

**SHAPING
TOMORROW'S**

PLANNING

ANNUAL REPORT 2025





27th Annual General Meeting

Tuesday, 26 May 2026
10:00 a.m.

What's Inside?



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FEEDBACK
Please scan this QR code
to access our website
<https://agb.my/>



About Axteria

Axteria Group Berhad (“Axteria” or the “Company”), together with its subsidiaries (the “Group”), is a progressive real estate developer and property management company dedicated to creating sustainable, high-value developments that enrich communities.

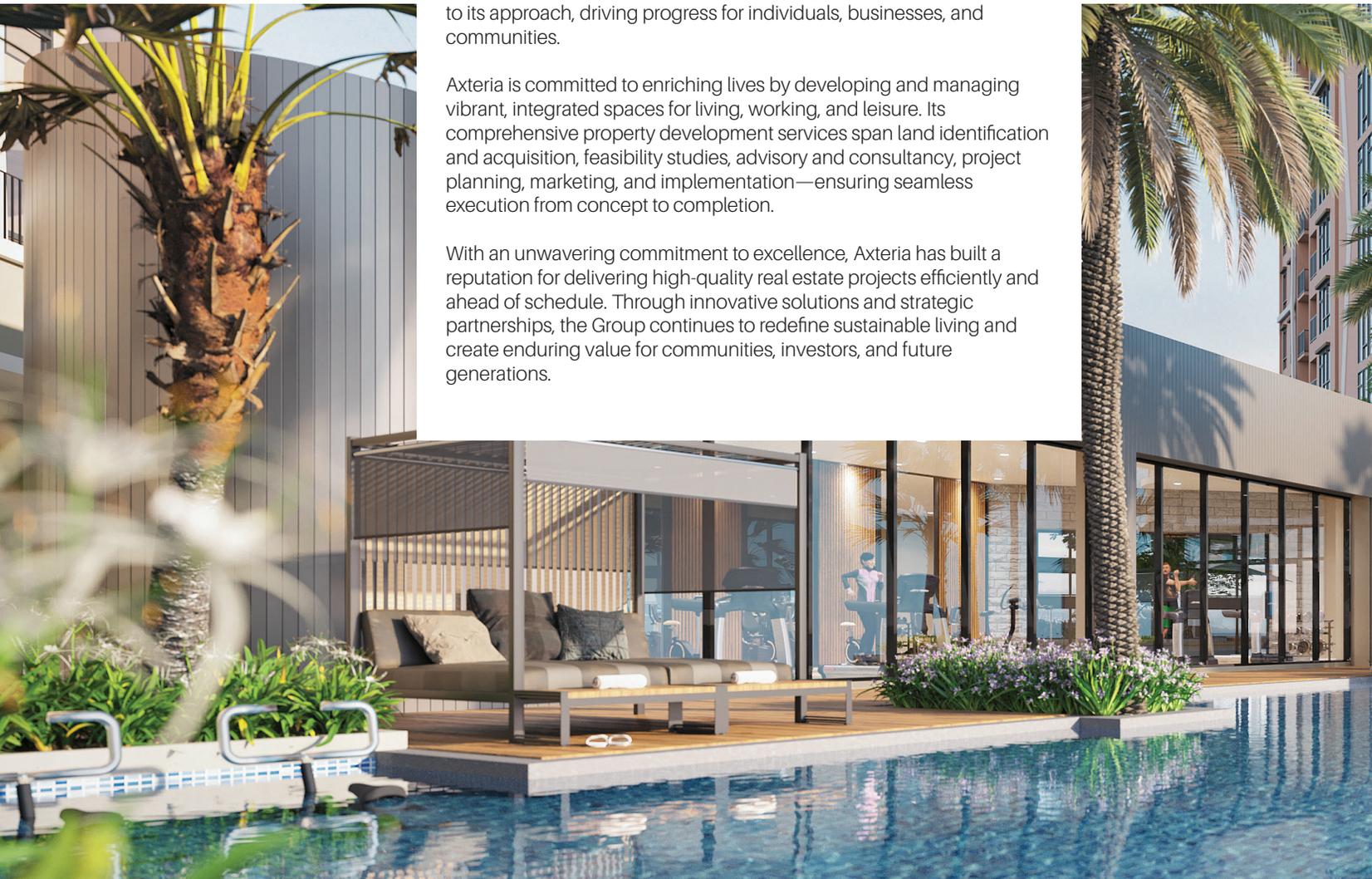
Established in 1999 as an audio speaker manufacturer, Axteria achieved a significant milestone by listing on the Main Market of Bursa Malaysia Securities Berhad (Stock Code: 7120) in 2001. A pivotal transformation began in 2015 with the Group’s strategic diversification into real estate, marking a new era of growth. This transition was fully realised in 2018 with the divestment of its audio speaker segment, firmly positioning Axteria as a dynamic player in property development.

Since then, Axteria has strategically pursued land acquisitions and joint ventures across Malaysia, building a portfolio that integrates eco-friendly architectural designs and cutting-edge green technologies. The Group remains steadfast in balancing innovation, sustainability, and community-centric development to ensure long-term value creation.

Embracing the digital age, Axteria harnesses Artificial Intelligence (AI), the Internet of Things (IoT), Big Data, and 5G to enhance project efficiency, reduce environmental impact, and deliver smarter living solutions. Creativity, synergy, and technological integration are central to its approach, driving progress for individuals, businesses, and communities.

Axteria is committed to enriching lives by developing and managing vibrant, integrated spaces for living, working, and leisure. Its comprehensive property development services span land identification and acquisition, feasibility studies, advisory and consultancy, project planning, marketing, and implementation—ensuring seamless execution from concept to completion.

With an unwavering commitment to excellence, Axteria has built a reputation for delivering high-quality real estate projects efficiently and ahead of schedule. Through innovative solutions and strategic partnerships, the Group continues to redefine sustainable living and create enduring value for communities, investors, and future generations.



OUR VISION, MISSION AND CORE VALUES

OUR VISION

To shape sustainable and innovative communities that thrive across generations, inspiring progress and enriching lives.

OUR MISSION

Guided by Reliability, Integrity, Service, and Empathy (RISE), we are committed to elevating customer satisfaction, creating enduring stakeholder value, and driving sustainable growth through excellence and innovation.

OUR CORE VALUES

Customer First

We build lasting relationships by placing our customers at the heart of every decision, ensuring their happiness and satisfaction.

Integrity

We honour our commitments and uphold the highest standards of honesty, transparency, and accountability.

Humility

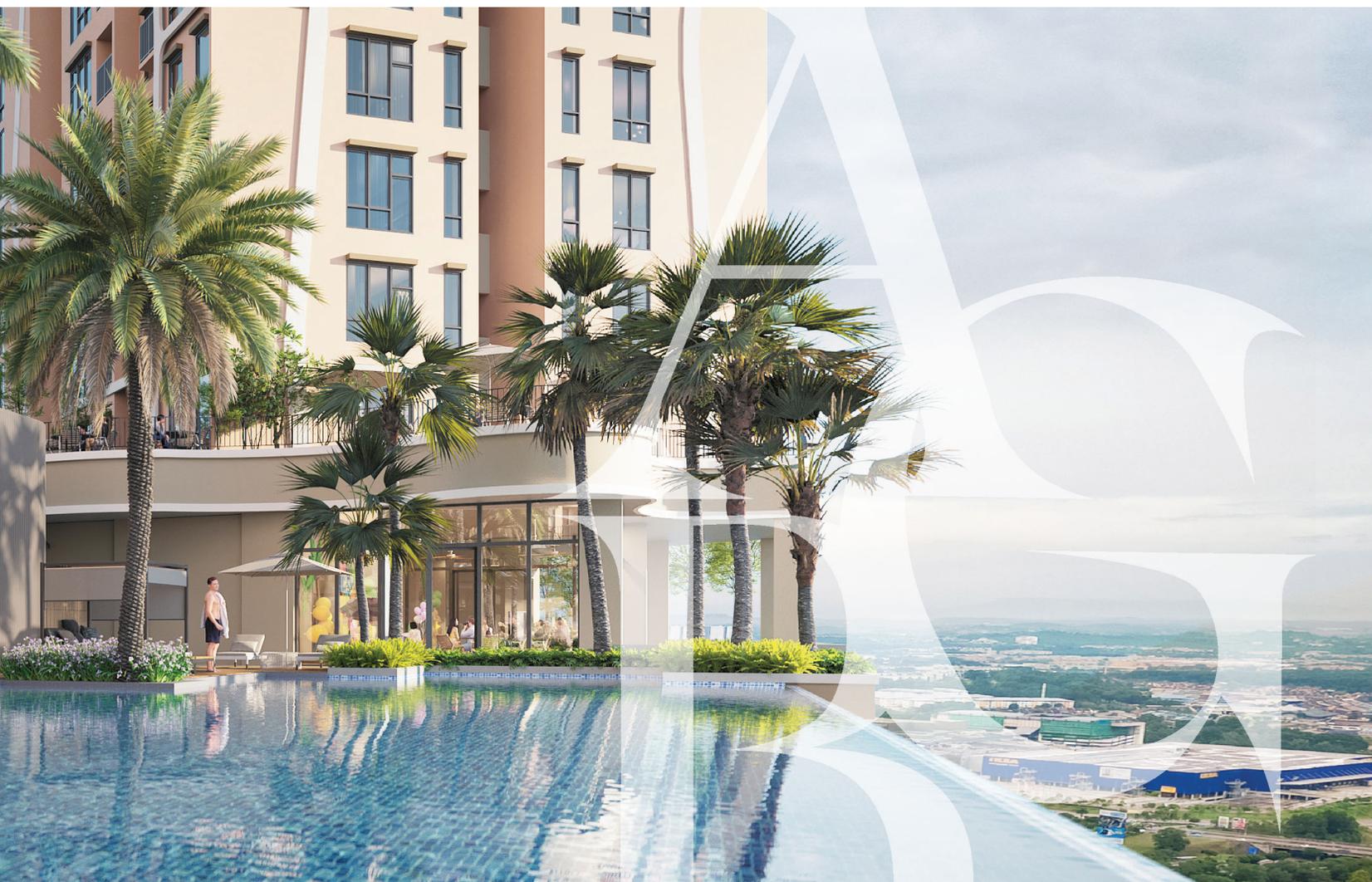
We remain grounded, embrace diversity, and foster collaboration, working together to achieve shared goals.

Innovation

We champion creativity and continuous improvement, challenging the status quo to deliver smarter, future-ready solutions.

Excellence

We pursue the highest standards in all that we do, turning challenges into opportunities and delivering results that endure.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Seventh (27th) Annual General Meeting (“AGM”) of Asteria Group Berhad (the “Company”) will be held at Event Hall, Daiman 18 Golf Club, No. 18, Jalan Pesona, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim on Tuesday, 26 May 2026 at 10:00 a.m. for the transaction of the following businesses:

AS ORDINARY BUSINESS

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.
2. To approve the following payments:
 - a) To approve the payment of Directors’ fees amounting to RM434,700 in respect of the financial year ending 31 December 2026 and up to the next AGM, to be paid monthly in arrears. **(Ordinary Resolution 1)**
 - b) To approve payment of Directors’ benefits of up to RM606,000 for the financial period from 1 July 2026 to 30 June 2027, to be paid monthly in arrears. **(Ordinary Resolution 2)**
3. To re-elect the following Directors who retire in accordance with Clause 105(1) of the Company’s Constitution:
 - a) Mr. Kevin Low Ee Ming **(Ordinary Resolution 3)**
 - b) Ms. Yap Yung Chien **(Ordinary Resolution 4)**
 - c) Mr. Yau Yin Wee **(Ordinary Resolution 5)**
4. To re-appoint Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to determine their remuneration. **(Ordinary Resolution 6)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions with or without any modification:

5. Authority to Issue Shares and Waiver of Pre-Emptive Rights over Shares pursuant to the Companies Act 2016 (the “Act”)

“THAT subject to the Act, the Constitution of the Company, and the approvals from Bursa Malaysia Securities Berhad (“Bursa Securities”) and any relevant governmental or regulatory authority, the Directors of the Company be hereby empowered, pursuant to the Act, to issue and allot new ordinary shares in the Company (“Shares”), at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of Shares issued pursuant to this resolution does not exceed ten per cent (10%) of the total number of issued shares of the Company for the time being (“General Mandate”);

AND THAT approval be hereby given for the pre-emptive rights of the shareholders of the Company under Section 85 of the Act read together with Clause 61 of the Constitution, over all the new Shares to be issued pursuant to and/or arising from the General Mandate ranking equally to the existing issued Shares, being in proportion as nearly as the circumstances admit, to the amount of the existing issued Shares held by the shareholders of the Company as at the date of issuance and allotment of such new Shares (“Pre-emptive Rights”), be irrevocably and unconditionally waived (“Waiver of Pre-emptive Rights”);

AND THAT the Company be hereby exempted from the obligation to offer such new Shares to be issued and allotted pursuant to the General Mandate to the shareholders of the Company in accordance with the Waiver of Pre-emptive Rights;

AND THAT the Directors of the Company and/or the Company Secretary be hereby authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the Waiver of Pre-emptive Rights for and on behalf of the Company;

AND THAT the Directors of the Company be hereby empowered to obtain the approval for the listing of, and quotation for, the additional Shares so issued on Bursa Securities;

AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company.”

(Ordinary Resolution 7)

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

6. To transact any other business of the Company of which due notice shall have been given.

BY ORDER OF THE BOARD

Pang Kah Man
SSM PC No.: 202008000183
MIA No.: 18831

Wong Chee Sheun
SSM PC No.: 202108000022
MAISCA No.: 6011637

Joint Company Secretaries

Muar, Johor Darul Takzim
27 March 2026

Notes:

1. A member shall be entitled to appoint another person as his/their proxy to exercise all or any of his/their rights to attend, speak and vote in his/their stead pursuant to Section 334 of the Act. There shall be no restriction as to the qualification of the proxy.
2. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notorially certified copy of that power of attorney, must be deposited at Tricor's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or placed in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than twenty-four (24) hours before the time appointed for holding this meeting or any adjournment thereof, as Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities requires all resolutions set out in the Notice of 27th AGM to be voted on by way of poll. Alternatively, the Form of Proxy can be lodged electronically via Vistra Share Registry and IPO (MY) portal at <https://srmy.vistra.com>. Please refer to the Administrative Guide for the 27th AGM on the procedures for electronic submission of Form of Proxy.
3. In the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the Meeting as his/their proxy, provided always that the rest of the form of proxy, other than the particulars of the proxy, has been duly completed by the member(s).
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/their shareholdings to be represented by each proxy.
5. If the appointer is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney duly authorised.
6. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempted Authorised Nominee may appoint in respect of each Omnibus Account it holds.
7. Only depositors whose names appear in the Register of Depositors as at 19 May 2026 shall be entitled to attend in person or appoint proxies to attend and/or vote on their behalf at the 27th AGM.

Explanatory Notes to the Agenda

8. Item No. 1 of the Agenda

Audited Financial Statements

This item of the Agenda is meant for discussion only. The provisions of Section 340(1) of the Act require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at the 27th AGM. As such, this Agenda item is not a business which requires a resolution to be put to vote by shareholders.

9. Item No. 2(a) of the Agenda

Approval of Directors' fees

The Directors' fees proposed for the financial year ending 31 December 2026 are calculated based on the current board size and assuming that all Directors will hold office until 31 December 2026. This resolution is intended to facilitate the payment of Directors' fees on a current financial year basis. The payment of the Directors' fees will be made monthly in arrears, subject to the passing of Ordinary Resolution 1 at the AGM. In the event the proposed Directors' fees are insufficient (e.g., due to enlarged board size or other unforeseen circumstances), further approval will be sought at the next AGM to address the shortfall.

10. Item No. 2(b) of the Agenda

Payment of Directors' benefits

This resolution is to facilitate the payment of Directors' benefits for the period from 1 July 2026 to 30 June 2027 (being the due date to hold the next AGM in 2027). Should the proposed Directors' benefits are insufficient (e.g., due to additional meetings, enlarged Board size, or other unforeseen circumstances), further approval for the additional amount required to cover the shortfall will be sought at the next AGM.

Directors' benefits include allowances and other emoluments payable to Directors. In determining the estimated total, the Board has taken into consideration various factors, including the number of scheduled meetings of the Board, Board Committees, and meetings of the Company and/or its subsidiaries, if any and covers the period from 1 July 2026 to 30 June 2027 (being the due date to hold the next AGM in 2027).

11. Item No. 3 of the Agenda

Re-election of retiring Directors

Clause 105(1) of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at each AGM of the Company and all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. Pursuant to this clause, Mr. Kevin Low Ee Ming, Ms. Yap Yung Chien and Mr. Yau Yin Wee ("Retiring Directors") are due for retirement by rotation and they have offered themselves for re-election at the 27th AGM.

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

In addition, the Nomination Committee ("NC") had in March 2026 assessed the performance and attributes of the Board, Board Committees and individual Directors in respect of their effectiveness and contribution to the Company, based on a set of prescribed criteria approved by the Board.

Based on the outcome of this annual assessment, the NC concluded that the existing Board and each of its members possess the requisite competence and capability to contribute effectively to the Company. They have also demonstrated sufficient commitment to the Group through their time and participation at meetings during the year under review. Each of the Retiring Directors has confirmed to the Board that they have no conflict of interest ("COI") and/or potential COI situation with any of the companies within the Group that could affect their ability to act independently and in the best interest of the Company.

Accordingly, the NC recommended to the Board the re-election of the Retiring Directors, at the 27th AGM. Based on the NC's recommendation, the Board (with the exception of the Directors who abstained from deliberation in respect of their own re-election) supports the re-election of these Retiring Directors at the 27th AGM.

12. Item No. 5 of the Agenda

Authority to Issue Shares and Waiver of Pre-Emptive Rights over Shares pursuant to the Act

The proposed Ordinary Resolution 7 is for the purpose of granting the General Mandate and empowering the Directors of the Company, pursuant to the Act, to issue and allot new Shares from time to time provided that the aggregate number of such Shares issued pursuant to the General Mandate does not exceed ten per cent (10%) of the total number of issued Shares of the Company for the time being.

The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company. The General Mandate is intended to provide flexibility to the Company to allot new Shares for potential fundraising activities, which may include, but are not limited to, the placement of Shares to finance land acquisition for new development projects, the funding of ongoing and future construction and property development activities, the expansion of property portfolio through strategic acquisitions or mergers, the funding of future investment projects, and the provision of working capital for staff-related costs, general administrative expenses, and the repayment of bank borrowings.

Pursuant to Section 85(1) of the Act and Clause 61 of the Company's Constitution respectively, the existing shareholders of the Company have pre-emptive rights over any new Shares to be offered which will rank equally to the existing Shares issued by the Company. In order for the Board to issue any new Shares free of pre-emptive rights, such pre-emptive rights must be waived.

The proposed Ordinary Resolution 7, if passed, will exclude the pre-emptive rights over all new Shares, options over or grant of new Shares in the Company and/or any new Shares to be issued pursuant to such options or grants under the General Mandate.

13. Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Company's 27th 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 27th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 27th 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.*

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Securities)

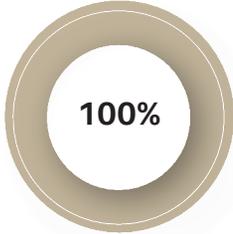
1. Details of Individuals Standing for Election as Directors

No individual is seeking for election as a Director at the 27th AGM of the Company.

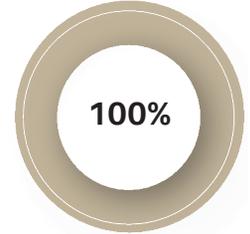
2. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Securities

Please refer to item 12 - Explanatory Notes to the Agenda for Ordinary Resolution 7 on Authority to issue Shares pursuant to Sections 75 & 76 of the Act under the Notes to the Notice of 27th AGM.

GROUP STRUCTURE



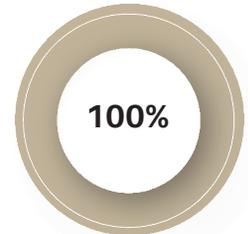
Axteria Eco Sdn Bhd
(Company No. 201101034651 (962784-H))



Axteria Cemerlang Sdn Bhd
(Company No. 201301025086 (1054915-X))



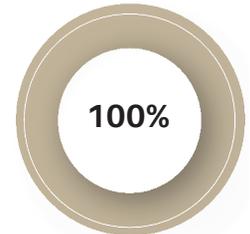
Axteria Properties Sdn Bhd
(Company No. 201601012758 (1183689-K))



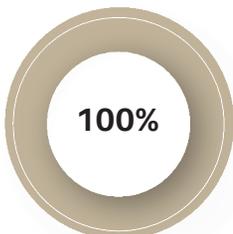
Axteria Development Sdn Bhd
(Company No. 202101010547 (1410846-W))



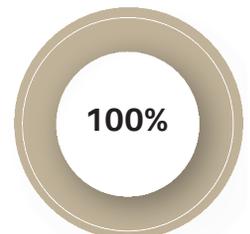
Axteria Construction Sdn Bhd
(Company No. 201801037897 (1299927-K))



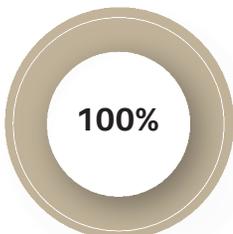
Axteria Capital Sdn Bhd
(Company No. 202101043112 (1443412-W))



Axteria Realty Sdn Bhd
(Company No. 202201002639 (1448336-K))



Axteria Building Materials Sdn Bhd
(Company No. 202201005740 (1451437-P))



Axteria Assets Sdn Bhd
(Company No. 201901025663 (1334992-M))



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mok Juan Chek

Independent Non-Executive
Chairman

Dato Abdullah Bin Abdul Mannan

Non-Independent Non-Executive
Deputy Chairman

Woo Wai Onn @ Foo Wai Onn

Group Managing Director

Kenny Woo Chi Yoong

Executive Director

Ng Lee Thin

Independent Non-Executive Director

Kevin Low Ee Ming

Independent Non-Executive Director

Yap Yung Chien

Independent Non-Executive Director

Yau Yin Wee

Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairperson

Ng Lee Thin

Member

Kevin Low Ee Ming

Yap Yung Chien

NOMINATION COMMITTEE

Chairperson

Yau Yin Wee

Member

Yap Yung Chien

Ng Lee Thin

REMUNERATION COMMITTEE

Chairperson

Yau Yin Wee

Member

Yap Yung Chien

Ng Lee Thin

COMPANY SECRETARIES

Pang Kah Man

MIA No.: 18831

SSM PC No. 202008000183

Wong Chee Sheun

MAICSA No.: 6011637

SSM PC No. 202108000022

AUDITORS

Crowe Malaysia PLT

201906000005 (LLP0018817-LCA) & AF 1018

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

Tel: +607-288 6627

Fax: +607-338 4627

REGISTERED OFFICE

2 (1st Floor), Jalan Marin, Taman Marin, Jalan Haji Abdullah,
Sungai Abong, 84000 Muar, Johor.

Tel: +606-951 0223

Fax: +606-950 1490

CORPORATE INFORMATION

(CONT'D)



SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur
Tel: +603-2783 9299
Fax: +603-2783 9222
Email: is.enquiry@vistra.com

PRINCIPAL PLACE OF BUSINESS & CORPORATE OFFICE

L2-01, No. 56, Jalan Setia Tropika 1/14,
Taman Setia Tropika,
81200 Johor Bahru, Johor.
Tel: +607-233 0911/0922/0933
Fax: +607-233 0910

PRINCIPAL BANKERS

Hong Leong Bank Berhad
Public Bank Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Berhad

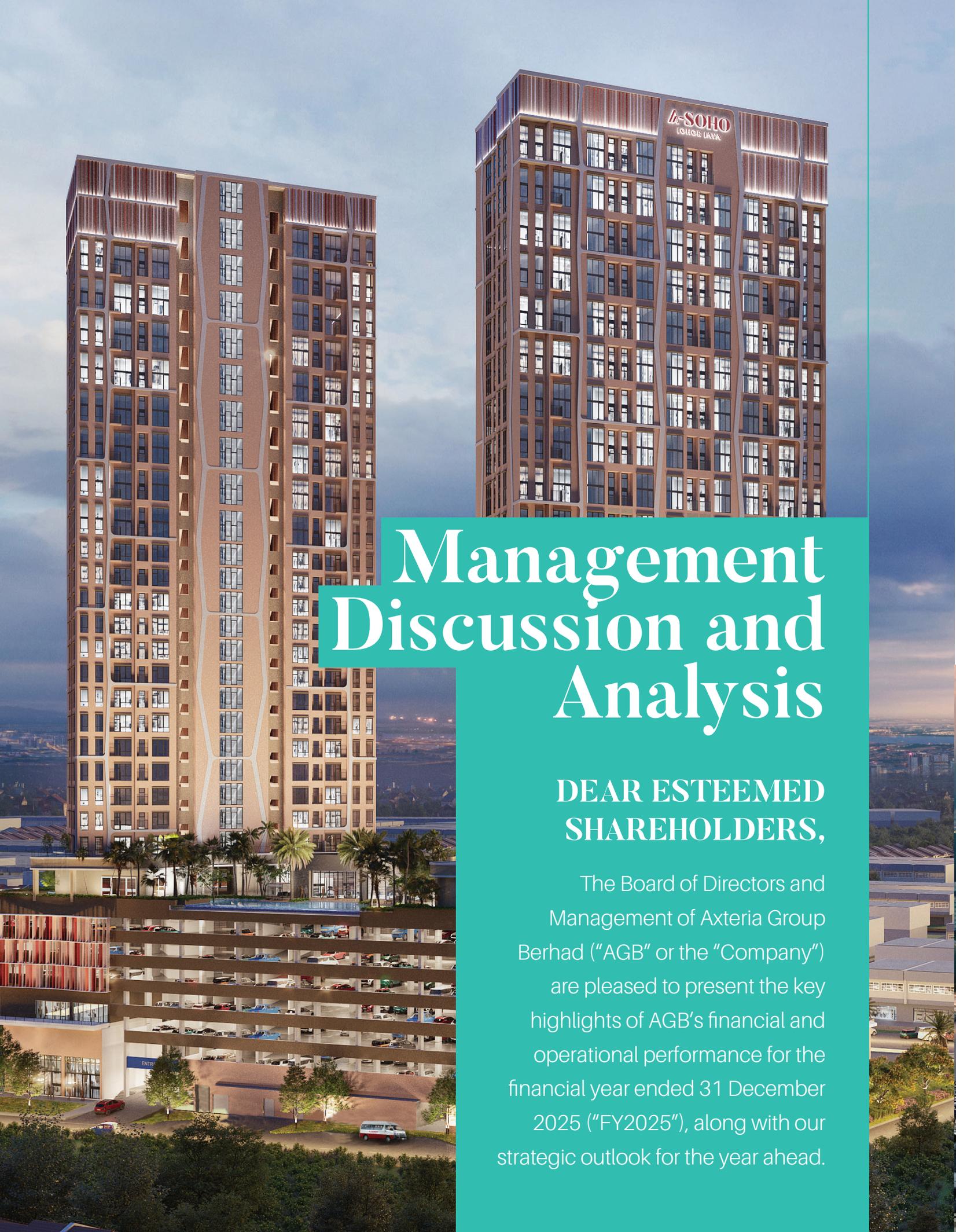
STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name: Axteria
Stock Code: 7120

WEBSITE

<https://agb.my>





A-SOHO
LODGE JAYA

Management Discussion and Analysis

DEAR ESTEEMED SHAREHOLDERS,

The Board of Directors and Management of Axteria Group Berhad ("AGB" or the "Company") are pleased to present the key highlights of AGB's financial and operational performance for the financial year ended 31 December 2025 ("FY2025"), along with our strategic outlook for the year ahead.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

Economic Growth

The Malaysian economy expanded by 5.2% in the third quarter of 2025 (2Q 2025: 4.4%), driven by sustained domestic demand and higher net exports. Household spending was supported by positive labour market conditions, income-related policy measures, and cash assistance programmes. Investment activity was underpinned by continued capital expansion by both private and public sectors. On the external front, net exports registered higher growth as export growth outpaced import growth.

On the supply side, growth was led by the services and manufacturing sectors. Growth in the services sector was mainly contributed by consumer-related sub-sectors, while the manufacturing sector's performance was driven by stronger production in electrical and electronics (E&E) and consumer-related goods. Meanwhile, the mining and quarrying sector

rebounded, reflecting a recovery in crude oil and natural gas production following scheduled maintenance activities. On a quarter-on-quarter, seasonally-adjusted basis, growth expanded by 2.4% (2Q 2025: 2.2%).

Despite the challenging external environment, Malaysia is expected to achieve overall growth of between 4% and 4.8% in 2025, supported by resilient domestic demand. Household spending will continue to benefit from employment and wage growth, as well as income-related policy measures. Investment activity will be sustained by progress on infrastructure projects, further realisation of approved private investments, and the implementation of national master plans. On the external front, export growth is expected to be moderated by tariffs and softer external demand, while growth will be supported by continued demand for E&E goods, inbound tourism, and the recovery in mining-related exports.

Third quarter
2025
Growth:
+5.2%

Resilient domestic
demand supported
expansion

(Source: Economic and Financial Developments in Malaysia in the Third Quarter of 2025, Bank Negara Malaysia)



MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)



(Source: Economic Outlook 2026, Ministry of Finance Malaysia)

Malaysia's economy remains strong, having grown by a steady 4.4% in the first six months of the year. Growth is projected to continue within the range of 4% - 4.8% in 2025 and 4% - 4.5% in 2026. These projections are consistent with the International Monetary Fund (IMF) in the World Economic Outlook Update, July 2025, which forecasts Malaysia's growth at 4.5% for 2025 and 4% for 2026.

The growth will mainly be underpinned by strong domestic demand, moderate inflation, favourable labour market conditions, and proactive government policies. The performance will also be supported by the ASEAN-Malaysia Chairmanship 2025 and Visit Malaysia 2026 ("VM2026"). The economy continues to be steered by the Ekonomi MADANI policy framework, and the Government remains committed to positioning Malaysia as an attractive destination for quality investments. At the same time, ongoing improvements in the wage-setting mechanism and rising business efficiency are expected to strengthen the wage structure, contributing to a higher labour income share.

2026 Growth:
4% - 4.5%

2025 Growth:
4% - 4.8%

In 2026, Malaysia's economy is projected to expand between 4% and 4.5%, supported by resilient domestic demand and a steady external sector. Growth will be anchored by private consumption, boosted by the implementation of the salary adjustment under Phase 2 of the Public Service Remuneration System ("SSPA"), continuation of

targeted assistance programmes, and robust tourism activities in conjunction with VM2026. In addition, strong investment performance will be supported by higher capital expenditures, particularly in high-impact strategic sectors. The services and manufacturing sectors will remain key drivers of growth, complemented by sustained construction and agriculture activity.

OVERVIEW AND OUTLOOK OF THE PROPERTY INDUSTRY IN MALAYSIA

The Property Market Report 2025 highlights an exceptional performance, recorded the highest transaction value on record at RM241.9 billion, surpassing the RM232.30 billion achieved in 2024. This impressive growth was fuelled by a robust expansion in market activities across all subsectors. The volume of transactions also increased compared to 2024, reflecting continued resilience in the property market.

The residential subsector sustained its expansion and solidified its position as the largest contributor to national transaction activity, recording modest growth in both volume and value. By price range, the segment above RM1.0 million recorded the highest growth, while other price ranges showed more modest increases. This growth can be attributed to government initiatives outlined in Budget 2025, which

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)



increased confidence in the property market, including the easing of requirements for the Malaysia My Second Home ("MM2H") program. Additionally, strong performance in the commercial sub sector acted as a catalyst for transaction activity, with significant increases in both value and volume compared to the previous year.

The property market performance continues to strengthen, supported by stable economic conditions and targeted government initiatives. A total of transactions worth RM241.9 billion were recorded in 2025, representing the highest market activity in Malaysia to date. Sectoral market activity performance continued its upward momentum. All subsectors recorded year on year growth in the volume of transactions. Higher increases were observed for the commercial subsector and development land and others. Meanwhile, the industrial subsector also grew at a faster pace, driven by sustained demand for vacant industrial land nationwide. The residential and agricultural subsectors showed modest growth. On the value front, all subsectors recorded higher growth, led by the commercial subsector, followed by development land and others, industrial, residential, and agricultural.

The residential subsector retained the largest share of the overall property transactions, followed by agriculture, commercial, development land and others, and industrial. Similarly, in value, residential

took the lead, followed by commercial, industrial, development land and others, and agriculture.

As the national economy is projected to expand by 4.0% to 4.5% in 2026, the property market is expected to maintain its growth trajectory, driven by sustained transaction activity. The implementation of the Ekonomi MADANI framework, supported by the rollout of strategies from a cohesive policy and action plan, notably the National Energy Transition Roadmap and the New Industrial Master Plan 2030, will boost Malaysia's economy and further stimulate the expansion of the property market. Furthermore, ongoing government support, coupled with Malaysia's strong economic performance, is expected to sustain positive growth in the property market.

(Source: Property Market Report 2025, Valuation and Property Services Department, Ministry of Finance Malaysia)

The construction sector is expected to remain stable in 2026 by recording a growth of 6.1%, underpinned by positive performance across all subsectors. The realisation of approved strategic investments under national policies and commencement of projects under the Thirteenth Plan will further support the sector's performance. Within the subsectors, major infrastructure and utilities development such as LRT Mutiara Line, HHFS and ASEAN Power Grid will steer the civil engineering subsector's performance. In

(Source: Property Market Report 2025, Valuation and Property Services Department, Ministry of Finance Malaysia)

(Source: Economic Outlook 2026, Ministry of Finance Malaysia)

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

In addition, the non residential buildings subsector is anticipated to be driven by sustained demand for industrial facilities, logistics hubs and data centres, in line with the expansion of high technologies as well as digitalisation.

Meanwhile, the residential buildings subsector is expected to benefit from government led affordable housing programmes and targeted home ownership initiatives supported by policy measures under the Thirteenth Plan as well as new projects by private sectors. On the other hand, specialised construction activities subsector is projected to grow in tandem with other subsectors' performance supported by sustained demand for site preparation, mechanical and electricals, as well as finishing works.

The real estate and business services subsector is projected to grow by 6.7%, driven by sustained demand for professional services. The growth is expected to be spurred by engineering related services, benefitting from increased demand for logistic hubs, warehouses and ongoing development of industrial parks. This expansion is also anticipated to be fuelled by new demand from key projects, including the JS SEZ and continuous construction activities for new data centres.

OVERVIEW OF PROPERTY MARKET IN THE SOUTHERN REGION OF MALAYSIA

Overview

The Southern Region's property market recorded 108,772 transactions valued at RM69.05 billion in 2025, reflecting a 0.7% increase in volume and a 7.9% rise in value compared to 2024. Johor remained the dominant market, accounting for the majority of transactions and value, supported by strong residential demand and expanding industrial activity. Melaka registered steady growth, while Negeri Sembilan experienced more modest performance.

(Source: Southern Region Property Market Report 2025, Valuation and Property Services Department (NAPIC), Ministry of Finance Malaysia).



Property Market Activity

Residential Property

Residential transactions continued to anchor the Southern Region's property market, recording 72,473 transactions worth RM33.2 billion, representing a 2.8% increase in volume and a 7.9% increase in value compared to 2024. Johor led the segment, particularly in suburban areas such as Tebrau, Mount Austin, and Iskandar Puteri, where new launches and improved connectivity sustained buyer interest. Melaka's residential market benefitted from tourism driven demand and affordable housing initiatives, while Negeri Sembilan saw slower activity.

The overhang situation showed gradual improvement, with unsold completed units declining, though unsold under construction stock remained elevated.

Rental markets remained stable, with Johor Bahru and Melaka Tengah seeing notable increases in rental rates due to proximity to education hubs, industrial parks, and tourism centres.

Commercial Property

The commercial property segment recorded 12,686 transactions worth RM12.9 billion, reflecting a 4.2% increase in volume and a 5.3% rise in value compared to 2024. Johor continued to dominate shop office and serviced apartment transactions, supported by demand in Kota Tinggi, Johor Bahru, and Melaka town. Prices were generally stable, with selective appreciation in high growth corridors such as Taman Desaru Utama, Kota Tinggi.

Serviced apartment and SOHO transactions in Johor were particularly strong, reflecting investor appetite for hybrid living and working spaces. Melaka's commercial market remained supported by tourism related demand, while Negeri Sembilan saw muted activity.

House Price Index (HPI):

- **Johor:** 285.6 points (2024: 279.8), average house price RM448,900

- **Melaka:** 221.2 points (2024: 215.9), average house price RM244,500

- **Negeri Sembilan:** 240.1 points (2024: 238.0), average house price RM322,800

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

Industrial Property

The industrial property market recorded 2,596 transactions worth RM14.5 billion, reflecting a 4.3% decline in volume but a significant 32.7% increase in value compared to 2024. Johor reinforced its position as Malaysia's industrial hub, supported by demand for logistics facilities, warehouses, and data centres. Melaka registered growth in industrial transactions, while Negeri Sembilan's activity was more subdued.

Vacant industrial land and build to suit lots continued to attract investors, reflecting confidence in long term industrial expansion. Pricing trends remained positive, with industrial properties in Johor Bahru, Port Dickson, and Melaka appreciating in value.

Outlook

The Southern Region's property market outlook for 2026 remains positive, underpinned by resilient residential demand, strong industrial expansion, and steady commercial activity. Johor is expected to remain the regional growth engine, supported by infrastructure upgrades, cross border connectivity with Singapore, and rising demand for logistics and data driven facilities. Melaka's market will benefit from tourism and lifestyle developments, while Negeri Sembilan is anticipated to stabilise following recent contractions.

Overall, the Southern Region continues to demonstrate its role as a key contributor to Malaysia's property sector, with balanced growth across residential, commercial, and industrial segments.

(Source: Southern Region Property Market Report 2025, Valuation and Property Services Department (NAPIC), Ministry of Finance Malaysia).

FINANCIAL PERFORMANCE FOR FY2025

During FY2025, the Company and its subsidiaries (collectively, the "Group") delivered a notable improvement in financial performance, supported by stronger revenue recognition from its property development activities and realised gains from selective asset disposals. The Group's results reflect Management's continued emphasis on disciplined capital allocation, meticulous project execution, and proactive balance sheet management, amid a gradually improving operating environment.

For the financial year ended 31 December 2025, the Group recorded total revenue of RM70.25 million,



representing an increase from RM48.11 million in FY 2024. The higher revenue was mainly attributable to stronger sales recognition from ongoing and completed property development projects during the year.

The Group achieved a turnaround in FY2025, reporting a profit before tax ("PBT") of RM11.28 million, compared to a loss before tax ("LBT") of RM9.28 million in FY2024. The improved performance was driven by higher revenue contribution, coupled with gains from the disposal of equity interests in an associate and multiple investment properties, as well as the reversal of impairment loss recognised in the prior financial year following full recovery of advances granted to the associate.

As at 31 December 2025, the Group's total assets stood at RM218.86 million (FY 2024: RM193.35 million). The asset base primarily comprised inventories, which include costs of unsold units under completed projects and capitalised property development costs for projects under development. Other key asset components included progressive billings to property purchasers, property, plant and equipment, as well as cash and bank balances amounting to RM24.14 million.

The Group's total liabilities amounted to RM62.98 million as at 31 December 2025 (FY 2024: RM47.17 million). Liabilities mainly comprised trade and other payables, contract liabilities and borrowings. Borrowings primarily consisted of term loans utilised to finance development projects, while hire purchase obligations remained minimal. The Group's gearing ratio stood at 0.1144 as at year end.

Total equity attributable to owners of the Company amounted to RM155.88 million as at 31 December 2025 (FY 2024: RM146.18 million). Net assets per share attributable to owners stood at RM0.20 per ordinary share (FY 2024: RM0.19 per ordinary share).

The Group achieved
FY2025

profit before tax
**RM11.28
million**

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)



The Asteria Melaka: Project fully completed with CCC in June 2025.

Overall, the Group's financial performance for FY2025 reflects a strong recovery, underpinned by improved project progress, selective asset disposals and disciplined financial management. Management remains focused on strengthening cash flows, maintaining balance sheet resilience and supporting sustainable long-term growth.

encompassing enhanced construction quality, legal and contractual realignment, planning optimisation, and strengthened management systems.

Guided by the core objective of restoring market confidence and rebuilding brand value, this decisive intervention successfully converted a stalled development into a celebrated landmark. The turnaround reinforces the Group's reputation for resilience, accountability and disciplined project stewardship.

PROJECT HIGHLIGHTS FOR 2025

The Asteria Melaka

The Asteria Melaka is a landmark mixed-use development located in Kota Syahbandar, Melaka, strategically positioned to serve both the hospitality and residential markets. On 26 June 2025, the project successfully obtained its Certificate of Completion and Compliance ("CCC"), ahead of the originally approved construction timeline, marking the project's full completion and delivery. This underscores the Group's strong execution capability and commitment to quality.

The achievement was commemorated at an official ceremony officiated by state representatives, further highlighting The Asteria Melaka's role as a rejuvenated urban landmark within Melaka.

Turning an Eyesore into an Icon

The transformation of The Asteria Melaka is widely regarded as a successful model of urban rejuvenation. Following earlier project delays, the development was revitalised in 2023 when the Group's new management assumed direct leadership through its subsidiary, Asteria Eco Sdn Bhd. A comprehensive restructuring exercise was undertaken,

Hotel Block (Block A)

Block A is a 16-storey hotel comprising 241 rooms. Following the completion of structural works, renovation and fit-out of the hotel rooms are currently underway, with operations targeted to commence in the third quarter of 2026. Concurrently, the Group continues to explore strategic divestment options for the hotel component.

The hotel's interior layout has been intentionally designed to remain flexible, allowing prospective buyers or operators to customise fit-outs according to their operational concepts. This dual-track strategy—preparing the asset for operations while remaining open to divestment—enhances its appeal to both hospitality operators and institutional investors.

Serviced Apartment Block (Block C)

Block C is a 44-storey serviced apartment tower comprising 306 units, with an estimated Gross Development Value ("GDV") of RM161.06 million. The serviced apartments were officially launched in September 2024 and received positive market response, reflecting sustained demand and reinforcing the project's revenue potential.



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Asteria Melaka
by Asteria Group Berhad

2025

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)



Block C is operated by Attic Home, a well-established short-term rental management brand, with presence across multiple international accommodation platforms. Attic Home provides a comprehensive, end-to-end rental management solution, encompassing hotel-style furnishing, guest reception, housekeeping and revenue optimisation. This integrated approach enables unit owners to enjoy a hassle-free investment proposition with potential for recurring income.

Key Differentiating Features

- Strata titles for both Block A and Block C were issued ahead of the CCC, a distinctive achievement within the local market.
- Among the first build-and-sell developments in Melaka to offer a fully furnished, “move-in-ready” package, providing purchasers with clarity and certainty on specifications and delivery.
- The retail podium has attracted reputable tenants, including The Brew House and other well-known food and beverage and lifestyle brands, with additional retailers and service providers progressively opening. This growing tenant mix is shaping a vibrant commercial hub in Kota Syahbandar.
- The development is professionally managed by established property management teams, reinforcing operational credibility, asset protection and long-term value preservation.

Industry Recognition

In October 2025, The Asteria Melaka received the Best Rejuvenated Commercial Development award at the 12th PropertyGuru Asia Awards Malaysia, in partnership with iProperty.com.my. This prestigious recognition underscores the project’s successful transformation, architectural merit and contribution to enhancing Melaka’s urban landscape. The accolade further strengthens investor confidence in the project’s long-term value and growth potential.

Overall, The Asteria Melaka stands out as an award-winning, strategically located mixed-use development that exemplifies effective turnaround execution and value creation. The project is well positioned to benefit from Melaka’s expanding tourism, commercial activity and investment appeal, while continuing to deliver sustainable value to the Group.

A Soho Johor Jaya

A SOHO Johor Jaya is a dynamic mixed use development strategically located in the mature township of Johor Jaya, Johor Bahru. Developed on a 1.95 acre freehold site, the project is designed to meet the rising demand for flexible urban living and commercial spaces, offering a modern live work environment that integrates residential, office, and retail components. The development comprises 474 Small Office Home Office (“SOHO”) units across two 22 storey towers, complemented by 33 retail shop units, a five storey multi level car park, and a dedicated facilities deck.

Turning Trend into Opportunity

A SOHO Johor Jaya exemplifies the Group’s ability to anticipate and respond to evolving lifestyle trends. With the rise of remote work, digital entrepreneurship, and flexible living arrangements, the project was conceived as an “all in one” space that seamlessly blends home, office, and leisure. Its SOHO suites, designed with loft options and flexible layouts, cater to young professionals, freelancers, and start ups seeking adaptable spaces. By embedding co working facilities, meeting rooms, and lifestyle amenities within the development, A SOHO transforms the global work from home trend into a sustainable investment opportunity, positioning the Group as a pioneer in modern urban living solutions.



MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

Construction and Launch

Construction commenced in December 2023, with targeted completion in fourth quarter of 2027. The official launch in July 2024 received overwhelming market response, with all international SOHO units fully sold or reserved within a short period, leaving only Bumiputra units available. This strong uptake reflects high investor and end-user demand for flexible live-work solutions.

Key Differentiating Features

- **Flexible SOHO Concept:** Units are designed with 4.8 metre ceiling heights (loft option) and efficient layouts, enabling conversion between home, office, or hybrid use.
- **Facilities Deck (Level 6):** Includes co working spaces, meeting rooms, event hall, gourmet kitchen, spa, sauna, infinity pool, yoga deck, gymnasium, and childcare centre — supporting both lifestyle and business needs.
- **Retail Vibrancy:** The ground and lower levels feature a vibrant F&B Street with themed cafés, restaurants, and food truck spaces, creating a lively commercial hub within the development.
- **Convenience and Connectivity:** A dedicated food and courier delivery reception counter enhances convenience for residents and businesses. An exclusive shuttle service will connect residents to key destinations such as JB CIQ, IKEA Tebrau, AEON Tebrau City, and Mid Valley SouthKey.
- **Prime Location:** Within minutes of major retail and lifestyle hubs including Toppen Shopping Centre, IKEA Tebrau, AEON Mall Tebrau City, and Sultan Ismail Hospital, with direct access to Pasir Gudang Highway, EDL, and Senai Desaru Highway.

Industry Recognition

In October 2025, A SOHO Johor Jaya was awarded Best Integrated Work From Home Development at the 12th PropertyGuru Asia Awards Malaysia in partnership with iProperty.com.my. This prestigious

recognition highlights the project's innovative design that seamlessly blends living and working spaces, redefining modern urban lifestyles in Johor Bahru. The award reinforces investor confidence in A SOHO's long term value proposition and its role as a benchmark for future live work developments.

Financials

The project carries a GDV of RM241.03 million and a Gross Development Cost of RM158.12 million, demonstrating strong investment potential.

Overall, A SOHO Johor Jaya continues to stand out as an award-winning, strategically positioned mixed-use development, well poised to capture opportunities arising from Johor Bahru's growing demand for flexible urban living, while delivering sustainable value to the Group.

Sentrio Commercial Hub

Sentrio Commercial Hub is a well-established commercial development located in Pasir Gudang, Johor, occupying 5.94 acres of commercial-titled land. The development comprises 66 units of two-storey and three-storey shop offices, with an estimated GDV of RM49.16 million.

Construction of the project was successfully completed in January 2024, and the CCC was duly obtained. The project has achieved strong market acceptance, with approximately 96% of the units sold or reserved, excluding 17 units allocated to the landowner as part of the land consideration arrangement.

With construction completed and the majority of units taken up, Sentrio Commercial Hub has contributed significantly to the Group's revenue realisation and cash flow generation. The limited remaining unsold units provide the Group with residual value creation opportunities while the project transitions into its final monetisation phase.



MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)

Desa 88

Desa 88 is a mature industrial development strategically located within Taman Perindustrian Desa Cemerlang, Johor, catering primarily to light and medium-scale industrial operators. The development spans approximately 37.94 acres and comprises 40 units of terrace factories under Phase 1, 36 units of terrace factories under Phase 2, as well as seven build-to-suit industrial lots. The project carries a combined estimated GDV of RM145.40 million.

Both Phase 1 and Phase 2 were fully completed with the relevant CCC obtained, and all factory units were successfully sold and handed over in the previous year. In addition to the completed factory units, the Group also successfully transacted most of the vacant industrial land parcels within the development.

As at year end, only one build-to-suit lot remains available. Desa 88 represents a largely fully monetised development that underscores the Group's ability to deliver industrial projects with strong market demand, while retaining a final, selective opportunity for value creation through the remaining build-to-suit parcel.

Portfolio Performance and Strategic Outlook

Overall, the Group's portfolio of completed, ongoing, and near-completion projects reflects a balanced and diversified development strategy, anchored in disciplined execution and value realisation. Mature projects such as Sentrio Commercial Hub and Desa 88 have largely achieved their monetisation objectives, contributing positively to the Group's revenue and cash flows, while flagship developments such as The Asteria Melaka continue to strengthen the Group's brand presence and long-term earnings potential. Supported by prudent capital management and focused project stewardship, the Group remains well-positioned to navigate market conditions and pursue sustainable growth opportunities in the years ahead.

PROSPECT AND OUTLOOK FOR FY2026

Global and Domestic Economic Landscape

The global economy is projected to expand by 3.3% in 2026, demonstrating resilience amid diverse global forces. Growth will be supported by technology driven investment, accommodative financial conditions, and private sector adaptability, offsetting headwinds from trade policy shifts. Advanced economies are forecast to grow at 1.9%, with the United States expanding by 2.0% and the Euro area by 1.6%, driven by consumption and investment activity. Emerging markets and developing economies (EMDEs) are expected to sustain growth at 4.2%, with India remaining a key driver at 6.4%, while China is projected to expand by 4.3% amid structural reforms and productivity challenges. Global trade is forecast to grow by 3.2%, while global headline inflation is expected to moderate from 4.1% in 2025 to 3.8% in 2026, aided by easing energy prices and stabilising labour markets.

Domestically, Malaysia's economy is projected to expand between 4.0% and 4.5% in 2026, anchored by resilient domestic demand and a steady external sector. Growth will be supported by private consumption, boosted by salary adjustments under Phase 2 of the Public Service Remuneration System ("SSPA"), continuation of targeted assistance programmes, and robust tourism activities in conjunction with VM2026. Investment performance will remain strong, driven by higher capital expenditures in strategic sectors such as electrical and electronics (E&E), logistics, and renewable energy. The services and manufacturing sectors will continue to be key growth drivers, complemented by sustained construction and agriculture activity.



Flagship projects
and land sales
strengthened
FY2025 cash flows

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)



Inflation is expected to remain manageable, averaging between 2.5% and 3.0%, with moderate upward pressure from subsidy rationalisation and policy reforms. Credit conditions are anticipated to remain supportive, with continued expansion in household and business loans, particularly in construction and industrial activities.

(Source: IMF World Economic Outlook Update (Jan 2026); World Bank Global Economic Prospects 2026; Ministry of Finance Malaysia Economic Outlook 2026; Bank Negara Malaysia Economic and Financial Developments in Malaysia Q3 2025)

Property Market Outlook

Malaysia's property market is expected to maintain its growth trajectory in 2026, supported by stable economic conditions, government initiatives, and resilient demand. Transaction volume is projected to grow by 5.2% year-on-year, with value rising in tandem, driven by residential and industrial segments. The House Price Index (HPI) is forecast to continue its upward trend, with a compound annual growth rate (CAGR) of approximately 3.5%, reflecting moderate capital appreciation and a gradual improvement in market

balance. Overhang conditions are expected to improve further, with inventories clearing, especially in prime locations and transit-oriented developments.

The residential sector will benefit from government backed financing schemes and affordable housing programmes, while the commercial sector will be supported by demand for serviced apartments, SOHO units, and retail hubs in high growth corridors. Industrial properties will remain a key driver, underpinned by demand for logistics facilities, warehouses, and data centres, particularly in Johor and Melaka.

(Source: NAPIC Property Market Report 2025; Ministry of Finance Malaysia Economic Outlook 2026)

AGB'S STRATEGIC FOCUS FOR FY2026

Against this backdrop of steady global and domestic growth, AGB is strategically positioned to capitalise on emerging opportunities while mitigating potential risks. The Group's priorities for 2026 are focused on:

- **Maximising revenue from flagship developments:** Intensifying sales and marketing efforts for The Asteria Melaka serviced apartments and hotel, and accelerating sales momentum for A SOHO Johor Jaya.
- **Aligning with government policies and market trends:** Aligning with initiatives such as the SSPA and affordable housing programmes, while tapping into demand from digital infrastructure expansion and data centre developments.
- **Enhancing operational and financial efficiency:** Strengthening cost optimisation strategies, prudent financial planning, and strategic land bank management to align with evolving market demands.
- **Exploring strategic partnerships and new opportunities:** Identifying potential joint ventures and partnerships in high growth corridors, particularly in industrial and logistics hubs, to diversify revenue streams.

(Source: Ministry of Finance Malaysia Economic Outlook 2026; NAPIC Property Market Report 2025)

MANAGEMENT DISCUSSION AND ANALYSIS

(CONT'D)



NAVIGATING OPPORTUNITIES AND CHALLENGES

While the outlook for 2026 is positive, AGB remains mindful of external risks, including geopolitical tensions, potential trade restrictions, and global demand volatility. Nonetheless, with disciplined execution, favourable policy support, and a clearly defined strategic roadmap, AGB is confident in delivering sustainable growth and long-term value for its shareholders.

(Source: IMF World Economic Outlook Update (Jan 2026); World Bank Global Economic Prospects 2026)

EXPRESSING GRATITUDE AND COMMITMENT

As we conclude our review of FY2025, we extend our sincere appreciation to our shareholders, customers, banking partners, contractors, consultants, and suppliers for their continued trust and support. Your collaboration has been instrumental in enabling AGB to deliver on its commitments and achieve meaningful progress across our portfolio of projects.

We also wish to acknowledge the dedication of our Board of Directors, management team, and employees, whose resilience and professionalism have guided the Group through a dynamic operating environment. Their collective efforts have ensured that our strategic priorities remain on track, while upholding the values of integrity, innovation, and excellence.

The successful milestones achieved in The Asteria Melaka and A SOHO Johor Jaya during the year exemplify the Group's ability to transform challenges into opportunities and to deliver award-winning developments that strengthen our market presence. These achievements would not have been possible without the unwavering support of our stakeholders.

Looking ahead to FY2026, we remain steadfast in our commitment to creating sustainable value for all stakeholders. With a clear strategic roadmap, disciplined execution, and strong partnerships, Axteria Group Berhad is confident in navigating opportunities and challenges while continuing to strengthen its position as a trusted developer in the Southern Region of Malaysia.

PROFILE OF DIRECTORS

Mok Juan Chek

Independent Non-Executive Chairman

Date Appointed

10 February 2022

Age / Gender / Nationality

69 / Male / Malaysian

Qualifications

- Diploma in Agriculture, Universiti Pertanian Malaysia (1976);
- Bachelor of Science (Agribusiness), Universiti Pertanian Malaysia (1984)

Mr. Mok Juan Chek was appointed Independent Non-Executive Chairman of Asteria on 10 February 2022. He began his career in 1976 at the Rubber Industry Smallholders Development Authority (RISDA), progressing to Senior RISDA Officer, where he managed grants and loans for rubber smallholders in Pahang.

Following completion of his Bachelor's degree, Mr. Mok transitioned to the banking sector in 1984, joining Public Bank Berhad. He held various roles, including Senior Operations Officer and Senior Administrative Officer, focusing on credit facility marketing and proposal evaluation. In 1990, he joined Chung Khiaw Bank Limited, advancing to Assistant Vice President to manage corporate loans and credit administration.

In 1995, Mr. Mok joined Hong Leong Bank Berhad, serving as Branch Manager and later as General Manager for Credit Card Centre and Business Banking, Southern Region. His responsibilities encompassed branch operations, credit card business oversight, and business banking portfolio management.

Mr. Mok joined AmBank (M) Berhad in 2008, as General Manager, managing the business banking portfolio for the Southern and East Coast regions. He was promoted to Head of Mid Corporate Segment in 2016, and subsequently to Executive Vice President, where he oversaw the operation and management of the Mid Corporate Segment of the Bank until his retirement in June 2020. From September 2020 to December 2022, he served as Strategic Advisor at Affin Hwang Asset Management Berhad, focusing on business development.

In addition to his role at Asteria, Mr. Mok serves as an Independent Non-Executive Director at ITMAX System Bhd and Tiong Nam Logistics Holdings Berhad, both of which are public listed companies on the Main Market of Bursa Securities. He is also an Independent Non-Executive Chairman of Synergy House Berhad which is a public listed company on ACE Market of Bursa Securities.

Mr. Mok has no familial relationship with any directors or major shareholders and holds no shares in the Company. He has no convictions for major offenses within the past five years, and no regulatory penalties have been imposed on him during the financial year 2025.

PROFILE OF DIRECTORS

(CONT'D)

Dato Abdullah Bin Abdul Mannan

Non-Independent Non-Executive Deputy Chairman

Dato Abdullah Bin Abdul Mannan assumed the role of Non-Independent Non-Executive Deputy Chairman of Axteria on 9 January 2023.

He began his career as an entrepreneur in the textile retail and wholesale industry, subsequently expanding into property development management and the liquid petroleum gas distribution business in Johor Bahru. His business ventures have diversified into various sectors, including electronic manufacturing, warehousing, shipping, logistics, natural resources, energy, palm oil, agriculture, and food and beverage industries across Malaysia, Indonesia, India, Singapore, Bangladesh, South Africa, and Saudi Arabia.

Since 2005, Dato Abdullah has served as a director of multiple private companies, overseeing all aspects of business operations, including managing relationships with authorities, joint ventures, and stakeholders. At Axteria, he oversees regulatory liaison and navigates regulatory-related matters.

Dato Abdullah holds a direct interest in 14,000,000 ordinary shares of Axteria, representing 1.78% of the total shares. He has no familial relationship with any directors or major shareholders and holds no directorships in other public listed companies. He has no convictions for major offenses within the past five years, and no regulatory penalties have been imposed on him during the financial year 2025.

Date Appointed

9 January 2023

Age / Gender / Nationality

38 / Male / Malaysian

Qualifications

- Degree in Chartered Institute of Logistics and Transportation, Pasir Gudang, Johor (2007);
- Member, Chartered Institute of Logistics and Transportation, United Kingdom.

PROFILE OF DIRECTORS

(CONT'D)

Woo Wai Onn @ Foo Wai Onn

Group Managing Director

Date Appointed

8 February 2023

Age / Gender / Nationality

66 / Male / Malaysian

Qualifications

Diploma of Finance and Accounting, North East London Polytechnic, UK (1983)

Mr. Woo Wai Onn was appointed Group Chief Executive Officer of Axteria on 1 December 2022, and subsequently assumed the role of Group Managing Director on 8 February 2023.

Prior to his involvement in property development, Mr. Woo established and led the STX Group of Companies, a manufacturing conglomerate specializing in high-precision metal components for multinational corporations, with manufacturing plants across Malaysia and Indonesia. In 2013, he divested his shares in the STX Group to a local private equity firm to focus on property development.

Since 2006, Mr. Woo has successfully developed numerous residential and industrial property projects in Johor Bahru. A notable achievement is the completion of Molek Regency in 2018, a 1,050-unit serviced apartment development in Taman Molek, Johor Bahru. Molek Regency received prestigious accolades in 2019, winning "Best Development of the Year" and "Best Residential High-rise Development" at the iProperty Idea award ceremony, recognizing his visionary leadership and commitment to quality.

As Group Managing Director of Axteria, Mr. Woo provides strategic leadership across all facets of the business, including strategic planning, financial management, business development, stakeholder relations, risk management, and corporate governance. He drives innovation, ensures regulatory compliance, and fosters a culture of collaboration, positioning Axteria for sustained growth and success in the real estate industry.

Mr. Woo holds a direct interest in 186,268,900 ordinary shares of the Company, representing 23.62% of the total shares. He is the father of Kenny Woo Chi Yoong, Executive Director of the Company. He holds no directorships in other public listed companies. He has a clean record with no convictions for major offenses in the past five years, and no regulatory penalties during the financial year 2025.

PROFILE OF DIRECTORS

(CONT'D)

Kenny Woo Chi Yoong

Executive Director

Kenny Woo was appointed Executive Director of Axteria Group Berhad on 30 November 2024, having previously served as Group Project Development Manager since December 2022. He brings a robust blend of experience from the manufacturing and property development sectors.

Prior to joining Axteria, Kenny honed his operational expertise in manufacturing industry, supervising the production of precision metal and aluminium components. He transitioned to property development, demonstrating his strategic capabilities by co-managed the development of 1,050 serviced apartment units in Taman Molek, Johor Bahru, for a prominent regional developer.

At Axteria, Kenny plays a pivotal role in driving the Group's development strategy and execution. He is responsible for the comprehensive oversight of key projects, notably The Asteria Melaka Project, encompassing design, procurement, planning, scheduling, cost control, and stakeholder management. In addition, he actively leads sales and marketing initiatives, ensuring alignment with the Group's strategic objectives.

In his expanded leadership role as Executive Director, Kenny spearheads the sales and marketing team, driving strategic growth and business development. He continues to lead The Asteria Melaka Project while co-managing other key developments, ensuring adherence to quality standards and strategic alignment across the Group.

Kenny upholds the highest standards of professional integrity and independence. While he is the son of Mr. Woo Wai Onn, Group Managing Director of Axteria, he maintains a clear separation in his professional conduct and carries out his responsibilities in accordance with corporate governance principles. He does not hold directorships in other public listed companies and has no record of major offenses or regulatory penalties in the past five years, including during the financial year 2025.

Date Appointed

30 November 2024

Age / Gender / Nationality

41 / Male / Malaysian

Qualifications

Bachelor of Accounting, Central Queensland University, Melbourne, Australia (2009)

PROFILE OF DIRECTORS

(CONT'D)

Ng Lee Thin

Independent Non-Executive Director

Date Appointed

15 May 2021

Age / Gender / Nationality

59 / Female /
Malaysian

Qualifications

- Bachelor of Economics (Honours), Universiti Utara Malaysia (1992);
- Member, Malaysian Institute of Accountants (2000);
- Fellow, Association of Chartered Certified Accountants (FCCA) (2005)

Ms. Ng Lee Thin was appointed as Independent Non-Executive Director at Ateria on 15 May 2021.

She began her career in 1992 at Artwright Marketing Sdn Bhd as a Business Executive, handling project tendering and sales support. In 1994, she joined Chiang & Chiang as an Audit Associate before moving to Ernst & Young in 1996, where she progressed to Audit Senior by 1999.

In 2001, Ms. Ng became Finance Manager at Binaik Equity Berhad and later served as Financial Controller until 2009, overseeing financial and accounting matters, including quarterly and annual reporting.

She founded Yellow Business Solution in 2008, providing company secretarial services, and later co-founded Yellow Tax Services Sdn Bhd in 2012, a licensed tax firm. In 2015, she established NLT & Co, an audit firm where she continues to serve as a Partner, managing audit engagements.

Beyond her finance, tax, and audit expertise, Ms. Ng expanded into real estate, co-founding Wang Premier Assets Sdn Bhd in 2020 and Wang Asset Solutions Sdn Bhd in 2023.

At Ateria, Ms. Ng serves as Chairperson of the Audit and Risk Management Committee and is a member of both the Nomination Committee and Remuneration Committee. She holds no shares in the Company and has no familial relationships with any directors or major shareholders. She has no convictions for major offenses in the past five years, nor has she been subject to any regulatory penalties during the financial year 2025.

Ms. Ng also serves as an Independent Non-Executive Director at Able Global Berhad, a company listed on the Main Market of Bursa Securities, where she is the Chairperson of the Remuneration Committee and a member of both the Nomination Committee and the Audit and Risk Management Committee. Additionally, she holds a similar role at UUE Holdings Berhad, a company listed on the ACE Market of Bursa Securities, where she serves as the Chairperson of the Audit and Risk Management Committee and a member of both the Nominating Committee and the Remuneration Committee. She also acts as the Independent Non-Executive Director of Sum Technology Berhad, a company seeking listing on the ACE Market of Bursa Malaysia Securities Berhad. In this capacity, she holds the position of Chairman of the Audit and Risk Management Committee and as a member of the Nomination Committee and Remuneration Committee.

PROFILE OF DIRECTORS

(CONT'D)

Kevin Low Ee Ming

Independent Non-Executive Director

Kevin Low Ee Ming was appointed Independent Non-Executive Director of Axteria on 1 March 2023.

He began his career in 2000 at a Big Four accounting firm. He later transitioned to entrepreneurship. In 2014, he co-founded Messrs. OKL & Partners PLT, where he currently serves as a Partner. He has extensive experience providing auditing and business advisory services to a diverse clientele, including listed companies across various industries.

Kevin holds no shares in Axteria and has no familial relationships with any directors or major shareholders. He has no convictions for major offenses within the past five years and no regulatory penalties have been imposed on him during the financial year 2025.

Date Appointed

1 March 2023

Age / Gender / Nationality

48 / Male / Malaysian

Qualifications

- Bachelor of Economics (Accounting and Finance), The University of Manchester, UK;
- Chartered Accountant, Malaysian Institute of Accountants (MIA);
- Fellow, Association of Certified Chartered Accountants (FCCA);
- Professional Member, Institute of Internal Auditors, Malaysia.

BOARD OF DIRECTOR

(CONT'D)

Yap Yung Chien

Independent Non-Executive Director

Date Appointed

1 March 2023

Age / Gender / Nationality

35 / Female / Malaysian

Qualifications

- Diploma in Law (University of London, External) (2013)
- LL.B (Hons), University of London (External) (2015)
- Advocate and Solicitor, High Court of Malaya (2021)

Ms. Yap Yung Chien was appointed Independent Non-Executive Director of Asteria on 1 March 2023.

She began her legal career in 2011 as a Legal Secretary at Yusarn Audrey while pursuing her Diploma in Law, which she completed in 2013. She then joined Gallant Venture Ltd as a Legal Executive and was later promoted to Assistant Manager, Legal, by 2019, focusing on contract preparation and negotiation.

After earning her LL.B (Hons) in 2015 and completing the Certificate in Legal Practice in 2019, she briefly served as Regional Legal Counsel at Epson Singapore Pte Ltd before returning to Malaysia to manage her family business, Sushi House Master Sdn Bhd, as Chief Executive Officer ("CEO") until 2020.

Ms. Yap completed her pupillage at Messrs Lee & Tengku Azrina in 2021 and was admitted as an Advocate and Solicitor of the High Court of Malaya. Following her admission, she was retained as a Legal Associate before rejoining Sushi House Master Sdn Bhd as CEO in 2022. In August 2022, she established her own legal practice, Y.C. Yap & Co., specialising in corporate and commercial law, wills, trusts, and property.

Ms. Yap holds no shares in Asteria and has no familial relationships with any directors or major shareholders. She has no convictions for major offenses in the past five years, no regulatory penalties have been imposed on her during the financial year 2025.

Beyond her role at Asteria, she serves as an Independent Non-Executive Director at Smart Asia Chemical Bhd, a company listed on the ACE Market of Bursa Securities, where she is the Chairperson of the Nomination Committee and a member of both the Remuneration Committee and the Audit and Risk Management Committee.

BOARD OF DIRECTOR

(CONT'D)

Yau Yin Wee

Independent Non-Executive Director

Mr. Yau was appointed as Independent Non-Executive Director at Axteria on 13 March 2023, and was subsequently appointed Chairman of the Nomination Committee and Remuneration Committee on 12 April 2023.

He began his career in October 1983 as a Marketing and Credit Executive at Hong Leong Finance Berhad, where he was responsible for business and retail loan marketing. In June 1987, he was promoted to the position of Branch Manager, expanding his responsibilities to oversee branch operations. In August 1991, he was re-designated as Hire Purchase Centre Manager to lead the bank's automobile financing business in Perak, where he introduced new business concepts and built a dedicated team of Marketing and Credit Officers. He continued advancing within the company, being promoted to Corporate and Commercial Manager (Senior Manager) in February 1996.

In September 2005, Mr. Yau joined AmBank Group as a Senior Manager and was later promoted to Associate Director of Corporate and Institutional Banking in May 2010. During his tenure, he was actively involved in corporate advisory, business loan development, and assisting clients with their initial public offerings (IPOs) on both the Malaysian and Singaporean stock exchanges. He left AmBank in November 2014 and subsequently joined Hong Leong Bank Berhad in January 2015 as Head of Retail Community Business, where he worked to enhance business efficiency. In November 2015, he was transferred to serve as Senior Regional Head (Southern Region), a position he held until his retirement in March 2021.

Beyond his corporate career, Mr. Yau was actively involved in the banking and finance industry. He served as a Committee Member of the Institute of Bankers Malaysia (now the Asian Institute of Chartered Bankers) from 2001 to 2014 and was the Chairman of the Association of Finance Companies Malaysia (Johor Regional Committee) from 2000 to 2006.

Mr. Yau holds no shares in Axteria and has no familial relationship with any directors or major shareholders of the company. He has not been convicted of any major offenses in the past five years, and no regulatory penalties were imposed on him during the financial year 2025.

In addition to his role at Axteria, Mr. Yau serves as an Independent Director of I REIT Managers Sdn Bhd, the management company of AME Real Estate Investment Trust, and as an Independent Non-Executive Director of CAPE EMS Berhad, where he chairs the Remuneration Committee and is a member of the Nominating Committee and Audit Committee. He also holds the position of Independent Non-Executive Chairman at Smart Asia Chemical Bhd, a company listed on the ACE Market of Bursa Securities.

Date Appointed

13 March 2023

Age / Gender / Nationality

68 / Male / Malaysian

Qualifications

Bachelor of Science in Business Administration (Finance), University of South Alabama, United States of America (1983)

PROFILE OF KEY SENIOR MANAGEMENT

Teo Seng Wei @ Vincent Teo

Group General Manager (Project)

Age / Gender / Nationality

56 / Male / Malaysian

Qualifications

Diploma in Architecture, TAR College (1993)

Vincent Teo is a highly experienced professional with over three decades of expertise in the construction and property development industry.

His career commenced as a Quantity Surveyor at a leading construction company, providing a solid foundation in project management and execution. Over the years, he advanced to senior leadership roles, notably serving as Senior Project Manager cum Contract Manager at Ace Empire Development Sdn Bhd, where he managed complex projects and contracts for a prominent property developer.

Joining Ateria in March 2023, Vincent plays a critical role in overseeing the planning, operations, procurement, and project management for the Group's development projects. His extensive industry expertise and strategic approach contribute significantly to Ateria's commitment to delivering high-quality real estate developments.

Vincent is fully independence within Ateria, with no familial ties to any directors or major shareholders. He holds directorships in other public listed companies and has no conflicts of interest. He has a clean record with no convictions for major offenses within the past five years.

Sea Hong Peng

Chief Financial Officer

Age / Gender / Nationality

45 / Female / Malaysian

Qualifications

- Fellow of The Association of Chartered Certified Accountants (FCCA), United Kingdom;
- Member of Malaysian Institute of Accountants (MIA);
- Member of Institute of Singapore Chartered Accountants (ISCA);
- ASEAN Chartered Professional Accountant.

Ms. Sea joined Ateria Group Berhad as Chief Financial Officer on 12 July 2021. In this role, she provides strategic financial leadership, overseeing the Group's finance, accounting, administration, human resources, sales administration, and credit control.

With over 18 years of experience in accounting, taxation, and advisory within professional services, Ms. Sea brings a wealth of expertise to Ateria. Her career includes significant senior leadership roles, notably in the healthcare sector, demonstrates her proven ability to navigate and manage complex financial operations across diverse industries.

Ms. Sea maintains complete independence within Ateria, with no familial ties to any directors or major shareholders. She holds no directorships in other public listed companies and has no conflicts of interest. Furthermore, she has a clean record with no convictions for major offenses within the past five years, underscoring her commitment to ethical conduct and professional integrity.

SUSTAINABILITY STATEMENT

Introduction

Axteria Group Berhad ("Axteria" or "the Company") and its subsidiaries (collectively, "the Group," "we," or "our") continue to embed sustainability into our corporate philosophy, guiding our property development and construction activities. This Statement has been prepared in accordance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Sustainability Reporting Guide (SRG), 3rd Edition, the Global Reporting Initiative 2021 Standards ("GRI 2021"), and the Malaysia Code of Corporate Governance, updated in April 2021 ("MCCG 2021").

Financial Year (FY) 2025 marks our second year of expanded disclosure on greenhouse gas emissions, energy, and water management, reflecting our commitment to transparency, accountability, and continuous improvement.



Financial Year (FY) 2025 marks our second year of expanded disclosure on greenhouse gas emissions, energy, and water management, reflecting our commitment to transparency, accountability, and continuous improvement.



Reporting Standards

This Statement has been prepared in accordance with the following guidelines, standards, and frameworks:

- Paragraph 29, Part A of Appendix 9C of Bursa Securities' Listing Requirements;
- Practice Note 9 of Bursa Securities' Listing Requirements;
- SRG, 3rd Edition;
- GRI 2021; and
- MCCG 2021

While this Statement has not been subjected to internal audit review or independent assurance under a recognised assurance standard, it has been reviewed by relevant Management personnel ("Management") and approved by the Board of Directors ("Board").



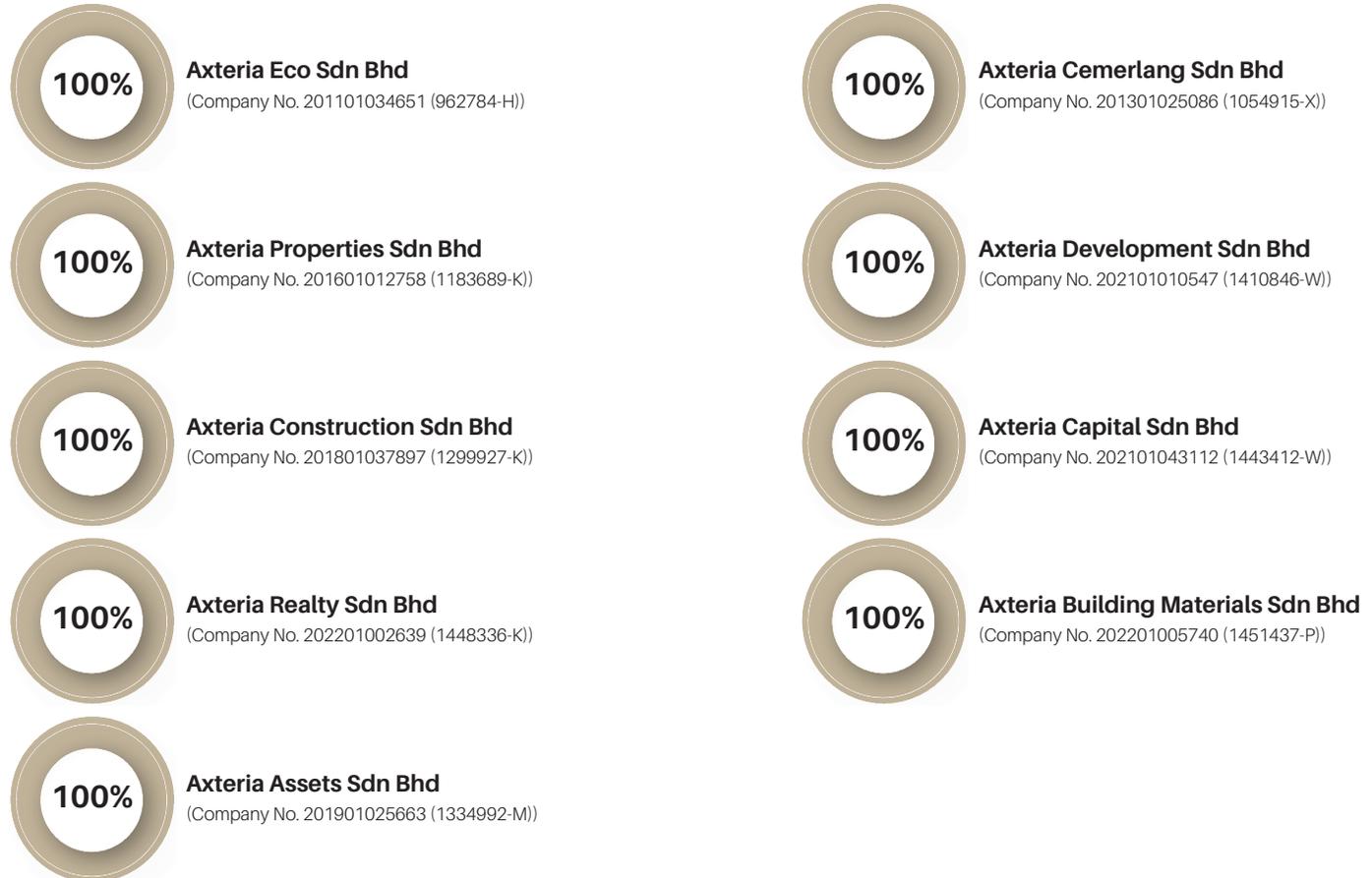
SUSTAINABILITY STATEMENT

(CONT'D)

Reporting Scope

This Statement focuses on the Group's core business operations, which are conducted entirely through our property development and construction subsidiaries. The reporting scope covers Asteria and its subsidiaries as detailed below:

Group structure



Project Portfolio for FY2025

The projects completed or under development during FY 2025 under review are summarised below:

Project Name	Location	Development Type	Estimated Gross Development Value ("GDV")	Project Status as at 31 December 2025
The Asteria Melaka	Kota Syahbandar, Melaka	Mixed-used - Hotel & Serviced Apartments	RM217.28 million	Completed. Certificate of Completion and Compliance ("CCC") obtained on 26 June 2025.

SUSTAINABILITY STATEMENT

(CONT'D)

Project Name	Location	Development Type	Estimated Gross Development Value ("GDV")	Project Status as at 31 December 2025
A SOHO Johor Jaya	Johor Bahru, Johor	Mixed-used – Small Office Home Office ("SOHO") & Retail Units	RM241.03 million	Ongoing. Construction continued during FY2025, with targeted completion in Q4 2027.
Sentrio Commercial Hub	Pasir Gudang, Johor	Commercial – Shop Offices	RM49.16 million	Completed. CCC issued on 8 January 2024.
Desa 88	Desa Cemerlang, Johor	Industrial – Light & Medium	RM145.42 million	Completed. All factory units handed over in prior FYs. One build-to-suit industrial lot remains available.

Sustainable Development Highlights

The Asteria Melaka

The Asteria Melaka represents a significant urban rejuvenation initiative undertaken by the Group. Located in Kota Syahbandar, Melaka, the mixed-use development obtained its CCC on 26 June 2025, ahead of the originally approved construction timeline. This timely completion reflects disciplined project execution, strengthened governance practices, and effective coordination with key stakeholders.

Following earlier project delays, the development was revitalised in 2023 under the leadership of the Group's subsidiary, Axteria Eco Sdn Bhd. A comprehensive restructuring exercise was implemented, encompassing construction quality enhancement, contractual realignment, planning optimisation, and improved project management controls. This intervention transformed a previously stalled development into a completed asset that contributes positively to the surrounding urban environment.

Both Block A (hotel) and Block C (serviced apartments) were designed with flexibility and adaptability in mind, allowing future owners or operators to customise interior layouts according to evolving operational requirements. This design approach supports long-term asset resilience and reduces the risk of premature obsolescence. The project's successful turnaround and contribution to urban renewal were further recognised through industry accolades during the year.

A SOHO Johor Jaya

A SOHO Johor Jaya reflects the Group's response to evolving urban living and working patterns, particularly the increasing demand for flexible live-work environments. The mixed-use development integrates residential, office, and retail components within a single precinct, promoting efficient land use and supporting more sustainable urban lifestyles.

The SOHO units are designed with flexible layouts and loft options, enabling adaptation between residential, office, or hybrid use. Shared facilities such as co-working spaces, meeting rooms, and communal amenities encourage resource sharing and optimise building utilisation. Construction activities continued during FY2025, with strong market interest demonstrating demand for adaptable and integrated urban developments.

Sentrio Commercial Hub

Sentrio Commercial Hub is a completed commercial development located in Pasir Gudang, Johor, comprising two-storey and three-storey shop offices. With construction completed and the CCC obtained in January 2024, the project has transitioned into a mature operational phase.

The development supports local economic activity and reflects efficient utilisation of commercial land. The limited number of remaining unsold units provides residual value while the project continues to contribute to the surrounding commercial ecosystem.

Desa 88

Desa 88 is a largely monetised industrial development located within Taman Perindustrian Desa Cemerlang, Johor, catering to light and medium-scale industrial operators. Both Phase 1 and Phase 2 were fully completed with the relevant CCC obtained in prior financial years, and the majority of industrial parcels have been successfully transacted.

As at the end of FY2025, only one build-to-suit industrial lot remains available. The project demonstrates the Group's ability to deliver functional and market-aligned industrial developments, while maintaining disciplined execution and orderly project closure.

SUSTAINABILITY STATEMENT

(CONT'D)

Portfolio-Level Sustainability Perspective

Overall, the Group's portfolio of completed and ongoing developments reflects a balanced approach to sustainable growth, anchored in disciplined project execution, adaptive design, and responsible asset stewardship. Through urban rejuvenation initiatives, flexible development concepts, and adherence to regulatory and quality standards, the Group continues to create long-term value while supporting resilient and sustainable urban environments.

Sustainability Governance Structure

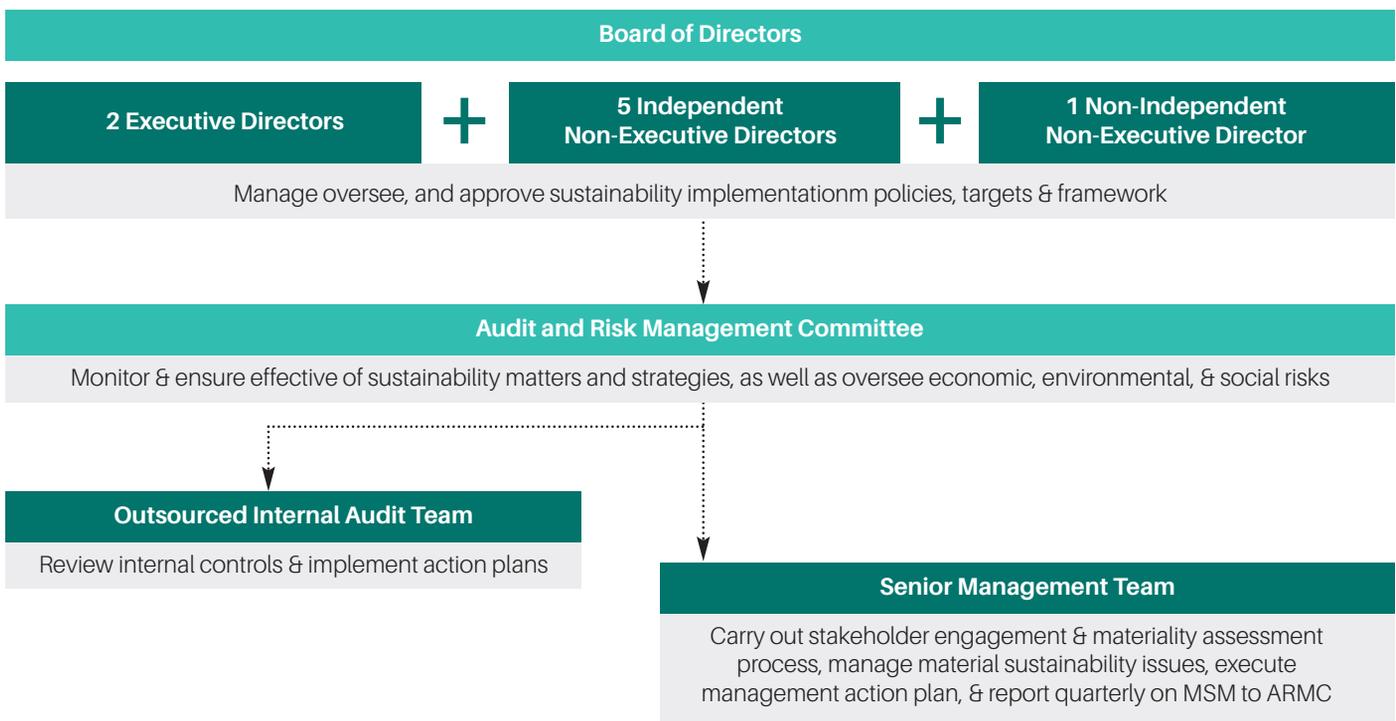
The Group's governance structure for managing and monitoring sustainability-related matters, including sustainability risks and opportunities, has continued to evolve. Oversight and execution responsibilities are carried out at both Board and Management levels, supported by clear reporting and accountability mechanisms.

Following a dedicated sustainability discussion held by the Board of Directors in FY2024, sustainability has formally been incorporated as a standing agenda item at the Group's quarterly Board of Directors meetings. This provides a structured platform for the Board to exercise ongoing oversight, review progress, and guide the direction of the Group's sustainability initiatives.

At the Management level, a member of Management has been designated to assume the role of Sustainability Officer. The Sustainability Officer is responsible for coordinating sustainability-related activities across the Group and providing periodic updates to the Board on sustainability initiatives and developments undertaken during the financial year.

This governance structure reflects the Group's commitment to progressively strengthening its sustainability oversight and embedding sustainability considerations into decision-making processes at both strategic and operational levels.

The following flowchart illustrates the Group's governance structure for managing and monitoring sustainability-related matters, highlighting the roles and reporting lines from the Board to Management.



SUSTAINABILITY STATEMENT

(CONT'D)

Stakeholder Engagement

The Group recognises that effective stakeholder engagement is essential to achieving long-term business sustainability. We engage with our key stakeholders on a periodic basis to better understand their expectations, concerns, and priorities, including matters relating to our economic, environmental, and social impacts.

Insights gathered from these engagements are taken into consideration in guiding the Group's business strategies, operational decisions, and sustainability initiatives.

The table below summarises the Group's key stakeholder groups, their areas of interest, methods of engagement, frequency of engagement, and how the Group addresses their concerns to support sustainable business practices.

Stakeholder Engagement Matrix

Stakeholders	Areas of Interests	Engagement methods	Frequency	Approach / Focus
Shareholders and Investors	<ul style="list-style-type: none"> Corporate Governance Financial performance Return on Investment Sustainability Management 	<ul style="list-style-type: none"> General Meeting Interim results announcements 	<ul style="list-style-type: none"> Annually Quarterly Periodically 	<ul style="list-style-type: none"> Emphasis on integrity of corporate governance through the Anti-Bribery and Anti-Corruption Policy Monitoring financial performance and sustainable profitability
Customers	<ul style="list-style-type: none"> Product quality and innovation Water and energy efficiency Data privacy and security Responsible development 	<ul style="list-style-type: none"> After-sales service Defect liability period management 	<ul style="list-style-type: none"> Regularly 	<ul style="list-style-type: none"> Emphasis on responsible marketing practices
Government/ Regulators	<ul style="list-style-type: none"> Occupational safety and health Anti-bribery and anti-corruption compliance 	<ul style="list-style-type: none"> Meetings Written communications 	<ul style="list-style-type: none"> Periodically 	<ul style="list-style-type: none"> Compliance with Anti-Bribery and Anti-Corruption Policy Ensuring occupational safety and health standards
Employees	<ul style="list-style-type: none"> Safe and healthy work environment Career development and performance appraisal 	<ul style="list-style-type: none"> Performance evaluations Training and development programmes Meetings and briefings Compensation and benefits Corporate and community activities 	<ul style="list-style-type: none"> Regularly 	<ul style="list-style-type: none"> Prioritising diversity and Inclusivity Ensuring occupational safety and health Employee development, retention, and training

SUSTAINABILITY STATEMENT

(CONT'D)

Stakeholders	Areas of Interests	Engagement methods	Frequency	Approach / Focus
Local Communities	<ul style="list-style-type: none"> Procurement practices Community investment 	<ul style="list-style-type: none"> Charity and community events 	<ul style="list-style-type: none"> Media releases Advertising and publicity 	<ul style="list-style-type: none"> Emphasis on community investment initiatives
Consultants / Contractors	<ul style="list-style-type: none"> Product quality and innovation Occupational safety and health Responsible development 	<ul style="list-style-type: none"> Meetings 	<ul style="list-style-type: none"> Periodically 	<ul style="list-style-type: none"> Monitoring product quality and innovation Ensuring occupational safety and health standards
Media	<ul style="list-style-type: none"> Economic performance Corporate developments and events 	<ul style="list-style-type: none"> Media releases Advertising and publicity 	<ul style="list-style-type: none"> Media releases Advertising and publicity 	<ul style="list-style-type: none"> Emphasis on responsible marketing and communication

Sustainability Policy

Materiality Assessment

The Group undertakes a structured materiality assessment in line with the SRG, 3rd Edition, to identify and prioritise the economic, environmental, and social risks and opportunities most relevant to our business and stakeholders.

The identified sustainability matters are evaluated against the following criteria, consistent with Paragraph 6.3, Practice Note 9 of the Listing Requirements, to determine their materiality:

- The matter reflects the Group's significant economic, environmental, or social impacts.
- The matter substantially influences the assessments and decisions of our stakeholders.
- The matter aligns with common material sustainability matters outlined in Annexure PN9-A of the Listing Requirements.

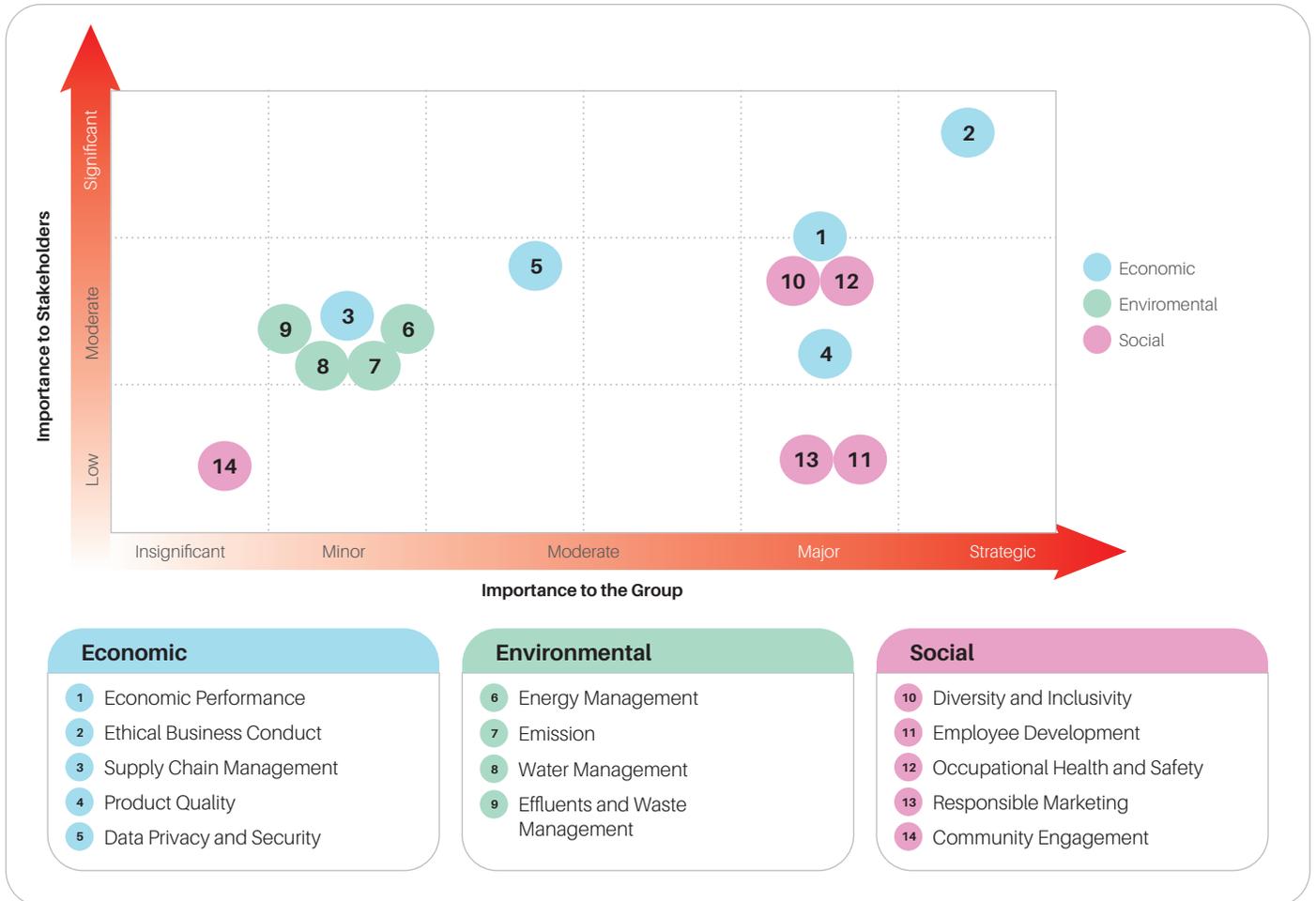
The approach to the materiality assessment is summarised as follows:



The results of the materiality assessment are summarised below. These material topics inform the Group's sustainability strategy, risk management, and action plans.

SUSTAINABILITY STATEMENT

(CONT'D)



Sustainability Highlights for FY2025

Key Risks, Opportunities and Management Actions

The Group’s portfolio of ongoing and completed projects provides significant opportunities to implement sustainability initiatives and address material risks. Notable FY2025 highlights include The Asteria Melaka and A SOHO Johor Jaya, where sustainability considerations have been embedded throughout project planning, construction, and operations.

Our materiality assessment continues to identify key sustainability risks and opportunities significant to both our business and stakeholders. This understanding allows the Group to develop proactive strategies and implement measures that enhance operational efficiency, stakeholder confidence, and long-term value creation.

Material Topic	Key Risks	Key Opportunities / Management Actions (FY2025)
Economy Performance and Sustainability	<ul style="list-style-type: none"> Vulnerability to economic cycles affecting property demand 	<ul style="list-style-type: none"> Successful completion and delivery of The Asteria Melaka ahead of schedule strengthens revenue realisation and investor confidence Strong market uptake of A SOHO Johor Jaya SOHO and retail units demonstrates resilience and reinforces sustainable growth potential

SUSTAINABILITY STATEMENT

(CONT'D)

Material Topic	Key Risks	Key Opportunities / Management Actions (FY2025)
Ethical Business Conduct	<ul style="list-style-type: none"> Non-compliance with rules and regulations. 	<ul style="list-style-type: none"> Embedding compliance and governance oversight in project management, including transparent reporting of sustainability initiatives
Supply Chain Management	<ul style="list-style-type: none"> Disruptions in construction or materials supply leading to delays and cost overruns 	<ul style="list-style-type: none"> Enhanced supplier engagement and monitoring during The Asteria Melaka and A SOHO Johor Jaya construction phase to ensure timely delivery and quality standards
Product Technology and Innovation	<ul style="list-style-type: none"> Innovation gaps affecting property offerings 	<ul style="list-style-type: none"> Adoption of modern, flexible, and energy-efficient property designs Introduction of adaptable live-work SOHO units in A SOHO Johor Jaya, integrating co-working and lifestyle facilities
Greenhouse Gas ("GHG") and Other Emissions	<ul style="list-style-type: none"> Regulatory changes increasing compliance costs 	<ul style="list-style-type: none"> Improve environmental reputation Implement mitigation and adaptation strategies for climate-related challenges
Energy Management	<ul style="list-style-type: none"> Rising operational expenses 	<ul style="list-style-type: none"> Integration of renewable energy systems, including solar solutions, to reduce costs and carbon footprint
Water Management	<ul style="list-style-type: none"> Interruptions in water supply causing operational disruption 	<ul style="list-style-type: none"> Implement rainwater harvesting and water recycling systems to reduce dependency on external supply and costs
Employee Development, Retention, and Training	<ul style="list-style-type: none"> Breach of labour rights, insufficient compensation, or unfair labour practices 	<ul style="list-style-type: none"> Provide competitive compensation, career growth opportunities, and training to enhance employee satisfaction, retention, and loyalty
Occupational Safety and Health	<ul style="list-style-type: none"> Non-compliance with safety regulations 	<ul style="list-style-type: none"> Implement workplace safety programs, including first-aid and safety training recognised by Department of Occupational Safety and Health ("DOSH")
Responsible Marketing	<ul style="list-style-type: none"> Inaccurate or misleading communications affecting stakeholder trust 	<ul style="list-style-type: none"> Transparent marketing and responsible disclosure for projects, including move-in-ready units at The Asteria Melaka and A SOHO Johor Jaya
Community Engagement	<ul style="list-style-type: none"> Negative perception or low community engagement 	<ul style="list-style-type: none"> Engagement with local communities through project-related initiatives Contribution to urban revitalisation in Melaka and Johor Bahru Development of sustainable, liveable environments benefiting residents and stakeholders

Collectively, the FY2025 sustainability initiatives and project achievements demonstrate the Group's commitment to embedding sustainability across its operations, from planning and construction to delivery and stakeholder engagement. By proactively addressing material risks and seizing opportunities identified through our materiality assessment, the Group continues to enhance operational efficiency, strengthen stakeholder confidence, and deliver long-term value. These efforts lay a solid foundation for ongoing sustainability performance and will guide the Group's strategic objectives and initiatives in FY2026 and beyond.

Building on these sustainability achievements and initiatives, the following section outlines the Group's approach to economic sustainability, highlighting performance, value creation, and responsible business practices that underpin long-term growth.

SUSTAINABILITY STATEMENT

(CONT'D)



1. ECONOMIC

The Group recognises that strong financial performance underpins long-term sustainability. FY2025 has been a year of recovery and growth, with disciplined capital allocation, meticulous project execution, and proactive balance sheet management supporting both revenue realisation and sustainable value creation.

Economic Pillar Overview

The infographic below summarises the Group's key achievements and initiatives under the Economic pillar for FY2025, highlighting financial performance, ethical conduct, supply chain management, product quality and innovation, and data security.

Economic Pillar - FY2025

Financial Performance	Ethical Conduct (ABAC)	Supply Chain Management	Product Quality & Innovation	Data Privacy & Security
<ul style="list-style-type: none"> - Revenue RM70.25m - PBT RM11.29m - Assets RM218.86m - Equity RM155.88m 	<ul style="list-style-type: none"> - Zero corruption cases - ABAC Policy enforced - Training in FY2026 	<ul style="list-style-type: none"> - 100% Local Suppliers - Approved Vendor List - Subcontractor list 	<ul style="list-style-type: none"> - The Asteria Melaka - A SOHO Johor Jaya - Defect Management 	<ul style="list-style-type: none"> - No Data Breaches - Centralised Control - Strict Policies

1.1. Economic Performance and Sustainability Profitability

Strong financial performance is fundamental to the Group's long-term sustainability, enabling continued investment in quality projects, innovation, and responsible operations. For FY2025, the Group delivered a notable improvement in financial performance, underpinned by disciplined capital allocation, meticulous project execution, and proactive balance sheet management amid a gradually improving operating environment.

The Group recorded total revenue of RM70.25 million, an increase from RM48.11 million in FY2024. This growth was largely attributable to ongoing and completed property development projects, particularly The Asteria Melaka and A SOHO Johor Jaya, which reflected strong market uptake and effective project execution.

FY2025 also saw a turnaround in profitability, with the Group reporting profit before tax (PBT) of RM11.29 million, compared to a loss before tax of RM9.28 million in FY2024. The improved results were driven by higher revenue recognition, gains from selective disposal of assets, and reversal of impairment recognised in the prior year, demonstrating prudent financial management and strategic optimisation of the Group's portfolio.

The Group's total assets increased to RM218.86 million (FY2024: RM193.35 million), primarily comprising inventories of unsold units under completed projects and capitalised development costs for projects under construction. Total liabilities stood at RM62.98 million (FY2024: RM47.17 million), mainly consisting of trade and other payables, contract liabilities, and borrowings. The gearing ratio remained low at 0.1144, reflecting a conservative capital structure. Total equity attributable to owners of the Company amounted to RM155.88 million (FY2024: RM146.18 million), with net assets per share of RM0.20 (FY2024: RM0.19).

Overall, the Group's financial performance for FY2025 reflects a strong recovery and reinforces our capacity to sustain long-term growth, providing a foundation for continued investments in responsible property development, innovation, and community engagement.

SUSTAINABILITY STATEMENT

(CONT'D)

Total Revenue

Financial Year	FY2023	FY2024	FY2025
Total Revenue (RM'000)	65,381	48,112	70,253
Profit/(Loss) Before Tax (RM'000)	1,452	(9,283)	11,290
(Loss)/Profit After Tax (RM'000)	(984)	(10,490)	8,412

Target Revenue

Financial Year	FY2023	FY2024	FY2025
Total Revenue (RM'000)	65,450,346	48,112,092	70,254,668
Budget (RM)	69,934,226	59,524,568	69,192,399

1.2. Ethical Business Conduct

Anti-Bribery and Anti-Corruption

The Group is committed to upholding the highest standards of integrity, transparency, and ethical conduct in all business dealings. A zero-tolerance approach towards bribery and corruption is embedded across the Group's operations and reflected in the Anti-Bribery and Anti-Corruption ("ABAC") Policy, which applies to all employees and relevant third parties.

The ABAC Policy sets out clear principles and procedures to prevent, detect, and respond to bribery and corruption risks. Key controls and measures include:

- Due diligence and background checks on third parties, including contractors, consultants, and business partners
- Background screening of potential employees
- Prohibition of facilitation payments and political contributions
- Clear guidelines on gifts, entertainment, and hospitality
- Requirement for all employees and relevant third parties to comply with the ABAC Policy

There were no confirmed or suspected incidents of bribery or corruption reported during FY2025 or in the preceding three financial years (FY2022, FY2023 and FY2024), consistent with the Group's disclosures in the Corporate Governance Overview Statement.

While no formal ABAC training programmes were conducted during FY2025, the Group continues to reinforce ethical awareness through policy dissemination, internal controls, and Management supervision.

Looking ahead, the Group will continue to assess its bribery and corruption risk exposure and consider the introduction of structured awareness or training initiatives when appropriate, taking into account operational needs, risk profile, and regulatory expectations.

1.3. Supply Chain Management

The Group recognises that an effective and resilient supply chain is critical to the successful execution of its property development and construction activities. Accordingly, the Group places strong emphasis on disciplined planning, close coordination, and active collaboration with outsourced contractors, subcontractors, suppliers, and logistics providers throughout the project lifecycle. Procurement for Head Office and Sales Gallery operations continues to be managed internally by the Group.

Through continuous optimisation of procurement processes and logistics arrangements, the Group seeks to enhance operational efficiency, manage costs prudently, and support timely project delivery, while maintaining quality and compliance standards.

SUSTAINABILITY STATEMENT

(CONT'D)

Procurement and Supplier Management

For construction-related activities, the Group maintains an Approved List of suppliers and contractors, which is established based on a structured evaluation of each party's track record, technical capability, compliance with project requirements, and ability to meet the Group's standards. These standards include material quality, technical support, commercial terms, and reliability in meeting delivery schedules.

Consistent with its broader economic sustainability objectives, the Group prioritises the use of locally sourced materials and services, where commercially and technically feasible, to support the domestic supply chain and national economy. At the same time, procurement decisions remain guided by the need to deliver value to stakeholders through cost efficiency, quality assurance, and availability of materials, thereby supporting effective project execution.

The number of suppliers engaged and the proportion of procurement spending for FY2023 to FY2025 are summarised below:

	FY2023		FY2024		FY2025	
	Number of Suppliers	% of Spending	Number of Suppliers	% of Spending	Number of Suppliers	% of Spending
Local	45	100%	48	100%	22	100%
Oversea	-	0%	-	0%	-	0
Total	45	100%	48	100%	22	100%

Local Employment and Sourcing

The Group values local sourcing as a means of strengthening supply chain resilience, supporting economic development, and fostering positive relationships with local communities.

In line with industry practice, the Group engages subcontractors and consultants to perform specialised functions, including construction, infrastructure works, and professional services. These subcontractors and service providers are responsible for the employment terms, welfare, and regulatory compliance of their respective personnel. This outsourcing approach ensures clear accountability while allowing the Group to focus on overall project management and delivery.

The proportion of procurement spending on local suppliers for the years under review is as follows:

Financial Year	FY2023	FY2024	FY2025
Proportion of spending on local suppliers	100%	100%	100%

Looking ahead, the Group will continue to review and strengthen its supply chain management practices in line with its sustainability objectives and risk profile. Where appropriate, the Group will consider enhancing supplier assessment criteria to incorporate relevant environmental, social, and governance ("ESG") considerations alongside existing commercial and technical requirements.

1.4. Product Quality and Innovation

The Group remains committed to delivering high-quality, sustainable developments that meet evolving market needs. In FY2025, this commitment was exemplified by The Asteria Melaka and A SOHO Johor Jaya, where product quality, innovation, and user experience were integrated throughout project planning, construction, and operations.

SUSTAINABILITY STATEMENT

(CONT'D)

A SOHO Johor Jaya continues to be a pioneering 3-in-1 property concept, combining living space, a home office, and a traditional office. The development includes co-working spaces, high-speed internet, and eco-friendly features such as rainwater harvesting to support sustainable urban living. With a GDV of RM241.03 million, the project comprises 474 SOHO units and 33 retail lots, built to high standards of quality and safety. Construction is progressing on schedule, targeting completion in Q4 2027.

The Asteria Melaka, completed in FY2025 with the issuance of its CCC, showcases the Group's focus on flexibility, quality, and tenant satisfaction. Both the hotel (Block A) and serviced apartment (Block C) components were designed to provide adaptable, move-in-ready units, while a robust defect management and customer feedback process has been established to maintain product quality and resident satisfaction.

1.5. Data Privacy and Security

The Group continues to prioritise the privacy and security of sensitive information, including employee records, purchaser details, and project data such as costings and budgets. To mitigate risks of data breaches, the following measures remain in place:

- **Centralised Data Management:** Customer and project data are securely stored on centralised servers with access granted only to authorised personnel based on roles.
- **Strict Access Control:** Access permissions are regularly reviewed to ensure employees can only access information relevant to their responsibilities, reducing risk of unauthorised access.
- **Data Management Policies:** Policies governing password use, email, and internet practices are strictly enforced to protect confidential information.

During FY2025, the Group maintained zero complaints or incidents of data breaches or loss, consistent with the past three financial years (FY2023, FY2024 and FY2025). Looking forward, the Group will continue to strengthen data protection measures and ensure compliance with evolving regulatory requirements and best practices.



2. ENVIRONMENTAL

The Group recognises the critical role environmental stewardship plays in sustainable property development. Across our offices, sales galleries, and project sites, the Group strives to optimise resource use, reduce environmental impact, and integrate sustainable practices into day-to-day operations.

2.1. Energy Management

Energy efficiency is a key component of the Group's environmental strategy. At our Head Office at Wisma Teras Eco, Johor Bahru, and our Sales Galleries, we have implemented measures to monitor, manage, and reduce energy consumption.

Total Energy Consumption (kWh)

Financial Year	FY2023	FY2024	FY2025
Total Energy Consumption (kWh)	55,446	95,092	90,945
Number of Employees (as of 31 December)	22	20	30
Energy Intensity (kWh/employee)	2,520	4,755	3,032

The increase in total energy consumption in FY2024 and FY2025 reflects higher operational activity, including expanded Sales Gallery operations. Despite this, energy intensity per employee improved in FY2025, indicating more efficient utilisation of energy as the Group scaled its workforce and operational activities.

SUSTAINABILITY STATEMENT

(CONT'D)

Head Office Energy Use

Energy consumption at the Group's Head Office is primarily driven by air conditioning, lighting, and office equipment. The Group actively manages energy usage through practical conservation initiatives, including switching off unused equipment and prioritising energy-efficient appliances when upgrading or replacing office devices. These measures aim to reduce environmental impact and operating costs while supporting efficient day-to-day operations.

The Head Office energy consumption for FY2023 to FY2025 is summarised below:

Financial Year	FY2023	FY2024	FY2025
Target (kWh)	≤50,000z	≤50,000	≤50,000
Actual usage (kWh)	53,603	49,842	48,827
Average number of employees (as of 31 December)	19	17	24
Energy intensity (kWh per employee)	2,821	2,932	2,034

While energy consumption marginally exceeded the 50,000-kWh target in FY2023, the Group successfully achieved and maintained compliance with the target in FY2024 and FY2025. The reduction in total energy consumption in FY2025 was achieved despite an increase in headcount, reflecting improved energy efficiency and the effectiveness of ongoing conservation measures. Energy intensity per employee also improved significantly in FY2025, demonstrating more efficient use of energy resources across office operations.

Sales Galleries Energy Use

Energy consumption at the Group's Sales Galleries is primarily driven by air conditioning, lighting, and office equipment required to support daily sales operations. As Sales Gallery activities are closely linked to project marketing intensity, energy usage may vary depending on the number of active galleries and staffing levels.

The Sales Gallery energy consumption for FY2023 to FY2025 is summarised below:

Financial Year	FY2023	FY2024	FY2025
Target (kWh)	-	≤50,000	≤50,000
Actual usage (kWh)	1,843	39,090	42,118
Number of employees stationed in Sales Galleries (as at 31 December)December	3	3	6
Energy intensity (kWh per employee)	614	13,030	2,034

Energy consumption increased from 39,090 kWh in FY2024 to 42,118 kWh in FY2025, mainly due to the opening of an additional Sales Gallery for The Asteria Melaka Serviced Apartment project. In view of the expanded Sales Gallery footprint, the Group prudently revised the energy consumption target for FY2025 to ≤60,000 kWh from ≤40,000 kWh in FY2024.

Despite the higher absolute energy consumption in FY2025, energy intensity per employee improved substantially, declining from 13,030 kWh per employee in FY2024 to 7,020 kWh per employee, demonstrating more efficient energy utilisation as staffing levels increased.

SUSTAINABILITY STATEMENT

(CONT'D)

Energy Management Initiatives for Sales Galleries

To strengthen energy management across Sales Gallery operations, the Group plans to:

- **Establish Baseline Data:** Implement regular monitoring to develop reliable energy consumption baselines across active sales locations.
- **Identify Energy-Saving Opportunities:** Assess potential improvements in air-conditioning usage, lighting efficiency, and equipment operation.
- **Implement Conservation Measures:** Apply targeted energy-saving practices aligned with those adopted at the Head Office, tailored to Sales Gallery operations.
- **Set Future Targets:** Develop realistic and measurable energy reduction targets based on baseline data, operational scale, and project lifecycle.

Through these measures, the Group aims to lower environmental impact, optimise costs, and support long-term sustainability objectives.

2.2. Emission

Monitoring and managing greenhouse gas (“GHG”) emissions forms an integral part of the Group’s environmental sustainability approach. In line with the Sustainability Reporting Guide, the Group reports on Scope 1 (direct emissions) and Scope 2 (indirect emissions from purchased electricity) to enhance transparency, track performance trends, and support continuous improvement initiatives.

Total Emissions Generated

Type of Emission	Elements Involved	FY2024	FY2025
Scope 1 Emissions (tCO ₂ e)	Petrol usage for company’s cars	14.31	14.30
Scope 2 Emissions (tCO ₂ e)	Emissions from the electricity consumption	55.53	53.11

Scope 1 emissions arise from petrol consumption associated with the Group’s company vehicles and remained largely stable in FY2025, reflecting consistent vehicle usage and operational requirements.

Scope 2 emissions are attributable to electricity consumption across the Head Office and Sales Galleries. Even with expanded operations in FY2025, including an additional Sales Gallery, Scope 2 emissions decreased slightly compared to FY2024, reflecting improved energy efficiency and effective energy management measures.

Overall, the Group achieved a marginal reduction in total GHG emissions in FY2025, illustrating progress in decoupling emissions from operational growth. Monitoring will continue to identify further opportunities to reduce the carbon footprint through enhanced energy efficiency and targeted environmental initiatives.

2.3. Water Management

The Group is committed to responsible water stewardship and recognises the importance of managing water consumption efficiently to reduce environmental impact and support long-term water security in the areas in which it operates. The Group continuously monitors water usage and implements practical measures to promote conservation and responsible use.

SUSTAINABILITY STATEMENT

(CONT'D)

Total Water Consumption

Financial Year (FY)	FY2023	FY2024	FY2025
Head Office Water Consumption (m ³)	420	420	420
Sales Galleries Water Consumption (m ³)	16	136	311
Total Water Consumption (m ³)	436	556	731
Water Intensity (m ³ per employee)	19.82	27.80	24.37

Total water consumption increased from 556 m³ in FY2024 to 731 m³ in FY2025, primarily due to higher water usage at Sales Galleries arising from expanded operations and additional facilities. Head Office water consumption remained stable over the three-year period, reflecting consistent usage patterns and effective basic conservation practices.

Despite the increase in absolute water consumption, water intensity improved in FY2025, declining from 27.80 m³ per employee in FY2024 to 24.37 m³ per employee, reflecting more efficient water use across a larger workforce.

Head Office and Sales Galleries

At these locations, water is mainly used for basic needs like restrooms and pantry areas. Employees are encouraged to turn off taps when not in use and report leaks immediately, demonstrating the Group's commitment to sustainability and responsible water management.

Property and Construction

At A SOHO Johor Jaya, higher water demand from the M-Facilities Deck, including landscaping and a water feature, was identified. A rainwater harvesting system has been installed to collect and reuse rainwater, reducing freshwater consumption, lowering costs, and supporting sustainable property management.

Overall, the Group remains committed to strengthening water conservation practices, enhancing monitoring mechanisms, and engaging employees and stakeholders in responsible water usage, contributing to long-term operational resilience.

2.4. Effluents & Waste Management

The Group maintains a comprehensive approach to managing effluents and waste across operations, recognising its role in reducing environmental impact and supporting sustainability. In property development and construction, contractors manage most construction waste, while the Group directly oversees effluent and waste management at the Head Office and Sales Galleries.

Water Effluents Management

Wastewater at the Head Office and Sales Galleries arises mainly from restrooms, pantry areas, sinks, and routine cleaning. To manage water effluents responsibly, the Group implements a combination of employee awareness, proactive maintenance, and continuous improvement initiatives:

- **Employee Awareness Initiatives:** Regular reminders encourage responsible water usage, such as turning off taps and promptly reporting leaks.
- **Proactive Maintenance:** Scheduled maintenance ensures leaks and inefficiencies are quickly identified and rectified.
- **Continuous Improvement:** The Group actively explores additional water-saving measures for potential implementation.

Waste Management at Head Office and Sales Galleries

Office waste primarily consists of domestic waste and recyclables. A structured waste segregation system ensures materials are sorted and directed to appropriate disposal or recycling channels, reducing landfill volumes.

Key FY2025 initiatives:

- **Office Recycling Point:** Collecting brochures, flyers, and documents for responsible recycling.
- **Second Life Station:** Collection and reuse of containers, bags, and folders.
- **E-Waste Drop-Off Day:** Responsible collection and disposal of electronic devices.

Waste Management at Construction Site

- **On-site Waste Segregation System:** Dedicated stations separate wood, concrete, metal, plastics, and packaging for reuse or recycling.
- **Reuse of Construction Materials:** Timber formwork, scaffolding boards, and metal supports are repurposed across projects to minimise waste.

SUSTAINABILITY STATEMENT

(CONT'D)

Axteria Waste Reduction Program

Type of Waste	Waste Management Approach
Domestic Waste	Collected by municipal services for proper disposal
Recycled Waste	Paper, plastics, and metal waste are segregated and sent for recycling
Scheduled Waste	Minimal generation; disposed of in compliance with regulations
Water Effluents	Primarily domestic effluents from restrooms and pantry

Total Waste and Recycling Performance

Financial Year (FY)	FY2023	FY2024	FY2025
Total Non-Hazardous Domestic Waste (MT)	2.94	2.24	3.29
Total Water Effluents Discharged (MT)	105.29	104.41	125.28
Waste Diverted from landfill – Plastic (MT)	0.88	0.83	0.67
Used batteries	Minimal	Minimal	Minimal

The slight increase in domestic waste and water effluents in FY2025 reflects expanded operational activity, including additional Sales Galleries and ongoing construction projects. Nevertheless, ongoing recycling initiatives and proactive waste management practices ensure the Group maintains high standards of environmental stewardship.

2.5. Pollution Prevention

The Group recognises the importance of preventing pollution as a key aspect of environmental sustainability. Across office operations, construction sites, and sales activities, proactive measures are implemented to minimise pollution, reduce waste, and encourage environmentally responsible practices.

Initiatives to Reduce Pollution

The Group has introduced several initiatives to reduce pollution and encourage sustainable behaviour among employees and stakeholders:

- **Single-Use Reduction:** Reusable cutlery and straw sets distributed during official events to raise awareness and promote sustainability.
- **Waste Sorting and Recycling:** Office waste is segregated into domestic and recyclable streams to divert paper, plastics, and metals from landfills.
- **E-Waste Management:** Collection programs, including the annual E-Waste Drop-Off Day, facilitate responsible disposal of electronic devices.
- **Construction Site Pollution Controls:** On-site measures include reuse of materials, segregation of construction waste, and proper management of dust, noise, and runoff.

Environmental Compliance

The Group adheres strictly to environmental regulations, with regular inspections of offices and construction sites ensuring compliance with local and national standards. By exploring innovative approaches to waste management, energy efficiency, and emission reduction, the Group demonstrates a commitment to responsible operations.

In FY2025, the Group recorded zero environmental fines, reflecting the effectiveness of pollution prevention measures and dedication to sustainable business practices.

Continuous Improvement

Axteria continuously explores additional pollution prevention measures, guided by emerging regulations, stakeholder feedback, and opportunities to integrate sustainability into daily operations, ensuring compliance and long-term operational resilience.

SUSTAINABILITY STATEMENT

(CONT'D)



3. SOCIAL

Social sustainability is a core element of the Group's approach to responsible business conduct. The Group aims to generate positive and lasting social impact by supporting local communities, fostering an inclusive and respectful workplace, and upholding the highest standards of ethical behaviour.

The Group's social priorities focus on meaningful community engagement, supporting local businesses, promoting employee well-being and development, and providing safe and healthy working environments. By investing in our people and contributing to the wider community, we aim to strengthen stakeholder trust, enhance organisational resilience, and drive sustainable long-term growth.

3.1 Diversity and Inclusivity

The Group is committed to fostering a respectful and inclusive workplace where diversity is valued and employees are treated with dignity and fairness. Employment decisions relating to recruitment, training, remuneration, and career advancement are made based on merit and job-related criteria.

The Group does not tolerate discrimination, harassment, or unfair treatment in any form. While the Group has not adopted formal diversity targets, it continues to maintain an inclusive work environment that supports equal opportunity and mutual respect.

We strongly believe that diversity and inclusivity are essential for success and resilience. A diverse workforce encourages new ideas, innovation, and business growth, which is why we actively promote different perspectives and ensure employees are valued for their contributions.

To support this, all hiring, development, and promotions follow a merit-based system. Discrimination of any form—including gender, age, ethnicity, religion, or other personal traits—is strictly prohibited, ensuring a workplace where everyone is respected and valued.



The Group does not tolerate discrimination, harassment, or unfair treatment in any form. While the Group has not adopted formal diversity targets, it continues to maintain an inclusive work environment that supports equal opportunity and mutual respect.



- **Equal Opportunity and Fair Treatment**

At Axteria, all employees are treated with fairness and respect, irrespective of experience, gender, race, religion, or marital status. Career growth and promotions are merit-based, giving everyone an equal chance to succeed.

- **Cultivating a Culture of Inclusivity**

The Group fosters a welcoming and diverse environment where every employee feels valued, respected, and safe. Inclusivity is central to our culture, enabling employees to thrive and contribute to collective success.

- **Ethical Conduct and Whistleblower Protection**

Misconduct is strictly prohibited. Axteria maintains a zero-tolerance policy and encourages reporting of unethical behaviour through Department Heads, HR, or the confidential whistleblower system. All reports are treated seriously and promptly addressed.

Employee Composition by Gender and Age

The following table provides a breakdown of directors and employees by gender and age group over the past three financial years:

SUSTAINABILITY STATEMENT

(CONT'D)

By gender - Employees					
Designation	Gender	Target FY2025	FY2023	FY2024	FY2025
Directors	Male	6	6	6	6
	Female	2	2	2	2
Senior management	Male	2	2	1	1
	Female	1	1	1	1
Management	Male	2	2	1	1
	Female	-	-	-	1
Non-management office staff	Male	3	3	3	4
	Female	16	16	16	17
Site supervisors / managers	Male	3	3	1	1
	Female	-	-	-	-
Total		35	35	31	34

By age group - Employees					
Designation	Age	Target FY2025	FY2023	FY2024	FY2025
Directors	≤ 30	-	-	-	-
	31 - 40	2	2	3	3
	41 - 50	1		1	1
	> 50	5	5	4	4
Senior management	≤ 30	-	-	-	-
	31 - 40	1	1	-	-
	41 - 50	1	1	1	1
	> 50	1	1	1	1
Management	≤ 30	-	-	1	-
	31 - 40	-	-	-	1
	41 - 50	1	1	1	1
	> 50	1	1	-	-
Non-management office staff	≤ 30	8	8	6	9
	31 - 40	8	8	11	9
	41 - 50	2	2	1	2
	≤ 30	1	1	1	1

SUSTAINABILITY STATEMENT

(CONT'D)

By age group - Employees					
Designation	Age	Target FY2025	FY2023	FY2024	FY2025
Site supervisors/ managers	31 - 40	1	1	-	-
	41 - 50	-	-	-	-
	> 50	2	2	1	1
	> 50	-1	-	-	-
Total		35	35	31	34

3.2 Investing in Our People: Employee Development, Retention and Training

At Axteria, we value our employees as our greatest asset and the key to our success. We are committed to providing a supportive environment that fosters growth and attracts top talent. Our initiatives for employee development, retention, and training are designed to build a skilled, motivated, and adaptable workforce.

Key Pillars of Our Commitment includes:

- Competitive Rewards and Comprehensive Benefits
- Empowering Career Growth and Advancement
- Continuous Learning and Development Programs: We provide a mix of external and internal training programs aimed at enhancing technical expertise, industry knowledge, and essential soft skills aligned with organisational priorities.
- A Culture of Mentorship and Coaching
- Constructive Performance Feedback and Development Reviews: Annual evaluations promote open communication, identify growth areas, and provide guidance to support employees' career development.

Employee Training and Development Initiatives in FY2025

In FY2025, the Group continued to invest in employee development through external and internal training programs designed to enhance skills, knowledge, and professional capabilities.

Designation	Total hours of training attended	Average hours of training
Senior management	20	10
Management	4	2
Non-management office staff	80	4
Site supervisors / managers	4	4

Internal knowledge-sharing sessions were conducted across departments to foster continuous learning, exchange practical insights, and ensure employees remain updated on industry trends and best practices.

Human Rights Record

Over the past three financial years (FY2023, FY2024 and FY2025), we are pleased to report that there have been no substantiated complaints regarding human rights violations within the Group. This reflects our ongoing commitment to ethical practices and a respectful workplace environment.

Employee Composition and Retention

Employee type	Percentage (%)
Permanent employee	98
Contract or temporary staff	3

SUSTAINABILITY STATEMENT

(CONT'D)

Employee Turnovers and New Hires in FY2025

The following table provides a breakdown of employee turnover and new hires by designation during FY2025:

Designation	Number of Turnover	Number of New Hire
Senior management	-	-
Management	-	-
Non-management office staff	6	9
Site supervisors / managers	-	-
Total	6	9

In FY2025, a total of 6 employees resigned across various roles, while 9 new hires joined the team. The Group remains committed to maintaining an optimal workforce by actively recruiting to offset employee departures. These efforts ensure operational continuity and sufficient manpower to support business activities.

Analysis of Employee Turnover

Employee turnover reduced in FY2025 compared to FY2024 (Number of Turnover: 14). The turnover figures above represent employees who voluntarily resigned. The Group continues to analyse the reasons behind turnover, particularly within the Non-Management Office Staff category, to identify areas for improvement in retention strategies. The addition of 9 new hires demonstrates the ongoing need for talent to support operational growth.

3.3 Occupational Health and Safety (OHS)

At Asteria, we prioritise the health, safety, and well-being of our employees across all operations. We are committed to providing a safe, secure, and comfortable working environment for everyone.

To reinforce this commitment, the Group has implemented a Safety Policy that serves as a strong foundation for managing workplace health and safety. This policy reflects our dedication to protecting employees and includes proactive measures to prevent accidents, reduce risks, and promote overall well-being in all activities.

Safety Performance and Initiatives

Over the past three financial years (FY2023 to FY2025), we have maintained a zero lost-time incident and zero fatality record. This achievement demonstrates our strong commitment to safety protocols and a proactive approach to risk management.

While most of our workforce operates in office-based settings, we recognise the importance of preparedness for employees who visit project sites. Following the departure of previously trained first-aid personnel, the Group is still in the process of identifying

suitable candidates to attend the first-aid course in FY2025. This ensures that certified first-aiders are available to handle potential incidents, particularly at our property development and construction sites.

Safety Management in Property and Construction

In our property and construction division, occupational health and safety management is primarily handled by our experienced contractors. These partners are required to implement internal controls and strictly adhere to Malaysian safety regulations and industry best practices.

Their responsibilities include:

- Appointing dedicated Safety Officers to oversee compliance.
- Establishing Safety Committees to manage safety protocols.
- Conducting regular risk assessments to identify and mitigate potential hazards.
- Promoting a strong safety culture across project sites.

The Group maintains oversight to ensure compliance with regulations and best practices.



To reinforce this commitment, the Group has implemented a Safety Policy that serves as a strong foundation for managing workplace health and safety



SUSTAINABILITY STATEMENT

(CONT'D)

Health and Safety Performance

Financial Year (FY)	FY2023	FY2024	FY2025
Number of work-related fatalities	-	-	-
Total man hours worked	-	67,968	61,624
Lost time incident rate*	-	-	-
Number of employees trained on Health and Safety Standards	-	-**	-**

* Number of lost time injuries / Total number of hours worked.

** DOSH regulations require first-aider recertification every three years, no additional first-aid training was mandated or conducted in FY2024. In FY2025, the Group is identifying suitable candidates to undergo first-aid training following the departure of previously trained personnel.

3.4 Responsible Marketing

Axteria ensures that all marketing is transparent, accurate, and ethical, avoiding exaggeration or misleading claims. Marketing materials are designed to inform, educate, and foster trust among customers, investors, and the local community.

Key Focus Areas:

- Reducing Environmental Impacts – Minimising ecological footprint
- Fostering Social Well-being – Supporting local communities
- Adhering to Governance Best Practices – Upholding accountability and integrity

Responsible marketing strengthens our reputation and reinforces long-term sustainability goals.

3.5 Community Engagement

In FY2025, no formal Corporate Social Responsibility (CSR) programs were conducted. While the Group continues to prioritise financial stability and operational growth, we remain committed to supporting the communities in which we operate and intend to resume CSR initiatives when conditions allow.

The Group recognises the importance of community engagement and continues to explore opportunities to contribute meaningfully to local causes, social welfare, and environmental sustainability. These efforts will remain a strategic focus as part of our long-term dedication to social and environmental stewardship.

Moving forward, Axteria aims to develop structured initiatives that align with our sustainability objectives, creating positive impact for stakeholders while reinforcing the Group's commitment to responsible business practices.

3.6 Responsible Growth At Axteria

Axteria is committed to responsible development, focusing on environmental care, community well-being, and long-term business sustainability.

We aim to minimise environmental impact, support local communities, and implement sustainable practices across all operations. This includes eco-friendly initiatives, ethical standards, stakeholder engagement, and ongoing process improvements.

Through these efforts, Axteria strives to create long-term positive impacts for employees, stakeholders, and the wider Malaysian community.



Moving forward, Axteria aims to develop structured initiatives that align with our sustainability objectives, creating positive impact for stakeholders while reinforcing the Group's commitment to responsible business practices.



SUSTAINABILITY STATEMENT

(CONT'D)

Performance Data and Target

The following table summarises our performance for FY2023 to FY2025:

Indicator	Unit	FY2023	FY2024	FY2025
Anti-Bribery and Anti-Corruption				
Bursa C1 (a) Percentage of new employees who have received training on anti-corruption by employee category				
Management	Percentage	50	0	0
Executive	Percentage	20	0	0
Non-Executive	Percentage	0	0	0
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0	0	0
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Supply Chain Management				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100	100	100
Energy Management				
Bursa C4(a) Total energy consumption	kW/h	55,446	95,092	90,945
Waste Management				
Bursa C10(a)(i) Total Waste Generated - Total waste diverted from disposal	Metric Tonne	0	0	0
Bursa C10(a)(ii) Total Waste Generated - Total waste directed to disposal	Metric Tonne	109.11	107.32	95.07
Emission				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	tCO2e	Not Available	14.31	14.30
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	tCO2e	Not Available	55.53	53.11
Water Management				
Bursa C9(a) Total volume of water used	Megalitres	436	556	731
Health and Safety				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) LTI rate	Rate	0	0	0
Bursa C5(c) Number of employees trained on health and safety standards (Internal & External training)	Number	0	0	0

SUSTAINABILITY STATEMENT

(CONT'D)

Indicator	Unit	FY2023	FY2024	FY2025
Labour Practices and Standards				
Bursa C6(a) Total hours of training by employee category				
Management	Number	23	2	24
Executive	Number	109	81	80
Non-Executive	Number	0	0	4
Bursa C6(b) Percentage of employees that are contractors or temporary Staff	Percentage	0	0	0
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	0	1	0
Executive	Number	13	1	0
Non-Executive	Number	0	11	6
Bursa C6(d) Number of substantiated complaints concerning human rights violation	Number	0	0	0
Total number of new hires by employee category				
Management	Number	1	0	0
Executive	Number	18	5	0
Non-Executive	Number	2	1	9
Diversity and Equal Opportunities				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Senior Management - Male	Percentage	67	50	50
Senior Management - Female	Percentage	33	50	50
Management - Male	Percentage	100	100	50
Management - Female	Percentage	0	0	50
Non-management - Male	Percentage	16	16	19
Non-management - Female	Percentage	84	84	81
Site Supervisor - Male	Percentage	100	100	100
Site Supervisor - Female	Percentage	0	0	0

SUSTAINABILITY STATEMENT

(CONT'D)

Indicator	Unit	FY2023	FY2024	FY2025
Diversity and Equal Opportunities				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Below 30 years old – Senior Management	Percentage	0	0	0
30 to 50 years old – Senior Management	Percentage	67	50	50
Above 50 years old – Senior Management	Percentage	33	50	50
Below 30 years old – Management	Percentage	0	0	0
30 to 50 years old – Management	Percentage	50	100	100
Above 50 years old – Management	Percentage	50	0	0
Below 30 years old – Non-Management	Percentage	42	32	43
30 to 50 years old – Non-Management	Percentage	53	63	52
Above 50 years old – Non-Management	Percentage	5	5	5
Below 30 years old – Site Supervisor	Percentage	33	0	0
30 to 50 years old – Site Supervisor	Percentage	67	100	100
Above 50 years old – Site Supervisor	Percentage	0	0	0
Bursa C3(b) Percentage of Directors by gender and age group				
Male members	Percentage	75	75	75
Female members	Percentage	25	25	25
Below 30 years old	Percentage	0	0	0
30 to 50 years old	Percentage	38	50	50
Above 50 years old	Percentage	62	50	50

SUSTAINABILITY STATEMENT

(CONT'D)

Indicator	Unit	FY2023	FY2024	FY2025
Community / Society				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0	5,900	0
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0	28	0
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

Statement of Assurance

This Sustainability Statement has not undergone a formal external assurance process. However, it has been subjected to a thorough internal review and received approval from the Board of Directors and Management.

While the preparation of this Statement was supported by an external professional party, all data and information included were carefully reviewed for accuracy and relevance prior to incorporation. In addition, Management conducted a detailed internal verification process to ensure that all disclosures are appropriate, accurate, and aligned with reporting standards.

Based on these internal review procedures, nothing has come to our attention that would suggest any material misstatements or inaccuracies in the information presented.

ADDITIONAL COMPLIANCE INFORMATION

The following information is presented in compliance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"):

1. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")

The Company issued the first sub tranche of Tranche 1 RCPS on 23 September 2020 pursuant to a Subscription Agreement entered into with Sycamore Capital SPC. The RCPS carried a dividend rate of 2.0% per annum and were structured with an aggregate subscription amount of up to RM80.0 million.

Up to the financial year ended 31 December 2025, the Company had raised a total of RM49.0 million under the RCPS programme. Of this amount, RM42.6 million was utilised to finance existing property development projects, RM3.0 million for working capital, and RM3.4 million for expenses relating to the RCPS. Details of the utilisation of proceeds are set out below:

Purpose	Intended Utilisation Period	Proposed Utilisation (RM'000)	Actual Amount Raised (RM'000)	Actual Amount Utilised (RM'000)	Balance (RM'000)
Financing of property development and construction project	Within 3 years	48,000	42,600	42,600	5,400
Financing of future property development Projects	Within 3 years	24,000	-	-	24,000
Working capital	Within 3 years	3,000	3,000	3,000	-
Expenses relating to RCPS	Within 5 years	5,000	3,400	3,400	1,600
Total		80,000	49,000	49,000	31,000

The RCPS had a tenure of sixty (60) months from the issue date of the first sub-tranche of Tranche 1 and accordingly matured on 22 September 2025. Upon maturity, the RCPS programme expired and ceased in its entirety. All unsubscribed RCPS are deemed null and void, and no further issuance of RCPS will take place.

2. AUDIT AND NON-AUDIT FEES

For the financial year ended 31 December 2025, the audit and non-audit fees paid and/or payable by the Company and its subsidiaries to the external auditors, Crowe Malaysia PLT, and their affiliated company, Crowe JB Tax Sdn. Bhd. were as follows:

	Group (RM)	Company (RM)
Statutory audit fees		
-Crowe Malaysia PLT	226,500	60,000
Non-audit services fees		
-Crowe Malaysia PLT	5,000	5,000
-Crowe JB Tax Sdn. Bhd.	59,400	6,300

The non-audit fees, mainly related to the review of the Statement of Risk Management and Internal Control, as well as tax compliance services, encompassing assistance in the preparation and submission of tax computations and returns, and tax estimations.

ADDITIONAL COMPLIANCE INFORMATION

(CONT'D)

3. MATERIAL CONTRACTS

Neither the Company nor its subsidiaries entered into any material contracts involving the interests of Directors and major shareholders that were subsisting at the end of the financial year under review or entered into since the end of the previous financial year.

4. RELATED PARTY TRANSACTIONS

The Company has established a framework to ensure compliance with the Listing Requirements in relation to the disclosure and governance of related party transactions. The Audit and Risk Management Committee ("ARMC") plays a key role by reviewing and monitoring such transactions on a quarterly basis.

In accordance with good governance practices:

- Directors with an interest in a related party transaction are required to abstain from deliberations and voting on the relevant matters at Board or Committee meetings, as well as at general meetings, where applicable;
- All related party transactions are conducted on an arm's length basis, on normal commercial terms, and are not more favourable than those generally available to the public or other suppliers, and are not detrimental to minority shareholders;
- All related party transactions are reported to the ARMC, which may request additional information or seek guidance and advice from independent sources or advisers, where necessary; and
- Shareholders' approval is sought at the Annual General Meeting ("AGM") for any non-mandated recurrent related party transactions of a revenue or trading nature entered into by the Group in the ordinary course of business ("RRPT").

At the AGM held on 30 May 2025, the Company obtained a general mandate from its shareholders for the Company and its subsidiaries to enter into RRPT ("RRPT Mandate").

The aggregate value of RRPT incurred by the Group pursuant to the RRPT Mandate for the financial year ended 31 December 2025 did not exceed the threshold prescribed under Paragraph 10.09(1) of the Listing Requirements of Bursa Securities.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors (the "Board") of Asteria Group Berhad (the "Company") is pleased to present the following report on the activities of the Audit and Risk Management Committee (the "ARMC") Report for the financial year ended 31 December 2025 ("FY2025") and up to the date of this Annual Report.

A. Composition

Throughout FY2025, the ARMC comprised three (3) Independent Non-Executive Directors, in compliance with Paragraphs 15.09(1)(a) and (b) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad, as well as Practice 9.4 under Principle B of the Malaysian Code on Corporate Governance 2021 ("MCCG").

Members of the ARMC were:

Name	Designation
Ng Lee Thin	Chairperson
Kevin Low Ee Ming	Member
Yap Yung Chien	Member

The ARMC Chairperson, Ng Lee Thin, a member of the Malaysian Institute of Certified Public Accountants, also fulfilled the financial expertise criterion under Paragraph 15.09(1)(c)(i) of the Listing Requirements, which mandates that at least one (1) member of the audit committee be a qualified accountant.

B. Authority, Duties and Responsibilities

The ARMC discharges its responsibilities and performs its duties in accordance with its Terms of Reference ("ToR"), which is available on the Company's website at <https://agb.my/>.

C. Meetings

The ARMC convenes meetings on a quarterly basis. During FY2025, a total of five (5) meetings were conducted, with full attendance from all members:

Name	Designation	No. of Meetings Attended
Ng Lee Thin	Chairperson	5/5
Kevin Low Ee Ming	Member	5/5
Yap Yung Chien	Member	5/5

Led by the Chairperson, the ARMC actively engaged with the Group Managing Director ("MD"), Executive Director ("ED"), and key management personnels (the "Management"), along with the internal and external auditors. The MD, ED and the Management were invited to these meetings to facilitate direct communication and provide necessary clarification on audit matters and the Company's operations.

The internal and external auditors presented their respective audit reports, and discussions were documented and reported to the Board. The ARMC Chairperson highlighted key findings of the external auditors and significant concerns raised by the internal auditors during quarterly presentations. These reports, along with the ARMC's deliberations, were presented to the Board for consideration, approval and subsequent implementation by the Management.

The ARMC carried out its responsibilities with independence and objectivity, ensuring that its deliberations and recommendations were made in the best interests of the Company and its stakeholders.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(CONT'D)

D. Summary of Activities and Work

During the financial year under review, the ARMC diligently performed its duties across several key areas, as detailed below:

1. Financial and Compliance

The ARMC dedicated significant effort to overseeing the Company's financial reporting and compliance functions:

- **Financial Statements:** The ARMC thoroughly reviewed all four (4) unaudited quarterly financial statements and the audited financial statements presented by the Chief Financial Officer. This process involved seeking necessary explanations and focused specifically on:
 - Changes in or implementation of major accounting policies and practices.
 - Significant matters highlighted, including financial reporting issues, key judgements made by management, unusual events or transactions, and their resolution.
 - Compliance with applicable accounting standards and other legal requirements.
 - The appropriateness of the going concern assumption. The ARMC subsequently recommended these statements to the Board for approval.
- **Related Party Transactions and Conflicts of Interest:** The ARMC rigorously reviewed and deliberated related party transactions ("RPT"), recurrent RPT of revenue or trading in nature ("RRPT"), and any actual or potential conflict of interest ("COI") situation. The ARMC ensured that all RPTs and RRPTs were conducted at arm's length, in accordance with the usual business practices and policies of the Company and its subsidiaries (collectively referred to as the "Group"), and on terms no more favourable than those generally available to the public or other comparable suppliers, while also safeguarding the interests of minority shareholders.
- **Threshold Monitoring:** To ensure adherence to regulatory requirements, the ARMC actively monitored RPT and RRPT thresholds in compliance with the Listing Requirements.
- **Policy Review:** The ARMC played a key role in governance by reviewing and recommending the COI Policy and the ARMC's ToR to the Board for approval.
- **Report Review:** The ARMC undertook a thorough review of its own report and Statement on Risk Management and Internal Control before recommending them to the Board for approval and inclusion in the Annual Report.
- **Budget Review:** The ARMC reviewed the annual budgeted cash flow and provided its recommendation to the Board for approval.
- **Sustainability and EESG Oversight:** Demonstrating its commitment to responsible business practices, the ARMC oversaw the implementation of the sustainability framework, policies, strategies, and Economic, Environmental, Social, and Governance ("EESG") initiatives across the Group to meet market and global expectations.
- **EESG Integration:** The ARMC monitored the progress of sustainability efforts by reviewing key update concerning EESG developments and results of their integration into the Group's operations and principles, with the objective of building a sustainable business model.
- **MCCG Application:** The ARMC assessed the Company's adoption of corporate governance best practices by evaluating the application of the principles outlined in the MCCG. This included reviewing the suitability of any alternative practices adopted by the Board to achieve the intended outcomes of MCCG.

2. External Audit

The ARMC provided robust oversight of the external audit function:

- **Audit Planning:** The ARMC actively engaged with the external auditors in reviewing the Audit Planning Memorandum for FY2025. Discussions focused on the audit's nature, scope, areas of emphasis, and action plans to ensure comprehensive compliance with relevant accounting standards before the finalisation of the Group's audited financial statements.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(CONT'D)

- **Audit Report Deliberation:** The ARMC carefully deliberated on the external auditors' report, identifying significant areas and impact on financial matters based on findings from both interim and final audits.
- **Auditor Assessment:** The ARMC conducted its annual evaluation of the external auditors' suitability and independence, giving due consideration of their continued engagement with the Group.
- **Performance and Recommendation:** The ARMC reviewed the performance of the external auditors across various aspects, including calibre, quality process, audit team, scope, communication, adequacy of the firm's expertise and resources, audit governance independence, as well as the audit and non-audit fees. Based on this review, the ARMC recommended their re-appointment and remuneration to the Board.
- **Auditor Matters:** The ARMC addressed any matters related to the appointment, re-appointment, resignation, dismissal, or removal of the external auditors.

3. Internal Audit and Risk Management

The ARMC actively oversaw the internal audit function and the Group's risk management framework:

- **Internal Audit Plan Review:** The ARMC reviewed the outsourced internal audit plans for the financial year to ensure they provided adequate scope and comprehensive coverage of the Group's activities. The ARMC also assessed the methodology to ensure effective risk identification, analysis, assessment, monitoring, and communication.
- **Internal Audit Report Review:** The ARMC reviewed internal audit reports, providing constructive feedback and suggesting further improvements to enhance the adequacy and effectiveness of the internal control system across the Group's operations, systems, processes, and functions.
- **Service Provider Oversight:** The ARMC reviewed the performance of the outsourced internal audit service provider and approved any appointment, resignation, or termination.
- **Risk Register Review:** The ARMC regularly reviewed the risk register and updated risk profiles for key risk areas.
- **Anti-Bribery and Anti-Corruption:** The ARMC reviewed the Group's anti-bribery and anti-corruption risks and the corresponding mitigating activities, as well as the Anti Bribery and Anti-Corruption Policy and Whistleblower Policy. The ARMC noted with satisfaction that no complaints were received through the whistleblowing channel during the financial year.
- **Cyber Security and Data Privacy:** The ARMC reviewed the cyber security landscape and data privacy risks within the Group.
- **Internal Control Evaluation:** The ARMC evaluated the Group's overall system of internal control and the scope of the internal audit function to ascertain their adequacy in providing relevant assurance on the effectiveness of governance, risk, and control processes, in accordance with the Statement of Risk Management and Internal Controls.
- **Risk Management Process Review:** The ARMC reviewed the risk management processes to assess compliance with established internal policies, standards, plans, and procedures, recommending improvements based on insights from internal and external auditors.
- **Litigation and Claims Review:** The ARMC reviewed reports on any major litigation, claims, and/or issues with substantial financial impact.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(CONT'D)

E. Evaluation of the ARMC

The Board conducted a comprehensive evaluation of the performance of the ARMC and its individual members. This assessment included a review of the ARMC's ToR, which was subsequently examined by the Nomination Committee ("NC") before being presented to the Board.

The Board is satisfied that during FY2025, the ARMC has effectively discharged its duties and responsibilities, providing independent and objective oversight of financial reporting, audit processes, risk management, and governance practices in line with its ToR.

F. Internal Audit Function

During FY2025, the Company engaged Axcelasia Sdn Bhd (formerly known as Tricor Axcelasia Sdn Bhd) ("Axcelasia") as its outsourced internal audit service provider. Axcelasia was tasked with providing the ARMC with independent and objective assurance on the adequacy and effectiveness of the Group's internal control systems through systematic reviews. To preserve objectivity, the internal auditors had no direct authority or responsibility over the Group's operational or administrative activities.

The engagement was led by Mr. David Low Tak Wei, Executive Director of Axcelasia, who brings over eighteen (18) years of experience in internal and external auditing, business transformation, and process consultancy. His credentials include:

- Certified Internal Auditor
- Certified Lead Assessor for Anti-Bribery Management Systems (ABMS)
- Fellow Member of the Association of Chartered Certified Accountants (ACCA)
- Chartered Accountant of the Malaysian Institute of Accountants (MIA)
- Member of the Association of Certified Fraud Examiners

Axcelasia's internal audit team comprised experienced professionals with relevant qualifications and expertise. The firm is a corporate member of the Institute of Internal Auditors Malaysia, and its work is guided, in all material respects, by the International Professional Practices Framework (IPPF). Axcelasia also confirmed through written declarations that all personnel assigned to the Group were free from any relationships or conflicts of interest that might compromise their independence and objectivity.

Throughout FY2025, Axcelasia reported directly to the ARMC. Its audit work was conducted in accordance with IPPF standards. Prior to engagement, the ARMC and the Board assessed the experience and qualifications of the firm. Post engagement, the ARMC and the Board reviewed the internal audit findings, quality of advice rendered, adequacy of resources deployed, and fee structures.

The Group adopts a risk-based approach in implementing and monitoring its internal controls. A comprehensive risk identification and evaluation exercise was also carried out during the year.

A summary of the key works performed by Axcelasia during FY2025 is as follows:

- Project Management; and
- Cybersecurity Management.

The total cost incurred for the outsourced internal audit function for FY2025 was approximately RM30,000 (FY2024: RM34,500).

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Ateria Group Berhad (“Company”) acknowledges the critical importance of robust corporate governance and remains committed to upholding high standards and best practices across the Company and its subsidiaries (“Group”).

The Board is also dedicated to ensuring the sustainability of the Group’s business operations and financial performance, with the ultimate objective of safeguarding shareholders’ investments and enhancing long-term shareholder value.

This Corporate Governance Overview Statement (“Statement”) provides shareholders and other stakeholders with an overview of the Group’s application of the three (3) core principles outlined in the Malaysian Code on Corporate Governance 2021 (“MCCG”), under the stewardship of the Board.

This Statement should be read in conjunction with the Corporate Governance Report 2025 and other relevant disclosures in this Annual Report, including the Statement on Risk Management and Internal Control, the Audit and Risk Management Committee (“ARMC”) Report, and the Sustainability Statement, all of which are available on the Company’s website at <https://agb.my> and on the website of Bursa Malaysia Securities Berhad (“Bursa Securities”).

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Roles and Responsibilities

The Board is the cornerstone of the Group’s governance framework, maintaining effective control and providing oversight of the Group’s strategic direction, policy formulation, and overall performance. The Group Managing Director (“MD”) and Executive Director (“ED”) are entrusted with day-to-day management of the Group’s operations and resources.

Board members are appointed based on a diversity of expertise, contributing a broad range of perspectives and demonstrated competencies that enhance the Board’s effectiveness. Detailed biographies, highlighting their qualifications and experience, are available on pages 22 to 29 of this Annual Report. Each director is committed to making objective decisions in the best interests of the Group, its shareholders, and other stakeholders, while discharging their fiduciary duties with care, skill and diligence.

To promote clarity in roles and responsibilities, the Board has adopted a comprehensive Board Charter. This document serves as a key reference for both current and prospective directors, outlining the expectations, authority and processes governing Board conduct. The Board Charter, which was last reviewed and updated in March 2026 to reflect applicable regulatory changes, is accessible on the Company’s website at <https://agb.my>.

The Board retains full decision-making authority over the following matters, unless the Board decides to delegate the determination and/or approval of any such matter to the appropriate Board Committees or key management personnel (the “Management”):

- Conflict of interest (“COI”) or potential COI involving substantial shareholders or directors;
- Material acquisitions or disposals outside the ordinary course of business;
- Major investments in capital projects;
- Approval of annual budgets, including significant capital commitments and strategic plans;
- Corporate or financial exercises and restructuring activities;
- Establishment of new substantial businesses;
- Declaration of dividends, and approval of directors’ fees and benefits;
- Approval of annual and interim financial results.

The list of reserved matters may be reviewed and revised by the Board from time to time, subject to the provisions of the Company’s Constitution and applicable laws and regulations.

Chairman and Managing Director

There is a clear separation of duties and responsibilities between the Chairman of the Board and the Group Managing Director (“MD”) to ensure an appropriate balance of power and authority. The distinction fosters segregation of responsibility and accountability, in line with the best practices recommended under the MCCG.

The day-to-day management of the Group’s operations, including the implementation of policies and decisions set by the Board, is the responsibility of the MD, supported by the Executive Director (“ED”). The Board believes that this division of power ensures that no single individual has unfettered authority to make significant decisions unilaterally, thereby promoting effective governance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

The Chairman of the Board, who is an Independent Non-Executive Director, plays a pivotal role in leading the Board by setting the values and standards of the Company. In collaboration with fellow Directors, the Chairman oversees the following:

- The performance of the Management;
- The effective conduct of Board meetings, encouraging Directors to actively contribute and voice their views on matters discussed;
- Fostering a relationship of trust and collaboration between Executive and Non-Executive Directors;
- The provision of accurate, timely and clear information to Directors;
- Effective communication with shareholders and other stakeholders;
- In collaboration with the Nomination Committee ("NC"), conducting an annual evaluation of the performance of the Board, its Committees, and individual Directors.

This structure ensures that shareholder leadership is maintained at the Board level. The Board ensures that a balance of power is retained, preventing domination by the Chairman. The Independent Non-Executive Directors provide independent judgment and a check and balance on the Board.

Company Secretaries

The Board is supported by qualified Company Secretaries. All Directors have unrestricted direct access to the professional advice and services of the Company Secretaries, as well as access to all relevant information within the Company, whether acting collectively as the Board or in their individual capacities.

The Company Secretaries serve as key advisers to the Board, providing guidance to ensure that Board processes, procedures and governance practices are conducted in accordance with Main Market Listing Requirements ("Listing Requirements") and other applicable laws, regulations and guideline. They further ensure that deliberations and decisions of the Board and Board Committee meetings are properly recorded, and that relevant matters arising therefrom are communicated to the Management for timely follow-up and implementation.

Board Delegation

To effectively discharge its stewardship responsibilities, the Board delegates certain authorities and powers to the Board Committees, namely the ARMC, NC, Remuneration Committee ("RC"), and Investment Working Committee. This delegation enhances business and operational efficiency. The ToR for each of the Board Committees can be accessed on the Company's website at <https://agb.my>.

The Chairpersons of the respective Board Committees report the outcome of the Committee meetings to the Board. If necessary, further deliberations are conducted at the Board level.

Audit and Risk Management Committee

The ARMC reviews and evaluates, amongst others, the audit plan and audit report from external auditors, the adequacy of the internal control systems, and the effectiveness of the internal audit functions. The ARMC also reviews, comments on, and presents the quarterly financial results and year end results for approval of the Board.

A comprehensive ARMC Report, enumerating its membership, terms of reference ("ToR"), and summary of activities is set out on pages 58 to 61 of this Annual Report.

Nomination Committee

The NC performs the following duties and functions:

- Recommends candidates to the Board for directorship positions, ensuring alignment with the Group's strategic direction, sourced either from shareholders, the Board, or independent sources.
- Recommends Directors for appointment to the Board Committees.
- Review the required skills, experience, and core competencies for Non-Executive Directors on an annual basis.
- Assesses the effectiveness of the Board as a whole, the performance of the Board Committees, and the contributions of individual Directors annually.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

Remuneration Committee

The RC is responsible for reviewing and recommending the remuneration packages and employment policies for the Chairman, MD, ED and senior executives.

Investment Working Committee

The roles of the Investment Working Committee include the following:

- Evaluating and approving all investment opportunities;
- Requesting reports on existing investments and assessing them in light of current developments and future contingencies;
- Assisting the Board in reviewing investment proposals, providing oversight on new and/or major investments, and offering guidance and recommendations on investment matters.

Board Composition and Leadership

The MCCG underscores the importance of an appropriately composed Board to enhance the quality of decision-making and ensure transparency in the selection and evaluation of its members.

The current Board composition reflects a blend of Executive and Non-Executive Directors, comprising suitably qualified and experienced professionals who collectively enable the Board to discharge its responsibilities effectively. The Company's Constitution, under Clause 103, stipulates the number of directors shall not be less than two (2) and not more than eleven (11), unless otherwise determined by a General Meeting.

As at the date of this statement, the Board consists of eight (8) members, with a composition of one (1) Non-Independent Non-Executive Director, one (1) MD, one (1) ED, and five (5) Independent Non-Executive Directors. This composition ensures that Independent Directors constitute a majority on the Board, exceeding the minimum requirements under the Listing Requirements, which mandates at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, to be independent.

The Board's composition is aligned with Practice 5.2 of the MCCG, which recommends that at least half of the Board comprise Independent Directors. The presence of a strong majority of Independent Non-Executive Directors provides effective checks and balances, safeguards against undue influence or domination by any individual or group, and ensures that Board deliberations are conducted objectively and in the best interests of the Company. Independent Directors contribute independent judgement, professional expertise and constructive challenge, thereby enhancing the quality of decision-making and strengthening governance oversight.

The MD and ED are supported by the complementary experience and independent views of the Independent Non-Executive Directors, who are not involved in the day-to-day management of the Group's operations. This separation enables effective oversight of management performance and supports the proper identification and management of any actual or potential conflict of interest, while preserving the integrity of the Board's decision-making processes.

The Board values generational diversity, with members ranging in age from 35 to 69. This mix contributes to a dynamic and well-rounded Board, enriching discussions with a broad range of experiences, skills, and perspectives.

To facilitate open communication, the Chairman of the Board, Mr. Mok Juan Chek, serves as the Senior Independent Non-Executive Director to whom concerns relating to the Company can be conveyed by the Directors, shareholders and other stakeholders.

The NC supports the Board by periodically reviewing the size, composition, balance and effectiveness of the Board, including succession planning, Board diversity and Directors' competencies. While the NC makes recommendations, the final decision on appointments and re-appointments rests with the Board.

Based on the NC's review of the Board composition in March 2026, and considering the scope and nature of the Company's operations, the Board is of the view that its present composition represents an appropriate balance of Executive and Non-Executive Directors. This balance supports effective governance and promotes interests of shareholders, while also facilitating efficient decision-making. The Board values the extensive and diverse business experience of its Independent Non-executive Directors, which enhances the Board's collective ability to provide constructive opinions and exercise independent judgement.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

Supply and Access of Information

The Board has unrestricted access to timely and accurate information necessary to discharge its duty effectively. At each Board Meeting, the MD and ED provide updates on the Group's activities and operational matters to ensure the Board remains well-informed. Directors also have access to the advice and support of the Company Secretaries and, where necessary, may seek independent professional advice at the Group's expense to assist them in fulfilling their responsibilities.

Conduct of Meetings and Attendances

The Company's Constitution and Board Charter govern the conduct of Board meetings, including quorum requirements. As per Clause 131 of the Constitution, the quorum necessary for transacting business of Directors shall be a majority of Directors.

The Board Charter emphasises the Directors' commitment to allocate sufficient time to fulfil their responsibilities, a commitment secured upon their appointment. Each Director is required to dedicate the necessary time to fulfil their duties, including active participation in meetings of the Board and the Board Committees.

The Board convenes meetings on a regular basis, holding a minimum of four (4) scheduled meetings per financial year, with additional meetings convened as circumstances necessitate. These meetings are scheduled well in advance, by the last quarter of the preceding financial year, to facilitate effective planning by the Directors. Special meetings may also be called at any time when circumstances warrant.

To facilitate informed participation and effective deliberation, Board and Board Committee meeting materials, including accompanying notes and explanations for all agenda items, were circulated to the Directors at least seven (7) days prior to each meeting. Sufficient time is also allocated during each meeting for Directors to raise additional pertinent matters.

The following table summarises the attendance of each Directors at Board and Board Committees meetings held during the financial year:

Name of Board Members	Board Meetings Attended (Total Held: 5)	ARMC Meetings Attended (Total Held: 5)	NC Meetings Attended (Total Held: 1)	RC Meetings Attended (Total Held: 1)
Mok Juan Chek*	5/5	N/A	N/A	N/A
Dato Abdullah Bin Abdul Mannan	5/5	N/A	N/A	N/A
Woo Wai Onn @ Foo Wai Onn	5/5	N/A	N/A	N/A
Kenny Woo Chi Yoong	5/5	N/A	N/A	N/A
Ng Lee Thin^	5/5	5/5	1/1	1/1
Kevin Low Ee Ming	5/5	5/5	N/A	N/A
Yap Yung Chien	5/5	5/5	1/1	1/1
Yau Yin Wee^	5/5	N/A	1/1	1/1

Remarks:

* *Chairman of the Board*

^ *Chairperson of the Board Committee(s)*

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

All proceedings, deliberations, and conclusions of the Board and Board Meetings are meticulously recorded in the minutes of meetings, which are subsequently confirmed and signed by the Chairman of the meeting as a true and correct record.

The Board also exercises oversight and decision-making on routine matters requiring its approval through written Directors' Resolutions, as permitted by the Company's Constitution. Minutes of each Board and Board Committee meeting are circulated to the respective members as soon as practically possible for their review before confirmation at the following meeting.

Code of Conduct and Ethics

The Code of Conduct and Ethics (the "Code") provides a guiding framework for the Board in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity. This Code establishes the expected standards of conduct for all employees and relevant personnel across all aspects of the Group's daily business operations. Complementing the Code is a Whistleblowing Policy, which offers a channel for raising concerns regarding potential breaches of business conduct, non-compliance with laws and regulations, as well as other malpractices such as bribery and corruption.

All Directors and employees of the Group are expected to uphold high standards of integrity and fair dealings in their interactions with customers, staff, the Management, and regulators within the jurisdictions where the Group operates. Compliance with all applicable rules, laws, and regulations is mandatory. Both the Code and Whistleblowing Policy are available on the Company's website at <https://agb.my/>.

Board Independence and Fit and Proper Policy

Recognising the critical importance of independence and objectivity in its decision-making, the Board aligns its practices with the principles of the MCCG.

The NC undertakes an annual review of the independence of the Independent Directors. This assessment adheres to the definition and requirements of an "independent director" as stipulated in the Listing Requirements. As part of this process, Independent Directors are required to provide the Board with a written confirmation of their independence on an annual basis.

Furthermore, the NC assesses whether Independent Directors meet the minimum criteria of the "fit and proper" test for independence. This assessment, which forms part of the annual evaluation detailed in the policy on the appointment and continuous assessment of Directors, considers the suitability and ability of the Independent Non-Executive Directors to effectively perform their duties and responsibilities. The evaluation is based on their calibre, qualifications, experience, expertise, personal qualities, and knowledge of the Company and the industry.

Following recommendation of the NC, the Board affirms that they continue to meet the fit and proper criteria under the Directors' Fit and Proper Policy. The Board is satisfied that their judgement regarding the Company's business dealings has not been influenced by the interests of other Directors or substantial shareholders, and that all Independent Directors remain objective, impartial, and compliant with the Listing Requirements and MCCG practices.

The Directors' Fit and Proper Policy is accessible on the Company's website at <https://agb.my/>.

Conflict of Interest

The Code and COI Policy set out clear and uncompromising standards, with a particular emphasis on the duty of all Directors and employees to disclose any situation that could give rise to a COI. These standards are underpinned by the following fundamental principles:

- Avoid any conduct that may harm or jeopardise the Company, the Group, or its reputation.
- Act in compliance with the law and uphold honesty and integrity at all times; and
- Prioritise the interests of the Group over personal or external interests.

A structured process is in place to ensure the effective identification, review, and ongoing monitoring of COI matters. The Board, through the ARMC, regularly reviews both actual or potential conflicts, including any interests in competing businesses. To institutionalise this oversight, the review of COI is a standing agenda item at all ARMC meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

Directors are required to disclose any significant external commitments prior to their appointment and to provide timely updates should there be any changes. All actual or potential COI are recorded in a dedicated register maintained by the Company Secretaries, which is reviewed annually to ensure accuracy and compliance.

Consistent with the Company's commitment to transparency and ethical conduct, all employees across the Group are also required to declare any COI on a regular basis.

Tenure of Independent Directors

In accordance with the recommendations of the MCCG, the Board Charter imposes a cumulative nine (9) years tenure limit for Independent Non-Executive Directors. Upon reaching this limit, such Directors may be re-designated as a Non-Independent Non-Executive Directors.

If the Board intends to retain a Director as an Independent Non-Executive Director beyond the nine-year threshold, it must provide a strong justification and seek shareholders' approval at the Annual General Meeting ("AGM") through a two-tier voting process, as stipulated by the MCCG.

As at the date of this Statement, none of the Independent Non-Executive Directors have reached a cumulative tenure of nine (9) years since their respective appointments and/or elections to the Board.

Gender Diversity

The Board is committed to promoting gender diversity in the boardroom, in line with the recommendations of the MCCG. Gender balance is a key consideration when assessing candidates for Board appointments.

Although the Board has yet to formalise a boardroom diversity policy or establish specific targets for female representation, it remains dedicated to fostering diversity and inclusion. The selection of Board candidates is based on merit, with careful consideration of factors such as competency, character, time commitment, integrity, and relevant experience, without discrimination based on age, gender, ethnicity, cultural background, or race.

As at the date of this Statement, the Board comprises 25% female representation, with two (2) women serving as Independent Non-Executive Directors. Their contributions bring diverse perspectives and approaches that enrich Board discussions and decision-making processes.

Beyond gender, the Board also recognises the value of diversity in ethnicity and age. These aspects are considered when evaluating potential Board appointments to ensure a well-balanced and effective composition.

Appointments to the Board

The Company has established a formal and transparent process for the selection, nomination, and appointment of suitable candidates to the Board. The NC is responsible for reviewing the current composition of the Board, identifying any gaps, and determining the selection criteria to address those gaps and further strengthen the Board's overall effectiveness.

To identify qualified candidates, the NC leverages on the Directors' broad network of professional and business contacts, as well as and external sources. Shortlisted candidates are engaged in preliminary discussions prior to the NC's final recommendation to the Board for approval.

In line with the Directors' Fit and Proper Policy adopted in 2023, the Company Secretaries conduct a comprehensive reference check for all appointments and re-elections of Directors. This includes verification of financial background, character and integrity, and professional qualifications of shortlisted candidates. Each candidate also undergoes an interview with NC to assess their technical expertise, skills, experience, compatibility with the Board, and alignment with the terms of appointment.

Upon completion of the reference checks and interview process, the NC will recommend the most suitable candidate to the Board. The Board will deliberate on the recommendation and, if in agreement, approve the appointment. Once approved, the appointment is formalised via directors' circular resolution signed by all current Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

Additionally, in line with the MCCG and as incorporated in the ToR of the ARMC, the Board has adopted a cooling-off period policy for the appointment of a former key audit partner or any of his/her affiliates as Director.

Board Assessment

The annual Board evaluation process is facilitated by the NC, in accordance with its Terms of Reference.

In alignment with the MCCG, the annual Board evaluation is a key mechanism to ensure the effectiveness, accountability, and continuous improvement of the Board of Directors. The NC plays a pivotal role in this process by assisting the Board in reviewing its structure, size and composition, as well as advising on the appointment, re-election, or retirement of Directors, including the appointment of additional and/or replacement of Directors. The NC is also responsible for reviewing succession plans for Directors, including the Chairman, MD and other senior executives. The NC's ToR, which outlines its authority and responsibilities, is available on the Company's website at <https://agb.my>.

The effectiveness of the Board and its members is evaluated annually across the following key areas:

- (i) Board responsibilities
- (ii) Board composition
- (iii) Board remuneration
- (iv) Board Committees: evaluation and self-evaluation
- (v) Board conduct
- (vi) Board administration and process

As part of this evaluation, each Director is required to complete a set of questionnaires covering the financial year under review, which include:

- (i) Independent Directors' Self-Assessment Form
- (ii) Directors' Fit & Proper Evaluation Form
- (iii) Board Skills Matrix Form
- (iv) Board & Board Committee Evaluation Form

Insights gathered from the evaluation form the basis for re-election considerations and guide the formulation of strategies and training programs to further enhance the Board's capabilities. This process ensures that the Board remains competent, focused, and well-positioned to discharge its fiduciary duties and steer the Company towards achieving its strategic objectives.

During the financial year under review, the NC undertook the following key activities in discharging its responsibilities:

- Reviewed and assessed the independence of Independent Non-Executive Directors;
- Reviewed and recommended the re-election of Directors retiring by rotation;
- Evaluated the size and composition of the Board to ensure an appropriate mix of skills, experience, knowledge, and diversity;
- Assessed the performance of the Board as a whole, its Committees, and individual Directors;
- Considered potential COI situations involving Directors and companies within the Group that may impact their ability to act in the best interests of the Company;
- Reviewed and assessed the term of office and performance of the ARMC and its members; and
- Reviewed the ToR of all Board Committees.

Re-election of Board Members

In accordance with the Company's Constitution, all Directors, including those holding executive positions such as Chief Executive Officer or Managing Director, are subject to retirement at each AGM. Every Director is required to retire at least once every three (3) years and is eligible for re-election. Any Director appointed to the Board during the financial year will serve until the following AGM, where they will also be eligible for re-election. These interim appointments are not considered when determining the number of Directors retiring by rotation at that meeting.

All Directors standing for re-election at the Twenty-Seven (27th) AGM have submitted their COI disclosure and fulfilled the criteria set out in the Directors' Fit and Proper Policy. They have abstained from deliberating and voting on matters relating to their own re-election at the 27th AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

The performance evaluation carried out during the financial year confirmed the continued effectiveness and valuable contributions of the Directors. Based on the assessment, the NC deliberated and reported the following to the Board:

- (i) The Board and its Committees continued to function effectively. Each Director was well prepared, actively contributed during meetings, demonstrated sound knowledge of matters under review, and maintained a strong understanding of the Group's operations and financial affairs.
- (ii) Board meetings were conducted with open and constructive dialogue, allowing Directors to freely express their views and engage in robust discussions that fostered informed decision-making.
- (iii) The Chairman of the Board provided strong leadership and contributed meaningfully to the Board's overall effectiveness.
- (iv) Each Director standing for re-election demonstrated the requisite skills, expertise, commitment, and performance to fulfil their duties and responsibilities effectively.

Upon the NC's recommendation, the Board endorses the re-election of the retiring Directors at the 27th AGM.

Succession Planning

The Board recognises the importance of effective succession planning to ensure continuity of leadership, sustainability of the Group's business and long-term value creation for shareholders. Succession planning is an integral component of the Board's governance framework and is overseen by the NC, which assists the Board in identifying, developing and recommending suitable candidates for Board and key management positions.

In discharging this responsibility, the NC considers, among others, the current and future needs of the Group, the required mix of skills, experience, competencies and leadership attributes, as well as diversity considerations. The Board remains responsible for all final decisions on appointments, re-appointments and succession matters.

During the financial year under review, the Board, in collaboration with the NC and the MD, continued to assess succession planning for both Board and senior management positions, ensuring a robust leadership pipeline aligned with the Group's long-term strategy. Promising executives are provided exposure to management practices and mentored by senior staff through ongoing training and development opportunities.

The Board is satisfied that the current succession planning framework supports continuity of leadership, mitigates key person risk, and strengthens the Group's long-term sustainability.

Directors' Training

All Directors are committed to fulfilling their obligations under the Listing Requirements, including attending the Mandatory Accreditation Programme ("MAP"), both Part I and Part II within the prescribed timeframe. Newly appointed Directors also undergo a structured orientation programme, which includes briefings and guided project site visits conducted by the ED and members of senior management, to familiarise them with the Group's operations, business environment and strategic direction.

During the financial year under review and up to the date of this Statement, the Directors attended various training programmes aimed at enhancing their skills, knowledge and effectiveness, particularly in areas relevant to the Group's business, regulatory compliance and governance, as well as to keep abreast of the latest regulatory developments.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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Directors	Training Attended	Date of Training
Mok Juan Chek	• Kenanga 1Q25 Malaysia Market Outlook (KenTrade Webinar)	13 January 2025
	• Kenanga Oil & Gas Sector Outlook Webinar	13 March 2025
	• China Equity Outlook: Tech, AI Optimism, Stimulus & Tariff Risks (AHAM Capital Perspectives)	24 March 2025
	• SIDC Programme - Trump Tariffs: How Has the World Changed?	16 April 2025
	• Kenanga 2Q25 Malaysia Market Outlook (KenTrade Webinar)	17 April 2025
	• Anti-Bribery & Anti-Corruption Awareness Training (Elevate Path Sdn Bhd)	13 June 2025
	• Kenanga 3Q25 Malaysia Market Outlook (KenTrade Webinar)	24 July 2025
	• ICDM BRMC Dialogue - Governance in an Era of Trade Uncertainty	25 July 2025
	• Kenanga Technology Sector Outlook (KenTrade Webinar)	18 September 2025
	• KPMG ESG Symposium: Adopting IFRS S1 & S2	30 September to 1 October 2025
	• Kenanga 4Q25 Malaysia Market Outlook (KenTrade Webinar)	16 October 2025
	• ICDM LIP Alumni Sharing & Networking Session	13 November 2025
	• Audit Oversight Board's Conversation with Audit Committees (Securities Commission Malaysia)	25 November 2025
	• AC Series - Conduct of Directors & Common Breaches in Listing Requirements (CKM Advisory Sdn Bhd)	2 December 2025
	• Bursa Malaysia Webinar - New Disclosure Requirements for Shariah Screening	10 December 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

Directors	Training Attended	Date of Training
Dato Abdullah Bin Abdul Mannan	<ul style="list-style-type: none"> MAP Part II 	7 to 8 July 2025
Woo Wai Onn @ Foo Wai Onn	<ul style="list-style-type: none"> MAP Part II 	7 to 8 July 2025
Kenny Woo Chi Yoong	<ul style="list-style-type: none"> MAP Part II 	7 to 8 July 2025
Ng Lee Thin	<ul style="list-style-type: none"> 2026 Budget Seminar Key Disclosure Obligations of A Listed Company 	5 November 2025 10 December 2025
Kevin Low Ee Ming	<ul style="list-style-type: none"> MAP Part II Auditing Going Concern under ISA 570 - Red Flags, Risk Assessment & Reporting Audit Evidence in Practice: Mastering the ISA500 Series e-Invoice Accounting and its Implementation Mechanism 	7 to 8 July 2025 1 December 2025 16 December 2025 18 December 2025
Yap Yung Chien	<ul style="list-style-type: none"> Key Amendments to the Employment Act 1955 and the Industrial Act 1967 CPD on Demand – Talk on Limited Liability Law Partnerships (LLLP) Contract Law Reform: Privity of Contract and Third-Party Rights – Lessons from Reform Initiatives 	21 February 2025 8 December 2025 11 December 2025
Yau Yin Wee	<ul style="list-style-type: none"> Protecting Your Organisation from Financial Crimes: Is Your Board Aligned with AMLA? 	21 March 2025

Directors' Remuneration

The RC is entrusted with implementing the Group's remuneration strategies, as outlined in its ToR, which are available on the Company's website at <https://agb.my>. The RC assist the Board in overseeing the execution of a fair and competitive compensation framework that supports the Group's objectives and sustainability.

Operating under a structured mandate, the RC works with the Management, when necessary, to develop appropriate remuneration proposals. It exercises independent judgment to ensure transparency, competitiveness, and alignment with the Company's performance, while mitigating any potential COI.

The RC is committed to ensuring that the Group's remuneration policies do not incentivise excessive risk-taking or unethical conduct. Instead, a balanced, performance-based compensation structure is maintained to cultivate a high-performance, responsible culture that support long-term growth.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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Where appropriate, the RC may seek independent advice to ensure the relevance and competitiveness of remuneration packages. Individual Directors abstain from discussions on matters relating to their own remuneration. The determination of Non-Executive Directors' remuneration is decided collectively by the Board.

During the financial year under review, the RC convened one (1) meeting to review the Board's principles and guidelines on Directors' remuneration, and to assess the appropriateness remuneration levels.

The ED and senior management are remunerated through a combination of fixed salaries, allowances, performance-based incentives (including bonuses), and customary benefits. Their compensation is determined based on market benchmarks, performance, qualifications, experience and geographic factors. In particular, the remuneration of the MD, ED, and senior management reflects the complexity of their roles, the performance of the Group, individual contribution, and market positioning.

The remuneration package for Independent Non-Executive Directors includes directors' fees, monthly and meeting allowances, and other benefits. The Board ensures that their remuneration does not impair their ability to exercise independent and objective judgement at Board and Committee meetings.

Details of each Director's remuneration from both the Company and the Group are disclosed under Practice 8.1 of the Corporate Governance Report, which is uploaded on the Company's website at <https://agb.my>.

Sustainability Governance

The Company is committed to embedding sustainability into its operations, strategy, and stakeholders' engagement efforts. Each year, the Group engages with employees and stakeholder through various platforms to understand their views, concerns, and expectations on economic, environment and social matters.

To uphold sustainable practices across its supply chain, the Company integrates its sustainability strategies into procurement and operational processes, fostering mutually beneficial partnership with external stakeholders such as vendors and subcontractors.

The Board possesses a sufficient understanding of the sustainability matters relevant to the Company and plays an active role in guiding and overseeing sustainability initiatives. During the year under review, the Group placed increased focus on its sustainability journey in line with evolving business demands and regulatory expectations. The materiality assessment in financial year 2025 reflected these developments, incorporating changes in the business environment and stakeholder priorities.

The ARMC, on behalf of the Board, is tasked with ensuring that the Company has in place a robust and aligned sustainability strategy that supports the Group's long-term business objectives. The Board emphasises the strategic management of material sustainability risks and opportunities, including the integration of Economic, Environmental, Social and Governance (EESG) considerations into business decision-making and daily operations.

Following a review by the senior management, fourteen (14) material sustainability aspects were identified as high priority. These were mapped into a materiality matrix based on their significance to stakeholders and impact on the Company. The matrix, along with the associated Materiality Sustainability Key Performance Indicators, was reviewed and approved by the Board.

The Group's approach to sustainability, including its initiatives and performance during the year, is detailed in the Sustainability Statement found on pages 58 to 61 of this Annual Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Management Committee

The ARMC comprises three (3) Independent Non-Executive Directors. It is chaired by Ms. Ng Lee Thin, who is a member of the Malaysian Institute of Accountants and a Fellow of the Association of Chartered Certified Accountants. The ARMC discharges its duties and responsibilities as outlined in the ARMC Report on pages 58 to 61 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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Financial Reporting

The Board is committed to presenting a balanced and meaningful assessment of the Group's financial performance and prospects, primarily through the annual financial statements, quarterly reports, and corporate announcements made to the Bursa Securities. The ARMC supports the Board by reviewing the information to be disclosed, ensuring its accuracy, adequacy, and compliance with applicable accounting standards and disclosure requirements.

Relationship with the External Auditors

The Board maintains a formal and transparent relationship with the external auditors, Crowe Malaysia PLT. Through its statutory audit function, the external auditors continue to evaluate and enhance the Group's accounting policies, internal controls, and financial reporting practices. The Company has established clear channels of communication to support the auditors in meeting their professional obligations.

Each year, the ARMC conducts a formal assessment of the external auditors' performance, which includes a review of their Annual Transparency Report and the Annual Inspection Report issued by the Audit Oversight Board. During the financial year under review, the ARMC held two (2) private sessions with the engagement partner and manager of Crowe Malaysia PLT, without the presence of the Management. Following this assessment, the ARMC is satisfied that the external auditors discharged their duties effectively and provided independent and valuable insights to both the Committee and the Management.

Crowe Malaysia PLT has confirmed its independence and compliance with regulatory and professional standards for the audit of the financial year ended 31 December 2025. The firm declared that no relationships or circumstances existed that could compromise their independence. Both the ARMC and the Board were satisfied with the external auditors' independence and objectivity.

Furthermore, Crowe Malaysia PLT confirmed that it met the criteria prescribed under Paragraph 15.21 of the Listing Requirements and that it possessed the necessary expertise and resources to serve as the external auditors for the Group.

Internal Control and Risk Management

The Directors acknowledge its responsibility for the Group's internal control system and its effectiveness. The main objective of this system is to identify, manage, and monitor significant financial and business risks in pursuit of the Group's strategic objectives, including protecting shareholders' value and safeguarding the Group's assets.

The ARMC plays a key role in communicating critical key business risks to the Board for deliberation and resolution. Internal audit activities are conducted according to an annual audit plan tabled and approved by the ARMC. These audits are conducted with independence, professional competence, and due care. Reports arising from the audits are presented to the ARMC, with the Management in attendance to provide necessary explanations or additional information where required.

The Group also operates a comprehensive budgeting and financial reporting system, enabling regular comparison between actual and budgeted performance. This framework supports the monitoring of both financial and operational performance on a continuous basis.

Further details on the Group's risk management and internal control systems are provided in the Statement on Risk Management and Internal Control of the Group are set out on pages 76 to 80 of this Annual Report.

Internal Audit Function

During the financial year under review, the Company outsourced its internal audit function, to Axcelasia Sdn. Bhd. (formerly known as Tricor Axcelasia Sdn Bhd). Throughout their tenures, they reported directly to the ARMC to ensure objectivity and independence in the internal audit process. Further details on the internal audit function are provided in the ARMC Report on pages 58 to 61 of this Annual Report.

Anti-Bribery and Anti-Corruption Policy

The Group has adopted a zero-tolerance policy on bribery, corruption, and political interference through its Anti-Bribery and Anti-Corruption Policy. This policy aligns with the Malaysian Anti-Corruption Commission Act 2009 and its subsequent amendments. It includes procedures for conducting due diligence on relevant stakeholders, including Directors, employees, suppliers, and business partners, prior to entering into any formal engagements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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The full Anti-Bribery and Anti-Corruption Policy are accessible on the Company's website at <https://agb.my>.

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

Sustainability and ESG

In line with MCCG's emphasis on sustainability and the National Sustainability Reporting Framework (NSRF) introduced in 2024, the Board has strengthened oversight of ESG disclosures. The Group integrates ESG considerations into its strategy, risk management, and reporting, ensuring alignment with Bursa Malaysia's Listing Requirements and international standards such as the IFRS Sustainability Disclosure Standards.

Relations With Stakeholders

The Board recognises the fundamental importance of transparency and accountability in fostering a strong relationship with all the Company's stakeholders. It acknowledges that continuous, two-way communication enhances mutual understanding of objectives and expectations.

Throughout the financial year ended 31 December 2025, the Company maintained its commitment to providing clear, comprehensive, and timely information through various disclosures and announcements, including quarterly and annual financial results and significant corporate updates. These updates ensure that shareholders and investors are kept well-informed of the Group's financial performance, strategic direction and significant developments. All announcements and relevant corporate information are readily accessible via the Company's website at <https://agb.my>, serving as a central platform for shareholders, investors and the public.

Relationship between the Company and Shareholders

General Meetings are a key platform for effective communication and direct engagement between the Company and its shareholders. The Board actively encourages shareholder participation to promote transparency, accountability and alignment with the Group's strategic objectives.

The Company's Twenty-Sixth (26th) Annual General Meeting ("AGM") was held as a physical meeting on 30 May 2025. All Directors were present and addressed shareholders' queries on the Group's performance, strategy and governance matters. Shareholders participated actively during the live Question and Answer session, with responses provided by the Board and senior management.

All resolutions tabled at the AGM were voted on by poll and verified by an independent scrutineer. The minutes of the AGM, together with the Company's written responses to questions received before and during the meeting, were made available on the Company's website within thirty (30) business days after the AGM.

CONCLUSION

The Board affirms its commitment to upholding the principles of MCCG 2021, incorporating sustainability disclosures under the NSRF, and ensuring transparency, accountability, and long term value creation for shareholders and stakeholders. The Board will continue to strengthen governance practices, enhance ESG integration, and maintain effective oversight of risk management and internal controls.

STATEMENT ON MCCG COMPLIANCE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

The Board of Directors affirms that the Group's corporate governance framework was substantially in compliance with the principles and practices outlined in the MCCG and the Listing Requirements throughout the financial year ended 31 December 2025.

Notwithstanding the above, the Group has not adopted the following MCCG practices in full:

- *Practice 5.9: At least 30% women directors on the Board*

While the Company supports gender diversity as an important component of board effectiveness, the target of 30% women representation has yet to be achieved. In accordance with the MCCG's guidance, the Company has disclosed in the Corporate Governance Report 2025 the reasons for this deviation, alongside the alternative measures undertaken, proposed future actions, and indicative timelines for achieving this goal. The Board remains committed to enhancing diversity and will continue to review and improve its approach to meet this objective.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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Comprehensive details regarding the application of each MCCG Practice during the financial year ended 31 December 2025 are available in the full Corporate Governance Report 2025.

CORPORATE GOVERNANCE PRIORITIES FOR 2026

Looking ahead, the Board remains committed to continuous improvement in governance practices. Building on the progress achieved in FY2025, the following priorities have been identified for FY2026:

- **Strengthening ESG integration:** Enhance disclosures under the National Sustainability Reporting Framework (NSRF) and align reporting with international standards such as the IFRS Sustainability Disclosure Standards.
- **Succession planning and leadership pipeline:** Continue developing a robust succession framework for both Board and senior management positions, ensuring leadership continuity and resilience.
- **Cybersecurity and data governance:** Intensify oversight of digital risk management, including cyber resilience and data privacy safeguards, in response to evolving threats.
- **Board diversity and effectiveness:** Advance initiatives to broaden diversity in gender, age, and professional background, while maintaining rigorous annual evaluations of Board and Committee performance.
- **Stakeholder engagement:** Strengthen communication channels with shareholders and stakeholders to ensure transparency, accountability, and trust in governance practices.

This Corporate Governance Overview Statement was approved by the Board of Directors on 25 March 2026.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

A. Introduction

The Board of Directors (“BOD” or “Board”) of Asteria Group Berhad (the “Company”) is pleased to present this Statement on Risk Management and Internal Control (“Statement”) for the financial year ended 31 December 2025 (“FY 2025”). This Statement, prepared in accordance with Paragraph 15.26(b) of Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, outlines the scope and nature of our risk management and internal controls across the Company and its subsidiaries (collectively, the “Group”) during the reporting period.

B. Board’s Responsibility: Oversight and Assurance

The Board recognises its paramount responsibility to maintain a robust risk management framework and internal control system. This is crucial for safeguarding the shareholders’ investments and the Group’s assets. The Board and the Management are committed to regularly reviewing the adequacy and effectiveness of these systems to ensure they remain relevant and responsive. The Audit and Risk Management Committee (“ARMC”) supports the Board in monitoring risk exposures and the effectiveness of the underlying systems.

Throughout FY 2025, the ARMC, supported by independent outsourced internal auditors (“OIA”), conducted periodic assessments. These assessments were designed to ensure effective risk governance and to identify significant risks that could potentially impede the Group’s strategic objectives.

The OIA’s findings, along with management’s agreed-upon corrective actions, were presented to the ARMC. These discussions were documented in meeting minutes, which were subsequently submitted to the Board for thorough review and deliberation.

The Group’s risk management and internal control systems encompass financial, operational, and compliance aspects. The Board acknowledges that inherent limitations exist in any system of this nature. Consequently, while these systems are designed to manage risks effectively, they can only provide reasonable, not absolute, assurance against material misstatements, losses, or fraud.

C. Management’s Responsibility: Implementation and Action

The day-to-day risk management responsibilities lie with the Management, supported by their respective teams in each functional/business unit. They serve as risk owners accountable for managing and assessing the identified risks, as well as executing mitigation controls. The Management collaborates with the respective functional/business units to review and ensure ongoing identification, evaluation, measurement, monitoring and reporting of long term and short-term risks across various areas, including business, financial, geographical, governance, sustainability, and climate related matters. The adequacy and effectiveness of related controls are assessed, and any deficiencies or non-compliance with internal controls are reported with action plans are developed and undertaken in a timely manner.

D. Risk Policy: A Culture of Awareness and Proactive Management

The Board recognises that risk is an inherent part of all business activities. Therefore, The Board emphasises a culture where all employees understand and accept responsibility for the risks within their areas of authority. Senior Management Team, defined for the purposes of this Statement as the Group Managing Director (“MD”), the Executive Director (“ED”), and the Management, are committed to providing the necessary support and resources to facilitate effective risk management. These individuals are responsible for the strategic and operational management of their respective areas and are accountable for the effective implementation of risk management and internal control processes.

Our risk management objectives are to:

- Integrate risk management seamlessly into the organisation’s culture.
- Manage risk in accordance with best practices, providing reasonable assurance of achieving the Group’s objective and maximising stakeholders’ value.
- Ensure strict legal and regulatory compliance as fundamental requirement.
- Proactively anticipate and respond to social, environmental, and legislative changes.
- Prevent injury and damage, and reduce the financial impact of risk.
- Raise awareness of the importance of effective risk management.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

To achieve these objectives, the Group will:

- Implement processes that demonstrate the consistent application of risk management principles across the organisation.
- Maintain a robust system for recording incidents, conducting post-event reviews, and implementing preventative measures.
- Develop and maintain contingency plans for key risk areas to ensure business continuity.
- Foster effective communication and engagement with all staff and stakeholders.
- Continuously monitor and evaluate our risk management arrangements.

The Group employs a comprehensive Risk Management Framework that aligns the strategic objectives with the principal risks we face. These risks are then translated into actionable controls and opportunities, which are implemented through specific actions and programs.

E. Risk Management: A structured and Proactive Approach

The Group's risk management framework is designed to be comprehensive and dynamic, ensuring that we effectively navigate potential challenges while safeguarding our stakeholders' interests. This framework is built upon several key elements:

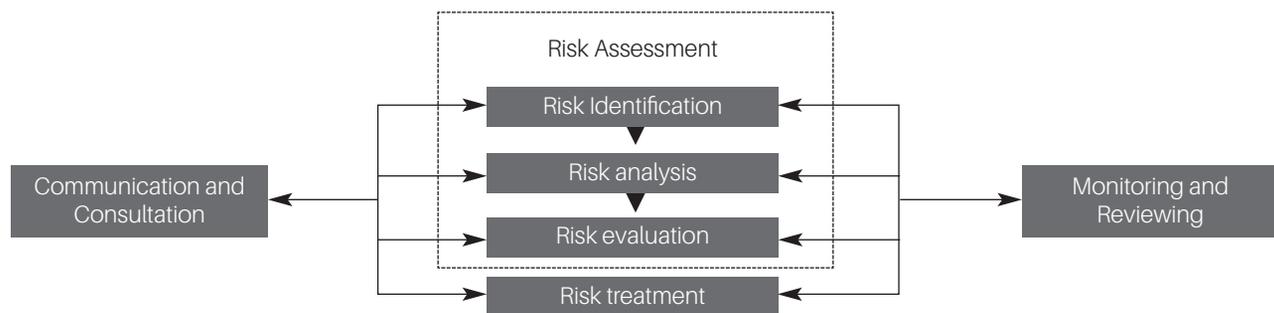
Risk Governance: Clear Roles and Responsibilities

- BOD: The BOD is responsible for ensuring compliance with the Listing Requirements. This is achieved by maintaining a sound system of internal controls to safeguard shareholders' investments and the Group's assets. The BOD, through the ARMC, ensures adherence to these requirements.
- ARMC: The ARMC is responsible for ensuring that significant risks are identified through risk assessments, that appropriate systems are implemented to manage these risks, and that the adequacy and integrity of internal controls are regularly reviewed.
- MD and ED: The MD is responsible for overall control and oversight of the Group's risk management process. The ED, along with designated management personnel, are responsible for implementing this process.

Risk Assessment Process: A Comprehensive Methodology

The Group employs the Control Self-Assessment ("CSA") methodology to establish a Group-wide risk management framework. CSA involves each department identifying and evaluating controls within their key functions and activities. Workshops are conducted to familiarise departmental representatives with the concepts and framework, ensuring a systematic approach.

The CSA process utilises both a "bottom-up" approach for operational risks and a "top-down" approach for strategic risks.



This process is ongoing, evaluating and managing significant risks faced by the Group. It includes updating internal controls to reflect changes in the business environment and regulatory guidelines.

Risk Guidelines: Defining and Managing Risks

The Group's risk management framework categorises risks into four levels: Extreme, High, Medium, and Low. These categories, defined and described within our guideline, are approved and endorsed by the ARMC and BOD.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

The Group's risk profile is established through collaborative risk assessment sessions with the Senior Management Team. This team, comprising the MD, the ED, and the Management, is responsible for the strategic and operational management of their respective areas and is accountable for the effective implementation of risk management and internal control processes. Facilitated by the Management, these sessions are a key component of our ongoing risk management activities.

During these sessions, members of the Senior Management Team identify and review key risk areas within their functions, ensuring the adequacy and effectiveness of mitigating plans. The resulting risk landscape and mitigation plans are then assessed and categorised based on their impact and likelihood, using our established risk management matrix.

In response to amendments to the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act 2009"), which holds commercial organisations liable for acts of corruption by associated persons from 1 June 2020, the Group has formalised an Anti-Bribery Anti-Corruption Policy. This policy, developed based on the Guidelines on Adequate Procedures under Section 17A(5) of the MACC Act 2009, has been disseminated to all employees and is accessible to external stakeholders via the Company's website: <https://agb.my/>.

Reporting: Transparency and Accountability

The Board delegates the day-to-day management of operations to the Senior Management Team, who conduct regular meetings to discuss and review significant changes in business and external environment, with a particular focus prevailing and emerging risks.

Proposals for major expenditures and new investments are presented by the Senior Management Team to both the ARMC and the BOD. The ARMC reviews these proposals, and the BOD provides final approval. Post-implementation reviews are conducted and reported to the Board as necessary.

The MD and ED provide annual assurance to the ARMC and BOD regarding the CSA conducted by each department.

Monitoring and Review: Continuous Improvement

Risk management is a dynamic and ongoing process. The OIA, reporting directly to the ARMC, monitor compliance with policies, procedures, guidelines, and legislation.

The Management is actively involved in continuously improving control processes within the respective departments.

Annual re-assessments ensure the effective management of business and operational risks and the effectiveness of the control environment. Follow-up reviews by the OIA evaluate the status of management's action plans in addressing audit findings.

Reviewing

F. Internal Control Function

The Group has engaged an OIA to perform its internal audit function. OIA, reports directly to the ARMC. The OIA's role is to provide objective assessments and assurance, thereby strengthening the Group's internal control framework. The internal control systems do not apply to the associate company, which falls within the control of the associate.

The OIA conducts independent reviews to assess the adequacy and integrity of the Group's risk management and internal control processes. This ensures that the ARMC and the Board receive reasonable assurance that control measures implemented by Senior Management Team are sound, adequate and effective.

During FY 2025, the OIA's reviews focused on key aspects of internal control processes, including:

- (i) Project Management; and
- (ii) Cybersecurity Management.

The OIA submitted comprehensive reports to the ARMC, detailing audit findings, identified internal control weaknesses, and recommendations for corrective actions. These reports were reviewed and approved by the ARMC and subsequently deliberated with the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

Key Processes of Internal Control

The Group's system of internal controls is underpinned by the following key processes, designed to ensure effective governance, financial integrity, operational efficiency, and ethical conduct:

1. Governance and Oversight:

- (i) **Clear Management Structure:** The Group maintains a clearly defined management structure with distinct lines of authority and responsibility, ensuring accountability at all levels.
- (ii) **Board Updates and Strategic Direction:** The MD and ED provide regular updates to the Board on industry trends, key customer relationships, and project performance. The Board actively endorses strategic responses to ensure alignment with organisational goals.
- (iii) **Related Party Transaction Review:** The Board, through ARMC conducts quarterly reviews of Recurrent Related Party Transactions to ensure transparency and compliance.
- (iv) **Whistleblowing Policy and Procedures ("Whistleblowing Policy"):** The Board has adopted a Whistleblowing Policy, providing a confidential channel for employees, clients, third-party service providers, vendors, suppliers, and the public to report genuine concerns or alleged misconduct without fear of reprisal. Details of the Whistleblowing Policy and reporting procedures are available on the Company's website at <https://agb.my/>.
- (v) **Anti-Bribery and Anti-Corruption Policy ("ABAC Policy"):** In compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Group established an ABAC Policy. This policy reflects a zero-tolerance approach to bribery and corruption, ensuring Directors, Management, and employees conduct business with integrity. Details of the ABAC Policy and reporting procedures are available on the Company's website at <https://agb.my/>.
- (vi) **Conflict of Interest Policy ("COI Policy"):** To comply with Listing Requirements and other regulations, the Board established a COI Policy, aiming to identify, address, and manage COI and potential COI situations, protect the Group's interests, and safeguard its reputation. Details of the COI Policy and reporting procedures are available on the Company's website at <https://agb.my/>.

2. Financial Management and Reporting:

- (i) **Financial Reporting and Review:** Periodic and annual results are monitored and reviewed by the MD, Chief Financial Officer ("CFO"), and the ARMC, before being tabled for approval by the Board, prior to being released to regulators and stakeholders whilst the full year financial statements are audited by the external auditors and subsequently to be approved by the ARMC and the Board before their issuance to regulators, shareholders, and other stakeholders.
- (ii) **Accounting Procedure Communication:** Clear and consistent communication of accounting policies and procedures are emphasised to ensure adherence to established financial standards across all staff levels.
- (iii) **Annual Business Planning and Budgeting:** Detailed annual business plans and budgets, including strategic initiatives, financial and operational targets, and capital expenditure proposals, are prepared by CFO, reviewed by the MD, and endorsed by the Board.

3. Operational Controls and Risk Management:

- (i) **Continuous Performance Assessment:** Regular evaluation of operational controls and business performance at all levels, with timely implementation of corrective actions to address identified deficiencies.
- (ii) **Management Meetings and Risk Assessment:** Senior Management Team meets regularly to discuss operational and management issues, financial performance, and the identification and mitigation of relevant risks.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

- (iii) **Independent Internal Audits:** The OIA, reporting directly to the ARMC, conducts independent reviews to assess the effectiveness and adequacy of the Group's internal controls and risk management systems. These reviews, conducted according to the annual Internal Audit plan approved by the ARMC, identify significant risks and control deficiencies. Internal Audit reports are tabled and reviewed by the ARMC quarterly, or as needed, with significant findings escalated to the Board for final decision.

4. Human Resources and Ethical Standards:

- (i) **Performance Management and Development:** Formal performance appraisals are conducted to ensure staff professionalism and competency, coupled with regular reviews of internal resources and authority.
- (ii) **Ethical and Quality Standards:** The Group establishes and maintains corporate values and ethical standards, documented in the Terms & Conditions of Employment, to promote a culture of integrity and accountability.

G. Review of the Statement by External Auditors

In compliance with paragraph 15.23 of the Listing Requirements, the external auditors, Crowe Malaysia PLT, conducted a review of this Statement for inclusion in the Company's Annual Report 2025 ("Annual Report"). This review was performed in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on Statement on Risk Management and Internal Control, issued by the Malaysian Institute of Accountants.

Based on their review, the external auditors reported to the Board that nothing came to their attention indicating the Statement was not prepared, in all material respects, in accordance with the disclosure requirements of Paragraphs 41 and 42 of the *Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers*, or that it contained factual inaccuracies.

It is important to note that AAPG 3 does not require the external auditors to assess whether this Statement comprehensively covers all risks and controls, nor to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the Board's and Management's assessments and opinions. The external auditors are also not required to assess whether the processes described to address material internal control aspects of any significant problems disclosed in the Annual Report will effectively remedy those problems.

H. Conclusion

Taking into consideration the assurances from the Management and inputs from relevant assurance providers, and to the best of its knowledge, the Board is satisfied that the Group's overall risk management and internal control systems are adequate and effective in safeguarding shareholders' investment and the Group's assets. The Board is not aware of any significant weaknesses that would result in material losses, contingencies, or uncertainties requiring separate disclosure in this Annual Report.

The Board has received assurance from the MD and the ED that the risk management and internal control system operates adequately and effectively in all material respects, based on the Group's established framework.

The Board and the Management are committed to continuously reviewing, reinforcing, and strengthening the Group's processes and procedures, adapting to changes and emerging challenges in operating environment, and enhancing risk management and internal control systems accordingly.

This Statement is made in accordance with a resolution of the Board, which was presented and approved at the meeting of the Board on 25 March 2026.

DIRECTORS' RESPONSIBILITY STATEMENT IN PREPARING THE FINANCIAL STATEMENTS

The Board of Directors of Axteria Group Berhad acknowledges its responsibility under the Companies Act 2016 (the "Act") to prepare financial statements that present a true and fair view of the state of affairs of the Company and its subsidiaries (the "Group") at the end of each financial year, as well as their results, cash flows, and financial position for the year then ended.

These financial statements are prepared in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, the provisions of the Act, and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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

- Consistently applied appropriate and relevant accounting policies.
- Exercised sound judgement and prudence in all estimates and assumptions.
- Ensured compliance with all applicable accounting standards.
- Prepared the financial statements on going concern basis, having satisfied themselves that the Group and the Company have adequate resources to continue operating for the foreseeable future.

The Directors are also responsible for ensuring that the Company maintains proper accounting and other records that accurately reflect the financial position, results, and cash flows of the Group and the Company, and that the financial statements comply with relevant accounting standards and regulatory requirements. Furthermore, the Directors have a general responsibility to take reasonable steps to safeguard the assets of the Group and the Company and to prevent fraud and other irregularities.

In fulfilling these responsibilities, the Directors have relied on the Group's risk management and internal control systems, as well as the independent functioning of the internal audit and compliance functions. These systems provide assurance that the Group's accounting and other relevant records have been maintained in a manner that allows for a sufficient understanding of the Group's transactions, financial position, results, and cash flows. This enables the preparation of true and fair financial statements and other documents required by the Act for the financial year to which these statements relate.

The Board affirms its commitment to high standards of corporate governance, ensuring that financial reporting remains transparent, reliable, and aligned with stakeholder expectations. Looking ahead, the Board will continue to strengthen internal controls and risk management practices to safeguard shareholder value and ensure resilience in a dynamic business environment.

This statement is made in accordance with a resolution of the Board of Directors (the "Board"), which was presented and approved at the meeting of the Board on 25 March 2026.



152	↑
562	↔
471	↓
781	↔

上海城市信用建设

项目	一月	二月	三月	四月	五月	六月	合计
项目A	2000	31000	23000	34000	44000	45000	177000
项目B	21000	33000	22000	33000	33000	40000	182000
项目C	32000	30000	26000	35000	45000	42000	205000
项目D	35000	24000	30000	45000	45000	37000	216000

- 一、...
- 二、...
- 三、...
- 四、...
- 五、其他

Sales 7
Sales 8
Sales 9
Sales 10
Sales 11
Sales 12





Financial Statements

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of Axteria Group Berhad ("the Company") and its subsidiaries (collectively referred to as "the Group") for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the holding company in each subsidiary company are set out in the "Subsidiaries" section of this report.

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

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	9,699,380	1,910,183
Attributable to:- Owners of the Company	9,699,380	1,910,183

DIVIDEND

No dividend was recommended by the directors for the financial year.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

DIRECTORS' REPORT

(CONT'D)

TREASURY SHARES

During the financial year, the Company did not repurchase any of its issued ordinary shares from the open market. The shares purchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity.

As at 31 December 2025, the Company held a total of 111,840 treasury shares out of its 788,554,930 issued and fully paid-up ordinary shares. The treasury shares are held at a carrying amount of RM92,187. The details of the treasury shares are disclosed in Note 20 to the financial statements.

WARRANTS

On 12 August 2020, the Company issued 97,211,694 free warrants pursuant to the Bonus Issue of Warrants at RM0.29 per Warrant on the basis of one warrant for every two existing ordinary shares. The warrants were constituted under the Deed Poll dated 23 July 2020. No warrants were exercised during the financial year and the total number of warrants that remain unexercised is 97,211,694. The salient terms of the Warrants 2020/2025 are disclosed in Note 21 to the financial statements.

During the financial year, the unexercised warrants of 97,211,694 have lapsed and become null and void on 12 August 2025.

OPTIONS GRANTED OVER UNISSUED SHARES

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

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

DIRECTORS' REPORT

(CONT'D)

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

DIRECTORS

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

Woo Wai Onn @ Foo Wai Onn
Kenny Woo Chi Yoong
Dato Abdullah Bin Abdul Mannan
Kevin Low Ee Ming
Mok Juan Chek
Ng Lee Thin
Yap Yung Chien
Yau Yin Wee

The names of directors of the Company's subsidiaries who served during the financial year until the date of this report are similar to those disclosed above.

DIRECTORS' REPORT

(CONT'D)

DIRECTORS' INTERESTS

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

	← Number of Ordinary Shares →			
	At 1.1.2025	Bought	Sold	At 31.12.2025
The Company				
<i>Direct Interests</i>				
Woo Wai Onn @ Foo Wai Onn	186,268,900	-	-	186,268,900
Dato Abdullah Bin Abdul Mannan	14,000,000	-	-	14,000,000
<i>Indirect Interests</i>				
Kenny Woo Chi Yoong#	186,268,900	-	-	186,268,900

Deemed interested through parent's shareholding in the Company.

By virtue of their shareholdings in the Company, Woo Wai Onn @ Foo Wai Onn and Kenny Woo Chi Yoong are deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares, options over unissued shares or debentures of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" section of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from the following transactions:-

	The Group RM	The Company RM
Associate		
Interest income received/receivable	(162,916)	(162,916)
Companies in which certain directors have substantial financial interests		
Property development costs paid/payable	2,803,316	-
Reimbursement of revolving credit interest	403,109	-
Reimbursement of other development related expenses	62,092	-
Interest expense paid/payable	172,778	-
A director and a close family member of a director		
Sales of properties	428,441	-

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

DIRECTORS' REPORT

(CONT'D)

DIRECTORS' REMUNERATION

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

	The Group RM	The Company RM
Fees	372,000	372,000
Salaries, bonuses and other benefits	1,179,586	353,500
Contributions to defined contribution benefits	63,900	-
	1,615,486	725,500

INDEMNITY AND INSURANCE COST

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

SUBSIDIARIES

The details of the Company's subsidiaries are as follows:-

Name of Subsidiaries	Country of Incorporation	Percentage of Issued Share Capital Held by Parent %	Principal Activities
<i>Subsidiaries of the Company</i>			
Axteria Eco Sdn. Bhd.	Malaysia	100	Property development and investment holding
Axteria Cemerlang Sdn. Bhd.	Malaysia	100	Property development and investment holding
Axteria Assets Sdn. Bhd.	Malaysia	100	Hotelier and investment holding
Axteria Construction Sdn. Bhd.	Malaysia	100	Project management and construction related works
Axteria Properties Sdn. Bhd.	Malaysia	100	Property development and investment holding
Axteria Development Sdn. Bhd.	Malaysia	100	Property development and investment holding
Axteria Capital Sdn. Bhd.	Malaysia	100	Dormant
Axteria Realty Sdn. Bhd.	Malaysia	100	Dormant
Axteria Building Materials Sdn. Bhd.	Malaysia	100	Trading of building materials

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

DIRECTORS' REPORT

(CONT'D)

AUDITORS

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

The details of the auditors' remuneration for the financial year are as follows:-

	The Group RM	The Company RM
Audit fees	199,500	40,000
Non-audit fees	5,000	5,000
	<hr/> 204,500	<hr/> 45,000

Signed in accordance with a resolution of the directors dated 25 March 2026.

Woo Wai Onn @ Foo Wai Onn

Kenny Woo Chi Yoong

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

We, Woo Wai Onn @ Foo Wai Onn and Kenny Woo Chi Yoong, being two of the directors of Axteria Group Berhad, state that, in the opinion of the directors, the financial statements set out on pages 95 to 161 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 25 March 2026.

Woo Wai Onn @ Foo Wai Onn

Kenny Woo Chi Yoong

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

I, Sea Hong Peng, MIA Membership Number: 47568, being the officer primarily responsible for the financial management of Axteria Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 95 to 161 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Sea Hong Peng
at Ibrahim International Business District
in the State of Johor
on this 25 March 2026

Before me

Sea Hong Peng

Nur Amreeta Kaur Gubachen Singh (J276)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AXTERIA GROUP BERHAD

(INCORPORATED IN MALAYSIA)
REGISTRATION NO: 199901021765 (496665-W)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Axteria Group Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 December 2025, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 95 to 161.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Reasonableness of revenue recognition arising from contracts with customers Refer to Notes 4.1(g) and 27 to the financial statements	
Key audit matter	How our audit addressed the key audit matter
<p>Most of the Group's revenue is derived from property development activities.</p> <p>Pursuant to MFRS 15, revenue may be recognised at a point in time or progressively over time. Judgement is required to assess the performance obligations and revenue recognition. Judgements impacting the revenue recognition are as follow:-</p> <ul style="list-style-type: none"> • interpreting of contract terms and conditions; • assessing and identifying the performance obligations; • assessing the computation of revenue recognition. 	<p>To address this risk, our audit procedures involved the following:-</p> <ul style="list-style-type: none"> • reviewing the contract terms and identifying performance obligations stipulated in the contracts, on sample basis; • evaluating whether the performance obligations are satisfied at point in time or over time; • evaluating the reasonableness of percentage of completion using the input method; • assessing the revenue recognised are in accordance with MFRS 15 "Revenue with Contract Customers"; and • Performing site visits to assess the status of the property development.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AXTERIA GROUP BERHAD

(INCORPORATED IN MALAYSIA)
REGISTRATION NO: 199901021765 (496665-W)
(CONT'D)

Key Audit Matters (Cont'd)

Reasonableness of attributable profits arising from property development projects Refer to Notes 4.1(g), 14 and 27 to the financial statements	
Key audit matter	How our audit addressed the key audit matter
The Group's property development division recognises revenue and cost by reference to the progress towards complete satisfaction of the performance obligation at the end of the reporting period. This requires the use of estimates, namely on project development revenue and cost. Significant judgement is required in determining the completeness and accuracy of the estimates. Substantial changes to project development revenue and cost estimates in the future can have a significant effect on the Group's results.	To address this risk, our audit procedures involved the following:- <ul style="list-style-type: none"> • Making inquiries and obtaining an understanding from management on the procedures and controls in relation to the estimation of and revision to the project development revenue and cost; • Reviewing the reasonableness of the estimated project development revenue by comparing the selling prices of units sold, on sample basis; and • Reviewing the reasonableness of the estimated project development cost by reviewing the contract works awarded, assessing the basis of estimation for contract works not awarded and comparing to the actual costs incurred up to the end of the reporting period, on sample basis.

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 Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AXTERIA GROUP BERHAD

(INCORPORATED IN MALAYSIA)
REGISTRATION NO: 199901021765 (496665-W)
(CONT'D)

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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 the purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AXTERIA GROUP BERHAD

(INCORPORATED IN MALAYSIA)
REGISTRATION NO: 199901021765 (496665-W)
(CONT'D)

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

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

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

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

OTHER MATTERS

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

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

Johor Bahru

25 March 2026

Tan Lin Chun
02839/10/2027 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	1 11,789,290	117,520,943
Investments in an associate	6	-	4,615,619	-	5,178,138
Property, plant and equipment	7	47,099,809	44,846,309	-	-
Investment properties	8	9,357,034	12,467,400	-	-
Right-of-use assets	9	151,264	376,932	-	-
Goodwill	10	-	-	-	-
Deferred tax assets	11	2,044,600	95,300	-	-
Other receivables	12	-	-	82,458,971	67,431,545
Other financial asset	13	1,613,335	1,564,074	-	-
		60,266,042	63,965,634	194,248,261	190,130,626
CURRENT ASSETS					
Inventories	14	104,938,682	94,114,931	-	-
Trade receivables	15	16,771,034	15,132,101	-	-
Other receivables, deposits and prepayments	12	7,826,253	3,202,622	4,235,501	2,173,662
Contract assets	16	-	3,933,322	-	-
Current tax assets		1,552,875	983,787	-	240,964
Cash and bank balances	17	24,144,283	7,226,754	2,578,413	777,945
		155,233,127	124,593,517	6,813,914	3,192,571
Assets held for sale	18	3,365,400	4,790,546	-	-
		158,598,527	129,384,063	6,813,914	3,192,571
TOTAL ASSETS		218,864,569	193,349,697	201,062,175	193,323,197

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025 (CONT'D)

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	19	200,832,756	200,832,756	200,832,756	200,832,756
Treasury shares	20	(92,187)	(92,187)	(92,187)	(92,187)
Accumulated losses		(44,860,938)	(54,560,318)	(40,116,624)	(42,026,807)
TOTAL EQUITY		155,879,631	146,180,251	160,623,945	158,713,762
NON-CURRENT LIABILITIES					
Lease liabilities	22	8,945	158,866	-	-
Term loans	23	15,890,471	16,758,210	-	-
Hire purchase payables	24	36,396	61,718	-	-
		15,935,812	16,978,794	-	-
CURRENT LIABILITIES					
Trade payables	25	36,203,360	16,530,790	-	-
Contract liabilities	16	1,799,695	5,411,663	-	-
Other payables and accruals	26	6,204,905	3,835,762	40,099,501	34,609,435
Lease liabilities	22	149,921	229,272	-	-
Term loans	23	1,874,649	4,080,588	-	-
Hire purchase payables	24	25,142	62,552	-	-
Current tax liabilities		791,454	40,025	338,729	-
		47,049,126	30,190,652	40,438,230	34,609,435
TOTAL LIABILITIES		62,984,938	47,169,446	40,438,230	34,609,435
TOTAL EQUITY AND LIABILITIES		218,864,569	193,349,697	201,062,175	193,323,197

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
REVENUE	27	70,254,666	48,112,092	-	-
COST OF SALES		(51,394,560)	(38,457,147)	-	-
GROSS PROFIT		18,860,106	9,654,945	-	-
OTHER INCOME		6,814,965	517,096	7,090,322	3,032,061
		25,675,071	10,172,041	7,090,322	3,032,061
SELLING AND MARKETING EXPENSES		(8,390,070)	(1,238,708)	-	-
ADMINISTRATIVE EXPENSES		(8,543,167)	(7,661,869)	(1,115,280)	(1,179,248)
OTHER EXPENSES		(5,272)	(9,840,976)	(5,731,653)	(3,231,991)
FINANCE COSTS		(1,270,428)	(941,584)	(1,731,849)	(1,351,871)
NET REVERSAL OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS	28	3,767,949	-	3,955,357	-
SHARE OF PROFITS OF EQUITY ACCOUNTED ASSOCIATE		50,587	227,841	-	-
PROFIT/(LOSS) BEFORE TAXATION	29	11,284,670	(9,283,255)	2,466,897	(2,731,049)
INCOME TAX EXPENSE	30	(1,585,290)	(1,207,151)	(556,714)	(509,167)
PROFIT/(LOSS) AFTER TAXATION/ TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		9,699,380	(10,490,406)	1,910,183	(3,240,216)
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		9,699,380	(10,490,406)	1,910,183	(3,240,216)
EARNINGS/(LOSS) PER SHARE (SEN)	31				
Basic		1.23	(1.42)		
Diluted		1.23	(1.42)		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Share Capital RM	Treasury Shares RM	Accumulated Losses RM	Total Equity RM
The Group					
Balance at 1.1.2024		192,186,762	(92,187)	(44,069,912)	148,024,663
Loss after taxation/Total comprehensive expenses for the financial year		-	-	(10,490,406)	(10,490,406)
Issuance of shares	19	8,844,892	-	-	8,844,892
Capitalisation of private placement expenses	19	(198,898)	-	-	(198,898)
Total contributions by and distributions to owners		8,645,994	-	-	8,645,994
Balance at 31.12.2024/1.1.2025		200,832,756	(92,187)	(54,560,318)	146,180,251
Profit after taxation/Total comprehensive income for the financial year		-	-	9,699,380	9,699,380
Balance at 31.12.2025		200,832,756	(92,187)	(44,860,938)	155,879,631
The Company					
Balance at 1.1.2024		192,186,762	(92,187)	(38,786,591)	153,307,984
Loss after taxation/Total comprehensive expenses for the financial year		-	-	(3,240,216)	(3,240,216)
Issuance of shares	19	8,844,892	-	-	8,844,892
Capitalisation of private placement expenses	19	(198,898)	-	-	(198,898)
Total contributions by and distributions to owners		8,645,994	-	-	8,645,994
Balance at 31.12.2024/1.1.2025		200,832,756	(92,187)	(42,026,807)	158,713,762
Profit after taxation/Total comprehensive income for the financial year		-	-	1,910,183	1,910,183
Balance at 31.12.2025		200,832,756	(92,187)	(40,116,624)	160,623,945

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit/(Loss) before taxation	11,284,670	(9,283,255)	2,466,897	(2,731,049)
Adjustments for:-				
Bad debts written off	-	-	-	20,061
Depreciation of:				
- property, plant and equipment	322,357	317,358	-	-
- investment properties	-	9,900	-	-
- right-of-use assets	225,668	182,988	-	-
Fair value gain on other financial assets	(49,261)	(11,817)	-	-
Impairment loss:				
- goodwill	-	9,840,976	-	-
- investment in subsidiaries	-	-	5,731,653	3,231,991
- trade receivables	187,408	-	-	-
Interest expenses	1,270,428	941,584	1,731,461	1,351,444
Loss on investment in a subsidiary	-	-	-	419
Property, plant and equipment written off	5,272	-	-	-
Share of profit of an associate, net of taxation	(50,587)	(227,841)	-	-
Interest income	(224,251)	(282,268)	(3,412,460)	(3,032,061)
Gain on disposal of investment properties	(2,083,609)	(43,550)	-	-
Gain on disposal of an associate	(4,189,794)	-	(3,077,862)	-
Reversal of impairment loss on:				
- amount owing by associate	(3,955,357)	-	(3,955,357)	-
- investment in an associate	-	-	(600,000)	-
Operating profit/(loss) before working capital changes	2,742,944	1,444,075	(1,115,668)	(1,159,195)

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Operating profit/(loss) before working capital changes		2,742,944	1,444,075	(1,115,668)	(1,159,195)
Increase in inventories		(10,823,751)	(292,745)	-	-
Increase in trade and other receivables		(3,552,092)	(9,848,782)	(60)	(2,642)
Increase in amount owing by related parties		(511,994)	-	-	-
Decrease/(Increase) in contract assets		3,933,322	(3,933,322)	-	-
Increase/(Decrease) in trade and other payables		20,515,708	3,760,757	(37,395)	71,641
Decrease in contract liabilities		(3,611,968)	(850,859)	-	-
CASH FROM/(FOR) OPERATIONS		8,692,169	(9,720,876)	(1,153,123)	(1,090,196)
Income tax refunded		617,366	-	368,219	-
Income tax paid		(3,749,790)	(3,412,274)	(345,240)	(378,822)
Real property gains tax refunded		26,203	-	-	-
Real property gains tax paid		(570,135)	-	-	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES		5,015,813	(13,133,150)	(1,130,144)	(1,469,018)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Additional investments in subsidiaries		-	-	-	(1,500,000)
Repayment from an associate		6,282,218	-	6,282,218	-
Advances to subsidiaries		-	-	(11,818,846)	(26,974,379)
Interest income received		61,335	34,744	40,964	21,522
Proceeds from disposal of investment properties		6,874,155	2,400,000	-	-
Proceeds from disposal of associate		4,630,276	-	4,630,276	-
Purchase of:					
- investment properties		(255,034)	-	-	-
- property, plant and equipment	32(a)	(625,331)	(3,122,747)	-	-
Withdrawal from fixed deposits with tenure more than 3 months		-	1,018,778	-	-
NET CASH FROM/(FOR) INVESTING ACTIVITIES		16,967,619	330,775	(865,388)	(28,452,857)

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Advances from subsidiaries	32(b)	-	-	9,347,000	21,073,160
Repayment to subsidiaries	32(b)	-	-	(5,551,000)	(3,586,204)
Drawdown of term loans	32(b)	19,122,532	5,535,233	-	-
Interest paid	32(b)	(1,700,221)	(2,038,043)	-	-
Proceeds from issuance of: - ordinary shares	19	-	8,844,892	-	8,844,892
Proceeds from private placement expenses capitalised	19	-	(198,898)	-	(198,898)
Repayment of lease liabilities	32(b)	(229,272)	(177,898)	-	-
Repayment to term loans	32(b)	(22,196,210)	(5,282,776)	-	-
Repayment to hire purchase payables	32(b)	(62,732)	(71,894)	-	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(5,065,903)	6,610,616	3,796,000	26,132,950
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES		16,917,529	(6,191,759)	1,800,468	(3,788,925)
CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL YEAR		7,226,754	13,418,513	777,945	4,566,870
CASH AND BANK BALANCES AT THE END OF THE FINANCIAL YEAR		24,144,283	7,226,754	2,578,413	777,945

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on Main Board of Bursa Malaysia Securities Berhad. The registered office and principal place of business are as follows:-

Registered office : No. 2 (1st floor), Jalan Marin,
Taman Marin,
Jalan Haji Abdullah, Sungai Abong,
84000 Muar,
Johor.

Principal place of business : L2-01, No. 56, Jalan Setia Tropika 1/14,
Taman Setia Tropika,
81200 Johor Bahru,
Johor.

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 25 March 2026.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

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

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

MFRSs (Including the Consequential Amendments)

Amendments to MFRS 121: Lack of Exchangeability

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

3. BASIS OF PREPARATION (CONT'D)

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

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

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

MFRS 18 Presentation and Disclosure of Financial Statements

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and their accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group and of the Company has yet to be assessed.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

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

(a) Depreciation of Property, Plant and Equipment and Investment Properties

The estimates for the residual values, useful lives and related depreciation charges for property, plant and equipment and investment properties are based on commercial factors that could change significantly due to technical innovations and competitors' actions in response to market conditions. The Group anticipates that the residual values of its property, plant and equipment and investment properties will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected usage levels and technological development could affect the economic useful lives and residual values of these assets. Therefore, future depreciation charges may be revised. The carrying amounts of property, plant and equipment and investment properties as at the reporting date are disclosed in Notes 7 and 8 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(b) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date is disclosed in Note 10 to the financial statements.

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

The Group determines whether an item of its property, plant and equipment, investment properties and right-of-use assets is impaired by evaluating the extent to which the recoverable amount of the asset is less than their carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows.

The independent professional valuers have exercised judgement in determining discount rates, estimates of future cash flows, capitalisation rate, terminal value and market rental, used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting fair value.

The carrying amounts of property, plant and equipment, investment properties and right-of-use assets as at the reporting date are disclosed in Notes 7, 8 and 9 to the financial statements respectively.

(d) Write-down of Inventories

Management periodically reviews damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 14 to the financial statements.

(e) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses and adjusts them for qualitative and quantitative, reasonable and supportable, forward-looking information, where applicable. If the expectation is different from the estimation, such a difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 15 and 16 to the financial statements respectively.

(f) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about the risk of default (probability of default) and the expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables and amounts owing by subsidiaries as at the reporting date are disclosed in Note 12 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(g) Revenue and Cost Recognition of Property Development Activities

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

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

(h) Income Taxes

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

(i) Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. The carrying amount of deferred tax assets as at the reporting date is disclosed in Note 11 to the financial statements.

(j) Discount Rates used in Leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies

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

(a) Lease Terms

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

(b) Contingent Liabilities

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, management is of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Group and the Company are remote.

4.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with any fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets at Amortised Cost

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

(b) Financial Liabilities

Financial Liabilities at Amortised Cost

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

(c) Equity

Ordinary Shares

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.2 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity (Cont'd)

Treasury Shares

Treasury shares are recorded on initial recognition at the consideration paid less directly attributable transaction costs incurred. The treasury shares are not remeasured subsequently.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the treasury shares. If such shares are issued by resale, any difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity. Where treasury shares are cancelled, their carrying amounts are shown as a movement in retained profits.

(d) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

4.3 GOODWILL

Goodwill is initially measured at cost. Subsequent to the initial recognition, the goodwill is measured at cost less accumulated impairment losses, if any. A bargain purchase gain is recognised in profit or loss immediately.

4.4 INVESTMENTS IN SUBSIDIARIES

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

4.5 INVESTMENTS IN AN ASSOCIATE

Investments in an associate are stated in the financial statements of the Company at cost less impairment losses, if any, and accounted for using the equity method in the financial statements of the Group.

4.6 PROPERTY, PLANT AND EQUIPMENT

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

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

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

Shophouses	2%
Computer and software	10%
Furniture and fittings	10%
Motor vehicles	10%
Office equipment	10%
Renovation and installation	10%
Signboard	10%

Assets under construction included in property, plant and equipment are not depreciated until such time when the asset is available for use.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.7 INVESTMENT PROPERTIES

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

Freehold land is not depreciated. Depreciation on investment properties is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives. The principal annual depreciation period and rate is:-

Building	2%
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Investment properties under construction is not depreciated until such time when the asset is available for use.

4.8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

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

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

(b) Right-of-use Assets

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

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

(c) Lease Liabilities

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

4.9 INVENTORIES

(a) Completed Properties Held for Sale

Completed properties are stated at the lower of cost and net realisable value. Cost is determined on specific identification and comprises cost associated with the purchase of land (including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use), construction costs and other related development costs incurred in bringing the inventories to their present location and condition.

(b) Property Development Costs

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2025	2024
	RM	RM
Unquoted shares, at cost	156,542,759	156,542,759
Accumulated impairment losses	(44,753,469)	(39,021,816)
	111,789,290	117,520,943
Accumulated impairment losses:-		
At 1 January	39,021,816	35,789,825
Addition during the year (Note 29)	5,731,653	3,231,991
At 31 December	44,753,469	39,021,816

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025 %	2024 %	
Asteria Eco Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Asteria Cemerlang Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Asteria Assets Sdn. Bhd.	Malaysia	100	100	Hotelier and investment holding
Asteria Construction Sdn. Bhd.	Malaysia	100	100	Project management and construction related works
Asteria Properties Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Asteria Development Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Asteria Capital Sdn. Bhd.	Malaysia	100	100	Dormant
Asteria Realty Sdn. Bhd.	Malaysia	100	100	Dormant
Asteria Building Materials Sdn. Bhd.	Malaysia	100	100	Trading of building materials

- (a) During the financial year, the Company has assessed the recoverable amounts of its investments in subsidiaries. A total impairment loss of RM5,731,653 (2024: RM3,231,991), representing the write-down of the investments in subsidiaries to their recoverable amounts, was recognised as other expenses in profit or loss and is disclosed in Note 29 to the financial statements.

The total recoverable amount was determined using the fair value less costs of disposal approach. The fair value of each subsidiary was estimated by reference to the fair value of its underlying net assets. The fair value of the non-current assets, comprising landed properties, plant and equipment, was determined by an independent valuer using the market comparison approach. In determining the fair value, the valuer considered factors such as location, accessibility, market conditions, size, age and the condition of the assets. The fair value is categorised within level 3 of the fair value hierarchy.

- (b) During the financial year ended 31 December 2024, the Company increased its investment in its subsidiary, Asteria Development Sdn. Bhd., by subscribing for an additional 1,500,000 ordinary shares at RM1 per share.
- (c) During the previous financial year, the Company's Labuan-incorporated subsidiary, General Trust Holdings Limited, was struck off. Consequently, the Company wrote off its investment of 100 ordinary shares, amounting to RM419.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

6. INVESTMENTS IN AN ASSOCIATE

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Unquoted shares, at cost	-	5,778,138	-	5,778,138
Share of post acquisition losses	-	(298,490)	-	-
Elimination of unrealised profits	-	(864,029)	-	-
	-	4,615,619	-	5,778,138
Accumulated impairment losses	-	-	-	(600,000)
	-	4,615,619	-	5,178,138

The details of the associate is as follows:-

Name of Associate	Principal Place of Business and Country of Incorporation	Percentage of Ownership		Principal Activities
		2025	2024	
		%	%	
Harum Eco Dormitory Sdn. Bhd.	Malaysia	-	45	Investment holding and letting of dormitory

During the current financial year, the Group and the Company disposed of its entire interest in Harum Eco Dormitory Sdn. Bhd. for a cash consideration of RM8,856,000.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

7. PROPERTY, PLANT AND EQUIPMENT

	At 1.1.2025 RM	Additions (Note 32(a)) RM	Write Off (Note 29) RM	Depreciation Charges (Note 29) RM	At 31.12.2025 RM
The Group					
2025					
<i>Carrying Amount</i>					
Shophouses	1,712,151	-	-	(35,606)	1,676,545
Computer and software	294,039	10,369	-	(40,738)	263,670
Furniture and fittings	317,515	-	-	(56,041)	261,474
Motor vehicles	273,344	-	-	(49,995)	223,349
Office equipment	70,819	7,821	(5,272)	(13,843)	59,525
Renovation and installation	966,458	-	-	(124,634)	841,824
Signboard	6,250	-	-	(1,500)	4,750
Asset under construction	41,205,733	2,562,939	-	-	43,768,672
	44,846,309	2,581,129	(5,272)	(322,357)	47,099,809

	At 1.1.2024 RM	Additions (Note 32(a)) RM	Depreciation Charges (Note 29) RM	At 31.12.2024 RM
The Group				
2024				
<i>Carrying Amount</i>				
Shophouses	1,747,758	-	(35,607)	1,712,151
Computer and software	253,412	79,036	(38,409)	294,039
Furniture and fittings	304,122	67,449	(54,056)	317,515
Motor vehicles	323,341	-	(49,997)	273,344
Office equipment	79,609	5,000	(13,790)	70,819
Renovation and installation	1,034,706	55,751	(123,999)	966,458
Signboard	7,750	-	(1,500)	6,250
Asset under construction	40,987,336	218,397	-	41,205,733
	44,738,034	425,633	(317,358)	44,846,309

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

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

The Group	At Cost RM	Accumulated Depreciation RM	Accumulated Impairment Loss RM	Carrying Amount RM
2025				
Shophouses	1,780,330	(103,785)	-	1,676,545
Computer and software	464,579	(200,909)	-	263,670
Furniture and fittings	607,339	(345,865)	-	261,474
Motor vehicles	499,967	(276,618)	-	223,349
Office equipment	136,230	(76,705)	-	59,525
Renovation and installation	1,246,351	(404,527)	-	841,824
Signboard	15,000	(10,250)	-	4,750
Asset under construction	56,111,785	-	(12,343,113)	43,768,672
	60,861,581	(1,418,659)	(12,343,113)	47,099,809
2024				
Shophouses	1,780,330	(68,179)	-	1,712,151
Computer and software	454,210	(160,171)	-	294,039
Furniture and fittings	607,339	(289,824)	-	317,515
Motor vehicles	499,967	(226,623)	-	273,344
Office equipment	145,982	(75,163)	-	70,819
Renovation and installation	1,246,351	(279,893)	-	966,458
Signboard	15,000	(8,750)	-	6,250
Asset under construction	53,548,846	-	(12,343,113)	41,205,733
	58,298,025	(1,108,603)	(12,343,113)	44,846,309

- (a) The shophouses and asset under construction of the Group has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 23(a) to the financial statements.
- (b) Included in the property, plant and equipment of the Group were motor vehicles held under hire purchase arrangements with a total carrying amount of RM221,529 (2024: RM271,524). These assets have been pledged as security for the hire purchase payables of the Group as disclosed in Note 24 to the financial statements.
- (c) The Group's asset under construction represents capital expenditures incurred for building under construction. Included in the asset under construction of the Group are the interests expenses capitalised during the financial year amounted to RM429,793 (2024: RM920,007).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

8. INVESTMENT PROPERTIES

	The Group	
	2025 RM	2024 RM
Cost:-		
At 1 January	12,467,400	21,066,624
Additions	255,034	-
Disposal during the year	-	(2,500,000)
Transfer to assets held for sale (Note 18)	(3,365,400)	(6,099,224)
At 31 December	9,357,034	12,467,400
Accumulated depreciation:-		
At 1 January	-	(133,650)
Depreciation during the financial year (Note 29)	-	(9,900)
Disposal during the year	-	143,550
At 31 December	-	-
Accumulated impairment losses:-		
At 1 January	-	(1,308,678)
Transfer to assets held for sale (Note 18)	-	1,308,678
At 31 December	-	-
	9,357,034	12,467,400
Represented by:-		
Commercial units under construction	9,357,034	12,467,400
Fair value	13,159,000	19,800,000

The fair values of the investment properties are within level 2 of the fair value hierarchy. They are arrived at by reference to market evidence of transaction prices for similar properties and are performed by registered valuers who have appropriate recognised professional qualifications and recent experience in the locations and categories of properties being valued. The most significant input into this valuation approach is the price per square foot of comparable properties. Adjustments are then made for differences in location, size, available facilities, market conditions and other factors to arrive at the fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

9. RIGHT-OF-USE ASSETS

	At 1.1.2025 RM	Depreciation Charges (Note 29) RM	At 31.12.2025 RM	
The Group				
2025				
<i>Carrying Amount</i>				
Office premises	274,495	(182,988)	91,507	
Showroom	102,437	(42,680)	59,757	
	376,932	(225,668)	151,264	
2024				
<i>Carrying Amount</i>				
	At 1.1.2024 RM	Additions (Note 32(a)) RM	Depreciation Charges (Note 29) RM	At 31.12.2024 RM
Office premises	457,483	-	(182,988)	274,495
Showroom	-	102,437	-	102,437
	457,483	102,437	(182,988)	376,932

(a) The Group leases office premises and showroom of which the leasing activities are summarised below:-

- (i) Office premises The Group has leased an office premises within a commercial building for term of 2 (2024: 2) years, with an option to renew the tenancy for a further term of 1 (2024: 1) year which subject to a rental rate at the prevailing market rate or to be mutually agreed rate by both parties prior to the execution of the fresh tenancy agreement. Any increase in rent shall not exceed 20% of the last rent.
- (ii) Showroom The Group has leased a showroom for term of 1 (2024: 1) year, with an option to renew the tenancy for a further term of 1 (2024: 1) year which subject to a rental rate at the prevailing market rate or to be mutually agreed rate by both parties.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

10. GOODWILL

	2025 RM	The Group 2024 RM
Cost:-		
At 1 January	23,469,424	23,469,424
Accumulated impairment losses:-		
At 1 January	(23,469,424)	(13,628,448)
Impairment during the financial year (Note 29)	-	(9,840,976)
At 31 December	(23,469,424)	(23,469,424)
	-	-

- (a) In the previous financial year, an impairment loss of RM9,840,976 was recognised in "Other Expenses" line item of the statement of profit or loss and other comprehensive income, in respect of goodwill allocated to Axteria Eco Sdn. Bhd. This recognition was due to management's assessment that the cash flows expected from cash-generating unit will be limited in the near future. This goodwill pertains to the Group's 'Investment Holding Segment' reportable segment.

The Group has assessed the recoverable amounts of allocated goodwill. The recoverable amount of the CGU is determined using the VIU approach, which is derived from the present value of the future cash flows from each CGU. These cash flows are computed based on management-approved financial budget projections covering a 2-year period. The key assumptions used in determination of the recoverable amounts are as follows:

- (i) Pre-tax cash flow projections based on the management's most recent two years' business plans.
 - (ii) Pre-tax discount rates of 10.4%.
- (b) The values assigned to the key assumptions represent management's assessment of future trends in the CGUs and are based on both external sources and internal historical data.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

11. DEFERRED TAX ASSETS

	At 1.1.2025 RM	Recognised in Profit or Loss (Note 30) RM	At 31.12.2025 RM
The Group			
2025			
<i>Deferred Tax Assets</i>			
Property, plant and equipment	4,100	(4,100)	-
Property development costs	-	2,066,700	2,066,700
Provisions	91,200	(91,200)	-
	95,300	1,971,400	2,066,700
<i>Deferred Tax Liability</i>			
Accelerated capital allowances	-	(22,100)	(22,100)
	95,300	1,949,300	2,044,600

	At 1.1.2024 RM	Recognised in Profit or Loss (Note 30) RM	At 31.12.2024 RM
2024			
<i>Deferred Tax Assets</i>			
Property, plant and equipment	4,100	-	4,100
Provisions	91,200	-	91,200
	95,300	-	95,300

The deferred tax assets on property development costs have been recognised by certain subsidiaries to the extent that it is probable that future profits will be available against which the temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

11. DEFERRED TAX ASSETS (CONT'D)

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group	
	2025	2024
	RM	RM
Unused tax losses:		
- expires year of assessment 2028	3,566,000	3,566,000
- expires year of assessment 2029	1,231,000	1,231,000
- expires year of assessment 2030	1,571,000	1,571,000
- expires year of assessment 2031	71,000	71,000
- expires year of assessment 2032	500,000	500,000
- expires year of assessment 2033	104,000	72,000
- expires year of assessment 2034	1,288,000	3,248,000
- expires year of assessment 2035	1,036,000	-
Unabsorbed capital allowances	22,000	-
Other deductible temporary differences	39,000	3,427,000
	<hr/>	<hr/>
	9,428,000	13,686,000

Certain comparative figures have been restated to reflect the revised tax losses carry-forward, unabsorbed capital allowances, and other temporary differences available to the Group.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group 2025 RM	2024 RM	The Company 2025 RM	2024 RM
<u>Non-current</u>				
Other receivables:-				
Amount owing by subsidiaries	-	-	82,458,971	67,431,545
<u>Current</u>				
Other receivables:-				
Third parties	4,666,770	159,639	4,225,724	-
Amount owing by an associate	-	6,119,302	-	6,119,302
Amount owing by a related party	511,994	-	-	-
	5,178,764	6,278,941	4,225,724	6,119,302
Allowance for impairment losses:-				
Third parties	(36,440)	(36,440)	-	-
Amount owing by an associate	-	(3,955,357)	-	(3,955,357)
	(36,440)	(3,991,797)	-	(3,955,357)
	5,142,324	2,287,144	4,225,724	2,163,945
Deposits	1,776,409	567,128	7,075	7,075
Prepayments	577,609	77,293	2,702	2,642
Deferred expenditure	329,911	271,057	-	-
	7,826,253	3,202,622	4,235,501	2,173,662
Allowance for impairment losses:-				
At 1 January	3,991,797	3,991,797	3,955,357	3,955,357
Reversal during the financial year (Note 28)	(3,955,357)	-	(3,955,357)	-
At 31 December	36,440	3,991,797	-	3,955,357

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

- (a) The amount owing by subsidiaries (non-current) represents advances and payments made on behalf, which are unsecured and bear interest rates ranging from 4.60% to 5.06% (2024: 5.13% to 5.40%) per annum. The amount owing is not expected to be repayable within the next 12 months and is to be settled in cash.
- (b) In the previous financial year, the amount owing by an associate represented advances and payments made on behalf, which were unsecured and bore interest rates ranging from 5.13% to 5.40% per annum. The amount owing has been settled during the financial year.
- (c) The amount owing by a related party represents unsecured interest-free advances which is repayable on demand. The amount owing is to be settled in cash.
- (d) Deferred expenditure relating to sales agent commission and legal costs incurred to secure sales of property units are recognised in profit and loss in proportion to the revenue recognised for the respective financial years.

13. OTHER FINANCIAL ASSET

	The Group	
	2025 RM	2024 RM
At 1 January	1,564,074	1,552,257
Gain on fair value (Note 29)	49,261	11,817
At 31 December	1,613,335	1,564,074

Other financial asset represents a keyman insurance policy (the "Policy") taken up to insure a director of the Group (the "Insured Person"). Under the policy, the beneficiary is a bank (the "Bank") and the total insured sum is RM9,554,000. In the event of an insured occurrence involving the Insured Person, the insured sum will first be used to settle the Group's outstanding loan with the Bank, and any excess amount, if any, will be payable to the Group. The Policy may be withdrawn at any time; however, surrender charges apply if the withdrawal occurs before the Policy's maturity date. In such a case, a cash refund will be based on the Policy's cash surrender value as at the withdrawal date.

At 31 December 2025, the directors of the Group expect that the Policy will be held until its maturity date on 26 July 2028 and that no specific surrender charges will apply at that time, in accordance with the terms of the Policy. The directors of the Group consider that the expected life of the Policy remains unchanged from its initial recognition.

In the event of death of the Insured Person, the Policy will be derecognised and any resulting gain or loss will be recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

14. INVENTORIES

	The Group	
	2025	2024
	RM	RM
Completed properties held for sale	79,695,022	7,743,014
Property development costs	25,243,660	86,371,917
	104,938,682	94,114,931

(a) Completed properties held for sale

	The Group	
	2025	2024
	RM	RM
At 1 January	7,743,014	1,983,932
Additions of costs incurred during the financial year	1,044,024	-
Costs recognised as an expense in profit or loss	(5,315,277)	(6,347,091)
Costs transfer from property development costs	76,223,261	12,106,173
	79,695,022	7,743,014

(b) Property development costs

	The Group	
	2025	2024
	RM	RM
Freehold land		
At 1 January	5,671,209	17,281,886
Additions of costs incurred during the financial year	4,240,264	1,206,730
Costs recognised as an expense in profit or loss	(8,250,013)	(12,817,407)
	1,661,460	5,671,209
Development costs		
At 1 January	80,700,708	74,379,916
Additions of costs incurred during the financial year	56,501,440	37,419,772
Costs recognised as an expense in profit or loss	(37,396,687)	(18,992,807)
Costs transfer to completed properties held for sale	(76,223,261)	(12,106,173)
	23,582,200	80,700,708
	25,243,660	86,371,917

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

14. INVENTORIES (CONT'D)

- (c) Included in the property development costs of the Group at the end of the reporting period is an amount of RM23,751,389 (2024: RM15,946,239) which has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 23(a) to the financial statements.
- (d) Included in the additions of property development costs of the Group are borrowing costs capitalised during the financial year amounting to RM Nil (2024: RM176,452).

15. TRADE RECEIVABLES

	The Group	
	2025	2024
	RM	RM
Third parties	17,062,691	15,236,350
Allowance for impairment losses	(291,657)	(104,249)
	<hr/> 16,771,034	<hr/> 15,132,101
Allowance for impairment losses:-		
At 1 January	104,249	104,249
Addition during the financial year (Note 28)	187,408	-
	<hr/> 291,657	<hr/> 104,249
At 31 December	<hr/> 291,657	<hr/> 104,249

The Group's normal trade credit terms range from 14 to 90 (2024: 14 to 90) days.

Included in trade receivables are retention sums withheld by lawyers upon delivery of vacant possession to the property buyers. These monies will be released by the lawyers in 2 stages, the first release will be at the expiry of 8 months and the second release will be at the expiry of 24 months from the date of vacant possession.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

16. CONTRACT ASSETS/(LIABILITIES)

(a) The changes to contract assets and contract liabilities balances during the financial year are summarised below:-

	The Group	
	2025	2024
	RM	RM
Property development contracts		
At 1 January	(1,478,341)	(3,639,221)
Revenue recognised during the financial year	56,738,256	48,112,092
Billings to customers during the financial year (transferred to trade receivables)	(57,059,610)	(45,951,212)
At 31 December	(1,799,695)	(1,478,341)
Represented by:-		
Contract assets	-	3,933,322
Contract liabilities	(1,799,695)	(5,411,663)
	(1,799,695)	(1,478,341)

(b) The contract assets and liabilities represent the timing differences in revenue recognition and the milestone billings in respect of the property development activities.

(c) Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied at the reporting date are as follows:-

	The Group	
	2025	2024
	RM	RM
Within 1 year	65,065,421	48,187,105

17. CASH AND BANK BALANCES

Included in the cash and bank balances of the Group is an amount of RM16,299,262 (2024: RM3,059,965) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulation, 2002. The amount is held at call with banks and is available only to the subsidiaries involved in the property development activities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

18. ASSETS HELD FOR SALE

During the financial year, the Group entered into sale and purchase agreements with third parties for the disposal of investment properties. The disposals are expected to be completed in 2026 (2024: 2025).

At the end of the reporting period, the assets classified as held for sale are as follows:-

	The Group	
	2025 RM	2024 RM
Assets		
Investment properties (Note 8)	3,365,400	4,790,546

19. SHARE CAPITAL

	The Group/The Company			
	2025 Number of Shares	2024 Number of Shares	2025 RM	2024 RM
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 January	788,554,930	716,878,330	200,832,756	192,186,762
Issuance of new shares for cash	-	71,676,600	-	8,844,892
Capitalisation of private placement expenses	-	-	-	(198,898)
At 31 December	788,554,930	788,554,930	200,832,756	200,832,756

- (a) The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.
- (b) In the previous financial year, the Company increased its issued and paid-up share capital from RM192,186,762 to RM200,832,756 by way of:-
- (i) Issuance of 71,676,600 new ordinary shares at RM0.1234 each for a cash consideration of RM8,844,892 through private placement; and
 - (ii) Capitalisation of private placement expenses which amounted to RM198,898.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

20. TREASURY SHARES

	The Group/The Company			2024 RM
	2025 Number of Shares	2024 Number of Shares	2025 RM	
At 1 January/31 December	111,840	111,840	(92,187)	(92,187)

There were no shares repurchased during the financial year ended 31 December 2025.

Of the total 788,554,930 (2024: 788,554,930) issued and fully paid-up ordinary shares at the end of the reporting period, 111,840 (2024: 111,840) ordinary shares are held as treasury shares by the Company. None of the treasury shares were resold during the financial year.

21. WARRANTS

On 12 August 2020, the Company issued 97,211,694 free warrants on the basis of one (1) warrant for every two (2) existing ordinary shares held in the Company. The warrants were listed on the Main Market of Bursa Malaysia Securities Berhad on 17 August 2020.

The issued warrants are constituted by a Deed Poll dated 23 July 2020.

The salient features of the warrants are as follows:

- (a) Each warrant entitles the registered holder at any time during the exercise period to subscribe for one new ordinary share in the Company at an exercise price of RM0.29.
- (b) The warrants shall be exercisable at any time within the period commencing from and inclusive the date of issue of the warrants and ending on the date immediately preceding the fifth (5th) anniversary of the date of issue, or if such day is not a Market Day, then it shall be the Market Day immediately preceding the said non-Market Day.
- (c) All new ordinary shares to be issued pursuant to the exercise of the warrants shall, upon issue and allotment, be of the same class and rank pari passu in all respects with the existing ordinary shares, save and except that such new ordinary shares shall not be entitled to any dividends, rights, allotments and/or other distributions, at the entitlement date of which is prior to the date of the allotment of these new ordinary shares.
- (d) Any warrants not exercised during the exercise period will lapse and cease to be valid.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

21. WARRANTS (CONT'D)

(e) Movements in the warrants since the listing and quotation thereof are as follows:

	The Group/The Company	
	2025	2024
	Number of Shares	
At 1 January	97,211,694	97,211,694
Expired	(97,211,694)	-
At 31 December	-	97,211,694

During the financial year, the unexercised warrants of 97,211,694 have lapsed and become null and void on 12 August 2025.

22. LEASE LIABILITIES

	The Group	
	2025	2024
	RM	RM
At 1 January	388,138	463,599
Additions (Notes 9 and 32(b))	-	102,437
Interest expense recognised in profit or loss (Note 29)	14,538	20,911
Repayment of principal	(229,272)	(177,898)
Repayment of interest expense	(14,538)	(20,911)
At 31 December	158,866	388,138
Analysed by:-		
Current liabilities	149,921	229,272
Non-current liabilities	8,945	158,866
	158,866	388,138

23. TERM LOANS (SECURED)

	The Group	
	2025	2024
	RM	RM
Current liabilities	1,874,649	4,080,588
Non-current liabilities	15,890,471	16,758,210
	17,765,120	20,838,798

(a) The term loans at the end of the reporting period are secured by:-

- (i) Legal charge over the freehold land of the Group as disclosed in Note 14 to the financial statements;
- (ii) Legal charge over shophouses and asset under construction of the Group as disclosed in Note 7 to the financial statements;
- (iii) Assignment of keyman insurance of the Group as disclosed in Note 13 to the financial statements;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

23. TERM LOANS (SECURED) (CONT'D)

- (a) The term loans at the end of the reporting period are secured by (Cont'd):-
- (iv) Joint and several guarantee by the directors;
 - (v) Corporate guarantee by the Company and a third party; and
 - (vi) Specific debenture on the project as disclosed in Note 14 to the financial statements.
- (b) The interest rate profile of the term loans is summarised below:-

	Effective Interest Rate %	The Group 2025 RM	2024 RM
Floating rate term loans	5.02 - 5.56	17,765,120	20,838,798

- (c) Certain term loans totalling RM15,315,814 (2024: RM17,203,500) are secured by a negative pledge that imposes certain covenants on a subsidiary that has received those loans. The major covenants of the term loans are as follows:-
- (i) A subsidiary's gearing ratio shall not exceed 1.50 times.
 - (ii) Dividend payment made by a subsidiary shall not exceed 30% of its respective year's profit after tax.

There are no indicators that the subsidiary would have difficulties complying with the upcoming covenant assessment.

24. HIRE PURCHASE PAYABLES (SECURED)

	The Group 2025 RM	2024 RM
Minimum hire purchase payments:		
- not later than 1 year	27,109	66,582
- later than 1 year and not later than 5 years	38,247	65,367
	65,356	131,949
Less: Future finance charges	(3,818)	(7,679)
	61,538	124,270
Analysed by:-		
Current liabilities	25,142	62,552
Non-current liabilities	36,396	61,718
	61,538	124,270

- (a) The hire purchase payables of the Group are secured by the Group's motor vehicles as disclosed in Note 7(a) to the financial statements.
- (b) The hire purchase payables are expiring from 1 to 4 years (2024: 1 to 5 years) and bear effective interest rates ranging from 4.11% to 4.38% (2024: 4.11% to 4.72%).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

25. TRADE PAYABLES

	The Group	
	2025 RM	2024 RM
Third parties	36,203,360	16,406,313
Related party	-	124,477
	36,203,360	16,530,790

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

(b) Included in the Group's trade payables are retention sum which are expected to be settled as follows:-

	The Group	
	2025 RM	2024 RM
Within 1 year	499,919	944,872
More than 1 year	7,645,157	7,081,433
	8,145,076	8,026,305

26. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other payables:				
Third parties	1,925,877	2,113,268	12,908	30,303
Unpaid balance for acquisition of property, plant and equipment (Note 32(a))	2,280,456	754,451	-	-
Amount owing to subsidiaries	-	-	39,979,093	34,451,632
	4,206,333	2,867,719	39,992,001	34,481,935
Deposit	682,511	394,652	-	-
Accruals	1,316,061	573,391	107,500	127,500
	6,204,905	3,835,762	40,099,501	34,609,435

(a) Amount owing to subsidiaries represents advances granted to the Company and payments made on behalf, which are unsecured and bear interest rates ranging from 4.60% to 5.06% (2024: 5.13% to 5.40%) per annum. The amount owing is repayable on demand and is to be settled in cash.

(b) Included in the Group's other payables are retention sum payables totalling RM554,811 (2024: RM554,811).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

27. REVENUE

	The Group	
	2025	2024
	RM	RM
Revenue from Contracts with Customers		
<u>Recognised over time</u>		
Property development	56,738,256	19,034,877
<u>Recognised at a point in time</u>		
Sales of completed properties	8,575,615	10,819,815
Sales of land	4,940,795	18,257,400
	70,254,666	48,112,092

- (a) The information on the disaggregation of revenue by business segments is disclosed in Note 35.1 to the financial statements.
- (b) The information on transaction price allocated to partially unsatisfied performance obligations as at the reporting date is disclosed in Note 16(c) to the financial statements.
- (c) The revenue of the Group is derived entirely in Malaysia.
- (d) The information about the performance obligations in contracts with customers is summarised as below:-

Sale of Properties under Construction

The contracts contain a late penalty charge at 10% on the selling price, calculated daily. Revenue is measured at the selling price (net of discount) agreed under the contract and after considering the estimated late penalty charges which are immaterial.

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

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

Billings to customers are based on agreed milestones under the contracts, certified by architects. The credit period is 14 to 90 (2024: 14 to 90) days from the date of progress billing. There is no significant financing component in the selling price as the billing is made on the normal credit terms not exceeding 12 months.

A defect liability period of 12 to 24 (2024: 12 to 24) months is given to the customers.

Sale of Completed Properties and Vacant Land

The Company recognises revenue (net of discount) for the sale of completed properties and vacant land at a point in time when the properties have been delivered to and accepted by the customers.

The credit period is 14 to 90 (2024: 14 to 90) days from the date of progress billing. There is no significant financing component in the selling price as the billing is made on the normal credit terms not exceeding 12 months.

A defect liability period of 6 to 12 (2024: 6 to 12) months is given to the customers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

28. NET REVERSAL OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Impairment losses on trade receivables (Note 15)	187,408	-	-	-
Reversal of impairment losses on amount owing by associate (Note 12)	(3,955,357)	-	(3,955,357)	-
	(3,767,949)	-	(3,955,357)	-

29. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit/(Loss) before taxation is arrived at after charging:-				
Auditors' remuneration:				
- audit fees	199,500	200,500	40,000	60,000
- non-audit fees	5,000	5,000	5,000	5,000
Bad debts written off	-	-	-	20,061
Depreciation:				
- property, plant and equipment (Note 7)	322,357	317,358	-	-
- investment properties (Note 8)	-	9,900	-	-
- right-of-use assets (Note 9)	225,668	182,988	-	-
Directors' remuneration (Note 33)	1,615,486	1,532,426	725,500	733,000
Impairment loss:				
- goodwill (Note 10)	-	9,840,976	-	-
- investment in subsidiaries (Note 5)	-	-	5,731,653	3,231,991
Interest expense on lease liabilities (Note 22)	14,538	20,911	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

29. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit/(Loss) before taxation is arrived at after charging (Cont'd):-				
Lease expenses:				
- short term leases	16,200	42,600	-	-
- low value assets	15,816	17,079	-	-
Loss on investment in a subsidiary (Note 5)	-	-	-	419
Property, plant and equipment written off (Note 7)	5,272	-	-	-
Staff costs (including other key management personnel as disclosed in Note 33)				
- short term employee benefits	2,153,826	2,353,405	-	-
- defined contribution benefits	254,205	296,119	-	-
Total interest expenses on financial liabilities that are not at fair value through profit or loss	1,255,890	920,673	1,731,461	1,351,444
And (crediting):-				
Fair value gain on other financial asset (Note 13)	(49,261)	(11,817)	-	-
Gain on disposal of investment properties	(2,083,609)	(43,550)	-	-
Gain on disposal of an associate	(4,189,794)	-	(3,077,862)	-
Rental income	(67,334)	(7,500)	-	-
Reversal of impairment loss on investment in an associate	-	-	(600,000)	-
Total interest income on financial assets measured at amortised cost	(224,251)	(282,268)	(3,412,460)	(3,032,061)

30. INCOME TAX EXPENSE

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Income tax expense:				
- current financial year	2,699,500	1,070,633	381,400	353,700
- under/(over)provision in the previous financial year	438,145	136,518	(1,806)	155,467
	3,137,645	1,207,151	379,594	509,167
Deferred tax (Note 11):				
- origination and reversal of temporary differences	(1,949,300)	-	-	-
	1,188,345	1,207,151	379,594	509,167
Capital gains tax	177,120	-	177,120	-
Real property gains tax	219,825	-	-	-
	1,585,290	1,207,151	556,714	509,167

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

30. INCOME TAX EXPENSE (CONT'D)

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

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit/(Loss) before taxation	11,284,670	(9,283,255)	2,466,897	(2,731,049)
Tax at the statutory tax rate of 24% (2024: 24%)	2,708,321	(2,227,981)	592,055	(655,452)
Tax effects of:-				
Non-taxable income	(973,730)	(54,682)	(1,093,286)	-
Non-deductible expenses	1,543,637	3,122,397	1,621,318	1,009,152
Deferred tax assets not recognised during the financial year	256,089	230,899	-	-
Gains subject to capital gains tax	(1,005,551)	-	(738,687)	-
Gains subject to real property gains tax	(500,066)	-	-	-
Utilisation of deferred tax assets previously not recognised	(1,278,500)	-	-	-
Under/(Over)provision of income tax in the previous financial year	438,145	136,518	(1,806)	155,467
	1,188,345	1,207,151	379,594	509,167

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

31. EARNINGS/(LOSS) PER SHARE

(a) Basic Earnings/(Loss) Per Share

The basic earnings/(loss) per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year after deducting for treasury shares.

	The Group	
	2025	2024
Profit/(Loss) attributable to owners of the Company (RM)	9,699,380	(10,490,406)
Weighted average number of ordinary shares in issue	788,443,090	738,112,800
Basic earnings/(loss) per share (sen)	1.23	(1.42)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

31. EARNINGS/(LOSS) PER SHARE (CONT'D)

(b) Diluted Earnings/(Loss) Per Share

The diluted earnings per share is equal to the basic earnings per share because there were no potential ordinary shares as at the end of the reporting period.

In the previous financial year, the effects of potential ordinary shares arising from the conversion of warrants is anti-dilutive and accordingly, they have been ignored in the calculation of diluted loss per share. As a result, the diluted loss per ordinary share is the same as basic loss per share.

32. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets is as follows:-

	The Group	
	2025	2024
	RM	RM
Property, Plant and Equipment		
Cost of property, plant and equipment purchased (Note 7)	2,581,129	425,633
Add: Payments in respect of the previous financial year's purchases (Note 26)	121,073	3,626,795
Less: Other payables - balances remained unpaid at the financial year end (Note 26)	(1,647,078)	(9,674)
Less: Capitalisation of interest expenses (Note 32(b))	(429,793)	(920,007)
	625,331	3,122,747
Right-of-use Assets		
Cost of right-of-use assets acquired (Note 9)	-	102,437
Less: Additions of new lease liabilities (Note 32(b))	-	(102,437)
	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

32. CASH FLOW INFORMATION (CONT'D)

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

	Lease Liabilities RM	Term Loans RM	Hire Purchase Payables RM	Others # RM	Total RM
The Group					
2025					
At 1 January	388,138	20,838,798	124,270	-	21,351,206
<u>Changes in Financing Cash Flows</u>					
Proceeds from drawdown	-	19,122,532	-	-	19,122,532
Repayment of principal	(229,272)	(22,196,210)	(62,732)	-	(22,488,214)
Repayment of interests	(14,538)	(1,247,375)	(3,861)	(434,447)	(1,700,221)
	(243,810)	(4,321,053)	(66,593)	(434,447)	(5,065,903)
<u>Other Changes</u>					
Interest expense recognised in profit or loss (Note 29)	14,538	817,582	3,861	434,447	1,270,428
Interest expense capitalised under:-					
- property, plant and equipment (Note 7(c))	-	- 429,793	-	-	429,793
	14,538	1,247,375	3,861	434,447	1,700,221
At 31 December	158,866	17,765,120	61,538	-	17,985,524

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

32. CASH FLOW INFORMATION (CONT'D)

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

	Lease Liabilities RM	Term Loans RM	Hire Purchase Payables RM	Others # RM	Total RM
The Group					
2024					
At 1 January	463,599	20,586,341	196,164	-	21,246,104
<u>Changes in Financing Cash Flows</u>					
Proceeds from drawdown	-	5,535,233	-	-	5,535,233
Repayment of principal	(177,898)	(5,282,776)	(71,894)	-	(5,532,568)
Repayment of interests	(20,911)	(1,086,746)	(6,742)	(923,644)	(2,038,043)
	(198,809)	(834,289)	(78,636)	(923,644)	(2,035,378)
<u>Other Changes</u>					
Acquisition of new leases (Notes 22 and 32(a))	102,437	-	-	-	102,437
Interest expense recognised in profit or loss (Note 29)	20,911	166,739	6,742	747,192	941,584
Interest expense capitalised under:-					
- property development costs (Note 14(d))	-	-	-	176,452	176,452
- property, plant and equipment (Note 7(c))	-	920,007	-	-	920,007
	123,348	1,086,746	6,742	923,644	2,140,480
At 31 December	388,138	20,838,798	124,270	-	21,351,206

Others comprise bank interests and revolving credit interests.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

32. CASH FLOW INFORMATION (CONT'D)

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

	Other Payables - Amount Owing to Subsidiaries RM
The Company	
2025	
At 1 January	34,451,632
<u>Changes in Financing Cash Flows</u>	
Advances from subsidiaries	9,347,000
Repayment to subsidiaries	(5,551,000)
	3,796,000
<u>Other Changes</u>	
Interest expense recognised in profit or loss (Note 29)	1,731,461
At 31 December	39,979,093
2024	
At 1 January	15,613,232
<u>Changes in Financing Cash Flows</u>	
Advances from subsidiaries	21,073,160
Repayment to subsidiaries	(3,586,204)
	17,486,956
<u>Other Changes</u>	
Interest expense recognised in profit or loss (Note 29)	1,351,444
At 31 December	34,451,632

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

32. CASH FLOW INFORMATION (CONT'D)

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

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Payment of short-term leases	16,200	42,600	-	-
Payment of low-value assets	15,816	17,079	-	-
Interest paid on lease liabilities	14,538	20,911	-	-
Payment of lease liabilities	229,272	177,898	-	-
	275,826	258,488	-	-

33. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

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

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(a) Directors				
<u>Directors of the Company</u>				
Short-term employee benefits:				
- fees	372,000	372,000	372,000	372,000
- salaries, bonuses and other benefits	1,179,586	1,122,071	353,500	361,000
	1,551,586	1,494,071	725,500	733,000
Defined contribution benefits	63,900	38,355	-	-
Total directors' remuneration (Note 29)	1,615,486	1,532,426	725,500	733,000
(b) Other Key Management Personnel				
Short-term employee benefits	527,932	636,467	-	-
Defined contribution benefits	65,923	82,288	-	-
Total compensation for other key management personnel (Note 29)	593,855	718,755	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

34. RELATED PARTY DISCLOSURES

(a) Subsidiaries

The subsidiaries are disclosed in Note 5 to the financial statements.

(b) Significant Related Party Transactions and Balances

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

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Subsidiaries				
Interest expenses	-	-	1,731,461	1,351,444
Interest income	-	-	(3,208,580)	(2,763,015)
Associate				
Interest income	(162,916)	(247,524)	(162,916)	(247,524)
Companies in which certain directors have substantial financial interests				
Property development costs paid/payable	2,803,316	1,082,253	-	-
Reimbursement of revolving credit interest	403,109	-	-	-
Reimbursement of other development related expenses	62,092	-	-	-
Interest expense	172,778	-	-	-
A director and a close family member of a director				
Sales of properties	428,441	-	-	-

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in Notes 12, 25 and 26 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

35. OPERATING SEGMENTS

The Company and its subsidiaries are principally engaged in property development and construction, investment holding and trading.

The Group has identified at three (2024: three) reportable segments that are organised and managed separately according to the business segments, which requires different business and marketing strategies. The reportable segments are summarised as follows:-

- Property development and construction segment – developing properties, securing and carrying out construction contracts and a hotel under construction intended for the Group's occupancy.
- Investment holding segment – investing activities where investments contribute dividend income and interest income, as well as sharing the results of investee companies.
- Trading segment – trading of building materials to third party customers.

Segment performance is evaluated based on operating profit, excluding non-recurring losses, and in certain aspects, it is measured differently from operating profit in the consolidated financial statements.

Inter-segment revenue is transacted on terms and conditions not materially different from those obtainable in transactions with unrelated parties and is eliminated in the consolidated financial statements. These policies have been consistently applied throughout the current and previous financial years.

Segment assets exclude tax assets, investments and assets used primarily for corporate purposes.

Segment liabilities exclude tax liabilities. Details are provided in the reconciliations from segment assets and liabilities to the financial position of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

35. OPERATING SEGMENTS (CONT'D)

35.1 BUSINESS SEGMENTS

	Property Development and Construction Segment RM	Investment Holding Segment RM	Trading Segment RM	Consolidation Adjustments RM	The Group RM
2025					
Revenue					
External revenue	70,254,666	-	-	-	70,254,666
Results					
Segment profit/(loss)	7,012,457	10,442,331	(10,236)	(4,940,041)	12,504,511
Finance costs	(4,233,567)	(1,731,849)	(2,635)	4,697,623	(1,270,428)
Share of profits of equity-accounted associate	-	50,587	-	-	50,587
Profit/(Loss) before taxation	2,778,890	8,761,069	(12,871)	(242,418)	11,284,670
<u>Other Information</u>					
Depreciation of property, plant and equipment	322,357	-	-	-	322,357
Depreciation of right-of-use assets	225,668	-	-	-	225,668
Property, plant and equipment written off	5,272	-	-	-	5,272
Impairment loss on trade receivables	187,408	-	-	-	187,408
Interest expenses	4,233,567	1,731,849	2,635	(4,697,623)	1,270,428
Fair value gain on other financial asset	(49,261)	-	-	-	(49,261)
Gain on disposal of associate	-	(4,189,794)	-	-	(4,189,794)
Gain on disposal of investment property	(2,083,609)	-	-	-	(2,083,609)
Interest income	(1,751,832)	(3,412,460)	-	4,940,041	(224,251)
Rental income	(67,334)	-	-	-	(67,334)
Reversal of impairment loss on amount owing by associate	-	(3,955,357)	-	-	(3,955,357)
Share of profit of equity accounted associate	-	(50,587)	-	-	(50,587)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

35. OPERATING SEGMENTS (CONT'D)

35.1 BUSINESS SEGMENTS (CONT'D)

	Property Development and Construction Segment RM	Investment Holding Segment RM	Trading Segment RM	Consolidation Adjustments RM	The Group RM
2025					
Assets					
Segment assets	253,353,919	89,272,885	10,275	(127,369,985)	215,267,094
Unallocated assets:-					
- deferred tax assets					2,044,600
- current tax assets					1,552,875
Consolidated total assets					218,864,569
<u>Additions to non-current assets other than financial instruments</u>					
Property, plant and equipment	2,581,129	-	-	-	2,581,129
Investment properties	255,034	-	-	-	255,034
Liabilities					
Segment liabilities	154,297,151	40,099,501	43,450	(132,246,618)	62,193,484
Unallocated liabilities:-					
- current tax liabilities					791,454
Consolidated total liabilities					62,984,938
2024					
Revenue					
External revenue	48,112,092	-	-	-	48,112,092
Results					
Segment profit/(loss)	3,733,751	(1,379,178)	(10,254)	(10,913,831)	(8,569,512)
Finance costs	(3,129,038)	(1,351,871)	(6,987)	3,546,312	(941,584)
Share of profits of equity-accounted associate	-	227,841	-	-	227,841
Profit/(Loss) before taxation	604,713	(2,503,208)	(17,241)	(7,367,519)	(9,283,255)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

35. OPERATING SEGMENTS (CONT'D)

35.1 BUSINESS SEGMENTS (CONT'D)

	Property Development and Construction Segment RM	Investment Holding Segment RM	Trading Segment RM	Consolidation Adjustments RM	The Group RM
2024					
<u>Other Information</u>					
Bad debt written off	-	20,061	-	(20,061)	-
Depreciation of property, plant and equipment	317,358	-	-	-	317,358
Depreciation of investment property	9,900	-	-	-	9,900
Depreciation of right-of-use assets	182,988	-	-	-	182,988
Impairment loss on goodwill	-	-	-	9,840,976	9,840,976
Impairment loss on investment in subsidiaries	-	3,231,991	-	(3,231,991)	-
Interest expenses	3,129,038	1,351,871	6,987	(3,546,312)	941,584
Fair value gain on other financial asset	(11,817)	-	-	-	(11,817)
Gain on disposal of investment property	(43,550)	-	-	-	(43,550)
Interest income	(1,364,666)	(3,032,061)	-	4,114,459	(282,268)
Rental income	(7,500)	-	-	-	(7,500)
Share of profit of equity accounted associate	-	-	-	(227,841)	(227,841)
Assets					
Segment assets	245,997,034	187,904,095	142,904	(246,389,042)	187,654,991
Investments in an associate					4,615,619
Unallocated assets:-					
- deferred tax assets					95,300
- current tax assets					983,787
Consolidated total assets					193,349,697
<u>Additions to non-current assets other than financial instruments</u>					
Property, plant and equipment	425,633	-	-	-	425,633
Right-of-use assets	102,437	-	-	-	102,437

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

35. OPERATING SEGMENTS (CONT'D)

35.1 BUSINESS SEGMENTS (CONT'D)

	Property Development and Construction Segment RM	Investment Holding Segment RM	Trading Segment RM	Consolidation Adjustments RM	The Group RM
2024					
Liabilities					
Segment liabilities	138,553,946	34,609,435	166,255	(126,200,215)	47,129,421
Unallocated liabilities:- - current tax liabilities					40,025
Consolidated total liabilities					47,169,446

35.2 GEOGRAPHICAL INFORMATION

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

35.3 MAJOR CUSTOMERS

There is no single customer that contributed 10% or more to the Group's revenue.

36. CAPITAL COMMITMENTS

	2025 RM	The Group 2024 RM
Purchase of property, plant and equipment	615,923	2,547,041

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS

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

37.1 FINANCIAL RISK MANAGEMENT POLICIES

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

(a) Market Risk

(i) Foreign Currency Risk

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

(ii) Interest Rate Risk

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

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

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 23 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group	
	2025	2024
	RM	RM
Effects on Profit/(Loss) After Taxation		
Increase of 25 (2024: 25) basis points	(39,807)	(45,735)
Decrease of 25 (2024: 25) basis points	39,807	45,735

There is no impact on the Group's equity.

The Company does not have any floating rate borrowings and hence, no sensitivity analysis is presented.

(iii) Equity Price Risk

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

(b) Credit Risk

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

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantees given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on an individual basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(i) Credit Risk Concentration Profile

The Group and the Company do not have any significant credit risk related to any individual customer or counterparty.

The Group does not have any significant credit risk as its properties are sold to a large number of customers with financing facilities from reputable end-financiers. Credit risks with respect to customers with no end-financing facilities are limited as the ownership and rights to the properties sold will revert to the Group in the event of default.

(ii) Maximum Exposure to Credit Risk

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

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries and an associate of RM17,765,120 (2024: RM20,838,798) and RM Nil (2024: RM10,994,509) respectively, representing the outstanding banking facilities of the subsidiaries and an associate as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair values on initial recognition were not material.

(iii) Assessment of Impairment Losses

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

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

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

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group and the Company in full or is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Trade Receivables and Contract Assets

The Group measures expected credit losses of trade receivables and contract assets individually.

The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Company concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Loss rates are determined for each group of trade receivables with shared credit risk characteristics using past payment trends. In determining the loss rates for each group of trade receivables, the Group also considers the value of properties sold that could be recovered upon termination of the contracts which will reduce credit loss arising from the trade receivables.

The expected loss rates are based on the payment profiles of progress billings over 12 months (2024: 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. In determining these loss rates, the Group also considered differences between (a) economic conditions during the period over which the historic data has been collected, (b) current economic conditions and (c) the Group's view of economic conditions over the expected lives of the trade receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the reporting period.

There are purchasers where the Group manages its credit exposure by maintaining its name as the registered owner of the properties sold until full settlement by the self-financed purchasers or upon the purchasers obtaining their end-financing.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses

The reconciliation of allowance for impairment losses are as follows:-

The Group	Non-credit Impaired RM	Credit Impaired RM	Total RM
<u>Trade Receivables</u>			
Balance at 31.12.2024/1.1.2025	91,033	13,216	104,249
Additions (Note 28)	-	187,408	187,408
Balance at 31.12.2025	91,033	200,624	291,657

The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows:-

The Group	Gross Amount RM	Lifetime Individual Allowance RM	Lifetime Collective Allowance RM	Carrying Amount RM
2025				
Current (not past due)	4,677,809	-	-	4,677,809
1 to 90 days past due	3,877,970	-	(133)	3,877,837
More than 91 days past due	8,306,288	-	(90,900)	8,215,388
Credit impaired	200,624	(200,624)	-	-
Trade receivables	17,062,691	(200,624)	(91,033)	16,771,034
2024				
Current (not past due)	13,068,564	-	(88,937)	12,979,627
1 to 90 days past due	123,886	-	-	123,886
More than 91 days past due	2,030,684	-	(2,096)	2,028,588
Credit impaired	13,216	(13,216)	-	-
Trade receivables	15,236,350	(13,216)	(91,033)	15,132,101
Contract assets	3,933,322	-	-	3,933,322
	19,169,672	(13,216)	(91,033)	19,065,423

Trade receivables and contract assets that are individually determined to be impaired relate to debtors who are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses (Cont'd)

Trade receivables and contract assets that are collectively determined to be impaired relate to expected credit losses measured based on the Group's observed default rates.

There has been no significant change in the gross amounts of trade receivables and contract assets that impacted the allowance for impairment losses.

Other Receivables

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

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group and the Company assess whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with that as at the date of initial recognition. The Group and the Company consider that there has been a significant increase in credit risk when contractual terms change or payments are delayed. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

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

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-month expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Non-performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Other Receivables (Cont'd)

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

The Group and the Company measure the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on an individual basis. The remaining receivables are grouped by shared credit risk characteristics and assessed on a collective basis.

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

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

Allowance for Impairment Losses

	The Group	
	2025	2024
	RM	RM
At 1 January/31 December	36,440	36,440

The allowance for impairment losses (determined on an individual basis) relates to credit impaired other receivables that are in significant financial difficulties and have defaulted on payments. No impairment losses are provided for the remaining other receivables because there have been no significant changes in their credit quality and the amounts are considered recoverable but with slower repayment records.

There has been no significant change in the gross amounts of other receivables that has impacted the allowance for impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Cash and Bank Balances

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

Amount Owing by Subsidiaries (Non-trade Balances)

The Company also applies the 3-stage general approach (see information on other receivables above) to measure expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

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

The Company considers loans and advances to subsidiaries to be of low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. This is because the Company is able to determine the timing of payments and the loans and advances are to be in default when the subsidiaries are unable to pay when demanded.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Amount Owing by Subsidiaries (Non-trade Balances) (Cont'd)

Allowance for Impairment Losses

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

Amount Owing By Associate (Non-trade Balances)

The Group and the Company also apply the 3-stage general approach (see information on other receivables above) to measure expected credit losses for amount owing by associate.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Group and the Company measure expected credit losses on an individual basis, which aligns with its credit risk management practices on amount owing by associate.

The Group and the Company consider loans and advances to associate to be of low credit risk. The Group and the Company assume that there is a significant increase in credit risk when an associate's financial position deteriorates significantly. This is because the Group and the Company are able to exercise significant influence over the timing of payments and the loans and advances are to be in default when the associate is unable to pay when demanded.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Amount Owing by Associate (Non-trade Balances) (Cont'd)

Allowance for Impairment Losses

	The Group/The Company 2025 RM	2024 RM
At 1 January	3,955,357	3,955,357
Reversal (Note 28)	(3,955,357)	-
At 31 December	-	3,955,357

The allowance for impairment losses (determined on an individual basis) relates to credit impaired associate that are in significant financial difficulties and have defaulted on payments.

The changes in the allowance for impairment losses were impacted by the significant changes in the gross carrying amounts of amount owing by an associate during the reporting period. In 2025, the settlement of balances resulted in a decrease of RM6,119,302 in amount owing by an associate, which correspondingly decreased the allowance for impairment losses by RM3,955,357.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

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

Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to subsidiaries and associate are financial guarantee contracts.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company closely monitors the subsidiaries' and associate's financial strength to reduce the risk of loss.

The Company considers that there is a significant increase in credit risk when a subsidiary's and associate's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary and associate are unlikely to repay their obligations to the bank in full; or
- The subsidiary and associate are having a deficit in equity and are continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

Allowance for Impairment Losses

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

(c) Liquidity Risk

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

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

	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
The Group						
2025						
<u>Non-derivative</u>						
<u>Financial Liabilities</u>						
Trade payables	-	36,203,360	36,203,360	36,203,360	-	-
Other payables and accruals	-	5,522,394	5,522,394	5,522,394	-	-
Lease liabilities	5.13 - 5.46	158,866	162,405	153,405	9,000	-
Term loans	5.02 - 5.56	17,765,120	19,438,872	2,780,375	16,359,042	299,455
Hire purchase payables	4.11 - 4.38	61,538	65,356	27,109	38,247	-
		59,711,278	61,392,387	44,686,643	16,406,289	299,455
2024						
<u>Non-derivative</u>						
<u>Financial Liabilities</u>						
Trade payables	-	16,530,790	16,530,790	16,530,790	-	-
Other payables and accruals	-	3,441,110	3,441,110	3,441,110	-	-
Lease liabilities	5.13 - 5.46	388,138	406,215	243,810	162,405	-
Term loans	5.36 - 5.76	20,838,798	22,573,459	4,513,632	17,359,827	700,000
Hire purchase payables	4.11 - 4.72	124,270	131,949	66,582	65,367	-
		41,323,106	43,083,523	24,795,924	17,587,599	700,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

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

	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
The Company				
2025				
<u>Non-derivative Financial Liabilities</u>				
Other payables	4.60 - 5.06	39,979,093	41,814,133	41,814,133
Other payables and accruals	-	120,408	120,408	120,408
Financial guarantee contracts in relation to corporate guarantee given to: - certain subsidiaries	-	-	17,765,120	17,765,120
		40,099,501	59,699,661	59,699,661
2024				
<u>Non-derivative Financial Liabilities</u>				
Other payables	5.13 - 5.40	34,451,632	36,212,110	36,212,110
Other payables and accruals	-	157,803	157,803	157,803
Financial guarantee contracts in relation to corporate guarantee given to: - certain subsidiaries - an associate	-	-	20,838,798	20,838,798
		-	10,994,509	10,994,509
		34,609,435	68,203,220	68,203,220

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The potential exposure of the financial guarantee contracts is equivalent to the outstanding amount of the credit facilities of the said subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements because their fair values on initial recognition were not material.

37.2 CAPITAL RISK MANAGEMENT

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

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

	The Group	
	2025	2024
	RM	RM
Term loans (Note 23)	17,765,120	20,838,798
Hire purchase payables (Note 24)	61,538	124,270
	<hr/> 17,826,658	<hr/> 20,963,068
Less: Cash and bank balances	(24,144,283)	(7,226,754)
	<hr/> (6,317,625)	<hr/> 13,736,314
	<hr/> <hr/>	<hr/> <hr/>
Total equity	155,879,631	146,180,251
	<hr/> <hr/>	<hr/> <hr/>
Debt-to-equity ratio	*	0.09

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

There were no changes in the approach to capital management during the financial year.

The Group is also required to comply with certain loan covenants as disclosed in Note 23(c) to the financial statements, failing which, the banks may call an event of default. The Group has complied with this requirement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.2 CAPITAL RISK MANAGEMENT (CONT'D)

The debt-to-equity ratio of the Company at the end of the reporting period is not presented as the Company has no external borrowings.

37.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Group	
	2025	2024	2025	2024
	RM	RM	RM	RM
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Other financial asset (Note 13)	1,613,335	1,564,074	-	-
<u>Amortised Cost</u>				
Trade receivables (Note 15)	16,771,034	15,132,101	-	-
Other receivables (Note 12)	5,142,324	2,287,144	86,684,695	69,595,490
Cash and bank balances	24,144,283	7,226,754	2,578,413	777,945
	46,057,641	24,645,999	89,263,108	70,373,435
	47,670,976	26,210,073	89,263,108	70,373,435
Financial Liabilities				
<u>Amortised Cost</u>				
Trade payables (Note 25)	36,203,360	16,530,790	-	-
Other payables and accruals (Note 26)	5,522,394	3,441,110	40,099,501	34,609,435
Lease liabilities (Note 22)	158,866	388,138	-	-
Term loans (Note 23)	17,765,120	20,838,798	-	-
Hire purchase payables (Note 24)	61,538	124,270	-	-
	59,711,278	41,323,106	40,099,501	34,609,435

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Group	
	2025	2024	2025	2024
	RM	RM	RM	RM
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Net gains recognised in profit or loss	49,261	11,817	-	-
<hr/>				
<u>Amortised Cost</u>				
Net gains recognised in profit or loss	3,992,200	282,268	7,367,817	3,032,061
<hr/>				
Financial Liabilities				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(1,270,428)	(941,584)	(1,731,461)	(1,351,444)
<hr/>				

37.5 FAIR VALUE INFORMATION

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

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.5 FAIR VALUE INFORMATION (CONT'D)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period :-

The Group	Fair Value of Financial Instrument Carried at Fair Value			Fair Value of Financial Instrument not Carried at Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM		
2025								
<u>Financial Asset</u>								
Other financial asset	-	1,613,335	-	-	-	-	1,613,335	1,613,335
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	59,612	-	59,612	61,538
Term loans	-	-	-	-	17,765,120	-	17,765,120	17,765,120
2024								
<u>Financial Asset</u>								
Other financial asset	-	1,564,074	-	-	-	-	1,564,074	1,564,074
<u>Financial Liabilities</u>								
Hire purchase payables	-	-	-	-	130,620	-	130,620	124,270
Term loans	-	-	-	-	20,838,798	-	20,838,798	20,838,798

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

37.5 FAIR VALUE INFORMATION (CONT'D)

- (a) The fair value of the other financial asset is determined based on its surrender value as at the end of the financial year.
- (b) The fair value of hire purchase creditors with fixed interest rates is estimated by discounting expected future cash flows using prevailing market interest rates.
- (c) The fair value of the term loans with floating interest rates approximates their carrying amounts as the interest rates are repriced to market interest rates on or near the reporting date.

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ANALYSIS OF SHAREHOLDINGS

AS AT 16 MARCH 2026

Issued Share Capital and Shareholding Information

Total Number of Shares Issued	:	788,443,090 (excluding 111,840 treasury shares held)
Class of Shares	:	Ordinary shares ("Share(s)")
Voting Rights	:	One (1) vote per Share

Distribution of Shareholdings

Size of Shareholdings	Number of Shareholders	Percentage of Shareholders(%)	Number of Shares	Percentage of Shares (%)
1 - 99	61	1.492	2,455	0.000 ⁽¹⁾
100 - 1,000	297	7.263	204,358	0.026
1,001 - 10,000	1,803	44.094	9,808,908	1.244
10,001 - 100,000	1,412	34.532	53,896,854	6.836
100,001 - 39,422,153 ⁽²⁾	515	12.595	538,261,615	68.269
39,422,154 and above ⁽³⁾	1	0.024	186,268,900	23.625
Total	4,089	100.000	788,443,090	100.000

Notes:

⁽¹⁾ Negligible.

⁽²⁾ Holdings representing less than 5% of issued shares.

⁽³⁾ Holdings representing 5% and above of issued shares.

Substantial Shareholders

Name of Shareholder	Indirect		Direct	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Woo Wai Onn @ Foo Wai Onn	186,268,900	23.625	-	-

Directors' Shareholdings

Name of Director	Direct		Indirect	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Mok Juan Chek	-	-	-	-
Dato Abdullah Bin Abdul Mannan	14,000,000	1.776	-	-
Woo Wai Onn @ Foo Wai Onn	186,268,900	23.625	-	-
Kenny Woo Chi Yoong	-	-	186,268,900(i)	23.625
Ng Lee Thin	-	-	-	-
Kevin Low Ee Ming	-	-	-	-
Yap Yung Chien	-	-	-	-
Yau Yin Wee	-	-	-	-

Note:

⁽ⁱ⁾ Indirect interest by virtue of his father, Mr. Woo Wai Onn @ Foo Wai Onn's interest (186,268,900 shares) pursuant to Section 59(11)(c) of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS

AS AT 16 MARCH 2026 (CONT'D)

Listing of the Thirty (30) Largest Shareholders

No.	Name	Number of Shares Held	Percentage (%)
1	Woo Wai Onn @ Foo Wai Onn	186,268,900	23.625
2	Yoong Li San	26,138,300	3.315
3	Hang Chew Chee	23,805,500	3.019
4	Tay Hwee Peng	19,153,800	2.429
5	TA Nominees(Tempatan) Sdn Bhd Pledged Securities Account for Teo Chai Hock	14,890,578	1.888
6	Chua Tick Yaw	14,691,000	1.863
7	Abdullah Bin Abdul Mannan	14,000,000	1.775
8	TA Nominees(Tempatan) Sdn Bhd Pledged Securities Account for Samuel Tan Hock Khoon	12,668,800	1.606
9	TA Nominees(Tempatan) Sdn Bhd Pledged Securities Account for Hang Chew Chee	12,155,300	1.541
10	Zhibo Realty Sdn.Bhd.	10,938,300	1.387
11	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chua Tick Yaw (3010752)	10,000,000	1.268
12	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Tee (Tay) Eng Joo (MF00316)	7,666,000	0.972
13	TA Nominees(Tempatan) Sdn Bhd Pledged Securities Account for Koo Yu Ling	7,663,800	0.972
14	NSK Trading Sdn. Bhd.	7,500,000	0.951
15	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teo Chai Hock (M04)	7,489,409	0.949
16	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yeo Ann Seck	7,320,000	0.928
17	TA Nominees(Tempatan) Sdn Bhd Pledged Securities Account for Tan Yan Ten	7,150,000	0.906
18	Kenanga Nominees (Asing) Sdn Bhd Exempt AN For Phillip Securities Pte Ltd (Client Account)	6,908,216	0.876
19	Chong Tong Siew	6,805,300	0.863
20	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ang Chin How (M04)	6,736,513	0.854
21	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Samuel Tan Hock Khoon (MY4360)	6,468,600	0.820
22	TA Nominees(Tempatan) Sdn Bhd Pledged Securities Account for Kelvin Teo	6,358,513	0.806
23	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Sock Eng (MF00317)	6,000,000	0.760
24	Chew Seng Guan	5,668,900	0.718
25	Chua Eng Guan	5,393,500	0.684
26	Ng Teng Yau	5,310,500	0.673
27	Yeoh Phek Leng	5,118,000	0.649
28	Wong Kim Hung	4,710,000	0.597
29	Hsin Tsai Ying	4,500,000	0.570
30	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Solomon Tan Yiin Yuh	4,480,800	0.568

LIST OF PROPERTIES

No.	Location / Postal address	Descriptions	Built-up Approximate Areas (sq. m.)	Land Approximate Areas (sq. m.)	Existing Use	Net Book Value (RM'000)
1.	Hakmilik Strata No. PN 69492/M1-Menara A/1-18/11, No. Bangunan M1 - Menara A, No. Tingkat 1-18, No. Petak 11, Bandar Melaka, Kawasan Bandar XLIV, Daerah Melaka Tengah, Negeri Melaka.	Hotel	17,634	-	Certificate of Completion and Compliance ("CCC") obtained on 26 June 2025	47,606
2.	Unit No. A-S13-G, Hakmilik Strata No. PN 69492/M1/1/14, No. Bangunan M1, No. Tingkat 1, No. Petak 14, Bandar Melaka, Kawasan Bandar XLIV, Daerah Melaka Tengah, Negeri Melaka.	Retail unit	473	-	CCC obtained on 26 June 2025. Rented out.	1,898
3	Unit No. C-S3-G, Hakmilik Strata No. PN 69492/M1/1/19, No. Bangunan M1, No. Tingkat 1, No. Petak 19, Bandar Melaka, Kawasan Bandar XLIV, Daerah Melaka Tengah, Negeri Melaka.	Retail unit	391	-	CCC obtained on 26 June 2025; property currently vacant.	1,459
4.	Unit No. A-S13A-G, Hakmilik Strata No. PN 69492/M1/1/15, No. Bangunan M1, No. Tingkat 1, No. Petak 145, Bandar Melaka, Kawasan Bandar XLIV, Daerah Melaka Tengah, Negeri Melaka.	Retail unit	473	-	CCC obtained on 26 June 2025; property currently vacant.	1,115
5.	Unit No. C-S3-01, Hakmilik Strata No. PN 69492/M1/2/29, No. Bangunan M1, No. Tingkat 2, No. Petak 29, Bandar Melaka, Kawasan Bandar XLIV, Daerah Melaka Tengah, Negeri Melaka.	Retail unit	531	-	CCC obtained on 26 June 2025; property currently vacant.	1,046

LIST OF PROPERTIES

(CONT'D)

No.	Location / Postal address	Descriptions	Built-up Approximate Areas (sq. m.)	Land Approximate Areas (sq. m.)	Existing Use	Net Book Value (RM'000)
6.	Geran 504464, Lot 28093, Mukim Plentong, Johor Bahru (Address: No. 1, Jalan Bakawali 35, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim)	Double-storey shop house	370	185	Sales gallery for project	955
7.	Unit No. B-S1-01, Hakmilik Strata No. PN 69492/M1/2/26, No. Bangunan M1, No. Tingkat 2, No. Petak 26, Bandar Melaka, Kawasan Bandar XLIV, Daerah Melaka Tengah, Negeri Melaka.	Retail unit	480	-	CCC obtained on 26 June 2025; property currently vacant.	886
8.	Unit No. C-S1-G, Hakmilik Strata No. PN 69492/M1/1/17, No. Bangunan M1, No. Tingkat 1, No. Petak 17, Bandar Melaka, Kawasan Bandar XLIV, Daerah Melaka Tengah, Negeri Melaka.	Retail unit	251	-	CCC obtained on 26 June 2025. Rented out.	884
9.	Unit No. C-S2-G, Hakmilik Strata No. PN 69492/M1/1/18, No. Bangunan M1, No. Tingkat 1, No. Petak 18, Bandar Melaka, Kawasan Bandar XLIV, Daerah Melaka Tengah, Negeri Melaka.	Retail unit	206	-	CCC obtained on 26 June 2025; property currently vacant.	860
10.	Geran 504453, Lot 28082, Mukim Plentong, Johor Bahru (Address: No. 25, Jalan Bakawali 35, Taman Johor Jaya, 81100 Johor Bahru, Johor.)	Double-storey shop house	286	143	Warehouse for own storage (ground floor); Rented out (first floor)	722

ADMINISTRATIVE GUIDE FOR THE TWENTY-SEVENTH ANNUAL GENERAL MEETING (“27TH AGM”)

This guide provides information and procedures for shareholders attending or participating in the 27th AGM of Axteria Group Berhad.

Meeting Details:

Day & Date : Tuesday, 26 May 2026
Time : 10:00 a.m.
Venue : Event Hall, Daiman 18 Golf Club, No. 18, Jalan Pesona, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim

1. REGISTRATION ON THE DAY OF THE AGM

- 1.1 Registration will commence at **9:00 a.m.** and will remain open until the conclusion of the 27th AGM or as determined by the Chairman of the meeting.
- 1.2 Upon arrival, please present your original National Registration Identity Card (NRIC) or Passport (for non-Malaysian shareholders) to the registration staff for verification.
- 1.3 Following successful verification, you will be issued an identification wristband, which is required for voting purposes. Entry to the meeting hall will not be permitted without this wristband. Please note that lost or misplaced wristbands will not be replaced.
- 1.4 Registration must be completed in person. No registration on behalf of another individual will be allowed, even with the original identification document.
- 1.5 The registration counter will handle identity verification, registration, and the processing of proxy appointments or revocations.

2. CORPORATE MEMBERS

- 2.1 Corporate members intending to appoint corporate representatives (instead of proxies) are required to lodge their original certificate of appointment of corporate representative with Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”) before the 27th AGM, or present the original certificate at the registration counter on the day of the AGM.

Attorney appointed under a power of attorney must deposit the original power of attorney with Tricor **no later than 10:00 a.m. on Monday, 25 May 2026**, to be eligible to attend and vote at the 27th AGM.

3. ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY

- 3.1 Only shareholders whose names appear on the Record of Depositors as at **19 May 2026** are entitled to participate in the 27th AGM or to appoint proxy(ies) and/or the Chairman of the meeting to attend and vote on their behalf.
- 3.2 Shareholders who are unable to attend the 27th AGM may appoint the Chairman of the meeting as their proxy by indicating their voting instructions in the Form of Proxy.
- 3.3 Shareholders who wish to attend and participate in the 27th AGM personally should not submit a Form of Proxy. Shareholders attending in person will not be permitted to participate if a proxy has also been appointed on their behalf.
- 3.4 The appointment of a proxy may be made in hardcopy form or by electronic means, and must be received by the Company **no later than 10:00 a.m. on Monday, 25 May 2026**, or in case of an adjourned general meeting, by the time of the adjourned meeting at which the appointed proxy intends to vote. **Otherwise, the Forms of Proxy will not be considered valid.**
 - (i) Hardcopy Submission
Completed Forms of Proxy can be submitted by hand or by post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or placed in the designated drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
 - (ii) By Electronic means
Shareholders have the option to submit Form of Proxy electronically via the Vistra Share Registry & IPO (MY) portal. The steps for submission are outlined below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User at The Portal	<ol style="list-style-type: none"> 1. Visit the website at https://srmy.vistra.com. 2. Click "Register" and select "Individual Holder" and complete the New User Registration Form. 3. For guidance, you may refer to the tutorial guide available on the homepage. 4. Once registration is completed, you will receive an email notification to verify your registered email address. 5. After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by creating your password.
<i>If you are an existing user with The Portal or our TIIH Online portal previously, you are not required to register again.</i>	

ADMINISTRATIVE GUIDE FOR THE TWENTY-SEVENTH ANNUAL GENERAL MEETING (“27TH AGM”)

(CONT'D)

Procedure	Action
i. Steps for Individual Shareholders	
Proceed with submission of proxy form	<ol style="list-style-type: none"> 1. After the release of the Notice of Meeting by the Company, login with your email address and password. 2. Select the corporate event: “AXTERIA GROUP BERHAD 27TH AGM”. 3. Navigate to the 3 dots at the end of the corporate event and choose “SUBMISSION OF PROXY FORM”. 4. Read and agree to the Terms and Conditions and confirm the Declaration. 5. Indicate the total number of shares assigned to your proxy(s) to vote on your behalf. 6. Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint the Chairman as your proxy. 7. Indicate your voting instructions – FOR or AGAINST or ABSTAIN. 8. Print the proxy form for your record.
ii. Steps for Corporation or Institutional Shareholders	
Register as a User at The Portal	<ol style="list-style-type: none"> 1. Visit the website at https://srmy.vistra.com. 2. Click "Register" and select "Representative of Corporate Holder" and complete the New User Registration Form. 3. Complete the registration form with your personal details. 4. Once registration is completed, you will receive an email notification to verify your registered email address. 5. After verification, your registration will be reviewed and approval within two (2) working days. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by creating your password. <p><i>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact Tricor if you need clarifications on the user registration.</i></p>
Proceed with submission of proxy form	<ol style="list-style-type: none"> 1. Login to https://srmy.vistra.com with your email address and password. 2. Select the corporate event: “AXTERIA GROUP BERHAD 27TH AGM”. 3. Navigate to the icon “>” at the end of the corporate event. 4. Read and agree to the Terms and Conditions and confirm the Declaration. 5. Select the corporate holder’s name. 6. Proceed to download the submission file. 7. Prepare the file for the appointment of proxy(ies) by inserting the required data. 8. Proceed to upload the duly completed proxy appointment file. 9. Select “Confirm” to complete your submission. 10. Print the confirmation report of your submission for your record.

4. POLL VOTING

The voting at the 27th AGM will be conducted by way of poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as Poll Administrator to facilitate the polling process.

Upon the conclusion of the voting session, the appointed Scrutineers will verify the poll results, after which the Chairman will announce whether the resolutions have been duly passed.

5. NO DISTRIBUTION OF DOOR GIFTS OR VOUCHERS

There will be **no distribution** of door gifts or vouchers in connection with the 27th AGM.

6. RECORDING OR PHOTOGRAPHY

Unauthorised recording or photography of the proceedings of the 27th AGM is strictly prohibited.

7. ENQUIRY

If you have any enquiries regarding the 27th AGM, please contact the following persons during office hours, Mondays to Fridays from 8:30 a.m. to 5:30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line : +603-2783 9299
 Email : is.enquiry@vistra.com
 Contact persons : Mr. Mohammad Amirul Iskandar
 +603-2783 9279 (mohammad.amirul@vistra.com)
 Mr. Syafiqul Hafidz
 +603-2783 9024 (syafiqulhafidz@vistra.com)

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AXTERIA GROUP BERHAD
Registration No. 199901021765 (496665-W)

FORM OF PROXY

CDS Account No.	
Number of Shares held	

I/We, _____
(full name in block letters)

NRIC No./Passport No./Company No. _____

of _____
(full address)

being member of **AXTERIA GROUP BERHAD ("Company")**, hereby appoint the following person(s) as my/our proxy:

Name of proxy & NRIC No. / Passport No.	Contact No.	Email address	No. of ordinary shares represented by proxy	Percentage of shareholding
1.				
2.				
TOTAL				100%

or failing him/her, the Chairman of the Meeting as my/our proxy to vote on my/our behalf at the Twenty-Seventh (27th) Annual General Meeting ("AGM") at Event Hall, Daiman 18 Golf Club, No. 18, Jalan Pesona, Taman Johor Jaya, 81100 Johor Bahru, Johor Darul Takzim on Tuesday, 26 May 2026 at 10:00 a.m. and at every adjournment thereof, and to vote as indicated below: -

No.	Ordinary Resolutions	For	Against
1	Approval of Directors' fees for the financial year ending 31 December 2026		
2	Approval of benefits payable to Directors		
3	Re-election of Mr. Kevin Low Ee Ming as Director		
4	Re-election of Ms. Yap Yung Chien as Director		
5	Re-election of Mr. Yau Yin Wee as Director		
6	Re-appointment of Crowe Malaysia PLT as Auditors		
7	Authority to Issue Shares and Waiver of Pre-Emptive Rights over Shares		

Please indicate with [✓] on how you wish your votes to be cast. (Unless otherwise instructed, the proxy may vote as he/she thinks fit). If no specific direction as to voting is given, the proxy will vote or abstain at his/their discretion.

Dated this day of 2026

.....
Signature of Shareholder(s) or Common Seal

Stamp

The Share Registrar of
AXTERIA GROUP BERHAD
Company No. : 199901021765 (496665-W)
Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.

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Notes:

1. A member shall be entitled to appoint another person as his/their proxy to exercise all or any of his/their rights to attend, speak and vote in his/their stead pursuant to Section 334 of the Companies Act 2016. There shall be no restriction as to the qualification of the proxy.
2. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney, must be deposited at Tricor's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or placed in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 24 hours before the time appointed for holding this meeting or any adjournment thereof as Paragraph 8.29A(1) of the Listing Requirements of Bursa Securities requires all resolutions set out in the Notice of 27th AGM to be voted on by way of poll. Alternatively, the Form of Proxy can be lodged electronically via Vistra Share Registry and IPO (MY) portal at <https://smy.vistra.com>. Please refer to the Administrative Guide for the 27th AGM on the procedures for electronic submission of Form of Proxy.
3. In the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the Meeting as his/their proxy, provided always that the rest of the form of proxy, other than the particulars of the proxy, has been duly completed by the member(s).
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/their shareholdings to be represented by each proxy.
5. If the appointer is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney duly authorised.
6. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempted Authorised Nominee may appoint in respect of each Omnibus Account it holds.
7. Only depositors whose names appear in the Register of Depositors as at 19 May 2026 shall be entitled to attend in person or appoint proxies to attend and/or vote on their behalf at the 27th AGM.

Personal data privacy

By submitting the duly executed proxy form, the member and his/their proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of the 27th AGM and any adjournment thereof.

The Share Registrar of
AXTERIA GROUP BERHAD
Company No. : 199901021765 (496665-W)
Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
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