
Waste Management	• SWM Environment Sdn. Bhd.
Renewable Energy	• TR Sepang Sdn. Bhd. • TR SaTerm Sdn. Bhd. • TR CPark Sdn. Bhd. • Taliworks Renewables Operations Sdn. Bhd.

DATA ASSURANCE AND VALIDATION

The SS2025 has been subject to an internal validation process involving corporate office and five business divisions' data owners. Following this internal review, the Statement was reviewed and endorsed by Senior Management and the Board. Taliworks is dedicated to the continuous refinement of our ESG data collection and analytical procedures to ensure the highest standards of accuracy and transparency.

To further enhance stakeholder confidence, selected disclosures within this report have undergone independent limited assurance by Bureau Veritas. This external verification confirms the reliability of our Greenhouse Gas ("GHG") emissions data, specifically covering Scope 1, Scope 2 emissions and total energy consumptions for the period from 1 January 2025 to 31 December 2025. The verification statement encompasses six divisions, collectively representing the Group's corporate and operational footprint. The assurance process was conducted in alignment with recognised national and international reporting frameworks to ensure data consistency and credibility.

Bureau Veritas' independent assurance statement provides a summary of the audit report findings, which can be located in the Assurance Statement section of this Sustainability Statement.

FORWARD-LOOKING STATEMENTS & LIMITATIONS

SS2025 contains forward-looking statements regarding Taliworks' strategic objectives, key performance indicators ("KPIs"), and anticipated operational outcomes. These statements are based on reasonable assumptions and projections derived from market conditions and information available at the time of publication. While these insights reflect the Group's expectations for future growth and sustainable value creation, they are subject to inherent risks and uncertainties. Consequently, actual results may differ from those expressed or implied. Readers are advised that these statements do not constitute guarantees of future performance and should be evaluated with appropriate discretion.

Additionally, figures disclosed in this report are rounded to the nearest whole number or decimal for presentation purposes. As a result, minor discrepancies between totals and aggregated component figures may occur.

HIGHLIGHTS AND ACHIEVEMENTS

ENVIRONMENT

Recorded a 2% reduction in total electricity consumption compared to FY2024.

Lowered Scope 2 emissions by 2% in FY2025 as a direct result of decreased electricity usage across Group operations.

Enhanced the Group's carbon footprint reporting by expanding Scope 3 emissions to include Waste Generated in Operations.

Realised a 25% reduction in total waste generation, primarily driven by a **22%** decrease in waste output from the Water Treatment and Supply division.

SOCIAL

Recorded **ZERO substantiated complaints regarding human rights violations** through the maintenance of transparent grievance mechanisms.

Strengthened female leadership and career progression through targeted empowerment and wellness development programmes.

Achieved **100% performance reviews** for all permanent employees.

Maintained a record of ZERO fatalities across the Group through implementation of safety protocols and specialised emergency training.

GOVERNANCE

Recorded **ZERO incidents of bribery reported** through the Group's whistleblowing channel, achieved through a steadfast commitment to high-integrity workplace practices.

Achieved a 100% completion for mandatory anti-bribery training for all employees to ensure a culture of ethical conduct.

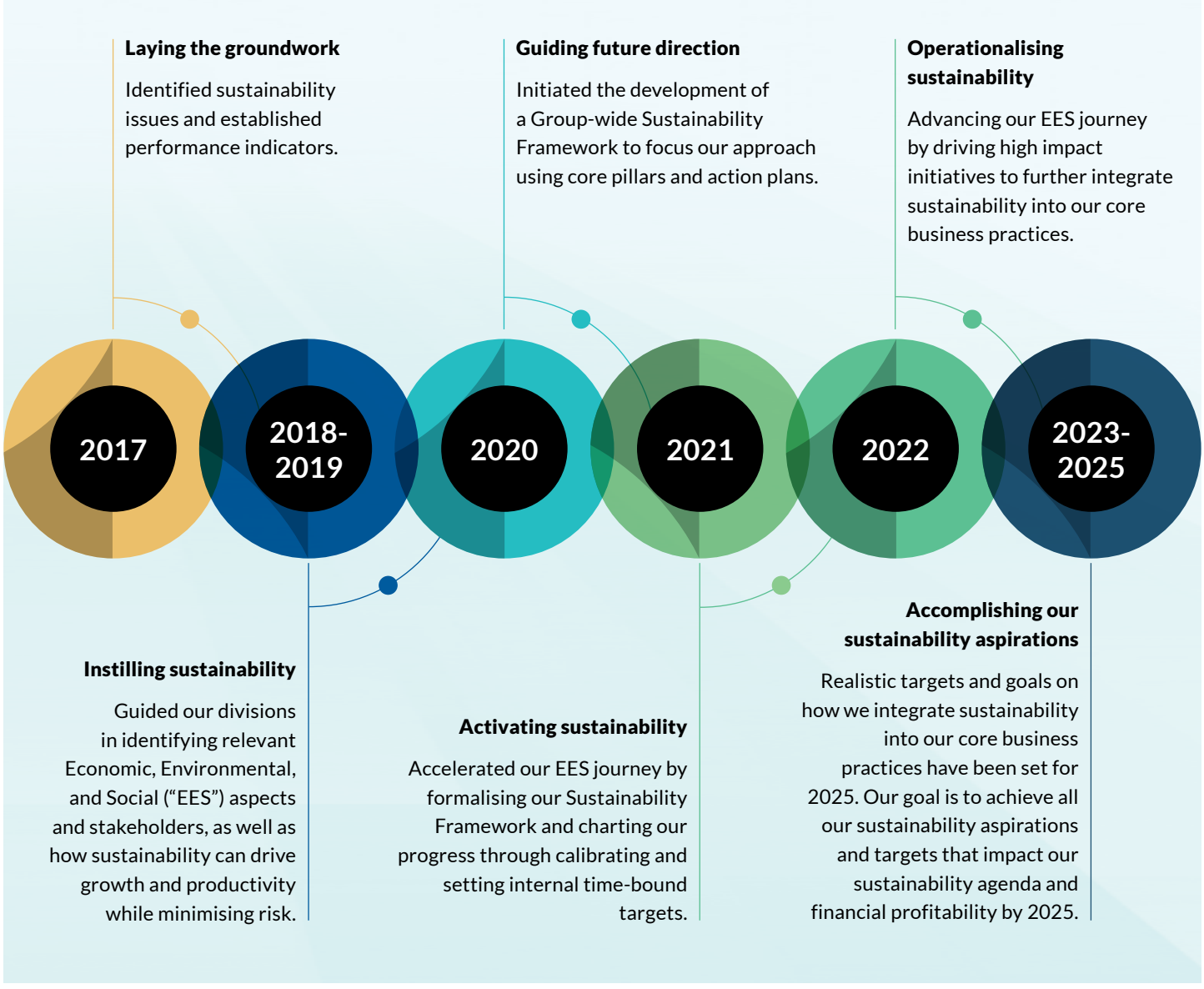
Reported **ZERO confirmed incidents of non-compliance** with laws or regulations which resulted in fines or censure.

Recorded **ZERO substantiated complaints** regarding breaches of customer privacy or data loss.

Revised the Terms of Reference ("TOR") for the Audit and Risk Management Committee ("ARMC") and the Nominating and Remuneration Committee ("NRC"), Board Charter to enhance the roles of these board committees in overseeing sustainability related matters.

SUSTAINABILITY AT TALIWORKS

Building on our established roadmap, 2025 represents the concluding phase of our ESG aspirations under our current Sustainability Framework 2023-2025 ("Sustainability Framework"). This year, we have moved beyond foundational integration to focus on the high-impact execution of our ESG initiatives while simultaneously preparing for the next evolution of our ESG strategy. As we refresh our framework beyond 2025, we plan to deepen the alignment between our business practices and sustainable outcomes, where we continue to drive social value and environmental stewardship, ensuring Taliworks is well-positioned for the next phase of our enduring sustainability journey.



SUSTAINABILITY FRAMEWORK

The Sustainability Framework serves as the strategic blueprint for our operations, anchored by four core pillars that translate our corporate vision into responsible growth. These pillars are foundational to the Group's long-term resilience, enabling us to navigate complex environmental and societal challenges while maintaining robust economic performance.

By embedding this framework into our daily decision-making, we ensure continued alignment with Malaysia's evolving regulatory landscape. This structured approach reinforces our commitment to delivering value to our stakeholders and solidifies our contribution to the global sustainable development priorities.

Pillar 1

Better Business Through Innovation

Leveraging technology and innovation for the creation of products and services to improve sustainability of our business and value chain.

Pillar 2

Impact-Positive Environmental Practices

Minimising the impact of our operations on the environment and proactively responding to climate change through positive actions.

Pillar 3

Valued Human Capital

Creating a safe and healthy working environment.

Pillar 4

Enriched Communities

Making meaningful contributions to the communities around us through service and programmes that enrich lives.

ESG KPIS AND TARGETS

Material Topic	KPIs and Targets	FY2025 Progress and Performance
Environment		
Energy and Emission Management	Track energy consumption for corporate office and relevant business divisions where material to the operations annually	Achieved. Taliworks tracks and reports the energy consumption across the corporate office and five business divisions annually.
	Increase energy saving initiatives annually	Achieved. Taliworks implemented various energy saving initiatives across the Group which resulted in 2% of electricity consumption reduction in 2025.
	Assess the feasibility of supplementing existing energy sources with renewable energy and roll out plan by 2025	Achieved. Building on the successful solar implementation across toll plazas from FY2021, Taliworks is now scaling its renewable footprint with ongoing installations at the Sungai Selangor Water Treatment Plant Phase 1 ("SSP1") and the deployment of solar streetlights within the waste management operations.
Water and Effluents Management	Track water consumption for relevant business divisions where material to the operations annually	Achieved. Taliworks tracks and reports the water consumption across the corporate office and five business divisions annually.

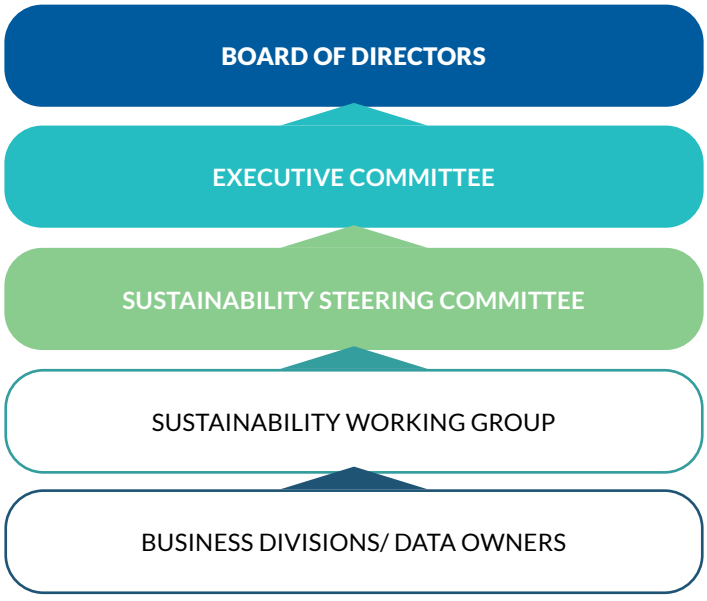
SUSTAINABILITY STATEMENT

Material Topic	KPIs and Targets	FY2025 Progress and Performance
Social		
Workforce Engagement	100% of permanent employees will undergo yearly performance reviews	Achieved 100% of permanent employees receiving performance reviews in 2025.
	Continue to drive training and development programmes focused on developing industry-related skills and building leadership capacity annually	Achieved. Taliworks continued to provide training and development programmes to its employees. A total of 56,936 training hours were logged across the Group.
Health and Safety	Achieve annual occupational fatality rate below the national annual rate	Achieved. Taliworks recorded zero fatalities in 2025, which is below the national annual rate of 2.05 per 100,000 workers.
	Achieve annual group-wide average of 400,000 man-hours without lost time injury ("LTI")	In 2025, the Group managed a substantial operational volume of 25.4 million man-hours. While we recorded 203 LTI cases—averaging 125,063 hours between incidents—this data serves as a critical baseline. To meet our group-wide target of 400,000 hours without LTI, we are intensifying our safety protocols with a goal of reducing annual incidents to 63 or fewer cases across all operations.
Serving Our Communities	Encourage employee participation in community programmes and to volunteer for company-approved community programmes annually	Achieved. The Group encouraged employees to participate in various community and volunteering programmes in 2025 which accumulated to a total of 925 employee volunteering hours.
	Continue to strategically contribute to community investment initiatives annually	Achieved. Taliworks contributed a total of RM464,907 in 2025 which benefited approximately 10,667 beneficiaries.
Governance		
Anti-Corruption	Formulate structured Anti-Bribery and Anti-Corruption ("ABAC") e-learning modules by 2025	Achieved. Through the TRUST principles, Taliworks employees completed mandatory ABAC training using e-learning modules.
	Enhance existing ABAC policies and practices by 2025	Achieved. Taliworks implemented the revised Anti-Bribery Management System ("ABMS") and launched the ABAC Policy in January 2024.
Regulatory Compliance	Comply with relevant and applicable regulatory requirements and ensure no breach of compliance annually	Achieved. Taliworks recorded zero cases of non-compliance which resulted in fines or censure in 2025.

SUSTAINABILITY GOVERNANCE STRUCTURE

Taliworks maintains a sustainability governance framework designed to institutionalise sustainability across the Group. This structure ensures that our ESG commitments are met with high integrity and that accountability is clearly defined from the Board of Directors down to our operational units. By specifying distinct roles and responsibilities, the framework facilitates the strategic development and disciplined execution of initiatives aligned with our long-term goals.

At the heart of this structure, the Sustainability Steering Committee ("SSC"), supported by the Sustainability Working Group ("SWG"), provides oversight of division-specific ESG risks. This multi-layered approach ensures that sustainability remains integrated with our broader business objectives. At the divisional level, Division Heads lead the implementation of these initiatives, ensuring that ethical standards and sustainable practices are embedded into the Group.



BOARD OF DIRECTORS

Responsibilities

- Maintains general oversight of the Group's sustainability strategy and performance by setting and implementing the Group's sustainability strategies, priorities, and targets.
- Integrates sustainability factors into Board responsibilities. This includes, but is not limited to, the creation and implementation of Group strategies, business plans, significant plans of action, and risk management.
- Communicates the Group's sustainability strategies, priorities, and targets, along with performance updates against these targets, to both internal and external stakeholders.
- Takes a proactive approach to stay informed and comprehend sustainability matters relevant to the Group and its businesses, including climate-related risks and opportunities.
- Addresses sustainability risks and opportunities in performance reviews of the board and senior management.
- Empowers the SSC to lead and oversee the integration of sustainability matters into the Group's operations.
- Approves and authorises the Sustainability Statement that encapsulates the Group's sustainability efforts.

Composition

- Executive and Non-Executive Directors

SUSTAINABILITY STATEMENT

EXECUTIVE COMMITTEE ("EXCO")

Responsibilities

- Maintains oversight of Taliworks' sustainability objectives and endorses the Sustainability Framework.
- Directs the Group's business and day-to-day operations to meet corporate sustainability targets and plans.

Composition

- Executive Director
- General Manager, Group Finance

SUSTAINABILITY STEERING COMMITTEE ("SSC")

Responsibilities

- Ensures accountability for our sustainability goals and performance.
- Assists the Board, EXCO and Senior Management in overseeing and propelling the implementation of the Group's sustainability agenda.

Composition

- Senior Management
- Cross-Functional Department Heads and Executive Staff (Group Corporate Communications & Sustainability, Group Human Resources, Group Finance and Business Divisions

SUSTAINABILITY WORKING GROUP

Responsibilities

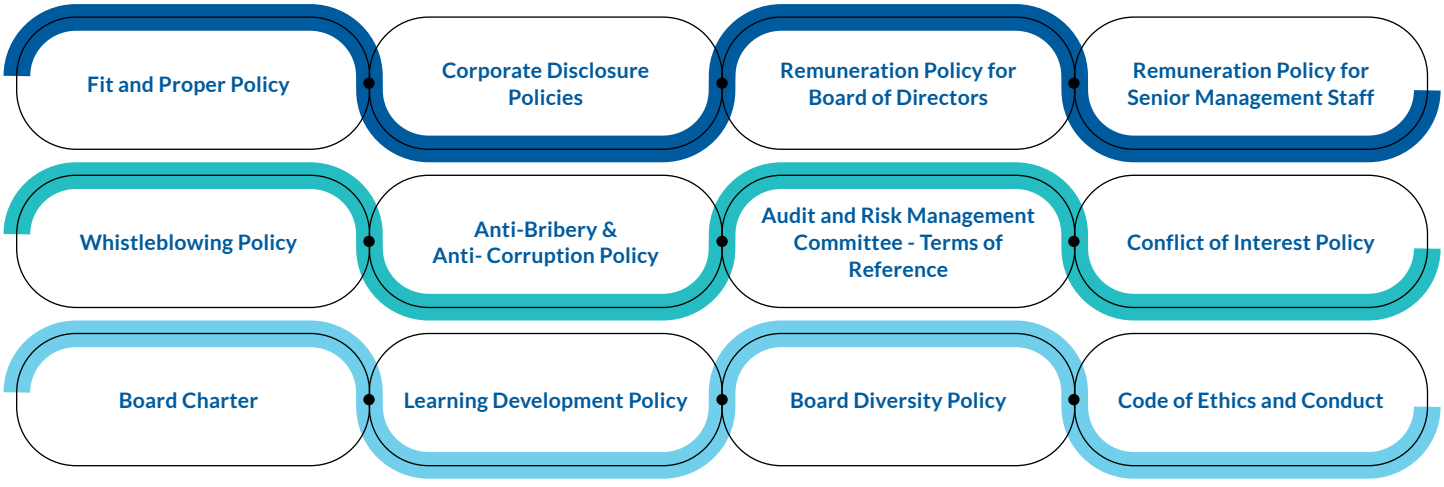
- Supports the SSC in executing the sustainability agenda, which involves tracking and compiling sustainability data.

Composition

- Group Corporate Communications & Sustainability
- Business Divisions & Cross-Functional Team

POLICIES

Taliworks' dedication to ethical operations is anchored by a set of internal policies and codes of conduct that govern every aspect of our business. This framework is designed to integrate ESG principles into our daily decision-making processes, ensuring transparency and accountability across the Group. We treat our policy framework as a living architecture, by conducting regular performance reviews and updates. Our standards for responsible conduct not only meet but are consistently improved upon to reflect international best practices and regulatory requirements.



For a comprehensive overview of our governance framework, the Board Charter, Terms of Reference, and related policies are available on our corporate website at: https://taliworks.com.my/corporate-governance/.

STAKEHOLDER AND MATERIALITY

STAKEHOLDER MANAGEMENT

At Taliworks, we recognise that our long-term success is intrinsically linked to the trust and collaboration of our stakeholders. We prioritise meaningful engagement as a strategic tool to drive positive change, foster innovation, and navigate the complex balance of diverse interests. By maintaining an open and transparent dialogue, we ensure that our sustainability roadmap remains responsive to the needs of our partners while delivering enduring economic and social value. The following table details our key stakeholder groups and the proactive engagement mechanisms we utilise to cultivate these vital partnerships.

Stakeholder

Customers

Engagement Frequency	Engagement Methods and Channels	Responses and Actions
• Throughout the year	• Social media platforms • Dedicated customer service hotline • Mobile and email communication • Corporate website	• We centre our customer engagement efforts on three core areas: efficient responses, excellent service delivery, and competitive pricing. • These aspects are pivotal in fortifying Taliworks' reliability and ensuring compliance with best practices. • Our ultimate objective is not only to meet but to surpass customer expectations in our deliverables, all while delivering exceptional customer service.
• Annually	• Customer surveys and feedback forms • Newsletters	

Stakeholder

Regulators and Government Bodies

Engagement Frequency	Engagement Methods and Channels	Responses and Actions
• Throughout the year	• Engagement through legal and compliance teams • Physical and virtual conferences, exhibitions, meetings, and consultations • Industry association meetings or panels • Press releases • Formal periodical reports	• Establishing and sustaining valuable relationships with government and regulatory bodies is crucial, given their role in regulatory oversight, leadership, and status as part of our customer base. • By ensuring excellent quality of service, competitive pricing, and regulatory compliance, we strive to be a reliable partner and a responsible corporate citizen.
• Annually	• Formal periodical reports	

SUSTAINABILITY STATEMENT

Stakeholder

Shareholders, Investors and Analysts

Engagement Frequency	Engagement Methods and Channels	Responses and Actions
• Throughout the year	• Email channels • Investor relations sections on the Company's website	• We keep stakeholders informed about the Group's financial and operational performance by issuing public announcements and press releases in conjunction with the quarterly unaudited financial results submitted to Bursa Malaysia. Analyst briefings are also held every quarter around the time of release of these results, or as and when requested. • Annually, we publish our annual report, which covers amongst others, our strategy, risk management, audited financial statements and ESG practices. These updates cater to shareholders, investors, fund managers, financiers, and analysts, offering insights into our business plans, strategies, financial performance, project and business operations, and details on any corporate exercises undertaken.
• Annually	• Annual general meeting • Annual Reports and Financial Statements	
• Quarterly	• Fund managers' and analysts' briefings	

Stakeholder

Employees

Engagement Frequency	Engagement Methods and Channels	Responses and Actions
• Throughout the year	• Employee hotlines or grievance mechanisms • Recognition and reward programmes • Town halls and Team meetings • Internal training, webinars, and workshops • Internal communications and newsletters	• Our workplace is dedicated to fostering growth and diversity. • We provide equal opportunities to all employees, with benefits tailored to industry standards and the specific needs of our workforce. • We prioritise the rights of our employees, emphasising workplace safety and maintaining a healthy work-life balance. • Additionally, we support their professional development by providing opportunities for career growth through both in-house and external trainings.
• Annually	• Employee engagement programmes and surveys • Performance appraisals	

Stakeholder

Vendors/Communities/NGOs

Engagement Frequency	Engagement Methods and Channels	Responses and Actions
• Throughout the year	• Workshops and training sessions • Community/Volunteer projects and programmes • Grievance mechanisms for community concerns • Community meetings • Social media platforms • Mobile and email communication	• Our commitment to fair procurement practices is unwavering, ensuring transparency in our tendering processes for suppliers. We keep our suppliers well-informed about our current business standing and maintain stringent health and safety controls to uphold a secure working environment. • We prioritise the welfare of the local communities surrounding our projects and operations by keeping them informed and encouraging their active participation in our community engagement efforts. • We adopt a proactive and responsible approach to environmental challenges, with a strong emphasis on safety. • We published our Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy on our website to communicate of our zero tolerance for bribery and corruption within the Group and to provide a channel for misconducts to be reported, respectively. • In tandem, we actively address health and safety concerns, respond to grievances, and welcome feedback from the communities we serve.
• Annually	• Supplier audits and assessments • Supplier scorecards and performance reviews	

Stakeholder

Media

Engagement Frequency	Engagement Methods and Channels	Responses and Actions
• Throughout the year	• Advertising • Community programmes • Face-to-face and virtual meetings • Press releases • Company website • Mobile and email communication • Social gatherings	• We engage with the media, ensuring prompt and clear communication on our business direction, impact, and financial performance. This approach extends our reach beyond immediate stakeholders, fostering meaningful connections with the broader public.

SUSTAINABILITY STATEMENT

Stakeholder

Board of Directors

Engagement Frequency	Engagement Methods and Channels	Responses and Actions
• Throughout the year	• Trainings • Compliance with stock exchange requirements	• We collaborate with our Board of Directors to uphold and enhance sound corporate governance practices throughout the Group. • This commitment serves to protect the interests of shareholders and various stakeholders, including employees, customers, suppliers, society, and the communities where the Group operates.
• Annually	• Surveys and evaluation forms • Annual general meetings • Company reports • Nominating and Remuneration Committee meetings	
• Quarterly	• Board meetings • Audit and Risk Management Committee meetings	

Stakeholder

Banks and Financiers

Engagement Frequency	Engagement Methods and Channels	Responses and Actions
• Throughout the year	• Email communication • Face-to-face meeting • Social gatherings • Virtual meetings	• We communicate with banks and financiers, providing them with insights into our business strategies, financial performance, updates on projects, and business operations.

MATERIALITY MATTERS

Materiality Assessment Process

Taliworks employs a structured approach to materiality, ensuring our sustainability efforts are focused where they matter most. The Group conducts a full materiality assessment once every three to five years, with internal reviews performed in the interim years to ensure continued relevance of materiality matters. Our current sustainability agenda is based on the Materiality Assessment undertaken in FY2024, which integrated diverse stakeholder feedback to identify our most critical ESG impacts. Throughout FY2025, the Group has continued to use these insights to refine our performance targets and reporting disclosures, ensuring that our focus remains consistent with the expectations of our investors, partners, and the communities we serve.

Step 1 Identification of Material Topics

Key topics were identified through a comprehensive review of ESG standards and industry trends including:

- Bursa listing requirements on sustainability reporting (11 common material topics)
- GRI Topic Standards
- Sustainability Accounting Standards Board ("SASB")
- UN Sustainable Development Goals ("UN SDGs")
- Global analyst reports such as CDP, FTSE ESG Index and MSCI ESG Index

Step 2 Engaging Our Stakeholders

Stakeholder engagement is integral to our process, capturing diverse perspectives through targeted consultations. In our most recent assessment, we:

- captured more than 500 internal and external stakeholders' views via online surveys
- conducted a materiality assessment workshop with Taliworks' senior management to prioritise the material matters

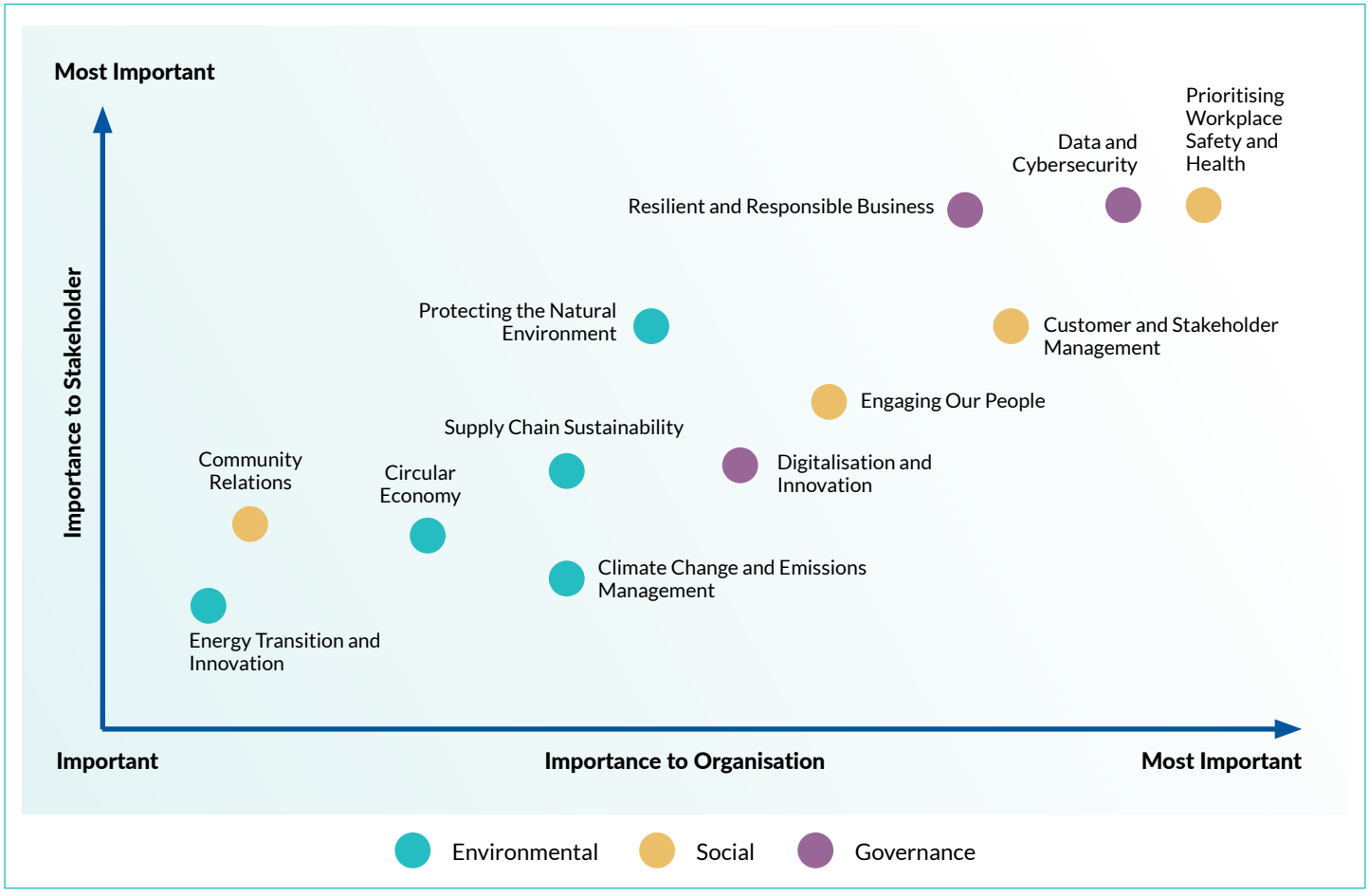
Step 3 Prioritisation and Validation of Results

To ensure accuracy and alignment, the identified material matters were reviewed and validated by our Sustainability Steering Committee.

SUSTAINABILITY STATEMENT

Materiality Matrix

Following our materiality assessment, we have reaffirmed 12 material sustainability matters that represent the most significant impacts, risks, and opportunities for Taliworks. These matters remained our strategic priorities throughout FY2025, serving as the foundation for our ESG performance monitoring and disclosure.



BETTER BUSINESS THROUGH INNOVATION

CORPORATE GOVERNANCE

A strong governance framework is the essential architecture that allows an organisation to navigate the complexities of climate change while maintaining ethical integrity. For Taliworks, embedding sustainability into our governance is vital because it ensures that risks are not just identified but actively managed at the highest levels of leadership. Principles of integrity, transparency, and accountability are woven into the Group's governance framework and our strategic approach to climate-risk management.

Appointed separate Independent Non-Executive Director as the Chair of the Audit & Risk Management Committee and Nominating and Remuneration Committee	**Disclosed the details about the Directors' qualifications, expertise and other directorships**	**Promotes gender diversity on the Board to broaden the Board's knowledge on financial, technical and business experience**
The Board addresses conflicts of interest in compliance with the Group's Conflict of Interest Policy and Procedures	**The Nominating and Remuneration Committee is responsible for evaluating the Board's effectiveness annually**	**Disclosed the Board Committees' TOR and Board Charter in the company's website**
Disclosed the details about the number of times the Board or each committee has met annually and their attendance rates	**Established Code of Business Conduct and Ethics for Directors**	**The Group follows a structured executive remuneration process led by the Nominating and Remuneration Committee**

For further details on the Group's Corporate Governance practices, please refer to the Group's Corporate Governance Overview Statement included in this Annual Report and Corporate Governance on the Group's website at https://taliworks.com.my/corporate-governance/.

SUSTAINABILITY STATEMENT

Corporate Governance Details	FY2025
Board	
Total number of directors	**5**
Number of independent directors	**3**
Number of female directors	**2**
Percentage of female directors (%)	**40**
Annual General Meeting ("AGM")	
AGM Notice Date (DD-MM-YYYY)	**29-04-2025**
AGM Date (DD-MM-YYYY)	**12-06-2025**
Number of days between the date of notice and the date of meeting (Days)	**45**

ANTI-BRIBERY

At its core, an anti-bribery and anti-corruption framework is essential for preserving the integrity of the marketplace and ensuring fair competition. For an organisation, these measures are critical to preventing legal liabilities, avoiding severe financial penalties, and protecting brand reputation. For Taliworks, upholding the highest standards of integrity is a non-negotiable priority. As a provider of essential public services, we recognise that any form of bribery could undermine public trust and jeopardise our operational stability.

> **Taliworks upholds a zero-tolerance policy against non-compliance with its Code of Conduct, including its whistleblowing, anti-bribery and anti-corruption policies.**

Since 2020, Taliworks has implemented a dedicated Anti-Bribery Management System ("ABMS") designed to cultivate a high-integrity workplace culture and mitigate risks associated with unethical conduct or administrative mismanagement.

To further bolster our governance, the Group commissioned an independent third-party specialist to perform an extensive evaluation of our ABMS in 2023. This initiative was undertaken to enhance our anti-bribery initiatives, ensuring they remain fully aligned with the Guidelines on Adequate Procedures issued by the Prime Minister's Department in 2018. Following the evaluation of the ABMS, an updated ABMS was implemented in 2024.

TRUST Principles

The TRUST principles form the foundation for the development and execution of our ABMS. These principles guide Taliworks in championing transparency, accountability, and ethical conduct across the Group. By utilising these principles, we ensure that our anti-bribery initiatives are both effective and aligned with current legal and regulatory benchmarks.

Furthermore, these principles provide the necessary justification for the implementation of our ABMS ensuring that our anti-bribery controls remain reasonable and proportionate to the scale of our operations. By prioritising critical areas such as thorough due diligence, strong governance, and a commitment to continuous improvement, the TRUST principles empower Taliworks to neutralise bribery risks, fortify internal safeguards, and nurture a steadfast culture of integrity throughout all business activities.

T	R	U	S	T
Top-level Commitment	**Risk Assessment**	**Undertake Control Measures**	**Systematic Review and Monitoring**	**Training and Communication**
The Board promotes a zero-tolerance culture towards bribery and ensures compliance with Anti-Bribery and Anti-Corruption ("ABAC") policies, overseeing the implementation of effective anti-bribery measures.	Senior management manages bribery risks, while the ABMS Compliance Function conducts periodic risk assessments to address potential threats.	Proportional controls are implemented across business units to mitigate bribery risks effectively.	The ABMS Compliance Function regularly reviews the ABAC programme to ensure enforcement and continuous improvement.	Employees complete mandatory ABAC training whilst new hires acknowledge the ABAC Policy during onboarding.

ABMS Governance Structure

To facilitate the execution of our anti-bribery initiatives, the Group maintains oversight through our ABMS Governance. Guided by the TRUST principles, the ABMS Governance oversees the seamless integration of ABMS protocols throughout the entire organisation. This ensures that every anti-bribery measure is carried out in alignment with the highest benchmarks of ethics and regulatory compliance.

To further strengthen this oversight, Taliworks has established an ABMS Committee to provide strategic leadership. Complementing this, a specialised ABMS Compliance Function has been appointed within each business unit. This structure ensures that responsibility for anti-bribery compliance is localised and focused, allowing for proactive monitoring and specialised accountability at every level of the Group's operations.

SUSTAINABILITY STATEMENT

ABMS Committee

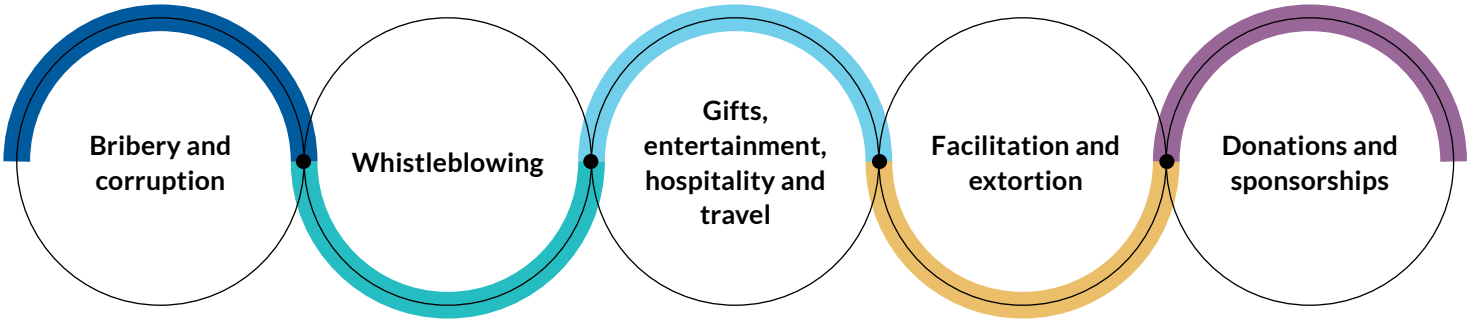
- Oversee the ABMS to ensure it effectively manages bribery and corruption risks.
- Assess the internal control system's design and operational efficiency with the ABMS Compliance Function.
- Ensure compliance with the TRUST Principles.
- Foster a zero tolerence culture for bribery and corruption.
- Evaluate the effectiveness of whistleblowing channels.
- Review and guide improvements in ABMS policies, training, and audit plans.

ABMS Compliance Function

- Establish an anti-bribery compliance function and appoint support personnel to assist in implementing the ABMS.
- Oversee the ABMS design and execution, recommending amendments to the ABMS Manual to ensure it effectively manages bribery risks.
- Provide guidance and advice to personnel on anti-bribery measures.
- Ensure ABMS compliance with the manual's requirements and report its performance to the Governing Body and Top Management.

Anti-Bribery and Anti-Corruption Policy

Taliworks' Anti-Bribery and Anti-Corruption ("ABAC") Policy functions to enforce the Group's code of conduct and business ethics, ensuring that the Board of Directors, employees and business partners understand their responsibilities and comply with relevant laws and regulations. Key areas covered in the policy include:



Individuals found violating the Group's ABAC Policy and ABMS will face strict repercussions, including but not limited to disciplinary action or termination of employment for employees, penalties and termination of contracts for business associates. The Group periodically reviews and refreshes the ABAC Policy and ABMS, ensuring they remain effective and aligned with evolving regulatory requirements and global industry best practices.

For further details on the Group's ABAC Policy, please refer to the Group website's Corporate Governance at https://taliworks.com.my/corporate-governance/.

Whistleblowing

Taliworks has established a Whistleblowing Policy to provide a structured pathway for reporting legitimate concerns regarding misconduct. This includes, but is not limited to, attempted or actual bribery, fraud, financial irregularities, breaches of the Code of Ethics, and non-compliance with statutory regulations. This policy is open to both internal and external stakeholders, including employees, business associates, and the public, ensuring that anyone who encounters unethical behaviour has a direct line to the Group's leadership.

To ensure accessibility and independence, we have established multiple reporting channels.

- Employees may directly report to a higher authority such as his/ her immediate superior.
- Employees or stakeholders may directly email their case to the Whistleblowing Committee at we_hear@lgb.com.my.
- A formal hardcopy report may also be posted to the Whistleblowing Committee.

Upholding the integrity of the process is our highest priority. Taliworks strictly prohibits any form of retaliation, harassment, or adverse action against individuals who report concerns in good faith. We ensure that all allegations of misconduct will be investigated in a timely and impartial manner, regardless of the final outcome. The whistleblower will be informed of the outcome of the investigation. Furthermore, the Group treats the confidentiality of a whistleblower's identity with the utmost seriousness. Any unauthorised disclosure of a whistleblower's identity is considered gross misconduct and will result in severe disciplinary action, including potential dismissal or legal proceedings.

In FY2025, Taliworks is pleased to report that there were no incidents of non-compliance reported through these channels, reflecting our commitment to a high-integrity workplace.

Anti-Bribery Performance

The Group is proud to report that there were zero reported cases of bribery and corruption for FY2025.

ABAC Performance	FY2023	FY2024	FY2025
Corruption Risk Assessment			
Total number of divisions*	6	6	**6**
Number of operations assessed for bribery-related risks	6	6	**6**
Percentage of operations assessed for bribery-related risks (%)	100	100	**100**
Bribery Incidents			
Total number of confirmed incidents of bribery	0	0	**0**
Total number of confirmed incidents in which employees were dismissed or disciplined due to violations of ABAC policy and ABMS	0	0	**0**
Total number of confirmed incidents in which contracts with suppliers or business partners were not renewed or terminated due to violations of ABAC policy and ABMS	0	0	**0**
Public legal cases related to bribery brought against the Group or its employees during the reporting period	0	0	**0**
Cost of fines, penalties or settlements in relation to bribery (RM)	0	0	**0**

SUSTAINABILITY STATEMENT

ABAC Performance		FY2023	FY2024	FY2025
Contributions				
Total amount of political contributions made (RM)		0	0	**0**
Training and Communication				
Employees (by employee category)				
a.	Percentage of senior management who have received training on anti-bribery	100	100	**100**
b.	Percentage of executive who have received training on anti-bribery	100	100	**100**
c.	Percentage of non-executive/technical staff who have received training on anti-bribery	100	100	**100**

* Divisions: 1. Corporate Office; 2. Water Treatment and Supply; 3. Highway Toll Concessionaire, Operations and Maintenance Operator; 4. Engineering and Construction; 5. Waste Management; 6. Renewable Energy.

RISK MANAGEMENT

Taliworks adopts a holistic approach to risk by incorporating material ESG factors into our Group-wide Enterprise Risk Management ("ERM") framework. This alignment ensures a comprehensive view of our risk landscape, allowing for the proactive management of ESG-related impacts. By synchronising our sustainability priorities with our core risk management processes, we are better equipped to capitalise on opportunities while mitigating risks that could influence the Group's long-term strategic objectives and financial stability.

The ERM key practices to identify, measure, control, monitor, and report risks are outlined as follows:

ERM key practices

01 **Identify Risks**

02 **Prioritising Risks**

03 **Responding to Prioritised Risks**

For further details on the steps under the ERM practices, please refer to page 156 of the Statement on Risk Management and Internal Control included in this Annual Report.

The Audit and Risk Management Committee ("ARMC") at Taliworks maintains ultimate oversight of the Group's risk management functions. The ARMC is assisted by the Risk Management Working Group ("RMWG"), which is tasked with the continuous refinement of our risk management systems, practices and internal controls.

Our risk management methodology involves identifying, assessing, and monitoring principal risks that may affect Taliworks' strategic objectives. In FY2025, Senior Management intensified engagement with stakeholders to evaluate environmental and social impacts, with a specific focus on climate resilience, biodiversity conservation, and circular waste management.

The RMWG utilises a standardised risk-rating matrix to prioritise risks based on their likelihood and potential impact. Through regular reviews, we identify emerging risks and update our risk profiles. This iterative process ensures that mitigation actions are timely, effective, and fully aligned with the Group's long-term sustainability goals.

For further details on the Group's risk management framework, please refer to the Statement on Risk Management and Internal Control included in this Annual Report.

REGULATORY COMPLIANCE

Taliworks strives to comply with all applicable laws and regulations, as well as relevant business regulations and protocols.

In the complex landscape of infrastructure and utility management, compliance serves as the bedrock of organisational integrity and resilience. Beyond meeting legal mandates, a robust compliance framework prevents operational disruptions, mitigates financial risks, and safeguards an organisation's license to operate. For Taliworks, maintaining full compliance is paramount, it is the primary mechanism through which we protect the public interests we serve, fulfil our responsibilities to shareholders, and ensure that our ESG commitments are translated into measurable, everyday actions.

Our business divisions operate under structured management systems and internal policies to ensure adherence to statutory regulations. By aligning with these frameworks, the Group strives to integrate global industry best practices into its daily routines, reinforcing our dedication to operational excellence and sustainability. This systematic alignment enables each division to proactively identify risks, optimise performance, and uphold a high degree of transparency. Ultimately, this strengthens the trust held by our stakeholders and secures the foundation for long-term value creation.

Water Treatment and Supply

Our Management Systems

- ISO 9001:2015 Quality Management System
- ISO 14001:2015 Environmental Management System
- ISO 45001:2018 Occupational Health and Safety Management Systems
- ISO/IEC 17025:2017
- ISO/IEC 27001:2013
- National Dual Training System (NDTS):CM/060/2:2014 and CM/021/2:2014
- Practical Assessment Centre for Recognition of Prior Achievement: CM/060/2:2014 (Water Treatment Operation Services), C/331/033:2017 (Facilities Management), and E/360/002:2016 (Water Treatment Quality Control (Lab)), E/360/003-2:2019 (Water Supply Instrument Application)
- Anti-Bribery Management System

Regulations and Policies We Comply With

- Water Service Industry Act: 2006 (Act 655)
- National Drinking Water Quality Standard 2004
- Environmental Quality Act 1974 (Act 127)
- Occupational Safety and Health Act 1994 (Act 514)
- Poisons Act 1952 (for storing and using of caustic soda)
- Akta Kawalan Bekalan 1961 (KPDN)
- Water Services Industry Licensing Regulations 2007
- Abstraction of Water Source Regulations 2012
- Water Services Industry (Bulk Water Supply Agreement) Rules 2015
- Water Services Industry (Bulk Water Supply Agreement) Rules 2019
- Discharge of Return Water, and Entry or Discharge of Waste and Pollutants (State of Selangor) Licensing Regulations 2024
- Malaysian Anti-Corruption Commission Act 2009 (Act 694)
- Anti-Bribery and Anti-Corruption Policy
- Anti-Bribery Management System Manual and Procedures

SUSTAINABILITY STATEMENT

Highway Toll Concessionaire, Operations and Maintenance Operator

Our Management Systems

- ISO 9001:2015 Quality Management System for Provision of Highway Maintenance and Toll Collection (Grand Saga)
- MS ISO 9001:2015 Quality Management System for Operation and Maintenance of Highway (Grand Sepadu)
- Anti-Bribery Management System

Regulations and Policies We Comply With

- Concession Agreements with Government of Malaysia
- Malaysian Highway Authority ("MHA") Guidelines for Monitoring on Operation and Maintenance
- Assessment for Operation Control and Maintenance for the Environmental Aspect for Highway Currently Operating and Under Construction
- Arahan Pengurusan Sistem Tol ("APST") - LLM/GP/T18-21
- Garis Panduan dan Petunjuk Prestasi (KPI) Perkhidmatan Peronda Lebuhraya - LLM/GP/T9-08
- Expressway Performance Indicator ("EPI")
- Malaysian Anti-Corruption Commission Act 2009 (Act 694)
- Anti-Bribery and Anti-Corruption Policy
- Anti-Bribery Management System Manual and Procedures

Engineering and Construction

Our Management Systems

- ISO 9001:2015 Quality Management System
- Anti-Bribery Management System

Regulations and Policies We Comply With

- Construction Industry Development Board ("CIDB") Act 1994 (Act 520)
- Environmental Quality Act 1974 (Act 127)
- Occupational Safety and Health Act 1994 (Act 514)
- Manual Saliran Mesra Alam Malaysia (MSMA 2nd Edition), published by Department of Irrigation and Drainage ("DID") 2012
- Guidelines for Erosion and Sediment Control in Malaysia by Department of Irrigation and Drainage ("DID") 2010
- Environmental Quality (Clean Air) Regulation 2014
- Guidelines for Environmental Noise Limits and Control 2019 (Reprint 2021)
- Malaysian Anti-Corruption Commission Act 2009 (Act 694)
- Anti-Bribery and Anti-Corruption Policy
- Anti-Bribery Management System Manual and Procedures

Waste Management

Our Management Systems

- ISO 9001:2015 Quality Management System
- ISO 14001:2015 Environmental Management System for Management of Solid Waste Collection and Public Cleansing Services in the states of Johor, Melaka and Negeri Sembilan
- ISO 14001:2015 Environmental Management System for Management of Non-Toxic Industrial, Commercial, Institutional (ICT) and Domestic Solid Wastes
- Anti-Bribery Management System

Regulations and Policies We Comply With

- Solid Waste and Public Cleansing Management Act 2007 (Act 672)
- Occupational Safety and Health Act 1994 (Act 514)
- Environmental Quality Act 1974 (Act 127)
- Environmental Quality (Scheduled Wastes) Regulations 2005
- Construction Industry Development Board ("CIDB") Act 1994 (Act 520)
- Malaysian Anti-Corruption Commission Act 2009 (Act 694)
- Anti-Bribery and Anti-Corruption Policy
- Anti-Bribery Management System Manual and Procedures

Renewable Energy

Our Management Systems

- Anti-Bribery Management System

Regulations and Policies We Comply With

- Environmental Quality Act 1974 (Act 127)
- Occupational Safety and Health Act 1994 (Act 514)
- Occupational Safety and Health (Control of Industrial Major Accident Hazards) Regulations 1996
- Factories Machinery (Safety, Health, and Welfare) Regulations 1974
- Electricity Supply Act 1990 (Act 447)
- Malaysian Anti-Corruption Commission Act 2009 (Act 694)
- Anti-Bribery and Anti-Corruption Policy
- Anti-Bribery Management System Manual and Procedures

SUSTAINABILITY STATEMENT

Regulatory Compliance Performance

In FY2025, Taliworks is proud to report that there were no confirmed incidents of non-compliance with laws or regulations across our business operations that resulted in fines or censure. This achievement serves as a clear indicator of the effectiveness of our internal controls and underscores the Group's unwavering commitment to maintaining the highest standards of corporate integrity.

Regulatory Compliance Performance	FY2023	FY2024	FY2025
Number of non-compliance incidents in the Group and/or subsidiaries that resulted in a fine or censure			
Environmental non-compliance	0	0	**0**
Socioeconomic non-compliance	0	0	**0**
Total cost of fines for non-compliance			
Environmental non-compliance	0	0	**0**
Socioeconomic non-compliance	0	0	**0**

CUSTOMER SATISFACTION

In today's interconnected economy, customer satisfaction is the primary driver of long-term commercial viability and brand equity. Beyond the immediate completion of a transaction, maintaining high satisfaction levels fosters loyalty and builds a resilient reputation that can withstand market volatility. For a diversified service provider like Taliworks, this topic is of paramount importance. Our business model is centred on the management of critical public infrastructure, such as water treatment and supply, waste management, and highways, where the quality of our service directly impacts the daily lives of millions.

Taliworks operates on the foundational principle that trust is the cornerstone of enduring business relationships. We are dedicated to providing exceptional service and tailored solutions that meet the specific needs of our diverse stakeholders, from public users to corporate partners. By aligning our customer management strategies with Pillar I of our Sustainability Framework, "Better Business Through Innovation," we leverage feedback and technological advancement to maximise value delivery. Each division remains committed to elevating the customer experience by proactively addressing requirements and integrating stakeholder insights into our service evolution, thereby reinforcing our reputation for operational excellence and integrity.

Water Treatment and Supply

Taliworks remains dedicated to exceeding the service expectations of our customer, Pengurusan Air Selangor Sdn. Bhd. ("Air Selangor"), and our broader network of stakeholders. Our commitment to excellence is anchored in a continuous feedback loop, facilitated by structured technical meetings and project-specific consultations with the operators of Sungai Selangor Water Treatment Plant Phase 2 ("SSP2") and Sungai Selangor Water Treatment Plant Phase 3 ("SSP3"). These engagements allow us to align our maintenance schedules and remedial actions with the Group's long-term goal of service reliability.

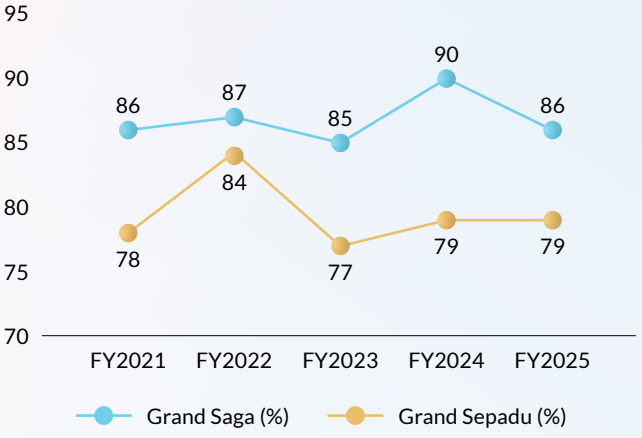
Through these strategic synergies, we ensure that our treatment processes are optimised for both efficiency and clean water delivery. Our focus remains on upholding the highest standards of service quality, ensuring that our operations support the socio-economic stability of the regions served by our water treatment facilities.

Highway Toll Concessionaire, Operations and Maintenance Operator

Taliworks is dedicated to ensuring a seamless and secure travel experience across our highway networks by integrating technology with stringent infrastructure management. To maintain high levels of stakeholder trust, we provide multiple 24-hour engagement channels, including a dedicated hotline, social media platforms, and email services. Our standardised response protocol ensures that all user queries are routed to appropriate teams within two working days, with a target resolution period of seven days.

Throughout FY2025, our maintenance teams remained vigilant in upholding the integrity of our highways. Key focus areas included rapid-response pothole repairs, the modernisation of Rest and Service Area ("RSA") and lay-by facilities, and the continuous monitoring of lighting systems to ensure 100% functionality. By prioritising road safety and infrastructure reliability, we continue to deliver an enhanced travel experience for thousands of daily commuters.

Road User Satisfaction Rates for the Past Five (5) Years



SUSTAINABILITY STATEMENT

Engineering and Construction

Taliworks' Engineering and Construction Division is driven by a commitment to delivering high-impact projects that meet the unique requirements of our clients. Our annual Client Satisfaction Survey remains a vital tool for benchmarking our performance in project management and service quality. For the third consecutive year, our team has surpassed established performance targets, demonstrating our consistent ability to deliver results. Through active engagement and the refinement of our service standards, we ensure that every project meets the highest bars of efficiency and quality, driving long-term success for our clients and stakeholders.

Waste Management

Acknowledging the vital intersection of waste management and public health, Taliworks maintains a multi-channel engagement framework to ensure seamless communication with the communities we serve. Our public interface includes a dedicated hotline, email, social media, and integration with official government complaint platforms. These channels are managed by our Customer Relationship Management ("CRM") team and supported by Talian Indahkan Malaysia (hotline), ensuring that all feedback is addressed promptly and resolved with efficiency and precision.

To optimise our response times, we utilise the Sistem Pengurusan Aduan Awam ("SISPAA"), which provides our Call Centre with direct, real-time access to customer data and complaint tracking. Across the 26 local authorities we serve, we recorded an average of 74 monthly complaints in FY2025. Total public complaints stood at 887, which was marginally higher than our established threshold of 843.

In FY2025, we conducted our annual Customer Satisfaction Survey to gauge the effectiveness of our service delivery. The results, which yielded a satisfaction score of 90%, provide a clear benchmark for our performance and highlight areas for further operational refinement.

Beyond formal surveys, our performance is validated through monthly evaluations and operations committee feedback. These insights drive continuous improvements in waste collection and public cleaning services. Furthermore, we have enhanced our digital presence with an expanded Frequently Asked Questions ("FAQs") section and more accessible public information to foster a more informed and engaged community.

Renewable Energy

The Renewable Energy Division remains dedicated to service excellence, focusing on the seamless delivery of green energy solutions. We maintain a customer engagement schedule, including monthly performance reviews and on-site visits, to ensure operational transparency and trust. These touchpoints provide a vital feedback loop, enabling the division to gain a granular understanding of technical requirements and customer expectations. By proactively managing these relationships, Taliworks has strengthened its position as a preferred renewable energy partner, fostering a culture of collaboration and continuous improvement.

Customer Satisfaction

The following table presents the average customer satisfaction scores across our diverse business divisions for the current reporting period:

Customer Satisfaction	Project/Operational Breakdown	Average Satisfaction Score (%)
Water Treatment and Supply	Sungai Selangor Water Treatment Plant Phase 1 ("SSP1")	90
Highway Toll Concessionaire, Operations and Maintenance Operator	Grand Saga Highway	86
	Grand Sepadu Highway	79
Engineering and Construction	Rasau Package 2 ("RSP2")	88
	Rasau Package 3 ("RSP3")	99
Waste Management	SWM Environment ("SWME")	90
Renewable Energy	TR Sepang	100
	TR SaTerm	100
	TR CPark	100

These results reflect Taliworks' commitment to maintaining high service standards and fostering strong relationships with our stakeholders. We utilise these satisfaction metrics as a key performance indicator to drive continuous service enhancement and ensure our operational outputs consistently align with client and community expectations.

SUPPLY CHAIN MANAGEMENT

Supply chain management is the backbone of operational continuity, directly influencing a company's ability to manage costs, maintain quality, and mitigate systemic risks. For a diverse service provider like Taliworks, which manages critical national utilities services in water, waste, and energy, the supply chain is more than just a procurement function, it is a vital extension of our service delivery. Because our operations rely on the consistent supply of specialised chemicals, engineering materials, and technical expertise, any disruption in our value chain could impact the essential services we provide to millions of Malaysians. Effective supply chain management therefore enables us to remain resilient, uphold ethical practices, and deliver on our long-term sustainability commitments.

In FY2025, we continued to mature our approach by embedding sustainability into every stage of our value chain, from the initial selection and registration of suppliers to ongoing lifecycle risk assessments. This systematic integration ensures that our procurement activities align with our objectives, enabling us to proactively manage potential disruptions and mitigate environmental, economic and social impacts across our operations.

Reflecting our nationwide footprint, Taliworks engages an extensive network of suppliers and business partners characterised by operational diversity. We manage these relationships through our Procurement Policy, which sets the benchmark for transparency and ethical accountability. By utilising a stringent selection process that prioritises integrity and quality, we foster a competitive environment that encourages mutual growth. This approach transforms simple vendor relationships into long-term strategic partnerships that bolster the Group's collective success.

SUSTAINABILITY STATEMENT

Supplier Assessment

Taliworks enforces a robust supplier assessment process designed to ensure ESG alignment across our value chain. We actively collaborate with partners who demonstrate excellence in workplace safety, quality, and environmental sustainability. To ensure these standards are upheld, each business division implements a structured evaluation process tailored to its specific operational demands. These assessments extend beyond the initial supplier engagement and appointment stage, serving as a continuous monitoring tool to identify potential ESG risks and performance gaps within our supply chain. Through these evaluations, we strengthen our risk management practices and safeguard the reliability of our essential service delivery across the Group.

Supplier Assessment	Approach	Number of Suppliers Assessed
Corporate Office	Taliworks' procurement activities are unified under a Group-level framework managed by Group Administrative Department ("GAD"). We are dedicated to responsible sourcing that balances operational efficiency with socio-economic contribution. By prioritising local business partnerships, we reinforce our commitment to Malaysian nation-building. Furthermore, our Sustainability Procurement Policy directs the Group toward eco-friendly and energy-efficient procurement, ensuring that every purchase aligns with our environmental targets and responsible disposal standards.	30 out of 30 (100%)
Water Treatment and Supply	We prioritise vendors who demonstrate compliance through *Suruhanjaya Perkhidmatan Air Negara* ("SPAN") registration and adherence to national health and safety standards. To ensure the efficacy of our treatment processes, suppliers are required to provide verified certificates of analysis. Our commitment to supply chain excellence is validated through consistent SPAN audits and an internal annual evaluation programme.	347 out of 347 (100%)
Highway Toll Concessionaire, Operations and Maintenance Operator	We utilise a standardised scoring system to benchmark our contractors against industry best practices. By rewarding excellence and excluding underperforming vendors from receiving Request for Quotations ("RFQs"), we ensure that our highway maintenance is led by a specialised and reliable workforce. A key pillar of our supplier oversight is the prevention of illegal labour. We have incorporated stringent vetting procedures that require the verification of valid work permits for all personnel. To ensure ongoing compliance, our management teams conduct periodic on-site inspections, safeguarding Taliworks against legal risks and ensuring that our contractors uphold the highest standards of ethical employment.	216 out of 216 (100%)
Engineering and Construction	The division operates a disciplined supplier management system designed to uphold the highest standards of project execution. Our List of Approved Subcontractors and Suppliers serve as a curated database of verified partners who meet our strict criteria. New suppliers are assessed for technical skill, financial health, compliance and quality management, whereas approved suppliers are regularly evaluated on pricing, delivery, quality, efficiency and adaptability. This proactive approach to supplier assessment ensures that Taliworks remains at the forefront of the construction industry, delivering resilient infrastructure that stands the test of time.	375 out of 375 (100%)

Supplier Assessment	Approach	Number of Suppliers Assessed
Waste Management	We conduct assessments of our suppliers and contractors on a semi-annual basis, focusing on key performance indicators such as ISO 9001 compliance, ethical integrity, and sustainability performance. These pre-engagement background checks are supplemented by continuous post-engagement monitoring. This ensures that every partner remains fully aligned with Taliworks' operational requirements and the broader national solid waste management objectives.	505 out of 505 (100%)
Renewable Energy	We employ a multi-dimensional screening process for all potential partners. Our evaluation process prioritises suppliers' portfolio, corporate and financial backgrounds, technical capabilities, staff qualifications, available equipment and facilities, certifications and regulatory compliance.	42 out of 42 (100%)

Local Procurement

> **Taliworks prioritises local procurement across all its business divisions.**

At Taliworks, we aim to favour domestic suppliers, contractors, and service providers wherever feasible, ensuring that our operational expenditure acts as a catalyst for Malaysian economic development and social empowerment.

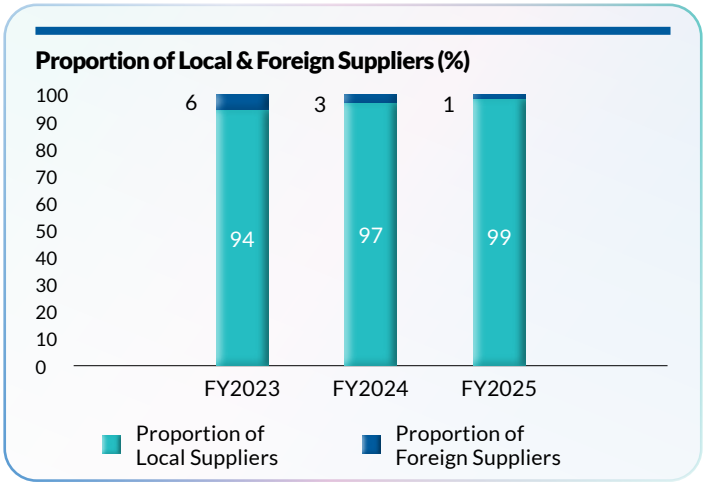
This localised approach is a strategic priority that strengthens our operational resilience. By prioritising domestic suppliers, we ensure a more agile and responsive supply chain, allowing for the consistent delivery of the essential services we manage. Beyond operational efficiency, channelling our procurement spend into the domestic market stimulates local business growth and supports job creation, ensuring that Taliworks' success translates into shared prosperity for the nation.

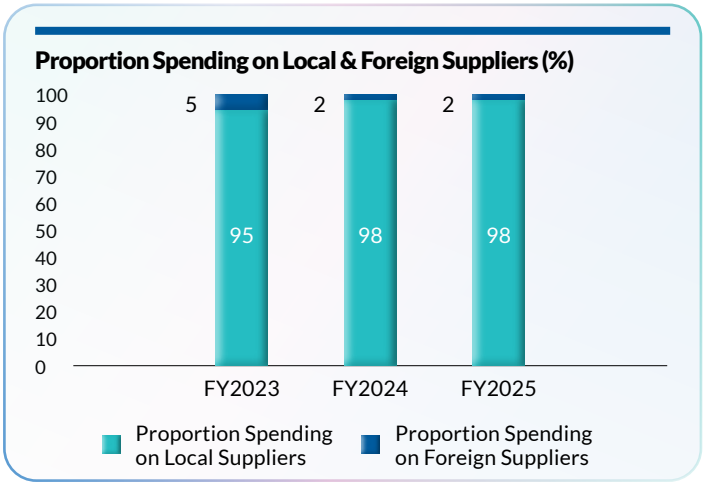
Our emphasis on local sourcing is also a key component of our environmental strategy. By reducing the physical distance between our suppliers and our operational sites, we significantly lower the carbon emissions associated with logistics and transportation. This focus allows us to minimise our carbon footprint and align our business practices with the global transition toward a low-carbon economy.

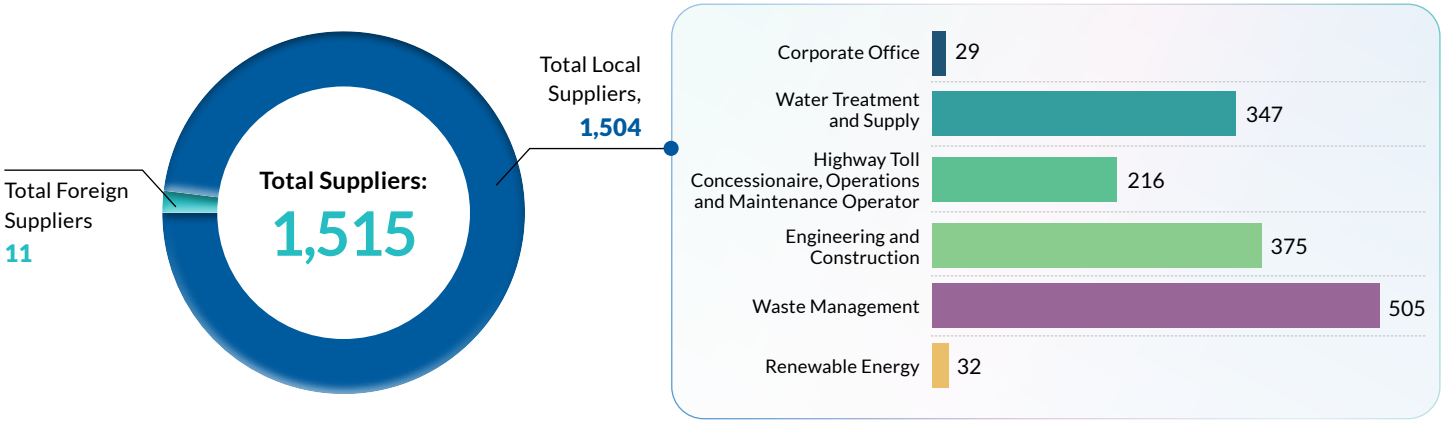
SUSTAINABILITY STATEMENT

Procurement Data	FY2023	FY2024	FY2025
New Suppliers	**102**	**190**	**153**
Corporate Office	15	33	**2**
Water Treatment and Supply	24	0	**17**
Highway Toll Concessionaire, Operations and Maintenance Operator	11	5	**10**
Engineering and Construction	0	7	**12**
Waste Management	52	129	**101**
Renewable Energy	0	16	**11**
Total Suppliers	**1,081**	**1,653**	**1,515**
Corporate Office	33	53	**30**
Water Treatment and Supply	283	360	**347**
Highway Toll Concessionaire, Operations and Maintenance Operator	223	229	**216**
Engineering and Construction	*356	363	**375**
Waste Management	493	600	**505**
Renewable Energy	33	48	**42**
Proportion of Local Suppliers (%)	**94**	**97**	**99**
Corporate Office	97	100	**96**
Water Treatment and Supply	100	100	**100**
Highway Toll Concessionaire, Operations and Maintenance Operator	100	100	**100**
Engineering and Construction	100	100	**100**
Waste Management	99	100	**100**
Renewable Energy	70	83	**76**
Proportion of Spending on Local Suppliers (%)	**95**	**98**	**98**
Corporate Office	97	98	**99**
Water Treatment and Supply	100	100	**100**
Highway Toll Concessionaire, Operations and Maintenance Operator	100	100	**100**
Engineering and Construction	100	100	**100**
Waste Management	99	100	**100**
Renewable Energy	75	90	**89**

* *The total number of suppliers for Engineering and Construction in FY2023 was restated to reflect accurate data.*







DATA PRIVACY AND SECURITY

In an era of sophisticated cyber threats, digital integrity is the foundation of trust. For Taliworks, safeguarding data is not just a technical requirement, it is a strategic imperative. As an operator of critical national infrastructure, we manage vast amounts of operational and personal data. Protecting this information ensures the uninterrupted delivery of essential services and upholds our commitment to public safety and national interest.

We utilise a multi-layered approach to ensure our digital ecosystem remains well protected:

- We continued to align our Information Technology ("IT") policies with the Personal Data Protection (Amendment) Act 2024 ("PDPA").
- Our data management practices are reinforced by IT management certifications and international benchmarks, including the ISO 27001:2022 standards.

Technology is only as resilient as the people who operate it. We maintain a high-alert security culture through:

Continuous employee education on IT security	**Phishing awareness training**	**Proactive digital threat monitoring**	**Data privacy briefings during staff induction**

As Taliworks continues to innovate, we remain committed to the ongoing improvement of our data protection protocols to safeguard our digital assets and stakeholder trust.

Data Privacy and Security Performance	FY2023	FY2024	FY2025
Number of confirmed security breaches	0	0	**0**
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	**0**
Number of PDPA non-compliance	0	0	**0**
Total fines related to PDPA non-compliance (RM)	0	0	**0**

IMPACT-POSITIVE ENVIRONMENTAL PRACTICES

Total Energy Consumption

978,894 GJ

(FY2024: 950,560 GJ*)

** FY2024 data have been restated to reflect accurate data.*

Energy Consumption

Corporate Office
321 GJ
(FY2024: 437 GJ*)

Engineering and Construction
3,794 GJ
(FY2024: 3,857 GJ*)

Water Treatment and Supply
507,756 GJ
FY2024: 517,807 GJ*)

Waste Management
448,567 GJ
(FY2024: 409,492 GJ*)

Highway Toll Concessionaire, Operations and Maintenance Operator
17,881 GJ
(FY2024: 18,434 GJ*)

Renewable Energy
575 GJ
(FY2024: 533 GJ*)

Total Emissions:

220,869 tCO_2e

(FY2024: 209,889 tCO_2e)

** FY2024 data have been restated to reflect accurate data.*

Total Scope 1 & 2

Corporate Office
69 tCO_2e
(FY2024: 94 tCO_2e)

Engineering and Construction
316 tCO_2e
(FY2024: 315 tCO_2e)

Water Treatment and Supply
108,878 tCO_2e
(FY2024: 110,974 tCO_2e)

Waste Management
93,890 tCO_2e
(FY2024: 92,454 tCO_2e*)

Highway Toll Concessionaire, Operations and Maintenance Operator
3,358 tCO_2e
(FY2024: 3,447 tCO_2e*)

Renewable Energy
118 tCO_2e
(FY2024: 110 tCO_2e)

Total Scope 3

Business Travel
115 tCO_2e
(FY2024: 80 tCO_2e)

Employee Commuting
2,243 tCO_2e
(FY2024: 2,415 tCO_2e*)
Employee commute data for FY2024 has been restated following a recalculation to ensure a more accurate representation of commuting patterns.

Waste Generated in Operations
11,881 tCO_2e
The Group began tracking the emissions from waste generated in operations starting from year 2025.

Total Waste Generated
22,765 tonnes
(FY2024: 30,173 tonnes)

Waste Generated

Corporate Office
8 tonnes
(FY2024: 7 tonnes)

Engineering and Construction
1 tonne
(FY2024: 7 tonnes)

Water Treatment and Supply
22,724 tonnes
(FY2024: 29,243 tonnes)

Waste Management
3 tonnes
(FY2024: 3 tonnes)

Highway Toll Concessionaire, Operations and Maintenance Operator
29 tonnes
(FY2024: 29 tonnes)

Renewable Energy
0 tonnes
(FY2024: 884 tonnes)

Waste Management

Waste Diverted from Landfill
4 tonnes
(FY2024: 890 tonnes)

Waste Directed to Landfill
22,761 tonnes
(FY2024: 29,283 tonnes)

Total Water Consumption
151.0 megalitres
(FY2024: 125.8 megalitres)

Water Consumption

Corporate Office
0.8 megalitres
(FY2024: 0.8 megalitres)

Engineering and Construction
2.1 megalitres
(FY2024: 1.8 megalitres)

Water Treatment and Supply
0.4 megalitres
(FY2024: 0.7 megalitres)

Waste Management
115.2 megalitres
(FY2024: 96.9 megalitres)

Highway Toll Concessionaire, Operations and Maintenance Operator
31.8 megalitres
(FY2024: 24.8 megalitres)

Renewable Energy
0.7 megalitres
(FY2024: 0.8 megalitres)

SUSTAINABILITY STATEMENT

ENERGY AND EMISSION MANAGEMENT

In the face of climate change and shifting global energy markets, robust energy management is essential for long-term business resilience. It encompasses the strategic oversight of all energy inputs, including purchased electricity and combustible fuels, to minimise waste and reduce greenhouse gas ("GHG") emissions. Effective management allows an organisation to shield itself from volatile fuel prices and electricity tariff hikes while fulfilling its responsibility to mitigate environmental impact. For any large-scale operation, optimising the energy mix is a primary driver of both operational efficiency and corporate decarbonisation.

> **Taliworks aims to optimise energy consumption across its operations through improved efficiency and the adoption of diversified energy sources.**

For Taliworks, energy management is a multi-dimensional priority across our diverse business divisions. Our energy profile is comprised of two primary components:

Fuel Consumption

Electricity Consumption

Water Treatment and Supply

The treatment and distribution of water are energy-intensive processes that contribute significantly to the Group's Scope 2 emissions. To address this, we focus on enhancing energy efficiency and reducing our climate impact through targeted sustainability initiatives. By prioritising emissions monitoring and reduction, we not only ensure strict compliance with environmental regulations but also align our operations with Malaysia's national sustainability goals.

A Registered Energy Efficiency Manager ("REEM") has been appointed to oversee energy management programmes and ensure a culture of continuous improvement. Initiatives to manage energy consumption and GHG emissions include:

- Enhancing the efficiency of large-scale pumps and motors.
- Implementing controlled pumping regimes to manage peak demand.
- Transitioning to energy-efficient air conditioning systems supported by regular inspection and maintenance to prevent refrigerant leakages.

Taliworks is actively exploring the integration of renewable energy to decrease our reliance on conventional power sources. A key project includes the installation of solar panels at our SSP1 site, marking a transition toward cleaner energy inputs.

These technological shifts are complemented by nature-based solutions, such as recycling programmes and tree-planting initiatives, which collectively achieved an estimated carbon sequestration of 42 tCO_2e in 2024.

To maintain a transparent and accurate emissions footprint, we have adopted real-time monitoring systems:

- Monitoring fuel usage across our fleet and heavy equipment.
- Capturing precise electricity usage data at our treatment facilities to identify further optimisation opportunities.

Highway Toll Concessionaire, Operations and Maintenance Operator

The Highway and Toll Division employs a structured approach to GHG management, recognising the critical impact of vehicular traffic and operational activities on air quality. We adhere to a monitoring protocol across all three scopes:

- **Scope 1:** Continuous measurement of emissions from company-owned vehicles, domestic operations, generator sets, and sewage treatment plants ("STPs"), ensuring strict compliance with Malaysian Highway Authority ("MHA") and Department of Environment ("DOE") regulations.
- **Scope 2:** Close monitoring of electricity consumption at toll plazas and offices, driven by energy-saving interventions.
- **Scope 3:** Assessment of indirect emissions, for Business Travel, Employee Commuting and Waste Generated in Operations.

In 2024, we reached a major milestone by extending solar panel installations to the remaining three toll plazas. This builds upon the success of the MOC Plaza, which recorded 597 GJ of renewable energy consumption in 2025—a significant 37% increase from 2024 (435 GJ).

With solar photovoltaic systems now operational across all toll plazas, alongside the retrofitting of LED lighting, we achieved a 20% reduction in total electricity costs, contributing to our myGHI Silver status. Moving forward, we will continue to optimise this baseline through smart metering and further efficiency enhancements.

SUSTAINABILITY STATEMENT

Engineering and Construction

We prioritise the reduction of GHG emissions to ensure our projects are both innovative and sustainable, allowing us to not only meet but exceed environmental standards. Given the energy-intensive nature of construction, we emphasise systematically tracking and mitigating emissions to align with industry best practices and evolving regulatory requirements.

As our construction projects progress, we remain dedicated to managing emissions growth through active intervention and innovation:

- We implement energy-efficient technologies and high-performance equipment to lower the carbon intensity of our site operations.
- By refining site logistics and machinery usage patterns, we seek to reduce unnecessary fuel combustion and energy waste.
- We continually seek new ways to incorporate sustainable construction methods, ensuring that our project delivery remains resilient in a low-carbon economy.

Waste Management

The Waste Management Division's carbon footprint is primarily driven by its fleet activity and waste processing. To ensure strict adherence to environmental regulations and align with the Group's broader climate goals, we continuously monitor and report our emissions footprint. By systematically tracking our GHG emissions, we identify high-intensity areas and explore new strategies to further reduce our total greenhouse gas output. This transparent approach to monitoring serves as the foundation for our transition toward more sustainable waste management practices.

To actively mitigate our carbon footprint, we implement several targeted operational strategies:

- **Fuel-Efficient Vehicle Routing:** Optimising collection routes to reduce mileage and idling time, thereby lowering the total fuel consumption of our extensive vehicle fleet.
- **Low-Emission and Alternative Fuel Vehicles:** Investing in modern, fuel-efficient machinery and exploring alternative fuel options to decarbonise our transportation operations.

Renewable Energy

While our primary output is low-carbon energy, we recognise the importance of managing our own incremental operational emissions. Our strategy focuses on ensuring that the cumulative environmental benefits of our renewable projects, particularly in carbon reduction, significantly outweigh the emissions generated from our daily activities.

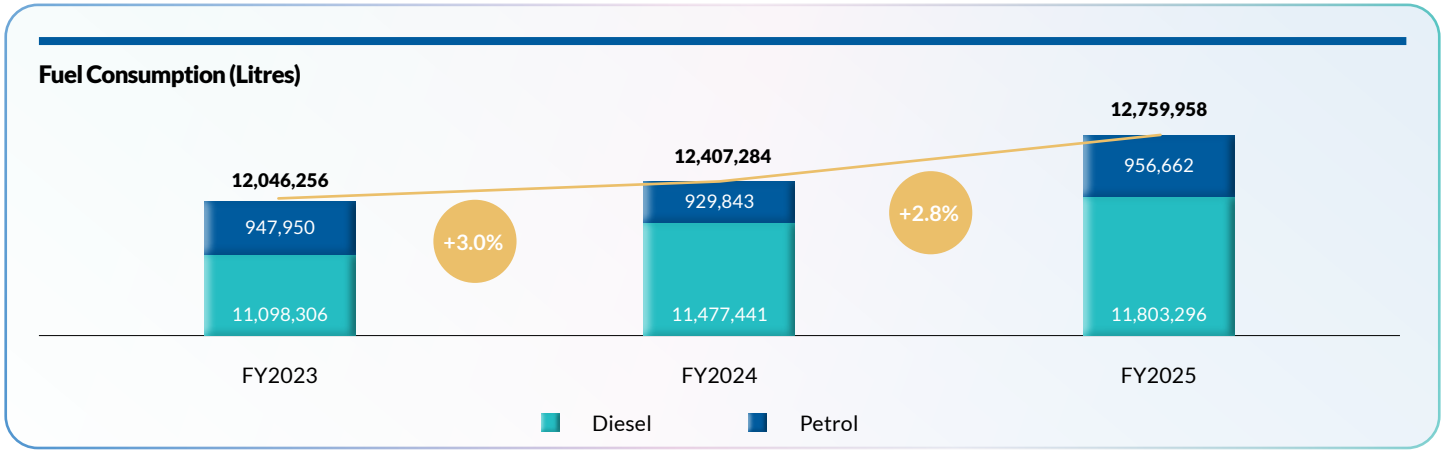
To demonstrate our tangible contribution to national decarbonisation goals, we utilise a data-driven approach to measure our climate impact:

- **Performance Tracking:** We continuously monitor the performance of our solar plants to assess their direct carbon reduction impact.
- **Real-Time Analytics:** By leveraging real-time data analytics and periodic reporting, we maintain precise oversight of energy generation and operational efficiency.

To maintain a lean carbon profile, the division remains committed to integrating energy-efficient technologies and best practices into our facilities. By optimising the maintenance of our solar assets and ensuring high uptime, we ensure that our renewable projects deliver maximum efficiency in offsetting GHG emissions throughout their operational lifespan.

Fuel Consumption

In FY2025, we have enhanced the precision of our energy accounting this year by integrating fuel data from petrol-powered equipment. This adjustment, backed by external assurance, ensures our disclosures reflect the full scale of our operational impact. While a like-for-like analysis indicates a 3.0% increase in core fuel consumption for FY2024, our year-on-year data, which now accounts for all equipment, shows a total volume of 12,759,958 litres, representing a 2.8% increase from the previous year's 12,407,284 litres.



Fuel Consumption (Litres)	FY2023	FY2024	FY2025
Diesel	11,098,306*	11,477,441	**11,803,296**
Petrol	173,131*	147,484	**173,813**
Total	**11,271,437***	**11,624,925**	**11,977,109**
Petrol Consumed in Equipment	774,819*	782,359*	**782,849**
Total Including Petrol Consumed in Equipment	**12,046,256***	**12,407,284***	**12,759,958**

* *These data points were not included in the external assurance scope of FY2023 and FY2024.*

Fuel Consumption breakdown by Division (Litres)	FY2023	FY2024	FY2025
Diesel	**11,098,306**	**11,477,441**	**11,803,296**
Corporate Office	0	0	**0**
Water Treatment and Supply	165,444	59,341	**46,052**
Highway Toll Concessionaire, Operations and Maintenance Operator	57,589	67,009	**69,582**
Engineering and Construction	42,559	39,449	**37,264**
Waste Management	10,831,667	11,310,755	**11,649,281**
Renewable Energy	1,047	887	**1,117**
Petrol	**947,950***	**929,843***	**956,662**
Corporate Office	0	0	**0**
Water Treatment and Supply	11,640	14,100	**14,584**
Highway Toll Concessionaire, Operations and Maintenance Operator	13,023	23,005	**8,065**
Engineering and Construction	124,283	67,025	**67,092**
Waste Management	799,004*	825,713*	**866,921**
Renewable Energy	0	0	**0**
Total	**12,046,256***	**12,407,284***	**12,759,958**

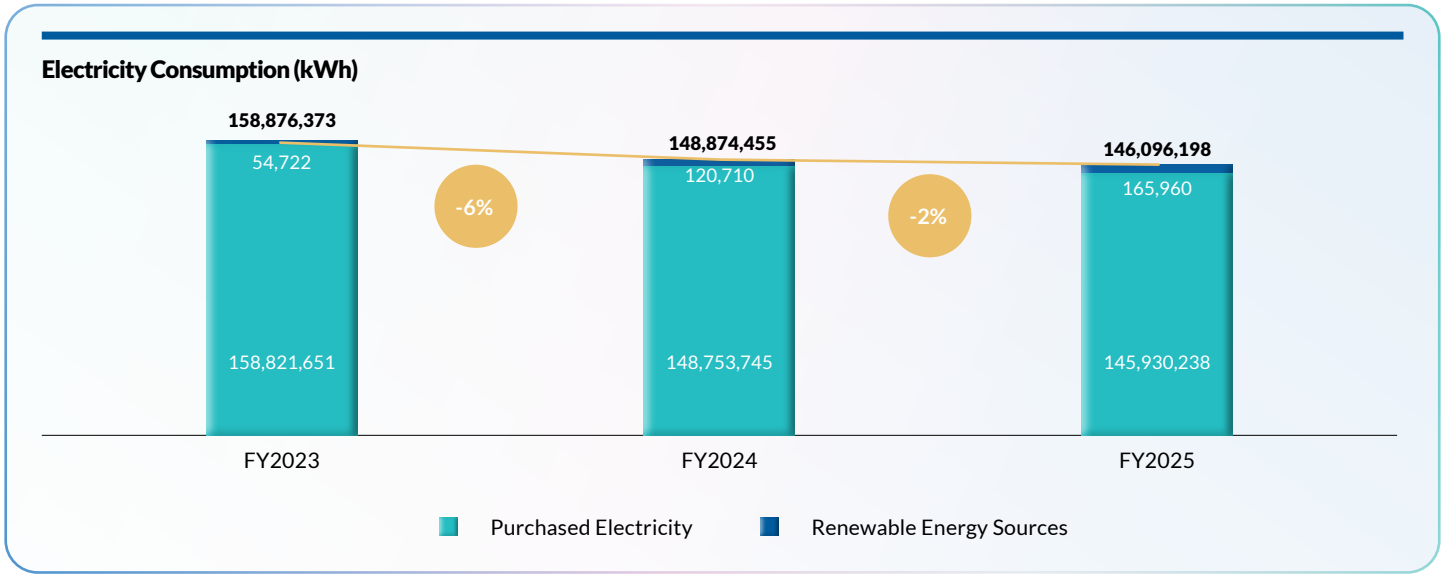
* *FY2023 and FY2024 data have been restated to reflect the inclusion of petrol consumption used in equipment, providing a more accurate representation of the Group's total fuel usage.*

SUSTAINABILITY STATEMENT

Electricity Consumption

The overall electricity consumption for the Group has seen a slight decline of approximately 2% in FY2025. Despite this reduction, the vast majority of power requirements are still met through purchased electricity, which accounts for 99.89% of the total usage, while renewable energy contributes a small but growing share of 0.11% (FY2024: 0.08%).

This high energy demand is primarily driven by operational requirements, as most of the electricity consumption continues to stem from the Water Treatment and Supply Division. The energy-intensive nature of water processing and distribution remains the central factor in the organisation's total electrical footprint.

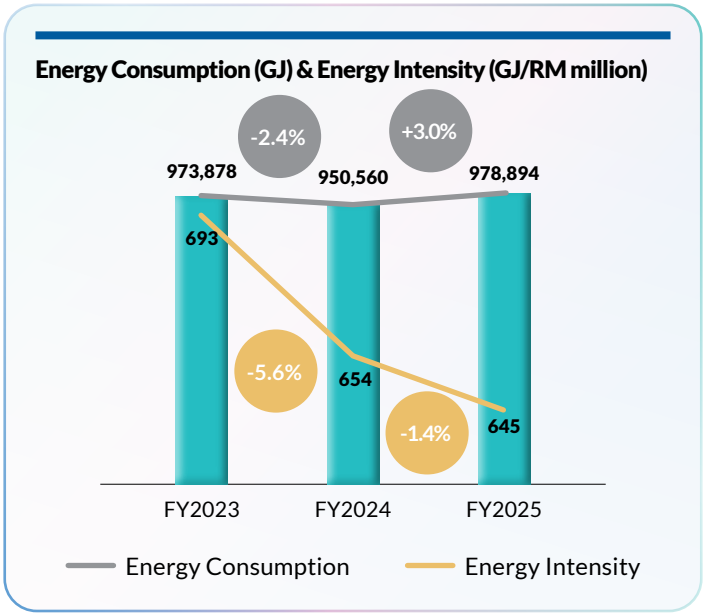


Electricity Consumption (kWh)	FY2023	FY2024	FY2025
Purchased Electricity	**158,821,651 (99.97%)**	**148,753,745 (99.92%)**	**145,930,238 (99.89%)**
Corporate Office	116,327	121,423	**89,171**
Water Treatment and Supply	153,104,660	143,117,422	**140,452,977**
Highway Toll Concessionaire, Operations and Maintenance Operator	4,305,273	4,124,523	**4,036,998**
Engineering and Construction	28,627	65,760	**69,249**
Waste Management	1,160,714	1,185,473	**1,133,084**
Renewable Energy	106,050	139,144	**148,759**
Renewable Energy Sources	**54,722 (0.03%)**	**120,710 (0.08%)**	**165,960 (0.11%)**
Corporate Office	0	0	**0**
Water Treatment and Supply	0	0	**0**
Highway Toll Concessionaire, Operations and Maintenance Operator	54,722	120,710	**165,960**
Engineering and Construction	0	0	**0**
Waste Management	0	0	**0**
Renewable Energy	0	0	**0**
Total	**158,876,373**	**148,874,455**	**146,096,198**

Energy Consumption

The total energy consumption for the group in FY2025 is 978,894 GJ, a figure derived from the combined totals of fuel and electricity usage. When compared to the FY2024 consumption of 950,560 GJ, there is a slight increase of 3%. This increase is mainly attributed to the expansion of data scope for the Waste Management Division where petrol usage in grass cutter machines and air compressors were also factored into the division's overall fuel consumption.

The Group's energy intensity for FY2025 is 645 GJ/RMmillion calculated on the basis of aggregation of 100% revenue generated by the business divisions of RM1,516.64 million, which excluded government compensation from the Highway and Toll Division. The reduction in energy intensity of 1.4% from FY2024 to FY2025 is primarily attributed to the continued implementation of energy efficiency initiatives and optimised operational processes across the corporate office and business divisions.



Energy Consumption (GJ)	FY2023	FY2024	FY2025
Corporate Office	419	437	**321**
Water Treatment and Supply	557,467	517,807	**507,756**
Highway Toll Concessionaire, Operations and Maintenance Operator	18,182	18,434	**17,881**
Engineering and Construction	5,724	3,857	**3,794**
Waste Management	391,667	409,492	**448,567**
Renewable Energy	419	533	**575**
Total	**973,878***	**950,560***	**978,894**

* *FY2023 and FY2024 data have been restated following a refinement of fuel-to-energy conversion to more accurately represent energy consumption.*

Scope 1 Emissions

Scope 1 emissions comprise all direct emissions that are produced by assets owned or controlled by Taliworks, including mobile emissions from company-owned vehicles used for maintenance, security and various operational activities, stationary emissions from on-site fuel combustion in backup generators and other equipment that requires fuel as a combustion source:

Data Sources:	Fuel purchase records from fuel receipts and invoices for diesel and petrol used in company-owned or leased vehicles, service logs for fire extinguishers and HVAC refrigerant.
Calculation Methodology:	Fuel-based methodology where fuel consumption was multiplied by the corresponding greenhouse gas emission factors provided by Intergovernmental Panel on Climate Change (IPCC), Fifth Assessment Report (AR5), 2013, WRI GHG Emission Factors Compilation 2017 and Greenhouse gas Protocol (Emission Factors for Cross Sector Tool V2,0).

SUSTAINABILITY STATEMENT

Inclusions:

FY2023:

Corporate Office (Taliworks Corporation Berhad), Water Treatment and Supply (Sungai Harmoni Sdn. Bhd.), Highway Toll Concessionaire, Operations and Maintenance Operator (Grand Saga Sdn. Bhd.; Grand Sepadu (NK) Sdn. Bhd.), Engineering and Construction (Taliworks Construction Sdn. Bhd.), Waste Management (SWM Environment Sdn. Bhd.) and Renewable Energy (TR Sepang Sdn. Bhd., TR SaTerm Sdn. Bhd., TR CPark Sdn. Bhd. and Taliworks Renewables Operations Sdn. Bhd.), representing 100% of Taliworks' divisions.

FY2024:

Corporate Office (Taliworks Corporation Berhad), Water Treatment and Supply (Sungai Harmoni Sdn. Bhd.), Highway Toll Concessionaire, Operations and Maintenance Operator (Grand Saga Sdn. Bhd.; Grand Sepadu (NK) Sdn. Bhd.), Engineering and Construction (Taliworks Construction Sdn. Bhd.), Waste Management (SWM Environment Sdn. Bhd.) and Renewable Energy (TR Sepang Sdn. Bhd., TR SaTerm Sdn. Bhd., TR CPark Sdn. Bhd. and Taliworks Renewables Operations Sdn. Bhd.), representing 100% of Taliworks' divisions.

FY2025:

Corporate Office (Taliworks Corporation Berhad), Water Treatment and Supply (Sungai Harmoni Sdn. Bhd.), Highway Toll Concessionaire, Operations and Maintenance Operator (Grand Saga Sdn. Bhd.; Grand Sepadu (NK) Sdn. Bhd.), Engineering and Construction (Taliworks Construction Sdn. Bhd.), Waste Management (SWM Environment Sdn. Bhd.) and Renewable Energy (TR Sepang Sdn. Bhd., TR SaTerm Sdn. Bhd., TR CPark Sdn. Bhd. and Taliworks Renewables Operations Sdn. Bhd.), representing 100% of Taliworks' divisions.

In FY2025, we strengthened the integrity of our environmental disclosures by including petrol-powered equipment fuel consumption and process emissions, both of which have been subject to external assurance. This expansion ensures a more precise accounting of our carbon footprint while maintaining a high standard of data reliability. To facilitate a consistent year-to-year comparison, we also analysed our performance excluding these new inclusions, on this like-for-like basis, the Group's Scope 1 emissions remained relatively stable at 32,070 tCO_2e, representing a marginal increase of only 1.6%. When factoring the additional data points, the year-on-year comparison from FY2024 and FY2025 is an increase of 1.5% from 92,257 tCO_2e to 93,679 tCO_2e.

Scope 1 Emissions Breakdown by Emission Sources (tCO_2e)	FY2023	FY2024	FY2025
Stationary Combustion	418*	131	**102**
Mobile Combustion	29,685*	31,330	**31,954**
Fugitive Emissions	27*	104	**14**
Total	**30,130***	**31,565**	**32,070**
Petrol-powered equipment	61,270*	60,679*	**61,594**
Process Emissions	9*	13*	**15**
Total with additional data coverage	**91,409***	**92,257***	**93,679**

* *These data points were not included in the external assurance scope of FY2023 and FY2024.*

Scope 1 Emissions (tCO_2e)	FY2023	FY2024	FY2025
Corporate Office	0	0	**0**
Water Treatment and Supply	483	201	**167**
Highway Toll Concessionaire, Operations and Maintenance Operator	208*	255*	**233**
Engineering and Construction	255	264	**263**
Waste Management	90,460*	91,535*	**93,013**
Renewable Energy	3	2	**3**
Total	**91,409***	**92,257***	**93,679**

* *FY2023 and FY2024 data have been restated to provide a more accurate representation of the Group's Scope 1 emissions, accounting for both petrol-powered equipment usage and operational process emissions.*

Scope 2 Emissions

Scope 2 emissions comprise all emissions resulting from the generation of purchased electricity for lighting, heating, cooling and powering appliances and equipment across company-owned or controlled facilities:

Data Sources: Utility records from monthly electricity bills.

Calculation Methodology: Electricity consumption was multiplied by the corresponding greenhouse gas emission factors provided by Intergovernmental Panel on Climate Change (IPCC), Fifth Assessment Report (AR5), 2013, WRI GHG Emission Factors Compilation 2017 and Greenhouse gas Protocol (Emission Factors for Cross Sector Tool V2,0).

Inclusions:

FY2023:

Corporate Office (Taliworks Corporation Berhad), Water Treatment and Supply (Sungai Harmoni Sdn. Bhd.), Highway Toll Concessionaire, Operations and Maintenance Operator (Grand Saga Sdn. Bhd.; Grand Sepadu (NK) Sdn. Bhd.), Engineering and Construction (Taliworks Construction Sdn. Bhd.), Waste Management (SWM Environment Sdn. Bhd.) and Renewable Energy (TR Sepang Sdn. Bhd., TR SaTerm Sdn. Bhd., TR CPark Sdn. Bhd. and Taliworks Renewables Operations Sdn. Bhd.), representing 100% of Taliworks' divisions.

FY2024:

Corporate Office (Taliworks Corporation Berhad), Water Treatment and Supply (Sungai Harmoni Sdn. Bhd.), Highway Toll Concessionaire, Operations and Maintenance Operator (Grand Saga Sdn. Bhd.; Grand Sepadu (NK) Sdn. Bhd.), Engineering and Construction (Taliworks Construction Sdn. Bhd.), Waste Management (SWM Environment Sdn. Bhd.) and Renewable Energy (TR Sepang Sdn. Bhd., TR SaTerm Sdn. Bhd., TR CPark Sdn. Bhd. and Taliworks Renewables Operations Sdn. Bhd.), representing 100% of Taliworks' divisions.

FY2025:

Corporate Office (Taliworks Corporation Berhad), Water Treatment and Supply (Sungai Harmoni Sdn. Bhd.), Highway Toll Concessionaire, Operations and Maintenance Operator (Grand Saga Sdn. Bhd.; Grand Sepadu (NK) Sdn. Bhd.), Engineering and Construction (Taliworks Construction Sdn. Bhd.), Waste Management (SWM Environment Sdn. Bhd.) and Renewable Energy (TR Sepang Sdn. Bhd., TR SaTerm Sdn. Bhd., TR CPark Sdn. Bhd. and Taliworks Renewables Operations Sdn. Bhd.), representing 100% of Taliworks' divisions.

Scope 2 emissions, which represent indirect impact from purchased electricity, showed a slight decrease of 2%, moving from 115,137 tCO_2e in FY2024 to 112,951 tCO_2e in FY2025. This slight reduction aligns with the Group's overall decrease in electricity consumption during the period.

Scope 2 Emissions (tCO_2e)	FY2023	FY2024	FY2025
Corporate Office	90*	94	**69**
Water Treatment and Supply	84,208	110,773	**108,711**
Highway Toll Concessionaire, Operations and Maintenance Operator	2,368	3,192	**3,125**
Engineering and Construction	16	51	**54**
Waste Management	638	919	**877**
Renewable Energy	58	108	**115**
Total	**87,378***	**115,137**	**112,951**

* *Performance figures have been restated to reflect accurate data.*

SUSTAINABILITY STATEMENT

Scope 3 Emissions

Scope 3 emissions comprise all indirect emissions that occur within the Taliworks' value chain which includes the categories, Category 5: Waste generated in operations, Category 6: Business Travel and Category 7: Employee Commuting which are defined by the Intergovernmental Panel on Climate Change ("IPCC") Greenhouse Gas ("GHG") Protocol:

1. Business Travel:

Data Sources: Business travel records like fuel receipts, mileage logs and expense claims for public transport reimbursements.

Calculation Methodology: Distance-based methodology where travel records were standardised to distance travelled and multiplied by the corresponding greenhouse gas emission factors provided by DEFRA (2025/2026) based on the mode of transportation.

Inclusions:

FY2023:

Not tracked.

FY2024:

Corporate Office (Taliworks Corporation Berhad), Water Treatment and Supply (Sungai Harmoni Sdn. Bhd.), Highway Toll Concessionaire, Operations and Maintenance Operator (Grand Saga Sdn. Bhd.; Grand Sepadu (NK) Sdn. Bhd.), Engineering and Construction (Taliworks Construction Sdn. Bhd.), Waste Management (SWM Environment Sdn. Bhd.) and Renewable Energy (TR Sepang Sdn. Bhd., TR SaTerm Sdn. Bhd., TR CPark Sdn. Bhd. and Taliworks Renewables Operations Sdn. Bhd.), representing 100% of Taliworks' divisions.

FY2025:

Corporate Office (Taliworks Corporation Berhad), Water Treatment and Supply (Sungai Harmoni Sdn. Bhd.), Highway Toll Concessionaire, Operations and Maintenance Operator (Grand Saga Sdn. Bhd.; Grand Sepadu (NK) Sdn. Bhd.), Engineering and Construction (Taliworks Construction Sdn. Bhd.), Waste Management (SWM Environment Sdn. Bhd.) and Renewable Energy (TR Sepang Sdn. Bhd., TR SaTerm Sdn. Bhd., TR CPark Sdn. Bhd. and Taliworks Renewables Operations Sdn. Bhd.), representing 100% of Taliworks' divisions.

2. Employee Commute:

Data Sources: Employee survey that captured specific data on transportation modes and travel distances.

Calculation Methodology: Distance-based methodology where travel records were multiplied by the corresponding greenhouse gas emission factors provided by DEFRA (2025/2026) based on the mode of transportation.

Inclusions:

FY2023:

Not tracked.

FY2024:

Corporate Office (Taliworks Corporation Berhad), Water Treatment and Supply (Sungai Harmoni Sdn. Bhd.), Highway Toll Concessionaire, Operations and Maintenance Operator (Grand Saga Sdn. Bhd.; Grand Sepadu (NK) Sdn. Bhd.), Engineering and Construction (Taliworks Construction Sdn. Bhd.), Waste Management (SWM Environment Sdn. Bhd.) and Renewable Energy (TR Sepang Sdn. Bhd., TR SaTerm Sdn. Bhd., TR CPark Sdn. Bhd. and Taliworks Renewables Operations Sdn. Bhd.), representing 100% of Taliworks' divisions.

FY2025:

Corporate Office (Taliworks Corporation Berhad), Water Treatment and Supply (Sungai Harmoni Sdn. Bhd.), Highway Toll Concessionaire, Operations and Maintenance Operator (Grand Saga Sdn. Bhd.; Grand Sepadu (NK) Sdn. Bhd.), Engineering and Construction (Taliworks Construction Sdn. Bhd.), Waste Management (SWM Environment Sdn. Bhd.) and Renewable Energy (TR Sepang Sdn. Bhd., TR SaTerm Sdn. Bhd., TR CPark Sdn. Bhd. and Taliworks Renewables Operations Sdn. Bhd.), representing 100% of Taliworks' divisions.

3. Waste Generated in Operations:

Data Sources: Invoices provided by subcontractors.

Calculation Methodology: Waste-type-specific method where the weight of specific waste types were multiplied by the corresponding greenhouse gas emission factors provided by DEFRA (2025/2026) based on the mode of waste treatment method.

Inclusions:

FY2023:

Not tracked.

FY2024:

Not tracked.

FY2025:

Corporate Office (Taliworks Corporation Berhad), Water Treatment and Supply (Sungai Harmoni Sdn. Bhd.), Highway Toll Concessionaire, Operations and Maintenance Operator (Grand Saga Sdn. Bhd.; Grand Sepadu (NK) Sdn. Bhd.), Engineering and Construction (Taliworks Construction Sdn. Bhd.), Waste Management (SWM Environment Sdn. Bhd.) and Renewable Energy (TR Sepang Sdn. Bhd., TR SaTerm Sdn. Bhd., TR CPark Sdn. Bhd. and Taliworks Renewables Operations Sdn. Bhd.), representing 100% of Taliworks' divisions.

SUSTAINABILITY STATEMENT

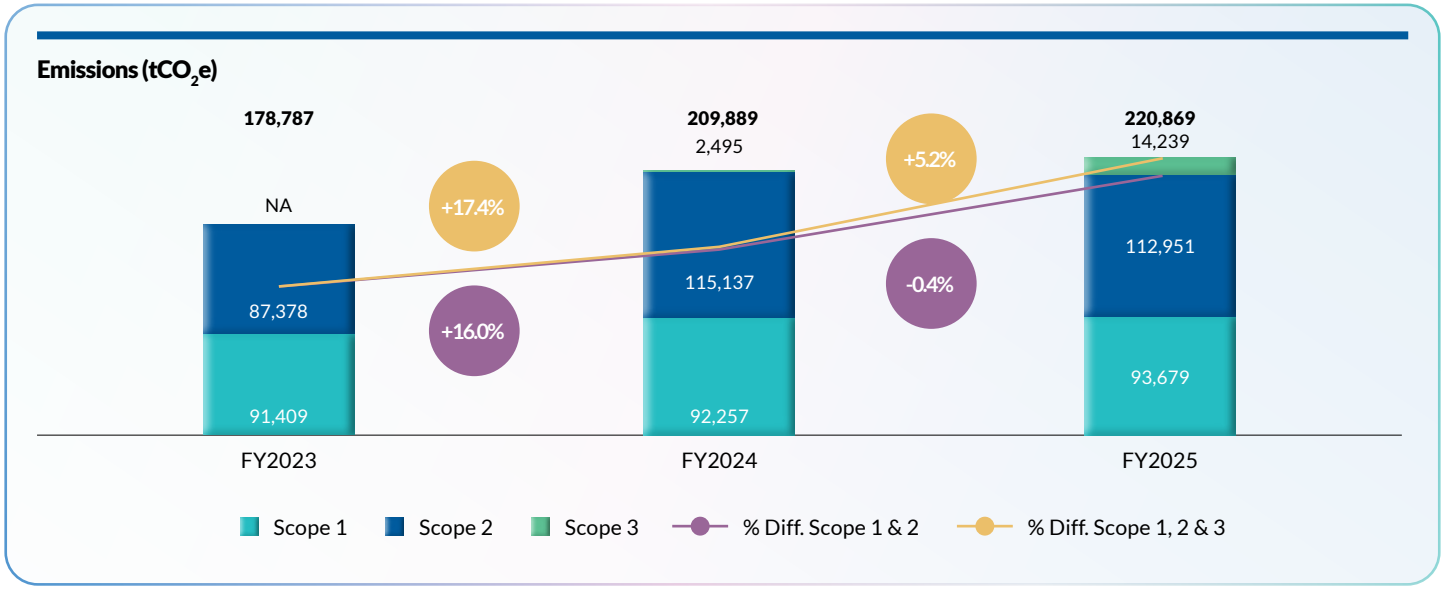
Scope 3 emissions contributed by business travel and employee commuting saw a 5.5% decrease, dropping to 2,358 tCO_2e. In FY2025, Taliworks began a disclosing of waste-related emissions across every business division, which contributed an additional 11,881 tCO_2e.

Scope 3 Emissions (tCO_2e)	FY2024	FY2025
Business Travel	**80**	**115**
Employee Commute	**2,415***	**2,243**
Corporate Office	89	**92**
Water Treatment and Supply	43	**183**
Highway Toll Concessionaire, Operations and Maintenance Operator	302	**403**
Engineering and Construction	98	**91**
Waste Management	1,878	**1,467**
Renewable Energy	5	**7**
Waste Generated in Operations	**-**	**11,881**
Corporate Office	-	**3**
Water Treatment and Supply	-	**11,856**
Highway Toll Concessionaire, Operations and Maintenance Operator	-	**20**
Engineering and Construction	-	**0.65**
Waste Management	-	**1.64**
Renewable Energy	-	**0.01**
Total	**2,495***	**14,239**

Notes:
- **Employee commute data for FY2024 has been restated following a recalculation to ensure a more accurate representation of commuting patterns.*
- *The Group began tracking the emissions from waste generated in operations starting from year 2025.*

Total Emissions

The total GHG emissions for the Group in FY2025 reached 220,869 tCO_2e, marking a 5.2% increase compared to the 209,889 tCO_2e reported in FY2024. This increase is mainly attributed to the additional Scope 3 category (waste generated in operations) that was disclosed in FY2025.



Emissions (tCO_2e)	FY2023	FY2024	FY2025
Scope 1	91,409*	92,257*	**93,679**
Scope 2	87,378*	115,137	**112,951**
Scope 3	NA	2,495*	**14,239**
Total Scope 1 and 2	**178,787***	**207,394***	**206,630**
Total Scope 1, 2 and 3	**178,787***	**209,889***	**220,869**

* *Performance figures have been restated to reflect accurate data. Please refer to page 108 for the restatement of Scope 1 emissions, page 109 for the restatement of Scope 2 emissions, and page 112 for the restatement of Scope 3 emissions.*

SUSTAINABILITY STATEMENT

CLIMATE CHANGE

We recognise that climate change presents climate-related risks and opportunities ("CRROs") that could have a profound impact on our business operations, asset resilience and long-term performance. Our approach to climate-related disclosures is guided by the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") and based on the principles of the Sustainability Disclosure Standard S2: Climate-related Disclosures ("IFRS S2"), as required under Malaysia's National Sustainability Reporting Framework ("NSRF").

Decarbonisation Roadmap

The following Decarbonisation Roadmap developed in 2017 sets out the Group's commitment and overall strategy to ensure climate responsibility.

2017 — **2022**

Driving Sustainable Infrastructure for a Greener Future

Taliworks is committed to reducing its carbon footprint and aligning with Malaysia's National Energy Transition Roadmap ("NETR") and global climate goals. Our journey towards Net Zero is structured in three phases, each focusing on deepening our sustainability impact, integrating low-carbon innovations, and advancing responsible environmental stewardship.

Phase 1:

Foundation for Sustainability (2017-2022)

The first phase laid the groundwork for our decarbonisation strategy by embedding ESG principles into our operations. Key milestones included:

- Adoption of a sustainability framework to guide long-term strategy
- Investments in renewable energy, with the acquisition of solar assets
- Implementation of energy efficiency initiatives across key infrastructure
- Strengthening waste management practices through strategic partnerships
- Enhancing governance and risk management structures to ensure compliance with evolving sustainability regulations

These foundational efforts provided a strong ESG baseline, enabling us to measure impact and refine our sustainability objectives for the next phase.

2030

2050

Phase 2:

Scaling Decarbonisation and Circular Economy (2023-2030)

As we accelerate our decarbonisation efforts, this phase prioritises reducing Scope 1 and Scope 2 emissions while expanding our focus on Scope 3 emissions across our value chain. Our strategy includes:

- *Enhancing GHG Monitoring & Reduction* – Expanding emissions tracking and reducing carbon intensity in our core businesses.
- *Renewable Energy Expansion* – Increasing investment in solar capacity and exploring potential integration of energy storage solutions.
- *Circular Economy Practices* – Strengthening waste-to-resource initiatives, improving recycling rates, and adopting sustainable procurement strategies.
- *Water & Resource Efficiency* – Enhancing treatment plant efficiency and promoting water conservation measures to reduce environmental impact.
- *Digital Transformation for Sustainability* – Leveraging data-driven monitoring systems to optimise energy use and operational sustainability.

By 2030, we aim to streamline our emissions reduction strategies, consolidating short- and medium-term pathways, in line with Malaysia's climate commitments and our internal sustainability targets.

Phase 3:

Achieving Net Zero and Beyond (2030-2050)

This final phase is dedicated to driving full decarbonisation across all business operations while adopting cutting-edge technologies and industry best practices. Key focus areas will include:

- *Low Carbon Infrastructure* – Transitioning to lower reliance on conventional energy and integrating renewable energy into the Group's energy consumption mix along with low-carbon technologies.
- *Advanced Waste & Water Management* – Implementing innovative treatment solutions to minimise environmental footprint.
- *Net Zero Transport & Logistics* – Exploring low-carbon mobility solutions and sustainable supply chain management.
- *Biodiversity & Climate Adaptation* – Engaging in ecosystem restoration projects and nature-based climate solutions.

As we head towards 2050, Taliworks aims to be at the forefront of sustainable infrastructure, achieving Net Zero emissions while delivering long-term value to stakeholders and supporting national and global sustainability goals.

SUSTAINABILITY STATEMENT

01

GOVERNANCE

The Board is responsible for identifying and overseeing both current and emerging principal risks, including those arising from natural disasters and climate change. In fulfilling this role, the Board provides overall oversight of our sustainability strategy and ensures that climate-related considerations are integrated into business planning, risk management and decision-making processes.

The Board has delegated oversight of the Group's risk management function and internal control systems to the ARMC. The ARMC supports the Board by reviewing the adequacy and effectiveness of risk management frameworks, including those addressing climate-related and environmental risks, and by monitoring how such risks are identified, assessed and managed across the Group.

To support the implementation of sustainability-related initiatives, the SSC provides guidance on measures to mitigate climate-related risks and to identify potential opportunities arising from climate and sustainability considerations. The SSC works across functions to promote alignment between strategic objectives, risk management priorities and operational practices.

Day-to-day operational responsibility rests with the EXCO, which oversees the execution of sustainability-related actions and ensures that relevant objectives and commitments are implemented across the Group's operations. At the operational level, designated risk owners are responsible for identifying and evaluating risks, including climate-related risks, within their respective areas.

02

STRATEGY

In support of Malaysia's National Energy Transition Roadmap ("NETR") and to strengthen long-term business resilience, we have adopted a structured approach to progressively enhance our climate-related initiatives in line with operational realities, regulatory developments and technological readiness.

During the year, we have identified and assessed key climate-related risks to ensure business resilience. These include physical risks such as extreme weather-related risks, rising surface temperatures or heatwaves, and droughts or water scarcity. We also assessed transition risks, specifically environmental and energy policy shifts, compliance and legal risks, and market and reputation risks associated with the transition to a low-carbon business model. In that process, several potential strategic opportunities were identified to enhance operational resilience and support long-term sustainability objectives.

Moving forward, the Group will review the outcomes of the climate risk assessment to identify the most material climate-related risks and opportunities to the business, as well as their anticipated financial impacts. This will inform the prioritisation of appropriate mitigation and adaptation measures, including targeted decarbonisation initiatives where relevant. Key priorities include strengthening greenhouse gas emissions monitoring and data management capabilities to support informed decision-making and the phased implementation of climate mitigation and adaptation strategies.

03

RISK MANAGEMENT

We manage climate-related risks and opportunities through our ERM framework, ensuring that climate considerations are systematically identified, assessed, prioritised and monitored alongside other principal business risks. This integrated approach enables climate-related issues to be embedded within existing governance, risk assessment and decision-making processes across the Group.

The identification and assessment of climate-related risks and opportunities are supported by structured and dedicated exercises. In FY2025, we conducted a Climate-related Risk Assessment ("CRA") workshop to identify potential physical and transition risks, as well as related opportunities, arising from climate change. During this exercise, the same risk parameters from the Group's ERM framework were used to assess the identified risks to facilitate the seamless integration of findings into our overall risk management framework. The potential impacts of identified risks were assessed, and their expected time horizons were mapped to support short-, medium- and long-term planning.

A key component of this process is the application of climate scenario analysis with the two main climate scenarios.

Intergovernmental Panel on Climate Change ("IPCC") Representative Concentration Pathways ("RCPs") 2-4.5

Network for Greening the Financial System ("NGFS") Net Zero 2050 scenario

Insights derived from climate risk identification, assessment and scenario analysis will be integrated into the Group's overall risk management framework. Evaluated impacts, timeframes and scenario-based considerations inform strategic planning, the prioritisation of climate-related risks relative to other significant business risks, and the allocation of resources for mitigation and adaptation initiatives.

04

METRICS AND TARGETS

We monitor a set of climate-related metrics to assess our exposure to climate-related risks and opportunities, track operational performance and support informed decision-making across the Group. These metrics are selected to reflect the nature of our infrastructure operations and to strengthen our ability to manage emissions, resource efficiency and climate resilience over time.

Key Metrics

Greenhouse gas emissions

We measure our greenhouse gas ("GHG") emissions in tonnes of carbon dioxide equivalent (tCO_2e). Emissions data is tracked across relevant operations to establish baselines, monitor trends and support the implementation of mitigation measures in line with our decarbonisation strategy.

Please refer to Scope 1, Scope 2 and Scope 3 Emissions on pages 107 to 113.

Energy consumption

Total energy consumption across our divisions is monitored and recorded in Gigajoules (GJ) or Megawatts (MW), depending on operational context. This metric supports the identification of energy efficiency opportunities and informs the deployment of renewable energy and energy optimisation initiatives.

Please refer to Energy Consumption on pages 102 to 107.

SUSTAINABILITY STATEMENT

WATER AND EFFLUENTS MANAGEMENT

Water is the lifeblood of both environmental health and economic prosperity. Effective water and effluent management is essential to prevent the contamination of natural water bodies, safeguard public health from waterborne diseases, and ensure the resilience of ecosystems. In a world increasingly facing water scarcity and climate-driven variability, the ability to treat, recycle, and discharge water responsibly is no longer just a regulatory requirement, it is a global imperative for sustainability.

For Taliworks, water stewardship is the very core of our identity. As a primary provider of treated water, our operations directly impact the well-being of millions. Responsible management of water and effluents is fundamental to our operational resilience, allowing us to maintain the highest quality standards, fulfill our fiduciary duties to the environment, and ensure the long-term viability of the communities we serve.

Water Treatment and Supply

Our Water Treatment and Supply Division is at the forefront of sustainable resource management, utilising advanced technology to maximise water circularity and minimise operational waste. By implementing strategic pump scheduling and reverse pumping at the Flood Retention Pond ("FRP"), we have enhanced our water circularity. Through modifications to weir flows and improved discharge controls, we achieved a substantial 63% year-on-year reduction in effluent volume. We have transitioned from alum to Polyaluminium Chloride ("PAC") to reduce sludge production and maintain 'Standard B' ratings as per the DOE's requirements.

Effluent and Leachate Discharged	FY2023	FY2024	FY2025
Water Treatment Residual Generated (tonnes)	33,221	29,243	**22,560**
Yearly Averaged Raw Water Turbidity (NTU)	100	87	**69**
Treated Effluent Discharged to Stream (megalitres)	4,553	4,507	**1,671**
Total Waste and Residue Reused (megalitres)	84	2,073	**8,132**

Highway Toll Concessionaire, Operations and Maintenance Operator

For our highway operations, water management focuses on the maintenance of STPs and road-network drainage. We conduct monthly cleanings and effluent quality checks at key locations, including Plaza Batu 9, Plaza Batu 11, and Rest and Service Areas ("RSAs"). Annual effluent analyses are conducted and reported to the Malaysian Highway Authority ("MHA"), adhering strictly to the DOE's guidelines, ensuring all discharges meet strict regulatory benchmarks for environmental safety.

Engineering and Construction

In construction and engineering operations, responsible water management remains a key sustainability priority. Water usage arising from intensive activities such as pipe jacking tests at site was carefully monitored and managed through structured control measures. Where feasible, water was reused on-site to minimise freshwater consumption. Temporary drainage systems and sediment control measures, including the installation of silt traps, silt fences and check dams, were implemented to manage stormwater runoff and prevent sediment discharge into surrounding water bodies. These controls were regularly inspected and maintained to ensure their effectiveness throughout the construction phase.

Waste Management

We implement rainwater harvesting and recycling systems to reduce our reliance on freshwater for operational needs.

Water-stressed Sites

Recognising that water scarcity is a growing global challenge, we proactively assessed seven of our primary operations for geographic water stress. Using the World Resources Institute ("WRI") Aqueduct Water Risk Atlas, our findings indicate that all seven major operational sites assessed fall within the "Low" water stress region category. This validation underscores that currently, none (0%) of Taliworks' operations are located in water-stressed areas, and 0% of our water withdrawal is attributed to water-stressed regions. We continue to monitor these baseline indicators to ensure our water stewardship strategy remains aligned with evolving environmental conditions.

Notes:

- *The operations assessed include Grand Saga Sdn. Bhd., Grand Sepadu (NK) Sdn. Bhd., TR CPark Sdn. Bhd., TR SaTerm Sdn. Bhd., TR Sepang Sdn. Bhd., Sungai Harmoni Sdn. Bhd., SWM Environment Sdn. Bhd.*

For further details on the WRI Aqueduct Water Risk Atlas, please refer to WRI's website at https://www.wri.org/aqueduct.

SUSTAINABILITY STATEMENT

Water Performance

The Group's total water withdrawal for FY2025 reached 151.0 megalitres, representing a 20% increase over the 125.8 megalitres recorded in FY2024. This growth was primarily driven by the Waste Management Division, which remains the Group's highest consumer at 115.2 megalitres, a 19% rise from FY2024's 96.9 megalitres. The division's substantial water footprint is driven by its involvement in large-scale public cleansing. Similarly, the Highway Toll Division recorded a withdrawal of 31.8 megalitres, a 28% increase from the 24.8 megalitres in FY2024. This division's high consumption level is inherent to its operation of RSAs, which function as 24-hour high-traffic hubs requiring a consistent water supply for public sanitation facilities and restrooms. To further enhance our water performance disclosures, the Group began tracking water intensity in FY2025, recording an intensity of 0.10 megalitres/RM million calculated on the basis of aggregation of 100% revenue generated by the business divisions of RM1,516.64 million, which excluded government compensation from the Highway and Toll Division. This metric will be used to benchmark operational efficiency and monitor the effectiveness of water-saving initiatives across our diverse business divisions in future reporting cycles.

* *Revenue figures used in water intensity calculations represent revenue before taxation.*

Water Performance Data (megalitres)	FY2023	FY2024	FY2025
Total Water Withdrawal	**117.0**	**125.8**	**151.0**
Corporate Office	0.7	0.8	**0.8**
Water Treatment and Supply	0.7	0.7	**0.4**
Highway Toll Concessionaire, Operations and Maintenance Operator	23.5	24.8	**31.8**
Engineering and Construction	0.3	1.8	**2.1**
Waste Management	91.2	96.9	**115.2**
Renewable Energy	0.6	0.8	**0.7**
Total Water Use/ Consumption*	**117.0**	**125.8**	**151.0**
Corporate Office	0.7	0.8	**0.8**
Water Treatment and Supply	0.7	0.7	**0.4**
Highway Toll Concessionaire, Operations and Maintenance Operator	23.5	24.8	**31.8**
Engineering and Construction	0.3	1.8	**2.1**
Waste Management	91.2	96.9	**115.2**
Renewable Energy	0.6	0.8	**0.7**
Number of Incidents of Non-Compliance Resulting in Fines or Censure Related to Water Quality/ Quantity Permits, Standards and Regulations	**0**	**0**	**0**

* *All water is assumed to be fully utilised from water withdrawn across the corporate office and five business divisions.*

RESOURCE AND WASTE MANAGEMENT

In a world of finite resources, responsible waste management is a fundamental requirement for environmental preservation and public health. Beyond the basic removal of debris, effective waste management facilitates a circular economy, where materials are kept in use for as long as possible, reducing the pressure on landfills and the need for raw material extraction.

For Taliworks, waste management is not just a secondary operational task, it is a core business function and a vital component of our identity as an infrastructure leader. As a Group with a dedicated Waste Management Division and large-scale engineering projects, our waste footprint is diverse. Managing this footprint effectively is essential to operational resilience and regulatory compliance. By systematically tracking our inputs and outputs, we identify efficiencies that lower costs and minimise our environmental impact, ensuring that our growth is both sustainable and socially responsible.

Water Treatment and Supply

In this division, our management of waste and effluents is centred on the preservation of water quality. We utilise advanced treatment technologies and water recycling practices that exceed standard environmental regulations, setting a benchmark for the industry.

We maintain tracking of both domestic and operational waste. This data-driven approach allows us to strategically implement targeted reduction measures, ensuring that our water conservation efforts are matched by a minimal environmental footprint.

Highway Toll Concessionaire, Operations and Maintenance Operator

Effective waste management along our road networks is crucial for maintaining the ecological balance of the surrounding landscapes. We focus on neutralising roadside pollution and managing runoff to protect nearby communities. We also conduct frequent maintenance to prevent pollutants from degrading the environment.

SUSTAINABILITY STATEMENT

Engineering and Construction

We address construction waste through high-level strategic controls and the integration of eco-friendly materials. Our goal is to significantly reduce the debris generated during a project's lifecycle.

- Since 2018, we have aimed to maintain construction waste from major materials below 5%. We achieve this by refining technical layouts, such as optimising steel bar configurations, to reduce scrap without compromising structural integrity.
- To prevent effluent and surface runoff, we utilise silt fences and slope coverings, whereas siltation in natural waterways is mitigated by temporary sediment traps or water basins.
- Having initiated comprehensive waste tracking since FY2023, projects like RSP3 have already demonstrated success in maintaining low landfill dependency through the active reuse of materials.

Waste Management

Operating across Johor, Melaka, and Negeri Sembilan, this division is crucial in maintaining environmental and public health standards through responsible waste collection, treatment and disposal. All waste is managed efficiently and sustainably whilst aligning with the local regulations and community needs.

We have expanded our reporting scope from domestic-only to include both operational and domestic waste, allowing for a total assessment of our environmental impact.

Moving beyond mere regulatory compliance, the Waste Management Division champions resource recovery through large-scale initiatives designed to curtail landfill dependency and optimise material lifecycles. The division continued to implement the KITARecycle programme that utilises a mobile application to promote community recycling. For FY2025, the programme has greatly expanded its reach, engaging of 39,579 registered participants.

This digital effort is reinforced by the 3R Troopers and the SAS+1 initiative, which together promote "Reduce, Reuse, Recycle" principles and improved source segregation through educational outreach and expanded collection frameworks. Building on the momentum of previous years, including the diversion of over 6.2 million kilograms of recyclables in FY2024, our FY2025 activities continue to drive Taliworks' contribution toward a circular economy and Malaysia's national sustainability aspirations.

State	Initiative	FY2023	FY2024	FY2025
Johor	KITARecycle	764,128	983,275	**1,253,080**
	SAS+1	2,087,812	2,801,556	**2,322,447**
	Total	2,851,940	3,784,831	**3,575,527**
Melaka	KITARecycle	211,496	216,724	**234,143**
	SAS+1	517,128	828,075	**558,148**
	Total	728,624	1,044,799	**792,291**
Negeri Sembilan	KITARecycle	458,775	718,834	**876,711**
	SAS+1	413,461	679,134	**367,814**
	Total	872,236	1,397,968	**1,244,525**
Total		**4,452,800**	**6,227,597**	**5,612,343**

Renewable Energy

Our approach in the renewables space is to ensure that "clean energy" is supported by "clean operations." We focus on maximising resource efficiency and minimising the by-products of energy production.

Our waste management strategy is centred on effective on-site segregation and the optimisation of resource lifecycles. By streamlining the recovery of materials like metal, plastic, and e-waste, we maintain a flexible and responsive approach to waste management that adapts to the unique requirements and periodic maintenance cycles of the Renewable Energy Division.

Waste Generated

The Group achieved a significant 25% reduction in total waste generation for FY2025, with figures dropping to 22,765 tonnes from the 30,173 tonnes recorded in FY2024. This downward trend is primarily attributed to the implementation of strategic waste reduction measures and optimised operational processes. The main contribution of waste generated stems from the Water Treatment and Supply Division's sludge production (categorised as SW204 under hazardous waste). The amount of sludge production was reduced because of the backpumping process (a process where treated effluent is recirculated within the treatment system to optimise sludge handling and reduce sludge production). In FY2025, the division implemented this process more consistently which resulted in lower sludge generation and, consequently, a significant reduction in waste.

Furthermore, of the total waste generated in FY2025, the Group successfully diverted 4 tonnes (0.02%) from landfills, reflecting an ongoing commitment to circular economy principles and enhanced resource recovery.

The waste diverted from landfill dropped from 890 tonnes in FY2024 to 4 tonnes in FY2025, a 99% decrease due to the completion of a major one-off solar panel recycling project by the Renewable Energy Division in FY2024. The FY2025 figure represents a return to a standard maintenance phase, where day-to-day operational waste is kept to a minimum through efficient material management.

Waste Performance Data (tonnes)	FY2023	FY2024	FY2025
Total Waste Generated	32,116	30,173	**22,765**
Total Waste Diverted from Landfill	6	890	**4**
Total Waste Directed to Landfill	32,110	29,283	**22,761**

BIODIVERSITY

Biodiversity is the foundation of the ecosystem services that support human life and economic activity, from water purification to climate regulation. Protecting local flora and fauna is essential to maintaining ecological balance and preventing habitat fragmentation. For Taliworks, biodiversity conservation is a critical responsibility, our projects often interface with natural landscapes, and our dedication to preserving these environments ensures that our development activities do not come at the cost of the local ecosystem's health and resilience.

SUSTAINABILITY STATEMENT

Caring for Our Surrounding Environment

Water Treatment and Supply

In FY2024, through strategic partnerships of our Water Treatment and Supply Division with Majlis Perbandaran Kuala Selangor, Persatuan Pendayung, and UNISEL, we are championing firefly conservation in Kg. Kuantan.

Mangrove Repopulation

Under our Tree Planting 2.0 Programme, we have planted 100 Pokok Berembang *(Sonneratia caseolaris)* trees. As the primary habitat for fireflies, these mangroves act as a vital sanctuary while simultaneously improving water quality, preventing coastal erosion, and sequestering carbon.

River Restoration

We have released yellow catfish and freshwater prawn seedlings into local rivers. This initiative restores aquatic populations, boosts local fisheries, and improves the overall ecosystem balance, complemented by regular river cleaning activities.

Revisiting of the Tree Planting 2.0 Programme

In 2025, the Water Treatment and Supply division conducted follow-up visits to the Kampung Kuantan Firefly Park to monitor the progress of the Tree Planting 2.0 Programme, which was originally initiated in 2024. The visits served as a site audit to assess environmental conditions and evaluate the long-term viability of the restoration efforts.

To ensure the sustainability of the ecosystem, the division has implemented maintenance and monitoring processes that involve:

1. **Site Inspections**: The team conducted scheduled physical audits twice, in March and July 2025 to monitor plant health and site conditions.
2. **Collaborative Upkeep**: Maintenance is carried out in partnership with Persatuan Pendayung. This quarterly upkeep includes grass cutting and the removal of invasive species or wild plants that could otherwise stifle the growth of the trees.
3. **Survival Audits and Replanting**: During each site visit, a precise count of the surviving trees is conducted. To ensure the project's objectives are met, any withered or diseased trees are replaced with fresh saplings.

Through these consistent efforts, the programme successfully maintains a total of 100 thriving trees at the sanctuary.

Engineering and Construction

Within our Engineering and Construction Division, we adopt a proactive stance toward environmental protection. Our operations are governed by an Environmental Management Plan ("EMP"), which involves the continuous monitoring of noise levels, air quality, and stormwater runoff. These efforts, spearheaded by a dedicated Environmental Officer, ensure that our project sites remain in strict compliance with regulatory standards and industry best practices.

For the RSP2 and RSP3 projects, Taliworks engaged independent environmental consultants to conduct comprehensive audits and performance reports, ensuring an objective assessment of our impact. Under the RSP3 project, we commissioned a professional arborist to evaluate and manage vegetation at Taman Rakyat, Bukit Lipat, Kajang. These initiatives underscore our dedication to responsible construction and reflect the Group's broader ambition to integrate sustainable practices into every stage of the project lifecycle.

STEP 1	STEP 2	STEP 3	STEP 4
Pre-construction	**Construction**	**Completion**	**Handover**
Establishment of baselines, assessment of areas of potential impact and determination of placement of controls are facilitated by conducting site surveys	The EMP ensures site supervision, control management and monitoring of parameters	Debris and construction material waste removal through thorough cleaning of site. Additionally, a report of environmental considerations and results of the parameters monitored is provided through the Project Closure Audit	Final environmental audit of completed works to ensure compliance with environmental standards stipulated in statute or contract

SUSTAINABILITY STATEMENT

Noise Management

While noise management is often viewed through the lens of community relations, it plays an equally vital role in biodiversity preservation. Excessive noise and vibration from anthropogenic activities can disrupt the communication, mating signals, and hunting patterns of local fauna.

Highway Toll Concessionaire, Operations and Maintenance Operator

For our Highway and Toll Division, noise management is addressed through both structural barriers and proactive road maintenance. Along the Grand Saga Highway, we have installed 900-metre concrete noise barriers to shield surrounding residential areas from traffic-related sound.

In addition to physical barriers, the Group invests heavily in pavement rehabilitation to address noise at the source. In FY2025, we allocated over RM4.8 million for Grand Saga and over RM4 million for Grand Sepadu toward resurfacing initiatives. These efforts include advanced pavement scanning where we identify affected areas, mill them to the appropriate depth and resurface with hot mix asphalt, enhancing driving comfort and community well-being.

As a result of these continuous investments, Taliworks has maintained a track record of zero noise complaints across our highway operations for several consecutive years, including the current reporting period.

Engineering and Construction

For Taliworks' Engineering and Construction Division, our acoustic monitoring at construction sites, utilising 24-hour readings at 15-minute intervals, serves a dual purpose, safeguarding the well-being of neighbouring residents and minimising the ecological stress on the surrounding habitat. By maintaining noise levels within strict statutory limits, we reduce the risk of habitat displacement for sensitive species, ensuring that our project sites at RSP2 and RSP3 remain hospitable to local wildlife and that our construction footprint does not disturb the natural equilibrium of the local ecosystem.

The division is proud to report that there were no noise complaints recorded from the construction activities in FY2025, thus reinforcing our dedication to sustainable, community-conscious construction.

VALUED HUMAN CAPITAL

Our Commitments and Goals

Advance Employee Development

Develop employees' professional growth through structured performance reviews, robust development plans and continuous training programmes.

Enhance Employee Satisfaction

Engage employees positively and achieve an employee satisfaction score of 80% and above across all business divisions.

Prioritise Safety and Health

Implement strong safety and health management plans, striving for zero fatalities and maintaining a safe working environment.

Promote Equal Opportunities

Ensure equal opportunity employment practices by supporting programmes that advance diversity and inclusion, including developing high-potential women into decision-making roles.

DIVERSITY, EQUALITY AND INCLUSION

We are committed to maintaining a workplace where all employees are treated fairly and have equal opportunities to contribute and progress. We operate on a merit-based system, where employment decisions are guided by capability and performance, and we strive to remove barriers that may limit employees from realising their full potential. We support a diverse workforce and enable meaningful participation across all levels of the organisation.

We ensure that employees are fairly compensated and rewarded based on their performance and responsibilities, and we value our workforce regardless of gender, race, religion, age, disabilities, nationality, physical condition, marital status, union membership, employment status or political affiliation. We also support local employment by offering job opportunities within the communities where we operate, contributing to inclusive economic participation.

Fair Labour Practices and Human Rights

We uphold fair labour practices and respect for human rights across our operations. Our approach is guided by compliance with applicable labour laws and the principles of fairness, non-discrimination and equal opportunity, which underpin how we engage, manage and support our workforce.

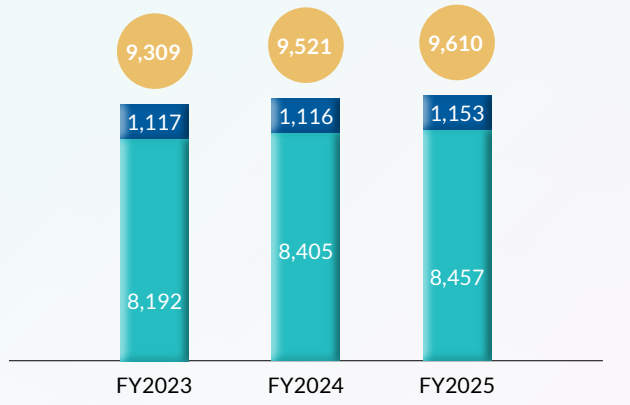
We maintain channels for employee engagement and feedback, supported by transparent grievance mechanisms that allow concerns to be raised anonymously and addressed appropriately. Through these practices, we aim to foster a respectful and supportive working environment that promotes employee well-being, accountability and continuous improvement.

Human Rights	FY2023	FY2024	FY2025
Number of substantiated complaints concerning human rights violations	0	0	**0**

SUSTAINABILITY STATEMENT

Workforce Diversity

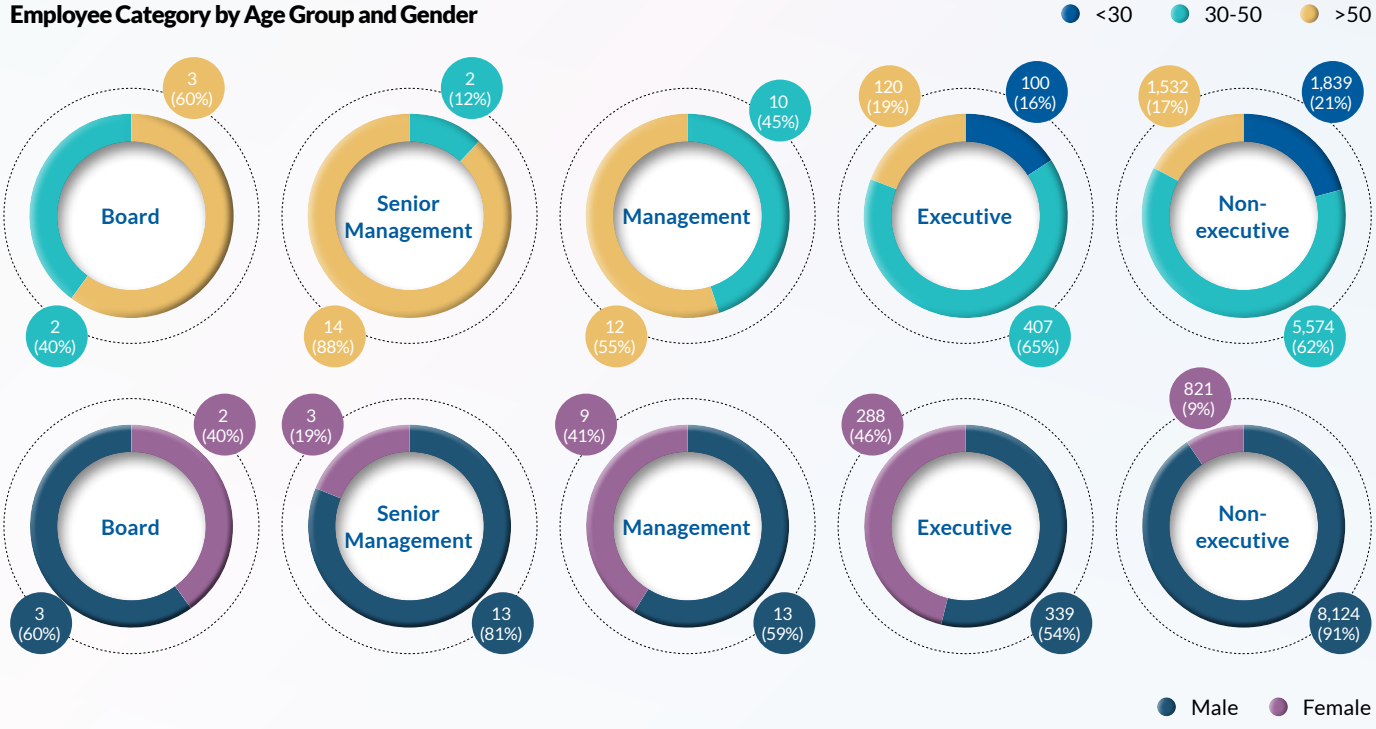
Total Number of Employees



Employee Turnover by Category

0	2	36	579
Senior Management	Management	Executive	Non-Executive

Employee Category by Age Group and Gender



Our Employees by Division

63	134	262	49	9,090	12
Corporate Office	Water Treatment and Supply	Highway Toll Concessionaire, Operations and Maintenance Operator	Engineering and Construction	Waste Management	Renewable Energy

Workforce Diversity Data	FY2023	FY2024	FY2025
Employee breakdown by division			
Corporate Office	61 (0.7%)	58 (0.6%)	**63 (0.7%)**
Water Treatment and Supply	132 (1.4%)	133 (1.4%)	**134 (1.4%)**
Highway Toll Concessionaire, Operations and Maintenance Operator	265 (2.8%)	268 (2.8%)	**262 (2.7%)**
Engineering and Construction	42 (0.5%)	45 (0.5%)	**49 (0.5%)**
Waste Management	8,800 (94.5%)	9,006 (94.6%)	**9,090 (94.6%)**
Renewable Energy	9 (0.1%)	11 (0.1%)	**12 (0.1%)**
Total	**9,309**	**9,521**	**9,610**
Gender			
Male	8,192 (88%)	8,405 (88%)	**8,457 (88%)**
Female	1,117 (12%)	1,116 (12%)	**1,153 (12%)**
Employee category by gender			
Senior management			
Male	31 (77%)	10 (83%)	**13 (81%)**
Female	9 (23%)	2 (17%)	**3 (19%)**
Management			
Male	*-	12 (55%)	**13 (59%)**
Female	*-	10 (45%)	**9 (41%)**
Executive			
Male	322 (56%)	335 (56%)	**339 (54%)**
Female	253 (44%)	263 (44%)	**288 (46%)**
Non-executive			
Male	7,825 (90%)	8,045 (91%)	**8,124 (91%)**
Female	869 (10%)	844 (9%)	**821 (9%)**
Employee category by age group			
Senior management			
<30	0 (0%)	0 (0%)	**0 (0%)**
30-50	14 (35%)	2 (17%)	**2 (12%)**
>50	26 (65%)	10 (83%)	**14 (88%)**
Management			
<30	*-	0 (0%)	**0 (0%)**
30-50	*-	9 (40%)	**10 (45%)**
>50	*-	13 (60%)	**12 (55%)**
Executive			
<30	103 (18%)	110 (16%)	**100 (16%)**
30-50	374 (65%)	392 (66%)	**407 (65%)**
>50	98 (17%)	96 (18%)	**120 (19%)**
Non-executive			
<30	1,913 (22%)	1,946 (22%)	**1,839 (21%)**
30-50	5,129 (59%)	5,334 (60%)	**5,574 (62%)**
>50	1,652 (19%)	1,609 (18%)	**1,532 (17%)**

SUSTAINABILITY STATEMENT

Workforce Diversity Data	FY2023	FY2024	FY2025
Employee breakdown by permanent/temporary employment status			
Permanent	7,540 (81%)	9,331 (98%)	**9,478 (99.99%)**
Temporary	1,769 (19%)	190 (2%)	**132 (0.01%)**
Employee turnover by employee category			
Senior management	0	1	**0**
Management	*-	0	**2**
Executive	62	20	**36**
Non-executive	1,361	119	**579**
Total	**1,423**	**140**	**617**

* *The Senior Management data recorded in FY2023 encompasses Senior Management and Management.*

Board Diversity

We recognise that effective Board leadership is strengthened by diversity of thought, experience and perspective. Following the progress reported in the previous year, we continue to embed diversity considerations into our Board composition and renewal processes. Our approach is guided by the Board Diversity Policy, which informs how Directors are identified, appointed and evaluated over time.

Further details on our Board Diversity Policy and governance framework are set out in the Corporate Governance Overview Statement of this Annual Report.

Women Empowerment

We recognise the importance of empowering women across the organisation and supporting their participation and advancement at all levels. To foster an enabling environment, we provide targeted programmes aimed at leadership development, mentorship and career progression, ensuring that women have access to the opportunities, guidance and resources needed to excel in their roles.

In FY2025, we conducted the following women empowerment programmes:

1. Communication and Interpersonal Dynamics in the Workplace and Stress
2. Nutrition in the Workplace and in Life: Eating Your Way to Emotional Wellness.

Our approach focuses on strengthening capabilities, building confidence and supporting long-term career growth through structured development initiatives and exposure to leadership pathways.

Workforce Engagement

Workforce engagement at Taliworks is centred on fostering open communication, mutual trust and a supportive working environment that values employee well-being, development and contribution. Through structured engagement mechanisms and employee-focused initiatives, we seek to understand employee needs, enhance workplace experience and strengthen organisational alignment, enabling our people to perform effectively and grow alongside the Group.

Employee Engagement Survey

To better understand organisational climate and employee sentiment, we conduct an Employee Engagement Survey every two years. The survey is designed to capture insights across diverse aspects of workplace satisfaction, engagement and overall employee experience.

The findings from the survey will support our efforts to identify strengths and areas for improvement across the organisation. Insights gathered will be considered in management discussions and will inform ongoing initiatives aimed at enhancing employee engagement, well-being and workplace practices, in alignment with our commitment to continuous improvement and a supportive work environment.

Employee Benefits

We provide employee benefits in accordance with the Employment Handbook, which outlines the entitlements and support available to our workforce. Our employee benefits framework is designed to promote well-being and work–life balance, including measures that support flexible work arrangements in compliance with Employment Act 1955, where employees shall not be required to work more than 45 hours per week, to help mitigate excessive working hours where operationally feasible.

Our Flexi Employee Wellness Benefits are structured to support the diverse needs of our employees and encourage the adoption of healthy lifestyles. In addition, coverage under our Group Insurance Scheme provides protection for employees and their families, supporting financial security and peace of mind.

Recognising the importance of balancing professional responsibilities with personal and family commitments, we offer a range of leave benefits, including:

- Casual Leave, Pilgrimage (Haj) Leave
- Exam or Study Leave
- Birthday Leave

These provisions enable employees to attend to personal development, religious obligations and significant life events. It builds a supportive and flexible work environment that values holistic employee well-being.

Employee Training and Development

Training and Development	FY2023	FY2024	FY2025
Employee training and development expenditure (RM)	1,643,191	1,902,864	**1,447,045**
Employee attendances at training programmes	11,898	12,490	**10,940**
Total number of training hours completed	45,574	64,732	**56,936**
Total hours of training by employee category			
Senior Management	1,152	1,377	**2,076**
Management	*-	3,278	**3,901**
Executive	12,919	21,142	**10,839**
Non-Executive	31,503	38,936	**40,120**

* *The Senior Management data recorded in FY2023 encompasses Senior Management and Management.*

SUSTAINABILITY STATEMENT

Employee Performance Review

We view performance reviews as an ongoing dialogue that supports both individual growth and organisational effectiveness. Through regular performance and career development conversations, we provide employees with meaningful feedback that helps them understand their strengths, identify areas for development and explore pathways for advancement. During the year, performance reviews were conducted for 100% of employees at the Group level.

Across all divisions, these conversations are guided by structured appraisal frameworks that promote clarity in expectations and alignment on goals. By encouraging open discussion and shared accountability, we aim to foster a culture of continuous learning, performance improvement and long-term career development.

Percentage of Employees Receiving Performance Review (%)

Water Treatment and Supply	Highway Toll Concessionaire, Operations and Maintenance Operator	Engineering and Construction	Waste Management	Renewable Energy	Corporate Office
100	100	100	100	100	100

Note: The performance review data only applies to all available permanent employees and does not include staff under probation and contract employees.

HEALTH AND SAFETY

We place the health and safety of our employees, contractors and stakeholders as a fundamental priority across all divisions. Our safety protocols are aligned with applicable requirements and guidelines issued by relevant authorities, including the Department of Occupational Safety and Health ("DOSH"), the Ministry of Home Affairs ("MHA") and the Suruhanjaya Perkhidmatan Air Negara ("SPAN").

We adopt a systematic approach to health and safety management through continuous monitoring, regular training programmes and emergency preparedness initiatives tailored to operational risks across our business divisions. Key health and safety programmes include:

1. Basic Occupational First Aid, CPR & AED
2. Emergency Response Team ("ERT")
3. OSH in the Office
4. AESP for Confined Space
5. AESP for Confined Space Refresher
6. NIOSH Safety Passport for Air Selangor (Construction)
7. Working at Height

We maintain a zero-tolerance stance towards non-compliance and continuously review and enhance our safety frameworks to mitigate risks, strengthen incident prevention and ensure a safe working environment.

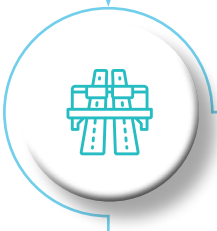
Number of Employees Trained on Health and Safety Standards	FY2024	FY2025
Corporate Office	0	**107**
Water Treatment and Supply	109	**892**
Highway Toll Concessionaire, Operations and Maintenance Operator	177	**54**
Engineering and Construction	30	**16**
Waste Management	5,494	**3,322**
Renewable Energy	2	**0**
Total	**5,812**	**4,391**

Note: The reported number of employees trained reflects the total number of training completions across various health and safety modules. As employees may participate in multiple specialised programmes, individuals may be counted more than once, and the total may therefore exceed the overall workforce headcount.

In support of this commitment, each division is accountable for embedding safety practices into its respective operations.

WATER TREATMENT AND SUPPLY:

Focuses on mitigating risks associated with water treatment by conducting annual assessments and maintaining robust safety measures.



HIGHWAY TOLL CONCESSIONAIRE, OPERATIONS AND MAINTENANCE OPERATOR:

Implements strict safety measures, including mandatory Expressway Operations Safety Passport ("EOSP") training for employees and contractors.

ENGINEERING AND CONSTRUCTION:

Adheres to high safety standards with regular safety audits, monthly Safety and Health Committee meetings, and independent DOSH inspections.

WASTE MANAGEMENT:

Operates under 31 Occupational Safety, Health, and Environment ("OSHE") committees that oversee site inspections, contractor safety audits, and quarterly assessments.

RENEWABLE ENERGY:

Maintains rigorous safety protocols, with regular audits and refinements to ensure operational safety and effectiveness.

SUSTAINABILITY STATEMENT

NUMBER OF INJURIES
203

NUMBER OF LOST DAYS
1,056

LOST TIME INJURY RATE (LTIR)
1.60

The core of our operations is our people, represented by the 25.4 million man-hours logged across the Group in 2025. During this period, we recorded 203 injury cases, highlighting a current average of one incident every 125,063 hours. While this falls short of our FY2025 target of 400,000 hours, these results provide a critical baseline for our safety evolution. We plan to refine our safety protocols to reduce our incident count, ensuring we move closer to a safer operational environment.

Health and Safety Performance	FY2023	FY2024	FY2025
Cumulative man-hours without lost time injury (hours)	**20,537,306**	**22,251,727**	**25,387,860**
Corporate Office	NA	NA	**NA**
Water Treatment and Supply	419,615	1,964,422	**2,543,444**
Highway Toll Concessionaire, Operations and Maintenance Operator*	NA	NA	**NA**
Engineering and Construction	363,971	420,852	**805,080**
Waste Management	19,732,336	19,844,365	**22,017,600**
Renewable Energy	21,384	22,088	**21,736**
Number of work-related fatalities	**0**	**0**	**0**
Lost time injury rate ((number of injuries/number of hours worked) x 200,000)	**0.30**	**1.60**	**1.60**

* *Safety-related metrics for the Highway and Toll Division are managed in direct alignment with the Malaysian Highway Authority ("MHA"). Safety-related data such as the number of road accidents submitted to the MHA monthly. Moving forward, we plan to start tracking OSH metrics for the Highway and Toll Division for future reporting cycles, ensuring consistency across all business units.*

While the Waste Management Division's injury rate per 1,000 employees has seen a slight increase, the majority of these incidents remain tied to the unpredictable nature of working in public spaces. Challenges like uneven terrain and waste collection account for over half of our injuries, primarily through slips, trips, falls, and environmental factors. Moving forward, we plan to reinforce our internal safety culture by intensifying Staff Training and Rating System ("STARS") training and increasing site inspection through our SWM, Performance, Excellence, Enforcement monitoring, Disciplinary ("SPEED") and OSHE teams.

Waste Management	FY2023	FY2024	FY2025
Injury rate (case rate per 1,000 employees)	19.8	21.5	**22.2**

The Highway and Toll Division safety oversight is evidenced by the consistent growth in specialised training participation over the last three years. In 2025, 67 contractors complied with Expressway Operations Safety Passport ("EOSP") training and a significant increase in contractors registered for NIOSH training, reaching 38 contractors compared to 12 in FY2024. This upward trajectory in training completions ensures that our contractors remain technically equipped to meet the authority's accident-rate targets.

Highway Toll Concessionaire, Operations and Maintenance Operator	FY2023	FY2024	FY2025
Contractors complied with EOSP	44	61	**67**
Contractors registered for NIOSH training	27	12	**38**

ENRICHED COMMUNITIES

INVESTING IN COMMUNITIES WELL-BEING

Taliworks recognises our broader role as a corporate citizen within the communities in which we operate. We seek to empower communities through initiatives focused on education, health and environmental sustainability, reflecting our commitment to contributing positively to social well-being beyond our core operations. These efforts are undertaken through collaboration with non-governmental organisations, government bodies, educational institutions and local communities, ensuring that our community engagements remain purposeful and aligned with identified social needs.

Internally, we promote a culture of volunteerism among our employees, emphasising shared responsibility in creating meaningful and lasting social impact. Our community engagements are carried out with due consideration for inclusivity and relevance to our operational footprint, supporting initiatives that are practical, sustainable and responsive to local contexts.

Taliworks' Community Commitments

Support community wellness through our community projects

Empower communities through education initiatives

Encourage employees to volunteer in our community projects to uplift the well-being of the communities

Community Investment Data	FY2023	FY2024	FY2025
Amount Invested in the Community (RM)	496,279	738,095	**464,907**
Number of Beneficiaries	771,591	14,772*	**10,667**

* *Performance figures have been restated to reflect accurate data.*

SUSTAINABILITY STATEMENT

SERVING OUR COMMUNITIES

Recognising that our operations span multiple business divisions with distinct operational contexts, we adopt a decentralised approach to community engagement, allowing each division to design and implement initiatives that are relevant to the communities it serves. While guided by a common commitment to social well-being and responsible corporate citizenship, our community engagement efforts are tailored to reflect the nature, scale and geographic footprint of each division's operations.

Corporate Office

Chinese New Year CSR Visit

Volunteers shared the festive spirit with 57 beneficiaries from Charis Home for the Aged and Charis Home for Children through a succulent replanting activity. This initiative promoted environmental awareness and hands-on learning, supported by a monetary contribution of RM5,892.10 and 56 employee volunteering hours.

Sinar Iftar

The Corporate Office facilitated a festive Iftar gathering at Sofitel Damansara to spread cheer to 19 residents from Rumah Bakti Al Kausar Bangi. The event combined communal dining with gift-giving and a total contribution of RM1,407.99, involving 15 employee volunteering hours.

Raya Festive Visit

This community-focused initiative centred on sharing kindness by collaborating with a local home baker to provide treats for 16 underprivileged children from Rumah Bakti Al Kausar Bangi. The project successfully inspired 20 hours of volunteering from our employees and included a contribution of RM2,588.99.

Blood Donation Drive

In collaboration with Pusat Darah Negara, the Corporate Office organised a targeted campaign that successfully mobilised 117 donors to support the national blood supply. This initiative, supported by a contribution of RM500.00, directly aided critical medical treatments and emergency services.

Water Treatment and Supply

River Rangers: Chilling Edition

A community "Gotong-royong" event focused on cleaning river areas to promote river conservation. The project combined environmental stewardship with employee wellness activities like jungle trekking and river bathing.

Revisiting Tree Planting at Fireflies Sanctuary

Conducted a comprehensive site audit at the Kampung Kuantan Firefly Park. Replanting was carried out to replace trees with low survival rates, ensuring the long-term restoration of the firefly habitat.

Treatment Plant Tree Planting

A multi-site greening initiative covering the treatment plants. Strategic planting at intake points focused on species with high carbon sequestration rates to support CO_2 reduction goals.

School Tree Planting

Supplied and planted suitable tree species within school compounds at Sekolah Kebangsaan Bukit Badong, Batang Berjuntai, Selangor. This initiative enhanced school landscaping, promoted greenery, and fostered a healthier, more conducive learning environment for students.

SUSTAINABILITY STATEMENT

3R Video Awareness Competition

A month-long structured competition held in November 2025 focusing on the 3Rs (Reduce, Reuse, Recycle) to save water. The event involved UNISEL representatives and staff, concluding with an awareness exhibition and prize-giving.

PPDK Seri Cahaya Programme

A social inclusion initiative featuring a National Day (Hari Kemerdekaan) celebration and a bowling tournament. The event provided an opportunity for community engagement and physical activity for individuals with disabilities from Pusat Pemulihan Dalam Komuniti ("PPDK").

Bakul Harmoni Programme

A "Bakul Rahmah" food aid programme for the underprivileged in Bukit Bading, Ijok and Jaya Setia. Food aid is staged at local partner outlets, namely Dai Mart and Kedai Singer for distribution to recipients' home to support food security.

Highway Toll Concessionaire, Operations and Maintenance Operator

Festive Road Safety Campaigns

To promote driver safety and engagement during high-traffic periods, the Highway and Toll Division distributed 2,200 packs of mandarin oranges for Chinese New Year and 2,000 packs of dates for Hari Raya at Grand Saga and Grand Sepadu toll plazas. This initiative represented a total monetary contribution of RM40,226.48.

School Road Safety Campaigns

Organised in collaboration with Jabatan Pengangkutan Jalan ("JPJ") Selangor, these campaigns aim to instil road safety awareness in the younger generation. With a total investment of RM11,014.20, the programme successfully reached 480 students across five schools.

Ramadan and Hari Raya Programmes

The Group continued its tradition of seasonal support by contributing essential food items to nine orphanages, old folks' homes and 12 local mosques. These contributions, totalling RM26,257.30, helped support local welfare and religious institutions during major festivities.

National Day Celebration Programme

To foster patriotism and community spirit during Malaysia's 67th National Day, flags were installed at strategic locations along the Grand Saga and Grand Sepadu highways to instil the spirit of patriotism among the general public and commuters, involving a contribution of RM5,202.00.

SUSTAINABILITY STATEMENT

Community Gotong-Royong Programme

Focused on positive community impact, this initiative involved maintaining the cleanliness and upkeep of Masjid Batu 4, Klang. The project was supported by 50 volunteers and a monetary contribution of RM9,716.48.

Engineering and Construction

Military Personnel Welfare Contribution

In 2025, the division continued its support for national service members through a contribution to Tabung Kebajikan Angkatan Tentera, Angkatan Tentera Malaysia. Presented in conjunction with the Hari Raya celebration, this initiative served as a gesture of appreciation for the dedication and sacrifices of the nation's military personnel.

Repair of Balai Raya Seri Siantan

The division provided a charitable donation to Persatuan Penduduk Jalan Seri Siantan specifically for the repair and maintenance of Balai Raya Seri Siantan, Klang. This contribution aimed to improve essential community facilities for the long-term benefit of local residents.

SK Seri Cheding Sports Tournament

A contribution was provided to the Parent-Teacher Association, Persatuan Ibu Bapa dan Guru ("PIBG") of SK Seri Cheding to support the school's annual sports tournament. This initiative focused on promoting student participation in physical activities and strengthening the Group's engagement with the local community.

Waste Management

Communication, Education and Public Awareness ("CEPA") is an initiative that promotes environmental sustainability and highlights the benefits of recycling. This initiative led to the establishment of the KITARecycle programme in 2018. The programme aims to educate, inform and engage communities in adopting responsible waste management practices.

The programme also encourages the general public to actively participate in recycling activities based on the 3R concept of "Reduce, Reuse and Recycle" with the goal of reducing the amount of waste that is illegally dumped or disposed of in sanitary landfills.

One of the key objectives of this programme is to gradually cultivate recycling as a daily habit among the public. At the same time, it provides an incentive for participation through the collection of Recycling Points ("RP"), which can later be redeemed for cash via online banking.

As a company responsible for solid waste management and public cleansing services, SWM Environment recognises that effective waste management does not rely solely on operational efficiency. It also depends greatly on the level of public awareness, responsibility and participation in managing waste sustainably. A comprehensive CEPA outreach initiative with over 554 engagement sessions. The programme reached over 151,892 individuals and facilitated over 9,011 recycling collection trips, which yielded 4 tonnes of collected recyclables.

The communication component of CEPA focuses on delivering clear and accurate information to the public regarding waste management services, recycling initiatives and environmental campaigns. SWM Environment utilises various platforms such as social media, public announcements, community engagement programmes and collaborations with local authorities to ensure that important messages on waste reduction and recycling reach a wider audience.

The engagement programmes and collaboration efforts include:

KITARecycle 25 kg Challenge

A collaborative recycling programme held during the Kolej Matrikulasi Fun Run. The event successfully mobilised participants to collect over 2,000 kg of recyclable items, fostering environmental responsibility among students.

Johor Bahru Neon Recreational Night: Lestari Fun Run

A large-scale public event designed to promote sustainable waste management. With 1,400 participants, the initiative successfully collected 4,000 kg of recyclable materials.

SUSTAINABILITY STATEMENT

Iskandar Malaysia Ecolife Challenge ("IMELC")

A massive educational campaign using the KITARecycle digital platform to promote Separation at Source ("SAS") and the 3Rs. The programme engaged nearly a thousand schools, with over 100,000 Standard 6 students participating, to instil lifelong sustainable habits in the next generation.

SIREH Innovation Competition 2025

A high-level collaboration with Universiti Tun Hussein Onn Malaysia ("UTHM") and Waste Management Association of Malaysia ("WMAM") to drive innovation in sustainable waste management. The competition gathered 83 impactful entries from schools and universities, bridging the gap between academia and environmental solutions.

Cabaran Botol Kaca Pun Boleh 2025

A strategic partnership with the Johor Bahru City Council, Majlis Bandaraya Johor Bahru ("MBJB") and the Mayor's Office specifically targeting glass recycling. Participating schools and the community successfully recovered between 30 to 40 tonnes of glass bottles for recycling.

Corporate Social Responsibilities ("CSR")

In addition, SWM Environment continues to strengthen its CSR efforts by engaging closely with communities to promote responsible waste management practices. Various initiatives such as recycling campaigns, community clean-up programmes and educational programmes are regularly organised to raise public awareness on environmental protection and to encourage active participation in recycling activities.

Through these community-based programmes and collaborations with local authorities, institutions and community organisations, SWM Environment aims to empower the public with the knowledge and opportunities to manage waste more responsibly while fostering a culture of sustainability within the community.

SWM Kasih Back to School

SWM Environment also carries out Back to School CSR programmes to support underprivileged students in local communities. Through this initiative, the company provides school supplies such as school bags, uniforms and stationery to help ease the financial burden of families while ensuring that students are well prepared for the new school year. This programme reflects SWM Environment's commitment to giving back to the community and supporting the well-being of future generations.

SWM Kasih Misi Sampul Merah, Santun Ramadan, Ceria Deepavali and Christmas Celebration

SWM Environment also organises various CSR initiatives such as SWM Kasih Misi Sampul Merah, Santun Ramadan, Ceria Deepavali and Christmas Celebration. These programmes are organised to celebrate festive seasons with the community while providing donations and assistance to those in need. Through these initiatives, SWM Environment aims to spread joy, strengthen community relationships and support underprivileged groups during major cultural and religious celebrations.

APPENDICES

ESG PERFORMANCE DATA TABLE

Indicator	Measurement Unit	FY2023	FY2024	FY2025
Anti-Corruption				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Senior Management	Percentage	100	100	100
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage	100	100	100
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Non-executive	Percentage	100	100	100
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100	100	100
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Community/ Society				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	496,279	738,095	464,907
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	771,591	14,772*	10,667
Diversity				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management Male	Percentage	77	83	81
Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management Female	Percentage	23	17	19
Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Management Male	Percentage	-	55	59
Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Management Female	Percentage	-	45	41
Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Executive Male	Percentage	56	56	54
Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Executive Female	Percentage	44	44	46
Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Non-executive Male	Percentage	90	91	91
Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Non-executive Female	Percentage	10	9	9
Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management Under 30	Percentage	0	0	0
Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management Between 30-50	Percentage	35	17	12
Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management Above 50	Percentage	65	83	88
Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Management Under 30	Percentage	-	0	0
Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Management Between 30-50	Percentage	-	40	45
Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Management Above 50	Percentage	-	60	55

Indicator	Measurement Unit	FY2023	FY2024	FY2025
Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Executive Under 30	Percentage	18	16	16
Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Executive Between 30-50	Percentage	65	66	65
Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Executive Above 50	Percentage	17	18	19
Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Non-executive Under 30	Percentage	22	22	21
Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Non-executive Between 30-50	Percentage	59	60	62
Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Non-executive Above 50	Percentage	19	18	17
Bursa C3 (b) Percentage of directors by gender and age group - Male	Percentage	71	60	60
Bursa C3 (b) Percentage of directors by gender and age group - Female	Percentage	29	40	40
Bursa C3 (b) Percentage of directors by gender and age group - Under 30	Percentage	0	0	0
Bursa C3 (b) Percentage of directors by gender and age group - Between 30-50	Percentage	29	40	40
Bursa C3 (b) Percentage of directors by gender and age group - Above 50	Percentage	71	60	60
Energy Management				
Bursa C4 (a) Total energy consumption	Gigajoules	973,878*	950,560*	978,894
Health and Safety				
Bursa C5 (a) Number of work-related fatalities	Number	0	0	0
Bursa C5 (b) Lost time incident rate	Rate	0.30	1.60	1.60
Bursa C5 (c) Number of employees trained on health and safety standards	Number	10,298	5,812	4,391
Labour Practices and Standards				
Bursa C6 (a) Total hours of training by employee category - Senior Management	Hours	1,152	1,377	2,076
Bursa C6 (a) Total hours of training by employee category - Management	Hours	-	3,278	3,901
Bursa C6 (a) Total hours of training by employee category - Executive	Hours	12,919	21,142	10,839
Bursa C6 (a) Total hours of training by employee category - Non-executive	Hours	31,503	38,936	40,120
Bursa C6 (b) Percentage of employees that are contractors or temporary staff	Percentage	19.00	2.00	0.01
Bursa C6 (c) Total number of employee turnover by employee category - Senior Management	Number	0	1	0
Bursa C6 (c) Total number of employee turnover by employee category - Management	Number	-	0	2
Bursa C6 (c) Total number of employee turnover by employee category - Executive	Number	62	20	36
Bursa C6 (c) Total number of employee turnover by employee category - Non-executive	Number	1,361	119	579
Bursa C6 (d) Number of substantiated compliants concerning human rights violations	Number	0	0	0
Supply Chain Management				
Bursa C7 (a) Proportion of spending on local suppliers	Percentage	95	98	98
Data Privacy and Security				
Bursa C8 (a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0

SUSTAINABILITY STATEMENT

Indicator	Measurement Unit	FY2023	FY2024	FY2025
Water				
Bursa C9 (a) Total volume of water used	Megalitres	117.0	125.8	151.0
Waste Management				
Bursa C10 (a) Total waste generated	Metric tonnes	32,116	30,173	22,765
Bursa C10 (a) (i) Total waste diverted from disposal	Metric tonnes	6	890	4
Bursa C10 (a) (ii) Total waste directed to disposal	Metric tonnes	32,110	29,283	22,761
Emissions Management				
Bursa C11 (a) Scope 1 emissions in tonnes of CO_2e	Metric tonnes	91,409*	92,257*	93,679
Bursa C11 (b) Scope 2 emissions in tonnes of CO_2e	Metric tonnes	87,378*	115,137	112,951
Bursa C11 (c) Scope 3 emissions in tonnes of CO_2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	2,495*	14,239
- Business Travel	Metric tonnes	-	80	115
- Employee Commute	Metric tonnes	-	2,415*	2,243
- Waste Generated in Operations	Metric tonnes	-	-	11,881

* *Performance figures have been restated to reflect accurate data.*

Taliworks Corporation Berhad

BMLR Transition Period

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Senior Management	Percentage	100	—	No assurance
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage	100	—	No assurance
Bursa (Anti-corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Non-executive	Percentage	100	—	No assurance
Bursa (Anti-corruption)	Bursa C1(b) Percentage of operations assessed for corruption--related risks	Percentage	100	—	No assurance
Bursa (Anti-corruption)	Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	—	No assurance
Bursa (Community/ Society)	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	464,907	—	No assurance
Bursa (Community/ Society)	Bursa C2(b) Total number of beneficiaries of the investment in communities.	Number	10,667	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management Male	Percentage	81	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management Female	Percentage	19	—	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Management Male	Percentage	59	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Management Female	Percentage	41	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Executive Male	Percentage	54	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Executive Female	Percentage	46	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Non-executive Male	Percentage	91	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Non-executive Female	Percentage	9	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management Under 30	Percentage	0	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management Between 30-50	Percentage	12	—	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management Above 50	Percentage	88	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Management Under 30	Percentage	0	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Management Between 30-50	Percentage	45	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Management Above 50	Percentage	55	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Executive Under 30	Percentage	16	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Executive Between 30-50	Percentage	65	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Executive Above 50	Percentage	19	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Non-executive Under 30	Percentage	21	—	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Non-executive Between 30-50	Percentage	62	—	No assurance
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Non-executive Above 50	Percentage	17	—	No assurance
Bursa (Diversity)	Bursa C3 (b) Percentage of directors by gender and age group - Male	Percentage	60	—	No assurance
Bursa (Diversity)	Bursa C3 (b) Percentage of directors by gender and age group - Female	Percentage	40	—	No assurance
Bursa (Diversity)	Bursa C3 (b) Percentage of directors by gender and age group - Under 30	Percentage	0	—	No assurance
Bursa (Diversity)	Bursa C3 (b) Percentage of directors by gender and age group - between 30-50	Percentage	40	—	No assurance
Bursa (Diversity)	Bursa C3 (b) Percentage of directors by gender and age group - above 50	Percentage	60	—	No assurance
Bursa (Energy management)	Bursa C4 (a) Total energy consumption	Gigajoules	978,894	—	No assurance
Bursa (Health and safety)	Bursa C5 (a) Number of work-related fatalities	Number	0	—	No assurance
Bursa (Health and safety)	Bursa C5 (b) Lost time incident rate	Rate	1.60	—	No assurance
Bursa (Health and safety)	Bursa C5 (c) Number of employees trained on health and safety standards	Number	4,391	—	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Labour practices and standards)	Bursa C6 (a) Total hours of training by employee category - Senior Management	Hours	2,076	—	No assurance
Bursa (Labour practices and standards)	Bursa C6 (a) Total hours of training by employee category - Management	Hours	3,901	—	No assurance
Bursa (Labour practices and standards)	Bursa C6 (a) Total hours of training by employee category - Executive	Hours	10,839	—	No assurance
Bursa (Labour practices and standards)	Bursa C6 (a) Total hours of training by employee category - Non-executive	Hours	40,120	—	No assurance
Bursa (Labour practices and standards)	Bursa C6 (b) Percentage of employees that are contractors or temporary staff	Percentage	0.01	—	No assurance
Bursa (Labour practices and standards)	Bursa C6 (c) Total number of employee turnover by employee category - Senior Management	Number	0	—	No assurance
Bursa (Labour practices and standards)	Bursa C6 (c) Total number of employee turnover by employee category - Management	Number	2	—	No assurance
Bursa (Labour practices and standards)	Bursa C6 (c) Total number of employee turnover by employee category - Executive	Number	36	—	No assurance
Bursa (Labour practices and standards)	Bursa C6 (c) Total number of employee turnover by employee category - Non-executive	Number	579	—	No assurance
Bursa (Labour practices and standards)	Bursa C6 (d) Number of substantiated complaints concerning human rights violations	Number	0	—	No assurance
Bursa (Supply chain management)	Bursa C7 (a) Proportion of spending on local suppliers	Percentage	98	—	No assurance

Taliworks Corporation Berhad

BMLR Transition Period

Date & Time: 2026-04-15_15:54:31

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Data privacy and security)	Bursa C8 (a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	—	No assurance
Bursa (Water)	Bursa C9 (a) Total volume of water used	Megalitres	151	—	No assurance

ASSURANCE STATEMENT

INDEPENDENT VERIFICATION STATEMENT

To: The Stakeholders of TALIWORKS CORPORATION BERHAD

Introduction and Objectives of Work

Bureau Veritas Certification (M) Sdn. Bhd. ("Bureau Veritas") has been commissioned by Taliworks Corporation Berhad (hereafter referred to as "Taliworks") to undertake verification of its Scope 1 and Scope 2 greenhouse gas (GHG) emissions and energy consumption data for the period from **1 January 2025 to 31 December 2025**. This verification statement encompasses Taliworks and its subsidiaries – **Sungai Harmoni Sdn. Bhd., Grand Saga Sdn. Bhd., Grand Sepadu (NK) Sdn. Bhd., Taliworks Construction Sdn. Bhd., SWM Environment Sdn. Bhd.,** and **Taliworks Renewables Operations Sdn. Bhd.** – collectively representing the Group's corporate and operational footprint, as well as applying to the related information included within the scope of work described below. The overall objective of this process is to provide verification to Taliworks' stakeholders over the accuracy, reliability and objectivity of the GHG emissions and energy consumption data presented in "*Taliworks Corporation Berhad Carbon Footprint Maintenance Summary FY2025*" (hereafter referred to as "the Report").

Responsibilities

Management Responsibilities

The preparation and presentation of the GHG emissions data and associated information in the Report are the sole responsibility of Taliworks' management. This includes establishing and maintaining adequate internal controls, selecting and applying appropriate quantification methodologies, and ensuring the completeness, consistency, and accuracy of the reported data.

Bureau Veritas Responsibilities

Our responsibility is to express an independent conclusion based on the verification procedures performed. Bureau Veritas was not involved in the drafting of the Report. Our verification was conducted in accordance with the terms of our agreement and the requirements of the standards listed below.

Assessment Standards and Criteria

The verification was performed in accordance with the following internationally recognized standards:

- **ISO 14064-3:2019:** *Greenhouse gases — Part 3: Specification with guidance for the verification and validation of greenhouse gas statements.*
- **ISO 14064-1:2018:** *Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.*

The criteria against which the GHG statement was assessed are based on the quantification and reporting requirements of ISO 14064-1:2018.

Scope of Work & Boundary

The scope of our verification covered the Scope 1 (direct) and Scope 2 (indirect) GHG emissions, as well as energy consumption data, arising from Taliworks' headquarters in **TTDI, Kuala Lumpur**, and its operational sites across Selangor, Negeri Sembilan, Melaka, and Johor.

The verification boundaries were defined based on the **operational control** approach, consistent with ISO 14064-1:2018 requirements.

Group	Category	Level of Assurance
Direct Emissions (Scope 1)	- Stationary Combustion (diesel generators) - Mobile Combustion (fleet vehicles, trucks, and specialised heavy machinery)	Limited Assurance

	- Process emissions from Small Sewage Treatment Plants (SSTP) - Fugitive emissions from refrigerants	
Indirect Emissions (Scope 2)	- Purchased electricity	Limited Assurance
Energy Consumption	- Consumption of petrol, diesel and electricity	Limited Assurance

Verification Methodology

Our verification approach was risk-based and included, but was not limited to, the following procedures:

1. Strategic Analysis and Risk Assessment: Evaluation of the potential risks of material misstatement in the GHG statement due to error or omission.
2. Boundary Review: Assessment of the completeness and appropriateness of the operational and organizational boundaries against the requirements of ISO 14064-1:2018.
3. Data and Evidence Testing:
    - Verification of source data (e.g., fuel invoices, electricity bills, meter readings) on a sample basis.
    - Re-performance of calculations to confirm arithmetic accuracy.
    - Review of emission factors and conversion coefficients for appropriateness and traceability to recognized sources.

4. Management Interviews: Discussions with key personnel responsible for data collection, consolidation, and reporting to understand and evaluate the internal controls and data management processes.
5. Documentation Review: Examination of internal and external records supporting the reported emissions.

Limitations & Exclusions

The following were excluded from the scope of our verification:

- Activities or emissions sources outside the defined reporting period (1 January 2025 – 31 December 2025).
- Other environmental or sustainability information not directly related to the GHG emissions data within the Report.
- Scope 3 (other indirect) emissions.

Our verification was based on a sampling approach; therefore, inherent limitations exist, and this statement should not be relied upon to detect all errors, omissions, or misstatements.

Independent Conclusion

Based on the verification procedures performed and the evidence obtained, **nothing has come to our attention that causes us to believe** that the Scope 1 and Scope 2 GHG emissions data and energy consumption information presented in the *"Taliworks Corporation Berhad Carbon Footprint Maintenance Summary FY2025"* for the period ending 31 December 2025:

- Are not prepared, in all material respects, in accordance with the requirements of **ISO 14064-1:2018**; and
- Are not a fair and accurate representation of Taliworks' GHG emissions and energy consumption within the defined reporting boundary.

Based on the scope of the verification process, the following GHG emissions and energy consumption were confirmed;

Year	Scope 1 (tCO_2e)	Scope 2 (tCO_2e)	Energy Consumption (GJ)	Total Emissions (tCO_2e)
2025	93,678.67	112,950.00	978,893.82	206,628.89

Statement of Independence, Integrity and Competence

Bureau Veritas is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with almost 200 years of history in providing independent validation and verification services.

Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities. We are particularly vigilant in the prevention of conflicts of interest.

No member of the verification team has a business relationship with Taliworks Corporation Berhad, its directors, managers, or officials beyond that required of this assignment. We have conducted this verification independently and there has been no conflict of interest.

The verification team has extensive experience in conducting verification over environmental, social, ethical, health & safety information, and systems and processes with an excellent understanding of Bureau Veritas' standard methodology for the verification of greenhouse gas emissions data.

This verification statement, including the opinion expressed herein, is provided to Taliworks Corporation Berhad and is solely for the benefit of Taliworks Corporation Berhad in accordance with the terms of our agreement. We consent to the release of this statement by you to other interested parties in order to satisfy the terms of disclosure requirements but without accepting or assuming any responsibility or liability on our part to any other party who may have access to this statement.

For and on behalf of Bureau Veritas Certification (M) Sdn. Bhd, Kuala Lumpur, Malaysia
Issue Date: 9 March 2026

Ng Sheng Wa
Southeast Asia Certification & Sustainability Manager

Nurizul Azlia Ibrahim
Lead Verifier cum Sustainability Technical Manager, Bureau Veritas Certification (M)

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement on Risk Management and Internal Control ("Statement") is made pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad (read in conjunction with Practice Note 9 of the MMLR) which requires the board of directors ("Board") to include in this Annual Report a statement about the state of risk management and internal controls of the Company and its subsidiaries ("Group").

This Statement also provides an insight on how the Board has established an effective risk management and internal control framework including its features, adequacy and effectiveness as required under Part II of Principle B of the Malaysian Code on Corporate Governance 2021 ("MCCG") issued by the Securities Commission of Malaysia.

1.0 BOARD RESPONSIBILITIES

- To enable the Group to achieve its business objectives, the Board is responsible for identifying and managing principal risks (both current and emerging) by establishing a sound risk management framework and in maintaining an appropriate system of internal controls within the Group including ensuring the adequacy, integrity and effectiveness of this system.

- The Board is aware that the risk management framework and system of internal controls are designed to minimise and manage risks at an acceptable level rather than to eliminate them. A risk management framework and system of internal controls can only provide reasonable but not absolute assurance against any failure by the Group to meet its business objectives or to detect material errors, losses, fraud or breaches of laws, rules or regulations.

- Accordingly, the Board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the Group's business objectives can be mitigated and managed by the establishment of a proper and sound risk management framework and in the maintenance of an appropriate system of internal controls.

- Accompanying the maintenance of an appropriate system of internal controls, is an on-going process to identify, evaluate, monitor and manage principal risks faced by the Group and is generally in line with the Statement on Risk Management and Internal Control (Guidelines for Directors of Listed Issuers) which is intended to guide directors of listed issuers in making disclosures concerning risk management and internal controls in their company's annual report.

2.0 RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

- Proper risk management and internal controls are important aspects of the Group's governance, management and operations. Risk management focuses on identifying threats and opportunities while internal controls help counter threats and take advantage of opportunities. Proper risk management and internal controls assist the Group in making informed decisions about the level of risk that it wants to take and implement the necessary controls to effectively pursue its objectives.

2.0 RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

- In fulfilling its responsibilities, the Board has established an Enterprise Risk Management ("ERM") Framework by adopting the Risk Management Policy and Guidelines Document which is designed to:-

  (i) establish the context for an embedded ERM framework within the Group;

  (ii) formalise the ERM functions across the Group;

  (iii) sensitise the Group's personnel to be more adapted to risk identification, measurement, controls, ongoing monitoring, responsibilities and accountabilities;

  (iv) coordinate and standardise the understanding and application of ERM within the Group; and

  (v) prove compliance by the Board with its organisational obligations and duties of care and diligence in accordance with good corporate governance practices promulgated by the MCCG and the MMLR via a structured documentation process.

  The Risk Management Policy and Guidelines Document was adopted since 2012 and it was subsequently updated in 2021 due to revisions made to the MMLR and the MCCG. During the year, the Risk Management Policy and Guidelines Document was further revised and approved by the Board.

3.0 GOVERNANCE

The Group's ERM Framework consists of risk organisational structure to ensure that roles, responsibilities and accountabilities are clearly defined and communicated at all levels to implement the risk management processes. The ERM is an on-going process to identify, evaluate, monitor, and manage principal risks that affect or will potentially undermine the achievement of the Group's business objectives both now and into the future as explained in the following paragraphs:

3.1 Board

The Board is responsible in identifying and managing risks and in maintaining an appropriate system of internal controls within the Group. This responsibility is delegated to the Audit and Risk Management Committee ("ARMC") under the terms of reference of the ARMC.

3.2 ARMC

The assessments of both the risk management function and system of internal controls are undertaken by the ARMC which reports its findings to the Board. Whilst the ARMC has delegated the implementation of the system of internal controls to the Management, it is assisted by the Group Internal Audit, an in-house internal audit function which provides an independent assessment and relevant assurance on the adequacy, integrity and effectiveness of the risk management function and system of internal controls based on findings from internal audit reviews carried out throughout the year. Internal audit findings are reported to the Board on a quarterly basis by the ARMC. The ARMC is also assisted by the RMWG in undertaking the risk management functions. The Group's ERM activities are undertaken by the RMWG twice a year and reported to the ARMC. Thereafter, the ARMC reports the deliberations of the RMWG to the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

3.0 GOVERNANCE (CONT'D)

3.3 Risk Management Working Group

- In respect of the risk management function, this role is undertaken by the Risk Management Working Group ("RMWG") which reports its findings directly to the ARMC. In accordance with its terms of reference, the RMWG is chaired by the personnel designated as the chief executive officer or the executive director of the company and shall consist of no fewer than three other members, comprising the following:-

  (i) the personnel designated as the chief financial officer of the Group; and

  (ii) such any other directors and officers of the company and/or the Group as may be determined by the Board and/or the ARMC.

- For the year under review, members of the RMWG comprise the Executive Director as the chairperson, a non-Executive Director, the General Manager, Group Finance and the former head of the Water Treatment and Supply division. All of them attended the RMWG meetings held for the year. The RWMG is assisted by a risk officer.

3.4 Internal Audit Function

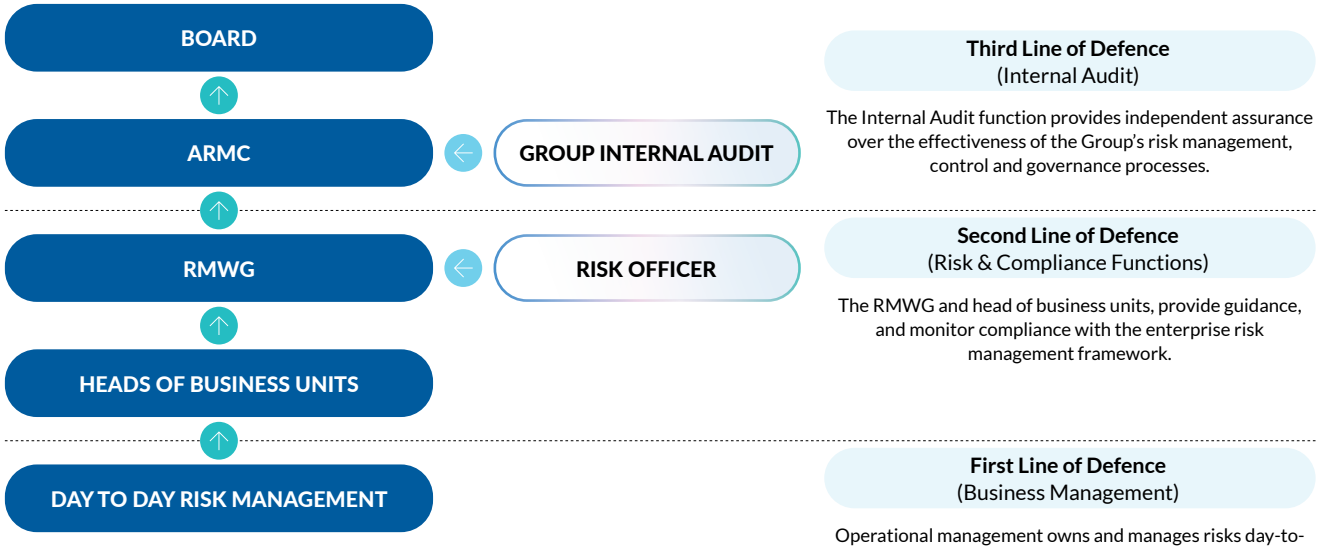
- The internal audit function is undertaken internally within the Group to provide independent internal audit services to the Group. To ensure the governance, risk management and internal control processes are effective, the internal audit function conducts regular reviews and appraisals on the business operations of the Group according to the Internal Audit Plan approved by the ARMC.

- The key role of the Group Internal Audit is to assess the Management's adherence to established policies and procedures as well as acting as an independent sounding board to the ARMC concerning areas of weaknesses or deficiencies in the risk management, governance and control processes for appropriate remedial measures to be carried out by the Management.

Further details on the functions and activities of the Group Internal Audit are found in the ARMC Report included in this Annual Report.

3.5 Governance Structure

To ensure that proper risk management is being undertaken and the system of internal controls are adequate and effective, the following is the governance structure of the Group's ERM and internal control framework:



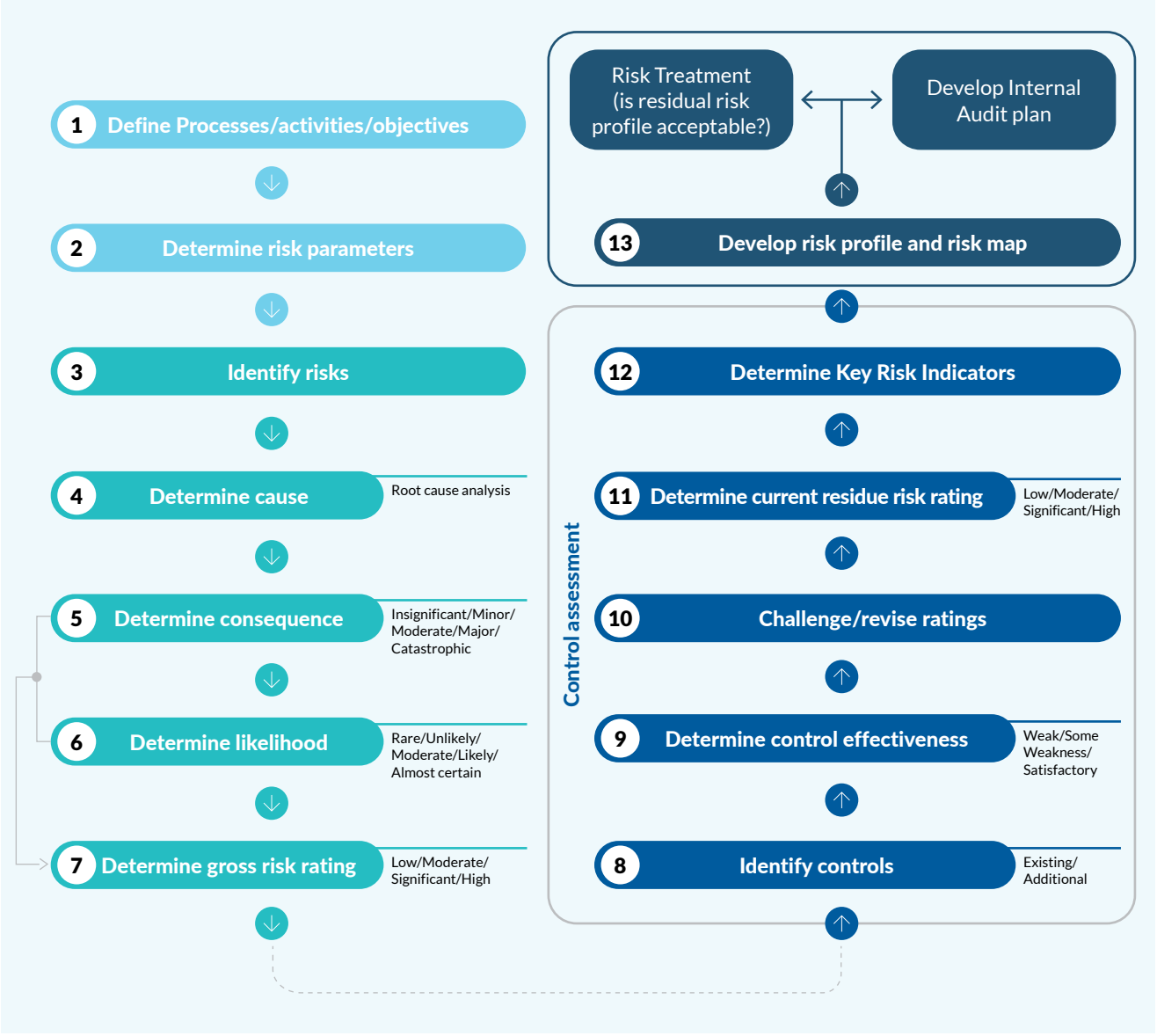
4.0 COVERAGE

- The business operations of the Group are subjected to internal audits and risk management assessments.
- The ARMC reviews the appropriateness of the system of internal controls in joint ventures which contribute significantly to the Group through the Group Internal Audit.
- The RMWG will evaluate the risk management policies and processes adopted and risk management reports submitted by major joint ventures and associates that contribute significantly to the Group.

5.0 ENTERPRISE RISK MANAGEMENT FRAMEWORK

5.1 The Key Steps Undertaken in the Risk Management Process

The following summarises the key steps undertaken by the Group in identifying, measuring, controlling, monitoring and reporting of risks under the ERM Framework:-



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

5.0 ENTERPRISE RISK MANAGEMENT FRAMEWORK (CONT'D)

5.1 The Key Steps Undertaken in the Risk Management Process (Cont'd)

- A Risk Profile together with a Risk Register are prepared for the purposes of identifying, evaluating, monitoring, managing and reporting of risks. In this respect, risk owners, who are normally at the operational level, are responsible to determine the risk parameters, identify the risks, determine the causes, consequences and likelihood of occurrence to arrive at the Gross Risk Rating.

  Thereafter, risk owners will identify appropriate controls that are in place and any additional controls to be implemented and determine their overall strength and effectiveness to arrive at the Residual Risk Rating. The risk owners will periodically evaluate the strength and effectiveness of the existing controls to determine if the controls are sufficient and the risk has been lowered to an acceptable level. The Key Risk Indicators are metrics used to indicate the severity of a certain risk. Risk owners will then decide on the risk tolerance level to either terminate, reduce, accept or pass on the risks.

- The Risk Profile and Risk Register are updated by the risk owners twice a year to ensure that the ERM process remains robust and the Risk Profiles and Risk Registers continue to be relevant. Risk owners will update in the Risk Register the action plans taken or to be taken and indicate the timeframe for actions to be taken to mitigate the risks identified.

- The risk owners will report the status of risks to the head of business units who then collates and summarises the risks to be briefed to the RMWG on a bi-annual basis.

- This ERM process is an on-going process undertaken by the Group and such 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.

5.2 Main Features of the ERM framework

The main features of the Group's ERM Framework involve the following key processes:-

(i) The Management develops, operates and monitors the system of internal controls to address the various risks faced by the Group.

(ii) A database of identified risks and controls is maintained and updated, and the information filtered to produce detailed Risk Registers and individual Risk Profiles. Key risk areas are identified and scored for likelihood of the risks occurring and the magnitude of the impact.

(iii) Risk assessment reports are submitted bi-annually and briefed by the heads of business units to the RMWG in a meeting, attended by the head of the Group Internal Audit, where the following are reported:-

  (a) the current status or new developments in any of the risks identified;

  (b) any changes to the Risk Profile including new or removal of risks that were previously reported and the reason(s) thereof;

  (c) any new or additional controls that have been put in place to mitigate the risks, the existing overall strength and effectiveness grading of the controls; and

  (d) the status of action plans to address each of the risks by the risk owners. Specific action plans and the timeline for the action plans to be implemented are documented in the Risk Registers by the risk owners.

5.0 ENTERPRISE RISK MANAGEMENT FRAMEWORK (CONT'D)

5.2 Main Features of the ERM framework (Cont'd)

(iv) The meetings of the RMWG are held prior to the ARMC meetings. The RMWG, through the General Manager, Group Finance, reports its findings to the ARMC which then reports to the Board. A summary report on the deliberations of the RMWG is made available to the ARMC at subsequent meeting of the ARMC.

(v) All updated Risk Profiles and Risk Registers are tabled to the ARMC after they have been considered and deliberated by the RMWG.

(vi) Annual assessment at operational sites are conducted by the risk officer together with the risk owners where existing controls are verified to ensure their validity and evaluations are conducted to determine their effectiveness. These assessments are important to collaborate on the appropriateness of the matters disclosed in the Risk Profile and Risk Register presented by the heads of business units to the RMWG.

(vii) Where appropriate, the Group Internal Audit develops their internal audit plans around the risks identified.

5.3 Risk Matrix

To ensure that the assessment of risk management is applied consistently across all business divisions, the RMWG has adopted the following standard Risk Matrix.

Risk Rating					
Impact / Likelihood	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	Significant	Significant	High	High	High
Likely	Moderate	Significant	Significant	High	High
Moderate	Low	Moderate	Significant	High	High
Unlikely	Low	Low	Moderate	Significant	High
Rare	Low	Low	Moderate	Significant	Significant

Likelihood of Occurrence	
Description	Risk Likelihood Description
Almost Certain	Happens frequently
Likely	Likely to occur
Moderate	Might occur. Happened before but very rare
Unlikely	Unlikely to occur. Happened before but extremely rare
Rare	Has never occurred before and is not expected to occur

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

5.0 ENTERPRISE RISK MANAGEMENT FRAMEWORK (CONT'D)

5.3 Risk Matrix (Cont'd)

Magnitude of Impact		
Description	Financial Considerations % of Budgeted EBITDA	Non-Financial Considerations
Catastrophic	> 75%	• Reputation/Image • Service/operations disruption • Business continuity • Project delay • Damage to life, property, environment • Management involvement
Major	50-75%	
Moderate	25-50%	
Minor	5-25%	
Insignificant	< 5%	

- Although the assessment of the Likelihood of Occurrence and Magnitude of Impact are subjective in nature, nevertheless the description thereto provide guidance to the risk owners to ascertain according to their best judgement and knowledge on:-

  (i) the likelihood that a risk event will occur or has occurred; and

  (ii) the level of impact of the risk based on both financial and non-financial considerations.

- There may be certain circumstances where the non-financial criteria of a particular risk are given higher consideration than the financial considerations e.g. where it involves reputational risk which is hard to quantify. Once the Likelihood of Occurrence and Magnitude of Impact have been ascertained, they will be mapped to determine the Risk Rating.

6.0 REPORTING OF KEY RISKS

- The Group, through its normal day-to-day operations, is exposed to various types of risks that could adversely affect the Group's business objectives, reputation, operating results, financial position and its stakeholders. Key risks are monitored regularly by the risk owners and are escalated immediately to the Management if such situation arises. Status of risks are reported to the RMWG, ARMC and Board on a bi-annual basis.

- For the year under review, the Group has identified several risks which were more prevalent among businesses in the Group. Below is a summary of the key risk factors that the Group has focused on.

6.0 REPORTING OF KEY RISKS (CONT'D)

Risk Management Category	Key Risks	Description
Operational and Regulatory	Concessions and Contracts	The Group's businesses are primarily premised on concessions and key contracts and as such, it faces inherent political and regulatory risks due to concentration of regulated businesses. Any cancellation, expiration, termination or re-negotiation of these concessions or key contracts may have an adverse impact on the financial condition and results of the operations of the Group. Having an established track record in operations and maintenance coupled with legal protections accorded in these concessions and key contracts would minimise the Group's exposure to such risks.
Cybersecurity	Cyber Threats	Cybersecurity consists of technologies, processes and controls designed to protect systems, networks, programs, devices and data from cyberattacks. The Group has put in place cybersecurity protocols that reduce the risk of cyberattacks and protect the Group's IT infrastructure and end-point equipment against unauthorised exploitation of systems, networks and technologies such as ransomware, phishing email and spoofing email.
Business Continuity and Resilience Risks	Natural Disasters and Climate Change	The Group's operations covering water treatment and supply, toll concessionaire, renewable energy, construction and engineering and waste management are exposed to chronic physical climate risks. These include natural disasters such as heavy rains, flooding or drought arising from extreme weather conditions brought about by climate change. These events threaten supply reliability and operational disruptions which may result in regulatory and/or reputational risks if not adequately managed. The impact from natural disasters on the operations may vary depending on the severity but to-date, there has not been a prolonged disruption arising from natural disasters. Nevertheless, the Group would be concerned with the long-term impact of climate changes which may severely jeopardise the business continuity of the Group's business e.g. arising from:- (a) lower water treatment yields due to water stress. (b) extreme heat increases the risk of incidence of fire within our solar farms which may require substantial associated repair and rehabilitation costs. (c) severe weather conditions which will impact the integrity of highway infrastructure, occurrence of flooding at low lying areas where some of the Group's infrastructure assets are located. To address these risks, the Group has implemented several risk mitigation plans e.g. long-term planning of additional raw storages, flood emergency response plan etc.

- Internal controls (existing and additional) which have been put in place, and/or are in development to mitigate the abovementioned key risks, are then evaluated by grading the existing overall strength and effectiveness as part of the ERM's ongoing monitoring practices.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

7.0 ENVIRONMENTAL, SOCIAL, AND GOVERNANCE ("ESG") AND CORRUPTION RISKS

- As sustainability and the underlying ESG issues become increasingly critical to the ability of companies to create durable and sustainable value and confidence to stakeholders, the RMWG has taken measures to anticipate and address material ESG risks and opportunities. In this respect, the Group has undertaken risk assessment to identify and determine the ESG risks within the Group specifically to evaluate their impact to the Group's operations and accordingly take appropriate action plans to mitigate these risks.

  Material ESG risks to the Group have been identified and are elaborated in the Sustainability Statement included in this Annual Report.

- The current financial impacts related to weather related incidents are mainly routine as well as preventive repair and maintenance costs. These costs typically involve site specific work such as drainage improvement, pothole repairs, replacement of wirings and minor infrastructure improvements. Certain assets, particularly at the solar farms, have experienced severe weather conditions such as flooding in recent years and preventive measures have been implemented to strengthen business continuity.

- In its efforts to prevent the incidences of corruption and bribery, the Group has in place an Anti-Bribery Management System ("ABMS") and an Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") which cover all operations undertaken by the Company (including entities over which it has control), to all levels of employees, and any person associated with the Group. As part of the ABMS, the Group undertakes a corruption risk assessment on an annual basis as required under Paragraph 15.29(1)(c) of the MMLR.

  The ABMS, ABAC Policy and the governance structure of the Group's anti-bribery programme are elaborated in the Sustainability Statement included in this Annual Report.

8.0 OTHER KEY ELEMENTS OF GOVERNANCE, RISK MANAGEMENT AND CONTROLS

Other key elements of governance, risk management and controls established by the Group, amongst others, are as follows:-

(i) clearly defined governance structure with the respective terms of reference, duties and responsibilities of the Board, the Board Committees and Company Secretaries, as described in the Corporate Governance Overview Statement.

(ii) clearly defined delegation of responsibilities to the Board Committees and to the Management, including appropriate authorisation levels in the form of written Limits of Authority to assist the Board, Board Committees and the Management in determining the appropriate levels of authority in approving transactions or attending to certain issues related to corporate, finance, legal, secretarial, public affairs and investor relations matters.

(iii) attendance and recording of minutes of Board and Board Committees by the Company Secretaries and attendance and recording of minutes of the RWMG and monthly management meetings by the Secretarial department.

(iv) a budgetary process whereby the Executive Committee approves the operating and capital budgets of the key operating units and the Board approves the operating and capital budgets of the Group on a consolidated basis.

(v) review of operational and financial performance by the operating unit's Management at monthly management meetings attended by the Executive Committee, heads of department and business units including the Head of Internal Audit. At these meetings, relevant operational, financial and strategic issues are discussed, deliberated and followed up by the Management and minutes of the meeting prepared by the Secretarial department.

(vi) briefing by the Executive Director to the Board on the operational performance of the Group on a quarterly basis.

(vii) briefing by the General Manager, Group Finance to the ARMC and to Board on the financial performance of the Group on a quarterly basis.

8.0 OTHER KEY ELEMENTS OF GOVERNANCE, RISK MANAGEMENT AND CONTROLS (CONT'D)

(viii) a yearly assessment undertaken by the External Auditors to identify any significant risks affecting the preparation of the financial statements. Private sessions are held twice a year by the External Auditors with the ARMC without the presence of Management.

(ix) briefing by the head of Group Internal Audit to the ARMC on a quarterly basis on the internal audit findings together with any follow up actions taken or to be taken to remedy any significant failings or weaknesses identified from the internal audit findings. Private sessions are held by the Group Internal Audit with the ARMC without the presence of Management.

(x) the existence of a whistleblowing policy and procedure to provide a channel for legitimate concerns related to, amongst others, fraud, financial irregularity, corruption, bribery, serious breaches of the Employees Code of Conduct and Ethics, non-compliance with laws and regulations or company policies, illegal, unethical or questionable practices etc. (collectively referred to as "Misconduct") to be raised or reported, investigated and where necessary, appropriate action to be taken to resolve such issues promptly and effectively within the Group. The Misconduct can be raised to the Executive Director, the Head of Group Human Resource (on staff related matters), head of Group Internal Audit and/or to the Chairman of the ARMC.

The whistleblowing policy is uploaded to the Company's website at https://taliworks.com.my/corporate-governance under the caption "Whistleblowing Policy".

(xi) the provision of a dedicated email address to the Whistle-blowing Committee at we_hear@lgb.com.my for reporting of Misconduct.

(xii) the provision of a dedicated email address to the Chairperson of the ARMC at ARMC@taliworks.com.my for shareholders and other stakeholders to communicate with them on matters relating to the Group.

(xiii) a Code of Business Conduct and Ethics for Directors which sets out the general principles and standards of business conduct and ethical behaviour for the Directors in the performance and exercise of their responsibilities as directors of the Company.

(xiv) a Board Charter that constitutes, and forms, an integral part of the Director's duties and responsibilities.

(xv) a Code of Conduct contained in the Employment Handbook which governs the policies and guidelines relating to the standards and ethics that all employees of the Group are expected to adhere to in discharging their duties and responsibilities.

(xvi) an Anti-Bribery Management System approved and adopted by the Group on 1 June 2020 to implement the Guidelines on Adequate Procedures issued pursuant to subsection (5) of section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Act 694) as stated in the Malaysian Anti-Corruption Commission (Amendment) Act 2018 which requires commercial organisations to establish adequate procedures to avert corruption as a defence against corporate liability under the said Act. Updated anti-bribery procedures were introduced and implemented in January 2024 whilst the ABAC Policy was uploaded to the Company's website at https://taliworks.com.my/corporate-governance under the caption "Policies". The Company has also established an anti-bribery committee, namely the ABMS Committee, to ensure amongst others; the Anti-Bribery Management System implemented is maintained and reviewed to adequately address the Group's bribery risks.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

9.0 ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

In accordance with Section 7 of the Statement on Risk Management and Internal Control (SORMIC): Guidelines for Directors of Listed Companies (SORMIC Guide 2025), the Board after receiving assurances from the Executive Director and the General Manager, Group Finance, is of the view that the Group's risk management process and internal control systems are operating adequately and effectively in all material aspects. The assurances are also premised on the following:-

(i) the ERM Framework adopted by the Group, the system of internal controls in place and other key elements of governance, risk management and controls established by the Group as elaborated in section 8 above;

(ii) similar written assurance given by the respective heads of business units to the Executive Director; and

(iii) formal feedback on the adequacy of risk management and internal controls from the head of the Group Internal Audit which is based primarily on the scope and coverage of the internal audit's remit for the year under review.

10.0 REVIEW BY THE EXTERNAL AUDITORS

- As required by paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement. Their limited assurance review is in accordance with Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Report on the Statement of Risk Management and Internal Control Included in the Annual Report ("AAPG 3"), issued by the Malaysian Institute of Accountants.

- Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of the risk management and internal controls of the Group.

- AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

11.0 AUTHORISATION FOR ISSUANCE

The Board and the ARMC have reviewed and approved this Statement for inclusion in the Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

THIS CORPORATE GOVERNANCE OVERVIEW STATEMENT, TOGETHER WITH THE CORPORATE GOVERNANCE REPORT, PROVIDE AN OVERVIEW OF THE BOARD OF DIRECTORS' ("BOARD") COMMITMENT TO HIGH STANDARD OF CORPORATE GOVERNANCE PRACTICES, VALUES AND ETHICAL BUSINESS CONDUCT BY DISCLOSING THE APPLICATION OF EACH PRACTICE SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2021 ("MCCG 2021") PURSUANT TO PARAGRAPH 15.25 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD. THIS CORPORATE GOVERNANCE OVERVIEW STATEMENT SHOULD BE READ IN TANDEM WITH THE CORPORATE GOVERNANCE REPORT, WHICH HAS BEEN UPLOADED ON TALIWORKS CORPORATION BERHAD ("THE COMPANY")'S WEBSITE.

- In today's dynamic business landscape and increasing stakeholders' expectations, the demand for greater accountability and transparency is expected from the Board in discharging its fiduciary duties in delivering long-term value to shareholders and upholding the rights of other stakeholders. As a direct consequence, greater internalisation of enterprise-wide culture of good corporate governance practices, maintenance of a sound system of internal control, embedding risk management practices and policies into the day-to-day operations, addressing business sustainability issues including material environment, social and governance ("ESG") risks and opportunities, as well as adherence to regulatory requirements, are some of the key challenges for the Board.

- Corporate governance involves having policies, processes and structures to direct and manage the business and affairs of the Company and its subsidiaries ("Group") towards promoting business prosperity and corporate accountability, with the ultimate objective of realising long-term shareholder value while considering the interests of other stakeholders. Good corporate governance practices underpin a successful and sustainable business. To succeed in the longer term, companies are expected to build and maintain successful relationships with a wide range of stakeholders. Accordingly, a company should promote integrity, transparency and responsiveness to the views of the stakeholders at large.

- The Board recognises the importance of complying with the Principles and Practices stipulated in the MCCG 2021, published by the Securities Commission of Malaysia ("SC") on 28 April 2021, and is committed to ensuring that good corporate governance is observed, practised and enhanced throughout the Group to safeguard the interest of shareholders and other stakeholders, such as our employees, customers, suppliers, and the communities in which the Group conducts its businesses.

- Since the introduction of the first Malaysian Code on Corporate Governance in 2000, the Board has continuously made efforts and availed resources to strengthen the corporate governance framework and practices within the Group, not only to attract but also to retain investors and other valued stakeholders. The Board recognises that good ethical conduct and a high level of accountability are important criteria to support the sustainable development and growth trajectory of the Group's businesses. Good corporate governance is a shared responsibility, with various stakeholders having an equal duty and responsibility to protect and advance their own interests by exercising the rights accorded to them to ensure that the Group is well-governed and driven by the basic tenets of good governance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

- Pursuant to Paragraph 15.25(2) of the Main Market Listing Requirements ("Listing Requirements"), the Group has disclosed, in a prescribed format, the extent to which it has applied and complied with the Practices specified in the MCCG 2021 to achieve the Intended Outcome. The detailed application for each of the Practices is disclosed in the Corporate Governance Report 2025 ("CG Report") which is available on the Company's website at https://taliworks.com.my/corporate-governance/ under the caption "Corporate Governance Report". As defined in the MCCG 2021, Intended Outcomes are designed to provide a line of sight on what companies will achieve through implementing the Practices. On the other hand, Practices are actions, procedures, or processes that a company is expected to adopt to achieve the Intended Outcome.

- For 2025, the Group is categorised as a Non-Large Company under the MCCG 2021. Large Companies are defined as companies on the FTSE Bursa Malaysia Top 100 Index or companies with a market capitalisation of RM2 billion and above at the start of a company's financial year.

- In 2025, the Company was awarded a three-star overall rating in the overall National Corporate Governance & Sustainability Assessment Report 2025 ("NACGSA") 2025 published by the Minority Shareholders Watch Group ("MSWG"). The NACGSA rating is derived from a combined assessment comprising 40% from the ASEAN Corporate Governance Scorecard, 30% from the Malaysian Code on Corporate Governance evaluation and 30% from the sustainability assessment. The overall NACGSA rating reflects the total score achieved by the PLC for the 2025 assessment year. The review was based on publicly available information including the annual report, corporate governance report and sustainability report for the financial year from 1 January 2024 to 31 December 2024.

- The Company attained the highest four-star corporate governance rating, derived from the ASEAN Corporate Governance Scorecard methodology. This achievement underscores the Group's strong commitment to upholding exemplary corporate governance standards and aligning with internationally recognised best practices, including the G20/OECD Principles of Corporate Governance. The four-star rating places the Company among public-listed companies that demonstrate robust governance frameworks, high level of transparency and accountability, and effective board oversight across key governance dimensions. The Group remains steadfast in continuously strengthening its governance framework and enhancing stakeholder confidence through the adoption of best governance practices.

- In addition, the Group achieved a three-star sustainability rating for 2025 based on the MSWG sustainability scorecard assessment. The Company has been recognised as the Company of the Year (Utilities) – ESG Champion at the Sustainability & CSR Malaysia Awards 2025 which was held on 17 July 2025. This honour highlights our commitment to sustainable infrastructure development and corporate social responsibility.

- During the year, the Group has applied all the Practices under the MCCG 2021 except the following:-

  (a) Practice 8.2 - The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits-in-kind and other emoluments in bands of RM50,000; and

  (b) Practice 13.3 – Listed companies should leverage technology to facilitate voting including voting in absentia and remote shareholders' participation at general meetings.

- For the Practices where the Group has not complied, the explanation for the departures is provided in the CG Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board Responsibilities

1.1 Clear Roles and Responsibilities

- The business and affairs of the Group are managed under the direction of the Board. The role of the Board is to collectively allocate resources, set the strategic direction of the Group, and inculcate healthy corporate governance practices within the Group by aligning them with stakeholder expectations while exercising oversight on the management's performance.

- The Board is entrusted to discharge its fiduciary duties and has overall responsibility for the corporate governance practices of the Group, including, amongst others:-

Business

(a) overseeing the conduct of the Group's business. In this regard, the Board meets quarterly with the management, including the Executive Director, the General Manager, Group Finance and the Company Secretaries, to discuss and deliberate on the agendas put forth at the Board meetings. The important agendas to be deliberated include the reports from the various Board Committees, the Executive Director's Quarterly Operational Report and the Quarterly Financial Interim Report by the General Manager, Group Finance, detailing the operations of each of the business divisions and the financial performance of the Group respectively;

(b) reviewing and adopting a strategic plan prepared on an annual basis by the Executive Director for the Group's future growth and expansion together with the Group Operating and Capital Expenditure Budgets, with a view of supporting long-term value creation for shareholders;

Risks and Controls

(c) identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures. To undertake these dual responsibilities, the Board has delegated both the risk management and internal audit functions to the Audit and Risk Management Committee.

Detailed descriptions of these functions are elaborated in the Statement of Risk Management and Internal Control and the Audit and Risk Management Committee Report included in this Annual Report;

(d) reviewing the adequacy and integrity of the Group's management information and internal control systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

In discharging these responsibilities, the Board has established an internal audit function to assess the adequacy and integrity of the internal control systems.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board Responsibilities (Cont'd)

1.1 Clear Roles and Responsibilities (Cont'd)

- The Board is entrusted to discharge its fiduciary duties and has overall responsibility for the corporate governance practices of the Group, including, amongst others:- (Cont'd)

Sustainability

(e) reviewing the Group's efforts in driving and implementing sustainable business practices covering economic, environmental and social considerations;

(f) overseeing sustainability-related and climate-related risks and opportunities including ensuring these matters are integrated into the Group's strategy, risk management and internal control frameworks in alignment with applicable sustainability disclosure standards and regulatory requirements.

The Group's Sustainability Steering Committee assisted the Board and the Executive Committee ("EXCO") in managing and driving the implementation of the Group's sustainability agenda. Sustainability related matters are updated to the Board by the Executive Director on a quarterly basis during Board meetings.

Succession Planning

(g) overseeing the succession planning to provide for a clear and orderly succession and ensure that all candidates appointed for a particular key position are capable and of calibre.

To assist the Board in discharging these responsibilities, the Board has adopted the Succession Planning Policy for the Board, Chairman of the Audit and Risk Management Committee and key senior management, as well as a Fit and Proper Policy under the Nominating and Remuneration Committee to ensure a formal and transparent process for the appointment and re-election of directors of the Company.

A copy of the Fit and Proper Policy is accessible at the Company's website at https://taliworks.com.my/corporate-governance/ under the caption "Policies".

Communications

(h) overseeing the development and implementation of a shareholder communications policy for the Group to enable effective communication with shareholders and other stakeholders.

In this respect, the Group has established an investor relation function, led by the Executive Director, and various communication channels and platforms (including the Company's website) where shareholders and other stakeholders can communicate with the Company and vice versa;

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board Responsibilities (Cont'd)

1.1 Clear Roles and Responsibilities (Cont'd)

- The roles played by the Board and the management are separate and distinct whereby the Board provides the stewardship role whereas the management is given the mandate and authority to implement the strategic directions of the Board. The Board fulfils its fiduciary role by overseeing that the management has undertaken its responsibilities in executing the policies and strategies adopted by the Board and the Board being adequately kept informed on matters relating to the Group's business and financial performance at the Board meetings which are held every quarter of the year. Where there are important issues that require the Board's immediate attention e.g. major corporate exercises, the Board may convene a special Board meeting.

- The Company and its key operating subsidiaries have established their respective Limits of Authority that define the authority given to the respective management to act on specific matters and any matters that require the approval of the Board, Board Committees, EXCO or the board of the subsidiaries. The Limits of Authority of the Company was reviewed by the Board in March 2022. The next review is scheduled for 2026 to ensure that the Limits of Authority remain relevant and responsive to the Group's business environment.

- To further assist the Board in its oversight role, the Board, through the Nominating and Remuneration Committee, has established Key Performance Indicators ("KPI") for the Executive Director that are linked to the Group's financial performance, risk management and compliance, organisation and talent and business development. In the Nominating and Remuneration Committee meeting held in January 2026, it was concluded that all the KPI have been met by the Executive Director in respect of the financial year ended 31 December 2025.

- The Board is also guided by the new Guidelines on Conduct of Directors of Listed Issuers and their Subsidiaries ("Guidelines") issued by the SC on 30 July 2020 (and revised 12 April 2021) in discharging their fiduciary duties. These Guidelines set out guidance for the establishment of a groupwide framework to enable among others, oversight of the group performance and the implementation of corporate governance policies.

- The Group has adopted the Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") and Whistleblowing Policy which are accessible at the Company's website at https://taliworks.com.my/corporate-governance/ under the caption "Policies". The ABAC Policy is to enforce the Group's Code of Conduct and Business Ethics to ensure that the Board, employees, associated persons and business associates understand their responsibilities to comply with zero tolerance for bribery and corruption within the Group. On the other hand, the Whistleblowing Policy is a specific mean by which an employee or a concerned stakeholder can exercise their responsibility to report or disclose through established channels, their legitimate concerns regarding misconducts within the Group in a responsible manner.

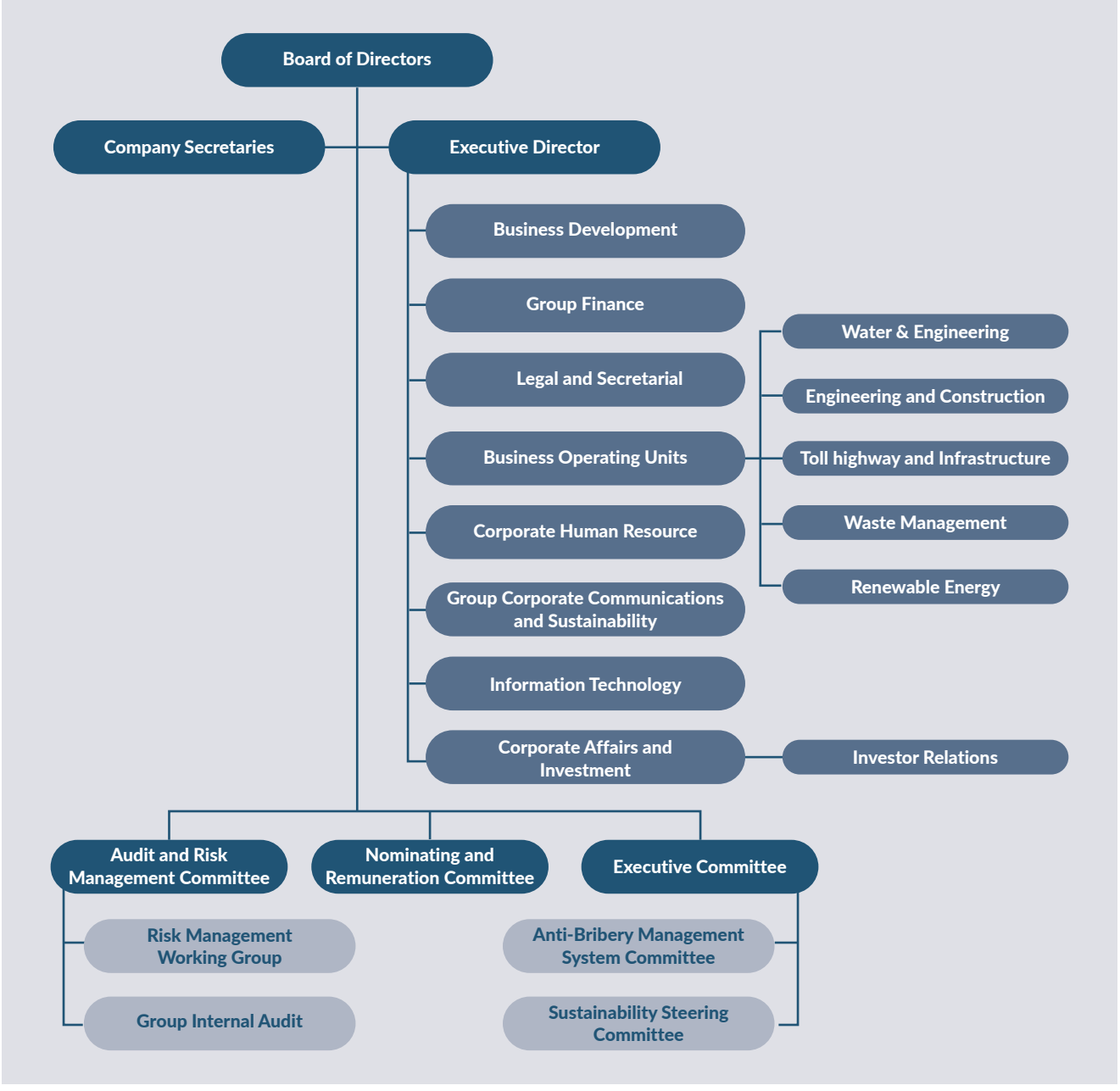
CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board Responsibilities (Cont'd)

1.2 Governance Structure

The current governance structure of the Group is as follows:



PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board Responsibilities (Cont'd)

1.3 Executive Committee

- The Board delegates to the Executive Director to manage the Group's business and day-to-day management to achieve the Group's corporate targets and plans.

- To assist the Executive Director in executing the mandates from the Board, an EXCO was established to speed up the decision-making process on issues that are routine and administrative in nature or on matters that do not require the immediate attention of the Board including approving non-material announcements to the stock exchange.

- Delegation of mandates to the EXCO is subject to defined Limits of Authority and monitoring by the Board. A list of all written resolutions approved by the EXCO is circulated to the Board on a quarterly basis for the Board's notation.

- Members of the EXCO together with other senior management and business divisional heads meet monthly to review the operational issues, financial performance, business prospects and other matters of the Group requiring their attention. Collectively, they are responsible to oversee the day-to-day management of the Group's business affairs.

1.4 Board Composition

- At the end of the year, the Board, led by YAM Tunku Ali Redhauddin Ibni Tuanku Muhriz, an Independent Non-Executive Chairman, is made up of five (5) members (including the Chairman) comprising:

  (a) one (1) Executive Director;
  (b) one (1) Non-Independent Non-Executive Director; and
  (c) three (3) Independent Non-Executive Directors.

- As disclosed in the Board Charter (a copy of which is available at the Company's website at https://taliworks.com.my/corporate-governance/ under the caption "Board Charter"), the Board shall consist of qualified individuals with diverse experience, background and perspective. The composition and size of the Board are such that it facilitates the making of informed and critical decisions.

  At any one time, at least two (2) or one-third (1/3), whichever is higher, of the Board members shall be Independent Directors. Where the Chairman of the Board is not an Independent Director, majority of Board members shall be Independent Directors. This provision in the Board Charter has been complied with by the Board.

- The Board, through the Nominating and Remuneration Committee, having reviewed the size and complexity of the Group's operations, is of the view that the number of members in the Board is appropriate, no individual dominated the decision-making process and the Board has operated effectively throughout the year.

- As disclosed in the Directors' Profile included in this Annual Report, members of the Board come from varied backgrounds (gender, age, qualification, working experience and ethnicity) and each brings with them a diverse range of business and financial acumen, competence, knowledge and experience relevant and necessary for the effective stewardship of the Group.

- The Board Charter was revised in February 2026 to expand the Board's responsibilities in overseeing sustainability related matters.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board Responsibilities (Cont'd)

1.5 Board to comprise a Majority of Independent Directors

- The current Chairman is an Independent Non-Executive Chairman whilst more than half of the composition of Board members comprises Independent Directors.

1.6 Role of the Chairman

- The role of the Chairman is spelt out in Clause 4.1 of the Board Charter.

1.7 Role of the Executive Director

- The Executive Director is a full-time salaried employee of the Company. He is assisted by the EXCO to develop and implement, in conjunction with the Board, the Group's strategic plans for existing businesses and future growth expansion plans. Other than that, the Executive Director is responsible for carrying out all the directions of the Board and ensuring that they are implemented and that adequate actions have been taken to follow up on significant outstanding matters on a timely basis.

- In connection therewith, the Executive Director keeps the Board informed of the overall operations and major issues faced by the Group, together with bringing forward to the Board, significant matters for its consideration and approval, where required, at Board meetings or via email communication where important matters require immediate attention of the Board.

- The Executive Director is accountable to the Board and he oversees all the business and corporate divisions within the Group. The performance of the Executive Director, including achievements of his KPI, is reviewed annually by the Nominating and Remuneration Committee.

1.8 Role of the Non-Independent Non-Executive Directors

- Non-Independent Non-Executive Directors do not actively participate in the day-to-day management of the Group. However, they contribute to areas such as policy and strategy, performance monitoring, as well as improving governance and controls. They are expected to provide constructive input and where required, provide the requisite guidance to the Executive Director when faced with the challenges in running the day-to-day affairs of the Group.

1.9 Role of the Independent Non-Executive Directors

- Independent Non-Executive Directors play a significant role as a check and balance in the functioning of the Board. They have declared themselves to be independent from management and free from any business or other relationship which could interfere with the exercise of their independent judgment and objective participation and decision-making process of the Board.

- Independent Non-Executive Directors are required to voice their reservations or objections to any Board decisions which are deemed detrimental to the interest of the minority shareholders, and their reservations or objections are then duly recorded by the Company Secretaries in the Board minutes. During the year, the Board minutes have not recorded any reservations or objections made by the Independent Non-Executive Directors on any Board decisions that they deemed to be detrimental to the minority shareholders.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board Responsibilities (Cont'd)

1.10 Independent Directors

- Independent Directors bring independent and objective judgment to the Board and this mitigates risks arising from conflict of interest or undue influence from interested parties. Nonetheless, the existence of Independent Directors by itself does not ensure the exercise of independent and objective judgment as independent judgment can be compromised by, amongst others, familiarity or close relationship with other board members or major shareholders.

- The Nominating and Remuneration Committee undertakes an assessment of the Independent Directors annually. Other matters considered and deliberated by the Nominating and Remuneration Committee are disclosed in Section 2.2(b) of this Statement and the outcome in Practice 6.1 of the CG Report.

- Other than fully complying with the definition of an "independent director" set out in the criteria listed in Section 1.1 (a) to (g) of Practice Note 13 - Requirements for Directors and Signatory of Statutory Declaration for Accounts by Bursa Malaysia Securities Berhad, the Independent Directors have themselves self-assessed in the Independent Directors' Self-Assessment Checklist including the application of subjective assessments pursuant to the definition of independent directors in the Listing Requirements which is submitted to the Nominating and Remuneration Committee.

1.11 Tenure of Independent Directors

- The tenure of Independent Directors as at the end of the year is as follows:-

As of 31 December 2025	<4 years	4-8 years
YAM Tunku Ali Redhauddin Ibni Tuanku Muhriz (appointed on 27 November 2019)		x
Datuk Roger Tan Kor Mee (appointed on 27 November 2019)		x
Datin Pauline Tam Poh Lin (appointed on 17 August 2022)	x	

- Under the MCCG 2021, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the director's re-designation as a Non-Independent Director. Where the Board has determined that the said Independent Director shall not remain as an Independent Director, then he/she will be re-designated as a Non-Independent Director accordingly. To-date, no Independent Directors has served more than nine (9) years since the introduction of the MCCG 2021.

- It is further provided under clause 3.7.1 of the Board Charter that the tenure of an Independent Director shall not exceed a term limit of nine (9) years.

- Nevertheless, if any Independent Director has served the Board for a term of nine (9) years, the Nominating and Remuneration Committee will assess and decide whether he/she can remain as an Independent Director. In such a situation, the Board will make a recommendation and provide justification to the shareholders in a general meeting to enable them to assess the merits of the Board's decision to retain the services of the Independent Director beyond the nine-year tenure. Under these circumstances, the Board will seek annual shareholders' approval through a two-tier voting process. As at the forthcoming Annual General Meeting, none of the Independent Directors has exceeded a cumulative term of nine (9) years.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board Responsibilities (Cont'd)

1.11 Tenure of Independent Directors (Cont'd)

- To encourage periodic refresh of Board composition, the Board shall not retain an Independent Director with a tenure of more than twelve years. This is provided under Clause 3.7.4 of the Board Charter to be in line with the Listing Requirements. To-date, no Independent Directors has served more than twelve (12) years since the introduction of the MCCG 2021.

1.12 Appointments to the Board

- The Nominating and Remuneration Committee is responsible for reviewing the Board's composition and recommending to the Board the appointment of new directors by evaluating and assessing the suitability of candidates for board membership. The detailed appointment processes are disclosed in the Practice 5.5 of the CG Report.

1.13 Re-Election of Directors

- Pursuant to Clause 77 of the Company's Constitution, one-third (1/3) of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office (who have been longest in office since their last election) shall retire by rotation. In addition, the Listing Requirements require that all Directors of listed companies shall retire once at least every three (3) years. The Directors retiring by rotation shall be eligible for re-election.

- The Nominating and Remuneration Committee is responsible for recommending to the Board those Directors who are eligible to stand for re-election. Pursuant to Clause 77 of the Company's Constitution, the Directors who are due to retire by rotation at the forthcoming Annual General Meeting are YAM Tunku Ali Redhauddin Ibni Tuanku Muhriz and Datuk Roger Tan Kor Mee. The Board, except for the retiring Directors, has approved the recommendation of the Nominating and Remuneration Committee that the name of the retiring Directors be put forth for shareholders' approval at the forthcoming Annual General Meeting for re-election.

1.14 Board Diversity, Age Profile and Education Background

	Gender		Age Profile			Skill-set		
	Male	Female	<51 years	51-60 years	>60 years	Finance related	Legal related	Others
Executive Director	1	-	-	1	-	1		-
Independent Non-Executive Directors	2	1	1	-	2	1	1	1
Non-Independent Non-Executive Directors	-	1	1	-	-	1	-	-
Total	5							

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board Responsibilities (Cont'd)

1.14 Board Diversity, Age Profile and Education Background (Cont'd)

The Board acknowledges the promotion of diversity and gender mix in its composition and gives due recognition to the financial, technical and business experience of the Directors and believes the presence of gender mix in the Board can widen the Board's perspectives in effectively discharging its duties and responsibilities as well as assist the Board in its decision-making process in line with the challenging and evolving business environment.

1.15 Board Diversity Policy

The following is a summary of the Board Diversity Policy adopted by the Board:-

- **Policy statement**

  The Company sees diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and in maintaining a competitive advantage. A diverse Board should be considered from several aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The composition of the members of the Board should always comprise mixed genders to bring about a more diverse perspective to issues faced by the Group. All Board appointments are based on meritocracy.

- **Gender diversity**

  As of the end of the year, the composition of the Board comprises 40% women directors, surpassing the requirement of having 30% women representation in boards as prescribed in the MCCG 2021. The Nominating and Remuneration Committee refers to this Policy in selecting and assessing candidates and in presenting recommendations to the Board by considering gender diversity and the objectives of the Policy when considering new board appointments.

- **Objectives**

  The Nominating and Remuneration Committee reviews the attributes of all the Board members annually to ensure that the objective of achieving diversity on the Board is attained and proposes to the Board for adoption. The Board may seek to improve one or more aspects of its diversity progressively. The ultimate decision for appointment to the Board will be based on merit and contribution that the selected candidates bring to the Board.

- **Monitoring and reporting**

  The Nominating and Remuneration Committee reports in the annual report on the Board's composition under diversified perspectives and monitors the implementation of this Policy.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board Responsibilities (Cont'd)

1.16 Senior Management Diversity Policy

- The Senior Management Diversity Policy states that Group recognises the importance of a gender balanced leadership team as an essential element in supporting the attainment of its strategic objectives and in maintaining a competitive advantage. A diverse senior management should be considered from several aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The composition of the members of the senior management should comprise mixed genders to bring about a more diverse perspective on issues faced by the Group.

- As disclosed in the Sustainability Statement, the percentage of women in senior management role as at the end of the year is 19%.

1.17 Time Commitment

- Under the Board Charter:-

  (a) the directorships in other public listed companies in Malaysia held by any Board member at any one time shall not exceed the number as may be prescribed by the Listing Requirements. In this respect, based on the disclosure in the Directors' Profile, none of the Board members holds more than five (5) directorships in listed issuers in compliance with Paragraph 15.06(1) of the Listing Requirements.

  (b) the Directors should devote sufficient time to the Company and observe the following policies and procedures:-

    i. to disclose to the Board, through the Nominating and Remuneration Committee, at the time of his/her appointment, and in a timely manner for any change, the number and nature of office held in public listed companies, non-listed companies or organisations and any other significant commitments;

    ii. to notify the Chairman and the Board before accepting any new directorships and provide an indication of the time that will be spent in the new appointment which should include the time required to prepare and attend board and board committee meetings, general meetings, continuous training programmes, site visitation and major company events.

    At the end of the previous year, a schedule for Board and Board Committee meetings will be prepared and distributed to all Board members for their reference. Each Board member should allocate sufficient time for these meetings and attend all the scheduled meetings. If a Board member is unable to attend any of the scheduled meetings, he/she should notify the Board, through the Company Secretaries, as early as practicable;

    iii. to ensure that sufficient time and attention are allocated to the Company and that other commitments do not affect the effectiveness of their contribution or the time available in the discharge of their duties and responsibilities; and

    iv. to take an interest in the affairs of the Group, obtain a general understanding of its businesses and follow up on all the unusual transactions that come to his/her attention.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board Responsibilities (Cont'd)

1.17 Time Commitment (Cont'd)

- The Board and Board Committee members are expected to attend these meetings which have been scheduled well in advance. In the situation where any of them are not available, they will inform the Company Secretaries who accordingly will endeavour to re-schedule to another date where all other members would be able to attend.

- In accordance with the Company's Constitution, Directors who are unable to attend meetings in person, may join the meeting virtually.

1.18 Access to Training

- The Board recognises the importance of training and development for the Directors to enhance their skills and knowledge to meet the challenges of the Board. The role to review the training and development needs of the Directors is delegated to the Nominating and Remuneration Committee which then reports its findings to the Board.

- During the year, all the Directors had attended various training programmes, seminars and/or workshops externally or those provided in-house, reading relevant publications and adhering to continuing professional education required by the respective professional bodies to broaden their knowledge and to keep abreast with current issues. There are no restrictions as to the type of training programmes, courses, seminars, conferences, talks, briefings to be attended by the Directors.

- Directors are also kept informed of the latest statutory and regulatory developments by the Company Secretaries at every Board meeting.

- The Company has induction programmes to enable the Directors to familiarise themselves with the operations and other aspects of the Group. Members of the Board have participated in relevant training and education programmes to keep themselves updated on developments that are current and relevant. As and when requested by the Directors, site visits will be arranged for the Directors to get themselves familiarised with the Group's operations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board Responsibilities (Cont'd)

1.18 Access to Training (Cont'd)

- The following were the training attended by the Directors during the year:-

Name of Director	Course Title
YAM Tunku Ali Redhauddin Ibni Tuanku Mukhriz	• Mandatory Accreditation Programme Part II: Leading for Impact organised by the Institute of Corporate Directors Malaysia ("ICDM") • Khazanah Megatrends Forum 2025 organised by Khazanah Nasional Berhad • Dushanbe International Investment Forum – Green Economy: Today's Opportunities for a Sustainable Future organised by the Government of Tajikistan • ASEAN Business and Investment Summit 2025 organised by the ASEAN Business Advisory Council • Bloomberg New Economy Forum 2025 organised by Bloomberg
Kevin Chin Soong Jin	• Training on Fundamentals of Grid Scale Battery Energy Storage System organised by Total Power Solutions Sdn. Bhd. • Invest ASEAN – Malaysia Conference 2025 organised by the Invest ASEAN Malaysia Conference 2025 Organising Committee • Mandatory Accreditation Programme Part II: Leading for Impact organised by ICDM • Market Outlook Mid-Valley 2025 Kuala Lumpur organised by Bank Julius Baer & Co. Ltd.
Datuk Roger Tan Kor Mee	• World Legal Symposium organised by the International Air Transport Association • Beacon Conference on Waste to Energy organised by the International Solid Waste Association • 20th Anniversary Waste Management Association of Malaysia ("WMAM") Annual Conference 2025 organised by the WMAM • International Solid Waste Association ("ISWA") World Congress 2025 organised by the ISWA • Virtual Conference on Corporate & Commercial Law 2025 organised by the Bar Council Malaysia
Datin Pauline Tam Poh Lin	• Tax Reimagined: Data Warehouses and Their Relevance for Tax Functions organised by KPMG Webinar (Future of Tax & Legal Webcast Series of KPMG) • Fundamentals of Business Continuity Management and Business Impact Analysis organised by Malaysian Institute of Management ("MIM") • Fundamentals of Crisis Management organised by MIM • Re-shaping Financial statement presentation (MFRS 18) organised by KPMG • Tax and Business Summit 2025 organised by KPMG • AOB Conversation with Audit Committee organised by the Securities Commission • 2025 MFRS Updates organised by KPMG
Datin Irene Lim Ai Ling	• Mandatory Accreditation Programme Part II: Leading for Impact organised by ICDM

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board Responsibilities (Cont'd)

1.19 Access to Information and Services from the Company Secretaries and External Parties

- The Directors have access to the advice and services of the Company Secretaries and where necessary, in furtherance of their duties, are entitled to seek independent professional advice at the Company's expense. The following are the procedures adopted by the Board in engaging the services of independent professional advisors:

  (a) where any member of the Board makes a request to the management to engage the services of independent professional advisors, the request is then communicated by the Company Secretaries to other Board members for concurrence;

  (b) where necessary, the Chairman will convene a special Board meeting to discuss the matter and where a concurrence from a majority of the Directors is obtained, the management will be directed to procure suitable independent professional advisors acceptable to the Board; and

  (c) the independent professional advisors will report their findings to the Board.

1.20 Conflict of Interest

- The Conflict of Interest Policy and Procedures ("COI P&P") were adopted on 22 November 2023. The COI P&P apply to all Directors and Key Senior Management of the Group. It covers conflict of interest that may arise between their personal interests and the interests of the Group. The circumstances which constitute or may give rise to conflict of interest and the disclosure and management of conflict of interest are spelt out in the COI P&P.

- Any Director or Key Senior Management who becomes aware of a conflict of interest must promptly disclose the nature and extent of the conflict to the Company.

- The Audit and Risk Management Committee shall review and report any conflict of interest situations to the Board, along with the measures taken to resolve, eliminate, or mitigate such conflicts. These disclosures will be included in the Audit and Risk Management Committee Report.

- The Board may determine appropriate measures to address conflict of interest, including but not limited to the following:-

  (i) Requiring prompt and periodic declaration of conflict of interest by the Director and Key Senior Management of the Group, including at board meetings and on a regular basis.

  (ii) Restricting the participation of individuals with conflict of interest in relevant board, committee or general meetings, requiring them to abstain or recuse themselves from deliberation and voting on matters related to the conflicts.

  (iii) Conducting an assessment of conflict of interest during annual performance appraisal and before new appointments.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Board Responsibilities (Cont'd)

1.20 Conflict of Interest (Cont'd)

- The Board may determine appropriate measures to address conflict of interest, including but not limited to the following:- (Cont'd)

  (iv) Executing non-disclosure or confidentiality agreements to protect confidential and proprietary information or trade secrets.

  (v) Restricting Director and Key Senior Management from participating in businesses that compete with the Company or the Group.

  (vi) In cases where conflict of interest significantly affects the performance of Director or Key Senior Management, requiring them to divest the conflicting interest or consider resigning from the Company or the Group. Taking into the account the significance of the conflict of interest and potential ramifications of a failure to handle the conflict properly, Directors would consider whether to inform the Board not to send them board papers relating to the resolution.

- During the period under review, Datin Irene Lim Ai Ling, a Non-Independent and Non-Executive Director and Mr Wong Voon Leong, General Manager, Group Finance, declared their conflict of interest. Details of their conflict of interest are disclosed in their respective profile in the Company's website.

2.0 Board Committees

- The Board has reserved for itself, decisions in respect of matters significant to the Group's business operations, which include the approval of key corporate plans, annual operating and capital expenditure budgets, major business transactions involving either acquisitions or disposals of business, interests and/or assets, consideration of significant financial matters and announcements of financial results, changes to the composition of the Board and the Board Committees as well as control structure within the Group.

- For the Board to operate efficiently and give the right level of attention and consideration to relevant matters, the Board has delegated certain of its duties and responsibilities to the various Board Committees namely:-

  (a) Audit and Risk Management Committee; and

  (b) Nominating and Remuneration Committee.

- The primary objectives of establishing the Board Committees are amongst others, to allow Board members to make better use of their limited time and resources, allow more focus to be given to complex issues and recommending any course of action; and reinforcing the role of Independent Directors in monitoring the activities of the Group.

- Each of the Board Committees operates under its own Terms of Reference as approved by the Board. At every Board meeting, the Board Committee Chairman shall report to the Board, any significant developments and deliberations conducted at the Board Committee level.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

2.0 Board Committees (Cont'd)

- The delegation by the Board does not diminish nor abdicate its responsibilities and the Board remains responsible for all the actions of the Board Committees with regards to the execution of delegated responsibilities. To ensure proper delegation, the Board formulates, establishes and approves the appropriate terms of reference, defining the responsibilities and authority of the said Board Committees.

2.1 Composition of Board Committees

- The composition of the Board Committees at the end of the year was as follows:-

Name of Director	Audit and Risk Management Committee	Nominating and Remuneration Committee
Independent Non-Executive Directors		
Datuk Roger Tan Kor Mee	Member (Appointed on 27 February 2020)	Chairperson (Appointed on 15 August 2024)
Datin Pauline Tam Poh Lin	Chairperson (Appointed as member on 17 August 2022 and re-designated to Chairperson on 24 August 2022)	Member (Appointed on 15 August 2024)
Non-Independent Non-Executive Director		
Datin Irene Lim Ai Ling	Member (Appointed on 15 August 2024)	Member (Appointed on 15 August 2024)

2.2 Functions, Duties and Responsibilities of the Board Committees

(a) Audit and Risk Management Committee

- The Audit and Risk Management Committee comprises three (3) members, made up exclusively of Non-Executive Directors, the majority of whom are Independent Directors. Currently, there are three (3) members of the Audit and Risk Management Committee out of five (5) Board members.

- No alternate director is to be appointed as a member of the Audit and Risk Management Committee.

- The Audit and Risk Management Committee oversees and is mainly responsible for the financial reporting, internal controls, internal audit function, external audit reports, risk management, related party transactions and conflict of interest.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

2.0 Board Committees (Cont'd)

2.2 Functions, Duties and Responsibilities of the Board Committees (Cont'd)

(a) Audit and Risk Management Committee (Cont'd)

- The terms of reference of the Audit and Risk Management Committee is available at the Company's website at http://www.taliworks.com.my/corporate-governance/ under the caption "Terms of Reference of the Audit and Risk Management Committee". The Terms of Reference were revised in February 2026 to enhance the role of the Audit and Risk Management Committee in overseeing sustainability related matters of the Group.

(b) Nominating and Remuneration Committee

- The Nominating and Remuneration Committee is headed by the Senior Independent Non-Executive Director, Datuk Roger Tan Kor Mee.

- The Nominating and Remuneration Committee comprises three (3) members, made up exclusively of Non-Executive Directors, the majority of whom are Independent Directors. Currently, there are three (3) members of the Nominating and Remuneration Committee out of five (5) Board members.

- The terms of reference of the Nominating and Remuneration Committee are available at the Company's website at http://www.taliworks.com.my/corporate-governance/ under the caption "Terms of Reference of the Nominating and Remuneration Committee". The Terms of Reference were revised in February 2026 to include training requirements relating to sustainability and climate-related governance, risks and opportunities; alignment of compensation of the Executive Director to the achievement of sustainability-related and climate-related performance indicators, where relevant and material to the Group.

- In January 2026, the Nominating and Remuneration Committee convened a meeting and the following matters were considered and deliberated (except where the committee member is an interested party):-

  (a) to review the Assessment Report on Individual Directors and make appropriate recommendation to the Board;

  (b) to review the Independent Directors' Self-Assessment Report and make appropriate recommendation to the Board;

  (c) to review the effectiveness and composition of the Board and Board Committees and make appropriate recommendation to the Board;

  (d) to review the term of office and performance of the Audit and Risk Management Committee and each member and make appropriate recommendation to the Board;

  (e) to discuss training requirements for Directors;

  (f) to review the assessment of the Key Officers and make appropriate recommendation to the Board;

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

2.0 Board Committees (Cont'd)

2.2 Functions, Duties and Responsibilities of the Board Committees (Cont'd)

(b) Nominating and Remuneration Committee (Cont'd)

- In January 2026, the Nominating and Remuneration Committee convened a meeting and the following matters were considered and deliberated (except where the committee member is an interested party):- (Cont'd)

(g) to note the retirement of Directors at the forthcoming Thirty-fifth Annual General Meeting pursuant to Clause 77 of the Constitution of the Company, and recommend the re-election of the relevant Directors who are willing to seek for re-election, after having assessed the fitness and propriety in accordance with the Fit and Proper Policy;

(h) to review and if thought fit, to recommend the revised remuneration packages for Company's Executive Director for the year ending 31 December 2026 to the Board for approval;

(i) to review and if thought fit, to recommend the Directors' Fees for the period from 11 June 2026 until the next Annual General Meeting of the Company to be held in 2027, to the Board for recommendation of the same to the shareholders for approval;

(j) to review and if thought fit, to recommend the Directors' benefits, which includes meeting allowance, for the period from 11 June 2026 until the next Annual General Meeting of the Company to be held in 2027, to the Board for approval;

(k) to review and if thought fit, to recommend the remuneration packages for the Senior Management for the year ending 31 December 2026, to the Board for approval;

(l) to consider and if thought fit, to recommend the appointment of a stand-in Board Chairman and Audit and Risk Management Committee Chairman to the Board for approval;

(m) to review the Remuneration Policy for Senior Management Staff, and if necessary, recommend revisions to the Board for approval; and

(n) to consider and if thought fit, to recommend the revised Terms of Reference of the Nominating and Remuneration Committee to the Board for approval.

Directors do not participate in decisions regarding their own remuneration package. Directors' fees and meeting allowances are to be approved by shareholders at annual general meetings before any payment of fees are made to the Directors. Directors who are shareholders of the Company will abstain from voting at general meetings to approve their fees and benefits.

The above (a) to (n) were tabled to and approved by the Board in February 2026.

The Nominating and Remuneration Committee met once during the year in January 2025. The activities undertaken by the Nominating and Remuneration Committee in January 2025 have been disclosed in the previous year's Corporate Governance Overview Statement.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

2.0 Board Committees (Cont'd)

2.3 Record of Attendance at Board and Board Committee Meetings

- In accordance with Paragraph 15.05(3)(c) of the Listing Requirements, the office of a director will become vacant if the director is absent for more than 50% of the total Board meetings held during a year. In this respect, the Board is satisfied with the level of time commitment given by all the Board members towards fulfilling their roles and responsibilities. All Directors have given their full commitment to the Board meetings by attending all the Board meetings held during the year. Their meeting attendance at Board and Board Committee meetings during the year as evidenced by the attendance record is set out in the table below.

Name of Director	Board Meeting	Audit and Risk Management Committee Meeting	Nominating and Remuneration Committee Meeting
EXECUTIVE DIRECTOR			
Kevin Chin Soong Jin	5/5	N/A	N/A
INDEPENDENT NON-EXECUTIVE DIRECTORS			
YAM Tunku Ali Redhauddin Ibni Tuanku Muhriz	5/5	N/A	N/A
Datuk Roger Tan Kor Mee	5/5	5/5	1/1
Datin Pauline Tam Poh Lin	5/5	5/5	1/1
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR			
Datin Irene Lim Ai Ling	5/5	5/5	1/1
Dates of meetings held during the year	24 February 26 March 19 May 27 August 19 November	24 February 25 March 16 May 26 August 18 November	9 January

3.0 Remuneration

3.1 Directors' Remuneration

- The Group recognises that to attract and retain Directors is to have a fair and comprehensive remuneration package that commensurate with their experience, skills and responsibilities as well as benchmarking against the industry's standards. In view of this, the remuneration package for the Executive Director and the Directors' fees and benefits were determined by benchmarking against remuneration packages of relevant positions with similar industry and business size. The Company undertook a benchmarking exercise in 2023 and the Nominating and Remuneration Committee recommended to the Board that the meeting allowance be revised. The revision was subsequently approved by shareholders at an annual general meeting.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

3.0 Remuneration (Cont'd)

3.1 Directors' Remuneration (Cont'd)

- The remuneration of the Executive Director is based on the terms of his employment contract and his remuneration package is structured to link rewards to corporate and individual performance. The performance and remuneration package of the Executive Director are subject to evaluation by the Nominating and Remuneration Committee. Other than his employment income, he is also remunerated in the form of Directors' fees as approved by shareholders at the annual general meetings and a meeting allowance for his attendance at the general meetings, scheduled and non-scheduled Board meetings and such other discussions as may be decided by the Board. The Board, through the Nominating and Remuneration Committee, establishes the KPI for the Executive Director.

- Non-Executive Directors are remunerated in the form of Directors' fees as approved by shareholders at annual general meetings and a meeting allowance for their attendance at the general meetings, scheduled and non-scheduled Board or Board Committee meetings and such other discussions as may be decided by the Board. The remuneration for the Chairman of the Board and the Audit and Risk Management Committee is comparatively higher than the other Non-Independent Directors in view of their greater responsibility and accountability. In the same light, the Chairman of the other Board Committees is accorded higher meeting allowance.

- The members of the Board are covered under a Directors' and Officers' Liability Insurance Policy of up to an amount of RM10 million against any liability incurred by them in discharging their duties while holding office as directors of the Company and this is recognised as a non-financial benefit to Directors.

- Below are the Directors' fees (which are not performance related) and meeting allowances with effect from 11 June 2026 until the next Annual General Meeting to be held in 2027, subject to the approval of shareholders at the forthcoming Annual General Meeting.

	Directors' Fees RM per Annum
Chairman	200,000
Chairman of the Audit and Risk Management Committee	160,000
Executive Director	120,000
Independent Non-Executive Directors	120,000
Non-Independent Non-Executive Directors	120,000

	Board	Audit and Risk Management Committee	Nominating and Remuneration Committee
	Meeting allowances (RM/meeting)		
Chairman	2,000	2,000	2,000
Members	1,500	1,500	1,500

- The details of Directors' remuneration for the financial year including remuneration for services rendered to the Company and its subsidiaries are disclosed in Practice 8.1 of the CG Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

3.0 Remuneration (Cont'd)

3.2 Remuneration of Key Senior Management

- Under the Listing Requirements, Key Senior Management refers to a person, who in the opinion of the listed issuer, is the key senior management of the group, and must include a person who is primarily responsible for the business operations of the listed issuer's core business and principal subsidiaries.

- As at the end of the year, there were six (6) Key Senior Management personnel identified by the Group as primarily being responsible for managing the business operations and corporate divisions of the Group. The profile of the current Key Senior Management is disclosed at the Company's website at http://www.taliworks.com.my/corporate-information/ under the caption "Key Senior Management".

- The remuneration policy for the Key Senior Management is disclosed at the Company's website at http://www.taliworks.com.my/corporate-governance/ under the caption "Remuneration Policy for Senior Management Staff".

- The remuneration paid to the top five (5) key senior management including salary, bonus, benefits-in-kind and other emoluments in bands of RM50,000 during the year is as follows:-

Range of Remuneration	Total (pax)
RM350,001 to RM400,000	2
RM400,001 to RM450,000	-
RM450,001 to RM500,000	1
RM500,001 to RM550,000	1
RM550,001 to RM600,000	1

PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT

4.0 Audit and Risk Management Committee

- The Audit and Risk Management Committee comprises three (3) members, the majority of whom are Independent Directors.

- The Audit and Risk Management Committee is headed by Datin Pauline Tam Poh Lin who is an Independent Non-Executive Director and a member of the Malaysian Institute of Accountants. The duties, functions and responsibilities of the Audit and Risk Management Committee are spelt out in its Terms of Reference.

- The performance of the Audit and Risk Management Committee and each of its members is assessed annually by the Nominating and Remuneration Committee. The Nominating and Remuneration Committee also assesses on an annual basis the effectiveness of the Audit and Risk Management Committee in carrying out its responsibilities.

PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT

5.0 Risk Management and Internal Control Framework

- The Board acknowledges its responsibility in maintaining a robust risk management framework and a sound system of internal controls.
- The Statement on Risk Management and Internal Controls included in this Annual Report provides a detailed description of the state of risk management and internal controls as implemented by the Group.

PRINCIPLE C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

6.0 Communication with Stakeholders

6.1 Corporate Disclosure Policies and Procedures

- Along with good corporate governance practices, the Group is committed to provide to investors and the public with comprehensive, accurate and material information on a timely basis. In line with this commitment and to enhance transparency and accountability, the Group has formulated the Corporate Disclosure Policies and Procedures ("CDPP") that set out the general principles and standards of disclosure of information in relation to the business, operations and financial performance of the Group.
- This CDPP applies to directors, officers and employees of the Group and those who have been authorised to speak on their behalf of the Group and to whom access to confidential and material corporation information have been given and, it covers, among others, the following:-

  (i) disclosures made in documents filed with Bursa Malaysia Securities Berhad, the Companies Commission of Malaysia and the SC;

  (ii) financial and non-financial disclosures and all written statements made in the Company's annual and quarterly reports to Bursa Malaysia Securities Berhad and the SC;

  (iii) press releases through traditional and social media;

  (iv) letters, prospectus and circulars to shareholders;

  (v) information contained in the Company's website and other electronic communication;

  (vi) oral and written statements made in meetings, presentations, conferences, speeches, interviews with the media, telephone conversation; and

  (vii) any other dealings with the general public.

  Such corporate information shall be collectively known as (the "Public Disclosure Materials").

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

6.0 Communication with Stakeholders (Cont'd)

6.1 Corporate Disclosure Policies and Procedures (Cont'd)

- In complying with the requirements on disclosure of material information imposed by Bursa Malaysia Securities Berhad, the Group shall be governed by the following principles in disseminating material information:-

  (i) Immediate announcement to Bursa Malaysia Securities Berhad

  (ii) Consistent approach to materiality

  (iii) Material information to be temporarily withheld

  (iv) Factual and non-speculative disclosure

  (v) Prompt disclosure of unfavourable material information

  (vi) Inadvertent disclosures to be disclosed immediately via announcements

  (vii) Immediate correction of material error in disclosure

  (viii) Non-responsive to published articles and reports which are general in nature

  (ix) Equal access to material information

  (x) Use of plain language

  (xi) Compliance with the Listing Requirements

6.2 Maintenance of Company Website

- The Group leverages on information technology for effective dissemination of information by maintaining a website at https://taliworks.com.my/ which shareholders or other stakeholders can access for information. All information released to the stock exchange is posted on the Investor Relations section of the website.

- Alternatively, the Group's latest announcements can be obtained via the stock exchange's website at:

  https://www.bursamalaysia.com/market_information/announcements/company_announcement.

PRINCIPLE C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

6.0 Communication with Stakeholders (Cont'd)

6.2 Maintenance of Company Website (Cont'd)

- Included in the Company's website are matters relating to:

  (a) corporate information and profile of the Group business activities;

  (b) investor relations including financial information (financial statements, factsheet ratios, financial highlights and dividend policy), stock information, reports (annual reports, quarterly reports and analysts reports), announcements to Bursa Malaysia Securities Berhad, information request (email alert subscription and investor relation contact), general meeting (minutes of shareholders' meeting);

  (c) corporate governance including the Board Charter, Code of Business Conduct and Ethics for Directors, Terms of Reference of Board Committees, Corporate Governance Report, Remuneration Policy, Constitution of the Company, Whistleblowing Policy, and Anti-Bribery and Anti-Corruption Policy.

6.3 Integrity in Financial Reporting

- The Board aims to present a balanced and meaningful assessment of the Group's financial performance and prospects to shareholders, investors and regulators. This assessment is primarily provided in the Annual Report through the Chairman's Statement, the Management Discussion and Analysis and the accompanying audited financial statements. The Group also announces its interim financial results on a quarterly basis in compliance with the Listing Requirements. The interim financial results are reviewed by the Audit and Risk Management Committee and approved by the Board prior to public release.

- For the year under review, the Group had announced its quarterly results and published its audited financial statements within the timeframe as required under the Listing Requirements.

- In releasing the unaudited full year's results, the Audit and Risk Management Committee met with the External Auditors who summarised all the principal matters that have arisen from the audit that may have a material impact on the Group's results. The Audit and Risk Management Committee also engages the External Auditors on financial disclosures and the accounting judgments made in preparing the financial statements.

- The Board is responsible for the preparation of the financial statements to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 of Malaysia. The Board is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

- The Board has considered in preparing the latest set of financial statements, that the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

7.0 Conduct of General Meetings

7.1 Annual General Meeting ("AGM")

- The AGM which is held once a year is the principal forum for dialogue with shareholders. In line with good corporate governance practice, the Notice of AGM is issued at least twenty-eight (28) days prior to the date of the meeting. Where special business items appear in the Notice of AGM, an explanatory note will be included as a footnote to enlighten shareholders on the significance and impact when shareholders deliberate on a resolution.

- At the AGM, shareholders are encouraged to participate, speak and vote. Shareholders are given the opportunity to seek clarification on any matters pertaining to the business activities and financial performance of the Group. Shareholders are also encouraged to make their views known to the Board and to raise directly any matters of concern to the Chairman or to the Chairman of the Board Committees. Management personnel are also present to respond to any enquiries directed to them by the shareholders.

- The External Auditors are invited to attend the AGM and avail themselves to answer questions from shareholders on the conduct of the statutory audit and the preparation and content of the audited financial statements.

- Where a transaction is required to be approved by shareholders, interested Directors will abstain from deliberation and voting in respect of their shareholdings in the Company and they will further undertake to ensure that persons connected to them will similarly abstain from voting.

- Minutes of AGM are posted at the Company's website at https://taliworks.com.my/general-meeting/ under the caption "Minutes of Shareholders' Meeting" within one (1) month from the conclusion of the AGMs.

7.2 Poll Voting

- The polling process will be conducted via electronic polling by an external party as the Poll Administrator and an Independent Scrutineer will also be engaged to oversee the conduct of the poll and verify the results of the poll.

- Before shareholders proceed to conduct the poll voting, the Poll Administrator will brief the shareholders on the poll procedures.

AUTHORISATION FOR ISSUANCE

The Board has reviewed and approved this Corporate Governance Overview Statement and the Corporate Governance Report for inclusion in this Annual Report.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

1.0 COMPOSITION

- The Audit and Risk Management Committee ("ARMC") comprises three (3) members, the majority of whom are Independent Non-Executive Directors, as follows:

Chairperson

The Chairperson of the ARMC, Datin Pauline Tam Poh Lin, an Independent Non-Executive Director, is a member of the Malaysian Institute of Accountants ("MIA"), Malaysian Institute of Certified Public Accountants ("MICPA") and the Chartered Tax Institute of Malaysia ("CTIM"). She was appointed as a member of the ARMC on 17 August 2022 and subsequently as the Chairperson on 24 August 2022.

Members

- Datuk Roger Tan Kor Mee, a Senior Independent Non-Executive Director, appointed on 27 February 2020; and

- Datin Irene Lim Ai Ling, a Non-Independent Non-Executive Director, appointed on 15 August 2024.

- The composition of the ARMC complied with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as follows:

Requirements	Commentary
Paragraph 15.09(1)(a)	The ARMC comprises no fewer than three (3) members.
Paragraph 15.09(1)(b)	All the members of the ARMC are non-executive directors, with a majority of them being independent directors.
Paragraph 15.09(1)(c)(i)	The Chairperson of the ARMC is a member of the MIA.
Paragraph 15.09(2)	No alternate director has been appointed as a member of the ARMC.
Paragraph 15.10	The Chairperson of the ARMC is an independent director.

2.0 TERMS OF REFERENCE ("TOR")

- A copy of the TOR of the ARMC is published in the Company's website in compliance with Paragraph 15.11 at taliworks.com.my/corporate-governance/.

- The TOR were last revised on 10 February 2026 to provide clarity on the roles and responsibilities of ARMC in overseeing sustainability, including climate-related risks and opportunities, in line with the International Financial Reporting Standards S1: General Requirements for Disclosure of Sustainability-related Financial Information ("IFRS S1"), IFRS S2: Climate-related Disclosures, and the Malaysian Code on Corporate Governance, and aligned with the National Sustainability Reporting Framework.

- In accordance with the TOR of the ARMC, the Board will review and reassess the adequacy of these TOR at least once in every three (3) years or as and when required.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

3.0 MEETINGS

- The ARMC convened five (5) meetings during the year. These meetings were scheduled to align with the key dates within the financial reporting and audit cycle and prior to Board meetings being held to approve the release of the quarterly unaudited financial results and the year-end audited financial statements of the Group and the Company.

- Details of the ARMC members' attendance for the financial year ended 31 December 2025 are as follows:

		No. of meetings attended
1	**Datin Pauline Tam Poh Lin** *Independent Non-Executive Director*	5/5
2	**Datuk Roger Tan Kor Mee** *Senior Independent Non-Executive Director*	5/5
3	**Datin Irene Lim Ai Ling** *Non-Independent Non-Executive Director*	5/5

- The meetings were held on the following dates and the main agenda are summarised in the table below. A more detailed elaboration on the activities of the ARMC are summarised in Section 5.0 below.

Date	Main Agenda
24 February 2025	• to review, approve and recommend for the approval of the Board the following: (i) the unaudited quarterly financial results for the fourth quarter ended 31 December 2024; (ii) the ARMC Report and Statement of Risk Management and Internal Control for inclusion in the 2024 Annual Report; and (iii) the revisions to the Policy and Procedures on Related Party Transactions ("RPTs"). • to discuss the Internal Audit reports. • to review and approve the Internal Audit Budget and Human Resource Report for the financial year 2025. • to review the adequacy of the scope, competency and resources of the Internal Audit function, in accordance with Para 15.12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. • to note the External Auditors' progress report on the unaudited results for the financial year ended 31 December 2024. • to note the minutes of the Risk Management Working Group ("RMWG") meeting held on 13 November 2024, quarterly report on the recurrent related party transactions ("RRPTs") of a revenue or trading nature and quarterly report on the provision of non-audit services. • to review the conflict of interest, if any to measure, resolve, eliminate or mitigate such conflicts and report to the Board. During that meeting, the ARMC held two (2) separate private sessions with the External Auditors, and the Head of Group Internal Audit ("GIA").

3.0 MEETINGS (CONT'D)

- The meetings were held on the following dates and the main agenda are summarised in the table below. A more detailed elaboration on the activities of the ARMC are summarised in Section 5.0 below. (Cont'd)

Date	Main Agenda
25 March 2025	• to review, approve and recommend for the approval of the Board the following: (i) the audited financial statements for the financial year ended 31 December 2024; (ii) the revisions to the Group Tax Corporate Governance Framework 2025; and (iii) the renewal of contractual agreements which are recurrent transactions of a revenue or trading nature as outlined in section 2.5 of the RRPTs circular. • to note the Final Report from the External Auditors on the final audit for the financial year ended 31 December 2024. • to evaluate the performance of the External Auditors, and if thought fit, to recommend to the Board to seek shareholders' approval on the re-appointment of the External Auditors at the forthcoming Annual General Meeting. • to note the "Review Procedures and Guidelines in relation to RRPTs" as outlined in section 2.6 of the RRPTs circular and to approve the "Statement by the Company's Audit and Risk Management Committee" as outlined in section 2.7 of the RRPTs circular. • to review the conflict of interest, if any to measure, resolve, eliminate or mitigate such conflicts and report to the Board.
16 May 2025	• to review, approve and recommend for the approval of the Board the following: (i) unaudited quarterly financial results for the first quarter ended 31 March 2025; and (ii) the revisions to the Enterprise Risk Management ("ERM") Framework 2025. • to discuss the Internal Audit reports. • to review the report from the RMWG meeting held on 7 May 2025, which covered the risk assessment of the Group as of 28 February 2025. • to note the updated risk registers, quarterly report on the RRPTs of a revenue or trading nature and quarterly report on the provision of non-audit services. • to review the conflict of interest, if any to measure, resolve, eliminate or mitigate such conflicts and report to the Board.
26 August 2025	• to review, approve and recommend for the approval of the Board the following: (i) the unaudited quarterly financial results for the second quarter ended 30 June 2025; (ii) the revisions to the Policy and Procedures on RPTs; (iii) the Letters of engagement for the Statutory Audit, and the Statement of Risk Management and Internal Control for 2025, respectively; (iv) the proposed external audit fees of the Group for 2025; and (v) renewal of contractual agreements which are recurrent transactions of a revenue or trading nature under the existing shareholders' mandate. • to discuss the Internal Audit reports. • to note the quarterly report on the RRPTs of a revenue or trading nature and quarterly report on the provision of non-audit services. • to review the conflict of interest, if any to measure, resolve, eliminate or mitigate such conflicts and report to the Board.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

3.0 MEETINGS (CONT'D)

- The meetings were held on the following dates and the main agenda are summarised in the table below. A more detailed elaboration on the activities of the ARMC are summarised in Section 5.0 below. (Cont'd)

Date	Main Agenda
18 November 2025	• to review, approve and recommend for the approval of the Board the following: (i) the unaudited quarterly financial results for the third quarter ended 30 September 2025; (ii) the revisions to the Group Tax Framework; (iii) the revisions to the Policy and Procedures on RPTs; and (iv) renewal and execution of new contractual agreements which are recurrent transactions of a revenue or trading nature under the existing shareholders' mandate. • to approve the External Auditors' Professional Services Planning Memorandum 2025. • to discuss the Internal Audit reports and review enhancements to the Internal Audit report rating. • to review and approve the Internal Audit Plan 2026. • to review the report from the RMWG meeting held on 31 October 2025, which covered the risk assessment of the Group as of 31 August 2025. • to note the following: (i) the Transparency Report for the year ended 31 May 2025 from External Auditors; (ii) the updated risk registers; (iii) the quarterly report on the RRPTs of a revenue or trading nature; and (iv) the quarterly report on the provision of non-audit services as well as the provision of Planned Non-Audit Services for 2026. • to review the conflict of interest, if any to measure, resolve, eliminate or mitigate such conflicts and report to the Board. During that meeting, the ARMC held two (2) separate private sessions with the Head of GIA and the External Auditors.

- The ARMC held its meetings without the presence of other Directors and Management, except where the ARMC requested their attendance. The General Manager of Group Finance, representing the Management, was invited to all the ARMC meetings to present the relevant papers and provide clarification on issues raised by the ARMC. The Head of the GIA attended the ARMC meetings to present the Internal Audit reports, the Internal Audit Budget and Human Resource Report, and Internal Audit Plan for discussion with the ARMC.

- To ensure that the audited financial statements complied with the Malaysian Financial Reporting Standards ("MFRS"), External Auditors are engaged to audit the Company's and Group's financial statements before they are presented to the ARMC for review and recommendation to the Board for its approval.

- Subsequent to the meetings of the ARMC, the Chairperson of the ARMC briefed the Board on matters discussed and deliberated at the ARMC meetings. The Chairperson of the ARMC also conveyed to the Board, matters of significant concern as and when raised by the Management, External Auditors and the GIA.

- Minutes of the ARMC meeting were recorded by the Company Secretaries and circulated to ARMC for comments. The minutes were tabled for confirmation at the subsequent ARMC meeting before presenting to the Board for notation.

4.0 TRAININGS

The trainings attended by members of the ARMC during the year are disclosed in the Corporate Governance Overview Statement included in this Annual Report.

5.0 SUMMARY OF ACTIVITIES

During the financial year, the ARMC carried out the following activities:

5.1 Financial Reporting

- Reviewed and approved the Group's quarterly unaudited financial results as well as the Group's and Company's audited financial statements for the financial year ended 31 December 2024. Following the conclusion of the ARMC meeting, the ARMC recommended them for approval at the Board meeting.

- In the review of the quarterly unaudited financial results, the ARMC discussed with the Management, amongst others, the following:

  (a) changes in or implementation of major accounting policies;

  (b) significant matters highlighted including financial reporting issues, significant judgements made by the Management, significant and unusual events or transactions, and how these matters are addressed; and

  (c) compliance with accounting standards and other regulatory requirements.

  In this respect, the ARMC satisfied itself that the quarterly unaudited financial statements had been prepared in compliance with MFRS134: Interim Financial Reporting, issued by the Malaysian Accounting Standards Board, Paragraph 9.22 of the Main Market Listing Requirements and guidance communication notes issued by Bursa Malaysia Securities Berhad before recommending the same to the Board for its approval.

- In the review of the audited financial statements, the ARMC discussed with the Management and the External Auditors in attendance, amongst others, the following:

  (a) the impact of the new accounting standards on the financial results and statements for the financial period being reported;

  (b) the underlying accounting policies applied, as well as the use of critical accounting estimates and the exercise of judgement in applying the Group's accounting policies, that have significant impact on the amounts recognised in the financial statements;

  (c) significant and unusual events; and

  (d) confirming with the Management and the External Auditors that the audited financial statements had been prepared in compliance with the MFRS and the requirements of the Companies Act, 2016 in Malaysia.

  The ARMC, having satisfied that the audited financial statements had been prepared in compliance with accounting standards and other regulatory requirements and that all issues have been adequately addressed with the Management and the External Auditors, recommended the same to the Board for its approval.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

5.0 SUMMARY OF ACTIVITIES (CONT'D)

5.2 External Audit

5.2.1 Overseeing the work of the External Auditors

- On 24 February 2025, the ARMC reviewed and discussed the progress report by the External Auditors on the unaudited financial results for the financial year ended 31 December 2024. The ARMC noted that the External Auditors had substantially completed their audit in accordance with the Professional Services Planning Memorandum 2024 which was presented earlier to the ARMC on 22 November 2024.

- On 25 March 2025, the ARMC deliberated on the audited financial statements for the financial year ended 31 December 2024 prepared by Management with the External Auditors in attendance. The audited financial statements were thereafter recommended to the Board for approval.

- On 18 November 2025, the ARMC reviewed and approved the External Auditors' Professional Services Planning Memorandum 2025 which includes, amongst others,

  (a) materiality;

  (b) the overall work plan, including significant risks and areas of audit focus, as well as their audit scope of work;

  (c) level of involvement from other specialists;

  (d) climate-related risk on financial statement results and disclosures;

  (e) reporting requirements under the National Sustainability Reporting Framework ("NSRF"), which was published by the Securities Commission of Malaysia on 24 September 2024; and

  (f) engagement quality control as well as independent policies and procedures.

  Following the review of the External Auditors' Professional Services Planning Memorandum 2025, the ARMC approved and recommended to the Board to approve the detailed terms of responsibilities and the scope of work as set out in the External Auditors' engagement letter and proposed audit fees of the Group.

- The ARMC noted the provision of any non-audit services by the External Auditors permissible to undertake, as provided under the By-Laws of the MIA and the Independence policies and procedures set out in the External Auditors' Professional Services Planning Memorandum 2025. The provision has been strengthened to require the External Auditors assess the threats associated with the non-assurance services and thereafter seek concurrence from ARMC prior to proposal of the non-assurance services. This was accomplished by ARMC approving a Non-Assurance Services Pre-Approval Policies and Procedures, which sufficiently fulfils the new requirements.

- The ARMC had two (2) private sessions with the External Auditors on 24 February 2025 and 18 November 2025. It was noted that the External Auditors had sufficient resources and unlimited access to information and received full co-operation from the Management throughout the course of the audit.

5.0 SUMMARY OF ACTIVITIES (CONT'D)

5.2 External Audit (Cont'd)

5.2.2 Assessing the Independence and Suitability of the External Auditors

- Prior to the ARMC recommending to the Board for approval to re-appoint the External Auditors by shareholders at the forthcoming Annual General Meeting, the ARMC had been given access to an online evaluation form to be completed individually to assess and rate the performance of the External Auditors. The online questionnaire consists of thirty-nine (39) questions covering the following topics:

  (a) Section A: Calibre of external audit firm

  (b) Section B: Quality processes/performance

  (c) Section C: Audit team

  (d) Section D: Independence and objectivity

  (e) Section E: Audit scope and planning

  (f) Section F: Audit fees

  (g) Section G: Audit communications

  The online evaluation form provides ratings from one (1) to five (5), or responses of 'yes' and 'no', with indicators to be responded in relation to the nature of the questions. An average score was also computed for all questions rated from one (1) to five (5). The results of the questionnaire were presented to the ARMC for deliberation and review.

- Based on the results of the questionnaire, the ARMC was satisfied with the performance as well as the suitability, objectivity and independence of the External Auditors and these were duly recorded by the Company Secretaries. The overall average rating for the assessment was above 4 based on a full scale of 5. A completed copy of the questionnaire was filed with the Company Secretaries for record purposes.

- Other than the above, the ARMC also noted the following matters disclosed in the Independence Policies and Procedures set out in the External Auditors' Professional Services Planning Memorandum 2025:

  (a) that the External Auditors complied with their independence requirements set out in the By-Laws (On Professional Ethics, Conduct and Practice) of the MIA ("By-Laws"). In this respect, the External Auditors have provided a written assurance to the ARMC on their independence.

  (b) that the External Auditors have developed important safeguards and procedures to address threats to their independence and objectivity including:

    (i) assessment is made to the level of threat to objectivity and potential safeguards to combat these threats prior to acceptance of any non-audit engagement;

    (ii) partners and managers are required to declare their financial interests in the partnership's Independence Monitoring System;

    (iii) the audit engagement partner will be consulted and will approve all non-audit services to be provided to audit clients after assessment of threats associated with the non-audit services have been made; and

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

5.0 SUMMARY OF ACTIVITIES (CONT'D)

5.2 External Audit (Cont'd)

5.2.2 Assessing the Independence and Suitability of the External Auditors (Cont'd)

- Other than the above, the ARMC also noted the following matters disclosed in the Independence Policies and Procedures set out in the External Auditors' Professional Services Planning Memorandum 2025: (Cont'd)

  (b) that the External Auditors have developed important safeguards and procedures to address threats to their independence and objectivity including: (Cont'd)

  (iv) periodic rotation takes place of the audit engagement partner, the independent review partner and key audit partners in accordance with their policies and professional and regulatory requirements.

  (c) that the External Auditors have issued a detailed ethical standards and independence policies to all partners and employees who are required to confirm their compliance annually. They are also required to comply with the policies of other relevant professional and regulatory bodies. Amongst other things, these policies:

  (i) generally state that no partner or employee (or their financial dependents) are allowed to hold a financial interest in any of their audit clients (unless otherwise expressly permitted);

  (ii) state that no partner or employee (or their financial dependents) should enter into business relationships with an audit client or affiliates;

  (iii) prohibit any professional employee from accepting gifts from clients unless the value is clearly insignificant, trivial and inconsequential; and

  (iv) provide safeguards against potential conflicts of interest.

  (d) the External Auditors' independence policy requires them to communicate in writing to the ARMC all breaches of independence set out in the By-Laws on a timely basis and all insignificant breaches on an annual basis as well as to obtain concurrence from the ARMC on actions taken to satisfactorily address any consequence of any identified breach.

- Based on the Audit Transparency Report for the year ended 31 May 2025 presented by the External Auditors, the ARMC noted that the audit firm as a whole is able to uphold high-quality audits based on assessment using the required Audit Quality Indicators mandated by the Audit Oversight Board including audit partner workload, audit independence, capacity and competence of the audit practice, audit engagement supervision, audit firm's investment to uphold audit quality as well as internal and external monitoring (inspection) reviews.

- Upon due consideration on the External Auditors' past performance, client service team, engagement quality control, independence policies and procedures as set out in the External Auditors' Professional Services Planning Memorandum 2025 as well as a written assurance by the External Auditors on their independence, the ARMC determined that the External Auditors were suitable to be engaged to undertake the statutory audit and are satisfied that their independence had not been compromised.

  The current Audit Engagement Partner has been auditing the financial statements of the Group since 31 December 2020. According to the External Auditors' Professional Services Planning Memorandum 2025, the audit engagement partner, the independent review partner and key audit partners are periodically rotated in accordance with the firm's policies and professional and regulatory requirements.

5.0 SUMMARY OF ACTIVITIES (CONT'D)

5.3 Internal Audit

- On 18 November 2025, the ARMC reviewed and approved the annual risk-based Internal Audit Plan 2026 that covers all core operations including water treatment, highway management, construction, renewable energy and waste management.

- On 24 February 2025, the ARMC reviewed and approved the Internal Audit Budget and Human Resource Report 2025. In its review, the ARMC assessed the adequacy of the scope, competency and resources of the IA function to ensure that GIA was competently staffed and resourced to effectively discharge its responsibilities, in accordance with paragraph 15.12 of the Main Market Listing Requirements of Bursa Malaysia.

- The ARMC reviewed and discussed with the Head of GIA all the internal audit reports presented. These reports contain:-

  (a) status and progress of internal audit assignments including summaries of findings and the audit reports issued;

  (b) effects/potential risks and audit recommendations provided by the GIA;

  (c) Management's responses to audit recommendations and their committed action plans; and

  (d) status of follow-up audits on Management's committed action plans.

  The ARMC then discussed and considered those findings, the Management's responses, the audit recommendations and the Management's committed action plans. Where appropriate, the ARMC recommended additional action plans for improvements to be implemented in a timely manner.

- The risk-based Internal Audit Plans are reviewed on a yearly basis and as required contingent on the changes in internal and external risks faced by the various core operations and industries. During the year, a total of seventeen (17) full internal audits and eighteen (18) follow-up internal audits were conducted, with a focus on the twenty-three (23) key areas listed below:-

(a) Business Development and Corporate Affairs (BDCA)

(b) Chemical Inventory Management

(c) Conflict of Interest

(d) Effluent Management

(e) E-invoicing

(f) Finance

(g) Fixed Asset Management

(h) Human Resource Management

(i) Information Technology

(j) Maintenance & Engineering

(k) Procurement

(l) Production

(m) Project Management

(n) RPTs

(o) Risk Management

(p) Safety & Health Management

(q) Scheduled Wastes Management

(r) Store Management

(s) System Support

(t) Group Tax Framework (formerly known as the "Tax Corporate Governance Framework (TCGF)")

(u) Tender & Contracts

(v) Toll Operations & Toll Monitoring

(w) Traffic & Safety

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

5.0 SUMMARY OF ACTIVITIES (CONT'D)

5.3 Internal Audit (Cont'd)

- The ARMC had two (2) private sessions with the Head of GIA on 24 February 2025 and 18 November 2025. It was noted that the GIA had received full cooperation from the Management and staff throughout the course of their work. The performance assessment of the Internal Audit members for the 2024/2025 period was discussed in the private session on 18 November 2025.

- On 18 November 2025, the ARMC noted the annual Declaration of Independence from GIA for the year 2025.

5.4 Risk Management

- The ARMC reviewed the report of the RMWG which was presented by the General Manager of Group Finance as a member of the RMWG. RMWG meetings were held on 7 May 2025 and 31 October 2025 to discuss the Risk Management Reports of the following divisions:

  (a) Engineering and Construction Division;

  (b) Water and Engineering Division;

  (c) Toll Highway Division;

  (d) Waste Management Division;

  (e) Renewable Energy Division; and

  (f) Group Strategic Risks

- The Risk Management Reports comprise the Risk Profile which indicate the impact, likelihood of occurrence and residual risk rating of every risk identified and supported by individual Risk Registers that detail the description, causes, consequences, controls, its effectiveness and action plans for each and every identified risk.

- The ARMC presented a summary of the RMWG reports at the subsequent Board meetings for notation.

5.5 RRPTs, RPTs and Conflict of Interest Situations

- In accordance with the Main Market Listing Requirements and subject to the approved Limits of Authority, the ARMC reviewed all RPTs tabled and conflict of interest situation that may arise within the Group to ensure that they are:

  (a) at arm's length;

  (b) on normal commercial terms;

  (c) on terms not more favourable to the Related Party than those generally available to the public;

  (d) in its opinion, are not detrimental to the minority shareholders; and

  (e) in the best interest of the Company.

  The ARMC (except for interested director(s)) would recommend the RPTs and/or the RRPTs for approval at the subsequent Board meetings.

5.0 SUMMARY OF ACTIVITIES (CONT'D)

5.5 RRPTs, RPTs and Conflict of Interest Situations (Cont'd)

- In accordance with the Conflict-of-Interest Policy adopted by the Board on 22 November 2023, the ARMC reviewed and reported, on a quarterly basis, any conflict of interest situations to the Board, along with the measures taken to resolve, eliminate, or mitigate such conflicts.

- The ARMC also noted the quarterly report on RRPTs that the cumulated amounts of RRPTs were within the shareholders' mandate obtained at the Annual General Meeting.

- Management was guided by the Group internal policy on RPTs i.e. Policies and Procedures on RPTs in identifying related parties and in the reporting of RPTs in compliance with the Main Market Listing Requirements.

5.6 Fraud, Bribery and Corruption

- There was no incident of fraud, bribery or corruption reported to the ARMC by the Executive Director or to the Chairperson of the ARMC during the year under the Group's whistle-blowing policy.

- The Chairperson of the ARMC has also not received any reports requiring investigation sent to a dedicated email at ARMC@taliworks.com.my.

- Members of the ARMC and Management have also confirmed to the External Auditors that they were not aware of any incidence of fraud. Likewise the External Auditors have also confirmed the same to the ARMC.

6.0 INTERNAL AUDIT FUNCTION

- The internal audit function assists the Group in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance process. The internal audit function 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 (including RPTs) and facilitates enhancement, where appropriate.

- In this respect, the ARMC is supported by an in-house GIA in the discharge of its duties and responsibilities. The GIA is guided by the Guidelines on Internal Audit Function issued by the Internal Auditors Malaysia and the Internal Audit Charter as approved by the ARMC that provides the framework for the efficient and effective functioning of the internal audit function.

- The GIA personnel have declared themselves to be free from any relationships or conflicts of interest which might impair their objectivity and independence. To further safeguard their impartiality, the GIA reports directly to the ARMC and it is not involved, directly or indirectly, in any operational responsibilities. The Internal Audit Budget and Resource Plan is also tabled and approved by the ARMC. The GIA carries out its role in accordance with the Institute of Internal Auditors International Professional Practices Framework. The GIA is responsible to independently review, appraise and recommend improvements to the governance, risk management and internal control systems established by the Management. The GIA provides timely and impartial advice to the ARMC and the respective Management as to whether activities reviewed are:-

  (a) in accordance with the Group's policies and direction;

  (b) in compliance with prescribed laws and regulations; and

  (c) achieving the desired results effectively and efficiently.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

6.0 INTERNAL AUDIT FUNCTION (CONT'D)

- On a quarterly basis, the GIA submits audit reports to the ARMC for review and action.

- The GIA performs risk-based (i.e. high priority risk areas based on risk evaluations including risk management profile), ad-hoc and routine audits in accordance with the Internal Audit Plans as approved by the ARMC. Root-cause analysis is conducted as part of the IA work to enable relevant recommendations to address the weaknesses noted. The audit results are discussed with the respective Management and action plans were put in place to complete the necessary preventive and corrective actions before presenting to ARMC for review. Where applicable, the GIA conducts follow up audits to ensure that Management's commitment on corrective actions are fulfilled timely and appropriately. Internal audit engagements carried out by the GIA include operational, financial and compliance reviews.

- In addition, the GIA plays an advisory role to the Management in the course of performing its internal audit activities. In turn, the Management supports the internal audit function by:-

  (a) inviting the Head of GIA as an observer to the monthly management meetings and meetings of the RMWG to keep abreast of any important developments on business, operations, strategies, risks, controls etc;

  (b) providing unrestricted access to information and records, as well as making available adequate resources including personnel which are relevant to the internal audit function;

  (c) ensuring that the auditees implement all the internal audit recommendations to improve the effectiveness of governance, risk management, and internal control processes;

  (d) requiring all the heads of department in the Group to indicate in their annual appraisal form the status of all outstanding internal audit findings; and

  (e) not placing any restrictions on the scope of the internal audit undertaken by the GIA.

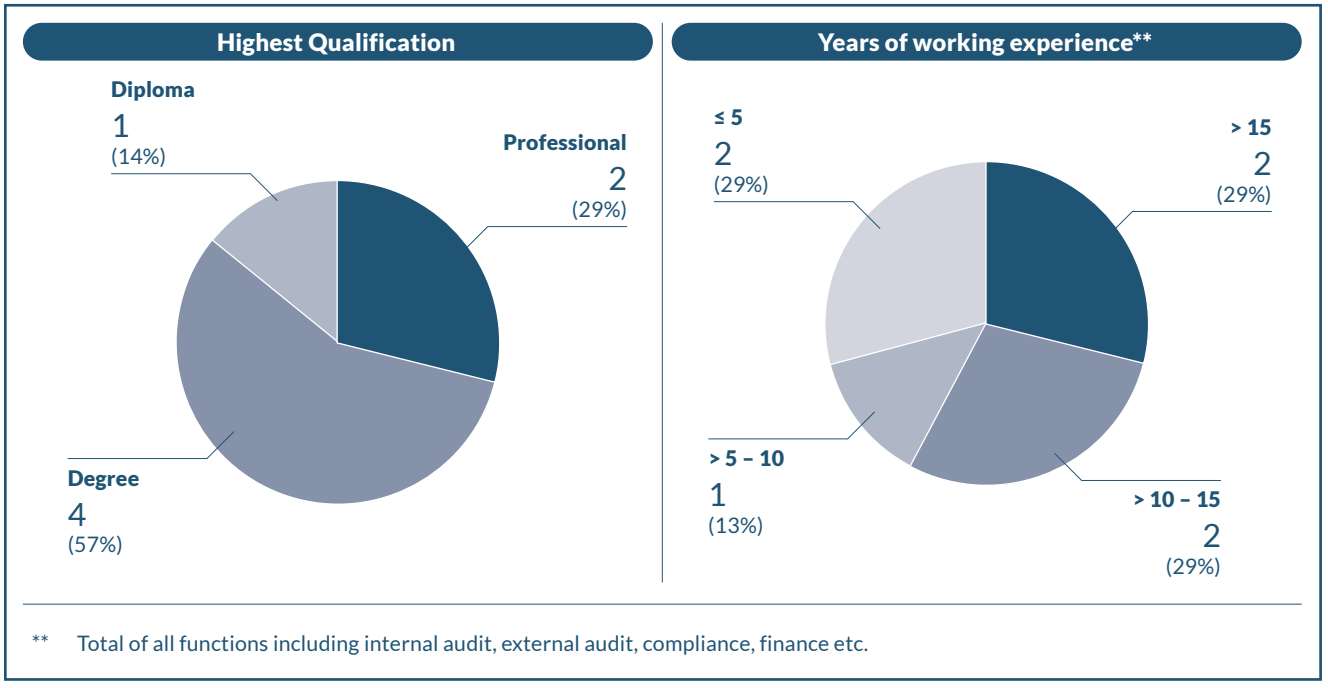
- The GIA provides internal audit services covering the Company, its operating subsidiaries and major associated companies. The total staff costs for the year (including remuneration, training, administrative charges etc) incurred by the GIA were approximately RM1.1 million (2024: RM1 million).

- The GIA is headed by a Senior Manager (Lee Chee Leong, Henry) who is a fellow member of the Association of Chartered Certified Accountants with double degrees in Applied Accounting and Applied Science with Computing. He was appointed as the Head of GIA since December 2011. He is well qualified to provide the necessary assurances to the ARMC and Management; having over twenty (20) years of experience in internal audit and various other functions (i.e. compliance, information technology, risk management, quality management, finance and credit control) involving multiple industries including merchant banking, investment banking, both life and general insurance, property development and construction.

- As of 31 December 2025, the Head of GIA is supported by a team of six (6) members.

6.0 INTERNAL AUDIT FUNCTION (CONT'D)

- There is an adequate mix of knowledge, skills and other competencies needed to perform the internal audit function. The qualification of the GIA team members and their working experience can be categorised respectively as follows:-



** Total of all functions including internal audit, external audit, compliance, finance etc.

- To enhance the competency of the GIA, team members are provided with internal and external trainings throughout the year that include on-the-job trainings in auditing, report writing, presentation and communication skills, as well as external trainings e.g. Anti-Bribery Management System (ABMS) e-learning modules, AI related workshops on prompt engineering and generative tools for problem-solving, and mastering business writing and communication with AI tools, fraud awareness training, occupational safety and health in office workshop, Microsoft Excel learning workshop, basic occupational first aid, cardiopulmonary resuscitation (CPR) & automated external defibrillators (AED) workshop, cybersecurity awareness talk etc.

- Internal reviews are performed by the GIA on a routine basis to appraise the quality of work performed.

7.0 AUDIT AND RISK MANAGEMENT COMMITTEE'S REPORT

The ARMC had approved this Audit and Risk Management Committee Report for inclusion in this Annual Report.

ADDITIONAL COMPLIANCE INFORMATION

In compliance with Part A of Appendix 9C of the Main Market Listing Requirements, the following are additional information to be disclosed in this Annual Report:-

1.0 PROFILE OF DIRECTORS, CHIEF EXECUTIVE AND KEY SENIOR MANAGEMENT

(a) The profile of the Directors and Chief Executive of the Company are stated under the Directors' Profile in this Annual Report.

(b) The profile of key senior management of the Group is disclosed in the Company's website at http://taliworks.com.my/corporate-information/ under the caption "Key Senior Management". Key Senior Management include (i) those who are charged with the Company's governance and management collective decision making and (ii) those who are primarily responsible for the business operations of the Group's core businesses.

2.0 AUDIT AND NON-AUDIT FEES

(a) The amount of audit fees paid or payable by the Company and its subsidiaries to the External Auditors, Deloitte Malaysia PLT (formerly known as Deloitte PLT), are as follows:

(i) Company – RM114,400 (2024: RM114,400)
(ii) Group – RM471,400 (2024: RM471,400)

(b) The non-audit fees paid or payable for services rendered to the Company and its subsidiaries by the External Auditors, Deloitte Malaysia PLT, or a firm or corporation affiliated to it, are as follows:

(i) Company – RM13,250 (2024: RM14,750)
(ii) Group – RM84,050 (2024: RM91,400)

The non-audit fees are mainly in relation to the following services:-

(i) provision of company taxation; and
(ii) tax advisory services

The above fees exclude Sales and Service Tax and out-of-pocket expenses.

3.0 STATUS OF UTILISATION OF PROCEEDS

There are no proceeds raised in a corporate proposal.

4.0 MATERIAL CONTRACTS

Save as disclosed in the Note 44 to the Financial Statements on the Significant Related Party Transactions, there were no material contracts entered into by the Company and its subsidiaries involving the interests of the directors, chief executive who is not a director or major shareholders, either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

5.0 RECURRENT RELATED PARTY TRANSACTIONS

Pursuant to Paragraph 3.1.5 of Practice Note 12, the Recurrent Related Party Transactions entered into by the Company and its subsidiaries with related parties pursuant to a shareholders' mandate were as follows:

Related Parties	Type of the Recurrent Related Party Transactions	Aggregate value of Recurrent Related Party Transactions made during the financial year (RM'000)
Exitra Sdn. Bhd. and Exitra Solutions Sdn. Bhd.	Services rendered to the Company and Group by the related parties in relation to the provision of information technology services, broadband and maintenance, sales of hardware and software either as vendor or re-seller.	922
SWM Environment Sdn. Bhd.	Management services rendered by the Company to the related party.	1,521
Edaran SWM Sdn. Bhd.	Management services rendered by the Company to the related party.	1,710

6.0 PROPERTIES OF THE GROUP

Particulars of the properties of the Company or its subsidiaries have not been separately disclosed as their respective net book value represent less than 5% of the consolidated total assets of the Group as at the end of the financial year.

7.0 EMPLOYEE SHARE OPTIONS SCHEME ("ESOS")

There is no ESOS implemented by the Company which is subsisting as at the end of the financial year.

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DIRECTORS' REPORT

The directors of **TALIWORKS CORPORATION BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, provision of contracting, project and management services.

The information on the name, principal place of business, principal activities and percentage of issued share capital held by the holding company in each subsidiary is as disclosed in Note 18 to the financial statements.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM'000	The Company RM'000
Profit before tax	138,015	76,580
Income tax expense	(30,628)	(1,115)
Profit for the year	107,387	75,465
Profit attributable to:		
Owners of the Company	83,540	75,465
Non-controlling interests	23,847	-
	107,387	75,465

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

DIRECTORS' REPORT

DIVIDENDS

The dividends on ordinary shares declared and paid by the Company since the previous financial year were as follows:

	RM'000
In respect of the financial year ended 31 December 2024 and dealt with in the previous year's Directors' Report:	
Fourth interim single-tier dividend of 0.5 sen per share paid on 28 March 2025	10,079
In respect of the financial year ended 31 December 2025:	
First interim single-tier dividend of 0.5 sen per share paid on 30 June 2025;	10,079
Second interim single-tier dividend of 0.5 sen per share paid on 30 September 2025; and	10,079
Third interim single-tier dividend of 0.5 sen per share paid on 24 December 2025	10,079
	40,316

On 11 February 2026, the directors declared a fourth interim single-tier dividend of 0.75 sen per share on 2,015,817,574 ordinary shares, amounting to approximately RM15,118,632 in respect of the current financial year to be paid on 31 March 2026. This dividend has not been included as a liability in the statements of financial position as of 31 December 2025. The dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2026.

The directors do not recommend any final dividend in respect of the current 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.

ISSUE OF SHARES AND DEBENTURES

There were no new shares or debentures issued during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that there were no known bad debts to be written off and that adequate provision had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(a) which would require the writing off of bad debts or render the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

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

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability 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 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.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the financial year in which this report is made.

DIRECTORS' REPORT

DIRECTORS

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

YAM Tunku Ali Redhauddin Ibni Tuanku Muhriz
Datuk Roger Tan Kor Mee
Datin Tam Poh Lin
Chin Soong Jin
Datin Lim Ai Ling

The directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Chee Lean Thong
Chew Hoong Cheong
Chin Soong Jin
Chua Yueh Ling
Datin Lee Li May
Dato' Lim Chee Meng
Lim Siew Ling
Norsam @ Norsamsida Binti Hassan
Teh Siok Wah
Wong Voon Leong
Wong Wai Meng
Annie Binti Rosle
Eric Tan Chin Hong (alternate to Annie Binti Rosle)
Rajasolan A/L Arumugam
Mohd Zaki Al-Hassan bin Mohamed Amran (appointed on 1 January 2026)
Te Min Hong (appointed on 1 January 2026)
Zulfikri Bin Suboh (resigned on 1 January 2026)
Wang Kwee Luan (resigned on 1 January 2026)

DIRECTORS' INTERESTS

The interest in shares and options over shares in the Company and in the related corporation of those who were directors at the end of the financial year according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016 are as follows:

	Number of Ordinary Shares			
	Balance as at 1.1.2025	Bought	Sold	Balance as at 31.12.2025
Shares in the Company				
Direct interest				
Datin Lim Ai Ling	1,729,166	-	-	1,729,166
Chin Soong Jin	1,438,333	-	-	1,438,333
Indirect interest				
Datin Tam Poh Lin @	275,000	-	-	275,000
Datin Lim Ai Ling @	18,217,916	-	-	18,217,916

@ Deemed interest by virtue of her spouse's shareholdings in the Company pursuant to Section 59(11)(c) of the Companies Act, 2016.

Other than disclosed above, none of the other directors in office at the end of the financial year held shares or had beneficial interest in the shares and options over shares in the Company or its related corporation during or at the beginning and end of the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive a benefit (other than the benefits included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefits which may be deemed to have arisen by virtue of the transactions between the Company and/or its subsidiaries and companies in which certain directors of the Company or persons connected with such directors have an interest as disclosed in Note 44 to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REPORT

DIRECTORS' REMUNERATION

The aggregate amount of emoluments receivable by directors of the Company during the financial year are as follows:

	Group RM'000	Company RM'000
Non-executive Directors:		
Fees	600	600
Other emoluments	63	63
Executive Director:		
Fees	144	120
Salaries and bonus	651	651
Defined contribution plan	85	85
Other emoluments	169	165
	1,712	1,684

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains directors' and officers' liability insurance for the purposes of Section 289 of the Companies Act, 2016, throughout the year, amounting to RM10,000,000, which provides indemnity coverage for the directors and officers of the Company and its subsidiaries. The amount of insurance premium paid during the year amounted to RM19,339 (inclusive of Sales and Service Tax and stamp duty).

There was no indemnity given to or insurance effected for auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

AUDITORS

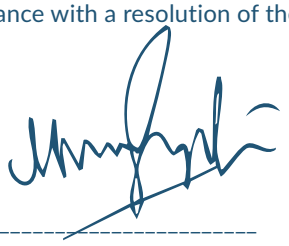
The auditors, Deloitte Malaysia PLT (formerly known as Deloitte PLT), have indicated their willingness to continue in office.

AUDITORS' REMUNERATION

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

	Group RM'000	Company RM'000
Statutory audit	471	114
Non-audit services	84	13
	555	127

Signed on behalf of the Board
in accordance with a resolution of the directors,



CHIN SOONG JIN

DATIN LIM AI LING

Kuala Lumpur,
24 March 2026

STATEMENT BY DIRECTORS

The directors of **TALIWORKS CORPORATION BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

Signed on behalf of the Board
in accordance with a resolution of the directors,

CHIN SOONG JIN

DATIN LIM AI LING

Kuala Lumpur,
24 March 2026

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **WONG VOON LEONG (CA 7225)**, the officer primarily responsible for the financial management of **TALIWORKS CORPORATION BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

WONG VOON LEONG

Subscribed and solemnly declared by the abovenamed **WONG VOON LEONG** at **KUALA LUMPUR** this 24th day of March 2026.

Before me,

COMMISSIONER FOR OATHS

PESURUHJAYA SUMPAH
W788
SHI'ARATUL AKMAR
BINTI SAHARI
1.1.2025 - 31.12.2027
MALAYSIA

No. 12-1, Jalan 9/23A,
Medan Makmur,
Off Jalan Usahawan, Setapak,
53200 Kuala Lumpur.

INDEPENDENT AUDITORS' REPORT

to the Members of Taliworks Corporation Berhad
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **TALIWORKS CORPORATION BERHAD**, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 222 to 305.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

INDEPENDENT AUDITORS' REPORT

to the Members of Taliworks Corporation Berhad
(Incorporated in Malaysia)

Key Audit Matters (Cont'd)

Key audit matters	How the matter was addressed in the audit
Impairment assessment of goodwill	
As at 31 December 2025, the Group has goodwill of RM132,503,000, of which RM129,385,000 is relating to a subsidiary, Cerah Sama Sdn. Bhd. ("CSSB"). The RM129,385,000 goodwill arose from a restructuring exercise in August 2014, and is allocated to the Toll Highway cash generating unit (the "Toll CGU"). In performing the impairment assessment of goodwill, management is required to estimate the recoverable amount of the Toll CGU. The recoverable amount is calculated based on an estimation of the present value of the future cash flows expected to be generated ("value-in-use model"). The key bases and assumptions used in the value-in-use model involve a significant degree of management judgements and estimates, such as the traffic volume growth, which was projected by an external traffic expert engaged to assist management. Refer to key bases and assumptions used as disclosed in Note 22 to the financial statements.	Our audit procedures, amongst others, included the following: • Performed inquiries with the management to understand and evaluated the process and controls in developing the value-in-use model; • Evaluated the appropriateness of the methodology of the management's value-in-use model, including the verification of the mathematical accuracy of the underlying calculations and understanding the basis for management judgements and estimates; • Performed retrospective review of the cash flow projections used in the value-in-use model to assess the reliability of the management's estimates; • Involved our internal valuation specialists in assessing the appropriateness of the discount rate used; • Evaluated the work of our internal valuation specialists which includes the relevance and reasonableness of their findings or conclusions; • Challenged the reasonableness of the key bases and assumptions underpinning the value-in-use model, specifically the traffic volume growth rate used in the key assumptions; • Performed sensitivity analysis on the key assumptions to assess if any reasonable possible change in these assumptions can lead to an impairment loss; • Assessed the results of the impairment assessment by comparing the recoverable amount of the Toll CGU to its carrying amount; and • Assessed the adequacy and appropriateness of the disclosures made in the financial statements.

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

INDEPENDENT AUDITORS' REPORT

to the Members of Taliworks Corporation Berhad
(Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group 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.

INDEPENDENT AUDITORS' REPORT

to the Members of Taliworks Corporation Berhad
(Incorporated in Malaysia)

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

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

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

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business 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 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.

INDEPENDENT AUDITORS' REPORT

to the Members of Taliworks Corporation Berhad
(Incorporated in Malaysia)

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 18 to the financial statements.

Other Matter

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.

DELOITTE MALAYSIA PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

WONG KAR CHOON
Partner - 03153/08/2026 J
Chartered Accountant

Kuala Lumpur,
24 March 2026

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2025

	Note	The Group		The Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	5	461,867	451,398	190,199	155,072
Cost of operations	6	(282,826)	(277,255)	(114,011)	(81,014)
Gross profit		179,041	174,143	76,188	74,058
Other operating income	7	13,710	18,675	9,371	7,919
Administrative and other expenses	8	(44,547)	(41,414)	(7,823)	(7,866)
Finance costs	9	(13,840)	(15,917)	(1,156)	(1,262)
Share of results of joint venture		6,752	12,709	-	-
Share of results of associates		(3,101)	(29,932)	-	-
Profit before tax		138,015	118,264	76,580	72,849
Income tax expense	12	(30,628)	(15,730)	(1,115)	(990)
Profit for the year		107,387	102,534	75,465	71,859
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences		728	722	-	-
Total comprehensive income for the financial year		108,115	103,256	75,465	71,859
Profit for the year attributable to:					
Owners of the Company		83,540	73,137	75,465	71,859
Non-controlling interests		23,847	29,397	-	-
		107,387	102,534	75,465	71,859
Total comprehensive income for the year attributable to:					
Owners of the Company		84,268	73,859	75,465	71,859
Non-controlling interests		23,847	29,397	-	-
		108,115	103,256	75,465	71,859
Earnings per share attributable to owners of the Company (sen)					
Basic and diluted	13	4.14	3.63		

The accompanying Notes form an integral part of the 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
ASSETS					
Non-Current Assets					
Property, plant and equipment	14	96,781	107,162	336	416
Right-of-use assets	15	27,437	28,185	15,823	20,514
Investment property	16	90	93	90	93
Intangible assets	17	888,039	921,891	-	-
Investment in subsidiaries	18	-	-	328,079	328,079
Investment in joint venture	19	72,871	75,119	67,173	67,173
Investment in associates	20	69,865	75,336	229,990	230,784
Other investment	21	200	200	-	-
Goodwill on consolidation	22	132,503	132,503	-	-
Long-term other receivable	28	10,990	11,919	-	-
Amount due from subsidiaries	29	-	-	79,810	90,914
Deposits, cash and bank balances	25	53,911	55,403	4,551	4,542
Deferred tax assets	23	6,439	6,588	2,467	3,101
Total Non-Current Assets		1,359,126	1,414,399	728,319	745,616
Current Assets					
Inventories	26	97,088	66,778	-	-
Trade receivables	24	130,500	61,576	54,459	10,251
Other receivables, deposits and prepayments	28	6,812	12,800	2,724	2,460
Amount due from subsidiaries	29	-	-	106,562	64,062
Tax recoverable		1,301	1,156	836	548
Investments designated at fair value through profit or loss	30	46,384	34,221	12,376	1,300
Deposits, cash and bank balances	25	79,201	99,749	6,034	3,760
Total Current Assets		361,286	276,280	182,991	82,381
TOTAL ASSETS		1,720,412	1,690,679	911,310	827,997

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
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	31	438,354	438,354	438,354	438,354
Merger deficit	32	(71,500)	(71,500)	-	-
Currency translation reserve	33	835	107	-	-
Retained earnings	34	345,244	302,020	338,883	303,734
Total Equity Attributable to Owners of the Company		712,933	668,981	777,237	742,088
Non-controlling interests		306,494	293,427	-	-
Total Equity		1,019,427	962,408	777,237	742,088
Non-Current Liabilities					
Long-term borrowings	35	189,670	229,473	-	-
Lease liabilities	36	24,382	27,395	13,058	19,251
Long-term trade payables	37	1,423	2,126	-	-
Provisions	38	34,518	38,672	650	809
Deferred income	39	31,683	39,482	-	-
Deferred tax liabilities	23	201,829	209,680	-	-
Total Non-Current Liabilities		483,505	546,828	13,708	20,060
Current Liabilities					
Trade payables	37	38,626	33,175	16,045	1,068
Other payables and accruals	40	28,530	29,508	12,084	12,219
Amount due to contract customers	27	90,116	49,127	90,116	50,178
Short-term borrowings	35	43,779	44,358	5	-
Lease liabilities	36	3,567	3,153	2,115	2,384
Deferred income	39	8,565	13,480	-	-
Tax liabilities		4,297	8,642	-	-
Total Current Liabilities		217,480	181,443	120,365	65,849
Total Liabilities		700,985	728,271	134,073	85,909
TOTAL EQUITY AND LIABILITIES		1,720,412	1,690,679	911,310	827,997

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

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2025

The Group	Note	Share capital RM'000	Non-distributable reserve Merger deficit RM'000	Currency translation reserve RM'000	Distributable reserve Retained earnings RM'000	Attributable to Owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
As at 1 January 2024		438,354	(71,500)	(615)	329,673	695,912	267,950	963,862
Profit for the year		-	-	-	73,137	73,137	29,397	102,534
Other Comprehensive Income:								
Currency translation differences		-	-	722	-	722	-	722
Total comprehensive income for the year		-	-	722	73,137	73,859	29,397	103,256
Transactions with Owners of the Company:								
Dividends paid	41	-	-	-	(100,790)	(100,790)	-	(100,790)
Dividends paid by a subsidiary to non-controlling interest		-	-	-	-	-	(3,920)	(3,920)
As at 31 December 2024		438,354	(71,500)	107	302,020	668,981	293,427	962,408
As at 1 January 2025		438,354	(71,500)	107	302,020	668,981	293,427	962,408
Profit for the year		-	-	-	83,540	83,540	23,847	107,387
Other Comprehensive Income:								
Currency translation differences		-	-	728	-	728	-	728
Total comprehensive income for the year		-	-	728	83,540	84,268	23,847	108,115
Transactions with Owners of the Company:								
Dividends paid	41	-	-	-	(40,316)	(40,316)	-	(40,316)
Dividends paid by a subsidiary to non-controlling interest		-	-	-	-	-	(10,780)	(10,780)
As at 31 December 2025		438,354	(71,500)	835	345,244	712,933	306,494	1,019,427

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2025

The Company	Note	Share capital RM'000	Distributable reserve Retained earnings RM'000	Total equity RM'000
As at 1 January 2024		438,354	332,665	771,019
Total comprehensive income for the year		-	71,859	71,859
Transactions with Owners of the Company:				
Dividends paid	41	-	(100,790)	(100,790)
As at 31 December 2024		438,354	303,734	742,088
As at 1 January 2025		438,354	303,734	742,088
Total comprehensive income for the year		-	75,465	75,465
Transactions with Owners of the Company:				
Dividends paid	41	-	(40,316)	(40,316)
As at 31 December 2025		438,354	338,883	777,237

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

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2025

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit before tax	138,015	118,264	76,580	72,849
Adjustments for:				
Net (gain)/loss arising on financial assets measured at fair value through profit or loss	(216)	64	(216)	(2)
Net (reversal of)/allowance on receivables and amount due from contract customers	(458)	(5)	167	(31)
Amortisation of intangible assets	36,274	37,547	-	-
Finance costs	13,840	15,917	1,156	1,262
Interest expense on operating lease included in contract cost	14	19	-	-
Depreciation of:				
Property, plant and equipment	12,849	12,218	233	208
Investment properties	3	3	3	3
Right-of-use assets	3,783	3,782	2,931	2,930
Provision for assets retirement obligations	643	600	-	-
Write off of property, plant and equipment	-	15,130	-	-
Write off of property, plant and equipment included in contract cost	12	-	-	-
Unrealised foreign exchange loss	729	1,220	1	5
Interest expense imputed in borrowings	197	258	-	-
Interest income imputed in retention sums	-	(19)	-	-
Reversal of interest income imputed in retention sums	40	-	-	-
Deferred income recognised:				
Government compensation	(13,480)	(13,989)	-	-
Rental and maintenance fee	(421)	(624)	-	-
Interest income from banks	(3,164)	(2,585)	(454)	(548)
Interest income on intercompany loans	-	-	(5,267)	(6,500)
Construction profit recognised pursuant to IC 12	(58)	-	-	-
Share of results of:				
Joint venture	(6,752)	(12,709)	-	-
Associates	3,101	29,932	-	-
Investment designated at fair value through profit or loss:				
Dividend income	(939)	(1,191)	(140)	(26)
Gain on redemption	(288)	(347)	-	-
Gain on disposal of property, plant and equipment	(58)	(112)	(1)	(58)
Gain on lease modification	(2,478)	-	(2,477)	-
Dividend income	-	-	(71,796)	(70,480)

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2025

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Operating Profit/(Loss) Before Working Capital Changes	181,188	203,373	720	(388)
Decrease/(Increase) in:				
Inventories	(30,310)	(27,755)	-	-
Amount due from joint venture	-	-	-	12
Amount due from associates	-	-	-	(3)
Trade and other receivables	(61,928)	9,479	(44,639)	(14,182)
Increase/(Decrease) in:				
Amount due to contract customers	41,241	13,018	39,938	12,957
Trade and other payables	4,531	2,423	14,841	(4,499)
Provisions	(4,800)	(1,681)	-	-
Deferred income	1,187	1,186	-	-
Cash Generated From/(Used In) Operations	131,109	200,043	10,860	(6,103)
Income tax paid	(43,302)	(38,116)	(914)	(579)
Income tax refunded	482	51	145	51
Net Cash From/(Used In) Operating Activities	88,289	161,978	10,091	(6,631)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES				
Interest received	2,553	2,723	454	317
Net increase in amount due from subsidiaries and associates	-	-	(37,246)	(227)
Property, plant and equipment:				
Proceeds from disposal	68	156	1	100
Purchases	(2,490)	(13,491)	(153)	(208)
Dividends received from:				
Subsidiaries	-	-	61,220	59,080
Joint venture	9,000	9,000	9,000	9,000
Associates	1,576	2,400	1,576	2,400
Purchase of intangible assets	(2,364)	-	-	-
Investment designated at fair value through profit or loss:				
Dividend income	939	1,191	140	26
Purchase	(31,659)	(57,992)	(10,860)	(1,027)
Proceeds from redemption	20,000	74,900	-	-
Proceeds from reduction of share capital in associate company	794	-	794	-
Repayment of loan by subsidiaries	-	-	11,117	29,911
Withdrawals/(Placements) of deposits pledged as security	1,492	(9,479)	(9)	(9)
Net Cash (Used In)/From Investing Activities	(91)	9,408	36,034	99,363

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2025

	Note	The Group		The Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES					
Interest paid		(14,646)	(16,541)	(1,156)	(1,262)
Dividends paid		(40,316)	(100,790)	(40,316)	(100,790)
Dividends paid by a subsidiary to non-controlling interests		(10,780)	(3,920)	-	-
(Repayment)/Drawdown of corporate credit card		(579)	4,358	5	-
Repayments of borrowings		(40,000)	(30,000)	-	-
Repayment of revolving credit		-	(5,000)	-	(5,000)
Repayment of lease liabilities		(3,153)	(2,943)	(2,384)	(2,265)
Net Cash Used In Financing Activities		(109,474)	(154,836)	(43,851)	(109,317)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(21,276)	16,550	2,274	(16,585)
Effects of foreign exchange rate changes		728	721	-	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR		99,749	82,478	3,760	20,345
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	25	79,201	99,749	6,034	3,760

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company are investment holding, provision of contracting, project and management services.

The information on the name, principal place of business, principal activities and percentage of issued share capital held by the holding company in each subsidiary is as disclosed in Note 18.

The registered office of the Company is located at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia.

The principal place of business of the Company is located at Level 19, Menara LGB, No. 1, Jalan Wan Kadir, Taman Tun Dr. Ismail, 60000 Kuala Lumpur, Malaysia.

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

The financial statements of the Group and of the Company were authorised by the Board of Directors for issuance in accordance with a resolution of the directors dated 24 March 2026.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

Adoption of Amendments to MFRS

In the current financial year, the Group and the Company adopted all the amendments to MFRS issued by the Malaysian Accounting Standards Board ("MASB") that are effective for annual financial periods beginning on or after 1 January 2025 as follows:

Amendments to MFRS 121	Lack of Exchangeability

The adoption of these amendments to MFRS did not result in significant changes in the accounting policies of the Group and of the Company and had no significant effect on the financial performance or position of the Group and of the Company.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

New and Amendments to MFRSs in issue but not yet effective

At the date of authorisation for issue of these financial statements, the amendments to MFRSs which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
MFRS 18	Presentation and Disclosure in Financial Statements[2]
MFRS 19	Subsidiaries without Public Accountability: Disclosures[2]
Amendments to MFRS 9 and MFRS 7	Classification and Measurement of Financial Instruments[1]
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity[1]
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures[2]
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency[2]
Annual Improvement to MFRS Standards-Volume 11[1]	

1 Effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2027, with earlier application permitted.
3 Effective date deferred to a date to be determined and announced by MASB.

The directors anticipate that the abovementioned MFRSs and amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these standards will have no material impact on the financial statements of the Group and of the Company in the period of initial application, except for the presentation and disclosure required by MFRS 18 which introduces new categories and subtotals in the statements of profit and loss. It also requires the disclosure of management-defined performance measures and includes new requirements for the location, aggregation and disaggregation of financial information, all of which the Directors are currently assessing.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Critical judgements in applying the Group's accounting policies

The accounting policies adopted by the Group are consistent with those adopted in the previous years and the directors are of the opinion that there are no instances of application of judgement which are expected to have significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

Except as disclosed in the following notes, the directors believe that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Accounting judgements and estimates	Note
Impairment of intangible assets	Note 17
Impairment of goodwill on consolidation	Note 22
Amortisation of intangible assets	Note 17
Provision for heavy repairs	Note 38
Recognition of deferred tax assets	Note 23
Construction contracts	Note 5
Impairment of other receivables	Note 28

4. SEGMENT REPORTING

The Group has determined the operating segments based on the reports reviewed by the chief operating decision maker which is the Executive Committee entrusted to make decisions and performance review:

Water	Management, operations and maintenance of water treatment plants.
Construction	Provision of contracting, project and management services relating to construction contracts.
Toll highway	Operations and maintenance of toll highways.
Waste management	Solid waste collection and public cleansing management and other related activities.
Renewable energy	Business development of solar and other renewable energy projects.
Others	Investment holding and other non-core businesses other than the above.

The revenue and profit performance represent the Group's proportionate share of interest in each of the subsidiaries (instead of full consolidation) and includes a proportionate share of the interest of joint ventures or associates (instead of being equity accounted). The total is then reconciled to the revenue and profit performance in the statements of profit or loss and other comprehensive income. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

4. SEGMENT REPORTING (CONT'D)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment:

	Water		Construction		Toll highway		Waste management		Renewable energy		Others		Total		Reconciliation		Amount as per statement of profit or loss and other comprehensive income	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	186,824	195,344	109,128	72,565	92,950	111,752	362,842	350,601	31,154	29,616	4,332	4,332	787,230	764,210	(325,363)	(312,812)	461,867	451,398
EBITDA(i)	68,770	65,828	(258)	2,588	78,688	97,861	94,936	39,586	24,261	11,835	(7,075)	(5,815)	259,322	211,883	(58,911)	(7,604)	200,411	204,279
Depreciation and amortisation	(497)	(470)	(9)	(16)	(27,394)	(29,310)	(18,115)	(12,001)	(11,706)	(10,681)	(3,162)	(3,137)	(60,883)	(55,615)	8,676	2,740	(52,207)	(52,875)
Operating profit/(loss)	68,273	65,358	(267)	2,572	51,294	68,551	76,821	27,585	12,555	1,154	(10,237)	(8,952)	198,439	156,268	(50,235)	(4,864)	148,204	151,404
Finance costs	(19)	(23)	-	-	(6,960)	(8,249)	(37,536)	(33,820)	(463)	(494)	(1,154)	(1,261)	(46,132)	(43,847)	32,292	27,930	(13,840)	(15,917)
Share of results of joint venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,752	12,709	6,752	12,709
Share of results of associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,101)	(29,932)	(3,101)	(29,932)
Profit/(Loss) before tax	68,254	65,335	(267)	2,572	44,334	60,302	39,285	(6,235)	12,092	660	(11,391)	(10,213)	152,307	112,421	(14,292)	5,843	138,015	118,264
Income tax (expense)/ credit	(15,344)	(14,759)	(821)	30	(11,767)	(16,002)	(29,378)	(11,744)	1,613	19,308	(1,116)	(989)	(56,813)	(24,156)	26,185	8,426	(30,628)	(15,730)
Profit/(Loss) for the year	52,910	50,576	(1,088)	2,602	32,567	44,300	9,907	(17,979)	13,705	19,968	(12,507)	(11,202)	95,494	88,265	11,893	14,269	107,387	102,534
EBDA(ii)	53,407	51,046	(1,079)	2,618	59,961	73,610	28,022	(5,978)	25,411	30,649	(9,345)	(8,065)	156,377	143,880	3,217	11,529	159,594	155,409
Capex(iii)	447	630	93	274	1,226	536	35,103	20,624	738	11,600	153	208	37,760	33,872	(35,270)	(20,390)	2,490	13,482

4. SEGMENT REPORTING (CONT'D)

Segment revenues and results (Cont'd)

(i) EBITDA is defined as earnings before finance costs, taxation, depreciation and amortisation (and excludes share of results of associates and joint venture).
(ii) EBDA is defined as earnings before depreciation and amortisation.
(iii) Capex is defined as capital expenditure based on the Group's proportionate share on capital expenditure incurred for the year.

Notes

1. The Group monitors the performance of its business by five main business divisions namely water treatment and supply, construction, toll highway, waste management and renewable energy. Others refer to investment holding and other non-core businesses. Goodwill has been allocated to reportable segments as described in Note 22.

2. The segmental information on the waste management division excluded the fair value measurement adjustments made at the Group level. This is to better assess the operational performance of the division. The segmental results (including the calculation of the EBITDA and EBDA), are solely from the concession business, after proportionate deduction of the dividend on the cumulative preferences shares held by parties other than the Group.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities:

	Water		Construction		Toll highway		Waste management		Renewable energy		Others		Total	
As of 31 December	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Segment assets	99,290	105,484	159,086	86,267	1,217,548	1,258,629	56,875	61,948	141,440	139,213	46,173	39,138	1,720,412	1,690,679
Segment liabilities	(27,088)	(33,755)	(124,386)	(74,510)	(506,546)	(576,699)	-	-	(18,786)	(18,787)	(24,179)	(24,520)	(700,985)	(728,271)
Net segment assets	72,202	71,729	34,700	11,757	711,002	681,930	56,875	61,948	122,654	120,426	21,994	14,618	1,019,427	962,408

Geographical segments

No geographical segment information is presented as the Group's revenue is all derived from Malaysia based on the location of services delivered.

Information about major customer

Revenue from Water segment of RM186,824,000 (2024: RM195,344,000) and Construction segment of RM106,376,000 (2024: RM72,565,000) are contributed from sales or services to Pengurusan Air Selangor Sdn. Bhd. ("Air Selangor"), the Group's one and only largest customer, as described in Note 24. No other single customer contributed 10% or more to the Group's revenue in either 2025 or 2024.

5. REVENUE

	Note	The Group		The Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue from contracts with customers:					
Management, operations and maintenance of water treatment plants	(a)	186,824	195,344	-	-
Toll collection	(b)	79,565	79,015	-	-
Revenue from construction contracts	(c)				
- in accordance with MFRS 15		106,707	72,565	106,376	72,565
- in accordance with IC Interpretation 12		2,422	-	-	-
Sales of electricity	(d)	31,154	29,616	-	-
Management fees (Note 44)	(e)	4,332	4,332	12,027	12,027
Government compensation	(f)	37,383	56,537	-	-
		448,387	437,409	118,403	84,592
Revenue from other sources:					
Deferred income (Note 39)		13,480	13,989	-	-
Dividend from subsidiaries, associates and joint venture (Note 44)	(g)	-	-	71,796	70,480
		13,480	13,989	71,796	70,480
		461,867	451,398	190,199	155,072
Timing of revenue recognition:					
At a point in time		334,926	360,512	-	-
Over time		113,461	76,897	118,403	84,592
Revenue from contracts with customers		448,387	437,409	118,403	84,592

(a) Management, operation and maintenance of water treatment plants

The revenue from water treatment and supply segment operated by a subsidiary is derived from the operations and maintenance contract for the Sungai Selangor Water Treatment Plant Phase 1 owned by Air Selangor which supplies treated potable water to large parts of Selangor and Kuala Lumpur. Air Selangor is the sole entity licensed to extract, treat and distribute water to consumers in Selangor, Federal Territories of Kuala Lumpur and Putrajaya.

The Group recognises revenue from water treatment and supply segment at a point-in-time as and when each cubic meter of treated water at a pre-determined rate is produced for Air Selangor.

(b) Toll collection

The Group recognises revenue from toll collection at a point-in-time as and when toll is chargeable for the usage of its highways.

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for the year ended 31 December 2025

5. REVENUE (CONT'D)

(c) Revenue from construction contracts

In accordance with MFRS 15

The Group recognises contract revenue and cost over time based on the percentage of completion method for the Rasau Projects. The stage of completion is referred to as the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.

Significant judgement is required in determining the stage of completion towards complete satisfaction of performance obligations and determine whether there is any exposure to Liquidated Ascertained Damage ("LAD") based on the facts and circumstances of the relevant construction projects, transaction price allocation and the extent of the contract costs incurred to recognise revenue over time. The Group also considers the completeness and accuracy of its estimated total contract sum and contract costs, including contract variations, claims and contingencies. In making these judgements, the Group relies on past experiences and work of specialists.

There is no significant financing component in construction contracts with customers as the period between the recognition of revenue under the cost-to-cost method and the progress billing is always less than one year.

In accordance with IC Interpretation 12

In accordance with IC Interpretation 12 - Service Concession Arrangements, revenue arising from construction services performed under service concession arrangements is recognised over time based on the percentage of completion method. Under the Bulk Water Supply Agreement ("BWSA"), the Group constructs an infrastructure asset on behalf of Air Selangor, while retaining the right to receive payments from Air Selangor in accordance with the concession agreement.

The Group capitalised the costs incurred in constructing the infrastructure as an intangible asset, including a notional profit margin based on costs incurred. Simultaneously with the recognition of construction costs and notional profit, construction revenue is recognised in the statements of profit or loss on the same basis, representing the value of the construction services provided during the reporting period. Revenue is measured based on proportion of costs incurred relative to the total estimated construction cost of the intangible asset. Details of the amortisation and impairment policy of the related intangible assets are disclosed in Note 17.

(d) Sales of electricity

The revenue from renewable energy segment is derived from the sale of electricity generated from solar photovoltaic plants by subsidiaries with feed-in approval certificate by the Sustainable Energy Development Authority ("SEDA").

The Group recognises revenue from the sale of electricity at the point in time as and when electricity is delivered to the off-takers, based on the invoiced value of sale of electricity computed at a pre-determined rate.

(e) Management fees

Management fee from the provision of management services is recognised by the Company over time and on an accrual basis, by reference to the agreements entered into with the service recipients.

5. REVENUE (CONT'D)

(f) Government compensation

Pursuant to the relevant concession agreement, the Government of Malaysia ("the Government") reserves the right to restructure or to restrict the imposition of unit toll rate increases, and in such event, the Government shall compensate the company for any reduction in toll revenue, subject to negotiation and other considerations that the Government may deem fit.

Government compensation is recognised when recovery is probable and the amount that is recoverable can be measured reliably. Such compensation mainly represents amounts receivable from the Government arising from deferment of toll rate increases or toll exemptions in conjunction with the festive holidays, as recognised by a subsidiary, Grand Saga Sdn. Bhd.

(g) Dividend income

Dividend income is recognised when the rights of the Company to receive payment are established.

6. COST OF OPERATIONS

The cost of operations for the year has been arrived at after charging:

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Contract costs recognised:				
- in accordance with MFRS 15	104,953	68,907	103,796	70,805
- in accordance with IC Interpretation 12	2,364	-	-	-
Amortisation of intangible assets (Note 17)	36,274	37,547	-	-
Provision for assets retirement obligations (Note 38)	643	600	-	-
Depreciation of property, plant and equipment (Note 14)	10,858	10,471	-	-
Write off of property, plant and equipment	-	15,129	-	-
Short-term lease of plant and machinery	12	12	-	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

7. OTHER OPERATING INCOME

The other operating income consists of the following:

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest income on fixed deposits with licensed banks	3,164	2,585	454	548
Interest income on intercompany loan	-	-	5,267	6,500
Interest income imputed in retention sums (Note 37)	-	19	-	-
Investment designated at FVTPL:				
Dividend income	939	1,191	140	26
Gain on redemption	288	347	-	-
Rental income	458	352	15	15
Income from subleasing right-of-use assets	-	-	737	737
Gain on disposal of property, plant and equipment	58	112	1	58
Unrealised gain on foreign exchange	357	137	-	-
Fair value gain arising on financial assets measured at FVTPL (Note 30)	216	2	216	2
Recognition of rental and maintenance fee (Note 39)	421	624	-	-
Reversal of loss allowances on:				
Amount due from contract customers (Note 27)	252	-	-	-
Other receivables (Note 28)	373	2	-	-
Trade receivables (Note 24)	-	34	-	31
Gain on lease modification (Note 15)	2,478	-	2,477	-

8. ADMINISTRATIVE AND OTHER EXPENSES

The administrative and other expenses consist of the following:

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Loss allowance on:				
Trade receivables (Note 24)	167	-	167	-
Amount due from contract customers (Note 27)	-	31	-	-
Fair value loss arising on financial assets measured at FVTPL (Note 30)	-	66	-	-
Depreciation of right-of-use assets (Note 15)	3,783	3,782	2,931	2,930
Depreciation of property, plant and equipment (Note 14)	1,289	1,070	233	208
Expense relating to short-term leases:				
Premises	17	10	-	-
Others	81	91	52	54
Unrealised loss on foreign exchange	1,086	1,357	1	5
Realised loss on foreign exchange	919	211	-	-
Auditors' remuneration of:				
Statutory audit	471	471	114	114
Non-audit services β	84	91	13	15
Interest expense imputed in borrowings (Note 35)	197	258	-	-
Write off of property, plant and equipment	-	1	-	-
Reversal of interest income imputed in retention sums (Note 37)	40	-	-	-
Depreciation of investment properties (Note 16)	3	3	3	3

β Non-audit services included, amongst others, tax-related services rendered to the Group and the Company amounting to RM84,000 and RM13,000 (2024: RM91,000 and RM15,000) respectively which were paid or payable to a firm affiliated to the Group's auditors.

9. FINANCE COSTS

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest expense:				
Islamic Medium-Term Note	12,203	14,138	-	-
Lease liabilities	1,599	1,749	1,136	1,255
Overdraft interest	20	7	20	7
Interest imputed in trade payable (Note 37)	18	23	-	-
	13,840	15,917	1,156	1,262

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for the year ended 31 December 2025

10. STAFF COSTS

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Wages, salaries and bonus	33,178	31,512	10,005	10,299
Defined contribution plan	3,235	3,116	1,046	980
Other employee benefits	659	674	165	170
	37,072	35,302	11,216	11,449

Included in staff costs of the Group and of the Company are directors' remuneration of RM1,712,000 (2024: RM2,694,000) and RM1,684,000 (2024: RM2,666,000) respectively as further disclosed in Note 11.

Benefits-in-kind received by Executive Director and other members of key management of the Group and the Company are RM121,000 (2024: RM184,000) and RM102,000 (2024: RM116,000) respectively.

11. DIRECTORS' REMUNERATION

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are as follows:

Non-executive Directors

YAM Tunku Ali Redhauddin Ibni Tuanku Muhriz
Datuk Roger Tan Kor Mee
Datin Tam Poh Lin
Datin Lim Ai Ling

Executive Director

Chin Soong Jin

11. DIRECTORS' REMUNERATION (CONT'D)

The aggregate amount of emoluments receivable by directors of the Company during the financial year are as follows:

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-executive Directors:				
Fees	600	688	600	688
Other emoluments	63	87	63	87
Executive Director:				
Fees	144	144	120	120
Salaries and bonus	651	598	651	598
Defined contribution plan	85	67	85	67
Other emoluments	169	1,110	165	1,106
	1,712	2,694	1,684	2,666

12. INCOME TAX EXPENSE

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Malaysian income tax:				
Current year	38,397	44,228	387	568
(Over)/Under-provision in prior years	(67)	(293)	94	10
	38,330	43,935	481	578
Deferred tax (Note 23):				
Current year	(7,702)	(28,205)	634	412
Income tax expense recognised in profit or loss	30,628	15,730	1,115	990

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

12. INCOME TAX EXPENSE (CONT'D)

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

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before tax	138,015	118,264	76,580	72,849
Taxation at statutory tax rate	33,124	28,383	18,379	17,484
Tax effects of:				
Non-deductible expenses	1,717	5,532	892	258
Non-taxable income	(1,420)	(539)	(17,926)	(16,935)
Utilisation of previously unrecognised deferred tax assets	(2,726)	(18,843)	(324)	-
Deferred tax assets not recognised	-	1,490	-	173
(Over)/Under-provision of income tax expense in prior years	(67)	(293)	94	10
Income tax expense recognised in profit or loss	30,628	15,730	1,115	990

13. EARNINGS PER SHARE

Basic and diluted earnings per share attributable to owner of the Company are computed by dividing the profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	The Group	
	2025 RM'000	2024 RM'000
Profit for the year attributable to owners of the Company	83,540	73,137
Weighted average number of ordinary shares in issue ('000)	2,015,817	2,015,817
Earnings per share (sen)	4.14	3.63

There are no dilutive potential ordinary shares attributable to the Company as at the end of the financial year.

14. PROPERTY, PLANT AND EQUIPMENT

The Group 2025	Renewable energy plant RM'000	Assets retirement obligations RM'000	Assets under construction RM'000	Plant and machinery RM'000	Mechanical and electrical RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Building renovations RM'000	Toll equipment RM'000	Highway-operation equipment RM'000	Total RM'000
Cost											
As of 1 January 2025	107,571	5,163	144	1,190	2,058	11,540	6,101	6,313	23,024	26	163,130
Additions	-	-	654	208	-	688	856	32	52	-	2,490
Disposals	-	-	-	-	-	(17)	(523)	-	-	-	(540)
Write offs	-	-	-	-	-	(2,457)	-	-	-	-	(2,457)
Reclassification	-	-	(798)	-	-	-	-	798	-	-	-
As of 31 December 2025	107,571	5,163	-	1,398	2,058	9,754	6,434	7,143	23,076	26	162,623
Accumulated depreciation											
As of 1 January 2025	10,984	750	-	476	2,058	9,809	3,961	6,050	21,854	26	55,968
Charge for the year	10,428	250	-	241	-	766	902	82	180	-	12,849
Disposals	-	-	-	-	-	(17)	(513)	-	-	-	(530)
Write offs	-	-	-	-	-	(2,445)	-	-	-	-	(2,445)
As of 31 December 2025	21,412	1,000	-	717	2,058	8,113	4,350	6,132	22,034	26	65,842

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

The Group 2024	Renewable energy plant RM'000	Assets retirement obligations RM'000	Assets under construction RM'000	Plant and machinery RM'000	Mechanical and electrical RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Building renovations RM'000	Toll equipment RM'000	Highway-operation equipment RM'000	Total RM'000
Cost											
As of 1 January 2024	127,218	5,163	144	811	2,058	11,918	6,421	6,135	22,541	26	182,435
Additions	11,430	-	-	379	-	664	348	178	483	-	13,482
Disposals	-	-	-	-	-	(1,020)	(668)	-	-	-	(1,688)
Write offs	(31,077)	-	-	-	-	(22)	-	-	-	-	(31,099)
As of 31 December 2024	107,571	5,163	144	1,190	2,058	11,540	6,101	6,313	23,024	26	163,130
Accumulated depreciation											
As of 1 January 2024	17,519	500	-	270	2,058	10,174	3,768	6,003	21,045	26	61,363
Charge for the year	9,412	250	-	206	-	675	819	47	809	-	12,218
Disposals	-	-	-	-	-	(1,018)	(626)	-	-	-	(1,644)
Write offs	(15,947)	-	-	-	-	(22)	-	-	-	-	(15,969)
As of 31 December 2024	10,984	750	-	476	2,058	9,809	3,961	6,050	21,854	26	55,968
Net book value											
As of 31 December 2025	86,159	4,163	-	681	-	1,641	2,084	1,011	1,042	-	96,781
As of 31 December 2024	96,587	4,413	144	714	-	1,731	2,140	263	1,170	-	107,162

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

The Company 2025	Mechanical and electrical RM'000	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Building renovations RM'000	Total RM'000
Cost					
As of 1 January 2025	1,773	6,236	165	5,542	13,716
Additions	-	150	-	3	153
Disposals	-	(2,279)	-	-	(2,279)
As of 31 December 2025	1,773	4,107	165	5,545	11,590
Accumulated depreciation					
As of 1 January 2025	1,773	5,930	165	5,432	13,300
Charge for the year	-	210	-	23	233
Disposals	-	(2,279)	-	-	(2,279)
As of 31 December 2025	1,773	3,861	165	5,455	11,254
2024					
Cost					
As of 1 January 2024	1,773	7,118	587	5,426	14,904
Additions	-	92	-	116	208
Disposals	-	(974)	(422)	-	(1,396)
As of 31 December 2024	1,773	6,236	165	5,542	13,716
Accumulated depreciation					
As of 1 January 2024	1,773	6,723	524	5,426	14,446
Charge for the year	-	181	21	6	208
Write off	-	(974)	(380)	-	(1,354)
As of 31 December 2024	1,773	5,930	165	5,432	13,300
Net book value					
As of 31 December 2025	-	246	-	90	336
As of 31 December 2024	-	306	-	110	416

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

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

(a) All items of property, plant and equipment, excluding right-of-use assets, are initially recognised at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the property, plant and equipment. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is computed on a straight-line method to allocate the cost of the property, plant and equipment, to their residual values over their estimated useful lives, summarised as follows:

Renewable energy plants	12 to 13 years
Assets retirement obligations	12 to 13 years
Plant and machinery	5 to 20 years
Mechanical and electrical	5 years
Office equipment, furniture and fittings	3 to 10 years
Motor vehicles	5 to 7 years
Building renovations	5 to 9 years
Toll equipment	10 years
Highway-operation equipment	5 to 10 years

(b) The assets under construction relate to flood mitigation works at one of the solar photovoltaic plants. Assets under construction are not depreciated until they are available for use, i.e., when they are in the location and condition necessary for their intended operation. As at the end of the financial year, the entire flood mitigation works, amounting to RM798,000, were completed and transferred to building renovation costs; depreciation will therefore commence in the subsequent financial year.

(c) Included in motor vehicles are the right-of-use motor vehicles held under finance lease agreements. These assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases. After the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liabilities.

The right-of-use motor vehicles are depreciated on the straight-line basis over the periods 5 years of the lease terms.

The net book value of motor vehicles held under finance lease agreements of the Group and of the Company as at financial year end amounted to RM214,000 and RMNil respectively (2024: RM335,000 and RMNil).

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

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

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash payments on purchase of property, plant and equipment	2,490	13,491*	153	208
Settlement of amount previously in other payable	-	(9)	-	-
Purchase of property, plant and equipment	2,490	13,482	153	208

* Included RM11,430,000 relating to the solar panel replacement costs incurred by the Company's subsidiaries, TR Sepang Sdn. Bhd. and TR Cpark Sdn. Bhd..

(e) Depreciation charges for the financial year consist of:

	Note	The Group		The Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Capitalised in amount due from contract customers	27	702	677	-	-
Included in statements of profit or loss and other comprehensive income:					
Cost of operations	6	10,858	10,471	-	-
Administrative and other expenses	8	1,289	1,070	233	208
		12,147	11,541	233	208
		12,849	12,218	233	208

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for the year ended 31 December 2025

15. RIGHT-OF-USE ASSETS

The Group	Office premises leases RM'000	Land leases RM'000	Total RM'000
Cost			
As of 1 January 2024/31 December 2024/1 January 2025	28,921	9,965	38,886
Addition	20,529	89	20,618
Reassessment	(28,921)	-	(28,921)
As of 31 December 2025	20,529	10,054	30,583
Accumulated depreciation			
As of 1 January 2024	5,477	1,442	6,919
Charge for the year (Note 8)	2,930	852	3,782
As of 31 December 2024/1 January 2025	8,407	2,294	10,701
Charge for the year (Note 8)	2,931	852	3,783
Reassessment	(11,338)	-	(11,338)
As of 31 December 2025	-	3,146	3,146
Net book value			
As of 31 December 2025	20,529	6,908	27,437
As of 31 December 2024	20,514	7,671	28,185

The Company	Office premises leases RM'000
Cost	
As of 1 January 2024/31 December 2024/1 January 2025	28,921
Addition	15,823
Reassessment	(28,921)
As of 31 December 2025	15,823

15. RIGHT-OF-USE ASSETS (CONT'D)

The Company	Office premises leases RM'000
Accumulated depreciation	
As of 1 January 2024	5,477
Charge for the year (Note 8)	2,930
As of 31 December 2024/1 January 2025	8,407
Charge for the year (Note 8)	2,931
Reassessment	(11,338)
As of 31 December 2025	-
Net book value	
As of 31 December 2025	15,823
As of 31 December 2024	20,514

The right-of-use assets comprises leases on office premises and land. The assets are depreciated on the straight-line basis over the periods of the lease terms as follow:

Office premises lease	over the lease period of 9 years
Land leases	over the lease period of 12 years

(a) Office premises lease

The office premises lease relates to the lease arrangement with the landlord for a tenure of three (3) years at RM3,520,000 per annum. The lease commenced on 1 January 2023 and expired on 31 December 2025.

During the financial year, the Group and the Company renewed the tenancy for a further three (3) years from 1 January 2026 to 31 December 2028, with an option to renew for one (1) additional term of three (3) years, up to 31 December 2031. Lease payments are adjusted at the beginning of each renewal term based on the prevailing market rental rate, as determined by an independent valuer and mutually agreed by both parties.

Following the renewal of the tenancy, the Group and Company reassess the right to use the office space in the lease arrangement. The renewals were deemed as "a change in the scope of a lease" pursuant to MFRS 16 Leases and therefore, the lease modification is remeasured by discounting the revised lease payments using a revised discount rate at the date of the modification. Arising thereof, the Group and the Company recognised a gain on lease modification amounting to RM2,478,000 and RM2,477,000, respectively during the current financial year, as disclosed in Note 7.

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15. RIGHT-OF-USE ASSETS (CONT'D)

(b) Land leases

The land leases relate to lease agreements of several parcels of land located in Sepang, Selangor, entered into by certain subsidiaries holding feed-in-approval with Malaysia Airports (Sepang) Sdn. Bhd. The leases have a tenure of 21 years from the feed-in tariff commencement date or up to 31 December 2033, whichever is earlier. The leases grant the right to use the concession areas for the construction and operation of a solar photovoltaic plant and related facilities for solar energy production during the concession period.

16. INVESTMENT PROPERTY

	The Group and The Company	
	2025 RM'000	2024 RM'000
Cost		
As of 1 January/31 December	187	187
Accumulated depreciation		
As of 1 January	68	65
Charge for the year (Note 8)	3	3
As of 31 December	71	68
Accumulated impairment loss		
As of 1 January/31 December	26	26
Net book value		
As of 31 December	90	93
Representing:		
Freehold building	90	93

Investment property, comprising a freehold apartment unit in Malaysia that is not occupied by the Group or the Company, is held for long-term rental income and/or capital appreciation.

The fair value of the investment property as at 31 December 2025 is estimated at RM249,600 (2024: RM249,600), based on the directors' assessment of market prices for comparable properties in an active market in the vicinity.

16. INVESTMENT PROPERTY (CONT'D)

Information about the fair value hierarchy of the investment property as at 31 December is disclosed below:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Fair Value RM'000
2025				
Freehold building	-	-	250	250
2024				
Freehold building	-	-	250	250

There were no transfers between Levels 1, 2 and 3 during the year.

17. INTANGIBLE ASSETS

The Group	Concession right RM'000	River monitoring system RM'000	Residual treatment facility RM'000	Total RM'000
Cost				
As of 1 January 2024/31 December 2024/1 January 2025	1,262,903	502	-	1,263,405
Addition	-	-	2,422	2,422
As of 31 December 2025	1,262,903	502	2,422	1,265,827
Accumulated amortisation				
As of 1 January 2024	303,961	6	-	303,967
Charge for the year (Note 6)	37,509	38	-	37,547
As of 31 December 2024/1 January 2025	341,470	44	-	341,514
Charge for the year (Note 6)	36,236	38	-	36,274
As of 31 December 2025	377,706	82	-	377,788
Carrying amount				
As of 31 December 2025	885,197	420	2,422	888,039
As of 31 December 2024	921,433	458	-	921,891

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

17. INTANGIBLE ASSETS (CONT'D)

The intangible assets of the Group at the end of the reporting period comprises:

(a) Concession right

A concession right has been awarded by the Government to a subsidiary, Grand Saga Sdn. Bhd., to upgrade and maintain a section of the existing Federal Route 1 at the Kuala Lumpur-Seremban Road, known as the Cheras-Kajang Highway. The ownership of the Highway will be transferred to the Government of Malaysia at the end of the concession period in September 2045.

The concession right is recognised as an intangible asset pursuant to IC Interpretation 12. Under the intangible asset model, it is initially measured at cost. After initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The intangible assets are amortised over the concession period using traffic volume method, as follows:

$$\frac{\text{Cumulative traffic volume from 1.1.2016}}{\text{Cumulative traffic volume from 1.1.2016 plus projected traffic volume till end of concession}} \times \text{Opening Net Book Value as of 1.1.2016 plus additions to-date}$$

The denominator includes the projected total traffic volume for subsequent financial years up to 2045, based on the initial base case traffic volume projections prepared by independent traffic consultants and updated annually by management. The projections take into account the management's expectations of traffic growth based on current market and economic conditions. Changes in the expected traffic volume could impact future amortisation charges.

The carrying amounts of the concession right is reviewed annually for impairment. Management exercises significant judgement in estimating the recoverable amount, which is based on the present value of expected future cash flows. The key bases and assumptions used in the estimation are consistent with those applied in the impairment assessment of goodwill, as set out in Note 22.

(b) Intangible assets arising from the BWSA

The Group has two (2) separate intangible assets recognised in accordance with IC Interpretation 12, arising from obligations under the BWSA undertaken by a subsidiary, Sungai Harmoni Sdn. Bhd. ("Sungai Harmoni"):

(i) River monitoring system

Sungai Harmoni constructed a shelter for a river monitoring system. The cost of the shelter is initially measured at the present value of future payments amounting to RM502,000 and is amortised over the remaining tenure of the BWSA upon completion. The carrying amount of the shelter is reviewed for impairment whenever there are indicators of potential impairment.

(ii) Residual Treatment Facility ("RTF")

Sungai Harmoni is in the process of constructing a mechanical residual treatment facility. Construction revenue and costs for the RTF are recognised over time based on the percentage of completion method as disclosed in Note 5.

17. INTANGIBLE ASSETS (CONT'D)

(b) Intangible assets arising from the BWSA (Cont'd)

(ii) Residual Treatment Facility ("RTF") (Cont'd)

The intangible asset is amortised over the remaining tenure of the BWSA upon completion and reviewed for impairment whenever there are indicators of potential impairment.

The total estimated construction cost of the RTF is RM88,000,000. Out of this amount, RM2,364,000 has been contracted, incurred and recognised as intangible assets. After including notional profit, the total amount increased to RM2,422,000. The remaining balance of RM85,636,000, comprising uncontracted amounts and contracted but not yet incurred amounts, is disclosed in Note 45.

18. INVESTMENT IN SUBSIDIARIES

	The Company	
	2025 RM'000	2024 RM'000
Redeemable preference shares - at fair value through other comprehensive income		
As of 1 January/31 December	275,812	275,812
Unquoted ordinary shares - at cost:		
As of 1 January/31 December	86,995	86,995
Accumulated impairment loss:		
As of 1 January/31 December	34,728	34,728
Carrying amount	328,079	328,079

(a) Investments in subsidiaries, other than redeemable preference shares, are stated at cost less any impairment losses in the separate financial statements of the Company.

Investments in preference shares are not held for trading but are held for medium-to long-term strategic purposes. Accordingly, the directors have elected to designate these investments in equity instruments at fair value through other comprehensive income ("FVTOCI"), as recognising short-term fair value fluctuations in profit or loss would not be consistent with the Group's long-term investment strategy and its intention to realise their performance potential over the long-term. The fair value of investments in preference shares is categorised as Level 3 in the fair value hierarchy, as disclosed in Note 43.

(b) The Company reviews the investments in subsidiaries measured at cost for impairment whenever there is an indication of impairment. The recoverable amounts of such investments are determined based on the value-in-use of the respective subsidiaries. The value-in-use is the net present value of the projected future cash flows derived from the business operations of the respective subsidiaries, discounted at an appropriate pre-tax discount rate. The discounted cash flow method involves the use of estimates and assumptions relating to future operating results to support their income and cash flows. Judgement had also been used to determine the pre-tax discount rate for the cash flows and the future growth rate of the business of the entities.

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18. INVESTMENT IN SUBSIDIARIES (CONT'D)

The shares of all subsidiaries are held directly by the Company unless otherwise indicated as follows:

Name	Principal place of business	Proportion of ownership interest held by the Company 2025 %	2024 %	Principal activities
Held directly by the Company:				
Sungai Harmoni Sdn. Bhd.	Taman Tun Dr. Ismail, Kuala Lumpur	100	100	Management, operations and maintenance of Sungai Selangor Water Treatment Plant Phase 1 for a period expiring in December 2036.
Taliworks Construction Sdn. Bhd.	Taman Tun Dr. Ismail, Kuala Lumpur	100	100	General construction.
TEI Sdn. Bhd.	Cheras, Selangor	51	51	Investment holding.
Taliworks Renewables Sdn. Bhd. ("TRSB")	Taman Tun Dr. Ismail, Kuala Lumpur	100	100	Investment holding.
Taliworks (Langkawi) Sdn. Bhd.	Taman Tun Dr. Ismail, Kuala Lumpur	100	100	The concession for management, operations and maintenance of water treatment plants and water distribution systems has expired on 31 October 2020. Upon expiration of the concession, the operations have been handed over to Syarikat Air Darul Aman Sdn. Bhd., a corporatised body under the state government of Kedah. The company is currently dormant.
Taliworks Technologies Sdn. Bhd.	Taman Tun Dr. Ismail, Kuala Lumpur	100	100	Provision of project consultancy and technical services and sales of products related to water and waste treatment.
Held through TEI Sdn. Bhd.:				
Trinitywin Sdn. Bhd.	Cheras, Selangor	51	51	Investment holding.
Cerah Sama Sdn. Bhd.	Cheras, Selangor	51	51	Investment holding.
Held through Cerah Sama Sdn. Bhd.:				
Grand Saga Sdn. Bhd. #	Cheras, Selangor	51	51	Design, planning and construction of the Cheras-Kajang Highway. The Highway has a concession period expiring in September 2045.

18. INVESTMENT IN SUBSIDIARIES (CONT'D)

The shares of all subsidiaries are held directly by the Company unless otherwise indicated as follows: (Cont'd)

Name	Principal place of business	Proportion of ownership interest held by the Company 2025 %	2024 %	Principal activities
Held through Cerah Sama Sdn. Bhd.: (Cont'd)				
Trupadu Sdn. Bhd. #	Cheras, Selangor	51	51	Toll operator and general contractor for the Cheras-Kajang Highway.
Peak Synergy Sdn. Bhd. #	Cheras, Selangor	-	51	Investment holding. The company was wound up on 5 December 2025.
Europlex Consortium Sdn. Bhd. #	Cheras, Selangor	-	51	Investment holding. The company was wound up on 5 December 2025.
Held through TRSB:				
TR (SG1) Pte. Ltd. £ ("SG1")	Robinson Road, Singapore	100	100	Investment holding.
TR (SG2) Pte. Ltd. £ ("SG2")	Robinson Road, Singapore	100	100	Investment holding.
TR (SG3) Pte. Ltd. £ ("SG3")	Robinson Road, Singapore	100	100	Investment holding.
Taliworks Renewables Operations Sdn. Bhd.	Taman Tun Dr. Ismail, Kuala Lumpur	100	100	Provision of operation and maintenance services in relation with the business development of solar and other renewable energy projects.
TR Sepang Sdn. Bhd. ¥ (of which 48% is held directly by SG1)	Taman Tun Dr. Ismail, Kuala Lumpur	100	100	Business development of solar and other renewable energy projects. Operate a 5.0 MWp ground-mounted solar photovoltaic plant on a Build-Own-Operate project model. The company holds a feed-in approval granted by the SEDA pursuant to Section 7 of the Renewable Energy Act 2011 ("REA") for a period of 21 years expiring on 6 October 2034.
TR Saterm Sdn. Bhd. ¥ (of which 48% is held directly by SG2)	Taman Tun Dr. Ismail, Kuala Lumpur	100	100	Business development of solar and other renewable energy projects. Operate a 4.0 MWp rooftop-mounted solar photovoltaic plant on a Build-Own-Operate project model. The company holds a feed-in approval granted by the SEDA pursuant to Section 7 of the REA for a period of 21 years expiring on 17 December 2034.

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18. INVESTMENT IN SUBSIDIARIES (CONT'D)

The shares of all subsidiaries are held directly by the Company unless otherwise indicated as follows: (Cont'd)

Name	Principal place of business	Proportion of ownership interest held by the Company 2025 %	2024 %	Principal activities
Held through TRSB: (Cont'd)				
TR Cpark Sdn. Bhd. ¥ (of which 48% is held directly by SG3)	Taman Tun Dr. Ismail, Kuala Lumpur	100	100	Business development of solar and other renewable energy projects. Operate two (2) separate 5.0 MWp parking rooftop-mounted solar photovoltaic plant on a Build-Own-Operate project model. The company holds two (2) feed-in approvals granted by the SEDA pursuant to Section 7 of the REA for a period of 21 years expiring on 23 November 2034 and 4 December 2034 respectively.
Taliworks Renewables Singapore Pte. Ltd ("TRSPL") @ £	Balestier Road, Singapore	100	100	Other holding companies.
Held through TRSPL:				
TRS Uno Pte. Ltd. ("TRS Uno") @ £	Balestier Road, Singapore	100	100	Generation of electricity by other sources. Application to strike off the company was made to the Accounting and Corporate Regulatory Authority ("ACRA") on 30 September 2025 pursuant to Section 344A(1) of the Singapore Companies Act 1967. The company was subsequently struck off on 2 January 2026.
TRS Dos Pte. Ltd. ("TRS Dos") @ £	Balestier Road, Singapore	100	100	Generation of electricity by other sources. Application to strike off the company was made to the ACRA on 30 September 2025 pursuant to Section 344A(1) of the Singapore Companies Act 1967. The company was subsequently struck off on 2 January 2026.
TRS Tres Pte. Ltd. ("TRS Tres") @ £	Balestier Road, Singapore	100	100	Generation of electricity by other sources. Application to strike off the company was made to the ACRA on 30 September 2025 pursuant to Section 344A(1) of the Singapore Companies Act 1967. The company was subsequently struck off on 2 January 2026.

18. INVESTMENT IN SUBSIDIARIES (CONT'D)

£ The financial statements of these subsidiaries are not audited by the member firms of the auditors of the Company.

The equity interest in these subsidiaries formed part of the security arrangements for the Islamic Medium-Term Notes borrowings as disclosed in Note 35.

¥ The feed-in approval holders, namely TR Sepang Sdn. Bhd., TR Saterm Sdn. Bhd. and TR Cpark Sdn. Bhd. have 21 years renewable energy power purchase agreements ("REPPAs) with offtakers, Tenaga Nasional Berhad and Malaysia Airports (Sepang) Sdn. Bhd., which allows the companies to exclusively sell its power generation to offtakers at the applicable feed-in tariff rate as prescribed under the REA.

@ In 2024, the Company's wholly-owned subsidiary, TRSB incorporated four (4) wholly-owned subsidiaries in Singapore, comprising direct and indirect subsidiaries, in accordance with the Companies Act 1967 of the Republic of Singapore, as detailed below:

(a) TRSPL was incorporated on 29 July 2024 as a wholly-owned subsidiary of TRSB with an issued share capital of SGD1;

(b) TRS Uno was incorporated on 31 July 2024 as a wholly-owned subsidiary of TRSPL with an issued share capital of SGD1;

(c) TRS Dos was incorporated on 31 July 2024 as a wholly-owned subsidiary of TRSPL with an issued share capital of SGD1; and

(d) TRS Tres was incorporated on 31 July 2024 as a wholly-owned subsidiary of TRSPL with an issued share capital of SGD1.

No statutory audit were performed for the financial period ended 31 December 2024 for these newly incorporated subsidiaries, as their intended first financial period are from the incorporation date to 31 December 2025.

During the financial year, TRS Uno, TRS Dos and TRS Tres submitted applications to be struck off pursuant to the Companies Act 1967 of the Republic of Singapore. The companies were subsequently struck off from the register of companies with effect from 2 January 2026.

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18. INVESTMENT IN SUBSIDIARIES (CONT'D)

Composition of the Group

Information about the composition of the Group at the end of the reporting period is as follows:

Principal activities	Place of incorporation and operation	Number of wholly-owned subsidiaries		Number of non-wholly-owned subsidiaries	
		2025	2024	2025	2024
Management, operations and maintenance of water treatment plants and water distribution systems	Malaysia	2	2	-	-
Provision of management and technical services relating to waste management	Malaysia	1	1	-	-
General construction	Malaysia	1	1	-	-
Investment holding	Malaysia	1	1	3	5
Investment holding	Singapore	4	4	-	-
Toll highway	Malaysia	-	-	2	2
Provision of operation and maintenance services in relation with the business development of solar and other renewable energy projects.	Malaysia	1	1	-	-
Business development of solar and other renewable energy projects.	Malaysia	3	3	-	-
Business development of solar and other renewable energy projects	Singapore	3	3	-	-
		16	16	5	7

Details for non-wholly-owned subsidiary that have material non-controlling interests

The table below shows details of non-wholly-owned subsidiary of the Group that have material non-controlling interests.

Name of subsidiary	Proportion of ownership interests held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interest	
	2025 %	2024 %	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
TEI Sdn. Bhd.	49%	49%	23,847	29,397	306,494	293,427

18. INVESTMENT IN SUBSIDIARIES (CONT'D)

Summarised financial information in respect of the subsidiary with material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	The Group	
	2025 RM'000	2024 RM'000
Non-current assets	1,043,883	1,081,170
Current assets	64,904	70,926
Current liabilities	(60,375)	(70,472)
Non-current liabilities	(422,914)	(482,794)
Net assets	625,498	598,830
Equity attributable to owners of the Company	319,004	305,403
Non-controlling interest	306,494	293,427
Revenue*	130,428	149,541
Expenses	(81,760)	(89,547)
Profit for the year	48,668	59,994
Profit attributable to owners of the Company	24,821	30,597
Profit attributable to non-controlling interest	23,847	29,397
Net cash generated from/(used in):		
Operating activities	36,846	92,504
Investing activities	(50,464)	(9,896)
Financing activities	(75,014)	(52,767)
Net change in cash and cash equivalents	(88,632)	29,841

* Included in the revenue is government compensation for the deferment of toll rate increase amounted to RM34,410,000 (2024: RM55,280,000) and toll exemptions in conjunction with the festive holidays of RM2,973,000 (2024: RM1,257,000).

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for the year ended 31 December 2025

19. INVESTMENT IN JOINT VENTURE

	The Group	
	2025 RM'000	2024 RM'000
Unquoted ordinary shares, at cost	30,749	30,749
Redeemable preference shares, at FVTOCI	36,424	36,424
Group's share of post-acquisition reserve, net of dividend	5,698	7,946
	72,871	75,119

	The Company	
	2025 RM'000	2024 RM'000
Unquoted ordinary shares, at cost	30,749	30,749
Redeemable preference shares, at FVTOCI	36,424	36,424
	67,173	67,173

Investments in joint venture, other than redeemable preference shares, are stated at cost less any impairment losses, in the separate financial statements of the Company and is accounted for using the equity method of accounting in the consolidated financial statements.

Investments in redeemable preference shares are not held for trading but are held for medium-to long-term strategic purposes. Accordingly, the directors have elected to designate these investments in equity instruments at FVTOCI, as recognising short-term fair value fluctuations in profit or loss would not be consistent with the Group's long-term investment strategy and its intention to realise their performance potential over the long-term. The fair value of investments in redeemable preference shares is categorised as Level 3 in the fair value hierarchy, as disclosed in Note 43.

Details of the joint venture, which is incorporated in Malaysia, are as follows:

Name	Principal place of business	Proportion of ownership interest held by the Group		Principal activities
		2025 %	2024 %	
Pinggiran Muhibbah Sdn. Bhd.	Taman Tun Dr. Ismail, Kuala Lumpur	50	50	Investment holding in Grand Sepadu (NK) Sdn. Bhd. which is engaged in the operation and maintenance of the New North Klang Straits Bypass Expressway for a concession period ending in December 2032.

19. INVESTMENT IN JOINT VENTURE (CONT'D)

The summarised financial information set out below represents amounts shown in the joint venture's financial statements prepared in accordance with MFRS, adjusted by the Group for equity accounting purposes.

Pinggiran Muhibbah Sdn. Bhd.	2025 RM'000	2024 RM'000
Summarised statement of financial position		
Non-current assets	212,229	233,428
Current assets	43,840	41,986
Current liabilities	(21,530)	(19,376)
Non-current liabilities	(27,652)	(47,165)
Non-controlling interests	(61,146)	(58,636)
Net assets	145,741	150,237
Summarised statement of profit or loss and other comprehensive income		
Revenue*	70,481	94,629
Profit for the year	13,504	25,418

* Included in the revenue is government compensation for the deferment of toll rate increases amounted to RM13,761,000 (2024: RM38,740,000) and toll exemptions in conjunction with the festive holidays of RM1,271,000 (2024: RM774,000).

Reconciliation of the above summarised financial information to the carrying amount of the interest in joint ventures recognised in the financial statements of the Group is as follows:

	2025 RM'000	2024 RM'000
Net assets		
Carrying amount of the investment in joint venture	145,741	150,237
Proportion of the Group's ownership interest in the joint venture	50%	50%
	72,871	75,119

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for the year ended 31 December 2025

20. INVESTMENT IN ASSOCIATES

	The Group	
	2025 RM'000	2024 RM'000
Unquoted ordinary shares, at cost	247,077	247,871
Compensation	(17,087)	(17,087)
Share of post-acquisition reserve, net of dividend	(160,125)	(155,448)
	69,865	75,336

	The Company	
	2025 RM'000	2024 RM'000
Unquoted ordinary shares, at cost	247,077	247,871
Compensation	(17,087)	(17,087)
	229,990	230,784

(a) Investment in associate is stated at cost less accumulated impairment losses, if any, in the separate financial statements of the Company, and it is accounted for using the equity method in the consolidated financial statements.

(b) During the financial year, the Company conducted a review of the recoverable amounts of a material associate, SWM Environment Holdings Sdn. Bhd.. No impairments loss was recognised, as the recoverable amounts exceeded their respective carrying amounts based on value-in-use calculations.

Movements in unquoted ordinary shares, at cost during the financial year is as follows:

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
As of 1 January	247,871	247,871	247,871	247,871
Capital reduction ¥	(794)	-	(794)	-
As of 31 December	247,077	247,871	247,077	247,871

20. INVESTMENT IN ASSOCIATES (CONT'D)

Details of the associates, which are incorporated in Malaysia, are as follows:

Name	Principal place of business	Proportion of ownership interest held by the Group 2025 %	Proportion of ownership interest held by the Group 2024 %	Principal activities
LGB Taliworks Consortium Sdn. Bhd. ¥	Taman Tun Dr. Ismail, Kuala Lumpur	20	20	General construction.
SWM Environment Holdings Sdn. Bhd.	Taman Tun Dr. Ismail, Kuala Lumpur	35	35	Investment holding with its principal investment in a company managing and carrying on solid waste collection and public cleansing management and other related activities for a concession period until 31 August 2033.
Aqua Flo Sdn. Bhd.	Petaling Jaya, Selangor	24	24	Trading in chemical products.

All the associates are audited by a firm other than Deloitte Malaysia PLT (formerly known as Deloitte PLT).

¥ On 29 September 2025, LGB Taliworks Consortium Sdn. Bhd., reduced its issued share capital by cancelling 3,970,000 ordinary shares out of a total of 4,000,000 ordinary shares. Following the capital reduction, its issued share capital now stands at RM30,000, comprising 30,000 ordinary shares, of which the Company holds 6,000 ordinary shares at an investment cost of RM6,000.

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20. INVESTMENT IN ASSOCIATES (CONT'D)

The summarised financial information of the material associate is set out below. The information presented represents amounts shown in the associate's financial statements prepared in accordance with MFRS, adjusted by the Group for equity accounting purposes.

The Group	2025 RM'000	2024 RM'000
Summarised statements of financial position		
Non-current assets	1,962,754	2,083,177
Current assets	735,867	773,453
Current liabilities	(269,061)	(276,934)
Non-current liabilities	(1,486,565)	(1,519,667)
Non-controlling interest	(733,776)	(836,315)
Net assets	209,219	223,714
Summarised statements of profit or loss and other comprehensive income		
Revenue	1,036,705	1,001,732
Profit for the year*	239,407	159,731
Less:		
Adjustment relating to interest on dividend on the cumulative preferences shares held by parties other than the Group	(125,449)	(116,996)
Group consolidation adjustments	(129,764)	(134,819)
Loss for the year	(15,806)	(92,084)

* Included in the profit for the year is a one-off gain of RM112,692,000 arising from the net reversal of provision for loss allowance on receivables (2024: one-off gain of RM13,700,000 arising from the disposal of the Seelong operation), of which RM39,442,000 (2024: RM4,795,000) was recognised in the share of results of the associate.

20. INVESTMENT IN ASSOCIATES (CONT'D)

Reconciliation of the above summarised financial information to the carrying amount of the Group's interest in the material associate recognised in the consolidated financial statements is as follows:

	2025 RM'000	2024 RM'000
Net assets	209,219	223,714
Proportion of the Group's ownership interest in the associate	35%	35%
	73,227	78,300
Compensation	(17,087)	(17,087)
Adjustment for stamp duties paid	735	735
Carrying amount of the investment in the associate	56,875	61,948

The summarised financial information of other individually immaterial associates is set out below.

The Group	Others	
	2025 RM'000	2024 RM'000
Summarised statements of financial position		
Non-current assets	3,398	3,262
Current assets	114,127	107,795
Current liabilities	(63,475)	(54,542)
Net assets	54,050	56,515
Summarised statements of profit or loss and other comprehensive income		
Revenue	176,044	160,078
Profit for the year	8,244	9,595

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for the year ended 31 December 2025

21. OTHER INVESTMENT

	The Group	
	2025 RM'000	2024 RM'000
Financial assets carried at FVTPL:		
Golf membership		
As of 1 January/31 December	200	200

There are no measurement impacts to the carrying amount of other investment at the end of the reporting period, as the directors are of the opinion that the carrying amounts approximate its fair value.

22. GOODWILL ON CONSOLIDATION

	The Group	
	2025 RM'000	2024 RM'000
As of 1 January/31 December	132,503	132,503

Goodwill on consolidation arose from:

(i) the acquisition of a subsidiary, Cerah Sama Sdn. Bhd. pursuant to a restructuring exercise in 2014 amounting to RM129,385,000 (2024: RM129,385,000); and

(ii) acquisition of solar renewable energy business in 2022, consisting of a group of seven (7) entities, as part of the Group's strategic expansion into the sustainable energy sector, amounting to RM3,118,000 (2024: RM3,118,000).

Key bases assumptions used in value-in-use calculations

The Group assesses whether goodwill on consolidation is impaired on an annual basis. This assessment requires an estimation of the value-in-use of the cash generating unit ("CGU") to which goodwill is allocated, namely the toll highway and solar photovoltaic plants. Estimating value-in-use involves forecasting expected future cash flows from the CGU and applying an appropriate discount rate to calculate the present value of those cash flows. The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections derived from approved financial budgets, covering the remaining concession period and/or renewable energy power purchase agreements ("REPPAs"), whichever is applicable.

22. GOODWILL ON CONSOLIDATION (CONT'D)

Key bases assumptions used in value-in-use calculations (Cont'd)

The key bases and assumptions used in the estimation of the recoverable amount are as follows:

(a) Cerah Sama Sdn. Bhd.

(i) Traffic volume of Toll Plaza Batu 9 and Batu 11 are projected based on the average yearly growth rate of 1.60% and 2.51% (2024: 1.55% and 2.39%) respectively;

(ii) Toll operation costs, routine maintenance costs and other operating expenses are expected to increase at the rate of 3.0% (2024: 3.0%) annually;

(iii) Commissions to be paid to Touch & Go and Smart Tag are estimated at a fixed rate of 1.3% (2024: 1.3%) of total toll revenue collected; and

(iv) Pre-tax discount rate of 10.86% (2024: 10.86%) applied to the cash flow projections is derived from a subsidiary, Grand Saga Sdn. Bhd.'s weighted average cost of capital.

(b) Solar Photovoltaic Plants

(i) Energy outputs are projected based on irradiance of 1,785 (2024:1,785) kWh/m^2/year, performance ratio of 61.8% - 82.5% (2024: 69.0% - 82.5%) per year and degradation of 0.5% (2024: 0.5%) per year;

(ii) Operation costs and other operating expenses are expected to increase at the rate of 3.0% (2024: 3.0%) annually; and

(iii) Pre-tax discount rate of 9.50% (2024: 9.50%) applied to the cash flow projections is derived from the weighted average cost of capital of several subsidiaries with feed-in approval.

The above key bases and assumptions are determined based on the directors' expectation of future events and actions to take place in the respective business segments. Any deviations from these original estimates may result in the variation in the recoverable amounts. The directors are of the opinion that the bases and assumptions used in the estimating the recoverable amounts are reasonable and do not foresee any possible changes in the above key assumptions that would cause the carrying amounts of the goodwill to materially exceed its recoverable amount.

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for the year ended 31 December 2025

23. DEFERRED TAX (LIABILITIES)/ASSETS

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
As of 1 January	(203,092)	(231,297)	3,101	3,513
Transfer from/(to) profit or loss (Note 12):				
Property, plant and equipment	3,140	3,359	-	-
Intangible assets	8,656	8,891	-	-
Trade receivables	308	309	-	-
Other receivables, deposits and prepayments	(149)	6	-	-
Provision for heavy repairs	(316)	(456)	-	-
Other payables and accruals	(346)	347	-	-
Deferred income	184	188	-	-
Unused business losses	(1,031)	(232)	(634)	(412)
Unabsorbed capital allowances	(1,970)	(204)	-	-
Net of right-of-use assets and lease liabilities	34	75	-	-
Investment tax allowances	(808)	15,922	-	-
	7,702	28,205	(634)	(412)
As of 31 December	(195,390)	(203,092)	2,467	3,101
Presented after appropriate offsetting as follows:				
Deferred tax assets, net	6,439	6,588	2,467	3,101
Deferred tax liabilities, net	(201,829)	(209,680)	-	-
	(195,390)	(203,092)	2,467	3,101

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

The movements in deferred tax assets and liabilities during the financial year (prior to offsetting of balances) comprise the following:

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax assets (before offsetting)				
Tax effects of deductible temporary differences arising from:				
Other receivables, deposits and prepayments	1,124	1,274	-	-
Other payables and accruals	1,108	1,454	-	-
Deferred income	1,396	1,212	-	-
Provision for heavy repairs	9,156	9,472	-	-
Net of right-of-use asset and lease liabilities	375	341	-	-
Unused business losses	3,602	4,633	2,467	3,101
Unabsorbed capital allowance	2,911	4,881	-	-
Investment tax allowances	15,114	15,922	-	-
	34,786	39,189	2,467	3,101
Offsetting	(28,347)	(32,601)	-	-
Deferred tax assets (after offsetting)	6,439	6,588	2,467	3,101
Deferred tax liabilities (before offsetting)				
Tax effects of taxable temporary differences arising from:				
Property, plant and equipment	20,496	23,636	-	-
Intangible assets	208,755	217,411	-	-
Trade receivables	922	1,230	-	-
Other receivables, deposits and prepayments	3	4	-	-
	230,176	242,281	-	-
Offsetting	(28,347)	(32,601)	-	-
Deferred tax liabilities (after offsetting)	201,829	209,680	-	-

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for the year ended 31 December 2025

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

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

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Temporary differences arising from:				
Right-of-use assets	-	1,122	-	1,122
Other payables and accruals	1,025	559	154	559
Unused tax losses:				
expires by 31 December 2028	1,831	1,831	-	-
expires by 31 December 2029	16	16	-	-
expires by 31 December 2030	10	10	-	-
expires by 31 December 2031	1,698	-	-	-
expires by 31 December 2032	372	341	-	-
expires by 31 December 2033	89	90	-	-
expires by 31 December 2034	576	15	-	-
expires by 31 December 2035	4	-	-	-
Unabsorbed capital allowances	13,490	17,733	12,355	12,178
Investment tax allowance	94,475	103,229	-	-
	113,586	124,946	12,509	13,859

The Group and the Company have assessed the likelihood of sufficient future profits being available to utilise deductible temporary differences. Deferred tax assets have not been recognised in respect of these items, as they relate to companies with a recent history of losses or where future taxable profits may be insufficient to trigger the utilisation of these items.

The unused tax losses can be carried forward for up to ten (10) consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board. The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local tax authorities.

Investment tax allowance has no expiry date and is granted under the Promotion of Investments Act, 1986, to promote the development of renewable energy projects in Malaysia. This allowance is available to several subsidiaries with feed-in approval engaged in electricity generation using solar energy, allowing them to offset against taxable statutory income. During the prior year, solar panels were replaced in these solar subsidiaries and their profitability were reassessed; recognition and utilisation of the allowance remain subject to agreement with the respective local tax authorities.

24. TRADE RECEIVABLES

The analysis of trade receivables is as follows:

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade receivables	130,703	61,612	54,662	10,287
Less: Loss allowance	(203)	(36)	(203)	(36)
Net	130,500	61,576	54,459	10,251

Total trade receivables are classified as financial assets measured at amortised cost.

The average credit period granted to the customers is 60 days (2024: 60 days). No interest is charged on trade receivables, even for those which are past due.

Of the Group's and the Company's total trade receivables, a gross invoiced amount of RM100,029,000 and RM54,662,000 (2024: RM58,480,000 and RM10,287,000) is owed by Air Selangor under the following contracts:

(i) Bulk Water Supply Agreement ("BWSA")

On 24 May 2019, Sungai Harmoni entered into the BWSA with Air Selangor in relation to the appointment of Sungai Harmoni for the operations and maintenance of Sungai Selangor Water Treatment Plant Phase 1 ("SSP1") and the supply of treated water until December 2036. Sungai Harmoni started operating and maintaining the SSP1 under the BWSA from 13 September 2019 onwards, being the date when the agreement became unconditional and completed.

(ii) Stage 1 of the Sungai Rasau Water Supply Scheme ("the Rasau Projects")

The two packages under the Rasau Projects are (a) Design and Build of Proposed Rasau Treated Water Pumping Station, Treated Water Pumping Mains to Existing Bukit Lipat Kajang Reservoirs, Distribution and Associated Works (Package 2); and (b) Design and Build of Proposed New Bukit Lipat Kajang Booster Station, Reservoirs and Associated Works (Package 3).

The Group secured the Rasau Projects in 2021, with an initial completion date of 31 December 2024. In 2023, the authorities granted extensions for Package 2 and Package 3 to 29 November 2025 and 19 December 2025, respectively. In 2024, a second extension of time ("EOT") application was submitted; and approval was obtained during the current financial year, with the revised completion dates being 16 November 2026 for Package 2 and 31 March 2027 for Package 3.

The amounts represent invoiced value for certified work performed. The amounts were transferred from amount due from/(to) contract customers when the rights became unconditional.

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24. TRADE RECEIVABLES (CONT'D)

The Group and the Company apply a simplified approach in calculating loss allowances for trade receivables at an amount equal to lifetime expected credit losses ("ECL"). The loss allowance is estimated by applying an ECL rate at each reporting date. The ECL rate reflects the historical time value loss rate which is computed based on actual and projected repayment amounts and timing from current year billings, as well as historical loss rates from past collection records, adjusted by forward-looking information that is available without undue cost or effort. The Group and the Company review the ECL rate at each reporting date to re-measure the loss allowance amount. Changes in these variables could impact future ECL charges. In addition, trade receivables with significant balances and credit impaired are assessed for ECL on an individual basis.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in MFRS 9:

The Group	Collectively assessed RM'000	Individually assessed RM'000	Total RM'000
As at 1 January 2024	70	-	70
Net re-measurement of loss allowances	(34)	-	(34)
As at 31 December 2024/1 January 2025	36	-	36
Net re-measurement of loss allowances	167	-	167
As at 31 December 2025	203	-	203
The Company			
As at 1 January 2024	67	-	67
Net re-measurement of loss allowances	(31)	-	(31)
As at 31 December 2024/1 January 2025	36	-	36
Net re-measurement of loss allowances	167	-	167
As at 31 December 2025	203	-	203

25. DEPOSITS, CASH AND BANK BALANCES

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current:				
Deposits with licensed banks (b)	53,911	55,403	4,551	4,542
Current:				
Deposits with licensed banks and money market fund (c)	22,823	69,073	-	-
Cash and bank balances	56,378	30,676	6,034	3,760
	79,201	99,749	6,034	3,760
Total	133,112	155,152	10,585	8,302
Less: Deposits pledged as security	(53,911)	(55,403)	(4,551)	(4,542)
Cash and cash equivalents	79,201	99,749	6,034	3,760

The currency profile of deposits, cash and bank balances is as follows:

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia	123,466	144,830	10,581	8,298
Australian Dollar	75	77	-	-
United States Dollar	9,571	10,245	4	4
Total	133,112	155,152	10,585	8,302

(a) Deposits, cash and bank balances (excluding pledged deposits as security) are classified as financial assets measured at amortised cost. No ECL is recognised as the probability of default by these licensed banks is low.

(b) Included in long-term deposits pledge as security are:

Group:

- an amount totalling RM7,657,000 (2024: RM7,579,000) pledged for banking facilities to facilitate issuance of performance guarantees, tender bonds for the bidding of projects, and performance bonds on contracts for the management, operations and maintenance of water treatment plants as disclosed in Note 35; and

- an amount of RM46,254,000 (2024: RM47,824,000) maintained in the Financial Service Reserve Account as part of the security arrangements of Islamic Medium Term Notes as disclosed in Note 35.

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25. DEPOSITS, CASH AND BANK BALANCES (CONT'D)

(b) Included in long-term deposits pledge as security are: (Cont'd)

Company:

- an amount of RM4,551,000 (2024: RM4,542,000) pledged for banking facilities to facilitate issuance of performance guarantees, tender bonds for the bidding of projects and as security for a revolving credit facility as disclosed in Note 35.

(c) Current deposits with licensed banks and money market fund are short-term, highly liquid investments that are readily convertible to known amounts of cash and have an insignificant risk of changes in value.

(d) The average interest rates of deposits of the Group and of the Company at the end of the reporting period range from 1.65% to 3.70% (2024: 2.00% to 3.50%) per annum and 1.75% to 2.70% (2024: 2.00% to 2.83%) per annum, respectively.

(e) Deposits of the Group and of the Company have an average maturity ranging from 10 days to 365 days (2024: 7 days to 365 days) and from 30 days to 365 days (2024: 7 days to 365 days) respectively. Bank balances are deposits held at call with licensed banks.

26. INVENTORIES

	The Group	
	2025 RM'000	2024 RM'000
Materials on site	95,219	64,872
Consumable spares	1,869	1,906
	97,088	66,778

(a) Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the selling expenses. All inventories are expected to be used within 12 months and therefore, no provision for impairment losses has been recognised in the current and previous financial year.

(b) Materials on site are measured at cost using the first-in first-out method, comprising the original purchase cost and costs incurred to bring the inventories to their present location and condition. When utilised, these costs are capitalised to construction work-in-progress.

(c) Consumable spares are measured at cost using the weighted average method, comprising the original purchase cost and costs incurred to bring the inventories to their present location and condition.

(d) Inventories recognised as expense in profit or loss during the financial year amounted to RM16,832,000 (2024: RM18,209,000).

27. AMOUNT DUE (TO)/FROM CONTRACT CUSTOMERS

	The Group	
	2025 RM'000	2024 RM'000
Construction contracts:		
Contract assets:		
Unbilled revenue of construction contracts (a)	-	244
Retention receivables of construction contracts (b)	-	1,059
Less: Loss allowance	-	(252)
	-	1,051
Less:		
Contract liabilities	(90,116)	(50,178)
	(90,116)	(49,127)

	The Company	
	2025 RM'000	2024 RM'000
Construction contracts:		
Contract liabilities	(90,116)	(50,178)

(a) Unbilled revenue included in contract assets represents the Group's and the Company's right to receive consideration for work completed but not yet billed. These rights are conditional upon customer satisfaction of the construction work, and the work is pending certification by the customer. Contract assets are transferred to trade receivables when the rights become unconditional, typically upon issuance of invoices for certified work performed.

(b) Retention receivables included in contract assets represent the Group's and the Company's right to receive consideration for work performed but not yet billed. The rights are conditional upon customers' satisfaction with the service quality over a period of time as stipulated in the contracts. The retention period ranges from 12 to 24 months and is based on 5% of the contract value; therefore, they are classified as current.

Retention receivables are transferred to trade receivables when the rights become unconditional, typically upon issuance of a certificate of making good defects by the customer. These receivables are unsecured, interest-free, and are expected to be collected as follows:

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
1 year to 2 years	-	1,059	-	-

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27. AMOUNT DUE (TO)/FROM CONTRACT CUSTOMERS (CONT'D)

(c) No provision for foreseeable losses has been recognised in the current and previous financial year.

(d) Significant changes in contract assets during the year are as follows:

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Contract assets (other than retention sums) at beginning of period transferred to trade receivables	244	216	-	-
Retention receivables at beginning of period transferred to trade receivables	1,059	-	-	-

(e) Contract value yet to be recognised as revenue

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

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Year 2025	-	376,249	-	376,249
Year 2026*	559,450	383,293	559,450	383,293
Year 2027*	93,941	-	93,941	-
	653,391	759,542	653,391	759,542

* The performance obligations were allocated to year 2026 and 2027 based on the approved second EOT obtained from Air Selangor during the current financial year.

27. AMOUNT DUE (TO)/FROM CONTRACT CUSTOMERS (CONT'D)

(f) Loss allowance on contract assets

The loss allowance is computed based on the time value loss rate derived from the timing of repayment of amount due from contract customers, adjusted by forward-looking information available without undue cost or effort. At each reporting date, the Group and the Company review the ECL rate and re-measure the loss allowance accordingly.

Movements in lifetime ECL recognised for contract assets in accordance with simplified approach set out in MFRS 9 are as follows:

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
As of 1 January	252	221	-	-
Net re-measurement of loss allowances	(252)	31	-	-
As of 31 December	-	252	-	-

(g) Included in amount due from contract customers are the following:

	The Group	
	2025 RM'000	2024 RM'000
Depreciation of property, plant and equipment (Note 14)	702	677
Write off of property, plant and equipment	12	-
Interest expense on operating lease	14	19
Short-term lease of site office	99	88

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28. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current:				
Other receivables	15,675	16,977	-	-
Less: Loss allowance	(4,685)	(5,058)	-	-
	10,990	11,919	-	-
Current:				
Other receivables	2,916	3,296	1,482	923
Interest receivables	454	29	-	-
GST refundable	49	49	-	-
Prepayments	1,555	7,397	106	501
Deposits	1,838	2,029	1,136	1,036
	6,812	12,800	2,724	2,460
Total	17,802	24,719	2,724	2,460

(a) Other receivables, net of prepayments and GST refundable, are classified as financial assets measured at amortised cost.

(b) Included in other receivables is deferred consideration receivable from Starbright Capital Berhad ("Starbright"), a special purpose bankruptcy remote vehicle. A deferred consideration of RM33,946,000 arose from the disposal of trade receivables to Starbright by Sungai Harmoni under an asset-backed securitisation exercise in 2019. The deferred consideration is to be repaid over a 9-year term, subject to the projected cash flows of Starbright.

As at the end of the financial period, the outstanding deferred consideration of the Group is RM16,604,000 (2024: RM18,480,000), of which RM929,000 (2024: RM1,503,000) is expected to be collected within 12 months and classified as current assets. The remaining outstanding balance of RM15,675,000 (2024: RM16,977,000) is classified as long-term and is expected to be collected between 2027 to 2028 (2024: year 2026 to 2028).

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
As of 1 January	5,058	5,060	-	-
Net re-measurement of loss allowances (Note 7)	(373)	(2)	-	-
As of 31 December	4,685	5,058	-	-

28. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

During the year, the Group remeasured the loss allowance for other receivables at an amount equal to the lifetime ECL, resulting in a reversal of loss allowance of RM373,000 (2024: RM2,000) on the deferred consideration due from Starbright as disclosed in Note 7. The loss allowance is computed based on the time value loss rate from the timing of repayment of deferred consideration, adjusted by forward-looking information available without undue cost or effort. At each reporting date, the Group reviews the ECL rate and re-measures the loss allowance accordingly.

29. AMOUNT DUE FROM SUBSIDIARIES

	The Company	
	2025 RM'000	2024 RM'000
Non-current:		
Amount due from subsidiaries	79,810	90,914
Current:		
Amount due from subsidiaries	106,562	64,062
	186,372	154,976

Amounts due from subsidiaries are classified as financial assets measured at amortised cost.

Included in the amount due from subsidiaries are the following:

(a) Shareholder's loan to a subsidiary

In 2022, the Company provided a shareholder's loan of RM138,800,000 to its wholly-owned subsidiary, TRSB, bearing interest at 5.4% per annum. As at the end of the reporting period, the outstanding balance amounted to RM93,690,000 (2024: RM100,815,000), of which RM13,880,000 (2024: RM9,901,000) is expected to be collected within 12 months and is classified as current. The remaining balance of RM79,810,000 (2024: RM90,914,000) is classified as long-term and is expected to be collected between 2027 to 2033 (2024: 2026 to 2033).

(b) Trade balance with subsidiaries

Trade balances arising from intercompany transactions are interest free, unsecured and repayable on demand, and are therefore classified as current.

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30. INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

Investments designated at FVTPL comprise investments in quoted unit trusts in money market securities instruments, which are not held for trading. These investments are measured at fair value, with changes in fair value recognised in profit or loss. The fair values of these investments are categorised as Level 2 in the fair value hierarchy, as disclosed in Note 43.

Movements in investments designated at FVTPL during the financial year is as follows:

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
As of 1 January	34,221	50,846	1,300	271
Additions	30,720	56,801	10,720	1,001
Disposals	(19,712)	(74,553)	-	-
Dividend income (Note 7)	939	1,191	140	26
Net fair value changes recognised in profit or loss (Notes 7 and 8)	216	(64)	216	2
As of 31 December	46,384	34,221	12,376	1,300

31. SHARE CAPITAL

	The Group and The Company			
	2025		2024	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Issued and fully paid:				
As of 1 January/31 December	2,015,817	438,354	2,015,817	438,354

32. MERGER DEFICIT

	The Group	
	2025 RM'000	2024 RM'000
Merger deficit	71,500	71,500

32. MERGER DEFICIT (CONT'D)

The merger deficit is derived from the following:

	Nominal value of shares issued RM'000	Nominal value of shares acquired RM'000	Merger deficit RM'000
Subsidiaries acquired in the financial year ended 31 December 2000:			
Sungai Harmoni Sdn. Bhd.	47,000	(5,000)	42,000
Taliworks (Langkawi) Sdn. Bhd.	32,500	(3,000)	29,500
	79,500	(8,000)	71,500

33. CURRENCY TRANSLATION RESERVE

	The Group	
	2025 RM'000	2024 RM'000
Non-distributable:		
Currency translation reserve	835	107

The currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign controlled subsidiaries.

34. RETAINED EARNINGS

The Company is currently under the single-tier income tax system.

As at the end of the reporting period, the entire retained earnings of the Company are available for distribution as single-tier dividends. Under this system, income tax on a company's profit is a final tax and dividends distributed to shareholders will be exempted from further tax.

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35. BORROWINGS

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current:				
Islamic Medium-Term Note ("IMTN") (a)	189,670	229,473	-	-
Current:				
Islamic Medium-Term Note ("IMTN") (a)	40,000	40,000	-	-
Revolving credit (b)	-	-	-	-
Corporate credit cards (c)	3,779	4,358	5	-
	43,779	44,358	5	-
Total	233,449	273,831	5	-

Borrowings are classified as financial liabilities measured at amortised cost.

As at the reporting date, the Group and the Company have total credit facilities of RM1,044,121,000 and RM225,121,000, respectively (2024: RM934,121,000 and RM115,121,000). The credit facilities comprise revolving credit and other trade financing facilities granted by financial institutions, as well as a RM750,000,000 in nominal value IMTN programme.

Out of these facilities, RM723,890,000 of the Group's facilities and RM177,995,000 of the Company's facilities were available for withdrawal (2024: RM573,113,000 and RM54,824,000). The Group and the Company expect to meet their obligations primarily through operating cash flows and proceeds from maturing financial assets, and the utilisation of undrawn credit facilities.

Facilities of the Group amounting to RM836,121,000 and facilities of the Company amounting to RM67,121,000 (2024: RM836,121,000 and RM67,121,000) are secured by proceeds deposited into designated bank accounts or fixed deposits.

In the event of default in any of the subsidiaries' borrowings, there is no recourse against the Company.

(a) IMTN

	The Group	
	2025 RM'000	2024 RM'000
As of 1 January	269,473	299,215
Redeemed	(40,000)	(30,000)
Interest imputed in borrowing (Note 8)	197	258
As of 31 December	229,670	269,473

35. BORROWINGS (CONT'D)

(a) IMTN (Cont'd)

The non-current portion is repayable as follows:

	The Group	
	2025 RM'000	2024 RM'000
Between 1 to 2 years	39,996	39,945
Between 2 to 5 years	149,674	189,528
As of 31 December	189,670	229,473

The IMTN is denominated in Ringgit Malaysia and was issued by a subsidiary, Cerah Sama Sdn. Bhd., under the Islamic principle of Musyarakah. Profits distributions are payable on a semi-annual basis, and is secured by:

(i) deposits with licensed banks, maintained in the subsidiary's Financial Service Reserve Account as disclosed in Note 25;

(ii) the subsidiary's equity interest in ordinary shares of all of its subsidiaries as disclosed in Note 18; and

(iii) the subsidiary's revenue and income, including but not limited to any dividends and distributions, whether income or capital in nature, from its group of companies.

The IMTN bears fixed profit rates ranging from 5.03% to 5.39% per annum (2024: 4.93% to 5.39%), with a weighted average profit rate of 5.2% per annum as at the end of the reporting period (2024: 5.2%).

Out of RM750 million of IMTN programme, Cerah Sama Sdn. Bhd. issued RM420 million in nominal value, which is repayable over 11 annual instalments commencing in 2020. During the year, the sixth tranche amounting to RM40,000,000 was redeemed in full upon maturity on 31 January 2025. The remaining tranches are repayable as follows:

(i) a nominal value of RM80,000,000, repayable in two (2) annual instalments of RM40,000,000 from 2026 to 2027; and

(ii) a nominal value of RM150,000,000, repayable in three (3) annual instalments of RM50,000,000 from 2028 to 2030.

(b) Revolving credit

	The Group and the Company	
	2025 RM'000	2024 RM'000
As of 1 January	-	5,000
Repayment	-	(5,000)
As of 31 December	-	-

The revolving credit in previous year is unsecured and subject to fixed rate of 5.13% per annum.

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35. BORROWINGS (CONT'D)

(c) Corporate credit cards

The Group and the Company have corporate credit cards facilities with licensed banks for operational purposes. The facilities are unsecured and provide an interest-free credit period of 20 days from the date of issuance of the credit card statements. Interest is charged at prevailing market rates ranging from 15% to 18% per annum on outstanding balances that are not settled within the interest-free period.

As at the end of the reporting period, the outstanding balances for the Group and the Company under these facilities amounted to RM3,779,000 and RM5,000 (2024: RM4,358,000 and RMNil).

Reconciliation of liabilities arising from financing activities

The table below reconciles changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes.

These liabilities are those for which cash flows are, or will be, classified as financing activities in the statements of cash flows of the Group and the Company.

	Lease liabilities		IMTN		Revolving credit		Corporate credit cards	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000	Group RM'000	Company RM'000	Group RM'000	Company RM'000
As of 1 January 2024	33,491	23,900	299,215	-	5,000	5,000	-	-
Cash flows	(4,712)	(3,520)	(30,000)	-	(5,000)	(5,000)	4,358	-
Non-cash flows:								
- Unwinding of interest	1,769	1,255	258	-	-	-	-	-
As of 31 December 2024/1 January 2025	30,548	21,635	269,473	-	-	-	4,358	-
Cash flows	(4,766)	(3,520)	(40,000)	-	-	-	(579)	5
Non-cash flows:								
- Addition	19,806	15,173	-	-	-	-	-	-
- Unwinding of interest	1,613	1,136	197	-	-	-	-	-
- Reassessment	(19,252)	(19,251)	-	-	-	-	-	-
As of 31 December 2025	27,949	15,173	229,670	-	-	-	3,779	5

36. LEASE LIABILITIES

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current:				
Lease liabilities	24,382	27,395	13,058	19,251
Current:				
Lease liabilities	3,567	3,153	2,115	2,384
Total	27,949	30,548	15,173	21,635

(a) Lease liabilities are classified as financial liabilities and measured at amortised cost.

(b) Lease liabilities are denominated in Ringgit Malaysia and comprises land leases, office premises lease and obligations under finance leases for motor vehicles, as disclosed in Notes 14 and 15.

(c) Lease liabilities are initially recognised at the present value of the lease payments that are not paid at the commencement date. Subsequent to the initial recognition, the carrying amounts are increased to reflect interest accretion and reduced for lease payments made and are remeasured for any reassessment or lease modifications.

The corresponding right-of-use assets under the lease arrangements are presented as property, plant and equipment and right-of-use assets as disclosed in Notes 14 and 15, respectively.

The Group is not exposed to significant liquidity risk in respect of its lease liabilities.

(d) The Group's obligations under finance leases bear effective interest rates ranging from 2.50% to 2.76% (2024: 2.50% to 2.76%) per annum. Other lease liabilities are discounted using the Group's and the Company's incremental borrowing rates ranging from 5.25% to 5.40% (2024: 5.25% to 5.40%) and 5.25% (2024: 5.25%) respectively.

Cash outflows for leases, as a lessee, are as follows:

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Included in the net cash from operating activities:				
Payment relating to short-term leases	98	101	52	54
Included in the net cash from financing activities:				
Payment of lease liabilities	3,153	2,943	2,384	2,265
Interest paid in relation to lease liabilities	1,613	1,769	1,136	1,255
Total cash outflows for leases (Note 35)	4,766	4,712	3,520	3,520

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36. LEASE LIABILITIES (CONT'D)

The maturity analysis of the future lease payments at the reporting date is as follows:

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Maturity analysis:				
Year 1	5,044	4,766	2,912	3,520
Year 2	5,065	4,971	2,911	3,725
Year 3	5,021	4,993	2,911	3,725
Year 4	5,315	4,948	3,132	3,725
Year 5 onwards	13,498	18,349	6,263	11,814
	33,943	38,027	18,129	26,509
Less: unearned interest	(5,994)	(7,479)	(2,956)	(4,874)
Present value	27,949	30,548	15,173	21,635

37. TRADE PAYABLES

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current:				
Trade payables (b)	199	300	-	-
Retention sums (a)	1,290	1,932	-	-
Less: Interest income imputed on retention sum	(66)	(106)	-	-
Net	1,423	2,126	-	-
Current:				
Trade payables (b)	34,716	30,736	14,763	277
Retention sums (a)	3,910	2,439	1,282	791
Net	38,626	33,175	16,045	1,068
Total	40,049	35,301	16,045	1,068

Trade payables and retention sums are classified as financial liabilities and measured at amortised cost.

37. TRADE PAYABLES (CONT'D)

(a) Retention sums

As at the end of the reporting period, the Group's retention sums payables to contractors amounted to RM5,200,000 (2024: RM4,371,000). Out of this amount, RM3,910,000 (2024: RM2,439,000) is expected to be settled within the next 12 months and is therefore classified as current. The remaining balance of RM1,290,000 (2024: RM1,932,000) is classified as long-term payables and is expected to be released to contractors between 2027 to 2028 (2024: 2026 to 2027).

The movement in interest income imputed in retention sum during the financial year is as follows:

	The Group	
	2025 RM'000	2024 RM'000
Non-current:		
As of 1 January	106	87
(Reversal)/Addition (Notes 7 and 8)	(40)	19
As of 31 December	66	106

(b) Trade payables

Included in the Group's trade payables is the present value of future payments relating to the river monitoring system's shelter, as disclosed in Note 17. The carrying amount will increase over time to reflect the imputed interest and will be reduced upon settlement of payments to the contractor. During the financial year, total imputed interest recognised to profit or loss is RM18,000 (2024: RM23,000) as disclosed in Note 9.

Included in the trade payables of the Group are also the following:

		The Group	
		2025 RM'000	2024 RM'000
(i)	an amount owing to a company in which a director and indirect common major shareholders have an interest	2,877	3,469
(ii)	an amount owing to an associate	4,682	6,007

The above balances arose mainly from trade transactions, are unsecured, interest-free and repayable on demand.

The average credit period of trade payables is 30 days (2024: 30 days). No interest is charged on overdue trade payables.

The directors consider that the carrying amount of trade payables approximate their fair values.

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38. PROVISIONS

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current:				
Provision for heavy repairs (a)	24,002	28,802	-	-
Provision for restoration costs (b)	812	809	650	809
Provision for assets retirement obligation (c)	9,704	9,061	-	-
	34,518	38,672	650	809

The Group	Provision for heavy repairs RM'000	Provision for restoration costs RM'000	Provision for assets retirement obligations RM'000	Total RM'000
As of 1 January 2024	30,475	817	8,461	39,753
Provision for the year	-	-	600	600
Utilisation for the year	(1,673)	(8)	-	(1,681)
As of 31 December 2024/1 January 2025	28,802	809	9,061	38,672
Provision for the year	-	812	643	1,455
Reversal/Utilisation for the year	(4,800)	(809)	-	(5,609)
As of 31 December 2025	24,002	812	9,704	34,518

The Company	Provision for restoration costs RM'000
As of 1 January 2024/31 December 2024/1 January 2025	809
Provision for the year	650
Reversal for the year	(809)
As of 31 December 2025	650

38. PROVISIONS (CONT'D)

(a) Provision of heavy repairs of the Group represents management's best estimate of the obligation of Grand Saga Sdn. Bhd., a subsidiary, to perform major maintenance for the Cheras-Kajang Highway concession.

The provision is determined based on annual independent pavement condition assessment, which estimate the future requirements for pavement resurfacing, and it requires management to exercise significant judgement in estimating the incidental costs and the discount rate used to derive at present value. Changes in the expected level of usage and technological developments could impact future requirements for heavy repairs, and therefore, the provision could be revised accordingly.

(b) Provision for restoration costs represents the Group's and the Company's best estimate of the obligation to restore leased office premises at the end of the leased term. Management applies judgements in estimating future restoration costs, assessing the property's condition and determining the scope of work required. Changes in these estimates could impact future obligations and provision amount.

(c) Provision for assets retirement obligations represents management's best estimate of the obligation of feed-in approval holders to restore the leased land, including disassembling costs of solar photovoltaic modules as stipulated in the land lease agreements referred to in Note 15.

Management exercises judgements in estimating future restoration costs and the discount rate used to derive at present value. Changes in estimated disassembling costs or technological developments could impact the future obligations, and therefore, the provision could be revised accordingly.

39. DEFERRED INCOME

	The Group	
	2025 RM'000	2024 RM'000
Rental and maintenance fee: (a)		
As of 1 January	5,291	4,730
Addition	1,187	1,185
Recognised in profit or loss (Note 7)	(421)	(624)
As of 31 December	6,057	5,291
Government compensation: (b)		
As of 1 January	47,671	61,660
Recognised in profit or loss (Note 5)	(13,480)	(13,989)
As of 31 December	34,191	47,671
Total deferred income	40,248	52,962
Analysed as:		
Current		
Government compensation	8,565	13,480
	8,565	13,480
Non-current		
Rental and maintenance fee	6,057	5,291
Government compensation	25,626	34,191
	31,683	39,482
	40,248	52,962

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39. DEFERRED INCOME (CONT'D)

Deferred income comprises the following:

(a) Fees received by a subsidiary, Grand Saga Sdn. Bhd., from third parties for the use of ancillary facilities along the Cheras-Kajang Highway, which is recognised in profit or loss on a straight-line basis over the concession period; and

(b) Government compensation received by a subsidiary, Grand Saga Sdn. Bhd., due to changes in the terms and conditions of the concession agreement in respect of the Cheras-Kajang Highway. Government compensation is initially recognised in the statements of financial position at the fair value of consideration received, and subsequently recognised in profit or loss on a systematic basis over the concession period in which it was intended to compensate.

40. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other payables and accruals	23,491	23,659	12,084	12,219
Interest payables	5,039	5,849	-	-
	28,530	29,508	12,084	12,219

Other payables and accruals are classified as financial liabilities and measured at amortised cost.

Included in other payables and accruals of the Group and of the Company are the following:

	The Group	
	2025 RM'000	2024 RM'000
An amount owing to a company in which a director and indirect common major shareholders have an interest	40	49
An amount owing to a company in which common major shareholders have an interest	163	110

	The Company	
	2025 RM'000	2024 RM'000
An amount owing to a company in which common major shareholders have an interest	4	6
An amount owing to a company in which a director and indirect common major shareholders have an interest	6	-

These amounts arose mainly from non-trade transactions which are unsecured, interest free, and are repayable on demand.

41. DIVIDENDS

Dividends declared and paid/payable in respect of the financial year are as follows:

	The Group and The Company	
	Gross dividend per share Sen	Amount of dividend, net of tax RM'000
2025		
Dividends paid:		
In respect of the financial year ended 31 December 2024:		
Fourth interim single-tier dividend paid on 28 March 2025	0.5	10,079
In respect of the financial year ended 31 December 2025:		
First interim single-tier dividend paid on 30 June 2025	0.5	10,079
Second interim single-tier dividend paid on 30 September 2025	0.5	10,079
Third interim single-tier dividend paid on 24 December 2025	0.5	10,079
		40,316

On 11 February 2026, the directors declared a fourth interim single-tier dividend of 0.75 sen per share on 2,015,817,574 ordinary shares, amounting to approximately RM15,118,632 in respect of the current financial year, to be paid on 31 March 2026. This dividend has not been included as a liability in the statements of financial position as of 31 December 2025. The dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending 31 December 2026.

The directors do not recommend any final dividend in respect of the current financial year.

	The Group and The Company	
	Gross dividend per share Sen	Amount of dividend, net of tax RM'000
2024		
Dividends paid:		
In respect of the financial year ended 31 December 2023:		
Fourth interim single-tier dividend paid on 29 March 2024	1.0	20,158
In respect of the financial year ended 31 December 2024:		
First interim single-tier dividend paid on 28 June 2024	1.0	20,158
Second interim single-tier dividend paid on 27 September 2024	1.0	20,158
Third interim single-tier dividend paid on 23 December 2024	2.0	40,316
		100,790

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42. FINANCIAL INSTRUMENTS

Capital Risk Management

The Group's and the Company's objectives when managing capital are to safeguard their ability to continue as a going concern so as to provide returns to shareholders and benefits to other stakeholders, while maintaining an optimal capital structure to minimise the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, undertake share-buy-backs, or vary the level of borrowings.

Consistent with industry practice, the Group and the Company monitor capital on the basis of the gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is determined as total borrowings (comprising current and non-current borrowings as presented in the statements of financial position) less deposits, cash and bank balances, and investments designated at FVTPL. Total capital represents total equity as shown in the statements of financial position.

The Group's and the Company's capital management strategy, which remained unchanged from the previous financial year, is to maintain the gearing ratio of less than 100%.

The gearing ratios at the end of each reporting period are as follows:

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Total borrowings (Note 35)	233,449	273,831	5	-
Less: Deposits, cash and bank balances (Note 25)	(133,112)	(155,152)	(10,585)	(8,302)
Less: Investments designated at FVTPL (Note 30)	(46,384)	(34,221)	(12,376)	(1,300)
Net debt	53,953	84,458	N/A	N/A
Total capital	1,019,427	962,408	777,237	742,088
Net gearing ratio (%)	5.3	8.8	N/A	N/A

42. FINANCIAL INSTRUMENTS (CONT'D)

Categories of financial instruments

	The Group	
	2025 RM'000	2024 RM'000
Financial assets		
Financial assets at amortised cost:		
Trade receivables	130,500	61,576
Other receivables and deposits (Note 28)	16,198	17,273
Deposits, cash and bank balances	133,112	155,152
Financial assets at FVTPL:		
Investment designated at FVTPL	46,384	34,221
Other investment	200	200
Financial assets at FVTOCI:		
Investment in redeemable preference shares of a joint venture (Note 19)	36,424	36,424
Financial liabilities		
Financial liabilities at amortised cost:		
Trade payables	40,049	35,301
Other payables and accruals	28,530	29,508
Borrowings	233,449	273,831
Lease liabilities	27,949	30,548

	The Company	
	2025 RM'000	2024 RM'000
Financial assets		
Financial assets at amortised cost:		
Trade receivables	54,459	10,251
Other receivables and deposits (Note 28)	2,618	2,030
Amount due from subsidiaries (Note 29)	186,372	154,976
Deposits, cash and bank balances	10,585	8,302
Financial assets at FVTPL:		
Investment designated at FVTPL	12,376	1,300
Financial assets at FVTOCI:		
Investment in redeemable preference shares of a subsidiary (Note 18)	275,812	275,812
Investment in redeemable preference shares of a joint venture (Note 19)	36,424	36,424

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42. FINANCIAL INSTRUMENTS (CONT'D)

Categories of financial instruments (Cont'd)

	The Company	
	2025 RM'000	2024 RM'000
Financial liabilities		
Financial liabilities at amortised cost:		
Trade payables	16,045	1,068
Other payables and accruals	12,084	12,219
Borrowings	5	-
Lease liabilities	15,173	21,635

Financial Risk Management Objectives

The Group's and the Company's activities in the normal course of business expose them to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk and liquidity risks. The overall financial risk management objective of the Group and the Company is to minimise the potential adverse effects of these risks on their financial performance. Financial risk management is carried out through regular risk reviews, internal control systems and adherence to prudent financial risk management policies.

The Group and the Company do not use derivative financial instruments, as the nature and size of their financial assets and liabilities do not warrant the use of such instruments at present. The Group and the Company also do not trade in financial instruments.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is not exposed to significant foreign currency risk as there are minimal transactions denominated in currencies other than the functional currencies of the respective entities.

Sensitivity analysis for foreign currency risk

The Group is mainly exposed to the foreign currency risk arising from translation of balances denominated in United States Dollar ("USD") and Singapore Dollar ("SGD").

5% is the sensitivity rate applied when reporting foreign currency risk internally to key management personnel and represents management's assessment of a reasonably possible change in foreign exchange rates. The sensitivity analysis includes all monetary assets and liabilities denominated in foreign currencies and adjusts their translation at the reporting date for a 5% change in foreign currency rates. If USD had strengthened or weakened against RM by 5%, with all other variables held constant, the Group's profit before tax for the financial year would have been RM481,000 (2024: RM513,000) higher or lower respectively.

In the directors' opinion, the sensitivity analysis is not fully representative of the inherent foreign exchange risk because the exposure at the reporting date does not necessarily reflect the exposure during the financial year.

42. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives (Cont'd)

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the Group's and the Company's financial instruments will fluctuate due to changes in market interest rates. Interest rate exposure arises primarily from deposits and borrowings. Borrowings obtained at fixed rates expose the Group and the Company to fair value interest rate risk, while borrowings obtained at floating interest rates expose them to cash flow interest rate risk. The Group and the Company closely monitor interest rate trends on an ongoing basis. Decisions in respect of fixed or floating rate debt structure, tenure of borrowings and placement of deposits are made based on the expected trend of interest rate movements.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 100 basis points lower or higher, with all other variables held constant, the Group's and the Company's profit before tax for the financial year would have been RM1,567,000 and RM46,000 (2024: RM1,494,000 and RM45,000) higher or lower respectively. This is mainly attributable to lower or higher finance costs arising from floating rate borrowings. The assumed change in interest rates for the sensitivity analysis is based on a prudent estimate of the current economic environment.

The sensitivity analysis excludes finance lease liabilities as their interest rates are fixed at the inception of the lease arrangements.

Credit Risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises primarily from services rendered or sales made on deferred credit terms, deposits with financial institutions, as well as investment designated at FVTPL.

Maximum exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amounts of trade and other receivables as disclosed in the statements of financial position, assuming all counterparties fail to meet their contractual obligations.

The Group and the Company do not hold any collateral or other credit enhancements to mitigate credit risk arising from their receivables.

As disclosed in Note 24, the concentration of credit risk is primarily attributable to the one single largest customer. Apart from this, the Group does not have significant exposure to credit risk from any single counterparty or any group of counterparties with similar characteristics. The Group consider the risk of material loss in the event of non-performance by a financial counterparty or customer to be unlikely beyond the amounts provided for expected credit losses.

Investments designated at FVTPL comprise investment in liquid securities primarily quoted unit trusts in money market securities instruments, managed by companies authorised to issue or offer units of Unit Trust Scheme as defined under the Capital Markets and Services Act, 2007 of Malaysia. The carrying amount of investments designated at FVTPL, as disclosed in Note 30, represents the Group's maximum exposure to credit risk in respect of these investments.

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42. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives (Cont'd)

Maximum exposure to credit risk (Cont'd)

The credit quality of deposits, cash and bank balances is assessed by reference to external credit ratings, or historical information on counterparty default rates. The analysis is as follows:

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deposits, cash and bank balances (Note 25):				
External credit rating (as rated by a rating agency in Malaysia):				
AAA	132,176	91,503	10,086	7,817
AA1	33	8	-	-
AA2	707	55,237	490	476
AA3	-	8,207	-	-
Without external credit rating	196	197	9	9
	133,112	155,152	10,585	8,302

Liquidity Risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company manage liquidity risk by maintaining an adequate level of cash reserves, keeping committed credit facilities available, closely monitoring working capital requirements, and raising additional funds through external borrowings or the capital markets if required.

In circumstances where current liabilities exceed current assets and there is a deficit in shareholders' funds, the Company may provide financial support to its subsidiaries to enable them to meet their obligations as and when they fall due.

42. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives (Cont'd)

Liquidity Risk (Cont'd)

The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed represent undiscounted contractual cash flows.

	Weighted average effective interest rate %	Less than 1 year RM'000	Between 1 to 2 years RM'000	Between 2 to 5 years RM'000	Over 5 years RM'000	Total RM'000
The Group						
2025						
Non-interest bearing:						
Trade payables		38,502	-	-	-	38,502
Other payables and accruals		28,530	-	-	-	28,530
Interest bearing:						
Trade payables	4.13 to 5.25	114	1,025	474	-	1,613
Borrowings	5.21	51,017	48,959	162,095	-	262,071
Lease liabilities	4.24 to 7.24	5,044	5,065	15,696	8,138	33,943
		123,207	55,049	178,265	8,138	364,659
2024						
Non-interest bearing:						
Trade payables		33,037	-	-	-	33,037
Other payables and accruals		29,508	-	-	-	29,508
Interest bearing:						
Trade payables	4.50	114	1,993	263	-	2,370
Borrowings	5.17	53,014	51,017	159,695	51,359	315,085
Lease liabilities	4.24 to 7.24	4,766	4,971	15,100	13,190	38,027
		120,439	57,981	175,058	64,549	418,027

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

42. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives (Cont'd)

Liquidity Risk (Cont'd)

	Weighted average effective interest rate %	Less than 1 year RM'000	Between 1 to 2 years RM'000	Between 2 to 5 years RM'000	Over 5 years RM'000	Total RM'000
The Company						
2025						
Non-interest bearing:						
Trade payables		16,045	-	-	-	16,045
Other payables and accruals		12,084	-	-	-	12,084
Interest bearing:						
Borrowings	15.00 to 18.00	5	-	-	-	5
Lease liabilities	5.25	2,912	2,911	9,175	3,131	18,129
		31,046	2,911	9,175	3,131	46,263
2024						
Non-interest bearing:						
Trade payables		1,068	-	-	-	1,068
Other payables and accruals		12,219	-	-	-	12,219
Interest bearing:						
Lease liabilities	5.25	3,520	3,725	11,388	7,876	26,509
		16,807	3,725	11,388	7,876	39,796

43. FAIR VALUE MEASUREMENT

This note provides information about how the Group and the Company determine the fair values of various financial assets and liabilities.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(a) Financial assets that are measured at fair value

The table below analyses the financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
The Group				
2025				
Financial assets at FVTPL:				
Other investment	-	-	200	200
Investment designated at FVTPL	-	46,384	-	46,384
Financial assets at FVTOCI:				
Investment in redeemable preference shares of a joint venture	-	-	36,424	36,424
2024				
Financial assets at FVTPL:				
Other investment	-	-	200	200
Investment designated at FVTPL	-	34,221	-	34,221
Financial assets at FVTOCI:				
Investment in redeemable preference shares of a joint venture	-	-	36,424	36,424

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

43. FAIR VALUE MEASUREMENT (CONT'D)

(a) Financial assets that are measured at fair value (Cont'd)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
The Company				
2025				
Financial assets at FVTPL:				
Investment designated at FVTPL	-	12,376	-	12,376
Financial assets at FVTOCI:				
Investment in redeemable preference shares of a subsidiary	-	-	275,812	275,812
Investment in redeemable preference shares of a joint venture	-	-	36,424	36,424
2024				
Financial assets at FVTPL:				
Investment designated at FVTPL	-	1,300	-	1,300
Financial assets at FVTOCI:				
Investment in redeemable preference shares of a subsidiary	-	-	275,812	275,812
Investment in redeemable preference shares of a joint venture	-	-	36,424	36,424

There were no transfer between Levels 1, 2 and 3 during the year.

For investment in unquoted unit trusts in general, fair values have been estimated by reference to quotes published by unit trust companies.

For investment in redeemable preference shares of a subsidiary and a joint venture, fair values have been estimated by discounting the projected cash flows of dividends to be distributed by the subsidiary and joint venture up to the expiry date of the concession agreements, using the cost of equity of the respective entity. There are no measurement impacts to the carrying amount of investment in preference shares at the end of the reporting period as the directors are of the opinion that the carrying amounts approximate its fair value.

For other investment, the fair value is determined based on market comparison technique.

43. FAIR VALUE MEASUREMENT (CONT'D)

(b) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
The Group				
2025				
IMTN	-	242,128	-	242,128
2024				
IMTN	-	283,733	-	283,733

The fair value of IMTN was determined from future cash flows discounted using current market profit rates available for similar financial instruments of 3.63% to 3.90% (2024: 3.76% to 4.23%).

44. SIGNIFICANT RELATED PARTY TRANSACTIONS

The significant related party transactions described below were carried out on an arm's length basis and on normal commercial terms, which are not more favourable to the related parties than those generally available to the non-related parties.

The terms offered by the related parties are fair and reasonable and in the commercial interests of the Company and comparable with those offered by the non-related parties.

The related parties and the relationship with the Company are as follows:

Related party	Relationship
Alam Ria Sdn. Bhd.	Common director and indirect common major shareholders
Perangsang Water Management Sdn. Bhd.	Common director and indirect common major shareholders
Exitra Sdn. Bhd.	Common director and indirect common major shareholders
Exitra Solutions Sdn. Bhd.	Common indirect major shareholders
GSL Realty Sdn. Bhd.	Common director and indirect common major shareholders
Edaran SWM Sdn. Bhd.	Indirect common major shareholder
Sungai Harmoni Sdn. Bhd.	Subsidiary
Taliworks (Langkawi) Sdn. Bhd.	Subsidiary
Taliworks Construction Sdn. Bhd.	Subsidiary
Grand Saga Sdn. Bhd.	Subsidiary
TEI Sdn. Bhd.	Subsidiary
Taliworks Renewables Sdn. Bhd.	Subsidiary
Pinggiran Muhibbah Sdn. Bhd.	Joint venture
Grand Sepadu (NK) Sdn. Bhd.	Subsidiary of joint venture
Aqua-Flo Sdn. Bhd.	Associate
SWM Environment Holdings Sdn. Bhd.	Associate
LGB Taliworks Consortium Sdn. Bhd.	Associate

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

44. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

In addition to related party disclosures disclosed elsewhere in the financial statements, set out below are other significant related party transactions:

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Purchase of water treatment chemicals and related equipment or systems from and design, supply, install, testing and commissioning of equipment for water treatment plant from:				
Aqua-Flo Sdn. Bhd.	16,908	18,768	-	-
Contractual payments in respect of technical support and management services to:				
Alam Ria Sdn. Bhd. (a)	7,553	7,680	-	-
Perangsang Water Management Sdn. Bhd. (a)	3,776	3,840	-	-
Purchase of hardware and software and service rendered in relation to information technology servicesand maintenance fee paid to:				
Exitra Sdn. Bhd. (a)	776	723	286	215
Exitra Solutions Sdn. Bhd.	146	137	100	91
Rental of office premises paid to:				
GSL Realty Sdn. Bhd. (a)	3,520	3,520	3,520	3,520
Interest income on intercompany loan from Taliworks Renewables Sdn. Bhd.	-	-	5,267	6,500
Income from subleasing right-of-use assets:				
Sungai Harmoni Sdn. Bhd.	-	-	313	313
Taliworks Construction Sdn. Bhd.	-	-	423	423
Management fee from:				
Subsidiaries:				
Sungai Harmoni Sdn. Bhd.	-	-	2,588	2,588
Taliworks Construction Sdn. Bhd.	-	-	1,370	1,370
Grand Saga Sdn. Bhd.	-	-	1,943	1,943
Taliworks Renewables Operation Sdn. Bhd.	-	-	1,794	1,794
Joint venture:				
Grand Sepadu (NK) Sdn. Bhd.	1,101	1,101	1,101	1,101
Associates:				
SWM Environment Sdn. Bhd. (a)	1,521	1,521	1,521	1,521
Edaran SWM Sdn. Bhd.	1,710	1,710	1,710	1,710
Total (Note 5)	4,332	4,332	12,027	12,027

44. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

In addition to related party disclosures disclosed elsewhere in the financial statements, set out below are other significant related party transactions: (Cont'd)

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Dividend income from:				
Subsidiaries:				
Sungai Harmoni Sdn. Bhd.	-	-	50,000	55,000
TEI Sdn. Bhd.	-	-	11,220	4,080
Joint venture:				
Pinggiran Muhibbah Sdn. Bhd.	-	-	9,000	9,000
Associates:				
LGB Taliworks Consortium Sdn. Bhd.	-	-	208	-
Aqua Flo Sdn. Bhd.	-	-	1,368	2,400
Total (Note 5)	-	-	71,796	70,480

(a) The contractual payments relating to the operations and maintenance of water treatment plants are based on fee rates stated in the respective agreements entered into by Alam Ria Sdn. Bhd. and Perangsang Water Management Sdn. Bhd. with Sungai Harmoni. The contractual agreement in respect of technical support and management services between Sungai Harmoni and Alam Ria Sdn. Bhd. and Perangsang Water Management Sdn. Bhd. was entered into in 2000.

Datin Lim Ai Ling is a director of the Company. She is also a director of Alam Ria Sdn. Bhd., Perangsang Water Management Sdn. Bhd., Exitra Sdn. Bhd., SWM Environment Sdn. Bhd., and GSL Realty Sdn. Bhd..

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company, either directly or indirectly. The key management personnel of the Group and of the Company include the Executive Director of the Company and certain members of senior management of the Group and of the Company.

The remuneration of the Executive Director and other members of key management during the financial year are as follows:

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fees	144	144	120	120
Wages, salaries and bonus	3,776	4,339	2,012	2,224
Defined contribution plan	351	421	188	211
Other emoluments	831	1,984	390	1,251
	5,102	6,888	2,710	3,806

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

44. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

Compensation of key management personnel (Cont'd)

Included in total key management remuneration of the Group and of the Company is remuneration (consisting of fees, salaries, bonus, defined contribution plan and other remuneration) of the Company's Executive Director of RM1,049,000 (2024: RM1,919,000) and RM1,021,000 (2024: RM1,891,000) respectively.

Benefits-in-kind received by the Executive Director and other members of key management of the Group and of the Company are RM121,000 (2024: RM184,000) and RM102,000 (2024: RM116,000) respectively.

45. CAPITAL COMMITMENTS AND FINANCIAL GUARANTEES

Capital commitments

Capital commitments not provided for in the financial statements are as follows:

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Authorised and contracted for:				
Intangible assets	5,415	-	-	-
Authorised but not contracted for:				
Property, plant and equipment	4,871	6,976	347	98
Intangible assets	80,221	85,000	-	-
	90,507	91,976	347	98

Included in capital commitments is RM85,636,000 relating to the uncontracted portion and contracted but not yet incurred portion of the RTF, as disclosed in Note 17.

Financial guarantees (Bank Guarantees)

At the end of the reporting period, the Group and the Company have outstanding bank guarantees of RM77,839,000 and RM47,126,000, respectively (2024: RM92,647,000 and RM61,935,000), issued in favour of third parties in respect of contractual obligations. No events have arisen that may result in the guarantees to be called upon or claimed by any counterparty under the relevant contracts. Consequently, no liability has been recognised in the financial statements.

46. OPERATING LEASE ARRANGEMENTS

The Group as a lessor

The Group enters into operating lease agreements as a lessor in respect of its investment properties, including advertisement billboards and rest and service areas along its highways with business operators or retailers. Lease terms range between 1 to 5 years, with renewal options. All operating leases contain market review clauses if the lessee exercises its option to renew. The lessee does not have the right to purchase the leased assets at the expiry of the lease term.

Maturity analysis of future operating lease payments receivable:

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Year 1	269	274	3	752
Year 2	38	87	-	781
Year 3	-	42	-	779
Year 4	-	-	-	779
Year 5 onwards	-	-	-	2,463
	307	403	3	5,554

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

Total Income	Remarks	Group 2025 RM'000	Group 2024 RM'000
Revenue		**461,867**	451,398
Other income		**13,710**	18,675
Share of profit of associates		**(3,101)**	(29,932)
Share of profit of ventures		**6,752**	12,709
Total		**479,228**	**452,850**
Total Assets		**1,720,412**	**1,690,679**

(b) Business Activities

Shariah Non-Compliant Activities	Remarks	Group 2025 RM'000	Group 2024 RM'000
Dividend income received from conventional instruments		**920**	1,184
Income from disposal of Shariah non-compliant investments/instruments		**288**	347
Interest income		**1,535**	1,453
Total		**2,743**	**2,984**

(c) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group 2025 RM'000	Group 2024 RM'000
Cash and bank balances (exclude cash in hand)		**18,449**	8,984
Deposits with licensed banks		**48,342**	104,902
Money market instruments		**2,715**	3,393
Unit trust funds		**8,731**	622
Total		**78,237**	**117,901**

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

(c) Component of Financial Position (Cont'd)

(i) Cash Component (Cont'd)

Conventional Account/Instruments	Remarks	Group 2025 RM'000	Group 2024 RM'000
Cash and bank balances (exclude cash in hand)		**37,734**	21,495
Deposits with licensed banks		**9,809**	13,767
Money market instruments		**15,868**	2,414
Unit trust funds		**37,653**	33,599
Total		**101,064**	**71,275**

(ii) Debt Component

Islamic Financing	Remarks	Group 2025 RM'000	Group 2024 RM'000
Current			
Medium term notes		**40,000**	40,000
Non-Current			
Medium term notes		**189,670**	229,473
Total		**229,670**	**269,473**

Conventional Borrowing	Remarks	Group 2025 RM'000	Group 2024 RM'000
Current			
Hire purchase payables		**118**	112
Other interest bearing debt	Corporate credit cards	**3,779**	4,358
Non-Current			
Hire purchase payables		**107**	225
Total		**4,004**	**4,695**

ANALYSIS OF SHAREHOLDINGS

as at 25 March 2026

SHAREHOLDINGS STRUCTURE

The total number of issued shares of the Company stands at 2,015,817,574 ordinary shares, with voting right of one vote per ordinary share.

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
1 – 99	394	4.61	10,671	0.00
100 – 1,000	1,046	12.23	566,224	0.03
1,001 – 10,000	3,479	40.70	18,752,605	0.93
10,001 – 100,000	3,021	35.34	97,982,901	4.86
100,001 to less than 5% of issued shares	607	7.10	744,721,840	36.94
5% and above of issued shares	2	0.02	1,153,783,333	57.24
Total	**8,549**	**100.00**	**2,015,817,574**	**100.00**

LIST OF THIRTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares Held	%
1.	LGB Group Sdn Bhd	1,006,833,333	49.95
2.	Lembaga Tabung Haji	146,950,000	7.29
3.	CIMB Group Nominees (Asing) Sdn Bhd Pledged Securities Account – DBS Bank Ltd for Vijay Vijendra Sethu (SG1400407752)	81,250,000	4.03
4.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for UBS AG Singapore (Foreign)	75,000,000	3.72
5.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	51,837,481	2.57
6.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Morgan Stanley Smith Barney LLC (CLNT FUL PD SEG)	42,669,583	2.12
7.	Lim Chee Meng	42,645,050	2.12
8.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Lim Chee Meng (PB)	41,666,666	2.07
9.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Islamic)	26,824,719	1.33
10.	Ng Yim Hoo	18,063,333	0.90
11.	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Family Takaful Berhad (Family)	15,224,400	0.76
12.	Minhat Bin Mion	13,333,333	0.66
13.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (LPF)	12,348,000	0.61
14.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (LBF)	11,573,200	0.57

ANALYSIS OF SHAREHOLDINGS

as at 25 March 2026

LIST OF THIRTY LARGEST SHAREHOLDERS (CONT'D)

No.	Name	No. of Shares Held	%
15.	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Life Insurance Berhad (Life Par)	11,408,400	0.57
16.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Ng Lee Ling (PB)	9,000,000	0.45
17.	Maybank Nominees (Tempatan) Sdn Bhd Etiqa General Takaful Berhad (Shareholders Fund – EQ)	8,425,200	0.42
18.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (DR)	6,739,400	0.33
19.	Maybank Nominees (Tempatan) Sdn Bhd Etiqa General Takaful Berhad (General 2)	6,544,000	0.33
20.	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Life Insurance Berhad (Life Non Par)	6,368,600	0.32
21.	Citigroup Nominees (Tempatan) Sdn Bhd Lembaga Tabung Haji (Principal)	6,290,033	0.31
22.	CIMB Islamic Nominees (Tempatan) Sdn Bhd BIMB Investment Management Berhad for Bank Islam Malaysia Berhad	6,018,500	0.30
23.	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Family Takaful Berhad (Shareholders)	5,793,900	0.29
24.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Takaful Berhad (Mekar)	5,547,200	0.28
25.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Takaful Berhad (Operator)	4,174,500	0.21
26.	Phang Wai Hoong	3,910,916	0.19
27.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CPIAM EQ)	3,729,800	0.19
28.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Chung Tze Keong (PB)	3,600,050	0.18
29.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (LEEF)	3,575,000	0.18
30.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (LSF)	3,469,900	0.17
	Total	**1,680,814,497**	**83.42**

ANALYSIS OF SHAREHOLDINGS

as at 25 March 2026

The substantial shareholders as per the Register of Substantial Shareholders:-

Name	Direct No. of Shares Held	%	Indirect No. of Shares Held	Notes	%
LGB Group Sdn Bhd	1,006,833,333	49.95	-	-	-
Lembaga Tabung Haji	153,240,033	7.60	-	-	-
Vijay Vijendra Sethu	106,250,000	5.27	75,000,000	(a)	3.72
Dato' Lim Chee Meng	84,311,716	4.18	1,006,833,333	(b)	49.95
Lim Chin Sean	250,006	0.01	1,006,833,333	(b)	49.95

Notes:-
(a) Indirect interest through a family trust.
(b) Deemed interest by virtue of their shareholdings in LGB Group Sdn. Bhd. pursuant to Section 8(4) of Companies Act 2016.

The Directors' shareholdings as per the Register of Directors' Shareholdings:-

Name	Direct No. of Shares Held	%	Indirect No. of Shares Held	Notes	%
YAM Tunku Ali Redhauddin Ibni Tuanku Muhriz	-	-	-	-	-
Kevin Chin Soong Jin	1,438,333	0.07	-	-	-
Datuk Roger Tan Kor Mee	-	-	-	-	-
Datin Pauline Tam Poh Lin	-	-	275,000	(a)	0.014
Datin Irene Lim Ai Ling	1,729,166	0.09	18,217,916	(a)	0.904

Note:-
(a) Deemed interest by virtue of their spouse's shareholdings in the Company pursuant to Section 59(11)(c) of the Companies Act, 2016.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Fifth Annual General Meeting ("35th AGM") of the Company will be held at Grand Ballroom, Level 1, M World Hotel Petaling Jaya, Persiaran Bandar Utama, Bandar Utama, 47800 Petaling Jaya, Selangor on Wednesday, 10 June 2026 at 2.00 p.m. or at any adjournment thereof for the following purposes:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and the Auditors thereon. **(Please refer to Note 1)**

2. To approve the payment of Directors' fees and benefits for the period from 11 June 2026 until the next Annual General Meeting of the Company to be held in 2027. **(Resolution 1)** **(Please refer to Note 2)**

3. To re-elect YAM Tunku Ali Redhauddin Ibni Tuanku Muhriz who is retiring pursuant to Clause 77 of the Constitution of the Company and being eligible, has offered himself for re-election. **(Resolution 2)** **(Please refer to Note 3)**

4. To re-elect Datuk Roger Tan Kor Mee who is retiring pursuant to Clause 77 of the Constitution of the Company and being eligible, has offered himself for re-election. **(Resolution 3)** **(Please refer to Note 4)**

5. To re-appoint Deloitte Malaysia PLT (formerly known as Deloitte PLT) as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **(Resolution 4)** **(Please refer to Note 5)**

As Special Business

To consider and if thought fit, with or without any modification(s), to pass the following Resolutions:

6. **AUTHORITY TO ISSUE AND ALLOT SHARES OF THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("PROPOSED GENERAL MANDATE")**

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approvals of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby empowered to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed ten per centum (10%) of the total number of the issued shares (excluding any treasury shares) of the Company for the time being. **(Resolution 5)** **(Please refer to Note 6)**

THAT pursuant to Section 85 of Companies Act 2016, read together with Clause 3 of the Constitution of the Company, approval be and is hereby given for the waiver of the statutory pre-emptive rights of the shareholders of the Company to be offered New Shares ranking equally to the existing issued shares arising from issuance of New Shares pursuant to the Proposed General Mandate.

NOTICE OF ANNUAL GENERAL MEETING

THAT the New Shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid before the date of allotment of such New Shares.

THAT such approval on the Proposed General Mandate shall continue to be in force until:

a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;

b. at the expiration of the period within which the next Annual General Meeting is required to be held after the approval was given; or

c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

7. **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

"THAT subject to the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries ("the Group") to enter into recurrent related party transactions of a revenue or trading nature ("RRPT") with the related party(ies) as set out in Section 2.5 of the Circular to Shareholders of the Company dated 29 April 2026 ("the Circular") provided that such transactions are:

(Resolution 6)
(Please refer to Note 7)

(a) necessary for the day-to-day operations;

(b) in the ordinary course of business and are on normal commercial terms and transaction prices which are not more favourable to the related parties than those generally available to the public; and

(c) not prejudicial to the minority shareholders of the Company.

("Shareholders' Mandate").

THAT such approval shall continue to be in force and effect until:

(a) the conclusion of the next Annual General Meeting of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at the said Annual General Meeting;

(b) the expiration of the period within which the next Annual General Meeting of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or

(c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby empowered and authorised to complete and do all such acts, deeds and things as they may consider expedient or necessary or in the best interest of the Company to give effect to the Shareholders' Mandate, with full power to assent to any condition, modification, variation and/or amendment (if any) as may be imposed or permitted by the relevant authorities."

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

By Order of the Board

TAI YIT CHAN (SSM PC No.:202008001023) (MAICSA 7009143)
TAI YUEN LING (SSM PC No.: 202008001075) (LS 0008513)
Company Secretaries

Petaling Jaya
Dated this 29th day of April, 2026

Explanatory Notes on Ordinary Business/Special Business:

1. **Item 1 of the Agenda**
To receive the Audited Financial Statements for the financial year ended 31 December 2025

This Agenda item is meant for discussion only as the provisions of Sections 248(2) and 340(1)(a) of the Companies Act 2016 do not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

NOTICE OF ANNUAL GENERAL MEETING

2. Item 2 of the Agenda

To approve the payment of Directors' fees and benefits for the period from 11 June 2026 until the next Annual General Meeting of the Company to be held in 2027

The proposed Ordinary Resolution 1, if passed, will give authority to the Company to pay the Directors' fees for the period from 11 June 2026 until the next Annual General Meeting of the Company to be held in 2027, as and when their services are rendered, based on the rate of RM200,000 per year for Chairman of the Board, RM160,000 per year for Chairman of the Audit and Risk Management Committee and RM120,000 per year for other Directors. The quantum of the Directors' fees for each category of Directors remains unchanged as compared with the year 2025.

It will also give authority to the Company to pay the Directors' benefits for the period from 11 June 2026 until the next Annual General Meeting of the Company to be held in 2027.

The Directors' benefits comprise the following and will be paid as and when incurred:

Benefits	Description	Amount
Meeting* allowance	Chairman	RM2,000 per meeting*
	Members	RM1,500 per meeting*
Directors' and Officers' Indemnity Insurance	-	RM17,900

* Meeting means and includes general meetings, scheduled and non-scheduled board and board committee meetings and such other discussions as may be decided by the Board of Directors.

3. Item 3 of the Agenda

To re-elect Tunku Ali Redhauddin Ibni Tuanku Muhriz who is retiring pursuant to Clause 77 of the Constitution of the Company and being eligible, has offered himself for re-election

Pursuant to Clause 77 of the Constitution of the Company, one-third of the Directors for the time being shall retire from office and be eligible for re-election, provided always that all Directors shall retire from office once at least in each three years. Tunku Ali Redhauddin Ibni Tuanku Muhriz is retiring pursuant to Clause 77 of the Constitution.

Tunku Ali Redhauddin Ibni Tuanku Muhriz has offered himself for re-election at the 35th AGM. The Nominating and Remuneration Committee ("NRC") has reviewed his performance, contribution as well as fit and propriety in accordance with the fit and proper policy, and recommended for his re-election. The Board has endorsed the NRC's recommendation, based on the justification that Tunku Ali Redhauddin Ibni Tuanku Muhriz has exercised due care and carried out his duty as a Director proficiently.

Tunku Ali Redhauddin Ibni Tuanku Muhriz has abstained from the deliberation and decision on his proposed re-election. Please refer to the Corporate Governance Overview Statement or Corporate Governance Report for further details on the assessment conducted by the NRC and the Board. The profile of Tunku Ali Redhauddin Ibni Tuanku Muhriz is set out in Director's profile of the Annual Report 2025.

4. Item 4 of the Agenda

To re-elect Datuk Roger Tan Kor Mee who is retiring pursuant to Clause 77 of the Constitution of the Company and being eligible, has offered himself for re-election

Pursuant to Clause 77 of the Constitution of the Company, one-third of the Directors for the time being shall retire from office and be eligible for re-election, provided always that all Directors shall retire from office once at least in each three years. Datuk Roger Tan Kor Mee is retiring pursuant to Clause 77 of the Constitution.

Datuk Roger Tan Kor Mee has offered himself for re-election at the 35th AGM. The NRC has reviewed his performance, contribution as well as fit and propriety in accordance with the fit and proper policy, and recommended for his re-election. The Board has endorsed the NRC's recommendation, based on the justification that Datuk Roger Tan Kor Mee has exercised due care and carried out his duty as a Director proficiently.

Datuk Roger Tan Kor Mee has abstained from the deliberation and decision on his proposed re-election. Please refer to the Corporate Governance Overview Statement or Corporate Governance Report for further details on the assessment conducted by the NRC and the Board. The profile of Datuk Roger Tan Kor Mee is set out in Director's profile of the Annual Report 2025.

5. **Item 5 of the Agenda**

To re-appoint Deloitte Malaysia PLT (formerly known as Deloitte PLT) as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration

The Audit and Risk Management Committee ("ARMC") had conducted assessment on the performance of Deloitte Malaysia PLT (formerly known as Deloitte PLT). Please refer to the Corporate Governance Overview Statement or Corporate Governance Report for further details on the assessment conducted by the ARMC.

6. **Item 6 of the Agenda**

Authority to issue and allot shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016 ("Proposed General Mandate")

The proposed Ordinary Resolution 5 is intended to renew the authority granted to the Directors of the Company at the Thirty-Fourth Annual General Meeting ("34th AGM") of the Company held on 12 June 2025, and if passed, will give the Directors authority to issue and allot shares of the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares"), provided that the aggregate number of such New Shares to be issued and alloted pursuant to this resolution does not exceed 10% of the total number of the issued shares (excluding any treasury shares) of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issuance. The authority for the Proposed General Mandate will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting ("AGM") or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

As at the date of this Notice, there were no New Shares issued pursuant to the mandate granted to the Directors of the Company at the 34th AGM of the Company held on 12 June 2025 and which will lapse at the conclusion of the 35th AGM. If there should be a decision to issue New Shares after the general mandate is obtained, the Company will make an announcement in respect thereof.

The 10% General Mandate granted by the shareholders at the 34th AGM of the Company held on 12 June 2025 had not been utilised and hence, no proceeds were raised therefrom.

The renewal of the Proposed General Mandate will enable the Directors to take swift action for allotment of New Shares for any possible fund raising activities, including but not limited to placing of New Shares, without making a pre-emptive offer to existing shareholders, for the purpose of funding current and/or future investment project(s), working capital, acquisition(s) and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors of the Company may deem fit in the best interest of the Company.

NOTICE OF ANNUAL GENERAL MEETING

7. Item 7 of the Agenda

Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

The proposed Ordinary Resolution 6 is intended to seek shareholders' mandate to renew the existing shareholders' mandate granted by the shareholders of the Company at the 34th AGM held on 12 June 2025 for recurrent related party transactions. The Proposed Shareholders' Mandate will enable the Group to enter into the recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms and transaction prices which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

The Proposed Shareholders' Mandate would eliminate the need to convene separate general meetings from time to time to seek shareholders' approvals as and when potential recurrent related party transactions arise, thereby reducing substantially administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Company and its subsidiaries.

Further information on the proposed Ordinary Resolution 6 is set out in the Circular to Shareholders dated 29 April 2026.

Notes:

1. In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors on 3 June 2026 shall be eligible to attend the 35th AGM.

2. A member/shareholder of the Company entitled to attend and vote at the 35th AGM is entitled to appoint more than one (1) proxy but not more than two (2) proxies to attend and vote in his/her/their stead. Where a member/shareholder appoints two (2) proxies to attend and vote at the 35th AGM, such appointment shall be invalid unless he/she/they specifies/specify the proportions of his/her/their shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the 35th AGM shall have the same rights as the member of the Company to speak at the 35th AGM.

3. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

4. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") 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.

5. Where a member is an authorised nominee as defined under SICDA, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where the authorised nominee appoints two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account, such appointment shall be invalid unless he/she/they specifies/specify the proportions of his/her/their shareholdings to be represented by each proxy.

6. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited with the Share Registrars of the Company at Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Section 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than twenty four (24) hours before the time for holding the 35th AGM, i.e. by 2.00 p.m. on Tuesday, 9 June 2026 or any adjournment thereof. Alternatively, the form of proxy can be deposited electronically through Boardroom Smart Investor Portal at https://investor.boardroomlimited.com before the proxy form lodgement cut-off time as mentioned above. Please refer to the procedures in the Administrative Guide for the 35th AGM for the lodgement of proxy form.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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TALIWORKS CORPORATION BERHAD
Company No. 196501000264 (6052-V)
(Incorporated in Malaysia)

FORM OF PROXY

No. of shares held	:	
CDS Account No.	:	

I/We* _____ NRIC/Passport/Registration No.* _____
(Name in full)

of _____
(Address)

with email address _____ tel. no. _____

being a member/members* of **TALIWORKS CORPORATION BERHAD** ("the Company"), hereby appoint:-

Full Name:	**NRIC/Passport No.:**	**Proportion of shareholding to be represented by the proxy/proxies:**	
		No. of Shares	**%**
Address:			
Tel. No.:		Email Address:	
*And/or			

Full Name:	**NRIC/Passport No.:**	**Proportion of shareholding to be represented by the proxy/proxies:**	
		No. of Shares	**%**
Address:			
Tel. No.:		Email Address:	
*And/or			

or failing him/her, the **Chair of the Meeting* as my/our proxy to vote for me/us on my/our behalf at the Thirty-Fifth Annual General Meeting ("35th AGM") of the Company to be held at Grand Ballroom, Level 1, M World Hotel Petaling Jaya, Persiaran Bandar Utama, Bandar Utama, 47800 Petaling Jaya, Selangor on Wednesday, 10 June 2026 at 2.00 p.m. or any adjournment thereof for the resolutions set out in the Notice of the Meeting.

*Please delete as appropriate.

This proxy is to vote on the resolutions set out in the Notice of the Meeting, as indicated with an 'X' in the appropriate spaces below. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

No.	**Resolution**			
Ordinary Business			**For**	**Against**
1	To approve the payment of Directors' fees and benefits	Ordinary Resolution 1		
2	Re-election of YAM Tunku Ali Redhauddin Ibni Tuanku Muhriz as Director pursuant to Clause 77 of the Constitution	Ordinary Resolution 2		
3	Re-election of Datuk Roger Tan Kor Mee as Director pursuant to Clause 77 of the Constitution	Ordinary Resolution 3		
4	Re-appointment of Messrs. Deloitte Malaysia PLT (formerly known as Deloitte PLT) as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration	Ordinary Resolution 4		
Special Business				
5	Authority to issue and allot shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016	Ordinary Resolution 5		
6	Proposed renewal of existing Shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature	Ordinary Resolution 6		

Signed this _____ day of _____, 2026.

_____
Signature or Common Seal of Member(s)

Tel. No. _____

Notes:

1. In respect of deposited securities, only members/shareholders whose names appear in the Record of Depositors on 3 June 2026 shall be eligible to attend the 35th AGM.
2. A member/shareholder of the Company entitled to attend and vote at the 35th AGM is entitled to appoint more than one (1) proxy but not more than two (2) proxies to attend and vote in his/her/their stead. Where a member/shareholder appoints two (2) proxies to attend and vote at the 35th AGM, such appointment shall be invalid unless he/she/they specifies/specify the proportions of his/her/their shareholdings to be represented by each proxy. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the 35th AGM shall have the same rights as the member of the Company to speak at the 35th AGM.
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4. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") 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.
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Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of 35th AGM dated 29 April 2026.

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Affix Stamp

The Share Registrars
TALIWORKS CORPORATION BERHAD (196501000264) (6052-V)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
T +60 3 7890 4700
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Then fold here

Fold this flap for sealing

Taliworks Corporation Berhad
[Company No. 196501000264 (6052-V)]

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