HOHUP®

HO HUP CONSTRUCTION COMPANY BERHAD
197301000497 (14034-W)

Annual Report 2025

Vision, Mission & Values

OUR **VISION**

To be a reputable property development & construction company delivering sustainable products and services that enrich and improve the living standards of our customers and the community.

OUR **MISSION**

- To employ cost effective methods without compromising on quality considerations.
- To provide a safe work environment and improve the livelihood of our employees.
- To enhance long term stakeholders' returns.

51st Annual General Meeting

DATE
1 December 2025

TIME
10.30AM

VENUE
Bukit Jalil Golf and Country Resort,
1st Floor, Langkawi Room,
Jalan Jalil Perkasa 3, Bukit Jalil,
57000 Kuala Lumpur
Malaysia

CORE **VALUE**

- Innovation
- Responsibility
- Integrity
- Customer Oriented
- People Development

Disclaimer :

This annual report, prepared by Ho Hup Construction Company Berhad may contain certain forward looking statements and is prepared based on the Board's current view of future events that may involve certain assumptions, risks and uncertainties. Shareholders and investors are advised that past performance does not necessarily signify its future performance.

What's INSIDE

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Form of Proxy

Corporate Information

BOARD OF DIRECTORS

Dato' Wong Kit-Leong
Executive Director

Mr. Low Kheng Lun
Executive Director
(re-designated as Executive Director on 18 April 2025)

Datin Chan Bee Leng
Non-Independent Non-Executive Director

Mr. Narayanasamy A/L N Chithambaram
Independent Non-Executive Director
(appointed on 18 April 2025)

Mr. Keith Anicetus Vaz
Independent Non-Executive Director
(appointed on 8 May 2025 and resigned on 21 October 2025)

Tan Sri Datuk Seri (Dr) Mazlan Bin Lazim
Chairman/Independent Non-Executive Director
(resigned on 8 May 2025)

Dato' Wong Gian Kui
Executive Director
(resigned on 18 April 2025)

Mr. Thevanaigam Rajan Chitty
Independent Non-Executive Director
(resigned on 8 May 2025)

Mr. Danny Hoe Kam Thong
Independent Non-Executive Director
(resigned on 18 April 2025)

Dato' Sri Chee Hong Leong
Executive Director
(resigned on 21 March 2024)

CHIEF EXECUTIVE OFFICER

Dato' Sri Chee Hong Leong
(appointed on 21 March 2024 and resigned on 28 April 2025)

Dato' Wong Kit-Leong
(re-designated from Chief Executive Officer/Executive Director to Executive Director on 21 March 2024)

AUDIT COMMITTEE

Mr. Narayanasamy A/L N Chithambaram
(appointed on 18 April 2025)
Datin Chan Bee Leng
(appointed on 6 June 2025)

Mr. Keith Anicetus Vaz *(Chairman)*
(appointed on 8 May 2025 and resigned on 21 October 2025)

Mr. Thevanaigam Rajan Chitty *(Chairman)*
(resigned on 8 May 2025)

Tan Sri Datuk Seri (Dr) Mazlan Bin Lazim
(resigned on 8 May 2025)

Mr. Danny Hoe Kam Thong
(resigned on 18 April 2025)

RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE (Established on 26 April 2024)

Mr. Narayanasamy A/L N Chithambaram
(Chairman) (appointed on 18 April 2025)

Mr. Low Kheng Lun
(appointed on 18 April 2025)

Mr. Keith Anicetus Vaz
(appointed on 8 May 2025 and resigned on 21 October 2025)

Mr. Danny Hoe Kam Thong *(Chairman)*
(resigned on 18 April 2025)

Mr. Thevanaigam Rajan Chitty
(resigned on 8 May 2025)

Dato' Sri Chee Hong Leong
(resigned on 18 April 2025)

NOMINATION COMMITTEE

Mr. Narayanasamy A/L N Chithambaram
(Chairman) (appointed on 18 April 2025)

Datin Chan Bee Leng
(appointed on 6 June 2025)

Mr. Keith Anicetus Vaz
(appointed on 8 May 2025 and resigned on 21 October 2025)

Mr. Danny Hoe Kam Thong *(Chairman)*
(resigned on 18 April 2025)

Tan Sri Datuk Seri (Dr) Mazlan Bin Lazim
(resigned on 8 May 2025)

Mr. Thevanaigam Rajan Chitty
(resigned on 8 May 2025)

REMUNERATION COMMITTEE

Mr. Narayanasamy A/L N Chithambaram
(Chairman) (appointed on 18 April 2025)

Datin Chan Bee Leng
(appointed on 6 June 2025)

Mr. Keith Anicetus Vaz
(appointed on 8 May 2025 and resigned on 21 October 2025)

Tan Sri Datuk Seri (Dr) Mazlan Bin Lazim
(resigned on 8 May 2025)

Mr. Danny Hoe Kam Thong
(resigned on 18 April 2025)

Mr. Thevanaigam Rajan Chitty
(appointed on 18 April 2025 and resigned on 8 May 2025)

COMPANY SECRETARIES

Ms. Lim Shook Nyee
(MAICSA 7007640) SSM Practicing Certificate No. 201908003593

Ms. Lee Le En (Stella)
(MAICSA 7069628) SSM Practicing Certificate No. 202508000165
(appointed on 2 September 2025)

Ms. Victoria Loui Hoong Mei
(MICPA 4054) SSM Practicing Certificate No. 202208000276
(resigned on 12 September 2025)

REGISTERED OFFICE

Ho Hup Tower - Aurora Place
2-07-01 - Level 7, Plaza Bukit Jalil
No. 1, Persiaran Jalil 1, Bandar Bukit Jalil
57000 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Malaysia
Tel : +(603) 9779 1700
Fax : +(603) 9779 1701/2
Email : osem@quadrantbiz.co

SHARE REGISTRAR

Shareworks Sdn. Bhd.
2-1, Jalan Sri Hartamas 8 Sri Hartamas
50480 Kuala Lumpur
Tel : +(603) 6201 1120
Fax : +(603) 6201 3121
Email : sharereg@shareworks.com.my

PRINCIPAL BANKERS

AmBank (M) Berhad
Bank Pembangunan Malaysia Berhad
Sabah Development Bank Berhad

AUDITORS

UHY Malaysia PLT *(AF 1411)*
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : +(603) 2279 3088
Fax : +(603) 2279 3099

TKNP PLT *(AF 002323)*
Lot 42020-3-1 (3rd Floor)
Wisma WCC Bayu, Jalan Batu Unjur 7
Taman Bayu Perdana
41200 Klang Selangor Darul Ehsan
Tel : +(603) 3325 7784

SOLICITORS

Shahrizat Rashid & Lee

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

STOCK CODE

5169

STOCK NAME

HOHUP

SECTOR

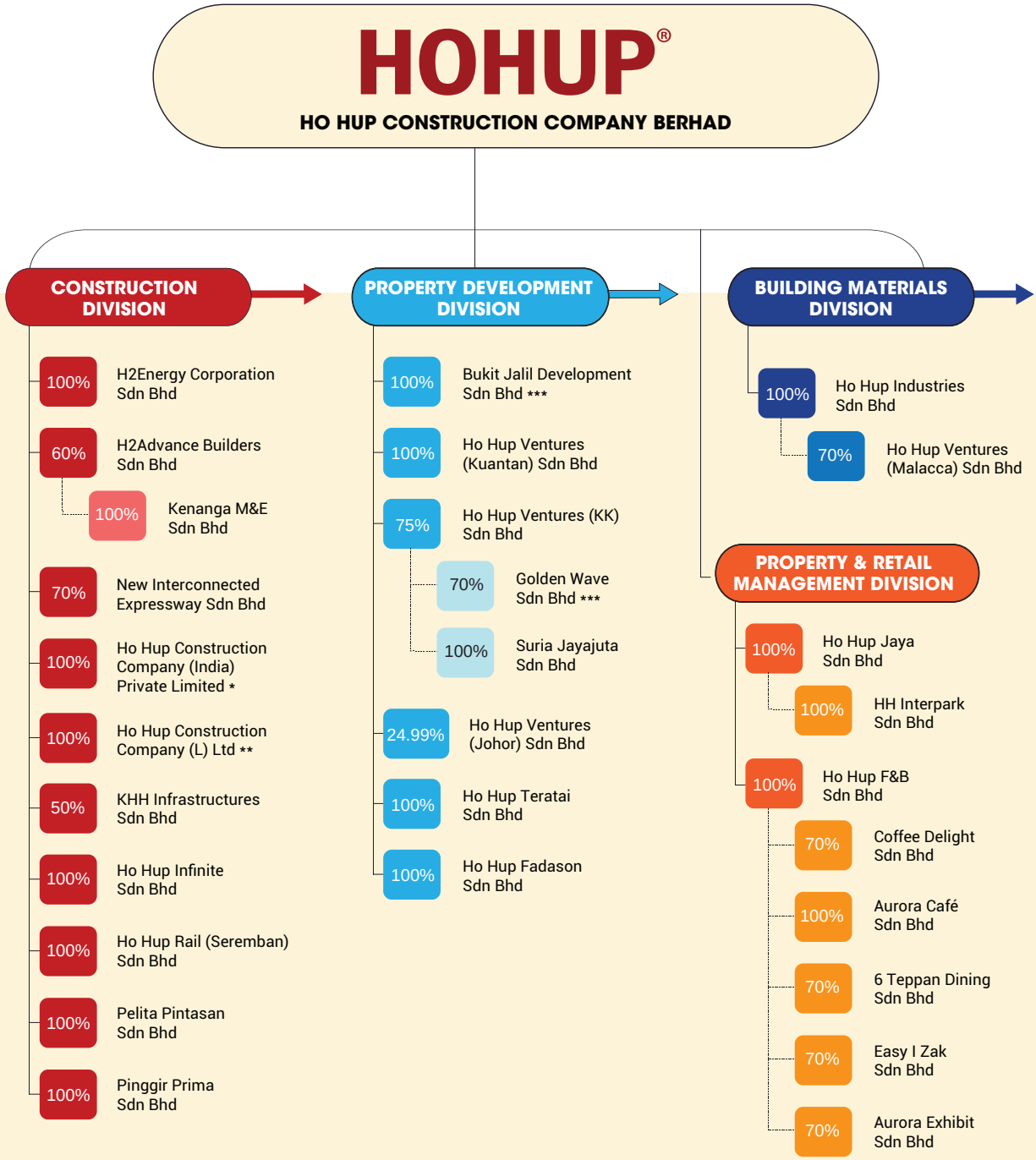
Construction

WEBSITE

www.hohupgroup.com.my

Corporate Structure

As at 30 September 2025



Note:
* Incorporated in India
** Incorporated in Labuan
*** In liquidation process

Financial Calendar

7 November 2025

Notice of Postponement of 51st Annual General Meeting

51st Annual General Meeting

Date of AGM

1 December 2025

Venue

Bukit Jalil Golf and Country Resort, 1st Floor, Langkawi Room, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur, Malaysia

Quarterly Results

30 May 2024

Unaudited consolidated results for 1st quarter ended 31st March 2024

30 August 2024

Unaudited consolidated results for 2nd quarter ended 30th June 2024

29 November 2024

Unaudited consolidated results for 3rd quarter ended 30th September 2024

28 February 2025

Unaudited consolidated results for 4th quarter ended 31st December 2024

28 May 2025

Unaudited consolidated results for 5th quarter ended 31st March 2025

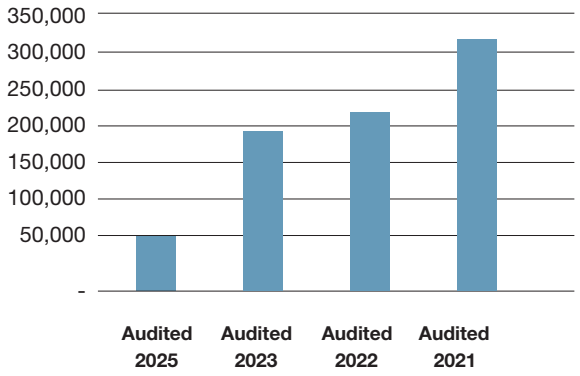
29 August 2025

Unaudited consolidated results for 6th quarter ended 30th June 2025

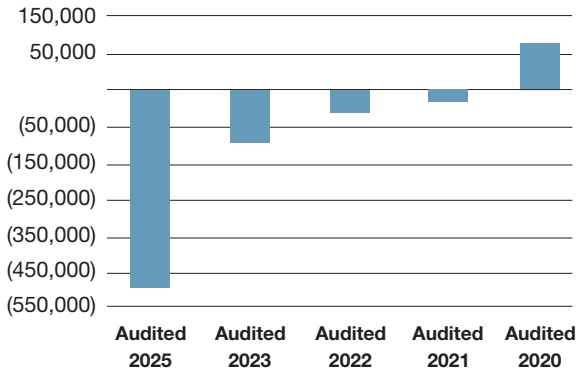
Five-Year Financial Highlights

FINANCIAL HIGHLIGHT (RM'000)	2025 Audited	2023 Audited	2022 Audited	2021 Audited	2020 Audited
Key Statement of Comprehensive Income					
Revenue	**57,074**	187,943	213,041	199,126	315,925
(Loss)/Profit Before Tax	**(494,499)**	(85,186)	(25,849)	(20,958)	102,286
(Loss)/Profit After Tax	**(499,369)**	(84,472)	(36,358)	(24,939)	71,686
(Loss)/Profit Attributable to Owners of the Parent	**(490,194)**	(80,618)	(32,129)	(18,082)	73,037
Key Statement of Financial Position					
Total Assets	**122,588**	1,217,765	1,523,642	1,547,308	1,338,388
Total Borrowings	**131,417**	509,139	650,701	645,774	529,424
Total Equity	**(176,822)**	342,326	419,702	456,346	436,595
Share Information					
Basic(Loss)/Earnings per Share Attributable to Owners of the Parent (sen)	**(94.58)**	(16.20)	(6.50)	(3.80)	17.71
Net Assets per Share Attributable to Owners of the Parent (sen)	**(41.86)**	65.51	84.81	92.22	105.87
Financial Indicators					
Net Return on Shareholders' Funds (%)	**-277.22%**	(22.65%)	(7.66%)	(3.96%)	16.73%
Gearing Ratio (times)	**N/A**	1.49	1.57	1.41	1.12

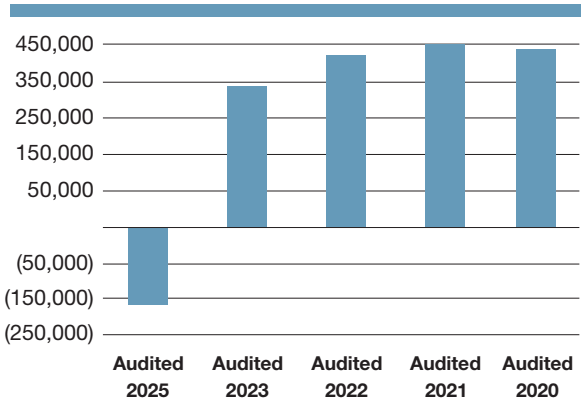
Revenue (RM'000)



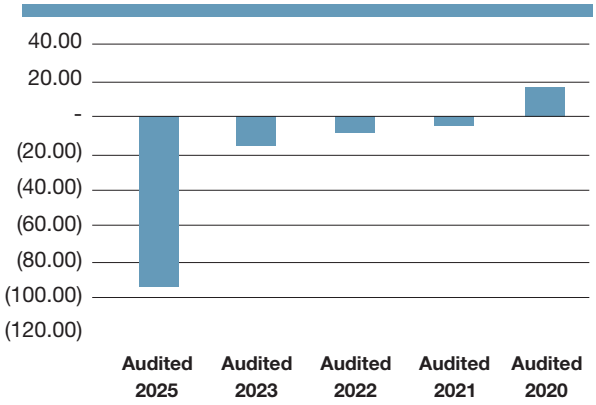
(Loss)/Profit After Tax (RM'000)



Total Equity (RM'000)



Basic (Loss)/ Earnings per Share Attributable to Owners of the Parent (SEN)



Share Performance

STOCK EXCHANGE	TRADING NAME	STOCK CODE
Bursa Malaysia Securities Bhd	HO HUP	5169

Month	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sept 24	Oct 24	Nov 24	Dec 24
High (RM)	0.25	0.22	0.20	0.18	0.16	0.16	0.18	0.20	0.16	0.17	0.21	0.17
Low (RM)	0.22	0.20	0.13	0.13	0.13	0.14	0.14	0.15	0.14	0.13	0.16	0.15
Average (RM)	0.23	0.21	0.17	0.15	0.14	0.15	0.15	0.17	0.14	0.15	0.17	0.15
Volume ('000)	10,653,700	3,871,400	47,198,000	22,881,500	47,804,500	25,081,000	61,382,200	61,655,700	8,608,900	16,988,300	20,372,100	7,136,300

Month	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25
High (RM)	0.16	0.14	0.20	0.17	0.09	0.08
Low (RM)	0.14	0.12	0.09	0.09	0.07	0.06
Average (RM)	0.14	0.13	0.13	0.13	0.07	0.07
Volume ('000)	2,581,600	1,748,600	20,203,100	18,173,200	28,335,000	2,805,300

MEDIA HIGHLIGHTS

Ho Hup disposes of Bukit Jalil land for RM110mil

CORPORATE NEWS

Monday 06 May 2024 6:56 PM MYT

PETALING JAYA: Ho Hup Construction Co Bhd is disposing of a parcel of freehold commercial development land measuring 12,492 sq metres in Kuala Lumpur to EXSIM Persiaran Jalil Sdn Bhd for RM110mil.

In a filing with Bursa Malaysia, Ho Hup said it had, in the preceding financial year, initiated and e a series of restructuring and rationalisation exercises aimed at enhancing business operations.

"The land is situated within Bukit Jalil and alongside Jalan 13/155C, Bandar Bukit Jalil and Persiaran Jalil Utama, which is approximately 17 kilometres south-west of the Kuala Lumpur city centre.

"The management of the company remains committed to evaluating and realigning the group's resources in response to its high gearing, aligning with the group's strategic priorities."

Ho Hup said the proposed disposal offers an opportunity to improve liquidity and fortify the group's financial position.

Ho Hup seeks court order to formulate scheme of arrangement

By Syaf Rein / theedgemalaysia.com

21 Apr 2025, 09:08 pm

KUALA LUMPUR (April 21): After defaulting on loan facilities last week, Ho Hup Construction Co Bhd (KL:HOHUP | EDGE) is seeking a court order to facilitate the restructure of its debt.

The company, which has been classified as a Practice Note 17 (PN17) issuer due to the loan default, on Monday filed an application at the High Court for an order

"for a compromise or arrangement with the company's creditors for the purpose of formulating and proposing a scheme of arrangement".

The company is also seeking a restraining order to prevent legal action being taken against the company "to allow the company the necessary breathing space" to come out with the scheme of arrangement, said Ho Hup in a bourse filing.

It noted that upon filing the application, an automatic restraining order is granted to the company for a period of two months or until the application is decided by the court.

Ho Hup said details of the scheme of arrangement will be announced later.

"Upon approval of the proposed scheme of arrangements by the requisite majority of 75% of the total value of creditors present and voting at the court-convened creditors' meeting, the proposed scheme of arrangement shall be deemed enforceable and binding on all scheme creditors of the proposed scheme of arrangements.

"As such, the terms of the proposed scheme of arrangement are subject to changes arising from any discussions or negotiations between the company and the creditors," it added.

Ho Hup was classified as a PN17 company last Friday after its wholly-owned unit Bukit Jalil Development Sdn Bhd defaulted on outstanding loan facilities of RM112.69 million.

The construction company, in its capacity as guarantor for Bukit Jalil Development, received a demand notice from Insas Credit & Leasing Sdn Bhd over the repayment of the outstanding amount.

With its PN17 status, Ho Hup must announce within three months whether its regularisation plan will significantly change its business direction. It then has 12 months to submit and secure approval for the plan — either from the Securities Commission if it involves major changes or from Bursa Securities if it does not.

Ho Hup has been loss-making for 13 consecutive quarters. For the fourth quarter ended Dec 31, 2024, its net loss widened to RM113.8 million from RM56.3 million a year earlier, as revenue fell nearly 60% to RM5.35 million from RM13.7 million.

As of end-December 2024, its current borrowings stood at RM320.3 million, with non-current borrowings at RM76.6 million. Total current assets stood at RM801.3 million, while non-current assets came in at RM195.4 million.

Shares in Ho Hup ended 3.5 sen or 25.93% lower at 10 sen, valuing the company at RM49.98 million.

Read also:
Ho Hup slips into PN17 status after unit defaults on RM112m loan facility

Edited By S Kenggarjo

Ho Hup's property development unit applies for judicial management

By Syafiqah Salim / theedgemalaysia.com 17 May 2024, 09:26 pm

KUALA LUMPUR (May 17): Ho Hup Construction Company Bhd (KL:HOHUP | EDGE) said its 52%-owned unit Golden Wave Sdn Bhd (GWSB) has applied with the High Court to be placed under judicial management.

Judicial management is a corporate rescue mechanism where companies seek the appointment of a judicial manager when they are unable to pay their debts, creditors or directors.
In a filing with Bursa Malaysia on Friday, Ho Hup said GWSB's judicial management application is part of GWSB's efforts to rehabilitate the company in a bid to regularise its financial condition and maximise returns to creditors as opposed to being wound up.

The application is also to provide GWSB the opportunity to complete its projects.

It will also seek the involvement of an independent professional to facilitate restructuring of GWSB with the assistance of its management.

"There has been a series of events that has affected the cash flow of GWSB due to the Covid-19 pandemic environment, which has significantly slowed down the timing of payments by customers as well as the progress of the projects undertaken by GWSB," Ho Hup said.

GWSB is 70%-owned by Ho Hup's property development division Ho Hup Ventures (HQ) Sdn Bhd, which is in turn 75%-owned by Ho Hup.

As at end-2023, Ho Hup Ventures' total liabilities of RM447.49 million exceeded its total assets of RM449.54 million.

The unit contributed close to 40% of Ho Hup's revenue for the financial year ended Dec 31, 2023 (FY2023).

Ho Hup stated that the application is not expected to have a significant financial or operational impact on the group, and will provide further updates if there is any material development on the matter.

Last week, Ho Hup announced that its RM1 billion mixed development project in Bukit Jalil will be suspended as it plans to sell the 3.09-acre land the project is sited on for RM110 million, cash, to Exsim Group as it seeks to improve its financial position.

Ho Hup have incurred losses for the last three consecutive years. For the financial year ended Dec 31, 2023 (FY2023), the company's net loss widened to RM75.07 million from RM32.13 million a year earlier, due to impairments of long-standing receivables totalling RM14.7 million, as well as ascertained liquidated damages expenses of RM15.9 million.

The group also experienced lower contribution recognition for projects such as Laman Iskandaria, Kulai, and The Crown, Kota Kinabalu.

Shares of Ho Hup closed unchanged at 14 sen on Friday, giving it a market capitalisation of RM75.15 million. Year to date, the counter has dropped more than 40%.

Edited By Intan Farhana Zainul

Ho Hup to sell prized Bukit Jalil land for RM110m to reduce debt

By SUPHIDER SINGH

Ho Hup Construction Company Bhd is set to sell a freehold commercial development land in Bukit Jalil, Kuala Lumpur for RM110 million to bolster its financial position, primarily focusing on reducing debt by allocating RM80 million of the proceeds towards repaying bank borrowings within six months.

The company's wholly-owned subsidiary, Bukit Jalil Development Sdn Bhd, has entered a conditional sale and purchase agreement with Exsim Persiaran Jalil Sdn Bhd, a newly established entity wholly-owned by Exsim Development Sdn Bhd.

This land, part of a larger 50-acre parcel acquired in 1999, has incurred costs of RM51.02 million over the years, with an additional RM17.40 million spent on a development called the FLEX project.

"In response to our high gearing, we have executed restructuring exercises to optimise asset allocation and business operations," said Ho Hup.

With the recent commencement of the FLEX project and its substantial capital requirements, the proposed disposal aims to enhance liquidity and fortify the company's financial position.

The repayment of bank borrowings is expected to yield annual finance cost savings of approximately RM5.70 million, contributing to an improved gearing ratio.

A portion of the proceeds, RM31 million, will be refunded to existing end purchasers, and RM8.5 million will compensate existing consultants and contractors.
Ho Hup Group anticipates a one-time net loss of RM10.62 million due to the proposed disposal.
The land's development was approved by Dewan Bandaraya Kuala Lumpur, with outstanding development charges of RM10.03 million, partially paid by Ho Hup.

Under the sale and purchase agreement, Exim will assume responsibility for settling the remaining charges.

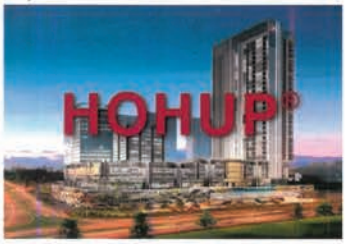
The approved development plan includes two tower blocks atop an 8-storey podium, featuring retail spaces and shops.

Preliminary works and piling activities have commenced, with 185 units already sold.

In light of the proposed disposal, Ho Hup plans to suspend the FLEX project and terminate related contracts, while Exim commits to resolving outstanding payments associated with piling works, not exceeding RM5 million.

The proposed disposal is subject to shareholder approval at an EGM and necessary governmental and regulatory approvals, expected to be finalised in the third quarter of 2024.

KUALA LU IPUR: Bursa Malaysia Securities Bhd mengumumkan Ho Hup Construction Company Bhd diklasifikasikan sebagai syarikat Nota Amalan 17 (PN17) selepas mencetuskan kriteria di bawah Perenggan 2.1(f) PN17 dalam Keperluan Penyenaraian Pasaran Utama.



Pada 18 April lalu, Ho Hup menyatakan anak syarikatnya gagal membayar kemudahan pinjaman tertunggak berjumlah RM112.69 juta. - Foto BERNAMA

Directors' Profile

DATO' WONG KIT-LEONG

Executive Director

Age	Gender	Nationality
54	Male	Malaysian

Date of Appointment	12 August 2010
Length of Service	15 years and 1 month (as at 30 September 2025)
Date of Last Re-election	30 May 2024

Membership of Board Committees:

- **Nil**

Academic/Professional Qualifications:

- Bachelor of Commerce, University of British Columbia, Canada

Working Experience:

Dato' Wong Kit-Leong ("Dato' Wong") was appointed to the Board of the Company as an Executive Director on 12 August 2010, to manage the financial and corporate restructuring of the Group. On 24 April 2014, Dato' Wong was re-designated as the Executive Director/Chief Executive Officer ("CEO") of the Company. Subsequently, Dato' Wong was re-designated as Executive Director on 21 March 2024.

He began his career with Citibank Malaysia in 1995 before moving to Abric Berhad in 1999. During his tenure in Abric up to 2007, he served as Executive Director/Chief Operating Officer.

Directorships of other Public Listed Companies

- Nil

He attended sixteen (16) out of eighteen (18) Board Meetings of the Company held during the financial period ended 30 June 2025 of the Company.

Directors' Profile (CONT'D)

MR. LOW KHENG LUN

Executive Director

Age	Gender	Nationality
39	Male	Malaysian

Date of Appointment	31 October 2011
Length of Service	13 years and 11 month (as at 30 September 2025)
Date of Last Re-election	30 May 2024

Membership of Board Committees:

- **Risk Management and Sustainability Committee**

Academic/Professional Qualifications:

- MA (Hons) Entrepreneurial Management, European Business School, London, (UK)
- BEng (Hons) Civil Engineering, University College London, (UK)

Working Experience:

Mr. Low Kheng Lun worked as a Graduate Engineer in Buildings and Infrastructure Department in Scott Wilson PLC, London, UK from 2008 to 2009 and was an IT Advisory Associate in KPMG. He is currently a Director of Low Chee Group Sdn. Bhd. Mr. Low was re-designated from Non-Independent Non-Executive Director to Executive Director of the Company on 18 April 2025.

He is the son of Dato' Low Tuck Choy, a major shareholder of the Company and Datin Chan Bee Leng, a Non-Independent Non-Executive Director and major shareholder of the Company. Dato' Low Tuck Choy and Datin Chan Bee Leng ceased as substantial shareholders on 22 October 2025.

Directorships of other Public Listed Companies

- Nil

He attended seventeen (17) out of eighteen (18) Board Meetings of the Company held during the financial period ended 30 June 2025 of the Company.

DATIN CHAN BEE LENG

Non-Independent Non-Executive Director

Age	Gender	Nationality
65	Female	Malaysian

Date of Appointment	31 October 2011
Length of Service	13 years and 1 month (as at 30 September 2025)
Date of Last Re-election	31 May 2023

Membership of Board Committees:

- **Nomination Committee**
- **Remuneration Committee**
- **Audit Committee**

Academic/Professional Qualifications:

- Bachelor of Science (Hons) Management Science (Majoring in Finance & Marketing), University of Warwick, (UK)
- GSCE 'A' Levels, Weston-Super-Mare Technical College, (UK)
- Business Education Council Diploma (BEC)

Working Experience:

Datin Chan Bee Leng was a Finance Manager in Brisdale Sdn. Bhd. (a subsidiary of developer Perwira Indra Sakti Sdn. Bhd.) from 1990 to 1996 and a Director of Tepat Concrete Sdn. Bhd. from 2000 to 2006. She subsequently joined Bukit Jalil Development Sdn. Bhd. as a Consultant from 2006 to 2008.

She is a major shareholder of the Company. She is also the spouse of Dato' Low Tuck Choy, a major shareholder of the Company and mother to Mr. Low Kheng Lun, the Executive Director and major shareholder of the Company. Datin Chan Bee Leng and Dato' Low Tuck Choy ceased as substantial shareholders on 22 October 2025. Mr Low Kheng Lun ceased as substantial shareholder on 16 October 2025.

Directorships of other Public Listed Companies

- Nil

She attended fourteen (14) out of eighteen (18) Board Meetings of the Company held during the financial period ended 30 June 2025 of the Company.

Directors' Profile
(CONT'D)

MR. NARAYANASAMY A/L N CHITHAMBARAM

Independent
Non-Executive Director

Age	Gender	Nationality
66	Male	Malaysian

Date of Appointment	18 April 2025
Length of Service	5 months (as at 30 September 2025)
Date of Last Re-election	N/A

Membership of Board Committees:

- **Nomination Committee (Chairman)**
- **Remuneration Committee (Chairman)**
- **Audit Committee**
- **Risk Management and Sustainability Committee (Chairman)**

Academic/Professional Qualifications:

- B.A. (Hon) Law, Sociology and Social Anthropology, University of Keele, (UK)

Working Experience:

Mr. Narayanasamy A/L N Chithambaram, is a legal professional with a career spanning over three decades. Graduating with a B.A. (Hon) in Law, Sociology, and Social Anthropology from the University of Keele, United Kingdom, in 1990, he brings a wealth of expertise in corporate law and Information Technology Law.

His career journey includes essential roles in various organisations, such as serving as the Group Legal Advisor-General Counsel at Haisan Resources Berhad, General Counsel at YFG Berhad, Legal Advisor at Lityan Holdings Berhad, Chief Operating Officer at Bheesma Logistics (M) Sdn Bhd, Head of Corporate Division/Assistant of Managing Director of Pembinaan Nadzri Sdn Bhd and Law Lecturer at Stamford College.

A results-driven professional, he boasts extensive experience in corporate transactions, including takeover bids, mergers and acquisitions (M&A), joint ventures, and restructuring. With a focus on legal, regulatory, and compliance matters, he is also proficient in intellectual property and various legal domains. From Corporate Law to Information Technology Law, he excels in drafting contracts for significant commercial transactions, arbitration management, and overseeing liquidation. Additionally, his expertise extends to conducting comprehensive legal due diligence for M&A, encompassing thorough research into target companies histories, intellectual property and share data.

Directorships of other Public Listed Companies

- Microlink Solutions Berhad

He attended two (2) out of three (3) Board Meetings of the Company held during the financial period ended 30 June 2025 of the Company.

Key Senior Management Profile

MR. YAP YOON LEAN

General Manager – Group

Age: **65**
Gender: **Male**
Nationality: **Malaysian**

He holds a Diploma in Commerce in Cost & Management Accounting from Tunku Abdul Rahman College. He started his career with Genting Berhad as an Audit Assistant prior to joining Singapore-listed Jurong Engineering Ltd as a Finance Officer.

In 1990, he moved back to Malaysia working as an Accountant and Operations Director in the hotel management and manufacturing industries. He was the Project Director of Kiara ANR Sdn Bhd, a company involved in tin exploration in Perak from March 2013 to July 2015 before joining the Company in 1 August 2015.

He has more than 30 years of experience in accounting, finance, and operations in several industries from hotel management, construction, engineering, manufacturing and quarry.

MS. VICTORIA LOUI HOONG MEI

General Manager – Assets & Property Management

Age: **55**
Gender: **Female**
Nationality: **Malaysian**

She is a Chartered Accountant of the Malaysian Institute of Accountants and a member of The Malaysian Institute of Certified Public Accountants.

She has extensive working experience across a wide range of industries, from auditing, construction, property development, financial services and education. She started her career with Ernst and Young in 1991 as an Auditor until 1997, following which she joined Asia Pacific Land Berhad and Nam Fatt Corporation Berhad. In May 2003, she joined Segi Educational Group International (SEGI), a regional higher education provider as its Senior Finance Manager. In 2006, she served at the International Commercial Bank Financial Group Holdings AG (ICB), an international financial services provider based in Switzerland with subsidiaries in Eastern Europe, Africa, and Asia as its Chief Financial Officer. She joined the Company on 1 December 2009 as Senior Manager – Finance. Promoted on 1 August 2012 to General Manager – Finance and subsequently redesignated on 9 March 2020 as General Manager – Asset & Property Management.

MS. TAN GUAN LING

Assistant General Manager – Corporate & Finance

Age: **55**
Gender: **Female**
Nationality: **Malaysian**

She is a Chartered Accountant from the Malaysian Institute of Accountants (MIA) and Associate Member of the Chartered Institute of Management Accountants (CIMA) UK.

With extensive experience spanning various industries, including manufacturing, trading, construction, property development, and property management services, she began her career as a Finance Executive at MBF Holding Berhad in 1996. In 1998, she transitioned to Singapore, serving as a Finance Officer in a trading and manufacturing company in Jurong, Singapore. Returning to Malaysia in 2002, she held positions in corporate finance and accounts divisions within several listed companies before joining the Company in 23 September 2019 as Senior Manager. She was subsequently promoted to Assistant General Manager, where she now heads the Corporate & Finance Department.

Notes:
Save as disclosed above, none of the Directors and Key Senior management has:-
1. any directorship in public companies and listed issuers;
2. any family relationship with any Directors and/or major shareholders of the Company;
3. any conflict of interest with the Company;
4. any conviction for offences within the past 5 years other than traffic offences; and
5. any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Management Discussion & Analysis

MARKET OVERVIEW

Amid the prevailing global uncertainties arising from escalating geopolitical tensions, particularly in the Middle East and the Russia-Ukraine conflict, Malaysia's economy continued to demonstrate resilience. After recording a growth of 3.7% in 2023, the economy rebounded to an estimated 5.1% in 2024, supported primarily by stronger domestic demand and sustained private investment.

Looking ahead, Malaysia's economy is expected to maintain a steady growth trajectory in 2025/2026, underpinned by continued recovery in the services and manufacturing sectors, resilient labour market conditions, and ongoing public and private investment activities. Headline inflation is anticipated to remain moderate, supported by stable domestic demand and government measures to manage the cost of living.

Budget 2026, tabled in the Dewan Rakyat on 10 October 2025, is expected to further bolster Malaysia's economic growth, with particular implications for the property sector. The revised Malaysia My Second Home (MM2H) programme has been adjusted to enhance flexibility, including the introduction of tiered visa categories, lower fixed-deposit requirements, and expanded options for the use of those deposits. In addition, the Government has maintained the guarantee fund under the Skim Jaminan Kredit Perumahan (SJKP) at RM10 billion to continue supporting first-time homebuyers and individuals facing difficulty securing housing loans.

For Financial Period Ended 2025 (FPE 2025), the Group recorded a decrease in revenue of approximately 69.63% to RM57.07 million, which made up of revenue from continuing operations of RM36.89 million and discontinued operations of RM20.18 million as compared with RM187.94 million in FYE 2023; and a significantly higher Group loss after tax of RM499.37 million; loss from continuing operations and discontinued operations of RM266.45 million and RM232.92 respectively, as compared to RM84.47 million in FYE 2023.

We anticipate that FYE 2026 will remain equally challenging and we will continue to focus on, but are optimistic that our asset management, namely Ho Hup Tower, will be continue to generate the necessary cash flow and profitability, and coupled with our restructuring initiatives under Practice Note 17 (PN17) with the objective of restoring financial sustainability and positioning the Group for long-term recovery.

GROUP BUSINESS ACTIVITIES

For FPE 2025, the Group continued its on-going restructuring and rationalisation efforts, aimed to enhance operational efficiency, optimising asset allocation, and reducing the Group's gearing level. As part of this strategic transformation, we successfully divested our Flex @ Bukit Jalil project in the third quarter, resulting in a significant reduction in the Group's borrowing levels. Additionally, towards the end of 2024, the Group ceased the non-core and under-performing business segments, including the manufacturing and distribution of ready-mix concrete and quarry operations. These moves are critical in streamlining our operations, improving profitability, and enabling a more focused approach to value creation.

On 18 April 2025, the Company was classified as one of the affected issuers pursuant to PN17 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad following the issuance of a notice of demand by Insas Credit & Leasing Sdn. Bhd. for an outstanding loan of approximately RM157.03 million, with Ho Hup Construction Company Berhad acting as the guarantor. The Company has also received a further demand dated 29 May 2025 from Lee & Koh, acting for AmBank Islamic Berhad ("AIB") in respect of the revolving credit facilities ("Facilities") and demand for the total outstanding sum of RM53.49 million.

On 26 September 2025, the Company announced that it had triggered another prescribed criteria under Paragraph 2.1(a) of PN17 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad by virtue of its shareholders' equity on a consolidated basis being less than 25% of the issued share capital of the Company and such shareholders' equity being less than RM40.00 million.

The Company is in the process of formulating a strategic plan to regularise its financial position and the regularisation plan is required to be submitted to relevant regulatory authorities for approval before 17 April 2026.

Management Discussion & Analysis (CONT'D)

FINANCIAL REVIEW

As announced on 25 February 2025, the financial year end of the Group has been changed from 31 December 2024 to 30 June 2025. As such, there will be no comparative financial information available for the preceding year corresponding period.

Revenue

In FPE 2025, the Group registered revenue of RM57.07 million, revenue generated from continuing operations is RM36.89 million and discontinued operations RM20.18 million representing a significant decrease of 69.63% compared to RM187.94 million in the FYE 2023.

The decline was mainly attributable to the restructuring exercises undertaken by the Company during the period, which involved streamlining operations, discontinuing under-performing business divisions, and rationalising its portfolio to enhance long-term recovery and profitability. These initiatives are expected to strengthen the Company's position for its sustainable growth in the future.

Other Income & Expenses

For the FPE 2025, the Group recorded Other Income of RM123.95 million, representing a significant increase of RM112.48 million compared to RM11.47 million in FYE 2023. The significant increase was mainly attributed to the gain on disposal and deconsolidation of subsidiaries.

Administrative Expenses rose to RM33.95 million in FPE 2025, continuing operations of RM24.70 million and discontinued operations of RM9.25 million, an increase of 60.98% or RM12.86 million from RM21.09 million in FPE 2023, due to reclassification of other expenses to administrative expenses.

Meanwhile, the Other Expenses surged to RM511.73 million in FPE 2025, a sharp increase of RM456.98 million compared to RM54.75 million in FYE 2023. The increase in other expenses was primarily attributable to impairment losses on assets, receivables and other receivables as well as impairment on receivables from the subsidiaries being disposed and loss of control.

Finance Costs

Finance Costs increased to RM53.50 million in FPE 2025 from RM24.62 million in FYE 2023, mainly due to the change of financial period in this financial period.

Taxation

For FPE 2025, the Group registered a tax of RM5.81 million, mainly contributed by the Construction projects undertaken by the Group.

Management Discussion & Analysis
(CONT'D)

OPERATIONAL REVIEW

For FPE 2025, the Group recorded a total revenue of RM57.07 million, reflecting its main contributions is from its key business divisions, Construction and Property Development.

Construction Division

The Construction division accounted for 28.71%, or RM16.39 million of the Group's total revenue of RM57.07 million during FPE 2025. The revenue within this division was pre-dominantly derived from the construction works related to The Crown, Kota Kinabalu project and Vokasional College TVET, Kota Tinggi Johor ("TVET Project").

Property Development Division

For FPE 2025, the Property Development division remained the Group's primary revenue driver, contributing 44.26%, or RM25.24 million of total revenue RM57.07 million. Majority of this revenue was recognised in the earlier quarters of the financial period from The Crown, Kota Kinabalu project.

Building Material Division

The Building Material segment recorded the lowest revenue contribution of 2.44% in FPE 2025. This was mainly attributed to the soft market conditions coupled with the cessation of operations beginning in the second quarter of 2024 as part of the Company's restructuring initiatives.

Property and Retail Division

For FPE 2025, the Property and Retail Division recorded a notable revenue of RM14.05 million or 24.62% of the total revenue of RM57.07 million, mainly contributed from the rental income.

The Property and Retail division encompasses the Group's investment and operational assets located at Aurora Place, Bukit Jalil. It includes the office tower, retail space, food and beverage businesses, and the car park facilities. The division focuses on optimising the rental income, maintaining high occupancy levels, and enhancing the overall value and performance of the assets.

PLANNING AHEAD

We continue to actively pursue opportunities to secure a strategic investor to support the Group in addressing its current financial challenges. The Board remains confident that this pro-active approach towards forming strategic partnerships will yield positive outcomes in due course. Coupled with the Group's ongoing restructuring strategy, which aims to streamline operations, optimise the asset portfolio, and implement the proposed regularisation plan, these initiatives are expected to strengthen the Group's financial position and enhance its long-term resilience.

Thank you.

DATO' WONG KIT-LEONG
Executive Director

Sustainability Report

The information presented in this Sustainability Report will cover the entire financial period from 1 January 2024 to 30 June 2025 (FPE 2025) in line with the change in the Company's financial period, as announced on 25 February 2025.

Our FPE2025 Sustainability Report provides updates on initiatives and activities undertaken by the Group during the year to enhance our Environmental, Social, and Governance (ESG) performance with the objective of improving the long-term sustainability of the Group's businesses. Throughout the FPE2025, we track our ESG performance and measure the progress achieved towards our sustainable development goals as well as providing an insight into our ESG outcomes. This report is guided by Bursa Malaysia Securities Berhad's Sustainability Reporting Guidelines.

The Group's ESG performance is illustrated in the Sustainability Highlights on page 21.

GOALS

Sustainability Value Creation

Better Communities

Participating in Corporate Social Responsibility (CSR) activities to promote social responsibility

Better Environment

Developing green practices in our property & construction activities

Better Business

Optimise operational processes and achieve high peformance. Strive to offer high quality product & service

Better Workplace

Maintain highest safety standard and promote integrity & accountability culture

GOVERNANCE STRUCTURE

BOARD OF DIRECTORS	MANAGEMENT TEAM	SUSTAINABILITY TEAM	OPERATING DIVISIONS
The Board is ultimately accountable for managing sustainability matters in the organisation.	The management team, comprising representatives from each Business Division, reports to the Board on sustainability matters and coordinates the team in their duties and responsibilities.	The sustainability team comprises employees appointed by the management team to manage sustainability initiatives.	Operating divisions comprise employees and staff assigned to work/operate in these divisions.

Sustainability Report (CONT'D)

SCOPE OF REPORT

This report covers the Group's core business activities in construction, property development, building materials and property and retail management for the period from January 2024 to June 2025. The Group approach to sustainability is aligned with the global national sustainable development goals.

STAKEHOLDER ENGAGEMENT

In line with Sustainable Development Goal ("SDG") 17, we engage with our stakeholders through various channels to better understand their needs and concerns. Our stakeholders' engagement channels, frequency and the material issues identified are summarised below:

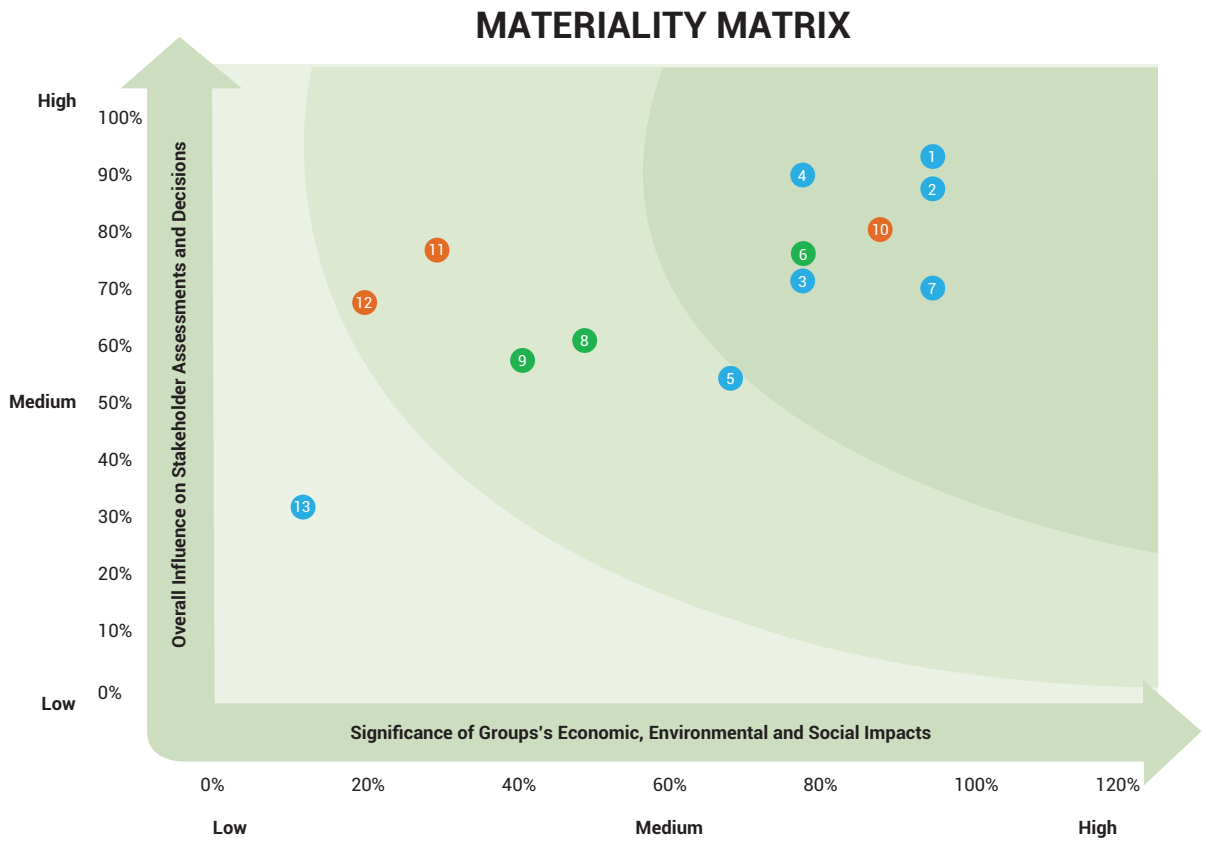
Stakeholders	Area of Interest	Engagement Channel	Frequency	Material Issues
Employees	• Company direction and performance • Career development and training opportunities • Workplace safety and health • Employee benefits and welfare	Management Meetings Annual Staff Luncheon Employee Handbook	Frequent Once / Twice a year Timely Update	Economic Performance Employee Management Learning & Development
Shareholders/ Investors	• Operational and financial performance • Shareholder EPS returns • Sustainability performance	AGM/EGM Corporate Website Investor Relations Public Announcement	As needed	Economic Performance Sustainable Business Growth Business Ethics & Compliance Good Procurement Practices
Customers	• Product quality and design • Product/services	Sales Engagement Client survey Social Media	As needed	Client Satisfaction Data Privacy & Security Green Nature Indoors & Outdoors
Board of Directors	• Discussion of key decision matters • Deliberation of financial review	Board Meetings	At least 4 times a year	Sustainable Business Growth Business Ethics & Compliance Inclusion, Diversity & Talent

Sustainability Report (CONT'D)

Stakeholders	Area of Interest	Engagement Channel	Frequency	Material Issues
Business Partners	• Negotiation of contract terms • Quality Standard	Business Meetings Business Ventures	Frequent	Sustainable Business Growth Good Procurement Practices Business Ethics & Compliance
Suppliers and Subcontractors	• Transparency in procurement processes • Streamline procurement process • Health and Safety	Suppliers Evaluation Email Meeting	Once/Twice a year	Good Procurement Practices Supply Chain Management Data Privac & Security
Regulators	• Regulatory compliance & obtaining licenses • Improving construction sector productivity	Regulatory Meeting Industry Workshop	Ad-hoc When required	Regulatory & Compliance Effluent & Waste Management Occupational Health & Safety
Local Communities	• Communication on our development plans and projects • Community development and support	Community Programmes Community Engagement Social Media	Few times a year (during events)	Noise Management Dust Emission Corporate & Social Awareness

Sustainability Report
(CONT'D)

MATERIAL SUSTAINABILITY ISSUES



Economic Impact

1 - Sustainable Business Growth
2 - Good Procurement Practices
3 - Customer Satisfaction
4 - Business Ethics & Compliance
5 - Data Privacy & Security

Environment Impact

6 - Noise Management
7 - Effluent & Waste Management
8 - Green Nature Indoors & Outdoors
9 - Dust Emission

Social Impact

10 - Occupational Health & Safety
11 - Learning & Development
12 - Inclusion, Diversity & Talent
13- Supporting Our Community

OUR COMMITMENT

In September 2015, all 192-member countries of the United Nations unanimously adopted the 2030 Agenda for Sustainable Development and its implementation framework, the Sustainable Development Goals (SDGs) that charts in detail a way forward to ensure a future that is sustainable for people, planet, peace and prosperity. The 2030 Agenda lists 17 SDG goals to address a range of social and economic development issues such as poverty, health, education, climate change, water, energy, environment and social justice to create a world that is comprehensively sustainable. Ho Hup is committed to being part of the global initiative and has embedded the following SDGs in our ESG efforts.

Sustainability Report (CONT'D)

Important and Material Economic, Environment & Social Matters

Economic

	SDG Goals
Sustainable Business Growth	8, 9, 11, 17
Good Procurement Practices	8, 11 , 12, 17
Customer Satisfaction	9, 11, 15
Business Ethics & Compliance	8, 12, 16
Data Privacy & Security	9, 16

Economic Impact

refers to the impact of the Company's business operations on a economic perspective of its stakeholders from a sustainability point of view.

Environment

	SDG Goals
Noise Management	8, 11, 12, 16
Effluent & Waste Management	6, 8, 11, 12, 14, 16
Green Nature Indoors & Outdoors	8, 11, 12, 13, 15, 16
Dust Emission	8, 9, 11, 12, 16

Environment Impact

refers to the impact of the Company's business operations on the ecosystem, habitat and the planet.

Social

	SDG Goals
Occupational Health & Safety	3, 8, 11, 12, 16
Learning & Development	4, 8
Inclusion, Diversity & Talent	5, 8, 10
Supporting Our Community	3, 4, 11, 17

Social Impact

refers to the impact of the Company's business operations on the social environment and its local communities.

Sustainability Report (CONT'D)

OUR INITIATIVES

Ho Hup's initiatives in the material EES matters are presented as below: -

	Initiatives Addressing Sustainability	Outcome	Status
Economic Impact			
Sustainable Business Growth	Collaborating with strategic partners to ensure sustainable growth in our business divisions	Creating strategic business ventures with our business partners	On-going
Good Procurement Practice	Regular performance evaluation on suppliers and subcontractors' performance	Services and materials are sourced & delivered trustworthily	On-going
Customer Satisfaction	Conduct clients' satisfaction feedbacks & surveys	Gaining market reputation as a high quality & responsible developer/contractor	On-going
Business Ethics & Compliance	Establishing a code of conduct for all directors & employees against bribery & corruption practice	No material incident reported	On-going
Data Privacy & Security	Managing ICT, Data Security & Disaster Recovery plan	No IT security breach incident reported	On-going
Environment Impact			
Noise Management	Regulate noise levels to be within allowable threshold	All noise levels are within allowable threshold	On-going
Effluent & Waste Management	Proper scheduled waste management	Reduced pollution incident reported	On-going
Green Nature Indoors & Outdoors	Incorporating green policy as part of our development	Green spaces create an atmosphere closer to nature	On-going
Dust Emission	Watering the project pathways to reduce dust in the air	Dust levels are within allowable threshold	On-going

Sustainability Report (CONT'D)

Social Impact	Initiatives Addressing Sustainability	Outcome	Status
Occupational Health & Safety	Conduct proper HSE trainings, supervision & compliance	Practice higher safety standards	On-going
Learning & Development	Invest in training for upskilling employees to industry practices	Build a competitive and skilful workforce	On-going
Inclusion, Diversity & Talent	Investing in talent from different working experience	A workforce with diverse experience	On-going
Supporting Our Community	The company is actively exploring Corporate Social Responsibility (CSR) initiatives that can bring meaningful benefits and positive impact to the community and society.	Supporting others association's activities	On-going

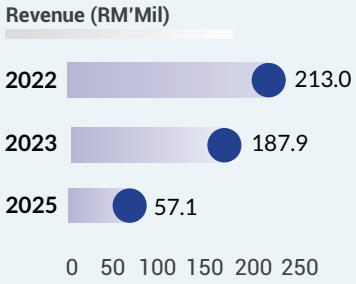
SUSTAINABILITY HIGHLIGHTS 2025

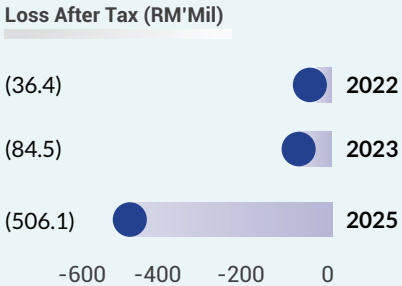
To Create and Enhance our Shareholders' Value

ECONOMIC - BETTER BUSINESS

Sustainable Business Growth

Ho Hup remains committed to exploring strategic opportunities that support long-term, sustainable business growth.





Shareholder's Value RM

Loss per Share ("LPS") (sen)

2025	2023	2022
(0.98)	(16.20)	(6.50)

Net Asset / (Net Liability) Value per Share ("NAV") (RM)

2025	2023	2022
(0.41)	0.66	0.85

Sustainability Report
(CONT'D)

ENVIRONMENT - BETTER PLANET

Occupational Safety and Health ("OSH")

✓ 2025 ✓ 2023

All contractors and staffs are briefed on safety practices at the project sites.

Safety officers observing high standards of safety practices for all project implementation.

Inclusion, Diversity and Talent

Total staff in **2025**	**31** Persons	**54.84%** Female	**45.16%** Male
Total staff in **2023**	**155** Persons	**38.06%** Female	**61.94%** Male

2025 Talent Pool Improvement

21 new staff hired

89 persons left the organisation due to corporate exercise

Indicators

Employee retention rate **(187.10%)**

Employees turnover rate **95.70%**

Learning and Development

Total Group training hours **456** hours

People attended **52** persons

Total training courses **13** courses

Good health and Well-Being

There is no related courses or events was held during 2025.

SOCIAL - BETTER WORKFORCE AND BETTER COMMUNITIES

Noise Management

Construction site operates from 8 a.m. to 5p.m. daily. No incident of noise emission after operating hours reported. Noise pollutions are under control.

✓ 2025 ✓ 2023

Dust Emission

Roads are wet and cleaned every day to keep dust low. All vehicles that leave the site are rinsed before leaving to avoid carrying dirt to the public roads. Dust pollutions are under control.

✓ 2025 ✓ 2023

Effluent and Waste Management

✓ 2025 ✓ 2023

All identified water steams are tested at site and no pollutions were detected. The total suspended solid and turbidity of the water are within DOE Limit with readings below **50mg/L** and below than **250 NTU** respectively.

The amount of mineral and iron deposit found in the water are similar to the baseline records before operations started.

Zero (0) impact to nature.

ECONOMIC

Sustainable Business Growth

We serve the nation by building major infrastructure projects that contribute to nation-building. These include railways that improve connectivity and development of commercial real estate properties such as hotels and retail outlets to meet the needs of local tourism and ultimately contributing to the building of communities and townships. We are fully committed to carry out business in a sustainable manner to deliver our strategic and operational objectives in accordance with our business philosophy and core values.

Construction Division

Our Construction Division continues to leverage on the technical expertise and established track record of the Group in order to build a sustainable growth momentum for the Group's business.

Ho Hup remains committed to exploring strategic opportunities that support long-term, sustainable business growth.

Property and Retail Management Division

Ho Hup's Property and Retail Management Division manages the commercial assets at Aurora Place.

Good Procurement Practices

Enhanced Supplier Selection for a Sustainable Procurement Practice.

The Procurement Department enhances its standard operating procedures (SOP) by continuously revamping suppliers' selection procedures and updating its approved supplier list. Ho Hup's Procurement Department continuously looks into better vendor evaluation methods to select and approve suppliers based on selection criteria, which include:

- Supply Quality
- Reputation and Delivery Track Record; and
- Price

Enhanced Subcontractor Selection for Long-Term Sustainable Performance.

Ho Hup's Project Department has been continuously enhancing its evaluation methods for its sub- contractors' selection process. Sub-contractor performance is vital for every project's successful implementation. The risk involved in an under-performing sub-contractor could lead to Liquidated Ascertained Damages ("LAD") which will eventually impact the visibility and profitability of the project as well as the reputation of the Project Owners. Ho Hup has established stringent criteria in selecting its sub-contractors as part of its risk mitigation programme in all current and upcoming projects

The criteria include:

- Evaluation of financial and cash position;
- Technical and operational team experience;
- Track record of successful projects implementation; and
- Technology and equipment utilisation suitable for the project to be undertaken.

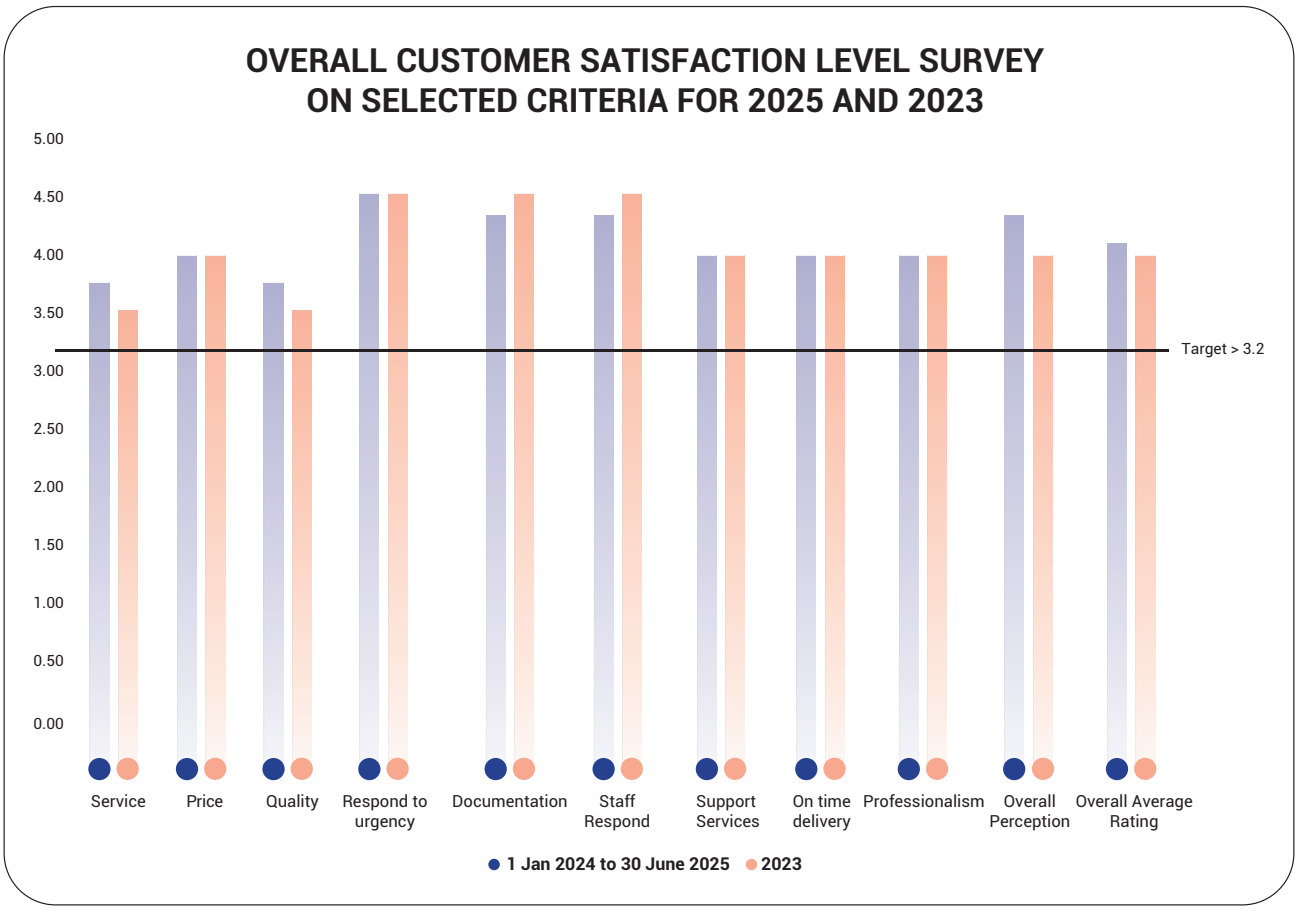
CUSTOMER SATISFACTION

Ho Hup is committed to deliver quality services with a corporate policy that emphasises total commitment to quality. In enhancing quality control, Ho Hup has adopted the ISO 9001:2015 Quality Management System ("QMS") to ensure our construction operations are delivering the best quality to our customers.

As part of the QMS, surveys are conducted among clients as part of quality monitoring for project delivery. To further improve our delivery and service quality better, Ho Hup implemented post-mortem studies on completed stages of the projects.

Sustainability Report
(CONT'D)

Our 2025 customer service level survey was conducted with the ratings as illustrated below:



The survey above covers ten essentials criteria to form an overall rating. The targeted score set by Ho Hup is more than 3.2 for the combined aspects of the score card. The overall score for 2023 and 2025 are 4.05 and 4.10 respectively which represented a satisfactory scoring above our target of 3.2.

BUSINESS ETHICS AND COMPLIANCE

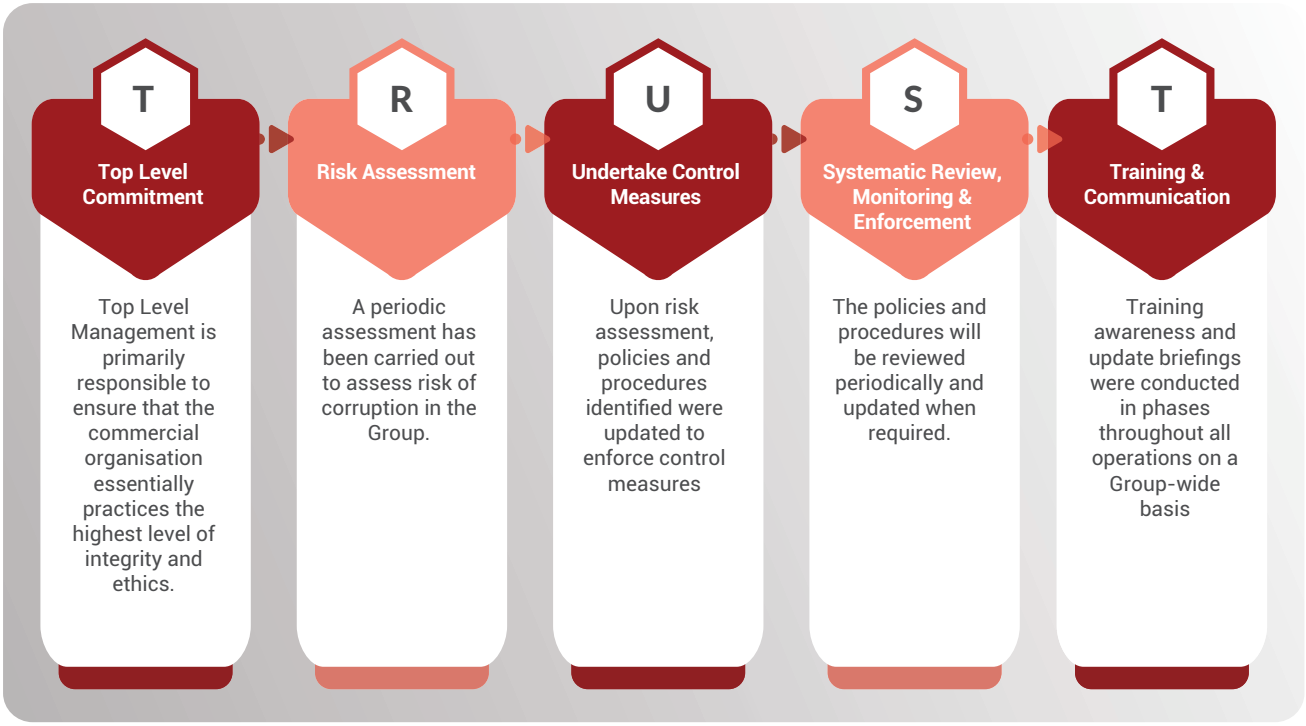
We are committed to deliver our strategic and operational objectives in accordance with the applicable laws and principles of good governance as well as maintaining high standards of integrity. These include implementing and adopting the following commitment and policies: -

- Code of conduct;
- Anti-bribery and anti-corruption policy; and
- Whistle-blowing policy

We are committed to comply with the principles of the Malaysian Code of Corporate Governance 2017 with the assurance that the Group practices sound and highly transparent management in the best interests of the Group and all its stakeholders. Details of the Corporate Governance practices are set out in the Corporate Governance Overview Statement in our Annual Report.

The Group's Anti-Bribery and Anti-Corruption policy and procedures is available on our website www.hohupgroup.com.my. The Anti-Bribery and Anti-Corruption Manual had been developed, with an updated Code of Ethics and Conduct and enhanced with emphasis on Section 17A of the Malaysia Anti-Corruption Act. Additionally, the whistle-blowing policy has been enhanced accordingly.

The enhancements took into consideration the five (5) guiding principles of **T.R.U.S.T.**



DATA PRIVACY AND SECURITY

Ho Hup recognises that good Information and Communication Technology ("ICT") and data security management are essential in the digital economy. However, the current operations of Ho Hup are not fully dependent on ICT infrastructures and have low risk when it comes to information technology and data security risk exposure. With that, the management takes a prudent view in ensuring a reasonable degree of protection is in place to safeguard against any cyber security risk by investing in a firewall systems protection.

Aside from the digital security measures, Ho Hup has installed Closed-Circuit Television ("CCTV") to safeguard against any other forms of cyber risk.

On data privacy, Personal Data and Protection Act ("PDPA") compliance is important to safeguard confidential details of our clients and business partners. Ho Hup has established and enforced a Group-wide personal data and protection policy to safeguard against any personal data leakages.

Our ICT department will ensure that all data and information stored are backed up on a timely basis and well secured. Besides these, server maintenance is done periodically which includes servicing and monitoring to mitigate downtime risk.

As part of the control environment process, the management ensures that a Disaster Recovery Plan ("DRP") is in place.

LOOKING FORWARD

We strive to enhance our shareholders' value with the above initiatives and grow our business by securing ventures with strategic partners and adopting the above good business ethics and compliance.

Sustainability Report
(CONT'D)

ENVIRONMENT

We recognise the impact that environment has to our business and are committed to operating in a manner that respects the environment and optimises scarce resources.

We seek continuous improvements in our operations to minimise negative impact to the environment especially on climate changes. Our project implementation is conducted in compliance with the applicable environmental rules and regulations. Our project sites have good housekeeping track record and maintenance systems in place to ensure a safe and clean operating environment. The sites comply with all legal and regulatory requirements of the Department of Environment ("DOE") and other relevant authorities.

NOISE MANAGEMENT

Noise level reduction and management are monitored by our site environment officers at all of our project sites respectively. Our project operating hours adhere to the allowable high noise hours by the relevant authorities. Ho Hup ensures that our operations will not be a hindrance to our neighbours during hours after 6 p.m. or other timings as directed by the Local Authorities.

AIR QUALITY MONITORING

Ambient and air monitoring checks are carried out around the project sites quarterly. The Site Environment Officer is responsible to monitor the air quality at the sites to ensure it is within the tolerable threshold. If air levels are not within approved levels, operations at site will be suspended until air quality conditions are safe to operate in. No significant harmful air qualities were reported in 2025.

Year	Noise	Air Quality	Outcome Result
2025	✓ within approved level	✓ within approval level	No non-conformance reported

Ho Hup maintains a dirt and mud management policy at all our operation sites. Vehicles moving in and out of construction sites are washed before being allowed onto public roads. Besides that, the roadways are washed and watered daily to remove the dust being released to the air when vehicles crossed the paths. There are also sediment ponds around the project sites used in cleaning the vehicles and act as well as a drainage system from the project sites before releasing to the public drains. The particles in the water will sediment into the pond before released into the main drainage system which mitigates risk of drainage blockages in public drains. Some of our sites have rain harvesting tanks where the rain water collection is totally utilised for washing and cleaning. We engage contractors to repair any damaged roads within the operation sites to maintain and ensure the drains are cleaned always to prevent flooding.

Our Building Materials Division, have a well-planned system for smooth delivery of its products to ensure minimal impact to the environment. Prudent planning in charting our delivery helps to lower our carbon footprint. This responsible planning creates confidence in our customers with positive feedbacks on our overall delivery timing and quality.

Year	Combined sales of ready mix	Litres of diesel consumption	Estimated carbon dioxide (CO_2) emission based on diesel consumption
2025	5,341.5 m^3	17,546.52 litres	47,469.13 Kg

During the financial period ended 30 June 2025, an estimated combined sale of 5,341.5 m^3 of ready mix and a total of 17,546.52 litres of diesel were consumed. Based on the total consumption of diesel an estimated of 47,469.13 kg of carbon dioxide was emitted during transportation of our ready-mix products. The estimation is based on the calculation method using the industry benchmark where 2.68Kg of CO_2 is emitted per litre of diesel consumed. Aside from transporting sales of our ready-mix products, we also provide truck rental services and outsourced transportation services to other ready-mix producers.

EFFLUENT AND WASTE MANAGEMENT

We implement measures to protect and prevent environmental pollution through continuous awareness in training, monitoring and auditing initiatives. The operation sites practice responsible planning in waste management procedures with a system that provides a holding area and a bund to withhold spillages. Our skid tanks have proper bunds to contain any spillages. The streams around project sites are monitored regularly by the site environment officer to ensure no pollution originates from our operations. During FPE 2025, no hazardous chemical waste contamination or pollution from our operations were reported.

Year	No hazardous waste pollution detected	Proper and timely schedule waste management	Outcome Result
2025	✓ No pollution detected	✓ Complied	No non-conformance reported

Site Environment Officers at our project sites conduct routine checks on the levels of contamination at sites. The Officers collect water samples from streams passing through the project sites and analyse them for contamination.

SOCIAL

We aim to create a stronger impact on our working environment and our communities through meaningful corporate social responsibilities ("CSR") programmes.

OCCUPATIONAL SAFETY AND HEALTH

The safety and health of our workforce remain among our top priority. The scope of the safety and health covers all engineering and construction works. The objectives safety, health and environmental ("HSE") objectives focusing on:

1. To achieve the target Zero Fatality and Lost Time Injury;
2. To reduce the negative impact on the Environment; and
3. To comply with all relevant legislation.

In 2025, we continued with various measures that have been implemented to keep our workforce safe which includes formal weekly inspections, surveillance exercises and monthly HSE system audit have been conducted in monthly basis. The audit will be conducted jointly attended by HSE Team at respective site.

Several initiatives to promote safety include:

a) Safety assembly and fire drill exercises

Regular safety assembly and fire drill exercises were conducted in collaboration with Jabatan Bomba dan Penyelamat involving the knowledge on firefighting, proper usage of equipment in the workplace and first aid training.

b) Warning sign boards and fences at sites

Danger Zones at construction sites are placed with bright coloured sign boards and fenced up to ensure public safety and protection against trespassing. Temporary signboards and caution tapes are placed around temporary working zones along the road to alert vehicles to slow down when passing through construction sites.

c) Safety working at heights

Safety Officers are responsible for ensuring guarding fences are installed along the walking paths, to make working at heights safe for both our workers and the public. They also ensure our workers are prevented from falling off platforms when working at those heights. When necessary workers are equipped with harness to ensure their overall safety under these situations.

Sustainability Report (CONT'D)

LEARNING AND DEVELOPMENT

To support our continuous business growth, employees' competencies are constantly monitored and strengthened through adequate training and development.

Professional training is organised and conducted by external specialists to equip employees with the know-how specific to the Group's business, including proper communication, presentation, finance, management and leadership skills.

The training conducted throughout FPE2025 were: -

Year	Month	List of Courses
2024	**February**	① Year End Matters Under the Companies Act 2016 / Company Virtual / Hybrid & Physical AGM Meetings
	June	① QS Professional Talk 2024: Sustainability and Digitalisation in QS Profession
	July	① Mandatory Accreditation Programme Part II: Leading for Impact (LIP) ② Closure of Companies: Winding-Up & Striking Off ③ Introduction to E-Invoicing Implementation
	August	① Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	September	① Kuala Lumpur In-House Community Congress 2024 ② Plumber Reticulation Level 2 ③ Nextgen Emergence "Crafting a Resilient Environment for Tomorrow"
2025	**March**	① Get Ready For E-Invoicing ② E-Invoicing: Hands on Practical Guide for Your What and How
	May	① E-Invoice Latest Update on Myinvois Portal, Setting Configuration And Implementation
	June	① The Journey into The AI Age: Game Changer for Your Digital Transformation Era

Year	Total training courses	Attended by	Total Group training hours
2024	9 courses	11 persons	164 hours
January - June 2025	4 courses	37 persons	292 hours
Total	**13 courses**	**52 persons**	**456 hours**

INCLUSION, DIVERSITY AND TALENT

The Group recognises that our employees are the key drivers in maintaining the Group's growth on a sustainable trajectory. It is their passion, professionalism, talent and commitment that will provide the Group with effective project implementation and delivery. The Group strives to establish conducive working conditions for our employees. At the same time, a variety of events are carried out annually as appreciation towards our employees and to promote staff development both personally and professionally.

The Group has adopted a policy on equal opportunities and fair employment practices. All job applicants are treated fairly regardless of ethnicity, gender and age. The Group belief that efforts to unlock employee's full potential will help them stay loyal, feel valued and proudly contribute towards the Group's overall performance.

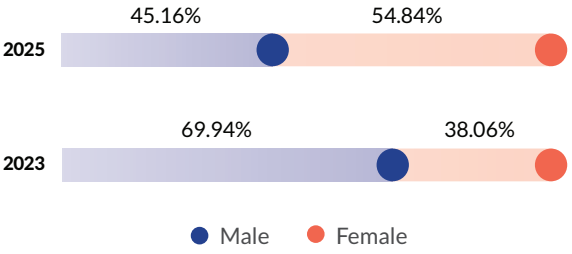
Sustainability Report (CONT'D)

INCLUSION, DIVERSITY AND TALENT (CONT'D)

The table below outlines the level of diversity in the Group's workforce.

Total Employees in Ho Hup 2025	Total Management Group-Wide	Senior Management & Middle Management	Other Level - Executive & Non-Executive
31 Persons	5 Persons	9 Persons	17 Persons

Gender Diversity



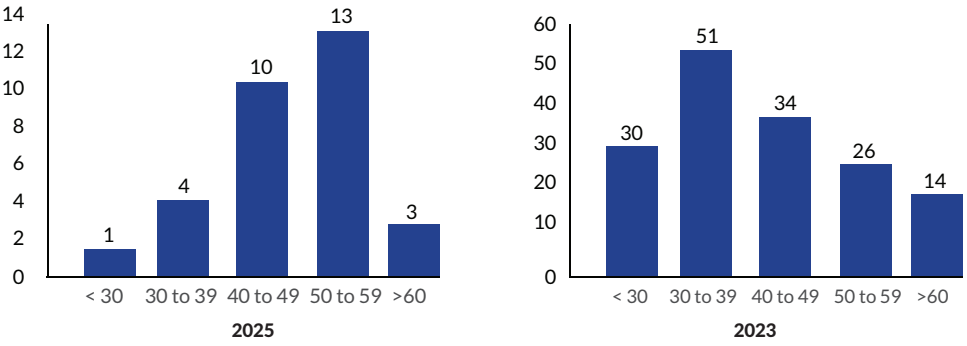
Ethnicity 2025

9	20	1	1
Malay	Chinese	Indian	Others

Ethnicity 2023

75	65	6	9
Malay	Chinese	Indian	Others

Age Diversity



EMPLOYEE ENGAGEMENT ACTIVITIES

The Group organised events throughout 2025 ranging from social gatherings, annual staff luncheon, and festive celebrations to foster togetherness, build team spirit to motivate and bring employees closer together as a working team.

The general welfare of the employees was also given emphasis, with coverage under the Personal Accident Insurance scheme and eligible employees are provided with coverage under the Hospital and Surgical Insurance Plan.

CORPORATE SOCIAL RESPONSIBILITIES ("CSR")

The company is actively exploring Corporate Social Responsibility (CSR) initiatives that can bring meaningful benefits and positive impact to the community and society.

LOOKING FORWARD

We aim to continue to create meaningful impact on our communities through meaningful CSR that will contribute positively to the society, the economy and the environment. For our workforce, we aim to continually achieve zero accidents at our workplace through better training, co-operation and teamwork and to provide sufficient amenities at work sites to ensure consistent results in our goals.

Sustainability Report (CONT'D)

SUSTAINABILITY STATEMENT

Performance Data Table from Bursa Malaysia ESG Report

Indicator	Measurement Unit	2025
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Top Management	Percentage	45.20
Senior Management & Middle Management	Percentage	41.90
Non-executive	Percentage	12.90
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Top Management Under 30	Percentage	0.00
Top Management Between 30-50	Percentage	42.90
Top Management Above 50	Percentage	57.10
Senior Management & Middle Management Under 30	Percentage	7.70
Senior Management & Middle Management Between 30-50	Percentage	46.20
Senior Management & Middle Management Above 50	Percentage	46.20
Non-executive Under 30	Percentage	0.00
Non-executive Between 30-50	Percentage	50.00
Non-executive Above 50	Percentage	50.00
Gender Group by Employee Category		
Top Management Male	Percentage	50.00
Top Management Female	Percentage	50.00
Senior Management & Middle Management Male	Percentage	38.50
Senior Management & Middle Management Female	Percentage	61.50
Non-executive Male	Percentage	50.00
Non-executive Female	Percentage	50.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	80.00
Female	Percentage	20.00
Under 30	Percentage	0.00
Between 30-50	Percentage	20.00
Above 50	Percentage	80.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	55.52

SUSTAINABILITY STATEMENT (CONT'D)

Performance Data Table from Bursa Malaysia ESG Report

Indicator	Measurement Unit	2025
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	3
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	146
Executive	Hours	242
Non-executive/Technical Staff	Hours	0
General Workers	Hours	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	42.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	25
Executive	Number	19
Non-executive	Number	12
General Workers	Number	4
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	0.027200
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	0.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	0.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	0.00
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	47.47
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	42.09
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	558.68

Internal assurance | External assurance | No assurance | (*)Restated

Corporate Governance Overview Statement

The Board of Directors ("Board") of Ho Hup Construction Company Berhad ("Ho Hup" or "the Company") would like to take this opportunity to present this Statement to provide stakeholders and investors with an overview of the Corporate Governance ("CG") practices of the Company during the financial period from 1 January 2024 to 30 June 2025 ("FPE 2025") This overview take guidance from the key corporate governance principles as set out in the Malaysian Code on Corporate Governance 2021("MCCG").

This statement is prepared in compliance with Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR"), pursuant to Paragraph 15.25(1) and to be read together with the Corporate Governance Report ("CG Report") of the Company which is accessible on the Company's website at www.hohupgroup.com.my and via announcement on Bursa Securities' website.

This Statement is to provide shareholders and other stakeholders with an overview of the Group's application of the following three (3) Principles set out in the MCCG published in April 2021.

(a) Principle A : Board Leadership and Effectiveness;
(b) Principle B : Effective Audit and Risk Management; and
(c) Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

As at FPE 2025, the Company's market capitalisation is valued approximately at RM31.10 million, which is below the threshold status of the Large Company.

During the FPE 2025, the Board considers that the Company has complied with the provisions and applied the main principles of the MCCG, for the whole FPE 2025 except for some of the recommended Practices. In the CG Report, the explanations for departures of the following MCCG Practices were clearly elaborated with some alternative approach applied and adopted. Besides, the Board also indicates the related measures that the Company has taken or intend to take to adopt the recommended practices.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

Board Charter and Board Committees

The Board takes full responsibility for the performance of the Group and guides the Group towards achieving its short and long-term objectives, setting corporate strategies for growth and providing advice and direction to the Management to enable the Group to attain its long-term goals and objectives.

Accordingly, the Board is mindful of the importance of clear roles and responsibilities in discharging its fiduciary and leadership functions with care and diligence. The Board has approved and updated the Board Charter and Schedule of Matters reserved for the Board's approval to reinforce the governance framework. The Board Charter and Schedule of Matters were reviewed and published in the Company's website at www.hohupgroup.com.my.

The Board continues to adopt and undertake projects that are only aligned with the risk management framework and monitoring the financial and non-financial risks. The Board has established four (4) Board Committees, namely the Audit Committee, Risk Management and Sustainability Committee, Nomination Committee and Remuneration Committee that are delegated with specific responsibilities as defined under their respective Terms of Reference to assist the Board in carrying out its duties. These Board Committees have the authority to examine particular issues and report to the Board with their recommendations. However, the ultimate responsibility for the final decision on all matters lies with the Board.

Board Composition

The Board comprises members who have vast experience in the construction and property development industry as well as professionals in the legal, finance and consulting sectors. A brief profile of each Director is presented on pages 8 and 10 of this Annual Report.

The Board delegates the authority and responsibility of managing the day-to-day affairs of the Group to the CEO/Executive Directors, and through them and subject to their oversight, to other Senior Management. The Board monitors the performance of the CEO/Executive Directors on behalf of the shareholders.

Corporate Governance Overview Statement

(CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Composition (Cont'd)

As at the FPE 2025, the Board has five (5) members comprising two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, of which two (2) are Executive Directors. The Independent Non-Executive Directors provide the necessary checks and balances on the decision-making process of the Board. Their role is to challenge the management and the Board in an effective and constructive manner and provide justified and sound opinions to the Board of Directors.

Following Mr Keith Anicetus Vaz ("Mr Keith")'s resignation as Independent Non-Executive Director on 21 October 2025, the Board has four (4) members comprising one (1) Independent Non-Executive Director and one (1) Non-Independent Non-Executive Director, of which two (2) are Executive Directors. The Board of Directors will comply with Paragraph 15.02 (3) of MMLR within the three (3) month's timeline.

All the Directors have given their undertaking to comply with the MMLR and the Independent Directors have confirmed their independence in writing.

Company Secretaries

The Board is supported by qualified and competent Company Secretaries who advise the Board particularly with regard to compliance with regulatory requirements, guidelines, legislations and the principles of best corporate governance practices. All Directors have unrestricted access to the advice and services of the Company Secretaries. The appointment and removal of Company Secretaries or Secretaries of the Board Committees can only be made by the Board.

The Board ensures that each Director is provided with timely notices and Board papers are issued prior to the Board meetings to enable the Directors to review and consider the agenda items to be discussed including and where necessary, to obtain further explanations in order to be fully briefed before the meeting.

The Company Secretaries ensure that all Board and Board Committee meetings are properly convened and to ensure that accurate and proper records of the proceedings and resolutions passed are recorded and minutes are circulated to the Board members as soon as possible before the next meetings.

The Company Secretaries also serve closed-period notices to Directors and Senior Management for trading in the Company's shares and briefs the Board on the content and timing or material announcements to Bursa Securities.

The Company Secretaries also facilitate communication of key decisions and policies between the Board, Board Committees and Senior Management.

Board Diversity

The Board acknowledges the importance of boardroom diversity and is supportive of the recommendation of the MCCG pertaining to the establishment of a gender diversity policy. The Board recognises the need to enhance boardroom diversity which is not only about diversification in terms of gender, but in terms of age, ethnicity and social backgrounds. Hence, the Board had always been in support of a policy of non-discrimination on the basis of race, religion and gender. The Board will strive to encourage a dynamic and diverse composition of the Board by nurturing suitable and potential candidates equipped with the competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Company. Currently, only one (1) female director is serving the Board. The Board, through the Nomination Committee, will be scouting for additional female directors as a step to meet the target of at least 30% women directors.

The diversity of the Board as at 30 June 2025 is as follows:

	Male	Female
Age Group		
31-40	1	-
41-50	-	-
51-60	2	-
61-70	1	1

Corporate Governance Overview Statement

(CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

The diversity of the Board as at 30 June 2025 is as follows: (Cont'd)

	Male	Female
Ethnicity		
Malay	-	-
Chinese	2	1
Indian	2	-

	Male	Female
Nationality		
Malaysian	4	1
Foreigner	-	-

Information and Support for Directors

The Board meets at least once every quarter and additional meetings are convened as and when necessary. During the FPE 2025, eighteen (18) Board meetings were held. The record of attendance of the Board and Board Committees are as follows:-

	Board	Audit	Remuneration	Nomination	RMSC
Number of meetings held in the year	18	8	2	1	4
Executive Directors					
Dato' Wong Kit-Leong	16/18	-	-	-	-
Mr. Low Kheng Lun (Redesignated to Executive Director on 18 April 2025)	17/18	-	-	-	1/1
Dato' Wong Gian Kui (Resigned on 18 April 2025)	15/15	-	-	-	-
Dato' Sri Chee Hong Leong (Resigned on 21 March 2024)	2/2	-	-	-	2/3
Non-Executive Directors	18	8	2	1	4
Datin Chan Bee Leng	14/18	-	-	-	-
Mr. Thevanaigam Rajan Chitty (Resigned on 8 May 2025)	13/16	7/7	-	1/1	3/3
Tan Sri Datuk Seri (Dr) Mazlan Bin Lazim (Resigned on 8 May 2025)	14/16	5/7	1/1	1/1	-
Mr. Danny Hoe Kam Thong (Resigned on 18 April 2025)	11/14	7/7	1/1	1/1	3/3
Mr. Narayanasamy A/L N Chithambaram (Appointed on 18 April 2025)	2/3	1/1	1/1	-	1/1
Mr. Keith Anicetus Vaz (Appointed on 8 May 2025 and resigned on 21 October 2025)	2/2	1/1	1/1	-	1/1

All Directors have complied with the minimum requirements on attendance at Board meetings as stipulated in the MMLR of Bursa Securities (minimum 50% attendance).

Corporate Governance Overview Statement

(CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Nomination Committee ("NC")

As at the FPE 2025, the NC comprises of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The NC shall meet at least once a year or as and when deemed fit and necessary. The summary of the NC activities for the year is found on page 39.

Following the resignation of Mr Keith as Independent Non-Executive Director of the Company on 21 October 2025, Mr Keith ceased as the NC member on 21 October 2025. As at the date of this report, the NC comprises of one (1) Independent Non-Executive Director and one (1) Non-Independent Non-Executive Director.

In view that there are various changes to the NC and Board Composition during the FPE 2025, there are insufficient quorum to convene the NC Meeting and the evaluation of performance for FPE 2025 by the NC was not materialised. The evaluation of performance was subsequently conducted by the Board on 29 October 2025.

Each Director completed a detailed questionnaire on the Directors' Performance Evaluation which covered matters relevant to the Board's performance, among other things, contribution to Board deliberations, quality of inputs, understanding of the role and personal developments. An evaluation of each Board Committee was done by assessing the structure, roles and responsibilities, performance of the respective Chairman, as well as Committee's performance against its Terms of Reference. The assessment was internally facilitated, whereby the results of the assessments were compiled, documented and reported to the Board accordingly.

Based on the assessment carried out during the FPE 2025, the Board will look into the appointment of suitable candidates including additional independent directors, to comply with the MMLR and as part of its governance enhancement efforts as well as to strengthen the composition of the Board.

In accordance with the Company's Constitution, one third (1/3) of the Directors for the time being shall retire from office and be eligible for re-election at each Annual General Meeting ("AGM"). This is provided always that all Directors shall retire from office once every three (3) years but shall be eligible for re-election. The Directors to retire every year shall be those who have been longest in office since their last election. Directors who are appointed by the Board during the financial period shall hold office until the next AGM and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

The number of Directorships held by the Directors is stated in the Profile of Directors in the Annual Report.

Remuneration Committee ("RC")

As at the FPE 2025, the RC comprises of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The RC shall recommend to the Board on the remuneration and entitlements of all Directors (including NED) and Senior Management. The Board will decide on the suitability of the remunerations based on the recommendations of the RC. The approval for Directors' remuneration rests with the Board as a whole with the Directors abstaining from voting and deliberating on decisions in respect of their own remuneration package.

Following the resignation of Mr Keith as Independent Non-Executive Director of the Company on 21 October 2025, Mr Keith ceased as the RC member on 21 October 2025. As at the date of this report, the RC comprises of one (1) Independent Non-Executive Director and one (1) Non-Independent Non-Executive Director.

The RC primary roles and responsibilities are clearly defined and include the following:-

a) To recommend to the Board a framework for remuneration for the Board and each Executive Director, which includes but is not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind; and
b) To establish objectives performance criteria measurement to evaluate the performance and effectiveness of the Board as a whole and to assess the contribution by each individual Directors.

Corporate Governance Overview Statement

(CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Remuneration Committee ("RC") (Cont'd)

The details of the aggregate remuneration (including benefits-in-kind) of the Directors of the Company for the FPE2025 are as follows:

		Group		Company	
		FPE 2025 RM'000	FYE 2023 RM'000	FPE 2025 RM'000	FYE 2023 RM'000
(i)	**Executive Director's Remuneration**				
	Directors of Company				
	Salaries	1,124	819	1,124	819
	Defined Contribution Plan	0	81	0	81
	Other Emoluments	0	0	0	0
	Benefits-in-kind	0	36	0	35
	Total	1,124	936	1,124	935
	Directors of Subsidiaries				
	Salaries	940	853	0	0
	Defined Contribution Plan	24	88	0	0
	Other Emoluments	0	0	0	0
	Benefits-in-kind	0	14	0	0
	Total	964	955	0	0
	Total Executive Directors' Remuneration	2,088	1,891	1,124	935
(ii)	**Non-Executive Director's Remuneration**				
	Directors of Company				
	Fees	448	350	448	350
	Meeting and Other Allowances	62	42	62	42
	Benefits-in-kind	0	0	0	0
	Total	510	392	510	392
	Directors of Subsidiaries				
	Other Allowances	0	0	0	0
	Total	0	0	0	0
	Total Non-Executive Directors' Remuneration	510	392	510	392
	Total Executive and Non-Executive Directors' Remuneration (i & ii)	2,598	2,283	1,634	1,327

Corporate Governance Overview Statement

(CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Remuneration Committee ("RC") (Cont'd)

The details of the aggregate remuneration (including benefits-in-kind) of the Directors of the Company for the FPE 2025 are as follows:

Name	Directors' Fees	Meeting and Other Allowances	Salaries	Defined Contribution Plan	Other Emoluments	Benefits-in-kind	Total
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Datin Chan Bee Leng	77	7	0	0	0	0	84
Mr. Low Kheng Lun *(Redesignated to Executive Director on 18 April 2025)*	65	7	49	6	0	0	127
Dato' Wong Kit-Leong	0	0	1,155	0	0	23	1,178
Dato' Wong Gian Kui *(Resigned on 18 April 2025)*	0	0	131	0	0	0	131
Mr. Thevanaigam Rajan Chitty (Resigned on 8 May 2025)	81	14	0	0	0	0	95
Tan Sri Datuk Seri (Dr) Mazlan Bin Lazim *(Resigned on 8 May 2025)*	135	18	0	0	0	0	153
Mr. Danny Hoe Kam Thong *(Resigned on 18 April 2025)*	65	11	0	0	0	0	76
Dato' Sri Chee Hong Leong *(Resigned 21 March 2024)*	0	0	0	0	0	0	0
Mr. Narayanasamy A/L N Chithambaram *(Appointed on 18 April 2025)*	14	2	0	0	0	0	16
Mr. Keith Anicetus Vaz *(Appointed on 8 May 2025 and resigned on 21 October 2025)*	11	3	0	0	0	0	14

The proposed fees and remuneration for the Directors of the Board and Board Committees for the financial year 2026 are as follows:

	Fees (Per Annum) (RM)	Meeting Allowance (Per Meeting) (RM)	Travelling Allowance (Per Annum) (RM)
Chairman:			
Board	100,000	1,000	-
Audit Committee	24,000	1,000	-
Nomination Committee	1,500	1,000	-
Remuneration Committee	1,500	1,000	-
Risk Management and Sustainability Committee	1,500		
Deputy Chairman:			
Board	-	-	-
Member:			
Board	60,000	1,000	-
Audit Committee	12,000	1,000	-
Nomination Committee	1,000	1,000	-
Remuneration Committee	1,000	1,000	-
Risk Management and Sustainability Committee	1,000	1,000	-

Corporate Governance Overview Statement

(CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Remuneration Committee ("RC") (Cont'd)

NEDs are paid meeting allowances based on attendance. In 2025, the Board has recommended the fees for the Company's Directors for the FYE 2026, as recommended by RC.

The Executive Directors are not entitled to the above Directors' fee nor receive any meeting allowance for Board Meetings they attend. The Executive Director's remuneration package comprises a fixed component which includes a monthly salary and benefits-in-kind/emoluments and has been benchmarked against the market and industry practice, and compared with peer companies of similar size and complexity.

The top 5 key senior management remuneration in band of RM50,000 are as follows:

Range of Remuneration (in band of RM 50,000)	Number of Key Senior Management
RM 700,001 to RM 750,000	1
RM 650,001 to RM 700,000	0
RM 600,001 to RM 650,000	0
RM 550,001 to RM 600,000	0
RM 500,001 to RM 550,000	1
RM 450,001 to RM 500,000	1
RM 400,001 to RM 450,000	0
RM 350,001 to RM400,000	0
RM 300,001 to RM350,000	0
RM 250,001 to RM300,000	1
RM 200,001 to RM250,000	0
RM 150,001 to RM200,000	1

The summary of the RC activities for year is found in page 39.

Board Effectiveness

The Board has an agenda that ensures strategic, budget, sustainability, risk management and internal control, operational, financial performance and corporate governance items are discussed at the appropriate time at Board meetings. The Board agenda has strong links to the strategic objectives for the business. Key highlights of the Board's FPE 2025 activities and priorities are set out below:

Board Activities & Focus in FPE 2025		
Strategy – Sustainability	**Governance & Reporting**	**Financial, Risk & Management Performance**
Sustainability Implementation Plan	Reviewed annual report, quarterly results and financial statements	The Group's budget, forecasts and key performance, targets and indicators
Improving Sustainability Reporting and data collection	Board evaluation and effectiveness assessment	Risk management and internal control with focus on projects basis
Enhancing staff training and development activities	Composition of Board and Board Diversity	Group's operational cost management

Corporate Governance Overview Statement

(CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Effectiveness (Cont'd)

Board Committee Activities & Focus in FPE 2025	
RC	**NC**
Assisted the Board in developing and administrating a fair and transparent procedure for setting policy on remuneration of Directors and Senior Management.	Reviewed the Terms of Reference and performance of the Audit Committee and each of its members.
Reviewed the level and compensation of remuneration of Directors and Senior Management, taking into account to attract and retain the right talent on the Board and Senior Management to drive the company's long-term objectives.	Determined the independence of the Independent Non-Executive Directors.
Recommended the remuneration of Directors and Senior Management to commensurate with the merit, qualification and competence, having regard to the respective operating division's results, individual performance and comparable market statistics.	Recommended the re-election of Directors retiring by rotation pursuant to the Company's Constitution at the 51st AGM of the Company.
Assessed the Directors' fees and related benefits payable.	Recommended the re-election of Director retiring pursuant to Clause 93 of the Company's Constitution at the 50th AGM of the Company.
	Reviewed the Board and Senior Management diversity, and to review their performance and effectiveness in achieving the Company's key strategies.
	Appointment of Executive Director and re-designation of Board Members.

Code of Ethics and Conduct of Directors

The Board has formalised a Code of Ethics and Conduct for the Directors, as well as promulgated by the Companies Commission of Malaysia which governs the underlying core ethical values and commitment to lay standards of integrity, transparency, accountability and corporate social responsibility in our behavior and business dealings.

The Code of Ethics and Conduct of Directors is available at the Company's website at www.hohupgroup.com.my.

Directors' Training

The Board acknowledges that continuous education is vital in keeping them abreast with corporate developments. The Directors have constantly been updated with relevant reading materials and technical updates which will enhance their knowledge and equip them with the necessary skills to effectively discharge their duties as Directors of the Company.

Corporate Governance Overview Statement

(CONT'D)

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Directors' Training (Cont'd)
During FPE2025 the Directors have attended the following courses:

Courses Attended	Date of Training	Attended By
Mandatory Accreditation Programme Part II : Leading for Impact (LIP)	21.08.2024 to 22.08.2024	Low Kheng Lun
The Journey into the AI Age: Game Changer for your Digital	17.06.2025	
Mandatory Accreditation Programme Part II : Leading for Impact (LIP)	03.07.2024 to 04.07.2024	Dato' Wong Kit-Leong
Mandatory Accreditation Programme Part II : Leading for Impact (LIP)	21.08.2024 to 22.08.2024	Datin Chan Bee Leng
Mandatory Accreditation Programme Part II : Leading for Impact (LIP)	10.07.2024 to 11.07.2024	Narayanasamy A/L N Chithambaram
Mandatory Accreditation Programme (MAP)	27.08.2025 to 28.08.2025	Keith Anicetus Vaz (resigned on 21.10.2025)
Mandatory Accreditation Programme Part II : Leading for Impact (LIP)	03.07.2024 to 04.07.2024	Thevanaigam Rajan Chitty (resigned on 08.05.2025)
Mandatory Accreditation Programme Part II : Leading for Impact (LIP)	26.05.2025 to 27.05.2025	Dato' Wong Gian Kui (resigned on 18.04.2025)
MFT122: Ensuring Financial Integrity: Strategies for AntiMoney Laundering, Countering Financing of Terrorism, Countering Proliferation Financing and Corruption Prevention	22.02.2025	
Regulatory and Ethical Latest Update – Key Summaries in AMLA, PDPA, Ethics Code and Anti-Corruption & Bribery	02.03.2024	

In addition, during the financial period under review, all Directors were also advised of developments and changes to relevant law and regulatory requirements and suitable training and education programmes were identified for their participation.

The Directors will continue to undergo other relevant seminars, conferences and training programmes from time to time as they consider relevant and aid them with the relevant knowledge and ideas to discharge their duties effectively.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee ("AC")

During the FPE 30 June 2025, the AC comprises of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The Chairman of the AC is a Chartered Accountant and a member of the Malaysian Institute of Accountants ("MIA") and complies with Paragraph 15.09 (1)(c)(i) of the MMLR of Bursa Securities. The AC has responsibility for oversight of financial statements reporting, risk management, internal control system, related party transactions financial assistance support, the internal audit function and the Company's relationship with Internal Auditors as well as External Auditors, in relation to their scope of work and audit performance.

In presenting the annual financial statements and quarterly financial results announcements to shareholders, the Board aims to present a balanced assessment of the Group's financial position and prospects to ensure that the financial results are released to Bursa Securities within the stipulated time frame and that the financial statements comply with the regulatory reporting requirements. In this regard, the Board is assisted by the AC in overseeing and governing the Group's financial reporting processes and the quality of its financial reporting.

The financial statements are prepared on a going concern basis and give a true and fair view of the financial position of the Group as at 30 June 2025.

Corporate Governance Overview Statement

(CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Audit Committee ("AC") (Cont'd)

In addition to the Chairman's Statement, the Annual Report of the Company contains the following additional information to enhance shareholder's understanding of the business operations of the Group:

- Management's Discussion & Analysis;
- Financial highlights and key performance indicators; and
- Sustainability Report.

The membership of the AC, its responsibilities and works done in 2024 and 2025 are set out in the 'Audit Committee Report' in this Annual Report.

Following the resignation of Mr Keith as Independent Non-Executive Director of the Company on 21 October 2025, Mr Keith ceased as the AC Chairman on 21 October 2025. As at the date of this report, the AC comprises of one (1) Independent Non-Executive Director and one (1) Non-Independent Non-Executive Director. The Board of Directors will comply with Paragraphs 15.09 (1) & 15.10 of MMLR within the three (3) month's timeline.

External Auditors

The AC maintains a transparent and professional relationship with the Group's External Auditors, UHY Malaysia PLT ("UHY"). During the year, the AC considered the independence and objectivity of UHY based on the criteria of quality of services, sufficiency of resources, audit planning and communication and interaction. In determining the independence of UHY, the AC reviewed all aspects of their relationships, including processes, policies and safeguards adopted by the Group and UHY relating to audit independence, and agreed to the audit strategy and the audit fee.

The AC meets periodically to carry out its functions and duties pursuant to its Terms of Reference. Other Board members and Key Senior Management also attend meetings upon invitation of the AC. During FPE 2025, three (3) private meeting sessions were held between the External Auditors and the AC.

The AC was also satisfied in its review that the provision of the non-audit service by UHY to the Company for FPE 2025 did not in any way impair their objectivity and independence as External Auditors of the Company.

Having regard to the outcome of the annual assessment of UHY, the Board had in October 2025 approved the AC's recommendation for the shareholders' approval at the 51st AGM. Shareholders' approval for the re-appointment of UHY as the External Auditors of the Company for FPE 2025.

Additional disclosures on non-statutory audit fees and the detailed work carried out by the AC for the financial period under review are set out separately in the 'Audit Committee Report' of this Annual Report.

Risk Management and Sustainability Committee ("RMSC")

During the FPE 30 June 2025, the RMSC comprises of two (2) INEDs and one (1) Executive Director. The Risk Management Committee was established on 26 April 2024 to ensure the following objectives:-

(a) to assist the Board of Directors ("Board") in the effective discharge of its primary responsibilities of identifying principal risks and implementing appropriate systems and risk assessment processes to manage such risks for the Company and its subsidiary ("the Group"), in line with the Malaysian Code on Corporate Governance 2021 ("MCCG 2021") issued by Securities Commission; and

(b) to assist the Board in fulfilling its oversight responsibilities in relation to the Group's sustainability strategy and initiatives covering economic, environmental, social and governance aspect as well as embedding sustainability practices into the businesses of the Group.

The primary task of the RMSC is to identify and assess the various risks inherent in the Group's operating environment including sustainability matters and review the adequacy of controls implemented to mitigate such risks.

Corporate Governance Overview Statement

(CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Risk Management and Sustainability Committee ("RMSC") (Cont'd)

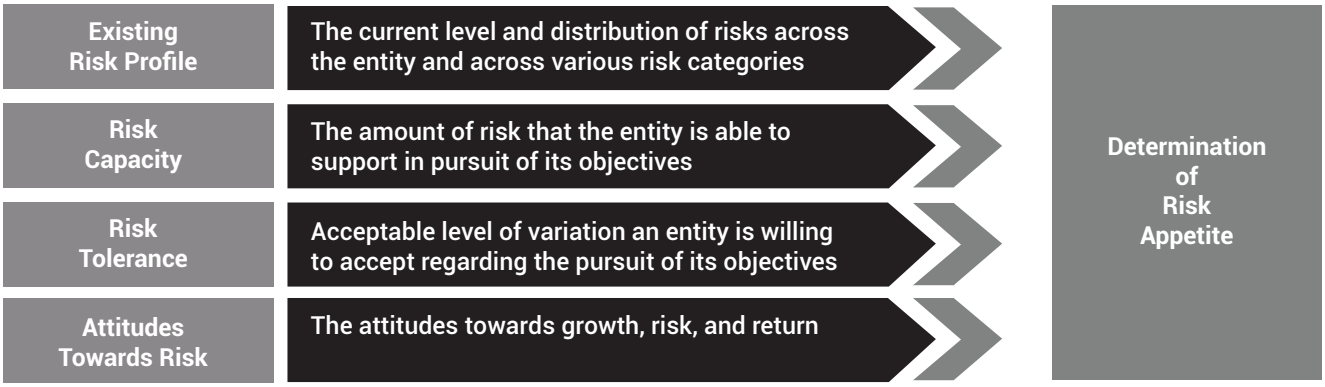
Following the resignation of Mr Keith as Independent Non-Executive Director of the Company on 21 October 2025, Mr Keith ceased as the RMSC member on 21 October 2025. As at the date of this report, the RMSC comprises of one (1) Independent Non-Executive Director and one (1) Executive Director.

There are clear procedures and defined authorities for the following:

- Financial reporting, with clear procedures governing the reporting process and preparation of the financial statements.
- Capital investment with detailed appraisal, risk analysis and authorisation.

The primary task of the RMSC is to identify and assess the various risks inherent in the Group's operating environment including sustainability matters and review the adequacy of controls implemented to mitigate such risks.

Risk Reporting Structure



Internal Audit Function

The Group's Internal Audit function is outsourced to an independent professional firm to assist the AC in providing an independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control system.

Scheduled Internal Audit reviews were carried out by the Internal Auditors based on the audit plans presented and approved by the AC. During the financial period under review, the Internal Auditors had conducted four (4) cycles of Internal Audit as stipulated in the approved Internal Audit Plan.

The Internal Audit was performed in accordance with accepted Internal Auditing practices which involves assessing adequacy and integrity of our internal controls that were used to manage key risks associated with operating processes, discussions held with Senior Management and key staff, as well as limited tests of transactions based on sample selected covering the various related records and documents are supplemented with an observation of its current practices adopted.

An overview of the state of risk management and internal controls within the Group is set out in the Statement on Risk Management and Internal Control in this Annual Report.

Corporate Governance Overview Statement

(CONT'D)

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

Communication with Stakeholders

The Group recognises the importance of communication with its stakeholders and utilises many channels to disseminate information and to interact with them. The Company's website can be accessed for up-to-date information about the Group's leadership and business structure. The Board believes that on-going communication with shareholders is vital for shareholders and investors to make informed investment decisions and is committed in maintaining effective communications with its shareholders, stakeholders and the public generally. A Shareholder Communications Policy ("Policy") has been developed to earn the trust and confidence of shareholders and public investors as a whole, and to provide an understanding of the Company's business, management direction and the industry. This Policy creates clearer communication for well-informed investment decisions.

The various channels of communication with the shareholders are as follows:-

a. The Annual Report;
b. The AGM;
c. The quarterly announcements on financial results to Bursa Securities;
d. The various corporate disclosures, circulars and announcements made to Bursa Securities;
e. Press releases and published interviews with business journals; and
f. The Company's website at www.hohupgroup.com.my from which shareholders and prospective investors can access corporate information, annual reports, press releases, financial information, company announcements and share prices of the Company.

Investor Relations Activities

Investor relations activities such as meeting with fund managers and analysts and interviews by the media are attended by designated Senior Management to explain the Group's strategy, performance and major developments.

Conduct of General Meetings

The AGM is an excellent forum for dialogue with all shareholders for which due notice is given. The AGM is also an opportunity for shareholders to direct questions to the Board in relation to the Group's financial performance and the Group's activities.

To ensure the effective participation of and engagement with shareholders at the last AGM held on 30 May 2024 and EGM held on 30 September 2024, the Chairman encouraged the shareholders to participate in the Questions and Answers session on the resolutions being proposed and on the Group's operations in general. The Chairman of the Board and Board Committees Chairs, Executive Directors, Management and External Auditors were in attendance to respond to the shareholders' queries. The Executive Directors also shared with the shareholders the Company's responses to questions received during the last AGM and EGM.

The voting at the last AGM and EGM were conducted through electronic voting system to facilitate greater shareholders' participation, as well as to expedite verification and counting of votes.

This Corporate Governance Overview Statement was approved by the Board on 29 October 2025.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors of the Company ("Board") is committed towards sustaining a comprehensive system of risk management and internal control and is pleased to provide this Statement on Risk Management and Internal Control ("Statement") which outlines the structure and nature of risk management and internal control of the Group and its subsidiaries ("Group") for the financial period ended 30 June 2025. This Statement is prepared in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD'S RESPONSIBILITY

The Board upholds its overall responsibility for sustaining a comprehensive risk management and internal control system to safeguard the interests of shareholders, customers, employees and the Group's assets. The Board recognises that such systems are designed to manage the Group's risks within a tolerable level towards achieving the Group's policies, goals and objectives. It can therefore, provide reasonable assurance of effectiveness against material misstatement of management and financial information, financial losses, fraud and breaches of laws or regulations. In designing the system of risk management and internal control based on the on-going process of identifying and prioritising risk, evaluating the likelihood of those risks being raised and the impact should they be realised, and then, managing them effectively, efficiently and economically.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for implementing the control systems and processes to identify, evaluate, monitor and report on risks arising from the pursuit of the Group's business objectives and action taken to minimise the risks.

RISK MANAGEMENT FRAMEWORK

The Board recognises that the Group's business activities involve certain degrees of risks and that an effective risk management framework is essential in the pursuit of the Group's corporate objectives and operating goals. Key management personnel and Heads of Departments are given responsibilities to manage key risks in their respective operating units and to report monthly on its progress status.

The key risks relating to the Group's strategic operations and business plans are deliberated at management meetings against a risk management framework that has been approved by the Board. Significant risks identified by the Management are then brought to the attention of the Board at scheduled Board meetings.

The above-mentioned practices/initiatives put in place by the Board serve as an on-going process to identify, evaluate and manage significant risks.

In the financial period under review, four (4) Internal Audit cycles were performed. The Internal Audit findings of the risk review have been reported to the Audit Committee and subsequently presented to the Board of Directors for discussion and deliberation. Resolution plans and corrective actions with set timelines were agreed upon to mitigate the risks identified.

1. **Investment/Project Risk**

   Investment risk on major investments is being mitigated with legal and financial due diligence, feasibility studies and risk assessment before the implementation of the projects and investments. Proposals submitted by the Management are evaluated by an Executive Committee made up of Executive Directors and Chief Executive Officer with invitation to Head of Finance and members of the Audit Committee for the Board assurance discussion and subsequent adoption.

   Proposals accepted by the Executive Committee will be subsequently deliberated at Board meetings. All investment/projects are assessed for risks before a decision is made. The Audit Committee reviews the Management's risk management report on a quarterly basis.

   Following the dissolution of the Executive Committee on 18 April 2025, all investment projects and proposals prepared by the Management will be directly submitted to the Board for evaluation and approval.

Statement on Risk Management and Internal Control

(CONT'D)

2. Funding Risk

With the continuous expansion of business activities by the Group, the demands for financing to fund these activities and new projects have increased. To mitigate the funding risk for these activities, the Company explored funding options with various banks and secured several financing facilities, including contract financing, equity loan for equity investments and acquisitions of companies and term-loans for the Group's ongoing projects and for general working capital.

3. Project Completion Risk and Non-Performing Sub-Contractors' Risk

In carrying out the Group's projects, the Group focuses on conducting a comprehensive sub-contractors' assessment and market reputation verification. Selection and appointment of sub-contractors is by tender evaluation conducted by the Tender Committee based on the evaluation procedures as in compliance with the International Standard Operation (ISO 9001: 2015).

This risk is further mitigated through management meetings to ensure that work progresses as scheduled, as well as close monitoring of the sub-contractor's performance that have been appointed for the Group's projects by our Project Managers.

4. Foreign Currency Risk

Most on-going overseas projects are paid in United States Dollar ("USD") of progress claims for its services. Any repatriation back to Malaysia will be subjected to fluctuation in the currencies and the Group could be exposed to foreign currency gains or losses.

5. Country and Political Risk

In assessing overseas projects, the Board's priority is to avoid high risk projects and to minimise working capital requirements by marketing our project management expertise and technical consultancy services, as was the case in India.

6. Joint-Venture Partners' Performance Risk

The performance of joint-ventures was monitored closely against the joint venture agreements and through monthly status reports to avoid delays impacting the Group's performance.

Close monitoring of the partner's performance through regular meetings and dialogues keep management abreast on latest developments in the Group's joint-ventures.

7. Bribery and Corruption Risk

As part of the Group's commitment against bribery and corruption practices, the Group has established a transparent Anti-Bribery and Anti-Corruption Manual, which is applied to all business dealings with commercial/private sectors and public sectors entity.

In order to ensure all parties, adhere to the Group's commitment towards anti-bribery and anti-corruption, awareness trainings are provided regularly with appropriate guidance given to all employees, directors, suppliers, vendors, consultants, agents, joint-venture partners and other stakeholders associated with the Group.

The Code of Ethics and Conduct of Directors and Employees are updates with emphasis to Section 17A of the MACC Act addressing corporate liability for corruption where Directors and Senior Management will be held personally liable for acts of corruption committed by the organisation, either by personnel or parties acting on behalf of the Group.

Statement on Risk Management and Internal Control

(CONT'D)

INTERNAL CONTROL SYSTEM

The key elements of the Group's internal control system are described below: -

- **Control Environment**

  The importance and awareness of a proper control environment is communicated throughout the Group. Focus is directed towards the quality commitment and technical abilities of the Group's employees with continuing education and training to enhance the skills of employees and reinforce qualities of professionalism and integrity. Such training includes internal briefings and external seminars for selected employees relating to areas of risk management, leadership, selling & marketing skills and employee management.

- **Control Structure**

  The Board and Management have established an organisational structure with defined lines of accountability and delegated authority. This includes well-defined responsibilities of Board Committees and the various management levels, including authorisation levels for all aspects of the business.

  The Group's control structure is as follows:

  i. Management

  - A well-established Standard Operating Procedure ("SOP") covers all key aspects of the Group's various business processes. These procedures deal with, amongst others, control issues for financial accounting and reporting, cash management, asset security, information technology, health and safety. The procedures are subject to regular reviews to cater for process changes, changing regulatory risks and process improvements.

  - Aside from the SOP, changes in internal control procedures, if any, are communicated via circulars and internal memos. Such circulars and memos are properly authorised by the Board.

  - Weekly meetings chaired by the Executive Directors with the Management allow the members to communicate and provide feedback in respect of compliance and monitoring of financial status, project status, and other key business matters.

  - All significant contracts and legally enforceable agreements are vetted by the Group's legal department and/or appointed legal firms.

  - Training and development programmes are identified and scheduled for employees to acquire the necessary business knowledge and technical competency to meet job task performance expectations.

  ii. Internal Audit Function

  The Group engaged an independent professional team for Internal Audit services which carries out its review functions and provides the Audit Committee and the Board with the assurance on the adequacy and integrity of the system of internal controls. The Internal Audit is solely responsible for planning, implementing and reporting the audits for the Group. For this purpose, each year, the Internal Auditors:

  - Prepare a detailed Annual Audit Plan for submission to the Audit Committee for approval;
  - Carry out all activities to conduct the audits in accordance with the Audit Plan;
  - Share its audit finding with the auditee upon completion of each audit assignment; and
  - Submit reports on internal audit findings to the Audit Committee.

  iii. Audit Committee

  The Audit Committee, on behalf of the Board, reviews on a quarterly basis, the Group's financial performance and the measures undertaken on internal control issues identified by the Internal Auditor, External Auditors and Management.

Statement on Risk Management and Internal Control

(CONT'D)

INTERNAL CONTROL SYSTEM (CONT'D)

- **Control Structure (cont'd)**

iv. Executive Committee

The Executive Committee, on behalf of the Board, timely oversees the overall investment risk, project performance and recommends for approvals on decisions required by Management in accordance with good corporate governance practices at all times. On 18 April 2025, the Executive Committee was formally dissolved. Thereon, the Management will report directly to the Board.

v. Board

The Board receives updates from the Audit Committee and Management and considers their reports relating to internal controls and deliberates on their recommendations for implementation.

- **Reporting and Information**

The Board meets quarterly and has a formal agenda on matters for discussion. The Executive Directors ("ED") leads the presentation of board papers and provides explanations on pertinent issues. The quarterly financial results tabled at Board Meetings are approved by the Board upon recommendation of the Audit Committee and after due deliberations at the Board meetings.

The ED chairs weekly meetings with the management to discuss the business, financial and operational performance of the Group. Key matters affecting the Group are brought to the attention of the Audit Committee by the ED, Management or Internal Auditor and are reported to the Board on a regular basis.

- **Monitoring and Review**

There are established processes for monitoring the system of internal controls. Significant weaknesses, where detected, would be reported together with details of corrective action. The system is reviewed on an ongoing basis by the Board through the Audit Committee, Management, Finance and the Internal Auditors. Responsibility for monitoring compliance with policies, procedures and guidelines rests principally with the Operations. Heads of Departments are actively involved in maintaining and continually improving the control processes within their respective departments.

- **Whistle-blower Policy**

The Whistle-blower Policy provides a platform and acts as a mechanism for parties to channel their complaints or provide information on fraud, bribery, corruption, wrongdoings or non-compliance to any rules or procedures by an employee or the management of the Group. The policy outlines when, how and to who a concern may be properly raised, distinguishes a concern from a personal grievance and allows the whistle-blower the opportunity to raise a concern outside their management line and in confidence. The identity of the whistle-blower is kept confidential and protection accorded to the whistle-blower against any form of reprisal or retribution. Any concerns raised will be investigated and reported to the Board.

The whistle-blower policy is available from the Company's website at www.hohupgroup.com.my

Statement on Risk Management and Internal Control

(CONT'D)

ASSURANCE MECHANISM

The Group's Internal Audit function is outsourced to Quadrant Biz Solutions Sdn Bhd. The outsourced internal auditors are engaged primarily to assist the Board and the Audit Committee in providing independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control systems. They report directly to the Audit Committee and Internal Audit Plans are tabled to the Audit Committee for review and approval to ensure adequate coverage.

The Internal Auditors table their findings of the business processes of the operating units to the Audit Committee at their scheduled meetings. In addition, the status of the implementation of corrective follow-up actions to address control weaknesses are monitored and reported by the Internal Auditors to ensure that these actions have been satisfactorily implemented.

The Audit Committee, on behalf of the Board, will review the adequacy and the integrity of the Group's system in place for risk management and internal control.

The Audit Committee Report in this Annual Report contains further information on the Committee's activities as well as that of the outsourced Internal Auditors.

BOARD'S COMMITMENT

The structure of controls and operations will be continuously and gradually improved to ensure they remain adequate and relevant to the Company and Group activities. The Board remains committed to sustain a sound system of risk management and internal control and will, when necessary, recommend actions to further improve and enhance them.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement, as required by Paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities and against the scope set out in the Audit and Assurance Practice Guide (AAPG) 3, issued by the Malaysian Institute of Accountants. The External Auditors, following their review, have reported to the Board that nothing has come to their attention that cause them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of the risk management and internal controls of the Group.

AAPG 3 does not require the External Auditors to, and they did not, consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems.

CONCLUSION

For the financial period under review and up to the date of issuance of the financial statements, the Board is satisfied with the adequacy and effectiveness of the Group's system of risk management and internal control to safeguard the interest of shareholders. No material losses, contingencies or uncertainties have arisen from any inadequacy or failure of the Group's system of internal control that would require separate disclosure in the Group's Annual Report. The Board has also received reasonable assurance from the ED and the Head of Finance, who are primarily responsible for the financial management, that the Group's risk management process and internal control systems are operating adequately and effectively in all material aspects, based on the risk management process and internal controls systems of the Group.

This Statement is made in accordance with a resolution of the Board of Directors dated 29 October 2025.

Audit Committee Report

The Audit Committee ("AC") of Ho Hup Construction Company Berhad is pleased to present the Audit Committee Report for the financial period from 1 January 2024 to 30 June 2025 ("FPE 30 June 2025").

1. Composition of the AC

As at the date of this report, the AC comprises two (2) members of the Board, one (1) of whom is Independent Non-Executive Directors and one (1) of whom is Non-Independent Non-Executive Director which comprises:-

Chairman : Mr. Keith Anicetus Vaz
Independent Non-Executive Director
(appointed on 8 May 2025 and resigned on 21 October 2025)

Mr. Thevanaigam Rajan Chitty
Independent Non-Executive Director
(resigned on 8 May 2025)

Members : Mr. Narayanasamy A/L N Chithambaram
Independent Non-Executive Director
(appointed on 18 April 2025)

Datin Chan Bee Leng
Non-Independent Non-Executive Director
(appointed on 6 June 2025)

Tan Sri Datuk Seri (Dr) Mazlan Bin Lazim
Independent Non-Executive Director
(resigned on 8 May 2025)

Mr. Danny Hoe Kam Thong
Independent Non-Executive Director
(resigned on 18 April 2025)

The AC Chairman, Mr. Keith Anicetus Vaz ("Mr. Keith") is a Chartered Accountant and a member of the Malaysian Institute of Accountants ("MIA") and complies with Paragraph 15.09 (1) (c) (i) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"). Following the resignation of Mr Keith as Independent Non-Executive Director of the Company on 21 October 2025, Mr Keith ceased as the AC Chairman on 21 October 2025. The Board of Directors will comply with Paragraphs 15.09 (1) & 15.10 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements within the three (3) month's timeline. The remaining members continued to engage with management and the external auditors, including receiving audit updates and reviewing significant matters.

2. Attendance of Meetings

The AC met eight (8) times during the FPE 30 June 2025 and the attendance of the AC members is as follows:-

Name of Audit Committee Members	Attendance at Audit Committee Meetings
Mr. Keith Anicetus Vaz (appointed on 8 May 2025 and resigned on 21 October 2025)	1/1
Mr. Narayanasamy A/L N Chithambaram (appointed on 18 April 2025)	1/1
Datin Chan Bee Leng (appointed on 6 June 2025)	0/0
Mr. Thevanaigam Rajan Chitty (resigned on 8 May 2025)	7/7
Tan Sri Datuk Seri (Dr) Mazlan Bin Lazim (resigned on 8 May 2025)	5/7
Mr. Danny Hoe Kam Thong (resigned on 18 April 2025)	7/7

Audit Committee Report
(CONT'D)

2. Attendance of Meetings (Cont'd)

Attendance at all AC meetings met the requisite quorum as stipulated in the Terms of Reference ("TOR").

The Head of Sections and members of the Senior Management attend the AC meeting by invitation, to explain and provide the AC with clarification on relevant matters, when required. The role of the AC is to ensure that the recommendations made by both Internal and External Auditors, as well as Regulators, are addressed and dealt with in a timely manner.

In performing its private meeting functions, the AC had met the External Auditors without the presence of any executive member of the Board, Management and staff on 26 February 2024 and 6 December 2024 respectively.

The Company Secretaries act as the AC secretaries in AC meetings. Minutes of each AC meeting were recorded and tabled for confirmation at the following AC meeting and subsequently presented to the Board for notation.

3. Terms of Reference (TOR)

The written TOR of the AC is available on the Company's website at www.hohupgroup.com.my which is accessible to the public for reference and is consistent with the requirements of the MMLR and Malaysian Code on Corporate Governance 2021 ("MCCG 2021").

SUMMARY OF AUDIT COMMITTEE'S ACTIVITIES

A summary of the activities carried out by the AC during the financial period under review is as follows:-

1. Financial Reporting

Reviewed and briefed the Board on the quarterly unaudited financial statements and Annual Audited Financial Statements of the Company and Group and thereafter, submitted to the Board for their consideration and approval.

The dates on which the meetings of the AC were convened during FPE 30 June 2025 to deliberate on financial reporting matters are detailed below:

Date of Meetings	Activities
26 February 2024	• Unaudited quarterly report on consolidated results of the Group for the Fourth quarter ended 31 December 2023
24 April 2024	• Audited Financial Statements of the Group for the financial year ended 31 December 2023
27 May 2024	• Unaudited quarterly report on consolidated results of the Group for the First quarter ended 31 March 2024
28 August 2024	• Unaudited quarterly report on consolidated results of the Group for the Second quarter ended 30 June 2024
25 November 2024	• Unaudited quarterly report on consolidated results of the Group for the Third quarter ended 30 September 2024
6 December 2024	• Audit Planning Memorandum for financial year ending 31 December 2024
26 February 2025	• Unaudited quarterly report on consolidated results of the Group for the Fourth quarter ended 31 December 2024
27 May 2025	• Audit Planning Memorandum for financial period ending 30 June 2025 • Unaudited quarterly report on consolidated results of the Group for the Fifth quarter ended 31 March 2025

The Board had on 25 February 2025 approved the change of financial year end from 31 December to 30 June.

In reviewing the annual audited financial statements, the AC discussed with the Management and the External Auditors on the accounting principles and standards that were applied and their opinion on the items that may affect the financial statements.

Audit Committee Report (CONT'D)

2. Internal Audit

Its primary role is to assess the adequacy and effectiveness of the risk, internal control and governance framework for the Group. The Internal Auditors report directly to the AC and its role is to independently review the internal control system established by the Management, its adequacy and effectiveness vis-à-vis the objectives set and to make appropriate recommendations for further improvement. The Internal Auditors adopt a risk-based Internal Audit methodology, which is guided by the International Professional Practices Framework issued by The Institute of Internal Auditors.

The Internal Audit function is outsourced to Quadrant Biz Solutions Sdn Bhd which is an independent professional firm to carry out the internal audit function of the Group for FPE 30 June 2025.

The Internal Auditors assisted the AC in discharging their duties and responsibilities by executing independent reviews, objective assurance and consulting activities within the Group's operations through audits of the Group's key operations and also to ensure consistency in the control environment and compliance with established policies and procedures, rules, regulations, guidelines, directives and relevant laws. The activities performed by the Internal Audit function include:

- Performed reviews of the key processes to examine and evaluate the adequacy and efficiency of the operations' internal controls, and highlighted any significant risks and non-compliance matters that have impact to the Group;

- Four (4) cycles of Internal Audit were carried out throughout FPE 30 June 2025, the Internal Audit outlines the findings and observations and provides recommendations to strengthen and improve controls of the Group. The internal audit work scope for FPE 30 June 2025 are:

FPE	CYCLE	SCOPE
30 June 2025	1	Project Performance Review (Flex) Report
	2	Forensic Review Report
	3	Forensic Review Report - Enhancements
	4	Payment Voucher Review

- During each cycle, follow-ups were conducted on the status of Management's implementation based on the Internal Audit recommendations which were previously reported in the preceding cycles of Internal Audit.

During the FPE 30 June 2025, internal audit activities were carried out in accordance with the two years pre-approved Internal Audit Plan ("IA Plan"). Representatives from the outsourced Internal Audit team conducted Internal Audit visits based on the approved IA Plan which are consistent with the Group's goals. Any significant changes to the IA Plan were communicated to the AC for approval prior to the commencement of the internal audit assignment.

The Internal Audit Reports prepared by the Internal Auditors arising from the audits were deliberated by the AC and recommendations were duly acted upon by the Management. Follow-up reviews were conducted by Internal Auditors to ensure that all matters arising from each audit were adequately and promptly addressed by the auditee or Management. A summary of the internal audit activities carried out by the AC during the FPE 30 June 2025 is as follows:-

(i) Reviewed the Internal Audit Reports prepared by the outsourced Internal Auditors and appraised the adequacy of the audit work scope, functions, competency and resources of the Internal Auditors to ensure that it has the necessary authority to carry out their responsibilities; and

(ii) Reviewed and approved the IA Plan and a review of the processes including the findings and results of the audit as well as investigations undertaken to ensure that, where appropriate, action had been taken on the recommendations of the Internal Audit by the Management to ensure that all internal control lapses have been duly addressed; and

(iii) Noted the audit findings for corrective actions. Periodic internal review will be conducted to ensure proper control are being implemented.

The AC acknowledges that the internal control of the Group and the Company, which was enforced and implemented throughout the financial period up to the date of this report, provided reasonable although not absolute assurance against material financial misstatements or loss. Accordingly, any audit findings that highlight weaknesses shall be appropriately corrected and rectified to prevent future irregularities. The internal controls were deemed sufficient in safeguarding assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation and regulation best practices.

Audit Committee Report
(CONT'D)

SUMMARY OF AUDIT COMMITTEE'S ACTIVITIES (CONT 'D)

The Internal Audit function is guided by the International Professional Practice Framework ("IPPF") and Internal Audit Charter as approved by the Audit Committee.

The total cost incurred in discharging its functions and responsibilities in FPE 30 June 2025 amounted to RM125,000 as compared to RM106,000 in financial year ended 31 December 2023.

3. External Audit

(i) Discussed the Letter of Engagement, suitability, objectivity and independence of the External Auditors and recommended to the Board the re-appointment of the External Auditors, and on their audit fees thereof and also approved the provision of non-audit services by the External Auditors;

(ii) Reviewed the Annual Audit Planning Memorandum, audit strategy, the nature and work scope of the audit, prior to the commencement of audit;

(iii) Reviewed with the External Auditors on the following areas and reported the same to the Board:

a. Audit report, including the key audit matters which arose during the course of the audit and those issues that have been subsequently resolved and those that remain unresolved:

The AC had on 27 May 2025, reviewed and deliberated the following key audit matters for the audited financial statements for FPE 2025 and agreed with the Management, the treatment and control procedures implemented to provide the necessary safeguard for financial reporting integrity.

Key Audit Matters	Control Procedures
Revenue recognition on construction contracts and property development activities	Obtained understanding of the revenue recognition process, including the accuracy and timing of revenue recognition towards satisfaction of performance of obligation, and tested the associated relevant controls surrounding revenue recognition; Performed test of details on actual development cost and construction cost incurred during the financial period as to whether the cost incurred are valid and in the correct accounting period; Checked the mathematical accuracy of the revenue and profit based on percentage completion calculation; Performed search for unrecorded liabilities for property development costs and construction cost, to evaluate accruals made in respect of work performed by contractors which invoice/progress claim has yet to be received; and Performed site visits for individually on-going projects to arrive at an overall assessment as to whether percentage of projects towards complete satisfaction of performance obligation determined on cost-based input method was reasonable.
Allowance for impairment of receivables	Assessed and discussed with management on the reasonableness of the key bases and assumptions used in estimation of loss allowance with reference to the trade receivables and contract assets balance as at reporting date, timing of billing contract assets and previous collection experience; Enquired and reviewed management's correspondence in relation to the recoverability of trade receivables that are past due but not impaired; and Assessed the billing of contract assets and collection subsequent to the end of the financial year.

Audit Committee Report (CONT'D)

SUMMARY OF AUDIT COMMITTEE'S ACTIVITIES (CONT 'D)

3. External Audit (Cont'd)

(iii) Reviewed with the External Auditors on the following areas and reported the same to the Board (Cont'd):

b. External Auditor's Management Letter and Management's responses to the findings of the External Auditors and also the Auditor's report to shareholders;

c. Audit approach including coordination of audit efforts with Internal Auditors and assistance given by the employees to the External Auditors; and

d. Key significant audit findings reported by the External Auditors.

(iv) Conducted two (2) private meetings with the External Auditors, without the presence of Executive Board members, Management and Staff to discuss their observations and areas for improvements.

4. Review of the AC

The AC is satisfied that matters reported by it to the Board have been satisfactorily resolved and did not see any matter in breach of the MMLR that warrants reporting to Bursa Malaysia Securities Berhad.

5. Related Party Transactions

Reviewed the quarterly report pursuant to related party transactions entered into by the Company and the Group, including review and monitoring of recurrent related party transactions for which shareholders' mandate have been granted to ensure that:

(i) Transactions were carried out on normal commercial terms and were not prejudicial to the interest of the Company or its minority shareholders;

(ii) Adequate oversight over internal control procedures with regard to such transactions; and

(iii) Compliance with key issues pertaining to the related party transactions disclosure pursuant to Chapter 10 of the MMLR, Malaysian Financial Reporting Standard 124 and the Companies Act 2016.

Upon review, the AC concurred with the Management's recommendation that the related party transactions were carried out on normal commercial terms and not prejudicial to the interests of the Group or its minority shareholders.

6. Risk Management

(i) Reviewed the updates on the quarterly report on risk management and financial assistance status presented by the Management, using the Committee of Sponsoring Organisations of the Treadway Commission (COSO) risk management framework; and*

(ii) Reviewed the Statement on Risk Management and Internal Control pursuant to Paragraph 15.26(b) of MMLR and thereafter, submitted to the Board for their considerations and approval and inclusion in the Annual Report of the Company.*

* The Board of the Company had on 26 April 2024 approved the establishment of Risk Management and Sustainability Committee ("RMSC"). The activities under Risk Management are overseen by the RMSC.

Statement of Responsibility by Directors

In Respect of the Preparation of the Annual Audited Financial Statements

The Directors are required by the Companies Act 2016 to ensure that the financial statements for each financial year give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

The Directors are responsible for ensuring that the annual audited financial statements of the Group and the Company are drawn up in accordance with the requirements of the Malaysian Financial Reporting Standards, International Financial Reporting Standard, the requirements of the Companies Act 2016 in Malaysia and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

In preparing the financial statements, the Directors have ensured that:-
- appropriate accounting policies and practices have been adopted and applied consistently;
- the statements are supported by reasonable and prudent judgements and estimates;
- all applicable accounting standards have been followed, subject to any material departure and explained in the financial statements; and
- going concern basis has been adopted unless it is inappropriate to presume that the Group will continue its business

The Directors are also responsible for ensuring that the Group and the Company keep proper accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy at any time, thus enabling the financial statements to be complied with the requirements of the Companies Act 2016 and have been made out in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible for taking the necessary steps that are reasonably open to them to ensure appropriate systems are in place to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities. The systems, by their nature, can only provide reasonable and not absolute assurance against material misstatements, whether due to fraud or error.

This statement is made in accordance with a resolution of the Board of Directors dated 29 October 2025.

Additional Compliance Information

The information set out below is disclosed in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

1. Utilisation of Proceeds Raised from Corporate Proposal

At the Extraordinary General Meeting ("EGM") held on 30 September 2024, the shareholders had approved the Proposed Disposal by Bukit Jalil Development Sdn Bhd (in Creditors' Voluntary Liquidation w.e.f. 16 June 2025), a wholly-owned subsidiary of the Company, of a Parcel of Freehold Commercial Development Land to Exsim Persiaran Jalil Sdn Bhd, for a cash consideration of RM110,000,000 ("Proposed Disposal"). The proceeds of the Proposed Disposal have been fully utilised as at the date of this report, as described below:

DETAILS	PROPOSED UTILISATION RM'000	ACTUAL UTILISATION RM'000
Repayment of bank borrowings	80,000	80,000
Refund of all monies received from Existing End Purchasers	21,000	21,171
Payment to Existing Consultants & Contractor	8,500	5,029
Defrayment of estimated expenses in relation to the Proposed Disposal	500	500
TOTAL	**110,000**	**106,700**

2. Audit and Non-audit Fees

The amount of audit and non-audit fees incurred and payable to the external auditors and its affiliates by the Group for the financial period from 1 January 2024 to 30 June 2025 ("FPE 2025") are as follows:

	Group (RM)	Company (RM)
Audit services rendered		
(1) Current year provision	276	215
(2) Under provision in prior year	-	-
Non-audit services rendered		
(1) Review of the Statement of Risk Management and Internal Control	5	5
(2) Limited Review of Consolidated Financial Statement	65	-

3. Material Contracts

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and its subsidiaries ("Ho Hup Group") involving the interest of its Directors, or major shareholders of the Ho Hup Group and of the Company which were still subsisting as at the end of the financial period under review or which were entered into since the end of the previous financial year.

4. Recurrent Related Party Transactions of A Revenue Nature

(a) Existing Shareholders' Mandate for Recurrent Related Party Transactions ("RRPT")

Additional Compliance Information

(CONT'D)

4. Recurrent Related Party Transactions of A Revenue Nature (Cont'd)

The breakdown of the aggregate value of transactions of a revenue and trading nature conducted during the FPE 2025, pursuant to the shareholders' mandate obtained at the 50th Annual General Meeting ("AGM") of the Company held on 30 May 2024, is set out below:-

No	Ho Hup and/or its subsidiaries	Transacting Parties	Interested Directors/Major Shareholders and Persons Connected with them	Nature of Transactions	Aggregate value of transactions from 1 January 2024 to 30 June 2025 (RM'000)
1	Ho Hup Group	Directors and/or Major Shareholders of Ho Hup Group and Persons Connected with them	Directors and/or Major Shareholders of Ho Hup Group and Persons Connected with them@	Sale of development properties in the ordinary course of business provided that any one of the percentage ratios of the transaction does not exceed 10% as defined in the Listing Requirements	-
2	Golden Wave Sdn Bhd ("GWSB")	Tribeca Real Estate Asset Management Sdn Bhd ("TREAM")	Tan Sri Jaganath Derek Steven Sabapathy ("TSJ") (1)	Service rendered by TREAM for provision of development and project management services.	-
3	Ho Hup Jaya Sdn Bhd ("HHJ")	Omesti Berhad	Dato' Sri Thong Kok Khee ("DSTKK") (2) Dato' Wong Kit-Leong (3) Insas Berhad ("Insas") (4) Gryphon Asset Management Sdn Bhd ("GAM") (5) Thong Mei Chuen ("TMC") (6) Thong Weng Sheng ("TWS") (6) Winfields Development Pte Ltd ("WDPL") (5) Montego Assets Limited ("MAL") (5) H2O Holdings Sdn Bhd ("H2O")(7)	Rental of office premises	632
4	HHJ	Microlink Solutions Berhad ("MSB")	Omesti Holdings Berhad(8) Omesti Berhad(9)	Rental of office premises	602

Additional Compliance Information

(CONT'D)

4. Recurrent Related Party Transactions of A Revenue Nature (Cont'd)

No	Ho Hup and/or its subsidiaries	Transacting Parties	Interested Directors/Major Shareholders and Persons Connected with them	Nature of Transactions	Aggregate value of transactions from 1 January 2024 to 30 June 2025 (RM'000)
5	HHJ	Symphony Interactive Sdn Bhd ("SISB")	DSTKK(2) DWKL(3) Insas (4) GAM (5) TMC (6) TWS (6) WDPL (5) MAL (5) H2O (7)	Renting of retail spaces	1,756

@ Directors, Major Shareholders and/or Persons Connected with them who would be purchasing the properties sold by Ho Hup Group could not be ascertained at this juncture. Disclosure will be made in our Annual Report 2025 in accordance with Practice Note 12 of the Listing Requirements.

(1) GWSB is a 70%-owned subsidiary of Ho Hup Ventures (KK) Sdn Bhd ("HHVKK"). TSJ is a Director of HHVKK, a 75%-owned subsidiary of Ho Hup and 25% owned by TREAM. TSJ is also a Director and Major Shareholder of TREAM. TSJ resigned as a Director of HHVKK on 22 April 2024.

(2) DSTKK is a common Director of OB and SISB. He is also a major shareholder of OB, MSB and Insas and he holds an indirect shareholding in SISB through Filmont Holdings Sdn. Bhd., a wholly-owned subsidiary of Insas and he is a Major Shareholder of Ho Hup, the holding company of HHJ.

(3) DWKL is a common Director of SISB and Ho Hup, the holding company of HHJ. He is also an indirect Major Shareholder of OB and he holds an indirect shareholding in SISB through H2O.

(4) Insas is a deemed Major Shareholder of Ho Hup and a major shareholder of OB by virtue of its shareholdings in its wholly-owned subsidiaries and associated company.

(5) GAM and MAL are wholly-owned subsidiaries and WDPL is an associated company of Insas.

(6) TMC and TWS are the children of DSTKK.

(7) H2O is a person connected with DWKL and he holds 30% equity interest in H2O.

(8) OHB is a common Major Shareholder of Ho Hup and MSB.

(9) OB is a deemed common Major Shareholder of Ho Hup and MSB by virtue of its shareholdings in its wholly-owned subsidiary, OHB.

Directors' Report

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial period ended 30 June 2025.

Principal Activities

The principal activities of the Company are those of investment holding, foundation engineering, civil engineering, building contracting works and the provision of management services for subsidiary companies.

The subsidiary companies are principally engaged in property development, construction activities, building materials operations, quarry operations, investment holding, project management, and property and retail management, while several subsidiaries remain dormant.

Change of Financial Year End

On 25 February 2025, the Company changed its financial year end from 31 December to 30 June. Consequently, the financial statements of the Group and of the Company for the current period are made up of eighteen months from 1 January 2024 to 30 June 2025.

Accordingly, comparative figures for the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not entirely comparable with those for the current financial period.

Financial Results

	Group RM'000	Company RM'000
Loss for the financial period, net of tax		
- continuing operations	(266,454)	(437,048)
- discontinued operations	(232,915)	-
	(499,369)	(437,048)
Attributable to:		
Owners of the parent	(490,194)	(437,048)
Non-controlling interests	(9,175)	-
	(499,369)	(437,048)

Reserves and Provisions

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

Dividends

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Directors do not recommend any dividend in respect of the current financial period ended 30 June 2025.

Issue of Shares and Debentures

There was no issuance of shares and debentures during the financial period.

Directors

Directors who served since the beginning of the financial period until the date of this report are:

Dato' Wong Kit-Leong*	
Datin Chan Bee Leng	
Low Kheng Lun*	
Narayanasamy A/L N Chithambaram	(Appointed on 18 April 2025)
Dato' Sri Chee Hong Leong*	(Resigned on 21 March 2024)
Dato' Wong Gian Kui	(Resigned on 18 April 2025)
Danny Hoe Kam Thong	(Resigned on 18 April 2025)
Thevanaigam Rajan Chitty	(Resigned on 8 May 2025)
Tan Sri Datuk Seri (Dr) Mazlan Bin Lazim	(Resigned on 8 May 2025)
Keith Anicetus Vaz	(Appointed on 8 May 2025 and resigned on 21 October 2025)

* Director of the Company and of its subsidiaries

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) since the beginning of the financial period up to the date of this report:

Dato' Sri Chee Hong Leong	(Appointed on 21 January 2025)
Dato' Wizan Bin Abdul Ghani	(Resigned on 9 September 2025)
Dato' Low Tuck Choy	
Yap Yoon Lean	
Liew Vun Let	
Monteiro Gerard Clair	
Victoria Loui Hoong Mei	
Mohd Arief Aslam Bin Arifin	
Oh Yao Qiang	(Resigned on 14 September 2025)
Dato' Ramli Bin Yusuff	(Resigned on 31 March 2024)
Tan Sri Dato' Jaganath Derek Steven Sabapathy	(Resigned on 22 April 2024)
Dato' Sri Mohamad Nasir Bin Abdul Rahim	(Removed on 24 May 2024)
Chan Mei Chun	(Resigned on 15 July 2024)
Yee Lai Kuan	(Resigned on 29 October 2024)

Directors' Report (CONT'D)

Directors' Interests in Shares

The interests and deemed interests in the shares and options over ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiary company) by the Directors in office at the end of the financial period (including their spouse or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 01.01.2024	Acquired	Disposed	At 30.06.2025
Ho Hup Construction Company Berhad				
Direct interest				
Datin Chan Bee Leng	47,700	-	-	47,700
Dato' Wong Kit-Leong	287,000	-	(137,000)	150,000
Indirect interest				
Datin Chan Bee Leng [(1)]	77,958,722	-	(17,987,300)	59,971,422
Low Kheng Lun [(2)]	65,113,032	-	(17,987,300)	47,125,732

1. *Deemed interested pursuant to Section 59(11)(c) of the Act by virtue of her spouse's direct shareholdings in the Company and pursuant to Section 8(4) of the Act by virtue of her spouse's substantial shareholdings in Low Chee Group Sdn. Bhd., Estate of Low Chee and Concrete Pavers Industries Sdn. Bhd.*
2. *Deemed interested pursuant to Section 8(4) of the Act by virtue of his substantial shareholdings in Low Chee Group Sdn. Bhd.*

None of the other Directors in office at the end of the financial period had any interest in shares in the Company or its related corporations during the financial period.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 35(b).

The details of the directors' remuneration for the financial period ended 30 June 2025 are set out below:

	Group RM'000	Company RM'000
Salary and other emoluments	1,853	1,124
Fees	448	448
Defined contribution plan	17	-
Benefit in kind	1	-
Meeting and other allowances	62	62
	2,381	1,634

Neither during nor at the end of the financial period, was the Group or the Company a party to any arrangement whose object was 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.

Indemnity and Insurance Costs

During the financial period, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Company were RM10,000,000 and RM18,540 respectively.

Other Statutory Information

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

Directors' Report
(CONT'D)

Other Statutory Information (Cont'd)

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) 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; or

(iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial period other than as disclosed in the financial statements.

(d) In the opinion of the Directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due, other than as disclosed in the financial statements;

(ii) the results of the operations of the Group and of the Company during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and

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

Subsidiary Companies

The details of the subsidiaries are disclosed in Note 10 to the financial statements.

Auditors' Remuneration

The auditors' remuneration of the Group and of the Company for the financial period ended 30 June 2025 are as follows:

	Group RM'000	Company RM'000
Auditors' remuneration (inclusive of non-audit service)		
UHY Malaysia PLT		
- Statutory audit	276	215
- Non-statutory audit	5	5
	281	220
Other auditors - Statutory audit	65	-
	346	220

Material Litigation

The details of material litigation are disclosed in Note 38 to the financial statements.

Contingent Liabilities

The details of contingent liabilities are disclosed in Note 42 to the financial statements.

Significant Events during the Financial Period

The details of significant events during the financial period are disclosed in Note 43 to the financial statements.

Subsequent Events

The details of significant events subsequent to the end of the financial period are disclosed in Note 44 to the financial statements.

Directors' Report (CONT'D)

Auditors

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

UHY Malaysia PLT (LLP0041391-LCA & AF 1411) was registered on 19 December 2024 and with effect from that date, UHY Malaysia (Formerly known as UHY) (AF 1411), a conventional partnership was converted to a limited liability partnership.

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

DATO' WONG KIT-LEONG	NARAYANASAMY A/L N CHITHAMBARAM

KUALA LUMPUR

6 November 2025

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

The Directors of Ho Hup Construction Company Berhad, state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025 and of their financial performance and cash flows of the Group and of the Company for the financial period from 1 January 2024 to 30 June 2025.

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

DATO' WONG KIT-LEONG

NARAYANASAMY A/L N CHITHAMBARAM

KUALA LUMPUR

6 November 2025

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Tan Guan Ling (MIA Membership No. 31484), the officer primarily responsible for the financial management of Ho Hup Construction Company Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 6 November 2025)

TAN GUAN LING

Before me,

COMMISSIONER FOR OATHS

Independent Auditors' Report

to the Members of Ho Hup Construction Company Berhad

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Ho Hup Construction Company Berhad, which comprise the statements of financial position as at 30 June 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the financial period from 1 January 2024 to 30 June 2025, and notes to the financial statements, including material accounting policy information, as set out on pages 74 to 230.

We do not express an opinion on the accompanying financial statements of the Group. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

1. As disclosed in Note 2(b) to the financial statements, the following events and conditions indicate that material uncertainties exist that may cast significant doubt on the Group's and the Company's ability to continue as going concerns:

    a) As at 30 June 2025, the Group and the Company incurred a net loss of RM499,369,472 and RM437,047,766 respectively, as of that date, the Group's and the Company's current liabilities exceeded their current assets by RM279,058,962 and RM164,318,278 respectively, and the Group and the Company recorded a capital deficiency of RM176,821,650 and RM164,318,278 respectively.

Independent Auditors' Report

to the Members of Ho Hup Construction Company Berhad

(CONT'D)

Basis for Disclaimer of Opinion (Cont'd)

1. As disclosed in Note 2(b) to the financial statements, the following events and conditions indicate that material uncertainties exist that may cast significant doubt on the Group's and the Company's ability to continue as going concerns: (Cont'd)

   b) On 18 April 2025, the Company had triggered prescribed criteria under Paragraph 2.1(f) of the Practice Note ("PN17") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), as a default in payment by a listed issuer, its major subsidiary or major associated company, as the case may be, as announced by a listed issuer pursuant to paragraph 9.19A of the Listing Requirements and the listed issuer is unable to provide a solvency declaration to the Exchange. On 26 September 2025, the Company announced that it had triggered another prescribed criteria under Paragraph 2.1(a) of PN17 of the Main Market Listing Requirements of Bursa Securities by virtue of its shareholders' equity on a consolidated basis being less than 25% of the issued share capital of the Company and such shareholders' equity is less than RM40 million. The Company is required to submit its regularisation plan to relevant regulatory authorities for approval before 17 April 2026.

   c) The Group and the Company have defaulted various loans and borrowings amounting to RM157,029,109 and RM53,487,698 respectively.

   d) On 25 February 2025, the Company was served with a winding-up petition by Skrine Advocates & Solicitors acting on behalf of Malayan Banking Berhad ("MBB") against the Company for the disputed sum of RM13,608,435 plus interest and costs pursuant to a Court of Appeal judgment.

   e) The Company has filed an application to the High Court of Malaya for a Proposed Scheme of Arrangement and Restraining Order pursuant to Sections 366, 368, 369 of the Companies Act 2016. The ad-interim restraining order granted on 19 June 2025 continues in force. As announced on 22 September 2025, the Company had been notified by its solicitors that the High Court of Malaya at Kuala Lumpur has fixed 3 December 2025 for hearing of two intervening applications filed before the Court in the Restraining Order Application.

Basis for Disclaimer of Opinion (Cont'd)

1. As disclosed in Note 2(b) to the financial statements, the following events and conditions indicate that material uncertainties exist that may cast significant doubt on the Group's and the Company's ability to continue as going concerns: (Cont'd)

   These events or conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as going concerns.

   The ability of the Group and of the Company to continue as going concerns is dependent upon:

   (i) the continued protection of the restraining order;
   (ii) the timely formulation and successful implementation of the Group's Regularisation Plan to regularise its financial conditions to address the Group's PN17 condition;
   (iii) the ability of the Group and the Company to generate sufficient cash flows to meet the obligations of the Group and of the Company; and
   (iv) the continuous support from the financial institutions and creditors.

   If these events are not forthcoming, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business. Accordingly, the financial statements of the Group and the Company may require adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary should the Group and the Company be unable to continue as going concerns.

   We were unable to obtain sufficient appropriate audit evidence to determine whether the use of the going concern basis in the preparation of the financial statements of the Group and of the Company was appropriate.

2. Certain subsidiaries defaulted on loans and borrowings supported by corporate guarantees issued by the Company. We were not provided with sufficient evidence on the recoverability of the underlying securities, and were therefore unable to determine whether a provision for corporate guarantees should be recognised and whether adjustments were necessary in respect of the related elements of the statements of profit or loss, financial position, changes in equity and cash flows.

Independent Auditors' Report

to the Members of Ho Hup Construction Company Berhad

(CONT'D)

Basis for Disclaimer of Opinion (Cont'd)

3. As disclosed in Note 10 to the financial statements, the financial statements of Golden Wave Sdn. Bhd. (in liquidation) were deconsolidated as a result of loss of control upon the appointment of Receiver and Manager on 3 December 2024. The loss of the subsidiary from the beginning of current financial period up to the date of appointment of Receiver and Manager of RM4,196,799 and the loss on derecognition of the subsidiary amounting to RM43,037,111 for the Group and RM18,393,911 attributable to non-controlling interest were accounted for using the unaudited management financial statements of the said subsidiary as at the date of derecognition. No audited financial statement of the said subsidiary is available as the subsidiary is in liquidation.

   We were unable to obtain sufficient appropriate audit evidence on the loss from the subsidiary of RM4,196,799 and loss on deconsolidation of the subsidiary amounting to RM43,037,111 for the Group and RM18,393,911 attributable to non-controlling interest. Therefore, we could not determine the effect of adjustment, if any, on the financial statements of the Group.

4. As disclosed in Note 10 to the financial statements, the financial statements of Bukit Jalil Development Sdn. Bhd. (in liquidation) were deconsolidated as a result of loss of control upon the appointment of liquidator on 23 May 2025. The loss of the subsidiary from the beginning of current financial period up to the date of appointment of liquidator of RM223,256,501 and the gain on derecognition of the subsidiary amounting to RM74,373,523 was accounted for using the unaudited management financial statements of the said subsidiary as at the date of derecognition. No audited financial statement of the said subsidiary is available as the subsidiary is in liquidation.

   We were unable to obtain sufficient appropriate audit evidence on the loss from the subsidiary of RM223,256,501 and gain on deconsolidation of the subsidiary amounting to RM74,373,523. Therefore, we could not determine the effect of adjustment, if any, on the financial statements of the Group.

   Because of the significance and multiplicity of the matters described above, we were unable to determine the effect of adjustments, if any, that might have been necessary in respect of the financial information, and all elements making up the statements of financial position, profit or loss and other comprehensive income, changes in equity, and cash flows of the Group and the Company.

Basis for Disclaimer of Opinion (Cont'd)

5. We were unable to obtain direct confirmations from several financial institutions for material bank balances and loan facilities, and alternative audit procedures did not provide sufficient appropriate audit evidence as to the existence, rights and obligations, or completeness of such balances.

6. We were unable to obtain sufficient appropriate audit evidence concerning events that may have occurred after the reporting period up to the date of this report, including the formal confirmation of minutes of meetings held subsequent to the financial period ended. Accordingly, we could not determine whether any adjustments or disclosures might be necessary in respect of subsequent events.

Because of the significance and multiplicity of the matters described above, we were unable to determine the effect of adjustments, if any, that might have been necessary in respect of the financial information, and all elements making up the statements of financial position, profit or loss and other comprehensive income, changes in equity, and cash flows of the Group and the Company.

Responsibilities of the Directors for the Financial Statements

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

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

Independent Auditors' Report

to the Members of Ho Hup Construction Company Berhad
(CONT'D)

Basis for Disclaimer of Opinion (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Company's financial statements in accordance with International Standards on Auditing (ISAs) and to issue an auditors' report. However, because of the matter described in the *Basis for Disclaimer of Opinion* section above, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Independence and Other Ethical Responsibilities

We are independent 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that

(a) the accounting and other records for the matter as described in the *Basis for Disclaimer of Opinion* section have not been properly kept by the Company in accordance with the provision of the Act.

(b) in our opinion, we have not obtained all the information and explanations that we required.

(c) the subsidiaries of which we have not acted as auditors are disclosed in Note 10 to the financial statements.

Independent Auditors' Report

to the Members of Ho Hup Construction Company Berhad
(CONT'D)

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.

UHY Malaysia PLT
202406000040 (LLP0041391-LCA) & AF 1411
Chartered Accountants

TAN GIM-HENG
Approved Number: 03595/09/2027 J
Chartered Accountant

KUALA LUMPUR

6 November 2025

Statements of Financial Position

As At 30 June 2025

	Note	Group 30.06.2025 RM'000	Group 31.12.2023 RM'000	Company 30.06.2025 RM'000	Company 31.12.2023 RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	-	21,391	-	2,160
Investment properties	5	101,100	132,256	-	-
Intangible assets	6	-	58,079	-	-
Quarry development cost	8	-	3,303	-	-
Right-of-use assets	9	1,576	9,867	-	3,164
Investment in subsidiary companies	10	-	-	-	119,708
Investments in associates	11	-	199	-	199
Investment in joint ventures	12	-	367	-	375
Deferred tax assets	24	-	542	-	-
Total Non-Current Assets		102,676	226,004	-	125,606
Current Assets					
Inventories	7	-	539,658	-	-
Contract assets	13	-	102,218	-	26,346
Trade receivables	14	1,648	181,528	350	44,485
Other receivables	15	8,759	65,982	7,888	48,107
Amount due from subsidiary companies	16	-	-	-	557,003
Amount due from a joint venture	17	-	99	-	99
Amount due from an associate	28	-	75,451	-	75,451
Tax recoverable		11	49	2	2
Fixed deposits with licensed banks	18	2,567	7,510	2,567	2,968
Cash and bank balances	18	822	13,161	593	8,207
		13,807	985,656	11,399	762,668
Assets classified as held for sale	19	6,105	6,105	6,105	6,105
Total Current Assets		19,912	991,761	17,504	768,773
TOTAL ASSETS		122,588	1,217,765	17,504	894,379

Statements of Financial Position

As At 30 June 2025
(CONT'D)

	Note	Group 30.06.2025 RM'000	Group 31.12.2023 RM'000	Company 30.06.2025 RM'000	Company 31.12.2023 RM'000
EQUITY					
Share capital	20	262,369	262,369	262,369	262,369
Reserves	21	(433,866)	76,107	(426,688)	10,360
Equity attributable to owners of the parent		(171,497)	338,476	(164,319)	272,729
Non-controlling interests		(5,325)	3,850	-	-
(Capital Deficiency)/Total Equity		(176,822)	342,326	(164,319)	272,729
LIABILITIES					
Non-Current Liabilities					
Lease liabilities	22	430	7,075	-	2,041
Bank borrowings	23	-	291,336	-	2,892
Trade payables	26	-	12,815	-	9,281
Deferred tax liabilities	24	8	12,868	-	-
Total Non-Current Liabilities		439	324,094	-	14,214
Current Liabilities					
Contract liabilities	13	882	7,102	1,909	7,102
Trade payables	26	72,854	98,950	61,227	7,359
Other payables	27	84,898	159,976	46,033	45,338
Lease liabilities	22	1,600	5,816	-	5,805
Bank borrowings	23	131,417	217,803	53,488	76,471
Amount due to subsidiary companies	16	-	-	12,376	460,887
Amount due to an associate	28	-	200	-	200
Provision for taxation		7,320	61,498	6,791	4,274
Total Current Liabilities		298,971	551,345	181,824	607,436
TOTAL LIABILITIES		299,410	875,439	181,824	621,650
TOTAL EQUITY AND TOTAL LIABILITIES		122,588	1,217,765	17,504	894,379

Statements of Profit or Loss and Other Comprehensive Income

For The Financial Period Ended 30 June 2025

	Note	Group 01.01.2024 to 30.06.2025 (18 months) RM'000	Group 01.01.2023 to 31.12.2023 (12 months) RM'000 (Represented)	Company 01.01.2024 to 30.06.2025 (18 months) RM'000	Company 01.01.2023 to 31.12.2023 (12 months) RM'000 (Represented)
Continuing operations					
Revenue	29	36,885	187,943	1,404	79,885
Cost of sales		(15,970)	(145,950)	(1,469)	(77,871)
Gross profit/(loss)		20,914	41,993	(64)	2,014
Other income		123,954	11,469	116,111	24,298
Administrative expenses		(24,703)	(21,091)	(8,299)	(5,442)
Other expenses		(308,963)	(54,749)	(159,633)	(37,766)
Net loss on impairment on financial instruments		(47,228)	(20,485)	(371,107)	(2,031)
Finance costs	30	(24,620)	(42,323)	(10,674)	(22,241)
Loss before tax	31	(260,645)	(85,186)	(433,666)	(41,168)
Taxation	32	(5,810)	714	(3,382)	531
- Loss for the financial period/ year from continuing operations		(266,454)	(84,472)	(437,048)	(40,637)
- Loss for the financial period/ year from discontinued operation, net of tax		(232,915)	-	-	-
- Loss for the financial period/year		(499,369)	(84,472)	(437,048)	(40,637)

Statements of Profit or Loss and Other Comprehensive Income

For The Financial Period Ended 30 June 2025
(CONT'D)

	Note	Group 01.01.2024 to 30.06.2025 (18 months) RM'000	Group 01.01.2023 to 31.12.2023 (12 months) RM'000	Company 01.01.2024 to 30.06.2025 (18 months) RM'000	Company 01.01.2023 to 31.12.2023 (12 months) RM'000
Other comprehensive (loss)/income:					
Items that are or may be reclassified subsequently to profit or loss					
Exchange translation differences for foreign operations		(19,779)	2,110	-	-
Other comprehensive (loss)/profit for the financial period/year		(19,779)	2,110	-	-
Total comprehensive loss for the financial period/year		(519,148)	(82,362)	(437,048)	(40,637)
Loss for the financial period/year attributable to:					
Owners of the parent		(490,194)	(80,618)	(437,048)	(40,637)
Non-controlling interests		(9,175)	(3,854)	-	-
		(499,369)	(84,472)	(437,048)	(40,637)
Total comprehensive loss attributable to:					
Owners of the parent		(509,973)	(79,141)	(437,048)	(40,637)
Non-controlling interests		(9,175)	(3,221)	-	-
		(519,148)	(82,362)	(437,048)	(40,637)
Loss per share					
Basic and diluted loss per share (sen)	33	(94.58)	(16.20)		

Statements Of Changes In Equity

For The Financial Period Ended 30 June 2025

	Note	Attributable to Owner of the Parent						Non-Controlling Interests RM'000	Total Equity RM'000
		Non-Distributable			Distributable				
		Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Other Reserves RM'000	Retained Earnings RM'000	Total RM'000			
Group									
At 1 January 2024		262,369	(614)	(77,104)	153,825	338,476		3,850	342,326
Loss for the financial period		-	-	-	(490,194)	(490,194)		(9,175)	(499,369)
Other comprehensive loss for the financial period		-	(19,779)	-	-	(19,779)		-	(19,779)
Total comprehensive loss for the financial period		-	(19,779)	-	(490,194)	(509,973)		(9,175)	(519,148)
At 30 June 2025		262,369	(20,393)	(77,104)	(336,369)	(171,497)		(5,325)	(176,822)

	Note	Attributable to Owner of the Parent					Non-Controlling Interests RM'000	Total Equity RM'000
		Non-Distributable			Distributable			
		Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Other Reserves RM'000	Retained Earnings RM'000	Total RM'000		
Group								
At 1 January 2023		256,870	(2,091)	(77,104)	234,443	412,118	7,584	419,702
Loss for the financial year		-	-	-	(80,618)	(80,618)	(3,854)	(84,472)
Other comprehensive loss for the financial year		-	1,477	-	-	1,477	633	2,110
Total comprehensive loss for the financial year		-	1,477	-	(80,618)	(79,141)	(3,221)	(82,362)
Transactions with owners:								
Issuance of ordinary shares pursuant to exercise of Private Placement	20	5,499	-	-	-	5,499	-	5,499
Elimination of non-controlling interest at disposal of subsidiary company	10(a)	-	-	-	-	-	(513)	(513)
Total transaction with owners		5,499	-	-	-	5,499	(513)	4,986
At 31 December 2023		262,369	(614)	(77,104)	153,825	338,476	3,850	342,326

Statements of Changes In Equity

For The Financial Period Ended 30 June 2025

(CONT'D)

	Note	Attributable to Owners of the Parent		
		Non-distributable	Distributable	
		Share Capital RM'000	Retained Earnings RM'000	Total Equity RM'000
Company				
At 1 January 2024		262,369	10,360	272,729
Loss for the financial period, representing total comprehensive loss for the financial period		-	(437,048)	(437,048)
At 30 June 2025		262,369	(426,688)	(164,319)
At 1 January 2023		256,870	50,997	307,867
Loss for the financial year, representing total comprehensive loss for the financial year		-	(40,637)	(40,637)
Issuance of ordinary shares pursuant to exercise of Private Placement	20	5,499	-	5,499
At 31 December 2023		262,369	10,360	272,729

Statements of Cash Flows

For The Financial Period Ended 30 June 2025

	Group		Company	
	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000
Cash Flows from Operating Activities				
Loss before taxation				
- continuing operations	(260,645)	(85,186)	(433,666)	(41,168)
- discontinuing operations	(233,855)	-	-	-
Adjustments for:				
Depreciation of:				
- property, plant and equipment	2,446	7,503	660	516
- right-of-use assets	3,649	7,447	654	2,839
Amortisation of:				
- land rights	-	6,139	-	-
- quarrying rights	-	114	-	-
- quarry development cost	-	1,043	-	-
Impairment loss:				
- trade receivables	104,070	6,690	40,682	-
- other receivables	265,877	13,795	21,668	2,031
- amount due from subsidiaries	-	-	82,036	-
- amount due from joint ventures	99	-	-	-
- amount due from associates	75,451	-	-	-
- property, plant and equipment	13,436	-	1,473	-
- investment in joint venture	367	-	375	-
- investment in subsidiary companies	-	-	8,313	27,146
- investment in associate	199	-	-	-
- right-of-use assets	-	-	1,057	-
Inventory written off	-	24	-	-
Loss/(Gain) on disposal of:				
- investment property	21,900	(1,835)	-	-
- property, plant and equipment	1,968	272	31	21
- right-of-use assets	3,536	(134)	1,453	(105)
- subsidiary companies	-	1,786	-	2,250
- other investment	-	212	-	-
Operating profit/(loss) before working capital changes carried forward	(1,502)	(42,130)	(275,264)	(6,470)

Statements of Cash Flows

For The Financial Period Ended 30 June 2025

(CONT'D)

	Group		Company	
	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000
Cash Flows from Operating Activities (Cont'd)				
Adjustment for: (Cont'd)				
Operating profit/(loss) before working capital changes brought forward	(1,502)	(42,130)	(275,264)	(6,470)
Loss on termination of lease agreement	119	154	-	-
Written off of property, plant and equipment	1,634	21	-	21
Written off of liquid ascertianed damages receivable	-	15,958	-	-
Written off of bad debts	-	222	-	-
Gain on dilution of subsidiary	-	(13,158)	-	-
Interest income	(174)	(778)	(1,058)	(9,268)
Finance costs	53,503	42,323	10,674	22,241
Operating profit/(loss) before working capital changes	53,580	2,612	(265,648)	6,524
Changes in working capital:				
Change in contract assets	102,218	39,389	26,346	(9,730)
Change in contract liabilities	(6,220)	(13,354)	(5,193)	(6,033)
Change in inventories and other contract costs	-	3,260	-	-
Change in receivables	(132,844)	25,218	22,004	28,022
Change in amount due from an associate	-	(75,451)	75,350	(75,451)
Change in payables	(113,989)	87,029	45,282	(7,875)
	(150,835)	66,091	163,789	(71,067)
Cash (used in)/generated from operations	(97,255)	68,703	(101,859)	(64,543)

Statements of Cash Flows

For The Financial Period Ended 30 June 2025

(CONT'D)

	Group		Company	
	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000
Changes in working capital: (Cont'd)				
Interest paid	(53,503)	(42,323)	(10,674)	(22,241)
Interest received	174	778	1,058	9,268
Tax paid	-	(4,734)	-	(1,003)
	(53,329)	(46,279)	(9,616)	(13,976)
Net cash (used in)/from operating activities	(150,584)	22,424	(111,475)	(78,519)
Cash Flows from Investing Activities				
Purchase of:				
- property, plant and equipment (Note 4)	(235)	(997)	(4)	(32)
- right-of-use assets (Note 9)	-	(106)	-	(35)
Proceeds from disposal of:				
- property, plant and equipment	-	5,552	-	4
- right-of-use assets	-	14,262	-	13,938
- investment properties	-	8,416	-	-
- other investment	-	1,851	-	-
Net cash outflow from derecognition on disposal of subsidiary company	536,023	(59)	115,899	-
Advances to subsidiary	-	-	26,655	67,396
Change in pledged deposits	4,943	2,134	401	(1,400)
Net cash from investing activities	540,731	31,053	142,951	79,871

Statements of Cash Flows

For The Financial Period Ended 30 June 2025

(CONT'D)

	Group		Company	
	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000
Cash Flows from Financing Activities				
Proceeds from private placement	-	5,499	-	5,499
Repayment of borrowings (Note 40)	(377,722)	(53,174)	(25,785)	(8,620)
Repayment of lease liabilities (Note 40)	(10,861)	(7,937)	(7,846)	(3,809)
Net cash used in financing activities	(388,582)	(55,612)	(33,631)	(6,930)
Net increase/(decrease) in cash and cash equivalents	1,565	(2,135)	(2,155)	(5,578)
Exchange translation differences on cash and cash equivalents	-	-	-	-
Cash and cash equivalents at the the beginning of the financial period/year	(8,512)	(6,377)	(2,453)	3,125
Cash and cash equivalents at the end of the financial period/year (Note 18)	(6,947)	(8,512)	(4,608)	(2,453)

Notes to the Financial Statements

30 June 2025

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal place of business of the Company is located at Level 18, Ho Hup Tower, No. 1, Jalan Persiaran Jalil 1, Bandar Bukit Jalil, 57000 Kuala Lumpur.

The registered office of the Company is located at Ho Hup Tower - Aurora Place, 2-07-01 - Level 7, Plaza Bukit Jalil, No. 1, Jalan Persiaran Jalil 1, Bandar Bukit Jalil, 57000 Kuala Lumpur.

The principal activities of the Company are those of investment holding, foundation engineering, civil engineering, building contracting works and the provision of management services for subsidiary companies. The principal activities of the subsidiary companies are disclosed in Note 10.

2. Basis of Preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of new and amendments to MFRSs

During the financial period, the Group and the Company have adopted the following new and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial period:

Amendments to MFRS	
MFRS 7 and MFRS 107	Supplier Finance Arrangements
MFRS 16	Lease Liability in Sale and Leaseback
MFRS 101	Non-current Liabilities with Covenants
MFRS 101	Classification of Liabilities as Current or Non-current

The adoption of the amendments to standards did not have any significant impact on the financial statements of the Group and of the Company except as disclosed below:

Amendments to MFRS 101 Classification of Liabilities as Current or Non-Current

In January 2020, the MASB issued amendments to paragraphs 69 to 76 of MFRS 101 to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

(i) What is meant by a right to defer settlement
(ii) That a right to defer must exist at the end of the reporting period
(iii) That classification is unaffected by the likelihood that an entity will exercise its deferral right
(iv) That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of new and amendments to MFRSs (Cont'd)

The adoption of the amendments to standards did not have any significant impact on the financial statements of the Group and of the Company except as disclosed below: (Cont'd)

Amendments to MFRS 101 Non-current Liabilities with Covenants

In December 2022, the MASB issued amendments to MFRS 101 in which it specifies that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the Amendments requires an entity to disclose information about these covenants in the notes to the financial statements. It is expected to improve the information an entity provides about long-term debt with covenants by enabling investors to understand the risk that such debt could become repayable early.

The amendments to MFRS 101 are applicable for annual periods beginning on or after 1 January 2024 retrospectively in accordance with MFRS 108. Earlier application is permitted.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective

The Group and the Company have not applied the following amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards - Volume 11		1 January 2026
Amendments to MFRS 7 and MFRS 9	Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 7 and MFRS 9	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above MFRSs when they become effective.

The initial application of the above-mentioned MFRSs are not expected to have any significant impacts on the financial statements of the Group and the Company.

2. Basis of Preparation (Cont'd)

(b) Basis of measurement

The financial statements of the Group and of the Company have been prepared on the assumption that the Group and Company will continue as going concerns. The application of the going concern basis is based on the assumption that the Group and the Company will be able to realise their assets and liquidate their liabilities in the normal course of business.

(i) As at 30 June 2025, the Group and the Company incurred a net loss of RM499,369,472 and RM437,047,766 respectively, as of that date, the Group's and the Company's current liabilities exceeded their current assets by RM279,058,962 and RM164,318,278 respectively, and the Group and the Company recorded a capital deficiency of RM176,821,650 and RM164,318,278 respectively.

(ii) On 18 April 2025, the Company had triggered the prescribed criteria pursuant to Paragraph 2.1(f) of Practice Note 17 ("PN17") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). On 18 April 2025, the Company was classified as an affected issuer pursuant to PN17 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad following the issuance of a notice of demand by Insas Credit & Leasing Sdn. Bhd. for an outstanding loan of RM157,029,109, with Ho Hup Construction Company Berhad acting as guarantor. The Company has also received a further demand dated 29 May 2025 from Lee & Koh, acting for AmBank Islamic Berhad ("AIB") in respect of the revolving credit facilities ("Facilities") and demand for the total outstanding sum of RM53,487,698. The Company is required to submit its regularisation plan to relevant regulatory authorities for approval before 17 April 2026.

(iii) On 25 February 2025, the Company was served with a winding-up petition by Skrine Advocates & Solicitors acting on behalf of Malayan Banking Berhad ("MBB") against the Company for the disputed sum of RM13,608,435 plus interest and costs pursuant to a Court of Appeal judgment

2. Basis of Preparation (Cont'd)

(b) Basis of measurement (Cont'd)

(iv) On 26 September 2025, the Company announced that it had triggered another prescribed criteria under Paragraph 2.1 (a) of PN17 of the Main Market Listing Requirements of Bursa Securities by virtue of its shareholders' equity on a consolidated basis being less than 25% of the issued share capital of the Company and such shareholders' equity is less than RM40 million. In response, the Company has applied on 21 April 2025 and 19 June 2025 to the High Court of Malaya for a restraining order and proposed scheme of arrangement with its creditors under Sections 366, 368, 369 of the Companies Act 2016. The restraining order application remains subject to the disposal of intervening applications, with the next hearing fixed on 3 December 2025 for two intervening applications filed before the Court in the Restraining Order Application.

These events or conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as going concerns.

The ability of the Group and of the Company to continue as going concerns is dependent upon:

(i) the continued protection of the restraining order;
(ii) the timely formulation and successful implementation of the Group's Regularisation Plan to regularise its financial conditions to address the Group's PN17 condition;
(iii) the ability of the Group and the Company to generate sufficient cash flows to meet the obligations of the Group and of the Company; and
(iv) the continuous support from the financial institutions and creditors

If these events are not forthcoming, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business. Accordingly, the financial statements of the Group and the Company may require adjustments relating to the recoverability and classification of recorded assets and liabilities that may be necessary should the Group and the Company be unable to continue as going concerns.

2. Basis of Preparation (Cont'd)

(c) Functional and Presentation Currency

These financial statements are presented in Ringgit Malaysia ("RM") which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand except when otherwise stated.

(d) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes.

Revenue and cost recognition on construction contracts and property development activities

The Group and the Company recognise revenue and cost from construction contract and property development activities in the profit or loss by using cost-based input method, which is measured on the basis of the Group's and of the Company's efforts or inputs to the actual construction cost and property development costs incurred to date relative to the estimated total construction costs and total property development costs.

2. Basis of Preparation (Cont'd)

(d) Significant accounting judgements, estimates and assumptions (Cont'd)

Revenue and cost recognition on construction contracts and property development activities (Cont'd)

Significant judgement is involved in determining the progress of completion to the performance obligation and budgeting process in estimating the total contract costs and total property development costs. In making such judgement, the Group and the Company relies on past experience and continuous monitoring of the estimated total contract costs and property development costs.

The carrying amount of property development costs and contract assets/liabilities arising from performance under construction contracts and property development activities at the reporting date are disclosed in Notes 7(i) and 13 respectively.

Fair value of investment properties

The Group engaged an independent valuation specialist to assess fair value of investment properties as at 30 June 2025. Investment properties are carried at fair value, with changes in fair value being recognised in profit or loss. The fair values of the investment properties have been derived using the sales comparison and investment approach, adjusted for differences in key attributes such as property size, time, age, tenure, level, surrounding, accessibility, visibility, orientation, facing and position of the units.

The key assumptions used to determine the fair value of the investment properties is disclosed in Note 5 to the financial statement.

Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group and the Company determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

2. Basis of Preparation (Cont'd)

(d) Significant accounting judgements, estimates and assumptions (Cont'd)

Determining the lease term of contracts with renewal and termination options - Group as lessee (Cont'd)

The Group and the Company have several lease contracts that include extension and termination options. The Group and the Company apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Useful lives of property, plant and equipment

The Group and the Company regularly review the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment. The carrying amount of the plant and equipment are disclosed in Notes 4.

Impairment of goodwill, quarrying right and land rights

The Group also assesses impairment of goodwill, quarrying right and land rights whenever events or changes in circumstances indicate the carrying amount may not be recoverable (i.e. carrying amount is more than the recoverable amount).

When value-in-use calculations are undertaken, management estimates the expected future cash flows from the cash generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows. The preparation of the estimated future cash flows involves significant judgement and estimations. While the Group believes that the assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable amounts and may lead to future impairment losses.

Their carrying amounts as at end of the reporting period and key assumptions applied in the impairment assessment of goodwill are given in Note 6.

2. Basis of Preparation (Cont'd)

(d) Significant accounting judgements, estimates and assumptions (Cont'd)

Impairment of investment in subsidiary companies

The Company reviews its investment in subsidiary companies when there are indicators of impairment. When such indication exists, the Company determined the recoverable amount of the subsidiary companies using fair value less cost of disposal of the subsidiary companies' net asset.

The carrying amount at the reporting date for investment in subsidiary companies is disclosed in Note 10.

Provision for ECLs of trade and other receivables and contract assets

The Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments in calculating ECLs for trade and other receivables and contract assets. The amount and timing of future cash flows are then estimated based on historical credit loss experience for assets with similar credit risk characteristics and adjusted with forward-looking information such as forecast economic conditions. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's and on the Company's contract assets and trade and other receivables is disclosed in Notes 13, 14 and 15 respectively.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made. As at 30 June 2025, the Group has tax recoverable of RM10,901 (31.12.2023: RM49,000) and tax payable of RM7,319,718 (31.12.2023: RM61,498,000) respectively.

3. Material Accounting Policy Information

(a) Basis of consolidation

(i) Subsidiary companies

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to the Group except for those business combinations which were accounted using merger method of accounting.

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory. Under the merger method of accounting, the results of subsidiaries are presented as if the business combination had been affected throughout the current and previous financial years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the difference between costs of acquisition over the nominal value of share capital of the subsidiaries is taken to merger reserve or merger deficit.

(ii) Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at their acquisition-date fair values.

(iii) Investment in subsidiary companies

In the Company's separate financial statements, investment in subsidiary companies is stated at cost less accumulated impairment losses.

3. Material Accounting Policy Information (Cont'd)

(a) Basis of consolidation (Cont'd)

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying amount may be impaired.

(v) Associates

Investment in associates is accounted for in the consolidated financial statements of the Group using the equity method.

In the Company's separate financial statements, investment in associates are stated at cost less accumulated impairment losses.

(vi) Joint arrangements

The Group classifies its joint arrangements as disclosed in the Note 12 as joint ventures and accounts its interests using the equity method as the Group has right to the net assets of the arrangements.

In the Company's separate financial statements, investment in joint ventures are stated at cost less accumulated impairment losses.

3. Material Accounting Policy Information (Cont'd)

(b) Property, plant and equipment

Property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Freehold buildings	50 years
Signboard	5 years
Furniture, fittings and office equipment	5 - 10 years
Motor vehicles	5 years
Plant and machinery	3 - 20 years
Renovations	10 years
Tools and technical equipment	5 - 10 years

(c) Intangible assets acquired separately

Intangible assets other than goodwill with finite useful lives that are acquired by the Group are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives as follows:

Software	5 years
Quarrying right	22 years

Land rights are amortised based on the percentage of completion over the development period.

3. Material Accounting Policy Information (Cont'd)

(d) Inventories and other contract costs

Inventories and other contract costs are stated at the lower of cost and net realisable value.

(i) Land held for property development

The cost of land held for property development is stated at the lower of cost and net realisable value. The cost of land held for property development consists of the purchase price of the land, professional fees, stamp duties, commissions, conversion fees, other relevant levies and direct development cost incurred in preparing the land for development.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale.

Land held for property development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle, is classified as non-current asset.

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where development activities can be completed within the Group's and the Company's normal operating cycle.

(ii) Property development costs

Cost is determined based on a specific identification basis. Property development costs comprising costs of land, land enhancement costs, direct materials, direct labour, other direct costs, attributable overheads and payments to sub-contractors that meet the definition of inventories are recognised as an asset and are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses. The property development costs is subsequently recognised as an expense in statement of profit or loss and other comprehensive income when or as the control of the asset is transferred to the customer.

Property development costs for which work has been undertaken and development activities are expected to be completed within the Group's and the Company's normal operating cycle, is classified as current asset.

3. Material Accounting Policy Information (Cont'd)

(d) Inventories and other contract costs (Cont'd)

(iii) Completed properties held for sale

The cost of completed properties is stated at the lower of historical cost and net realisable value. Historical cost includes, where relevant, cost associated with the acquisition of land, including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended case, related development costs to projects, direct building costs and other costs of bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

(iv) Construction materials

The cost of construction materials is stated at the lower of historical cost and net realisable value.

The cost of inventories is calculated using the first-in, first-out method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overhead based on normal operating capacity.

Net realisable value in the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated costs necessary to make the sales.

(v) Other contract costs

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory, property, plant and equipment or intangible assets.

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Incremental costs of obtaining a contract are capitalised when incurred if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Notes to the Financial Statements

30 June 2025
(CONT'D)

3. Material Accounting Policy Information (Cont'd)

(d) Inventories and other contract costs (Cont'd)

(v) Other contract costs (Cont'd)

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract, generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Costs that relate directly to an existing contract or to a specifically identifiable anticipated contract may include direct labour, direct materials, allocations of costs, costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract. Other costs of fulfilling a contract, which are not capitalised as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Impairment losses are recognised to the extent that the carrying amount of the contract cost asset exceeds the net of (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

Amortisation of capitalised contract costs is charged to profit or loss when the revenue to which the asset relates is recognised. The accounting policy for revenue recognition is set out in Note 3(l).

(e) Contract assets/Contract liabilities

A contract asset is recognised when the Group's or the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9 *Financial Instruments* (see Note 3(j).

A contract liability is stated at cost and represents the obligation of the Group or the Company to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

3. Material Accounting Policy Information (Cont'd)

(f) Quarry development expenditure

Quarry development expenditure comprises direct cost of development, cost of site infrastructure and other related expenses. Quarry development expenditure is amortised upon commencement of commercial rock extraction activities. Quarry development expenditure was amortised over the remaining lease term. The quarry development expenditure is written off immediately to profit or loss to the extent that the unamortised balance is no longer probable of being recovered. During the financial period, the Group disposes of its quarry subsidiary, any remaining carrying amount was derecognised, and no further amortisation is recognised.

(g) Leases

Lessee accounting

The Group and the Company recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property, plant and equipment as follows:

Leasehold land and buildings	2%, or over the lease term, if shorter
Plant and machinery	10 years
Motor vehicles	5 years
Tools and technical equipment	10 years

The lease liabilities are constantly measured at present value of the lease payment that are not paid at the commencement date, discounted by using the incremental borrowing rate.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

3. Material Accounting Policy Information (Cont'd)

(g) Leases (Cont'd)

Lessor accounting

The Group recognise the lease payment received from rental of investment properties under operating leases as income on a straight-line basis over the lease term as revenue.

(h) Investment properties

Investment properties are measured at fair value which gains and losses arising form changes in the fair values of investment properties recognised in profit or loss for the period in which they arise.

(i) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price. An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

3. Material Accounting Policy Information (Cont'd)

(i) Financial instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement (Cont'd)

Financial assets (Cont'd)

(a) Amortised cost (Cont'd)

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets the effective interest rate is applied to the amortised cost.

(b) Fair value through other comprehensive income

(i) Debt investments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss. Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

3. Material Accounting Policy Information (Cont'd)

(i) Financial instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement (Cont'd)

Financial assets (Cont'd)

(b) Fair value through other comprehensive income (Cont'd)

(ii) Equity investments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

(c) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

3. Material Accounting Policy Information (Cont'd)

(i) Financial instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement (Cont'd)

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

(c) Fair value through profit or loss (Cont'd)

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

(a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

(b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or

(c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

3. Material Accounting Policy Information (Cont'd)

(i) Financial instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement (Cont'd)

Financial liabilities (Cont'd)

(d) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and

(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to:

(a) the recognition of an asset on the day it is received by the Group or the Company, and

(b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group or the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group or the Company applies trade date accounting unless otherwise stated for the specific class of asset.

3. Material Accounting Policy Information (Cont'd)

(i) Financial instruments (Cont'd)

(iv) Derecognition

A financial asset or a part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. A financial liability is also derecognised when its terms are modified and the cash flows of the modified terms are substantially different. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group and the Company currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3. Material Accounting Policy Information (Cont'd)

(i) Financial instruments (Cont'd)

(vi) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15 *Revenue from Contracts with Customers.*

Liabilities arising from financial guarantees are presented together with other provisions.

(j) Impairment of financial assets

(i) Financial assets at amortised costs and contract assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost and contract assets. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, when there is evidence that there is a significant increase in credit risk from the debtors due to actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations or the asset is credit impaired. The Group and the Company measure receivables with low risk of default and a strong capacity to meet contractual cash flows and no significant increase in the credit risk since initial recognition, debt securities that are determined to have low credit risk at the reporting date and cash and bank balance at 12-month expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

3. Material Accounting Policy Information (Cont'd)

(j) Impairment of financial assets (Cont'd)

(i) Financial assets at amortised costs and contract assets (Cont'd)

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

An impairment loss in respect of financial assets measured at amortised cost and contract assets is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and contract assets are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

(ii) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and other contract costs and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

3. Material Accounting Policy Information (Cont'd)

(j) Impairment of financial assets (Cont'd)

(ii) Non-financial assets (Cont'd)

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

3. Material Accounting Policy Information (Cont'd)

(k) Discontinued operation

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

(i) represents a separate major line of business or geographical area of operations;

(ii) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative statements of profit or loss and other comprehensive income is re-presented as if the operation has been discontinued from the start of the comparative period.

(l) Revenue and other income

Income is classified by the Group and by the Company as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's and of the Company's assets under leases in the ordinary course of the Group's and of the Company's business.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group and the Company are expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue is after deduction of any trade discounts.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group and to the Company, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group and the Company take advantage of the practical expedient in paragraph 63 of MFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

3. Material Accounting Policy Information (Cont'd)

(l) Revenue and other income (Cont'd)

Further details of the Group's and of the Company's revenue and other income recognition policies are as follows:

(a) Construction contracts

A contract with a customer is classified by the Group and by the Company as a construction contract when the contract relates to work on assets under the control of the customer and therefore the Group's and the Company's construction activities create or enhance an asset under the customer's control.

When the outcome of a construction contract can be reasonably measured, revenue from the contract is recognised progressively over time using the cost-based input method, i.e. based on the proportion of the actual costs incurred relative to the estimated total costs.

The likelihood of the Group and of the Company suffering contractual penalties for late completion are taken into account in making these estimates, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, then a provision is recognised.

3. Material Accounting Policy Information (Cont'd)

(l) Revenue and other income (Cont'd)

(b) Revenue from property development

Property development contracts with customers may include multiple promises to customers and are accounted for as separate performance obligations. Transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost-plus margin.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer. 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 Group's and the Company's performance does not create an asset with an alternative use to the Group and to the Company and the Group and the Company have 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 by using an input method which is based on cost incurred to-date relative to the total expected cost to the satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group and the Company recognise sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers.

(c) Sale of goods

Revenue from sale of goods and services is recognised at a point in time when control of the assets is transferred to the customer, generally on the delivery of the goods.

(d) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

3. Material Accounting Policy Information (Cont'd)

(l) Revenue and other income (Cont'd)

(e) Rental income from operating lease

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(f) Management fee

Management fee is recognised when services are rendered.

(m) Statement of cash flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows. Cash and cash equivalents comprise cash and bank balances, deposits with licensed banks and other short-term, highly liquid investments that are readily convertible into cash with insignificant risk of changes in value against which bank overdrafts, if any, are deducted.

4. Property, Plant and Equipment

	Freehold buildings RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Renovations RM'000	Tools and technical equipment RM'000	Total RM'000
Group							
Cost							
At 1 January 2024	10,519	5,123	13,213	51,656	12,399	409	93,319
Additions	-	147	-	40	35	13	235
Disposals	(100)	(75)	(10,038)	(12,028)	(200)	(273)	(22,714)
Written off	-	(917)	-	-	(2,989)	-	(3,906)
Derecognition on lost of control subsidiary companies	(23)	(291)	(160)	-	(34)	-	(508)
Derecognition on disposal of subsidiary companies	(90)	(1,299)	(2,627)	(7,487)	(1,090)	-	(12,593)
At 30 June 2025	10,306	2,688	388	32,181	8,121	149	53,833

4. **Property, Plant and Equipment (Cont'd)**

	Freehold buildings RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Renovations RM'000	Tools and technical equipment RM'000	Total RM'000
Group							
Accumulated depreciation							
At 1 January 2024	912	3,932	11,839	32,483	5,429	388	54,983
Charge for the financial period	195	389	139	194	1,524	5	2,446
Disposals	(68)	(75)	(8,969)	(11,361)	-	(273)	(20,746)
Written off	-	(613)	-	-	(1,659)	-	(2,272)
Derecognition on lost of control subsidiary companies	(23)	(193)	(160)	-	(24)	(1)	(401)
Derecognition on disposal of subsidiary company	-	(1,120)	(2,488)	(5,943)	(958)	(49)	(10,558)
At 30 June 2025	1,016	2,320	361	15,373	4,312	70	23,452
Accumulated impairment losses							
At 1 January 2024	-	98	27	16,808	-	12	16,945
Recognised during the financial period	9,290	270	-	-	3,809	67	13,436
At 30 June 2025	9,290	368	27	16,808	3,809	79	30,381
Carrying amount							
At 30 June 2025	-	-	-	-	-	-	-

4. Property, Plant and Equipment (Cont'd)

	Freehold buildings RM'000	Signboard RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Renovations RM'000	Tools and technical equipment RM'000	Total RM'000
Group								
Cost								
At 1 January 2023	200,478	27	9,504	15,368	76,986	12,713	3,410	318,486
Additions	-	-	72	-	-	920	5	997
Disposals	(5,309)	(27)	(4,254)	(349)	(360)	(1,127)	(3)	(11,429)
Written off	-	-	(155)	(2,752)	(24,970)	(107)	(3,003)	(30,987)
Transfer from right-of-use assets	-	-	-	946	-	-	-	946
Transfer to inventories (Note b)	(184,650)	-	-	-	-	-	-	(184,650)
Derecognition on disposal of subsidiary company	-	-	(44)	-	-	-	-	(44)
At 31 December 2023	10,519	-	5,123	13,213	51,656	12,399	409	93,319

4. Property, Plant and Equipment (Cont'd)

	Freehold buildings RM'000	Signboard RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Renovations RM'000	Tools and technical equipment RM'000	Total RM'000
Group								
Accumulated depreciation								
At 1 January 2023	11,998	5	7,815	12,866	56,873	4,950	3,387	97,894
Charge for the financial year	3,856	-	432	1,078	939	1,194	4	7,503
Disposals	(170)	(5)	(4,143)	(299)	(359)	(629)	-	(5,605)
Written off	-	-	(155)	(2,752)	(24,970)	(86)	(3,003)	(30,966)
Transfer from right-of-use assets	-	-	-	946	-	-	-	946
Transfer to inventories (Note b)	(14,772)	-	-	-	-	-	-	(14,772)
Derecognition on disposal of subsidiary company	-	-	(17)	-	-	-	-	(17)
At 31 December 2023	912	-	3,932	11,839	32,483	5,429	388	54,983
Accumulated impairment losses								
At 1 January/31 December 2023	-	-	98	27	16,808	-	12	16,945
Carrying amount								
At 31 December 2023	9,607	-	1,093	1,347	2,365	6,970	9	21,391

4. Property, Plant and Equipment (Cont'd)

	Freehold buildings RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Renovations RM'000	Tools and technical equipment RM'000	Total RM'000
Company							
Cost							
At 1 January 2024	100	1,684	202	32,138	3,312	1	37,437
Additions	-	3	-	-	1	-	4
Disposals	(100)	(4)	-	-	-	-	(104)
Written off	-	(56)	-	-	-	-	(56)
At 30 June 2025	-	1,627	202	32,138	3,313	1	37,281
Accumulated depreciation							
At 1 January 2024	68	1,248	175	15,330	1,603	-	18,424
Charge for the financial period	1	230	-	-	429	-	660
Disposals	(69)	(4)	-	-	-	-	(73)
Written off	-	(56)	-	-	-	-	(56)
At 30 June 2025	-	1,418	175	15,330	2,032	-	18,955
Accumulated impairment losses							
At 1 January 2024	-	18	27	16,808	-	-	16,853
Recognised during the financial year		191	-	-	1,281	1	1,473
At 30 June 2025	-	209	27	16,808	1,281	1	18,326
Carrying amount							
At 30 June 2025	-	-	-	-	-	-	-

4. Property, Plant and Equipment (Cont'd)

	Freehold buildings RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Renovations RM'000	Tools and technical equipment RM'000	Total RM'000
Company							
Cost							
At 1 January 2023	100	5,436	2,954	57,108	3,421	3,004	72,023
Additions	-	32	-	-	-	-	32
Disposals	-	(3,629)	-	-	(2)	-	(3,631)
Written off	-	(155)	(2,752)	(24,970)	(107)	(3,003)	(30,987)
At 31 December 2023	100	1,684	202	32,138	3,312	1	37,437
Accumulated depreciation							
At 1 January 2023	66	4,786	2,927	40,300	1,398	3,003	52,480
Charge for the financial year	2	223	-	-	291	-	516
Disposals	-	(3,606)	-	-	-	-	(3,606)
Written off	-	(155)	(2,752)	(24,970)	(86)	(3,003)	(30,966)
At 31 December 2023	68	1,248	175	15,330	1,603	-	18,424
Accumulated impairment losses							
At 1 January 2023/31 December 2023	-	18	27	16,808	-	-	16,853
Carrying amount							
At 31 December 2023	32	418	-	-	1,709	1	2,160

4. Property, Plant and Equipment (Cont'd)

(a) The aggregate additional cost for the property, plant and equipment of the Group and of the Company during the financial period were acquired by way of cash.

(b) Transfer of inventories

In the previous financial year, certain freehold building with carrying amount of RM169,878,000 has been transferred to inventories. This transfer arises as the freehold building was previously constructed by a subsidiary and planned for internal uses of the Group. However, in the previous financial year, management changed its intention of use from held for own-used to held for sale in the ordinary course of business. During the financial period, Bukit Jalil Development Sdn. Bhd. ("BJD") (in liquidation), was deconsolidated from the Group's consolidated financial statements.

(c) Impairment assessment on property, plant and equipment

The Group and the Company had been continuously incurring losses since prior financial years. Accordingly, the Group and the Company has performed impairment assessment to estimate the recoverable amount of the underlying assets based on higher of VIU and FVLCOD. VIU was determined by discounting future cash flows expected to be generated from the operation and FVLCOD was determined based on scrap value. As a result of the impairment assessment carried out, the Group and the Company recognised an estimation impairment loss of RM13.44 million and RM1.47million respectively (31.12.2023: RM16.95 million and RM16.85 million respectively).

(d) During the financial period, BJD (in liquidation), was deconsolidated from the Group's consolidated financial statements. Consequently, the carrying amount of RMNil million relating to the property, plant and equipment was derecognised upon the deconsolidation of the subsidiary company.

(e) During the financial period, Golden Wave Sdn. Bhd. ("GWSB"), was deconsolidated from the Group's consolidated financial statements. Consequently, the carrying amount of RMNilmillion relating to the property, plant and equipment was derecognised upon the deconsolidation of the subsidiary company.

5. Investment Properties

	Group	
	30.06.2025 RM'000	31.12.2023 RM'000
Fair value		
At 1 January 2024/2023	132,256	138,837
Disposal	(21,900)	(6,581)
Derecognition on lost of control subsidiary company	(9,256)	
At 30 June 2025/31 December 2023	101,100	132,256

The fair value of the Group's investment properties are determined using Level 3 inputs in the fair value hierarchy of MFRS 13 - Fair Value Measurements, which are measured by reference to valuation by independent professional valuers.

Properties valued using the investment method are based on the rental expected to be achieved, location, size and condition of the properties, taking into consideration outgoings such as quit rent and assessment, utilities and other general expenses. Key inputs consist of term yield, reversion yield and rental per square foot. Properties valued using the comparison method are derived from transacted prices per square foot from sales of comparable properties, adjusted for the property size, location and date of transaction.

The Level 3 or unobservable inputs include:

Term yield	Based on current contractual rentals and actual net lettable occupied, including revision upon renewal of tenancies during the financial year.
Reversion yield	Reversion yield current market rates with reference to the latest renewals concluded, asking rentals and also the term rentals passing.
Price per square foot (psf)	Estimated price psf for which a property should exchange on the date of valuation between a willing buyer and a willing seller.

The following table shows the valuation techniques used in determination of the value as measured at Level 3, as well as the significant unobservable inputs and in the valuation model.

5. Investment Properties (Cont'd)

Description	Valuation techniques	Significant unobservable input	Relationship of unobservable inputs
Commercial building	Investment method	Term yield 5.50% (31.12.2023: 5.50%)	The higher the term yield, the lower the fair value.
		Reversion yield 5.75% (31.12.2023: 5.75%)	The higher the reversion yield, the lower the fair value.
Commercial building	Comparison method	Price psf RM787 – RM1,083 (31.12.2023: RM749 – RM875)	The higher the price per square foot, the higher the fair value.

There are no significant changes in fair value for commercial buildings and others, and as such, the impact of changes in key inputs are not illustrated.

(a) Income and expenses recognised in profit or loss

	Group	
	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000
Rental income	11,510	8,038
Direct operating expenses:		
- Income generating investment properties	2,339	1,766

(b) Investment properties pledged as securities to financial institutions

Investment properties of the Group amounting to approximately RM101.1 million (31.12.2023: RM126 million) have been pledged to secure banking facilities granted to the Group as disclosed in Note 24.

(c) During the financial period, BJD was deconsolidated from the Group's consolidated financial statements. Consequently, the carrying amount of RM1.13 million relating to the investment properties was derecognised upon the deconsolidation of the subsidiary company.

6. Intangible Assets

	Software (Note a) RM'000	Goodwill on Consolidation (Note b) RM'000	Land Rights (Note c) RM'000	Quarrying Right (Note d) RM'000	Total RM'000
Group					
Cost					
At 1 January 2024	119	5,566	75,445	2,500	83,630
Derecognition on lost of control subsidiary companies	(119)	-	(75,445)	-	(75,564)
Derecognition on disposal of subsidiary company	-	-	-	(2,500)	(2,500)
At 30 June 2025	-	5,566	-	-	5,566
Accumulated amortisation					
At 1 January 2024	80	-	21,443	1,998	23,521
Derecognition on lost of control subsidiary companies	(80)	-	(21,443)	-	(21,523)
Derecognition on disposal of subsidiary company	-	-	-	(1,998)	(1,998)
At 30 June 2025	-	-	-	-	-
Accumulated impairment					
At 1 January 2024	-	2,030	-	-	2,030
Derecognition on lost of control subsidiary companies	-	187	-	-	187
Derecognition on disposal of subsidiary company		3,349			3,349
At 30 June 2025	-	5,566	-	-	5,566
Carrying amount					
At 30 June 2025	-	-	-	-	-

6. Intangible Assets (Cont'd)

	Software (Note a) RM'000	Goodwill on Consolidation (Note b) RM'000	Land Rights (Note c) RM'000	Quarrying Right (Note d) RM'000	Total RM'000
Group					
Cost					
At 1 January 2023	119	16,045	93,550	2,500	112,214
Derecognition on disposal of subsidiary company	-	(10,479)	(18,105)	-	(28,584)
At 31 December 2023	119	5,566	75,445	2,500	83,630
Accumulated amortisation					
At 1 January 2023	80	-	15,304	1,884	17,268
Amortisation for the financial period	-	-	6,139	114	6,253
At 31 December 2023	80	-	21,443	1,998	23,521
Accumulated impairment					
At 1 January 2023	-	4,667	-	-	4,667
Derecognition on disposal of subsidiary company	-	(2,637)	-	-	(2,637)
At 31 December 2023	-	2,030	-	-	2,030
Carrying amount					
At 31 December 2023	39	3,536	54,002	502	58,079

6. Intangible Assets (Cont'd)

(a) Software

This represents accounting software which has estimated useful lives of 5 years. The amortisation period is reviewed at least annually for appropriateness.

During the financial period, Ho Hup (Myanmar) E&C Co., Ltd. which owned this accounting software was deconsolidated. Consequently, the carrying amount of the software was derecognised from the Group's consolidated financial statements upon deconsolidation of the subsidiary.

(b) Goodwill on consolidation

The aggregate carrying amounts of goodwill allocated to each cash-generating unit ("CGU") are as follows:

	Group	
	30.06.2025	**31.12.2023**
	RM'000	**RM'000**
Golden Wave Sdn. Bhd.	-	187
Niaga Sari Sdn. Bhd.	-	2,672
Kenanga M&E Sdn. Bhd.	-	677
	-	3,536

During the financial period, GWSB was deconsolidated from the Group's consolidated financial statements. Consequently, the carrying amount of RM0.18 million relating to the goodwill was derecognised upon the deconsolidation of the subsidiary.

During the financial period, Niaga Sari Sdn. Bhd. ("NSSB") was disposed and deconsolidated from the Group's consolidated financial statements. Consequently, the carrying amount of RM2.67 million relating to the investment properties was derecognised upon the deconsolidation of the subsidiary company.

During the financial period, the Group has fully impaired the investment in Kenanga M&E Sdn. Bhd., as management has assessed that the recoverable amount of the cash-generating unit ("CGU") is RMNil. The recoverable amount was determined based on its fair value less costs to sell, as it has yet to commence operations.

Accordingly, an impairment loss amounting to RM0.68 million has been recognised in the profit or loss for the financial period.

6. Intangible Assets (Cont'd)

(c) Land rights

Land rights are being allocated arising from the excess of the fair value of the considerations given by the Company over the Company's share of the fair value of the net assets of the subsidiaries acquired. The land rights comprise:

(i) Land right over a leasehold land measuring 5 acres in Kota Kinabalu, Sabah.

The said property is a parcel of commercial land with Approved Development Plan for a block of 14 storey hotel, 14 storey service apartments and 2 levels of retail units. The lease term of the land is 99 years, expiring on 31 December 2111. The carrying amount of the land right is approximately RM51.77 million (31.12.2023: RM54 million) and is amortised based on the percentage of completion over the development period.

During the financial period, GWSB was deconsolidated from the Group's consolidated financial statements. Consequently, the carrying amount of RM51.77 million relating to the land right was derecognised upon the deconsolidation of the subsidiary.

(ii) Land right over a leasehold land measuring 429 acres in Kulai, Johor.

The land right above relates to Ho Hup Venture (Johor) Sdn. Bhd ("HHVJ"), a 99.99% owned subsidiary of the Company. The said property is a parcel of land for township mixed development with a combined estimated land area of 429 acres located off Jalan Kulai-Kota Tinggi, in the Mukim of Ulu Sungai Johor, District of Kota Tinggi, Johor Darul Ta'zim.

The lease term of the land is 99 years, expiring on 12 January 2103. In the previous financial years, the carrying amount of the land right is approximately RM18.11 million and was amortised based on the percentage of completion over the development period.

In the prior financial year, the Company disposed partial of its equity interest in HHVJ and HHVJ ceased to become subsidiary of the Company. HHVJ, was deconsolidated from the Group's consolidated financial statements. Consequently, the carrying amount of RM11.97 million relating to the land right was derecognised upon the deconsolidation of the subsidiary.

6. Intangible Assets (Cont'd)

(d) Quarrying right

This represents payment made by a subsidiary company to undertake, operate, manage and control the quarry operation project on a site located at Taboh Naning, Alor Gajah, Melaka, which beneficially owned by Kolej Teknologi Islam Melaka Berhad. The quarrying right is expiring on 25 March 2028.

During the financial period, the Company disposed its equity interest in Intact Corporate Approach Sdn. Bhd. ("ICA") and ICA ceased to become subsidiary of the company. ICA was deconsolidation from the Group's consolidated financial statement. deconsolidated from the Group's consolidated financial statements. Consequently, the carrying amount of RM0.5 million relating to the land right was derecognised upon the deconsolidation of the subsidiary.

7. Inventories and Other Contract Costs

	Group	
	30.06.2025	**31.12.2023**
	RM'000	**RM'000**
Non-current		
Land held for property development		
Freehold land and development cost		
At 1 January 2024/2023	-	83,260
Derecognition on disposal of subsidiary company	-	(83,260)
At 30 June 2025/31 December 2023	-	-
Current		
Property development cost (i)	-	365,853
Contract materials (ii)	-	467
Completed properties (iii)	-	169,878
Other contract costs (iv)	-	3,460
	-	539,658
	-	539,658

7. Inventories and Other Contract Costs (Cont'd)

(i) Property development cost

	Group	
	30.06.2025 RM'000	**31.12.2023 RM'000**
Freehold land, at cost		
At 1 January 2024/2023	59,238	59,238
Derecognition on disposal/lost on control of subsidiary companies	(59,238)	-
At 30 June 2025/31 December 2023	-	59,238
Leasehold land, at cost		
At 1 January 2024/2023	88,131	195,924
Derecognition on disposal/lost on control of subsidiary companies	(88,131)	(107,793)
At 30 June 2025/31 December 2023	-	88,131
Property development costs		
At 1 January 2024/2023	350,205	397,548
Addition during the financial period/year	-	178,509
Derecognition on disposal/lost on control of subsidiary companies	(350,205)	(225,852)
At 30 June 2025/31 December 2023	-	350,205
Cost recognised in the statement of profit or loss and other comprehensive income		1,000,000
At 1 January 2024/2023	(131,721)	(195,087)
Recognised during the financial period/year	(303,545)	(112,163)
Less: Derecognition on disposal/lost on control of subsidiary companies	435,266	175,529
At 30 June 2025/31 December 2023	-	(131,721)
Total development costs	-	365,853

7. Inventories and other contract costs (Cont'd)

(i) Property development cost (Cont'd)

The freehold land held by the Group under individual title Geran 42277, Lot No. 36101, Mukim of Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan, measuring land area of approximately 60 acres (243,000 square metres) has been subdivided into 6 individual titles. In accordance with the terms of the Joint Development Agreement between Bukit Jalil Development Sdn. Bhd. and Pioneer Haven Sdn. Bhd. ("PHSB"), land held under Geran 78077, Lot No. 101461 have been subdivided into four (4) individual titles with land area of 201,554 square metres which was charged to financial institutions for a syndicated term loan and bridging loan facility for PHSB.

The freehold land held under Geran 79552, Lot No. 101901, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan, Kuala Lumpur and with land area of 9,693 square metres with total carrying amount of RM14.08 million (31.12.2023: RM14.08 million) are charged to a licensed bank for banking facilities as disclosed in Note 24.

The leasehold land held by the Group under Town lease no. 017561536, District of Kota Kinabalu, Negeri Sabah measuring land area of approximately 5 acres was acquired in accordance with the terms of Joint Venture Agreement and Power of Attorney between the Golden Wave Sdn Bhd and The Mayor of The City of Kota Kinabalu. As at 30 June 2025, the land and related development costs with carrying values of RM171.39 million (31.12.2023: RM171.39 million) is pledged to a licensed bank for banking facilities as disclosed in Note 24.

During the financial period, BJD was deconsolidated from the Group's consolidated financial statements. Consequently, the carrying amount of RM127.42 million relating to the property development cost was derecognised upon the deconsolidation of the subsidiary company.

During the financial period, GWSB was deconsolidated from the Group's consolidated financial statements. Consequently, the carrying amount of RM303.55 million relating to the property development costs was derecognised upon the deconsolidation of the subsidiary company.

7. Inventories and other contract costs (Cont'd)

(i) Property development cost (Cont'd)

During the financial year, the following costs are capitalised to property development costs:

	Note	Group 30.06.2025 RM'000	Group 31.12.2023 RM'000
Finance costs	30	11,070	11,331
Staff costs	34	1,445	2,064

(ii) Contract materials

	Note	Group 30.06.2025 RM'000	Group 31.12.2023 RM'000
Contract material, at cost			
Quarry products		-	467
Recognised in profit or loss:			
Inventories recognised as cost of sales		369	13,404
Inventory write off		-	24

During the financial period, Ho Hup-ICM Quarry Sdn. Bhd. ("ICM") was disposed and deconsolidated from the Group's consolidated financial statements. As quarry products were previously sourced from ICM, there were no quarry products recognised in the Group's results subsequent to the disposal of the subsidiary.

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7. Inventories and other contract costs (Cont'd)

(iii) Completed properties

	Note	Group 30.06.2025 RM'000	Group 31.12.2023 RM'000
Cost			
Freehold buildings	(a)	-	169,878

(a) In the previous financial year, the transfer of freehold buildings from property, plant and equipment is due to management change of intended use as disclosed in Note 4(b).

(b) The cost of completed properties of RM127.42 million was derecognised upon the deconsolidation of BJD (liquidation).

(iv) Other contract costs

	Group 30.06.2025 RM'000	Group 31.12.2023 RM'000
Costs to obtain contracts	-	3,460

Costs to obtain contracts relate to the incremental sales commissions paid to property agents whose selling activities resulted in customers entering into sale and purchase agreements for the Group's properties which are still under construction at the reporting date. Contract costs are recognised as part of "costs of sales" in the statement of profit or loss in the period in which revenue from the related property sales is recognised. The amount of capitalised costs recognised in profit or loss during the financial period was derecognised upon deconsolidation of the subsidiary company.

8. Quarry Development Cost

	Group	
	30.06.2025	**31.12.2023**
	RM'000	**RM'000**
Cost		
At 1 January 2024/2023	7,046	7,046
Derecognition on disposal of subsidiary company	(7,046)	-
At 30 June 2025/31 December 2023	-	7,046
Accumulated amortisation		
At 1 January 2024/2023	3,743	2,700
Change for the financial period/year	-	1,043
Derecognition on disposal of subsidiary company	(3,743)	-
At 30 June 2025/31 December 2023	-	3,743
Carrying amount	-	3,303

Quarry development cost comprises direct cost of development, cost of site infrastructure and other related expenses incurred during the pre-commencement of commercial rock extraction activities. Quarry development expenditure is amortised during the financial year over the remaining lease term of 3 years (31.12.2023: 5 years), expiring on 25 March 2028.

During the financial period, Ho Hup-ICM Quarry Sdn. Bhd. ("ICM") was disposed and deconsolidated from the Group's consolidated financial statements. Consequently, the carrying amount of RM3.3 million relating to the quarry development cost was derecognised upon the deconsolidation of the subsidiary company.

9. Right-of-Use Assets

	Leasehold land and buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Tools and technical equipment RM'000	Total RM'000
Group					
Cost					
At 1 January 2024	16,298	7,376	2,285	513	26,472
Disposals	-	(2,064)	(1,193)	(513)	(3,770)
Termination of lease agreement	(2,708)	-	-	-	(2,708)
Derecognition on disposal/lost of control subsidiary companies	(5,673)	(5,312)	(235)	-	(11,220)
At 30 June 2025	7,917	-	857	-	8,774
Accumulated depreciation					
At 1 January 2024	10,988	4,108	1,440	69	16,605
Charge for the financial period	3,341	-	308	-	3,649
Disposals	-	-	(165)	(69)	(234)
Termination of lease agreement	(2,589)				(2,589)
Derecognition on disposal/lost of control subsidiary companies	(5,331)	(4,108)	(794)	-	(10,233)
At 30 June 2025	6,408	-	789	-	7,197
Carrying amount					
At 30 June 2025	1,508	-	68	-	1,576

9. Right-of-Use Assets (Cont'd)

	Leasehold land and buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Tools and technical equipment RM'000	Total RM'000
Group					
Cost					
At 1 January 2023	12,972	26,110	3,498	1,350	43,930
Additions	5,367	350	-	-	5,717
Disposals	-	(19,084)	(267)	(837)	(20,188)
Transfer to property, plant and equipment	-	-	(946)	-	(946)
Termination of lease agreement	(1,750)	-	-	-	(1,750)
Modification of lease term	71	-	-	-	71
Derecognition on disposal of subsidiary company	(362)	-	-	-	(362)
At 31 December 2023	16,298	7,376	2,285	513	26,472
Accumulated depreciation					
At 1 January 2023	8,570	6,946	2,100	472	18,088
Charge for the financial year	4,195	2,634	483	135	7,447
Disposals	-	(5,472)	(197)	(538)	(6,207)
Transfer to property, plant and equipment	-	-	(946)	-	(946)
Derecognition arising from termination of lease agreement	(1,415)	-	-	-	(1,415)
Derecognition on disposal of subsidiary company	(362)	-	-	-	(362)
At 31 December 2023	10,988	4,108	1,440	69	16,605
Carrying amount					
At 31 December 2023	5,310	3,268	845	444	9,867

9. Right-of-Use Assets (Cont'd)

	Leasehold land and buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Tools and technical equipment RM'000	Total RM'000
Company					
Cost					
At 1 January 2024	2,560	2,064	1,012	513	6,149
Termination of lease agreement		-	-	-	-
Disposals	-	(2,064)	-	-	(2,064)
At 30 June 2025	2,560	-	1,012	513	4,085
Accumulated depreciation					
At 1 January 2024	1,698	561	656	70	2,985
Charge for the financial period	368	50	153	83	654
Termination of lease agreement	-	-	-	-	-
Disposals	-	(611)	-	-	(611)
At 30 June 2025	2,066	-	809	153	3,028
Accumulated impairment losses					
At 1 January 2024	-	-	-	-	-
Recognised during the financial period	494	-	203	360	1,057
At 30 June 2025	494	-	203	360	1,057
Carrying amount					
At 30 June 2025	-	-	-	-	-

9. Right-of-Use Assets (Cont'd)

	Leasehold land and buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Tools and technical equipment RM'000	Total RM'000
Company					
Cost					
At 1 January 2023	2,560	20,433	1,279	1,350	25,622
Additions	-	350	-	-	350
Disposals	-	(18,719)	(267)	(837)	(19,823)
At 31 December 2023	2,560	2,064	1,012	513	6,149
Accumulated depreciation					
At 1 January 2023	1,330	3,724	602	473	6,129
Charge for the financial year	368	2,084	252	135	2,839
Disposals	-	(5,247)	(198)	(538)	(5,983)
At 31 December 2023	1,698	561	656	70	2,985
Carrying amount					
At 31 December 2023	862	1,503	356	443	3,164

The motor vehicles, plant and machinery, and tools and technical equipment of the Group and of the Company are pledged as securities respectively for the related lease liabilities.

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9. Right-of-Use Assets (Cont'd)

The aggregate additional cost for the right-of-use assets of the Group and of the Company during the financial period are as follows:

	Group		Company	
	30.06.2025 RM'000	31.12.2023 RM'000	30.06.2025 RM'000	31.12.2023 RM'000
Aggregate costs	-	5,717	-	350
Less: Lease liabilities financing	-	(5,611)	-	(315)
Cash payment	-	106	-	35

10. Investment in Subsidiary Companies

	Company	
	30.06.2025 RM'000	31.12.2023 RM'000
Unquoted shares, at cost		
In Malaysia	60,912	172,307
Outside Malaysia	11	11
	60,923	172,318
Less: Accumulated impairment		
In Malaysia	(60,912)	(52,602)
Outside Malaysia	(11)	(8)
	(60,923)	(52,610)
	-	119,708

Movements in the allowance for impairment losses of subsidiary companies are as follows:

	Company	
	30.06.2025 RM'000	31.12.2023 RM'000
At 1 January 2024/2023	52,610	24,963
Impairment loss recognised during the year	8,313	27,647
At 30 June 2025/31 December 2023	60,923	52,610

During the financial period, the subsidiary companies of the Group were facing the recoverable amount lower than the carrying amount due to no future business plan. The recoverable amount of the Company's investment in these subsidiary companies are estimated based on fair value less cost to sell method which is determined based on the carrying amount of the net assets. Therefore, an impairment loss amounting to RM8,312,577 (31.12.2023: RM27,647,000) was recognised in the statements of profit or loss.

10. Investment in Subsidiary Companies (Cont'd)

The subsidiary companies and shareholdings therein are as follows:

Name of Company	Place of business/ Country of incorporation	Effective equity interest		Principal activities
		30.06.2025 %	31.12.2023 %	
Direct holding:				
H2Energy Corporation Sdn. Bhd.	Malaysia	100	100	Engineering, procurement, construction and commissioning of pipeline system
Tru-Mix Concrete Sdn. Bhd.	Malaysia	-	90	Manufacturing and distribution of ready-mix concrete
Bukit Jalil Development Sdn. Bhd. ("BJD")[@]	Malaysia	-	100	Property development
Ho Hup Industries Sdn. Bhd.	Malaysia	100	100	Quarry proprietor and investment holding
Ho Hup Jaya Sdn. Bhd.	Malaysia	100	100	Property management
Ho Hup Construction Company (L) Ltd.	Labuan, Malaysia	100	100	Investment holding
Ho Hup Construction Company (India) Pte. Ltd.*	India	100	100	Construction
H2Advance Builders Sdn. Bhd. *	Malaysia	60	60	Construction and property development
Ho Hup Ventures (KK) Sdn. Bhd.	Malaysia	75	75	Investment holding
New Interconnected Expressway Sdn. Bhd. *	Malaysia	70	70	Dormant
Ho Hup Ventures (Kuantan) Sdn. Bhd. *	Malaysia	100	100	Construction, property development and investment holding
Ho Hup F&B Sdn. Bhd. *	Malaysia	100	100	Dormant

10. Investment in Subsidiary Companies (Cont'd)

The subsidiary companies and shareholdings therein are as follows: (Cont'd)

Name of Company	Place of business/ Country of incorporation	Effective equity interest 30.06.2025 %	Effective equity interest 31.12.2023 %	Principal activities
Direct holding (Cont'd):				
Ho Hup Rail (Seremban) Sdn. Bhd. *	Malaysia	100	100	Dormant
Ho Hup Teratai Sdn. Bhd. *	Malaysia	100	100	Dormant
Ho Hup Fadason Sdn. Bhd. *	Malaysia	100	100	Dormant
Ho Hup Infinite Sdn. Bhd.*	Malaysia	100	100	Construction and development of warehouse, logistic and transportation
Pelita Pintasan Sdn. Bhd. *	Malaysia	100	100	Investment holding
Pinggir Prima Sdn. Bhd. *	Malaysia	100	100	Investment holding
Niaga Sari Sdn. Bhd. *	Malaysia	-	51	Building contractor
Ho Hup Aurora Place Sdn. Bhd. *	Malaysia	-	100	Dormant
Indirect holding				
Subsidiary company of H2 Advance Builders Sdn. Bhd				
Kenanga M&E Sdn. Bhd.*	Malaysia	100	100	Dormant
Subsidiary company of Ho Hup Construction Company (L) Ltd.				
Ho Hup (Myanmar) E&C Co., Ltd.*@	Myammar	-	50	Property development and construction

10. Investment in Subsidiary Companies (Cont'd)

The subsidiary companies and shareholdings therein are as follows: (Cont'd)

Name of Company	Place of business/ Country of incorporation	Effective equity interest 30.06.2025 %	Effective equity interest 31.12.2023 %	Principal activities
Indirect holding (Cont'd):				
Subsidiary company of Ho Hup Ventures (KK) Sdn. Bhd.				
Golden Wave Sdn. Bhd.[@]	Malaysia	-	70	Property development and letting of shoplots, food court and promotional area
Suria Jayajuta Sdn. Bhd. *	Malaysia	100	100	Dormant
Subsidiary company of Ho Hup Industries Sdn. Bhd.				
Ho Hup Ventures (Malacca) Sdn. Bhd. *	Malaysia	70	70	Quarry operation, manufacturing, trading of building materials and property development, construction and services
Subsidiary company of Ho Hup Ventures (Malacca) Sdn. Bhd.				
Ho Hup Quarries (Malacca) Sdn. Bhd.	Malaysia	-	100	Investment holding
Subsidiary company of Ho Hup Quarries (Malacca) Sdn. Bhd.				
Ho Hup-ICM Quarry Sdn. Bhd.	Malaysia	-	75	Quarry operations

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(CONT'D)

10. Investment in Subsidiary Companies (Cont'd)

The subsidiary companies and shareholdings therein are as follows: (Cont'd)

Name of Company	Place of business/ Country of incorporation	Effective equity interest 30.06.2025 %	Effective equity interest 31.12.2023 %	Principal activities
Indirect holding (Cont'd):				
Subsidiary company of Ho Hup Jaya Sdn. Bhd.				
HH Interpark Sdn. Bhd. *	Malaysia	100	100	Dormant
Subsidiary company of Ho Hup F&B Sdn. Bhd.				
6 Teppan Dining Sdn. Bhd. *	Malaysia	70	70	Dormant
Easy I Zak Sdn. Bhd. *	Malaysia	70	70	Dormant
Aurora Café Sdn Bhd *	Malaysia	100	100	Dormant
Coffee Delight Sdn. Bhd. *	Malaysia	70	70	Dormant
Aurora Exhibit Sdn. Bhd.*	Malaysia	70	70	Construction, highway concession, property development
Subsidiary company of H2Energy Corporation Sdn. Bhd.				
Ho Hup Infrastructures Sdn. Bhd	Malaysia	-	100	Engineering, procurement, construction, commissioning of pipline system

* Subsidiary companies not audited by UHY Malaysia PLT

@ Note 10(b)

10. Investment in Subsidiary Companies (Cont'd)

(a) Disposal of subsidiary companies

Ho Hup Infrastructures Sdn. Bhd. ("HH Infra")

During the financial period, the Company's subsidiary company, H2Energy Corporation Sdn. Bhd. has entered into a shares sale and purchase agreement to dispose of 100% equity interest in HH Infra for a total cash consideration of RM1,000,000. The disposal was completed on 31 March 2024.

The effect of the disposal of HH Infra on the financial position of the Group as at the date of disposal was as follows:

	2025 RM'000
Property, plant and equipment	3,328
Contract assets	286
Other receivables	1,903
Cash and bank balances	2
Trade payables	(9,912)
Other payables	(13,284)
Net liabilities deconsolidated	(17,677)
Disposal proceeds	(1,000)
Gain on disposal of a subsidiary company	(18,677)
Proceeds from disposal	1,000
Less: Cash and bank balances disposed	(2)
Net cash inflow from disposal	998

10. Investment in Subsidiary Companies (Cont'd)

(a) Disposal of subsidiary companies (Cont'd)

Niaga Sari Sdn Bhd ("NSSB")

During the financial period, the Company entered into a shares sale and purchase agreement to dispose of 51% equity interest in NSSB for a total cash consideration of RM4,000,000. The disposal was completed on 31 December 2024.

The effect of the disposal of NSSB on the financial position of the Group as at the date of disposal was as follows:

	2025 RM'000
Property, plant and equipment	583
Right-of-use assets	558
Trade receivables	2,728
Other receivables	21,365
Cash and bank balances	940
Trade payables	(6,441)
Other payables	(2,242)
Hire purchase liabilities	(522)
Loans and borrowings	(4,437)
Deferred tax liabilities	(82)
Attributable to non-controlling interests	(3,429)
Net assets attributable to Owner	9,022
Disposal proceeds	(4,000)
Loss on disposal of a subsidiary company	5,022
Proceeds from disposal	4,000
Less: Cash and bank balances disposed	(940)
Net cash inflow from disposal	3,060

10. Investment in Subsidiary Companies (Cont'd)

(a) Disposal of subsidiary companies (Cont'd)

Tru-mix Concrete Sdn Bhd ("TMC")

During the financial period, the Company entered into a shares sale and purchase agreement to dispose of 90% equity interest in TMC for a total cash consideration of RM10,000. The disposal was completed on 31 December 2024.

The effect of the disposal of TMC on the financial position of the Group as at the date of disposal was as follows:

	2025 RM'000
Cash and bank balances	23
Tax recoverable	10
Trade payables	(4,051)
Other payables	(4,010)
Loans and borrowings	(2,171)
Net liabilities attributable to Owner	(10,198)
Disposal proceeds	(10)
Gain on disposal of a subsidiary company	(10,208)
Proceeds from disposal	10
Less: Cash and bank balances disposed	(23)
Net cash outflow from disposal	(13)

10. Investment in Subsidiary Companies (Cont'd)

(a) Disposal of subsidiary companies (Cont'd)

Ho Hup Dagang Jaya Sdn Bhd ("HHDJ")

In the previous financial year, the Company entered into a shares sale and purchase agreement to dispose of 100% equity interest in HHDJ for a total cash consideration of RM500,000. The disposal was completed on 5 September 2023.

The effect of the disposal of HHDJ on the financial position of the Group as at the date of disposal was as follows:

	2023 RM'000
Property development cost	7,609
Trade payables	(991)
Other payables	(4,832)
Total identifiable net assets	1,786
Loss on disposal	(1,786)
Proceeds from disposal	-
Less: Cash and bank	*
Net cash inflow from disposal	-

*Denote RM97

Ho Hup Ventures (Johor) Sdn. Bhd. ("HHVJ")

On 21 November 2023, the Company had entered into a Share Subscription Agreement with Ho Hup Ventures (Johor) Sdn Bhd ("HHVJ"), a 99.9875% owned subsidiary of the Company, Tribeca Real Estate Asset Management Sdn Bhd and Armani Streams Sdn Bhd ("Investor") for the Investor to subscribe for 600,000 new ordinary shares in HHVJ at a total subscription price of Ringgit Malaysia Six Hundred Thousand (RM600,000) only. This has caused a dilution in the Group's effective shareholding from 75% to 25%. The proposed subscription has been completed in 30 November 2023.

Upon completion of the subscription, HHVJ has been reclassified from an investment in subsidiary company to an investment in associate, given that the company has influence over the financial and operation policy in HHVJ.

10. Investment in Subsidiary Companies (Cont'd)

(a) Disposal of subsidiary company (Cont'd)

Ho Hup Ventures (Johor) Sdn. Bhd. ("HHVJ") (Cont'd)

The effect of the disposal of HHVJ on the financial position of the Group as at the date of disposal was as follows:

	2023 RM'000
Property, plant and equipment	27
Land rights	18,105
Goodwill	7,842
Property development cost	150,507
Contract assets	12,591
Trade receivables	7,773
Other receivables	17,780
Cash and bank	59
Non-controlling interest	513
Trade payables	(6,577)
Other payables	(27,306)
Amount due from holding company	(92,873)
Amount due from related companies	(14,659)
Bank borrowings	(82,595)
Deferred tax liabilities	(4,345)
Total identifiable net liabilities	(13,158)
Gain on disposal	(13,158)
Proceeds from disposal	-
Less: Cash and bank balances disposal	(59)
Net cash outflow from disposal	(59)

10. Investment in Subsidiary Companies (Cont'd)

(b) Deconsolidation of subsidiary companies

Bukit Jalil Development Sdn. Bhd. ("BJD")

On 23 May 2025, the High Court of Malaya in Kuala Lumpur ("the High Court") approved the appointment of a liquidator for a wholly owned subsidiary, Bukit Jalil Development Sdn. Bhd. ("BJD") (in liquidation). In view of this, the Board of Directors is of the opinion that the Company as a parent has lost its control over BJD as a subsidiary company on the date of the appointment of the Liquidator. Consequently, all the assets and liabilities of BJD have been deconsolidated on that date.

The financial statements of BJD (in liquidation) were deconsolidated as a result of loss of control upon the appointment of liquidator on 23 May 2025. The loss of the subsidiary from the beginning of current financial period up to the date of appointment of liquidator of RM223,256,501 and the gain on derecognition of the subsidiary company amounting to RM74,373,523 were audited and received a Disclaimer of Opinion owing to incomplete records, unconfirmed bank balances, and uncertainties arising from liquidation.

The effect of the deconsolidation of BJD on the financial position of the Group was as follows:

	2025 RM'000
Investment properties	1,134
Inventories	127,418
Trade receivables	277
Bank	1,997
Trade payables	(37,717)
Other payables	(26,155)
Bank borrowings	(78,631)
Taxation	(62,697)
Net liabilities deconsolidated	(74,374)
Cash consideration received	-
Less: Cash and bank balances of subsidiary disposed	(1,997)
Net cash outflow on deconsolidation	(1,997)

10. Investment in Subsidiary Companies (Cont'd)

(b) Deconsolidation of subsidiary companies (Cont'd)

Ho Hup (Myanmar) E&C Co., Ltd.

As at the reporting date, the Company remained inactive. In view of this, the Board of Directors is of the opinion that the Company, as a parent has lost its control over Ho Hup (Myanmar) E&C Co., Ltd., as a subsidiary company. Consequently, all the assets and liabilities of the Company have been deconsolidated on that date.

The financial statements of Myanmar were deconsolidated as a result of loss of control on 30 June 2025. The gain on derecognition of the subsidiary company amounting to RM4,783,925 was accounted for using the unaudited management financial statements of the said subsidiary as at the date of derecognition.

The effect of the deconsolidation of Myanmar on the financial position of the Group was as follows:

	2025 RM'000
Property, plant and equipment	19
Intangible assets	40
Property development costs	2,123
Other receivables	1,385
Cash and bank balances	2
Other payables	(8,353)
Net liabilities deconsolidated	(4,784)
Cash consideration received	-
Less: Cash and bank balances of subsidiary disposed	(2)
Net cash outflow on deconsolidation	(2)

Golden Wave Sdn. Bhd. ("GWSB")

On 3 December 2024, Sabah Development Bank Berhad ("SDB") appointed Dato' Raveendra Kumar A/L Nathan of RKN & Co. as Receiver and Manager over GWSB pursuant to the debenture executed to secure the financing of The Crown project in Kota Kinabalu for Golden Wave Sdn. Bhd., an indirect subsidiary company of the Company of Ho Hup Ventures (KK) Sdn. Bhd. In view of this, the Board of Directors is of the opinion that the Company as a parent has lost its control over GWSB as a subsidiary company on the date of the appointment of the Receiver and Manager. Consequently, all the assets and liabilities of GWSB have been deconsolidated on that date.

10. Investment in Subsidiary Companies (Cont'd)

(b) Deconsolidation of subsidiary companies (Cont'd)

Golden Wave Sdn. Bhd. ("GWSB") (Cont'd)

Subsequently, on 31 July 2025, the High Court of Malaya at Kota Kinabalu ordered that GWSB be wound up and appointed Mr Gabriel Teo Chun as liquidator. This subsequent order (see Note 44 – Subsequent Events) confirmed the loss of control already recognised on 3 December 2024.

The financial statements of GWSB were deconsolidated as a result of loss of control upon the appointment of Receiver and Manager on 3 December 2024. The loss of the subsidiary from the beginning of current financial period up to the date of appointment of Receiver and Manager of RM4,196,799 and the loss on derecognition of the subsidiary company amounting to RM43,037,111 for the Group and RM18,393,911 attributable to non-controlling interest, were audited by the same auditors and received a Disclaimer of Opinion due to pervasive limitations on audit evidence relating to going concern, valuation of assets, and completeness of bank and creditor balances.

The effect of the deconsolidation of GWSB on the financial position of the Group was as follows:

	2025 RM'000
Property, plant and equipment	91
Right-of-use assets	308
Land right	52
Goodwill	249
Deferred tax assets	542
Contract assets	34,834
Property development costs	303,545
Trade receivables	22,773
Other receivables	664
Bank	1,808
Trade payables	(13,291)
Other payables	(167,258)
Provisions	(66)
Loans and bank borrowings	(141,839)
Tax liabilities	(1,814)
Lease liabilities	(316)
Deferred tax liabilities	(12,275)
Attributable to non-controlling interests	(18,394)
Net assets attributable to Owner	43,037
Cash consideration received	-
Less: Cash and bank balances of subsidiary disposed	(1,807)
Net cash outflow on deconsolidation	(1,807)

10. Investment in Subsidiary Companies (Cont'd)

(c) Material partly-owned subsidiary companies

The Group's subsidiary companies that have material non-controlling interest are as follows:

Name of company	Proportion ownership interests and voting rights held by non-controlling interest		Profit/(Loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	30.06.2025 %	31.12.2023 %	30.06.2025 RM'000	31.12.2023 RM'000	30.06.2025 RM'000	31.12.2023 RM'000
Ho Hup Ventures (Malacca) Sdn. Bhd.	25	25	3,341	(288)	(2,306)	(5,647)
Tru-Mix Concrete Sdn. Bhd.	-	10	(426)	(445)	-	(545)
Ho Hup Ventures (KK) Sdn. Bhd.	25	25	(7,382)	(1,580)	(3,019)	4,363
Niaga Sari Sdn. Bhd.	-	49	(991)	105	-	7,061
Individually immaterial subsidiary companies with non-controlling interests					-	(1,382)
Total non-controlling interests					(5,325)	3,850

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(CONT'D)

10. Investment in Subsidiary Companies (Cont'd)

(c) Material partly-owned subsidiary companies (Cont'd)

The summarised financial information for each subsidiary company that has non-controlling interest that are material to the Group is discussed below. The summarised financial information below represents amounts before inter-company elimination.

(i) Summarised statements of financial position

	Ho Hup Ventures (Malacca) Sdn. Bhd.	
	30.06.2025	**31.12.2023**
	RM'000	**RM'000**
Total assets	1	6,921
Total liabilities	(2,287)	(25,073)
Net (liabilities)/assets	(2,286)	(18,152)

	Tru-Mix Concrete Sdn. Bhd.	
	31.12.2024*	**31.12.2023**
	RM'000	**RM'000**
Total assets	33	9,643
Total liabilities	(10,231)	(15,584)
Net (liabilities)/assets	(10,198)	(5,941)

	Niaga Sari Sdn. Bhd.	
	31.12.2024*	**31.12.2023**
	RM'000	**RM'000**
Total assets	26,175	32,664
Total liabilities	(13,724)	(18,233)
Net assets	12,451	14,431

	Ho Hup Ventures (KK) Sdn. Bhd.	
	30.06.2025	**31.12.2023**
	RM'000	**RM'000**
Total assets	364,866	447,487
Total liabilities	(275,737)	(449,539)
Net (liabilities)/assets	89,129	(2,052)

10. Investment in Subsidiary Companies (Cont'd)

(c) Material partly-owned subsidiary companies (Cont'd)

(ii) Summarised statements of comprehensive income

	Ho Hup Ventures (Malacca) Sdn. Bhd.	
	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000
Revenue	109	714
Profit/(Loss) for the financial period/year, representing total comprehensive profit/ (loss) for the financial period/year	13,365	(2,338)

	Tru-Mix Concrete Sdn. Bhd.	
	01.01.2024 to 31.12.2024* (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000
Revenue	1,285	10,484
Loss for the financial period/year, representing total comprehensive loss for the financial period/year	(4,257)	(4,454)

	Niaga Sari Sdn. Bhd.	
	01.01.2024 to 31.12.2024* (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000
Revenue	18,905	31,244
(Loss)/Profit for the financial period/year, representing total comprehensive loss for the financial period/year	(2,022)	52

*From 1 January 2024 up to the date of completion of dilution.

Notes to the Financial Statements

30 June 2025

(CONT'D)

10. Investment in Subsidiary Companies (Cont'd)

(c) Material partly-owned subsidiary companies (Cont'd)

(ii) Summarised statements of comprehensive income (Cont'd)

	Ho Hup Ventures (KK) Sdn. Bhd.	
	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000
Revenue	25,238	73,190
Loss for the financial period/year, representing total comprehensive loss for the financial period/year	(28,269)	(13,007)

(iii) Summarised statements of cash flows

	Ho Hup Ventures (Malacca) Sdn. Bhd.	
	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000
Net cash from operating activities	-	3,210
Net cash used in investing activities	-	(4,435)
Net cash used in financing activities	-	-
Net decrease in cash and cash equivalents	-	(1,225)

*From 1 January 2024 up to the date of completion of dilution.

10. Investment in Subsidiary Companies (Cont'd)

(c) Material partly-owned subsidiary companies (Cont'd)

(iii) Summarised statements of cash flows (Cont'd)

	Tru-Mix Concrete Sdn. Bhd.	
	01.01.2024 to 31.12.2024* (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000
Net cash used in operating activities	(1,770)	(277)
Net cash from/(used in) investing activities	2,478	(402)
Net cash used in financing activities	(145)	(589)
Net increase/(decrease) in cash and cash equivalents	563	(1,268)

	Niaga Sari Sdn. Bhd.	
	01.01.2024 to 31.12.2024* (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000
Net cash from operating activities	5,310	2,364
Net cash used in investing activities	(3,594)	(453)
Net cash used in financing activities	(884)	(3,443)
Net increase/(decrease) in cash and cash equivalents	831	(1,532)

	Ho Hup Ventures (KK) Sdn. Bhd.	
	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000
Net cash from operating activities	-	64,582
Net cash used in financing activities	-	(25,453)
Net increase in cash and cash equivalents	-	39,129

*From 1 January 2024 up to the date of completion of dilution.

11. Investment in Associates

	Group and Company	
	30.06.2025 RM'000	31.12.2023 RM'000
Unquoted shares, at cost:		
- Outside Malaysia	218	218
Less: Accumulated impairment losses	(218)	(18)
	-	200

Movements in the allowance for impairment losses of investment in associate companies are as follows:

	Company	
	30.06.2025 RM'000	31.12.2023 RM'000
At 1 January 2024/2023	18	-
Impairment loss recognised during the year	200	18
At 30 June 2025/31 December 2023	218	18

The associates and shareholdings therein are as follows:

Name of companies	Place of business/ Country of incorporation	Effective interest		Principal activities
		30.06.2025 %	31.12.2023 %	
Direct holding:				
Ho Hup Ventures (Johor) Sdn. Bhd.	Malaysia	25	25	Investment holding
Indirect holding:				
Subsidiary company of Ho Hup Ventures (Johor) Sdn. Bhd.				
Intact Corporate Approach Sdn. Bhd.	Malaysia	70	70	Project management that includes consultancy and infrastructure development

* Associates not audited by UHY

11. Investment in Associates (Cont'd)

(a) Summarised statement of financial position

	2025 HHVJ RM'000
Non-current assets	28,611
Current assets	189,355
Non-current liabilities	(4,345)
Current liabilities	(224,261)
Net assets	(10,640)
Interest in associate	24.99%
Group's share of net liabilities	(2,659)
Unrecognised share of loss	2,659
Carrying value of Group's interest in associate	-

12. Investment in Joint Ventures

	Group		Company	
	30.06.2025 RM'000	31.12.2023 RM'000	30.06.2025 RM'000	31.12.2023 RM'000
Unquoted shared:				
- In Malaysia	375	375	375	375
- Outside Malaysia	250	250	250	250
Share of post-acquisition reserves	(8)	(8)	-	-
Less: Accumulated impairment loss	(617)	(250)	(625)	(250)
	-	367	-	375

Movements in the allowance for impairment losses of investment in associate company is as follows:

	Company	
	30.06.2025 RM'000	31.12.2023 RM'000
At 1 January 2024/2023	8	-
Impairment loss recognised during the year	-	8
At 30 June 2025/31 December 2023	8	8

12. Investment in Joint Ventures (Cont'd)

The joint venture and shareholdings therein are as follows:

Name of companies	Place of business/ Country of incorporation	Effective interest		Principal activities
		30.06.2025	31.12.2023	
		%	%	
KHH Infrastructures Sdn. Bhd. *	Malaysia	50	50	Construction

* Joint ventures not audited by UHY

13. Contracts Assets/(Liabilities)

	Group	
	30.06.2025 RM'000	31.12.2023 RM'000
Contract assets		
Construction contracts (Note a)	-	32,291
Property development activities (Note b)	-	69,927
	-	102,218
Contract liabilities		
Construction contracts (Note a)	(882)	(7,102)
Property development activities (Note b)	-	-
	(882)	(7,102)

	Company	
	30.06.2025 RM'000	31.12.2023 RM'000
Contract assets		
Construction contracts (Note a)	-	26,346
Contract liabilities		
Construction contracts (Note a)	(1,909)	(7,102)

The changes in contract assets and liabilities are due to adjustments arising from changes in the measure of progress of contracting work, or reclassification to trade receivables when the Group and the Company have unconditional right to the consideration.

Contract liabilities as at the end of each reporting period are recognised as revenue in subsequent year.

(a) Construction contracts

The contract assets primarily relate to the Group's and to the Company's rights to consideration for work completed on construction contracts but not yet billed at the reporting date.

13. Contracts Assets/(Liabilities) (Cont'd)

(a) Construction contracts (Cont'd)

Contract liabilities include billings made in advance which represent amounts where customers have been invoiced ahead of the satisfaction of the performance obligation by the Group and by the Company.

	Group	
	30.06.2025 RM'000	**31.12.2023 RM'000**
At 1 January 2024/2023	25,189	21,600
Construction contracts revenue recognised during the financial period/year	-	23,607
Less: Progress billing during the financial period/year	-	(20,018)
At 30 June 2025/31 December 2023	25,189	25,189

	Company	
	30.06.2025 RM'000	**31.12.2023 RM'000**
At 1 January 2024/2023	19,244	3,481
Construction contracts revenue recognised during the financial period/year	1,404	79,885
Less: Progress billing during the financial period/year	-	(64,122)
At 30 June 2025/31 December 2023	20,648	19,244

Construction contracts revenue recognised during the year ended 30 June 2025 of the Group and of the Company amounted to RM15,564,336 (31.12.2023: RM18,281,000) and RM1,404,027 (31.12.2023: RM13,135,000), was included in contract liabilities balance at the beginning of the year.

During the financial year, the following costs are capitalised to costs:

		Group		Company	
	Note	**30.06.2025 RM'000**	**31.12.2023 RM'000**	**30.06.2025 RM'000**	**31.12.2023 RM'000**
Staff cost	34	1,427	2,145	411	464

13. Contracts Assets/(Liabilities) (Cont'd)

(b) Property development activities

	Group	
	30.06.2025	**31.12.2023**
	RM'000	**RM'000**
At 1 January 2024/2023	69,927	99,551
Property development revenue recognised during the financial period/year	-	144,520
Less: Progress billing during the financial period/year	-	(161,553)
Less: Derecognition of disposal of subsidiary company	-	(12,591)
At 30 June 2025/31 December 2023	69,927	69,927

Property development revenue recognised during the year ended 30 June 2025 amounted to RMNil (31.12.2023: RM2,175,000), was included in contract liabilities balance at the beginning of the year.

Contract assets in relation to property development activities represent the timing differences in revenue recognition in profit or loss and the milestone billings to purchasers as at the reporting date.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional, when the Group issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

Contract liabilities are issued progress billings to purchasers when the billing milestones are attained and revenue are recognised when the performance obligation are satisfied.

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

13. Contracts Assets/(Liabilities) (Cont'd)

(c) Contract value yet to be recognised as revenue

The transaction prices allocated to the remaining performance obligations unsatisfied (or partially satisfied) are as follows:

	Group		Company	
	30.06.2025 RM'000	31.12.2023 RM'000	30.06.2025 RM'000	31.12.2023 RM'000
Construction contracts	-	-	-	253,599
Property development activities	-	1,308,139	-	-
	-	1,308,139	-	253,599

Based on the information available to the Group and to the Company, the management of the Group and of the Company expects the transaction price allocated to the above unsatisfied (or partially unsatisfied) contracts will be recognised as revenue in the period of next 6 months to 3 years.

The Company expects revenue from unsatisfied perfomance obligations to be recognised in the following years as follows:

	Group		Company	
	30.06.2025 RM'000	31.12.2023 RM'000	30.06.2025 RM'000	31.12.2023 RM'000
Construction contracts:				
- Within one year	-	-	-	65,327
- More than one year, but not more than 3 years	-	-	-	188,272
	-	-	-	253,599
Property development activities:				
- Within one year	-	230,621	-	-
- More than one year, but not more than 3 years	-	1,077,518	-	-
	-	1,308,139	-	-
	-	1,308,139	-	253,599

14. Trade Receivables

	Group	
	30.06.2025 RM'000	31.12.2023 RM'000
Current		
Trade receivables	115,207	196,650
Less: Accumulated impairment losses	(113,559)	(15,122)
	1,648	181,528

	Company	
	30.06.2025 RM'000	31.12.2023 RM'000
Current		
Trade receivables	41,032	47,392
Less: Accumulated impairment losses	(40,682)	(2,907)
	350	44,485
	350	44,485

Trade receivables are non-interest bearing and are generally on 14 to 140 days (31.12.2023: 14 to 140 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Group's and the Company's credit exposures are concentrated mainly on 2 (31.12.2023: 2) and 3 (31.12.2023: 4) debtors respectively, which accounted for 62% (31.12.2023: 62%) and 63% (31.12.2023: 71%) respectively of the total trade receivables as at 30 June 2025.

14. Trade Receivables (Cont'd)

Retention on contracts, included in trade receivables of the Group and of the Company and the expected recovery are presented as follows:

	Group	
	30.06.2025 RM'000	**31.12.2023 RM'000**
Within one year	7,388	15,267
More than one year	-	-
	7,388	15,267

	Company	
	30.06.2025 RM'000	**31.12.2023 RM'000**
Within one year	7,388	14,794
More than one year	-	-
	7,388	14,794

Movements in allowance for impairment losses of trade receivables are as follows:

Recognition and measurement of impairment loss

	Group		Company	
	30.06.2025 RM'000	**31.12.2023 RM'000**	**30.06.2025 RM'000**	**31.12.2023 RM'000**
Simplified approach				
Individually assessed for credit-impaired receivables				
At 1 January 2024/2023	9,489	2,799	-	-
Impairment losses recognised (Note 31)	104,070	6,690	40,682	-
At 30 June 2025/ 31 December 2023	113,559	9,489	40,682	-
Collectively assessed for non-credit impaired receivables				
At 1 January 2024/2023	5,633	5,633	2,907	2,907
Written off	(5,633)	-	(2,907)	-
At 30 June 2025/	-	-	-	-
31 December 2023	-	5,633	-	2,907
	113,559	15,122	40,682	2,907

14. Trade Receivables (Cont'd)

In managing credit risk of trade receivables, the Group and the Company manage its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within the credit term.

The Group and the Company apply the simplified approach to measure the impairment losses on trade receivables and contract assets at lifetime expected credit losses ("Lifetime ECL"). Expected credit losses of all other financial assets are measured at an amount equal to 12 month expected credit losses ("12 - month ECL") if credit risk on a financial asset has not increased significantly. The Group and the Company compare the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition to ascertain whether there is a significant increase in credit risk. The assessment takes into consideration the macroeconomic information, credit rating and other supportable forward-looking information.

A significant increase in credit risk is presumed if a debt is more than 180 days past due. Where the credit risk has increased significantly, the impairment loss is measured at an amount equal to lifetime expected credit losses ("Lifetime ECL - Underperforming").

Full impairment losses are made for financial assets and contract assets that are determined to be credit impaired ("Lifetime ECL – Credit Impaired"). These are debtor who have defaulted on payments and are in financial difficulties.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the end of the reporting period:

	Gross Amount RM'000	Loss Allowance RM'000	Net Amount RM'000
Group			
30.06.2025			
Neither past due nor impaired	283	(157)	126
Past due not impaired:			
31 to 60 days	25	(14)	11
61 to 90 days	244	(136)	108
More than 90 days	2,709	(1,306)	1,403
Individually assessed	111,946	(111,946)	-
	115,207	(113,559)	1,648
31.12.2023			
Neither past due nor impaired	18,549	(47)	18,502
Past due not impaired:			
Less than 30 days	9,683	(210)	9,473
31 to 60 days	6,238	(61)	6,177
61 to 90 days	3,424	(161)	3,263
More than 90 days	149,267	(5,154)	144,113
Individually assessed	9,489	(9,489)	-
	196,650	(15,122)	181,528

14. Trade Receivables (Cont'd)

Movements in allowance for impairment losses of trade receivables are as follows: (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the end of the reporting period: (Cont'd)

	Gross Amount RM'000	Loss Allowance RM'000	Net Amount RM'000
Company			
30.06.2025			
Past due not impaired:			
More than 90 days	350	-	350
Individually assessed	40,682	(40,682)	-
	41,032	(40,682)	350
31.12.2023			
Neither past due nor impaired	2,467	-	2,467
Past due not impaired:			
Less than 30 days	523	(172)	351
31 to 60 days	421	(19)	402
61 to 90 days	93	(25)	68
More than 90 days	43,888	(2,691)	41,197
	47,392	(2,907)	44,485

15. Other Receivables

	Group	
	30.06.2025	**31.12.2023**
	RM'000	**RM'000**
Other receivables	278,369	48,982
Deposits	10,599	18,004
Prepayments	226	13,554
	289,194	80,540
Less: Accumulated impairment losses		
- Other receivables	(276,188)	(14,500)
- Deposits	(4,247)	(58)
	(280,435)	(14,558)
	8,759	65,982

	Company	
	30.06.2025	**31.12.2023**
	RM'000	**RM'000**
Other receivables	228,137	41,823
Deposits	3,626	6,720
Prepayments	-	1,771
	231,763	50,314
Less: Accumulated impairment losses		
- Other receivables	(223,875)	(2,207)
	7,888	48,107

In previous financial years, amount recoverable from a sub-contractor of approximately RM15,958,000 was respect of estimated Liquidated Ascertained Damages ("LAD") to be recovered from the sub-contractor as a result of the delay in completing its scope of work as set out in the agreement for supply. The Group and the Company are virtually certain that it is entitled to impose and receive the LAD in accordance with the provisions of the said agreement.

However, in the previous financial year, the LAD has been written-off against provision for LAD (Note 26) as the sub-contractor is currently under liquidation process and are no longer recoverable.

15. Other Receivables (Cont'd)

Movements in allowance for impairment losses of other receivables and deposits are as follows:

	Group	
	30.06.2025	**31.12.2023**
	RM'000	**RM'000**
At 1 January 2024/2023	14,558	763
Impairment losses recognised (Note 31)	265,877	13,795
At 30 June 2025/31 December 2023	280,435	14,558

	Company	
	30.06.2025	**31.12.2023**
	RM'000	**RM'000**
At 1 January 2024/2023	2,207	176
Impairment losses recognised (Note 31)	221,668	2,031
At 30 June 2025/31 December 2023	223,875	2,207

Other receivables and deposits that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments.

As at 30 June 2025, the Group recognised significant impairment losses on receivables and contract assets amounting to approximately RM210.0 million, reflecting:

- slow progress and funding issues in the Kota Kinabalu "Crown" project;
- impaired balances with subcontractors and suppliers; and
- recoverability concerns on intercompany receivables.

In addition, the Group impaired receivables of RM218.1 million due from subsidiaries disposed during the restructuring exercise.

16. Amount Due from/(to) Subsidiary Companies

(a) Amount due from subsidiary companies

	Company	
	30.06.2025	**31.12.2023**
	RM'000	**RM'000**
Trade	-	184,831
Non-trade	113,675	403,811
	113,675	588,642
Less: Accumulated impairment losses	(113,675)	(31,639)
	-	557,003

These represent trade and non-trade balances which are unsecured, interest free and repayable on demand.

Movements in impairment losses on amount due from subsidiary companies during the financial year are as follows:

	Company	
	30.06.2025	**31.12.2023**
	RM'000	**RM'000**
At 1 January 2024/2023	31,639	31,639
Impairment loss recognised during the year	82,036	-
At 30 June 2025/31 December 2023	113,675	31,639

Included in amount due from subsidiary companies as at 30 June 2025 are retention sum of approximately RMNil (31.12.2023: RM9,725,000) relating to property development work-in-progress. No amount of the retention receivable is expected to be recovered within one year.

(b) Amount due to subsidiary companies

These represent trade and non-trade balances which are unsecured, interest free and repayable on demand.

Included in amount due to subsidiary companies as at 30 June 2025 are retention sum of approximately RMNil (31.12.2023: RM10,573,000) relating to construction work-in-progress. Approximately RMNil (31.12.2023: RM8,209,000) of the retention payable are expected to be recovered within one year.

17. Amount Due from a Joint Venture

This represents non-trade balance which is unsecured, interest free and repayable on demand.

18. Cash and Cash Equivalents

	Note	Group 30.06.2025 RM'000	Group 31.12.2023 RM'000
Fixed deposits with licensed banks		2,567	7,510
Cash and bank balances		822	12,841
Housing Development Account	(a)	-	320
		3,389	20,671
Less: Bank overdrafts	23	(7,769)	(20,135)
		(4,380)	536
Less: Cash and cash equivalents restricted from use sinking fund accounts build-up	(b)	-	(6,080)
Fixed deposits with pledged for bank facilities	(c)	(2,567)	(2,968)
		(2,567)	(9,048)
Cash and cash equivalents		(6,947)	(8,512)

	Note	Company 30.06.2025 RM'000	Company 31.12.2023 RM'000
Fixed deposits with licensed banks		2,567	2,968
Cash and bank balances		593	8,207
		3,160	11,175
Less: Bank overdrafts	23	(7,769)	(7,548)
		(4,609)	3,627
Less: Cash and cash equivalents restricted from use sinking fund accounts build-up	(b)	-	(6,080)
Cash and cash equivalents		(4,609)	(2,453)

(a) Cash held under Housing Development Account of the Group are held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966.

(b) Sinking fund accounts build-up pledged as fixed deposit to the licensed banks for credit facilities granted to the Group and to the Company as disclosed in Note 23.

(c) The fixed deposits of the Group amounting to RM2,567,000 (31.12.2023: RM2,968,000) were pledged with licensed banks as security for bank borrowings.

The interest rates of deposits of the Group and of the Company at the end of the reporting period are 1.50% to 3.00% and 2.50% to 3.00% (31.12.2023: 1.50% to 3.00% and 2.50% to 3.00%) per annum respectively.

The maturities of deposits of the Group and of the Company are ranging from 30-365 days and 30-365 days (31.12.2023: 30-365 days and 30-365 days) respectively.

19. Assets classified as held for sale

During the period, the Group classified two office units as assets held for sale in accordance with MFRS 5. The units meet the criteria for classification as held for sale, as management is committed to a plan to sell, the assets are available for immediate sale in their present condition, and the sale is highly probable subject only to developer consent and court restraining order process timing.

The assets are measured at the lower of carrying amount and fair value less costs to sell. Management assessed market evidence and obtained indicative values, concluding no impairment is required.

20. Share Capital

	Group and Company			
	Number of shares		Amount	
	30.06.2025 Unit'000	31.12.2023 Unit'000	30.06.2025 RM'000	31.12.2023 RM'000
Issued and fully paid				
Ordinary shares				
At 1 January 2024/2023	518,260	494,860	262,369	256,870
Issuance of new shares - private placement	-	23,400	-	5,499
At 30 June 2025/ 31 December 2023	518,260	518,260	262,369	262,369

In the previous financial year, the Company increased its issued and paid-up share capital from 494,860,696 to 518,260,696 through issuance of 23,400,000 new ordinary shares pursuant to the Private Placement at exercise price of RM0.235 respectively.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

21 Reserves

	Note	Group 30.06.2025 RM'000	Group 31.12.2023 RM'000
Non-distributable			
Foreign currency translation reserve	(a)	(20,393)	(614)
Other reserves	(b)	(77,104)	(77,104)
		(97,497)	(77,718)
Distributable			
Accumulated losses	(c)	(336,369)	153,825
		(433,866)	76,107

	Note	Company 30.06.2025 RM'000	Company 31.12.2023 RM'000
Accumulated losses	(c)	(426,688)	10,360

(a) Foreign currency translation reserve

Foreign currency translation reserve represents the exchange differences arising from the translation of the financial statements of foreign operations whose functional currency is different from that of the Group's presentation currency.

(b) Other reserves

Other reserve represents the difference between the consideration and additional consideration paid and the Group's share of fair value of net identifiable assets arising from acquisition of non-controlling interest in a subsidiary in accordance with MFRS 10, and difference between consideration paid and fair value allocated to the detachable warrants issued in conjunction with rights issue.

(c) Accumulated losses

The Group recorded accumulated losses of RM336.4 million as at 30 June 2025, resulting in shareholders' deficit of RM176.8 million.

On 18 April 2025, the Company was classified as a PN17 issuer due to its capital deficiency and inability to provide a solvency declaration.

22. Lease liabilities

	Group		Company	
	30.06.2025 RM'000	31.12.2023 RM'000	30.06.2025 RM'000	31.12.2023 RM'000
At 1 January 2024/2023	12,891	15,334	7,846	11,347
Additions	-	5,611	-	315
Accretion of interest	32	-	-	-
Derecognition on disposal of subsidiary company	(8,807)	-	-	-
Modification of lease	-	71	-	-
Termination of lease term	-	(181)	(7,846)	-
Disposal	(922)	(7)	-	(7)
Payment	(1,164)	(7,937)	-	(3,809)
At 30 June 2025/ 31 December 2024	2,030	12,891	-	7,846
Presented as:				
Non-current	430	7,075	-	2,041
Current	1,600	5,816	-	5,805
	2,030	12,891	-	7,846

The maturity analysis of lease liabilities of the Group and the Company at the end of the reporting period:

	Group		Company	
	30.06.2025 RM'000	31.12.2023 RM'000	30.06.2025 RM'000	31.12.2023 RM'000
Within one year	1,600	7,984	-	5,241
Later than one year and not later than two years	462	4,157	-	2,083
Later than two years and not later than five years	-	1,542	-	911
Later than five years	-	-	-	-
	2,062	13,683	-	8,235
Less: Future finance charges	(32)	(792)	-	(389)
Present value of lease liabilities	2,030	12,891	-	7,846

The Group and the Company lease buildings, motor vehicles and machineries. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

23. Bank Borrowings

	Group		Company	
	30.06.2025 RM'000	31.12.2023 RM'000	30.06.2025 RM'000	31.12.2023 RM'000
Secured				
Bank overdrafts	7,769	20,135	7,769	7,548
Bridging loan	-	55,732	-	-
Banker acceptance	-	-	-	-
Revolving credit	43,000	68,000	43,000	68,000
Invoice financing	-	4,167	-	102
Term loans	80,648	361,105	2,719	3,713
	131,417	509,139	53,488	79,363

	Group		Company	
	30.06.2025 RM'000	31.12.2023 RM'000	30.06.2025 RM'000	31.12.2023 RM'000
Current				
Bank overdrafts	7,769	20,135	7,769	7,548
Bridging loan	-	24,890	-	-
Banker acceptance	-	-	-	-
Revolving credit	43,000	68,000	43,000	68,000
Invoice financing	-	4,167	-	102
Term loans	80,648	100,611	2,719	821
	131,417	217,803	53,488	76,471
Non-current				
Bridging loan	-	30,842	-	-
Term loans	-	260,494	-	2,892
	-	291,336	-	2,892
	131,417	509,139	53,488	79,363

23. Bank Borrowings (Con'd)

The bank overdrafts, banker acceptance, bridging loan, revolving credit and term loans obtained from licensed banks are secured by the following:

Term loans, bank overdrafts, bridging loan and revolving credit

(a) All monies in the facilities agreement;

(b) A first/third party all monies legal charge over the following properties:

(1) 9,693 square meters of freehold commercial land held under Geran 79552, Lot No. 101901 (previously known as H.S.(D) 119869 PT 15292), Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur (Note 7);

(2) The land under Town lease No. 017561536, District of Kota Kinabalu (Note 7);

(3) Legal charge/deed of assignment and power of attorney over service apartments held under Geran 323201, Lot 56602, Bandar Saujana, District of Petaling, Selangor (Note 5); and

(4) Legal charge over shop lots held under strata title (WP) 51197, Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur (Note 5);

(5) Deed of assignment and charge over a designated escrow account-I;

23. Bank Borrowings (Cont'd)

The bank overdrafts, banker acceptance, bridging loan, revolving credit and term loans obtained from licensed banks are secured by the following: (Cont'd)

Term loans, bank overdrafts, bridging loan and revolving credit (Cont'd)

(c) Corporate guarantee executed by the Company and subsidiary companies;

(d) Assignment of all the rights, title and interest in 3 office units, held under Geran 78076, Lot No. 101462, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur as disclosed in Note 4 to the financial statements. A first party first legal charge over the properties upon issuance of the individual/strata title to the properties;

(e) A legal assignment over the rights and interest to the rental proceeds;

(f) Assignment of proceeds from sale of car park;

(g) Pledge of fixed deposit by way of an open all monies memorandum of deposit as disclosed in Note 18;

(h) Assignment of construction contracts, performance bonds and insurance proceeds of a project;

(i) Joint and several guarantees of the individual shareholders and directors of a subsidiary company;

(j) Specific debenture over 2 units of shop office lot held under Master Title Geran No. Hakmilik 78076, Lot No. 101462, Mukim of Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur (Note 7);

(k) Specific debenture over 32 units of retail lot located on lower ground floor within the Aurora Place @ Bukit Jalil Development Phase 1, bearing consecutive unit no A01-LG to A32-LG measuring approximately 24,330 square metres in area, which held under Master Title Lot No. 78076, 101462, Negeri Wilayah Persekutuan Mukim of Petaling Daerah, Kuala Lumpur;

(l) A fixed charge over the designated collection account, sinking fund account and fixed deposit account; and

(m) A deed of assignment of contract proceeds between the bank and a certain subsidiary company for the projects to be financed.

23. Bank Borrowings (Cont'd)

The bank overdrafts, banker acceptance, bridging loan, revolving credit and term loans obtained from licensed banks are secured by the following: (Cont'd)

Banker acceptance

(a) Certain fixed deposits of the Group as disclosed in Note 19(c); and

(b) Corporate guarantee by the Company.

The interest rates per annum are as follows:

	Group	
	30.06.2025	**31.12.2023**
	%	**%**
Bank overdrafts	3.45 - 8.64	3.45 - 8.64
Bridging loan	6.45 - 8.75	6.45 - 8.75
Banker acceptance	4.65 - 4.66	4.65 - 4.66
Revolving credit	6.70 - 8.75	6.70 - 8.75
Invoice financing	6.45 - 7.68	6.45 - 7.68
Term loans	5.45 - 18.00	5.45 - 18.00

	Company	
	30.06.2025	**31.12.2023**
	%	**%**
Bank overdrafts	7.65 - 7.90	7.65 - 7.90
Revolving credit	4.28 - 6.95	4.28 - 6.95
Invoice financing	6.71	6.71
Term loans	6.70	6.70

Included in the secured term loans is an amount of RM77,929,715 (31.12.2023: RM63,235,000) granted by a subsidiary company of a corporate shareholder with significant influence over the Group. The term loans are subject to interest at 12%-18% (31.12.2023: 12%-18%) per annum, repayable within the next 12 months after the reporting date.

As at 30 June 2025, the Group's total borrowings amounted to RM139.2 million (31.12.2023: RM522.0 million) following disposal of assets and partial debt settlements. Due to covenant breaches and demands issued by financiers, all borrowings have been reclassified as current liabilities in accordance with MFRS 101.

24. Deferred Tax (Assets) and Liabilities

	Group	
	30.06.2025	**31.12.2023**
	RM'000	**RM'000**
Deferred tax assets:		
At 1 January 2024/2023	(542)	(684)
Recognised in profit or loss (Note 31)	-	142
Overprovision in prior years	542	-
At 30 June 2025/31 December 2023	-	(542)
Deferred tax liabilities:		
At 1 January 2024/2023	12,868	19,166
Recognised in profit or loss (Note 31)	-	(1,337)
Overprovision in prior years (Note 31)	-	(616)
Derecognised on disposal of subsidiary	(12,860)	(4,345)
At 30 June 2025/31 December 2023	8	12,868

The net deferred tax liabilities and assets shown on the statements of financial position after appropriate offsetting are as follows:

	Group	
	30.06.2025	**31.12.2023**
	RM'000	**RM'000**
Deferred tax liabilities	8	12,868
Deferred tax assets	-	(542)
	8	12,326

24. Deferred Tax (Assets) and Liabilities (Cont'd)

The components of the deferred tax liabilities and assets prior to offsetting are as follows:

	Group	
	30.06.2025	**31.12.2023**
	RM'000	**RM'000**
Deferred tax liabilities:		
Accelerated capital allowances		
At 1 January 2024/2023	12,868	19,166
Recognised in profit or loss	-	(1,337)
Overprovision in prior years	-	(616)
Derecognised on disposal of subsidiary	(12,860)	(4,345)
At 30 June 2025/31 December 2023	8	12,868
Property development cost		
At 1 January 2024/2023	542	684
Recognised in profit or loss	(542)	(142)
At 30 June 2025/31 December 2023	-	542
	-	542

	Company	
	30.06.2025	**31.12.2023**
	RM'000	**RM'000**
At 1 January 2024/2023	-	531
Under provision in prior year (Note 32)	-	(531)
At 30 June 2025/31 December 2023	-	-

	Company	
	30.06.2025	**31.12.2023**
	RM'000	**RM'000**
Deferred tax liabilities:		
Accelerated capital allowances		
At 1 January 2024/2023	-	531
Under provision in prior years	-	(531)
At 30 June 2025/31 December 2023	-	-

24. Deferred Tax (Assets) and Liabilities (Cont'd)

The deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group		Company	
	30.06.2025 RM'000	31.12.2023 RM'000	30.06.2025 RM'000	31.12.2023 RM'000
Unutilised capital allowances	27,623	27,623	3,221	3,221
Unutilised tax losses	149,347	138,516	28,972	21,902
	176,970	166,139	32,193	25,123

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

Pursuant to Section 8 of the Finance Act 2021 (Act 833), the amendments to Section 44(5F) of Income Tax Act 1967, the time limit of the carried forward unutilised tax losses has been extended to maximum of 10 consecutive years of assessment. The unutilised capital allowances and other temporary differences do not expire under current tax legislation.

25. Provision for Liquidated Ascertained Damages

	Group		Company	
	30.06.2025 RM'000	31.12.2023 RM'000	30.06.2025 RM'000	31.12.2023 RM'000
At 1 January 2024/2023	-	1	-	15,985
Payment during the financial period/year	-	(1)	-	-
Written off against other receivables (Note 16)	-	-	-	(15,985)
At 30 June 2025/ 31 December 2023	-	-	-	-

Provision for liquidated ascertained damages is in respect of property development projects which completed in 2018 by the Group. The provision was recognised for expected liquidated damages claims based on the terms of the applicable agreements.

26. Trade Payables

	Group		Company	
	30.06.2025 RM'000	31.12.2023 RM'000	30.06.2025 RM'000	31.12.2023 RM'000
Non-current				
Trade payables	-	12,815	-	9,281
Current				
Trade payables	72,854	98,950	61,227	7,359
	72,854	111,765	61,227	16,640

(a) Included in trade payables are retention on contracts of the Group and of the Company which are unsecured, interest free and expected to be settled as follows:

	Group		Company	
	30.06.2025 RM'000	31.12.2023 RM'000	30.06.2025 RM'000	31.12.2023 RM'000
Within one year	14,633	10,134	3,006	3,605
More than one year	-	12,815	-	9,281
	14,633	22,949	3,006	12,886

(b) Credit terms of trade payables of the Group and of the Company ranged from 30 to 120 days (31.12.2023: 30 to 120 days) depending on the terms of the contracts.

27. Other Payables

	Group		Company	
	30.06.2025 RM'000	31.12.2023 RM'000	30.06.2025 RM'000	31.12.2023 RM'000
Other payables	46,101	5,443	34,057	1,425
Accruals	37,648	81,372	11,745	43,752
Deposits received	1,149	73,161	231	161
	84,898	159,976	46,033	45,338

Included in accruals is provision of subcontractor cost for Group and Company amounting to RM5,775,200 (31.12.2023: RM40,938,000) and RM5,775,200 (31.12.2023: RM37,813,000) respectively.

28. Amount Due from/(to) Associate Company

Amount due from associate company is trade in nature with credit term generally of 14 to 140 days (31.12.2023: 14 to 140 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Amount due to associate company represents non-trade balance which is unsecured, interest free and repayable on demand.

29. Revenue

	Group		Company	
	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000
Continuing operations				
Revenue from contracts with customers:				
- Construction contracts	1,403	7,481	1,404	79,885
- Sale of goods	110	734	-	-
- Others	2,958	561	-	-
	4,471	8,776	1,404	79,885
Rental	11,510	8,038	-	-
	15,981	16,814	1,404	79,885
Timing of revenue recognition:				
At a point in time	3,068	1,295	-	-
Over time	1,403	7,481	1,404	79,885
Total revenue from contracts with customers	4,471	8,776	1,404	79,885

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(CONT'D)

29. Revenue (Cont'd)

	Group		Company	
	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000
Discontinued operations				
Revenue from contracts with customers:				
- Construction contracts	14,571	16,126	-	-
- Joint development income	-	1,485	-	-
- Sale of development properties	25,238	143,035	-	-
- Sale of goods	1,284	10,483	-	-
	41,093	171,129	-	-
Rental	-	-	-	-
	41,093	171,129	-	-
Timing of revenue recognition:				
At a point in time	1,284	10,483	-	-
Over time	39,809	160,646	-	79,885
Total revenue from contracts with customers	41,093	171,129	-	79,885
Total revenue	57,074	187,943	1,404	79,885

29. Revenue (Cont'd)

Disaggregation of the Group's revenue from contracts with customers and information regarding the Group's reportable segments is set out below:

	Construction RM'000	Property development RM'000	Building materials RM'000	Others RM'000	Total RM'000
30 June 2025					
Major goods and services:					
- Construction contracts	15,974	-	-	-	15,974
- Sale of development properties	-	25,238	-	-	25,238
- Sale of goods	-	-	1,394	-	1,394
- Rental	-	-	-	14,468	14,468
Revenue from external customers	15,974	25,238	1,394	14,468	57,074
Timing of revenue recognition:					
At a point in time	-	-	1,394	14,468	15,862
Over time	15,974	25,238	-	-	41,212
Revenue from external customers	15,974	25,238	1,394	14,468	57,074

29. Revenue (Cont'd)

Disaggregation of the Group's revenue from contracts with customers and information regarding the Group's reportable segments is set out below: (Cont'd)

	Construction RM'000	Property development RM'000	Building materials RM'000	Others RM'000	Total RM'000
31 December 2023					
Major goods and services:					
- Construction contracts	23,607	-	-	-	23,607
- Joint development income	-	1,485	-	-	1,485
- Sale of development properties	-	143,035	-	-	143,035
- Sale of goods	-	-	11,217	-	11,217
- Rental	-	-	-	561	561
Revenue from external customers	23,607	144,520	11,217	561	179,905
Timing of revenue recognition:					
At a point in time	-	-	11,217	561	11,778
Over time	23,607	144,520	-	-	168,127
Revenue from external customers	23,607	144,520	11,217	561	179,905

30. Finance Costs

	Group		Company	
	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000
Continuing operations				
Interest expenses on:				
Bank overdrafts	927	1,039	927	582
Bridging loan	-	846	-	-
Banker acceptance	-	1,655	45	360
Lease liabilities	700	344	368	152
Revolving credit	8,903	3,299	8,903	3,299
Term loans	8,896	9,805	306	392
Invoice financing	-	-	-	31
Intercompany loan	-	-	-	17,260
Others	202	1	125	165
	19,628	16,989	10,674	22,241
Discontinuing operations				
Interest expenses on:				
Bank overdrafts	58	221	-	-
Bridging loan	4,958	6,150	-	-
Banker acceptance	400	6	-	-
Trust receipt	-	-	-	-
Promissory note	-	-	-	-
Lease liabilities	37	30	-	-
Revolving credit	-	-	-	-
Term loans	39,491	29,939	-	-
Invoice financing	-	319	-	-
Intercompany loan	-	-	-	-
Others	1	-	-	-
	44,945	36,665	-	-
Less: Interest expense capitalised in property development costs (Note 7(i))	(11,070)	(11,331)	-	-
	33,875	25,334	-	-
	53,503	42,323	10,674	22,241

31. Loss Before Tax

Loss before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000
Continuing operations				
Auditors' remuneration (Note a)	276	220	220	119
Amortisation of:				
- Land rights (Note 6)	-	6,139	-	-
- Right-of-use assets (Note 9)	3,520	6,677	-	2,839
Depreciation of property, plant and equipment (Note 4)	959	1,166	-	516
Gain on dilution of interest in subsidiary	-	(13,158)	-	-
Impairment loss on:				
- Property, plant and equipment (Note 4)	6,170	-	1,473	-
- Right-of-use assets	(1,057)	-	(1,057)	-
- Investment in subsidiary companies (Note 10)	-	-	8,313	27,647
- Investment in associate companies (Note 11)	200	-	29	-
- Investment in joint ventures (Note 12)	367	-	375	-
- Amount owing from subsidiary companies (Note 16)	-	-	82,036	-
- Amount owing from associate (Note 28)	75,451	-	-	-
- Amount owing from joint venture (Note 17)	99	-	-	-
- Trade receivables (Note 14)	84,994	6,318	40,682	-
- Other receivables (Note 15)	218,591	12,715	221,668	2,031

31. Loss Before Tax (Cont'd)

Loss before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000
Continuing operations				
Interest income:				
- deposits with licensed banks	(174)	(80)	(172)	(79)
- subsidiary company	-	-	(20)	(8,647)
- others	(20)	(619)	(866)	(542)
Lease expenses relating to short-term leases	-	1,249	-	-
Loss/(Gain) on disposal of:				
- Property, plant and equipment	76	272	2	21
- Right-of-use assets	-	(134)	337	(105)
- Investment property	550	(41)	-	-
- Other investment	-	212	-	-
- Subsidiary company	(13,068)	1,786	13,122	2,250
Loss/(Gain) on termination of lease agreement	-	154	-	-
Reversal of impairment loss on trade receivables (Note 14)	-	-	-	-
Rental income	(983)	(4,278)	(500)	(304)
Written off of:				
- Property, plant and equipment	-	21	-	21
- Bad debts	-	222	-	-

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(CONT'D)

31. Loss Before Tax (Cont'd)

Loss before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000
Discontinued operations				
Auditors' remuneration (Note a)	162	138	-	-
Amortisation of:				
- Quarry development cost (Note 8)	-	1,043	-	-
- Quarry rights (Note 6)	-	114	-	-
- Software (Note 6)	-	-	-	-
- Land rights (Note 6)	2,237	-	-	-
- Right-of-use assets (Note 9)	129	770	-	-
Depreciation of property, plant and equipment (Note 4)	1,487	6,337	-	-
Fair value loss on other investment	25,758	-	-	-
Gain on dilution of interest in subsidiary	-	(13,158)	-	-
Impairment loss on:				
- Property, plant and equipment (Note 4)	7,266	-	-	-
- Inventories	282	-	-	-
- Goodwill (Note 6)	6,276	-	-	-
- Investment in subsidiary companies (Note 10)	45,200	-	-	-
- Amount owing from subsidiary companies (Note 17)	42,459	-	-	-
- Trade receivables (Note 14)	19,076	372	-	-
- Other receivables (Note 15)	47,286	1,080	-	-
Interest income:				
- deposits with licensed banks	(64)	(22)	-	-
- subsidiary company	-	-	-	-
- others	(45)	(57)	-	-
Lease expenses relating to short-term leases	-	18	-	-

31. Loss Before Tax (Cont'd)

Loss before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000
Discontinued operations				
Loss/(Gain) on disposal of:				
- Property, plant and equipment	520	272	-	-
- Right-of-use assets	-	(134)	-	-
- Investment property	-	(1,794)	-	-
- Other investment	-	212	-	-
- Subsidiary company	-	1,786	-	-
Rental income	5,695	(3,760)	-	-
Written off of:				
- Property, plant and equipment	227	-	-	-
- Liquidated assessed damages receivables	-	15,958	-	-
- Inventories	-	24	-	-

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31. Loss Before Tax (Cont'd)

(a) Auditors' remuneration

	Group		Company	
	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000
Auditor of the Company				
- Statutory audit				
- Current year	276	308	215	114
- Non-statutory audit				
- Current year	5	5	5	5
	281	313	220	119
Other auditors				
- Statutory audit				
- Current year	65	45	-	-
	346	358	220	119

32. Taxation

	Group		Company	
	30.06.2025 RM'000	31.12.2023 RM'000	30.06.2025 RM'000	31.12.2023 RM'000
Tax expenses/(credit) recognised in profit or loss				
Current income tax:				
Current tax provision				
- in Malaysia	1,966	115	-	-
Under provision in prior years	3,375	982	3,375	-
Real Property Gains Tax	993	-	7	-
	6,333	1,097	3,382	-
Deferred tax (Note 24):				
Relating to origination and reversal of temporary differences	(523)	(1,195)	-	-
Over provision in prior years	-	(616)	-	(531)
	(523)	(1,811)	-	(531)
Tax expense/(credit) for the financial period/year	5,810	(714)	3,382	(531)

32. Taxation (Cont'd)

Malaysian income tax is calculated at the statutory tax rate of 24% (31.12.2023: 24%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expense/(credit) applicable to loss before tax at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company are as follows:

	Group		Company	
	01.01.2024 to 30.06.2025 (18 months) RM'000	**01.01.2023 to 31.12.2023 (12 months) RM'000**	**01.01.2024 to 30.06.2025 (18 months) RM'000**	**01.01.2023 to 31.12.2023 (12 months) RM'000**
Loss before tax				
- Continuing operations	(260,645)	(85,186)	(433,666)	(41,168)
- Discontinued operation	(232,915)	-	-	-
	(493,560)	(85,186)	(433,666)	(41,168)
At Malaysian statutory tax rate of 24%	(118,454)	(20,445)	(104,080)	(9,880)
Income not subject to tax	(23,842)	-	(24,187)	-
Expenses not deductible for tax purposes	141,139	5,531	126,570	8,865
Utilisation of deferred tax assets previously not recognised	-	(26)	-	-
Deferred tax assets not recognised	2,599	13,860	1,697	1,015
Under provision of taxation in prior periods/years	3,375	982	3,375	-
Over provision of deferred taxation in prior periods/years	-	(616)	-	(531)
Real Property Gains Tax	993	-	7	-
Tax expense/(credit) for the financial period/year	5,810	(714)	3,382	(531)

32. Taxation (Cont'd)

The Group and the Company have the following estimated unabsorbed capital allowances and unutilised tax losses available for carry forward to offset against future taxable profits. The said amounts are subject to approval by the tax authorities.

	Group		Company	
	30.06.2025	**31.12.2023**	**30.06.2025**	**31.12.2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Unutilised capital allowance	27,623	27,623	3,221	3,221
Unutilised tax losses	149,347	138,516	28,972	21,902
	176,970	166,139	32,193	25,123

Pursuant to Section 8 of the Finance Act 2021 (Act 833), the amendments to Section 44(5F) of Income Tax Act 1967, the time limit of the carried forward unutilised tax losses has been extended to maximum of 10 consecutive years of assessment. The unutilised capital allowances do not expire under current tax legislation.

The unutilised tax losses can only be carried forward until the following years of assessment.

	Group		Company	
	30.06.2025	**31.12.2023**	**30.06.2025**	**31.12.2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Unutilised tax loss expiring:				
- Year of assessment 2028	49,704	49,704	-	-
- Year of assessment 2029	5,110	5,110	-	-
- Year of assessment 2030	8,423	8,423	-	-
- Year of assessment 2031	14,657	14,657	-	-
- Year of assessment 2032	6,103	6,103	20,892	20,892
- Year of assessment 2033	54,519	54,519	1,010	1,010
- Year of assessment 2035	10,830	-	7,070	-
	149,346	138,516	28,972	21,902

33. Loss Per Share

(i) Basic loss per share

The basic loss per share has been calculated based on the consolidated loss for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	01.01.2024 to 30.06.2025 (18 months) RM'000	**01.01.2023 to 31.12.2023 (12 months) RM'000**
Net loss for the financial period/year, attributable to owners of the parent		
- from continuing operations	(257,279)	(80,618)
- from discontinued operations	(232,915)	-
	(490,194)	(80,618)
Weighted average number of ordinary shares in issue in 1 January 2024/2023 (in thousand of shares)	518,260	494,860
Effect of ordinary shares issued during the financial period/year (in thousand of shares)	-	2,180
Weighted average number of ordinary shares in issue in 30 June 2025/ 31 December 2023 (in thousand of shares)	518,260	497,040
Basic earnings/(loss) per share (in sen)		
- from continuing operations	(49.6)	(16.2)
- from discontinued operations	(44.9)	-
	(94.6)	(16.2)

(ii) Diluted loss per share

The number of shares under warrants was not taken into account in the computation of diluted earnings per share as the warrants do not have any dilutive effect on weighted average number of ordinary shares.

There have been no other transaction involving ordinary shares or potential ordinary shares since the end of the financial period and before the authorisation of these financial statements.

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34. Staff Costs

	Group		Company	
	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000
Fees	448	175	448	175
Salaries, wages and other emoluments	9,380	16,940	5,568	4,805
Defined contributions plan	1,077	1,273	480	512
	10,905	18,388	6,496	5,492
Less: Staff costs capitalised				
- property development costs (Note 7(i))	(1,445)	(2,064)	-	-
- construction contracts costs (Note 13)	(1,427)	(2,145)	-	(464)
	8,033	14,179	6,496	5,028

Included in staff costs is aggregate amount of remuneration received and receivable by the Directors of the Company and of the subsidiary companies during the financial year as below:

	Group		Company	
	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000
Executive Directors				
- Salaries and other emoluments	2,064	1,672	1,124	819
- Defined contributions plan	24	169	-	81
- Benefits-in-kind	-	50	-	35
	2,088	1,891	1,124	935
Non-executive Directors				
- Fees	448	175	448	175
- Meeting and other allowances	62	42	62	42
	510	217	510	217
Total Directors' remuneration	2,598	2,108	1,634	1,152

35. Related Party Disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and senior management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere, the significant related party transactions of the Group and of the Company are as follow:

	30.06.2025 RM'000	31.12.2023 RM'000
Group		
Transactions with subsidiary companies of a corporate shareholder with a significant influence over the Company		
Interest expenses paid/payable	(11,275)	(19,372)
Transaction with a company in which a Director of the Company has interest		
Rental of retail spaces	(2,161)	(750)
Rental of office	(384)	(1,364)
Company		
Transactions with subsidiary companies		
Interest income	-	8,647
Interest expenses	-	(17,260)
Management fee income received/receivable	14,532	14,432
Progress billings for construction work received/receivable	-	101,241
Property consultant fee received/receivable	-	147

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35. Related Party Disclosures (Cont'd)

(c) Compensation of key management personnel

Remuneration of Directors and other members of key management personnel are as follows:

	Group		Company	
	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000
Executive Directors				
Salaries, wages and other emoluments	2,064	1,672	1,124	819
Defined contributions plan	24	169	-	81
Benefits-in-kind	-	50	-	35
	2,088	1,891	1,124	935
Non-Executive Directors				
Director fee	448	175	448	175
Other emoluments	62	42	62	42
	510	217	510	217
	2,598	2,108	1,634	1,152

(d) Disposal to PRSB (indirect wholly-owned subsidiary of Insas Berhad, a major shareholder holding 13.06% in the Company): RM5.8 million; disposal of Unit B-05-01 (Level 5).Disposal to SSB (indirect wholly-owned subsidiary of Insas Berhad): RM7.2 million; disposal of Unit B-06-01 (Level 6) Interested director: Dato' Wong Gian Kui (director of PRSB, SSB and Insas) abstained from Board deliberations and voting.

Highest percentage ratio: 4.018%; no shareholder or regulatory approval required.

Other RPTs with Interested Parties (preceding 12 months): Credit financing RM90.0 million with Insas Credit & Leasing Sdn Bhd.

36. Segmental Information

The main business segments of the Group comprise the following:

Construction	Foundation and civil engineering, building contracting works and engineering, procurement, construction and commissioning of pipeline system
Property development	Development of residential and commercial properties
Building materials	Manufacturing and distribution of ready-mixed concrete and quarry operation
Others	Includes trading services and asset and retail management

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Information about segment assets and liabilities are neither included in the internal management reports nor provided regularly to the management. Hence, no disclosures are made on segment assets and liabilities.

36. Segmental Information (Cont'd)

	Construction RM'000	Property development RM'000	Building materials RM'000	Others RM'000	Total segments RM'000	Adjustments and eliminations RM'000	Per consolidated financial statements RM'000
30.06.2025							
Revenue							
External customers	16,388	25,238	1,395	14,053	57,074	-	57,074
Inter-segment	1,656	-	-	824	2,479	-	2,479
Total revenue	18,043	25,238	1,395	14,877	59,554	-	59,554
Results							
Interest income	302,515	53	-	1	302,569	-	302,569
Finance costs	(39,718)	(4,991)	(89)	(8,706)	(53,503)	-	(53,503)
Depreciation and amortisation	(2,949)	(2,685)	(476)	(3,992)	(10,102)	413	(9,689)
Other non-cash (espenses)/income	(546,543)	(99)	(8,710)	(4,393)	(559,746)	120,431	(439,315)
Segment (loss)/ profit before tax	(675,592)	(47,751)	3,578	(9,305)	(729,071)	234,571	(494,500)

36. Segmental Information (Cont'd)

	Construction RM'000	Property development RM'000	Building materials RM'000	Others RM'000	Total segments RM'000	Adjustments and eliminations RM'000		Per consolidated financial statements RM'000
31.12.2023								
Revenue								
External customers	23,607	144,520	11,217	8,599	187,943	-		187,943
Inter-segment	115,512	-	-	824	116,336	(116,336)	(a)	-
Total revenue	139,119	144,520	11,217	9,423	304,279	(116,336)		187,943
Results								
Interest income	746	30	-	2	778	-		778
Finance costs	(23,486)	(40,052)	(119)	(4,574)	(68,231)	25,908		(42,323)
Depreciation and amortisation	(3,857)	(10,700)	(3,822)	(3,867)	(22,246)	-		(22,246)
Other non-cash (espenses)/income	(9,486)	(8,137)	(5,715)	(515)	(23,853)	-		(23,853)
Segment (loss)/ profit before tax	(47,369)	(51,756)	(20,003)	(3,794)	(122,922)	37,736		(85,186)

36. Segmental Information (Cont'd)

(a) Reconciliation of reportable segment revenue, profit or loss, assets, liabilities and other material items are as follows:

The revenue relating to deconsolidation of a subsidiary and disposal of subsidiaries have been excluded to arrive at amounts shown in the consolidated statements of comprehensive income and other comprehensive income as they are presented separately in the statements of comprehensive income and other comprehensive income within one line item, "profit/(loss) from discontinued operations, net of tax".

(b) Adjustments and eliminations

Inter-segment revenues are eliminated on consolidation.

(c) Other non-cash income/(expense) consist of the following items as presented in the respective notes to financial statements:

	Group	
	01.01.2024 to 30.06.2025 (18 months) RM'000	**01.01.2023 to 31.12.2023 (12 months) RM'000**
(Loss)/Gain on disposal of:		
- property, plant and equipment	(596)	(272)
- right-of-use assets	-	134
- investment properties	(550)	1,835
- other investment	-	(212)
- subsidiary company	13,068	(1,786)
Impairment on trade receivables	(84,994)	(6,690)
Impairment on other receivables	(218,591)	(13,795)
Gain on dilution of interest in subsidiary	-	13,158
Written off of:		
- property, plant and equipment	-	(21)
- bad debts	-	(222)
- liquidated assessed damages receivables	-	(15,958)
- inventories	-	(24)

(d) Geographical information

Substantially all the Group's revenue is derived locally and non-current assets are located within Malaysia.

(e) During the year, Building Materials (ready-mix) ceased operations, Property Development in Kota Kinnabalu "The Crown" had no new sales and no progress recognised due to restraining order/JM path.

37. Financial Guarantees

	Group		Company	
	30.06.2025 RM'000	31.12.2023 RM'000	30.06.2025 RM'000	31.12.2023 RM'000
Corporate guarantees given to licensed banks and financial institutions for banking facilities granted to subsidiary companies				
- Limit of guarantee	517,000	-	-	938,353
- Amount utilised	333,112	-	-	445,321
Corporate guarantees given to a supplier of goods to subsidiary companies				
- Limit of guarantee	-	-	-	27,650
- Amount utilised	-	-	-	4,667
Guarantees issued by financial institutions in connection with performance bonds, security and tender deposits in favour of third parties for construction projects	7,834	16,324	-	11,986

38. Material Litigations

Based on advice from external legal counsel, the Directors consider the claims to be subject to material uncertainty but do not believe additional provisions are required beyond impairments recognised. The Group continues to monitor proceedings and will adjust estimates as further information becomes available.

The Group and the Company have not engaged in any litigation which will have a material effect on the business or financial position of the Group and of the Company except for the following:

(a) Golden Wave Sdn. Bhd. ("GWSB") (in liquidation) – "The Crown" Project, Kota Kinabalu (indirect 52.5% owned subsidiary)

(i) Eko Bina Sdn Bhd (formerly E&J Builders Sdn. Bhd.) filed an adjudication claim against GWSB under The Construction Industry Payment and Adjudication Act 2012 ("CIPAA"). On 12 December 2023, an Adjudication Decision was issued in favour of Eko Bina Sdn. Bhd. ("EBSB"). On 17 May 2024, the Kota Kinabalu High Court dismissed GWSB applications to set aside and stay the decision. GWSB has filed an appeal to the Court of Appeal and applied for a stay pending appeal. The disputes have also been referred to arbitration. Arbitration was subsequently terminated following the appointment of Receiver and Managers over GWSB on 3/12/2024 by Sabah Development Bank Berhad. Following the hearing on 31 July 2025 for the winding up petition of GWSB, the Court granted an order in terms of the winding up petition filed by EBSB against GWSB. The Court also appointed Gabriel Teo Chun as the liquidators of GWSB.

(ii) Judicial Management Application

GWSB had applied for a Judicial Management Order on 17 May 2024. On 1 October 2024, the Kuala Lumpur High Court dismissed the application. The matter is now closed, with no further material financial or operational impact expected.

(iii) Restraining Order (Accolades Project Consultancy Sdn. Bhd.)

On 1 October 2024, GWSB was served with an application for a Restraining Order under Section 368 of the Companies Act 2016 ("RO Application") by its project consultant, claiming RM683,419.60 consultancy fees. At an e-review on 28 November 2024, three external parties applied to intervene. The High Court fixed 28 May 2025 for the hearing and the RO Application was subsequently been withdrawn.

38. Material Litigations (Cont'd)

The Group and the Company have not engaged in any litigation which will have a material effect on the business or financial position of the Group and of the Company except for the following: (Cont'd)

(a) Golden Wave Sdn. Bhd. ("GWSB") (in liquidation) – "The Crown" Project, Kota Kinabalu (indirect 52.5% owned subsidiary) (Cont'd)

(iv) Sabah Development Bank Berhad ("SDB") – Writ of Summons

On 3 December 2024, Ho Hup and its 75%-owned subsidiary Ho Hup Ventures (KK) Sdn. Bhd. ("HHVKK") were served with a Writ by SDB pursuant to the RM98.0 million loan facility extended to GWSB for the Crown project. Ho Hup was sued as Corporate Guarantor and HHVKK as shareholder. As at 30 June 2025, the action remains pending against Ho Hup and HHVKK. On 3 December 2024, SDB has appointed Dato' Raveendra Kumar A/L Nathan of RKN & Co as the Receiver and Manager of GWSB.

(v) Restraining Order (ECL & Associates)

On 10 March 2025, GWSB received an application for Restraining Order ("RO") pursuant to Sections 368 of the Companies Act 2016 served by ECL & Associates.

(b) Bukit Jalil Development Sdn. Bhd. ("BJD") (in liquidation) – "Flex @ Bukit Jalil" Project (wholly owned subsidiary)

(i) On 19 March 2025, an Adjudication Decision was issued under CIPAA ordering BJD to pay RM7,372,586.05 plus interest and costs to Geopancar Sdn. Bhd. for substructure works. The Project had been aborted and the land disposed on 3 January 2025. BJD disputes the claim, which is unsecured, and is applying to the High Court to set aside and stay the adjudication decision.

(ii) On 13 June 2025, BJD been served with Notice of Appointment of Receiver and Manager dated 11 June 2025 by Insas Credit & Leasing Sdn. Bhd. ("ICL").

(iii) On 9 July 2025, the Company received a winding-up petition dated 23 June 2025 filed by IRB against BJD due to tax arrears amounting to RM23,719,511.61 owed by BJD to IRB for the Year of Assessment 2019.

(iv) On 16 June 2025, Mr. Andrew Heng and Ms. Anoopal Kaur A/P Kirpal Singh of Baker Tilly Insolvency PLT, Baker Tilly Tower, Level 10, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur had been appointed as the Liquidators for BJD by way of both member and creditors' meeting held on 13 June 2025 at Baker Tilly Tower, Level 1, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur. With the Creditors' Voluntary Liquidation and the appointment of the Liquidators, the control of the Company's business and all powers of the management had entirely vested into the Liquidators.

38. Material Litigations (Cont'd)

The Group and the Company have not engaged in any litigation which will have a material effect on the business or financial position of the Group and of the Company except for the following: (Cont'd)

(c) Ho Hup Construction Company Berhad (Parent Company)

(i) On 23 August 2024, the Company was served with a winding-up petition by Joterix Sdn. Bhd. for RM184,438.80 plus interest and costs pursuant to a Sessions Court judgment.

(ii) On 25 February 2025, the Company was served with a winding-up petition by Skrine Advocates & Solicitors acting on behalf Malayan Banking Berhad ("MBB") against the Company for the disputed sum of RM13,608,434.98 plus interest and costs pursuant to the High Court's judgment.

(iii) On 18 April 2025, the Company and Bukit Jalil Development Sdn Bhd ("BJD") (in liquidation), a wholly owned subsidiary of the Company, had received a Notice of Demand dated 17 April 2025 from Rohamat & Ling, Advocates & Solicitors, acting for Insas Credit & Leasing Sdn Bhd ("ICL") in respect of the term loan facilities ("Facilities") and demand for the total outstanding sum of RM112,691,368.11 as at 17 April 2025 inclusive of all interests chargeable under the respective Money Lending Agreements ("MLAs") entered into between BJD and ICL to be repaid within 14 days of the date of the said notice. The Facilities were granted by ICL to BJD and Ho Hup is the Guarantor for the Facilities.

(iv) On 4 June 2025, the Company was served with a Notice of Demand and Termination dated 29 May 2025 from Lee & Koh, acting for AmBank Islamic Berhad ("AIB") in respect of the revolving credit facilities ("Facilities") and demand for the total outstanding sum of RM45,271,975.

38. Material Litigations (Cont'd)

The Group and the Company have not engaged in any litigation which will have a material effect on the business or financial position of the Group and of the Company except for the following: (Cont'd)

(d) Hon'ble II Chief Judge City Civil Court, Hyderabad O.P.No. 2039 of 2008

On 9 March 2005, Ho Hup Construction Company (India) Pte Ltd ("HHCCI"), a wholly-owned subsidiary of Ho Hup, entered into a joint development agreement with the Andhra Pradesh Housing Board ("APHB") to develop an integrated township at Raviryal Village, Maheshwaran Mandal, Rangareddy District, Andhra Pradesh ("JDA").

The JDA was subsequently terminated by APHB. HHCCI disputed the termination on the grounds that APHB had yet to comply with its obligations in respect of the conditions precedent under the JDA.

On 2 May 2005, HHCCI commenced an arbitration proceeding to claim for expenses incurred and damages due to the unlawful termination of the JDA. On 19 May 2008, an arbitration award was published in HHCCI's favour ("Award").

The Award provides for:

(a) The upfront fee in the amount of Rs16,796,250 together interest at the rate of 12% per annum to be refunded to HHCCI, interest of which is to be calculated from 1 February 2006 to the date of the refund being made; and

(b) Compensation for expenses incurred in the amount of Rs600,000 together with interest at the rate of 9% per annum, interest of which is to be calculated from 6 January 2006.

On 18 November 2013, APHB filed an appeal against the Award and applied to set aside the Award. The appeal was dismissed and ruled in favour of HHCCI by the Appellate Court on 19 January 2018. There being no further appeal filed by APHB against the ruling of the Appellate Court, the Award is now deemed final and absolute. APHB had yet to comply with the terms of the Award and HHCCI had instructed their solicitors to commence recovery proceeding to enforce the Award against APHB.

Following thereto, HHCCI has lodged an Execution Petition before the City Civil Courts at Hyderabad, India to proceed with execution and recovery of Appellate Court's award against APHB. The matter is pending before City Civil Courts at Hyderabad.

38. Material Litigations (Cont'd)

The Group and the Company have not engaged in any litigation which will have a material effect on the business or financial position of the Group and of the Company except for the following: (Cont'd)

(e) Ipoh High Court Civil Suit No. AA-22NCC-10-09/2022 (previously known as Kuala Lumpur High Court Civil Suit No. WA-22NNCC-185-05/2020 Malayan Banking Berhad ("MBB") v. (1) DSE Construction Sdn. Bhd. ("DSE") & Ho Hup Construction Company Berhad

MBB commenced proceedings in Kuala Lumpur High Court against DSE and the Company via its writ and statement of claim dated 18 May 2020 for all sum certified by Jabatan Perairan and Saliran ("JPS") pursuant to payment certificate No 15 to 29, alternatively the sum of RM44,429,823. The Company's defence, amongst others, is that it has fulfilled its obligations entirely under the joint letter of undertaking, it has not received any proceeds of the project, and it did not interfere with the manner and route of the channelling of the contract proceeds.

Full trial of for this initially fixed on 4 and 5 November 2024 but was adjourned to 5 and 6 May 2025. By then, HHCCB had filed an RO application in the High Court and till today the trial for this matter is still pending and yet to commence.

The Company obtained discovery against MBB on 7 November 2023. MBB being dissatisfied with the decision of the High Court has subsequently filed an appeal to the Court of Appeal against the discovery. MBB's appeal against the discovery has been dismissed on 6 August 2024.

(f) High Court of Malaya at Ipoh Suit No. AA-22NCC-12-07/2020 Malayan Banking Berhad ("MBB") v. (1) Kumpulan Liziz Sdn. Bhd. (2) Liew Ah Kau (3) Ghazali Bin Abdul Halim

1st Third Party: DSE Construction Sdn. Bhd. ("DSE")
2nd Third Party: Ho Hup Construction Company Berhad
3rd Third Party: Pembinaan Azam Jaya Sdn. Bhd.

MBB commenced proceedings which have been transferred to the Ipoh High Court, against Kumpulan Liziz Sdn. Bhd. and two of its directors via its writ and statement of claim dated 1 April 2020. MBB is claiming against the Defendants for an alleged breach of banking facilities granted to Kumpulan Liziz Sdn Bhd. and guaranteed by two of its directors. The Defendants thereafter took out a Third Party Notice against DSE and the Company claiming an indemnity in the sum of RM25,344,945.38 in respect of MBB's claim against the Defendants.

38. Material Litigations (Cont'd)

The Group and the Company have not engaged in any litigation which will have a material effect on the business or financial position of the Group and of the Company except for the following: (Cont'd)

(f) High Court of Malaya at Ipoh Suit No. AA-22NCC-12-07/2020 Malayan Banking Berhad ("MBB") v. (1) Kumpulan Liziz Sdn. Bhd. (2) Liew Ah Kau (3) Ghazali Bin Abdul Halim (Cont'd)

Company's defence, amongst others, is that it does not stand in any contractual or other legal relationship with the JPS, it was not in control or involved in the channelling of the contract proceeds from the JPS and any letter of undertaking and security documents there are in this respect is between the Company and MBB; and the Company has fulfilled its obligations pursuant thereto entirely.

MBB's claim against KLSB, Liew Ah Kau and Ghazali bin Abdul Halim has since concluded with judgement recorded against KLSB and consent judgement entered against both Liew Ah Kau and Ghazali bin Abdul Halim in their personal capacity as guarantors for KLSB's loan with MBB.

The suit had been merged together with the suit mentioned in item (f) above and to be tried together simultaneously.

(g) High Court of Malaya at Kuala Lumpur Suit No. WA-22NCC-122-03/2019 Malayan Banking Berhad ("MBB") v. (1) Hj Said Binaan Sdn. Bhd., Seni Kenanga Sdn. Bhd. v. (3) Ho Hup Construction Company Berhad

The Company had awarded a building contract to Hj Said Binaan Sdn Bhd-Seni Kenanga Sdn Bhd JV ("Contractors") on 28 March 2014 for the construction and completion of the Company's project located at Bandar Bukit Jalil, Kuala Lumpur ("Project").

The Contractors were to complete construction of the Project within the contract period but failed to complete the Project within the specific time period. Hence, the Contractors has breached its contract with the Company.

On 6 March 2019, Malayan Banking Berhad ("Plaintiff" or "MBB") initiated a civil suit against Ho Hup for outstanding sums owing by the Contractors in relation to a letter of undertaking dated 25 September 2017 ("LU") issued by Ho Hup for a sum of RM10.0 million wherein Ho Hup's obligations under the LU was extinguished with the revocation of the LU on 29 December 2017. Notwithstanding that, Ho Hup had never executed any document with MBB for the loan undertaken by the Contractors.

38. Material Litigations (Cont'd)

The Group and the Company have not engaged in any litigation which will have a material effect on the business or financial position of the Group and of the Company except for the following: (Cont'd)

(g) High Court of Malaya at Kuala Lumpur Suit No. WA-22NCC-122-03/2019 Malayan Banking Berhad ("MBB") v. (1) Hj Said Binaan Sdn. Bhd., Seni Kenanga Sdn. Bhd. v. (3) Ho Hup Construction Company Berhad (Cont'd)

By a Court Order dated 7 February 2020, the Contractors were subsequently added as 2nd and 3rd defendant respectively. The Company has filed a counterclaim for a sum of RM54.2 million as at 31 March 2019 as ascertained liquidated damages ("LAD") against the Contractors and a further claimed for a sum of RM14.8 million as of 31 December 2019 being back charges for work done by the Company to complete the Project arising from the Contractors' failure to complete the Project within contracted time period, cost and interest.

The case continued with the calling of Defendant's witnesses on 10 July 2023, 11 July 2023, 17 July 2023, 22 August 2023 and 23 August 2023, and subsequent close of Defendant's case on 5 September 2023. On 21 February 2024, the Court delivered the decision of this matter and ordered inter alia Ho Hup to pay the sum for Interim Certificate of Payment No. 41 and No. 42 ("Certificates") less partial settlement paid earlier by Ho Hup for the said Certificates; the sum of which is to be assessed and determined by the Parties.

The Court however disallowed the Claimant's additional claim on the Letter of Undertaking and assessed it to be a duplication of Claimant's claimed on the said Certificate. The Court also disallowed Ho Hup's counter-claim for LAD and back charges against the Contractors ("Decision").

Ho Hup being dissatisfied with the Decision filed an appeal to the Court of Appeal on 18 March 2024. The Court of Appeal have yet to fix any hearing date for disposal of the appeal.

38. Material Litigations (Cont'd)

The Group and the Company have not engaged in any litigation which will have a material effect on the business or financial position of the Group and of the Company except for the following: (Cont'd)

(h) Adjudication Issued under the Construction Industry Payment and Adjudication Act 2012 CIPAA by Eko Bina Sdn Bhd (Formerly known as E&J Builders Sdn Bhd) to Golden Wave Sdn. Bhd. ("GWSB")

Following the adjudication under the CIPAA, the Adjudicator had on 12 December 2023 delivered the Adjudication Decision as follows: -

1. GWSB pays to EKB the total sum of RM23,161,711.46 as payments due and owing pursuant to Interim Certificates No. 12 to 23 ("Adjudicated Sum")
2. Pursuant to Section 18(1) of the CIPAA, GWSB bears the Costs of Adjudication in the sum of RM61,289.00 ("Costs of Adjudication");
3. GWSB shall further pay EKB's Legal Costs in the sum of RM30,000.00 ("Legal Costs");
4. GWSB shall pay EKB the Adjudicated Sum, Costs of Adjudication and Legal Costs within thirty (30) days from the date of the Adjudication Decision; and
5. In the event GWSB fails to do so, GWSB shall pay interest at 5% per annum on the Adjudicated Sum, Costs of Adjudication and the Legal Costs from the expiry of the thirty (30) days from the date of the Adjudication Decision until the date of full and final settlement.

In response to the Adjudication Decision, GWSB had filed an Originating Summons in the High Court at Kota Kinabalu, Sabah on 18 December 2023 to set aside the whole of the Adjudication Decision pursuant to Section 15 (b), (c) & (d) of the CIPPA Act on the grounds, inter alia, that there has been a denial of natural justice, that the Adjudicator has not acted impartially and/or that the Adjudicator has acted in excess of jurisdiction in ignoring the declaration made by the High Court on 11 July 2023 that the claimed amount is an disputed debts and failing to take into consideration the substantial direct payments already made by GWSB to the nominated sub-contractors and nominated suppliers which would amount to a double recovery for EKB. The Court has fixed this matter for clarification and/or decision on 25 March 2024.

GWSB had also issued Notice of Arbitration to EKB on 20 December 2023 on the disputes relating the said Contract and the claims which forms part of the Adjudication Decision pursuant to Clause 34.5 of Pertubuhan Arkitek Malaysia ("PAM") 2006 Contract. Pending the disposal of the arbitration, GWSB have applied for a stay of the Adjudication Decision under Section 16 of CIPAA and the same has been fixed for clarification and/or decision on 25 March 2024.

The matter was dismissed by the KK High Court on 17 May 2024 leading GWSB to file a further appeal to the Court of Appeal. However, since then GWSB has been wound up by EBSB on 31 July 2025.

39. Financial Instruments

(a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as Fair Value through Profit or Loss ("FVTPL") and Amortised cost ("AC").

	30.06.2025 RM'000	31.12.2023 RM'000
Group		
Financial Assets		
At fair value through profit or loss		
At amortised cost		
Trade receivables	1,648	181,528
Other receivables	8,533	58,533
Amount due from a joint venture	-	99
Amount due from an associate	-	75,451
Fixed deposits with licensed banks	2,567	7,510
Cash and bank balances	822	13,161
	13,570	336,282
Financial Liabilities		
At amortised cost		
Trade payables	72,854	111,765
Other payables	84,898	159,976
Lease liabilities	2,030	12,891
Bank borrowings	131,417	509,139
Amount due to an associate	-	200
	291,200	793,971

39. Financial Instruments (Cont'd)

(a) Categories of financial instruments (Cont'd)

	30.06.2025 RM'000	31.12.2023 RM'000
Company		
Financial Assets		
At amortised cost		
Trade receivables	350	44,485
Other receivables	7,888	52,441
Amount due from subsidiary companies	-	557,003
Amount due from a joint venture	-	99
Amount due from an associate	-	75,451
Fixed deposits with licensed banks	2,567	2,968
Cash and bank balances	593	8,207
	11,398	740,654
Financial Liabilities		
At amortised cost		
Trade payables	61,227	16,640
Other payables	46,033	45,338
Amount due to subsidiary companies	12,376	460,887
Amount due to an associate	-	200
Lease liabilities	-	7,846
Bank borrowings	53,488	79,363
	173,124	610,274

(b) Net loss on financial instruments

	Group		Company	
	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.01.2023 to 31.12.2023 (12 months) RM'000
Net loss on impairment of financial instruments:				
- Financial asset at amortised cost	325,738	20,485	262,350	2,031

39. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies

The Group has exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(i) Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the receivables from customers and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from the receivables from customers, loans and advances to subsidiary companies and financial guarantees given to banks for credit facilities granted to subsidiary companies.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group or the Company assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

39. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Exposure to credit risk, credit quality and collateral

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represents the Group's and the Company's maximum exposure to credit risk.

Concentration of credit risk

The Group's has no significant concentration to credit risk except as disclosed in Note 15. The Company has no significant concentration of credits risks except as disclosed in Note 15 and advances to its subsidiary companies where risks of default have been assessed to be low.

Cash and cash equivalents

The cash and bank balances are mainly held with bank and financial institution counterparties, which have financial strength and are reputable with high credit rating and no history of default. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Impairment on cash and bank balances has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group and the Company consider that their cash and bank balances have low credit risk based on the creditworthiness of the counterparties.

Other receivables

Credit risk on other receivables are mainly arising from sundry debtors and deposits receivables. The Group monitors the repayment on an individual and 12-month expected loss basis.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Group did not recognise any allowance for impairment losses.

39. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company also provides corporate guarantee to suppliers of goods to subsidiary companies. The Company monitors on a continuous basis the results of the subsidiary companies and repayments made by the subsidiary companies.

Exposure to credit risk, credit quality and collateral

The Company's maximum exposure in this respect is RM333 million and RM6.7 million (31.12.2023: RM445.3 million and RM4.7 million), representing the outstanding banking facilities and for supply of goods to certain subsidiary companies as at the end of the reporting period. There was no indication that the subsidiary company would default on repayment as at the end of the reporting period.

Inter-company loans and advances

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiary companies have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary company's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiary companies' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiary companies are not able to pay when demanded. The Company considers a subsidiary company's loan or advance to be credit impaired when:

- The subsidiary company is unlikely to repay its loan or advance to the Company in full;
- The subsidiary company's loan or advance is overdue for more than 365 days; or
- The subsidiary company is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

39. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

Inter-company loans and advances (Cont'd)

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiary companies. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from their various payables.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

39. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	After 5 years RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
Group						
30.06.2025						
Non-derivative financial liabilities						
Trade payables	72,854	-	-	-	72,854	72,854
Other payables	84,898	-	-	-	84,898	84,898
Lease liabilities	2,030	-	-	-	2,030	1,600
Bank borrowings	131,417	-	-	-	131,417	131,417
	291,199	-	-	-	291,199	290,769

39. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	On demand or within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	After 5 years RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
Group						
31.12.2023						
Non-derivative financial liabilities						
Trade payables	111,765	-	-	-	111,765	111,765
Other payables	159,976	-	-	-	159,976	159,976
Lease liabilities	7,984	4,157	1,542	-	13,683	12,891
Bank borrowings	256,346	135,583	102,064	113,121	607,114	509,139
Amount due to an associate	200	-	-	-	200	200
	536,271	139,740	103,606	113,121	892,738	793,971

39. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	On demand or within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	After 5 years RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
Company						
30.06.2025						
Non-derivative financial liabilities						
Trade payables	61,227	-	-	-	61,227	61,227
Other payables	46,033	-	-	-	46,033	46,033
Amount due to subsidiary companies	12,376	-	-	-	12,376	12,376
Bank borrowings	53,488	-	-	-	53,488	53,488
Financial guarantee*	-	-	-	-	-	-
	173,124	-	-	-	173,124	173,124

39. **Financial Instruments (Cont'd)**

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	On demand or within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	After 5 years RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
Company						
31.12.2023						
Non-derivative financial liabilities						
Trade payables	16,640	-	-	-	16,640	16,640
Other payables	45,338	-	-	-	45,338	45,338
Amount due to subsidiary companies	460,887	-	-	-	460,887	460,887
Amount due to an associate	200	-	-	-	200	200
Lease liabilities	5,241	2,083	911	-	8,235	7,846
Bank borrowings	76,690	1,040	2,175	-	79,905	79,363
Financial guarantee*	449,988	-	-	-	449,988	-
	1,054,984	3,123	3,086	-	1,061,193	610,274

39. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risks

(a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk is United States Dollar (USD).

The Group's and the Company's exposure to foreign currency exchange risk is minimal.

(b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in market interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in market interest rates.

The Group manages the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long term deposits.

39. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(b) Interest rate risk (Cont'd)

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	30.06.2025 RM'000	**31.12.2023 RM'000**	**30.06.2025 RM'000**	**31.12.2023 RM'000**
Fixed rate instruments				
Fixed deposit with licensed bank	2,567	7,510	2,567	2,968
Lease liabilities	(2,030)	(12,891)	-	(7,846)
	537	(5,381)	2,567	(4,878)
Floating rate instruments				
Bank borrowings	(131,417)	(509,139)	(53,488)	(79,363)

39. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(b) Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in market interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change in 0.5% (31.12.2023: 0.5%) interest rate at the end of the reporting period would have increased/(decreased) the Group and the Company's loss before tax by RM6.67 million and RM0.23 million (31.12.2023: RM2.55 million and RM0.40 million) respectively, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

39. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(c) Market price risk

Market price risk arises from the Group's investments in equity securities.

Risk management objectives, policies and processes for managing the risk

Management of the Group monitors the equity investments on a portfolio basis. All buy and sell decisions are approved by the Directors of the Company.

Equity price risk sensitivity analysis

This analysis assumes that all other variables remain constant and the Group's equity investments moved in correlation with the FTSE Bursa Malaysia KLCI ("FBMKLCI").

A 10% strengthening in FBMKLCI at the end of the previous reporting period would have reduced the Group's loss by approximately RM0.21 million for investments classified as fair value through profit or loss. A 10% weakening in FBMKLCI would have had equal but opposite effect on profit or loss.

As at the end of the reporting period, the Group has no exposure to any open-market equity instruments.

(d) Fair values of financial instruments

The carrying amounts of receivables and payables, cash and cash equivalents and borrowings approximate their fair value due to the relatively short term nature of these financial instruments and/or insignificant impact of discounting. Fair value of other investment is within Level 1 of the fair value hierarchy.

40. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	At 1 January 2024 RM'000	Net changes from financing cash flows (i) RM'000	Non-cash changes: New lease Note 22 RM'000	Non-cash changes: Other Changes (ii) RM'000	At 30 June 2025 RM'000
Group					
30.06.2025					
Lease liabilities (Note 22)	12,891	(11,313)	-	452	2,030
Bridging loan (Note 23)	55,732	-	-	(55,732)	-
Revolving credit (Note 23)	68,000	(25,000)	-	-	43,000
Invoice financing (Note 23)	4,167	(102)	-	(4,065)	-
Term loans (Note 23)	361,105	(7,052)	-	(273,405)	80,648
Total liabilities from financing activities	501,895	(43,467)	-	(332,750)	125,678
31.12.2023					
Lease liabilities (Note 22)	15,334	(7,937)	5,611	(117)	12,891
Bridging loan (Note 23)	75,500	(19,768)	-	-	55,732
Banker acceptance (Note 23)	930	(930)	-	-	-
Revolving credit (Note 23)	75,499	(7,499)	-	-	68,000
Invoice financing (Note 23)	13,192	(9,025)	-	-	4,167
Term loans (Note 23)	459,652	(15,952)	-	(82,595)	361,105
Total liabilities from financing activities	640,107	(61,111)	5,611	(82,712)	501,895

40. Reconciliation of Liabilities Arising from Financing Activities (Cont'd)

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes (cont'd):

	At 1 January 2024/ 2023 RM'000	Net changes from financing cash flows (i) RM'000	Non-cash changes New lease Note 22 RM'000	At 30 June 2025/ 31 December 2023 RM'000
Company				
30.06.2025				
Lease liabilities (Note 22)	7,846	(7,846)	-	-
Revolving credit (Note 23)	68,000	(25,000)	-	43,000
Invoice financing (Note 23)	102	(102)	-	-
Term loans (Note 23)	3,713	(994)	-	2,719
Total liabilities from financing activities	79,661	(33,942)	-	45,719
31.12.2023				
Lease liabilities (Note 22)	11,347	(3,809)	308	7,846
Revolving credit (Note 23)	68,000	-	-	68,000
Invoice financing (Note 23)	1,147	(1,045)	-	102
Term loans (Note 23)	11,288	(7,575)	-	3,713
Total liabilities from financing activities	91,782	(12,429)	308	79,661

(i) The cash flows from loans and borrowings make up the net amount of proceeds from or repayments of borrowings in the statements of cash flows.

(ii) Other changes of the Group include reduction of liabilities from derecognition on disposal of subsidiary company and non-cash changes on lease liabilities.

41. Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at the end of the reporting period are as follows:

	Group		Company	
	30.06.2025 RM'000	**31.12.2023 RM'000**	**30.06.2025 RM'000**	**31.12.2023 RM'000**
Total loans and borrowings	133,448	522,030	53,488	87,209
Less: Fixed deposits, cash and bank balances (Note 19) ^	(3,389)	(20,671)	(3,160)	(11,175)
Net debt	130,059	501,359	50,328	76,034
Total equity	(171,497)	338,476	(164,319)	272,729
Debt-to-equity ratio	#	1.48	#	0.28

^ Fixed deposits, cash and bank balances excluded cash and cash equivalents restricted from use.

There were no changes in the Group's approach to capital management during the financial year.

42. Contingent Liabilities

The Company has provided the following corporate guarantees:

- Corporate guarantees to licensed banks for banking facilities of subsidiaries, limit RM517.0 million, of which RM333.1 million was utilised as at 30 June 2025 (31.12.2023: RM938.4 million limit; RM445.3 million utilised).
- Guarantees to suppliers for goods of RM35.4 million (31.12.2023: RM27.7 million).
- Performance bonds and tender deposits of RM7.8 million (31.12.2023: RM16.2 million).

The directors are of the view that no material liabilities will arise from these guarantees beyond those already provided for in the financial statements.

43. Significant events during the Financial Period

During the eighteen-month financial period ended 30 June 2025, the Group and the Company encountered several significant events:

(a) Disposal of Land by Bukit Jalil Development Sdn. Bhd. ("BJD") (in liquidation)

On 6 May 2024, BJD entered into a conditional sale and purchase agreement with Exsim Persiaran Jalil Sdn. Bhd. for the disposal of a parcel of freehold commercial development land for a total consideration of RM110.0 million. The disposal was completed on 3 January 2025 and the proceeds were utilised to reduce borrowings and improve the Group's liquidity.

(b) Change of Financial Year End

On 25 February 2025, the Company announced the change of its financial year end from 31 December 2024 to 30 June 2025. Accordingly, this set of financial statements covers an eighteen-month period and no comparatives are presented.

(c) On 2 April 2025, Ho Hup Jaya Sdn Bhd ("HHJ"), a wholly-owned subsidiary, entered into:

ii) an SPA with Premium Realty Sdn Bhd ("PRSB") to sell Unit B-05-01 (Level 5, Ho Hup Tower) for RM5.8 million; and

iii) an SPA with Sensecube Sdn Bhd ("SSB") to sell Unit B-06-01 (Level 6, Ho Hup Tower) for RM7.2 million.

for total consideration RM13.0 million. Completion is subject to the developer's consent within four months from the SPA dates; the purchase price is payable within three months after consent. Completion is in 2Q 2025. Based on the latest audited carrying amounts/market values (Level 5: RM5.8 million; Level 6: RM7.8 million), the disposals would result in an aggregate loss of approximately RM0.6 million (no effect for Level 5; RM0.6 million loss for Level 6). Proceeds are earmarked for loan repayments and working capital. These are related party transactions (see Note X).

(d) Classified as a PN17 Issuer

On 18 April 2025, the Company was classified as a PN17 Issuer by Bursa Malaysia Securities Berhad pursuant to Paragraph 2.1(f) of Practice Note 17 of the Main Market Listing Requirements. This classification was triggered by a Notice of Demand dated 17 April 2025 issued by Insas Credit & Leasing Sdn. Bhd. against Bukit Jalil Development Sdn. Bhd. ("BJD") (in liquidation), a wholly owned subsidiary, with Ho Hup acting as guarantor, for an outstanding loan of RM112.7 million.

43. Significant events during the Financial Period (Cont'd)

(d) Classified as a PN17 Issuer (Cont'd)

Further, on 4 June 2025, the Company received a Notice of Demand and Termination from AmBank Islamic Berhad in respect of revolving credit facilities amounting to RM45.3 million.

The Company has filed an application to the High Court of Malaya for a Proposed Scheme of Arrangement and Restraining Order pursuant to Sections 366, 368, 369 of the Companies Act 2016. As announced on 22 September 2025, the Company had been notified by its solicitors that the High Court of Malaya at Kuala Lumpur has fixed 3 December 2025 for hearing of two intervening applications filed before the Court in the Restraining Order Application.

The Company is in the process of formulating a plan to regularise its financial position ("Regularisation Plan")

(e) Appointment of Receiver and Manager Over Golden Wave Sdn. Bhd. ("GWSB") (in liquidation)

On 3 December 2024, Sabah Development Bank Berhad ("SDB") appointed Dato' Raveendra Kumar A/L Nathan of RKN & Co. as Receiver and Manager of GWSB, the project company undertaking The Crown development in Kota Kinabalu, pursuant to the debenture executed to secure its financing.

Following this appointment, effective control of GWSB's assets and operations transferred to the Receiver and Manager, and the Group ceased to control GWSB on 3 December 2024.

Accordingly, GWSB was deconsolidated on that date and its related assets, including contract assets, receivables and inventories, were fully impaired (see Notes 15 and 18).

(f) Creditors' Voluntary Liquidation of Bukit Jalil Development Sdn. Bhd. ("BJD") (in liquidation)

On 23 May 2025, BJD made a statutory declaration under Section 440(1) of the Companies Act 2016 and, on 13 June 2025, creditors resolved to place BJD into creditors' voluntary liquidation. From that date, control of BJD vested in the appointed liquidators, and the Group deconsolidated BJD on 13 June 2025.

The deconsolidation gave rise to a gain on loss of control of approximately RM 80.6 million, recognised in profit or loss for the period.

44. Subsequent event

(a) Winding up of Golden Wave Sdn. Bhd. ("GWSB") (in liquidation)

Subsequent to the end of the financial period, on 31 July 2025, the High Court of Malaya at Kota Kinabalu granted an order to wind up GWSB, an indirect subsidiary of the Company, pursuant to Sections 465(1)(e) and 466(1)(a) of the Companies Act 2016. Mr Gabriel Teo Chun has been appointed as the liquidator of GWSB.

The winding-up order was made following a petition filed by a contractor (Eko Bina Sdn Bhd) arising from an unsettled CIPAA adjudication award relating to construction works on The Crown project in Kota Kinabalu. The Group has accordingly lost control over GWSB.

The Group had already lost control over GWSB on 3 December 2024 when Sabah Development Bank Berhad appointed a Receiver and Manager over substantially all of GWSB's assets. Accordingly, the winding-up represents a non-adjusting subsequent event under MFRS 110 Events After the Reporting Period, confirming conditions that existed before year-end.

All financial effects of the loss of control and related impairments were recognised as at 30 June 2025 (see Notes 10).

(b) Continuation of Restraining Order and Scheme of Arrangement Proceedings

The Company's application for a scheme of arrangement and restraining order under Sections 366 and 368 of the Companies Act 2016 remains pending before the High Court of Malaya at Kuala Lumpur.

The ad-interim restraining order granted on 19 June 2025 continues in force, and the next hearing is fixed for 3 December 2025.

The outcome of this application may materially affect the Group's ability to implement its regularisation plan and continue as a going concern.

(c) Classified as a PN17 Issuer

The Company had on 26 September 2025 announced that in addition to triggering Paragraph 2.1(f) of PN17 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") based on the First Announcement, based on the Company's quarterly results for the financial period ended 30 June 2025, the Company has triggered another prescribed criteria under Paragraph 2.1 (a) of PN17 of the Listing Requirements by virtue of its shareholders' equity on a consolidated basis being less than 25% of the issued share capital of the Company and such shareholders' equity is less than RM40 million. As announced on 22 September 2025, the Company had been notified by its solicitors that the High Court of Malaya at Kuala Lumpur has fixed 3 December 2025 for hearing of two intervening applications filed before the Court in the Restraining Order Application.

The Company is in the process of formulating a plan to regularize its financial position ("Regularisation Plan").

45. Change of Financial Year End

On 25 February 2025, the Company changed its financial year end from 31 December to 30 June. Consequently, the financial statements of the Group and of the Company for the current period are made up of eighteen months from 1 January 2024 to 30 June 2025.

Accordingly, comparative figures for the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not entirely comparable with those for the current financial period.

46. Date of Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 6 November 2025.

List of Materials Properties

As at 30 June 2025

No.	Location/Land details	Age of Building	Date of Acquisition	Tenure	Size	Existing Use	Description	Net Book Value / Market Value RM'000
1.	Ho Hup Tower Geran 78076, Lot no.101462, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur (Bandar Bukit Jalil)	8.78 years	21/09/2016	Freehold	117,507 square feet	Office Tower	Office Tower	101,100

Analysis of Shareholdings

As at 22 October 2025

ORDINARY SHARES

Issued and Paid-up Share Capital	:	518,260,696 ordinary shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) vote per ordinary share on a poll
Number of Shareholders	:	4,110

DISTRIBUTION OF ORDINARY SHAREHOLDERS
according to statistical summary of the Record of Depositors as at 12 April 2024

Size of Holdings	No. of Shareholders	% of Shareholders	No.of Shares Held	% of Issued Capital
Less than 100 shares	144	3.50	2,836	~
100 to 1,000 shares	472	11.49	246,575	0.05
1,001 to 10,000 shares	1,952	47.49	10,854,367	2.09
10,001 to 100,000 shares	1,247	30.34	46,579,935	8.99
100,001 to less than 5% of issued shares	292	7.11	327,910,533	63.27
5% and above of issued shares	3	0.07	132,666,450	25.60
Total	**4,110**	**100.00**	**518,260,696**	**100.00**

Notes:
~ Negligible

DIRECTORS' SHAREHOLDINGS BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS
according to the Record of Depositors as at 22 October 2025

Name of Directors	Direct Shareholdings	%	Indirect Shareholdings	%
Datin Chan Bee Leng	-	-	35,757,222 (1)	6.899
Dato' Wong Kit-Leong	150,000	0.029	-	-
Low Kheng Lun	-	-	22,911,532 (2)	4.421
Narayanasamy A/L N Chithambaram	-	-	-	-

Notes

(1) Deemed interest by virtue of her husband, Dato' Low Tuck Choy's substantial shareholdings in Low Chee Group Sdn Bhd ("LCG"), Estate of Low Chee and Concrete Pavers Industries Sdn Bhd ("CPISB") and her husband's direct shareholdings in the Company.
(2) Deemed interest by virtue of his substantial shareholdings in LCG.

Analysis of Shareholdings

As at 22 October 2025 (CONT'D)

LIST OF THIRTY LARGEST ORDINARY SHAREHOLDERS
according to the Record of Depositors as at 22 October 2025

	Name	No. of Shares Held	%
1.	Omesti Holdings Berhad	53,879,300	10.40
2.	Gryphon Asset Management Sdn Bhd	52,645,250	10.16
3.	Lee Fook Yuen	26,141,900	5.04
4.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Redtone Equity Sdn Bhd	25,700,000	4.96
5.	Berjaya Equity Nominees (Tempatan) Sdn Bhd Exempt an for Berjaya Mutual Berhad	25,500,000	4.92
6.	Berjaya Equity Nominees (Tempatan) Sdn Bhd Berjaya Mutual Berhad for Amanah Raya Berhad for Common Fund	25,400,000	4.90
7.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Low Chee Group Sdn Bhd	22,911,532	4.42
8.	Berjaya Equity Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Fabulous Channel Sdn Bhd	17,532,000	3.38
9.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt an for Kenanga Investors Bhd	17,000,000	3.28
10.	Loh Kok Wai	16,233,300	3.13
11.	Affin Hwang Nominees (Asing) Sdn Bhd Pledged Securities Account for Mettiz Capital Limited	14,744,800	2.85
12.	Berjaya Equity Nominees (Tempatan) Sdn Bhd Berjaya IPS Credits Sdn Bhd for Fabulous Channel Sdn Bhd	7,868,000	1.52
13.	Low Tuck Choy	6,817,500	1.32
14.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Low Tuck Choy	5,679,000	1.10
15.	Chan Kong Yew	5,527,000	1.07
16	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Liong Yen Yong	5,178,500	1.00
17.	M & A Nominee (Asing) Sdn Bhd For Winfields Development Pte. Ltd.	5,000,000	0.97
18.	Toh Chai Hoon	4,652,000	0.90
19.	M & A Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Chan Chee Hong (M&A)	4,093,100	0.79
20.	Cartaban Nominees (Asing) Sdn Bhd Exempt an for Standard Chartered Bank Singapore Branch (BJSSHKBR-CL FR)	4,000,000	0.77
21.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Private Wealth Management for Mohamed Nizam Bin Abdul Razak	3,525,554	0.68

Analysis of Shareholdings

As at 22 October 2025 (CONT'D)

LIST OF THIRTY LARGEST ORDINARY SHAREHOLDERS (CONT'D)
according to the Record of Depositors as at 22 October 2025

	Name	No. of Shares Held	%
22.	M & A Nominee (Asing) Sdn Bhd Montego Assets Limited	3,444,500	0.66
23.	Lim Chau Liang	3,301,700	0.64
24.	Wong Wai Hong	3,270,300	0.63
25.	Kwan Siew Deeg	2,753,100	0.53
26.	Hooi Yoke Lin	2,600,000	0.50
27.	Minat Megah Sdn Bhd	2,521,000	0.49
28.	Geoffrey Lim Fung Keong	2,490,200	0.48
29.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Low Choon Chong	2,411,300	0.47
30.	Monteiro Gerard Clair	2,000,000	0.39
	Total	**374,820,836**	**72.32**

SUBSTANTIAL SHAREHOLDERS BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS
according to the Register of Substantial Shareholders as at 22 October 2025

Name	Direct Shareholdings	%	Indirect Shareholdings	%
Omesti Holdings Berhad	53,879,300	10.396	-	-
Gryphon Asset Management Sdn Bhd	52,645,250	10.158	-	-
Dato' Low Tuck Choy	6,817,500	1.315	28,939,722 (1)	5.584
Omesti Berhad	-	-	53,879,300 (2)	10.396
Insas Berhad	-	-	61,089,750 (3)	11.787
Datin Chan Bee Leng	-	-	35,757,222 (4)	6.899
Dato' Sri Thong Kok Khee	-	-	61,139,750 (5)	11.797
Lee Fook Yuen	26,141,900	5.044	-	-

Notes

(1) Deemed interest by virtue of his substantial shareholdings in Low Chee Group Sdn Bhd ("LCG"), Estate of Low Chee and Concrete Pavers Industries Sdn Bhd ("CPISB") pursuant to Section 8(4) of the Companies Act 2016 ("Act") and his spouse, Datin Chan Bee Leng's direct shareholdings in the Company.

(2) Deemed interest by virtue of its substantial shareholdings in its wholly-owned subsidiary, Omesti Holdings Berhad pursuant to Section 8(4) of the Act.

(3) Deemed interest by virtue of its shareholdings in its wholly-owned subsidiaries, Gryphon Asset Management Sdn Bhd and Montego Assets Ltd and substantial shareholdings in its associated company, Winfields Development Pte Ltd pursuant to Section 8(4) of the Act.

(4) Deemed interest by virtue of her husband, Dato' Low Tuck Choy's substantial shareholdings in LCG, Estate of Low Chee and CPISB pursuant to Section 8(4) of the Act and her husband's direct shareholdings in the Company.

(5) Deemed interest by virtue of his substantial shareholdings in Insas Berhad and his children's direct shareholdings in the Company pursuant to Section 8(4) & 59(11)(c) of the Act.

Notice of Postponement of Fifty-First Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Postponement of Fifty-First Annual General Meeting ("51st AGM") of Ho Hup Construction Company Berhad ("Ho Hup" or the "Company") will be held at Bukit Jalil Golf and Country Resort, 1st Floor, Langkawi Room, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur, Malaysia on Monday, 1 December 2025 at 10.30 a.m. to transact the following business:

Ordinary Business

1. To receive the Audited Financial Statements for the financial period from 1 January 2024 to 30 June 2025 together with the Reports of the Directors and the Auditors thereon ("Audited Financial Statements and Reports FPE 2025"). **[Please refer to Explanatory Note (a)]**

2. To approve the payment of Directors' fee of RM500,000 for the financial period from 1 January 2025 to 30 June 2025 and financial year ending 30 June 2026. **(Resolution 1)**

3. To approve the payment of Directors' benefits up to an amount of RM80,000 from 2 December 2025 until the next Annual General Meeting ("AGM") of the Company. **(Resolution 2)**

4. To re-elect Datin Chan Bee Leng who retires by rotation in accordance with Clause 93 of the Company's Constitution and being eligible, has offered herself for re-election. **(Resolution 3)**

5. To re-elect Narayanasamy A/L N Chithambaram who retires in accordance with Clause 98 of the Company's Constitution and being eligible, has offered himself for re-election. **(Resolution 4)**

6. To re-appoint UHY Malaysia PLT ("UHY") as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration. **(Resolution 5)**

Special Business

To consider and, if thought fit, to pass the following resolutions:

7. **Ordinary Resolution** **(Resolution 6)**
Authority to allot and issue shares pursuant to the Companies Act 2016

"**THAT** subject always to the Companies Act 2016 ("the Act") and the approvals of the relevant authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act to allot and issue shares in the Company at any time 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 10% of the total number of issued shares of the Company or such higher percentage as Bursa Malaysia Securities Berhad ("Bursa Securities") allowed for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities and that such authority shall continue to be in force until the conclusion of the next AGM of the Company.

8. **Ordinary Resolution** **(Resolution 7)**
Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions ("RRPTs") of a Revenue or Trading Nature as set out in Section 2.4 of the Circular to Shareholders dated 31 October 2025 ("RRPT Circular")

"**THAT,** subject to the provision of the Listing Requirements of Bursa Securities, approval be and is hereby given to Ho Hup Construction Company Berhad and its subsidiaries ("**Ho Hup Group**") to enter into and to give effect to specified RRPTs of a revenue or trading nature with the Related Parties as set out in Section 2.4 of the RRPT Circular, which are necessary for its day-to-day operations, to be entered into by Ho Hup Group on the basis that these transactions are entered into on terms which are not more favourable to the Related Party involved than generally available to the public and are not detrimental to the minority shareholders of the Company;

Notice of Postponement of Fifty-First Annual General Meeting

As at 22 October 2025 (CONT'D)

THAT the Proposed Renewal of Existing Shareholders' Mandate is subject to annual renewal. In this respect, any authority conferred by the Proposed Renewal of Existing Shareholders' Mandate, shall only continue to be in force until:

(i) the conclusion of the next AGM of the Company following the general meeting at which the Proposed Renewal of Existing Shareholders' Mandate was passed, at which time it will lapse, unless by resolution passed at the general meeting, the authority is renewed; or

(ii) the expiration of the period within which the AGM after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is the earlier;

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the Proposed Renewal of Existing Shareholders' Mandate."

9. To transact any other business of which due notice shall have been given.

By order of the Board

Lim Shook Nyee (SSM Practicing Certificate No. 201908003593) (MAICSA 7007640)
Lee Le En (Stella) SSM Practicing Certificate No. 202508000165 (MAICSA 7069628)
Company Secretaries

Kuala Lumpur
7 November 2025

Explanatory Notes:

(a) This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements and Reports FPE 2025. Hence, this Agenda is not put forward for voting.

(b) Section 230(1) of the Act provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company shall be approved at the general meeting.

In this respect, the Board wishes to seek shareholders' approval at the 51st AGM of the Company on the two (2) separate resolutions as below:

(i) <u>Resolution 1 - Payment of Directors' fees for the financial period from 1 January 2025 to 30 June 2025 and financial year ending 30 June 2026</u>

This resolution is to facilitate payment of Directors' fees on current financial period basis as well as the financial period from 1 January 2025 to 30 June 2025 due to the change of financial year end from 31 December to 30 June. In the event the Directors' fees proposed is insufficient due to enlarged Board size, approval will be sought at the next AGM for additional fees to meet the shortfall.

Notice of Postponement of Fifty-First Annual General Meeting

(CONT'D)

(ii) Resolution 2 - Payment of Directors' benefits

At the Fiftieth ("50th") AGM of the Company held on 30 May 2024, the Company had obtained the shareholders' approval for the payment of Directors' benefits to the Non-Executive Directors up to an amount of RM70,000 from 31 May 2024 until 1 December 2025, being the appointed date of holding the 51st AGM of the Company.

The proposed Resolution 2, if passed, will authorise the payment of Directors' benefits to the Non-Executive Directors up to an amount of RM80,000 with effect from 2 December 2025 until the next AGM of the Company in year 2026. The Directors' benefits payable to the Non-Executive Directors comprise the meeting allowances of RM80,000.

The Executive Directors do not receive any meeting allowances.

(c) Resolutions 3 & 4 – Re-election of Directors

Clause 93 of the Company's Constitution provides that at each annual general meeting, one-third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3) then the number nearest one-three (1/3) shall retire from office. Notwithstanding anything contained herein all Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election. Datin Chan Bee Leng who is retiring by rotation in accordance with Clause 93 of the Company's Constitution and being eligible, has offered herself for re-election at the 51st AGM.

Clause 98 of the Company's Constitution provides that any Director appointed within the financial year under review shall hold office only until the next AGM and shall be eligible for re-election. Mr Narayanasamy A/L N Chithambaram who was appointed on 18 April 2025 is standing for re-election as Director in accordance with Clause 98 of the Company's Constitution and being eligible, has offered himself for re-election at the 51st AGM.

The Board has conducted an assessment on the Directors who are seeking re-election at this 51st AGM, as well as assessing the independence of the Independent Director as applicable. The Board is satisfied that they comply with and meet the independence criteria as required by the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad ("Bursa Securities"). These two (2) retiring Directors had abstained from deliberations and decisions at the relevant Board Meeting on their own eligibility to stand for re-election at this 51st AGM and will continue to do so. The Board has endorsed the re-elections subject to the shareholders' approval at the 51st AGM.

(d) Resolution 5 – Re-appointment of UHY Malaysia PLT ("UHY") as Auditors of the Company for the ensuing year

Based on the results of the External Auditors' Evaluation for the financial period from 1 January 2024 to 30 June 2025, the Board are satisfied with the quality of service, adequacy of resources provided, communication, independence, objectivity and professionalism demonstrated by the External Auditors, UHY, in carrying out their duties. Being satisfied with UHY's performance, the Board recommends their re-appointment for shareholders' approval at the 51st AGM of the Company. UHY have expressed their willingness to continue in office and to hold office as Auditors of the Company for the ensuing year until the conclusion of the next AGM at a fee to be determined by the Board of Directors of the Company.

(e) For Resolution 6, further information in relation to the general mandate for issue of securities is set out in the Statement Accompanying Notice of 51st AGM.

(f) Resolution 7, if passed, will renew the authority given to Ho Hup Group a mandate to enter into RRPTs of a revenue or trading nature with the related parties. The mandate, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company. The details of the Proposed Renewal of Shareholders' Mandate are set out in the Circular to Shareholders dated 31 October 2025 which is circulated together with the Company's Annual Report 2025.

Notice of Postponement of Fifty-First Annual General Meeting

(CONT'D)

Notes:

(i) In respect of deposited securities, only members whose names appear in the Record of Depositors on 24 November 2025 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.

(ii) A member entitled to attend and vote at the meeting is entitled to appoint proxy / proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. Notwithstanding this, a member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the Meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

(iii) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds which is credited with ordinary shares of the Company.

(iv) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(v) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.

(vi) The instrument appointing a proxy must be deposited at the office of the Registrar of the Company at ShareWorks Sdn. Bhd., 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll.

(vii) The resolutions set out in the Notice of Postponement of 51st AGM will be put to vote by poll in accordance with Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Statement Accompanying Notice of Postponement of 51st AGM

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

Details of individuals who are standing for election as Directors (excluding Directors standing for re-election)

No individual is seeking election as a Director at the 51st Annual General Meeting (AGM) of the Company.

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

The resolution in relation to the authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 is a renewal of the general mandate for the issue of new ordinary shares in the Company which was approved at the last AGM of the Company held on 30 May 2024.

As at the date of the Notice of the 51st AGM, no new share in the Company was issued pursuant to the mandate granted to the Directors at the 50th AGM held on 30 May 2024 and which will lapse at the conclusion of the 51st AGM.

The proposed Ordinary Resolution 6, if passed, is a general mandate to empower the Directors to issue and allot shares up to an amount not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company or such higher percentage as Bursa Malaysia Securities Berhad allowed for the time being for such purposes as the Directors consider would be in the best interest of the Company ("General Mandate").

Having considered the current economic climate and future financial needs of the Group, the Board would like to procure approval for the General Mandate from its shareholders at the forthcoming 51st AGM of the Company. The General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisitions. The Board, having considered the current and prospective financial position, needs and capacity of the Company, is of the opinion that the General Mandate is in the best interest of the Company and its subsidiaries. Any delay arising from and cost involved in convening a general meeting to approve such issuance of shares should be eliminated.

This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

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HOHUP®

HO HUP CONSTRUCTION COMPANY BERHAD
[Registration No. 197301000497 (14034-W)]

FORM OF PROXY

CDS Account No.	
Total number. of shares held	

I/We,_____ Tel: _____
[Full name in block, and as per NRIC/Passport/Company No.]
of _____

being member(s) of Ho Hup Construction Company Berhad, hereby appoint:

Full Name (in Block and as per NRIC/Passport)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address:			

*and/or

Full Name (in Block and as per NRIC/Passport)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address:			

or failing him/her, the Chairperson of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Postponement of 51st Annual General Meeting ("51st AGM") of the Company to be held at Bukit Jalil Golf and Country Resort, 1st Floor, Langkawi Room, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur, Malaysia on Monday, 1 December 2025 at 10.30 a.m. and at any adjournment thereof.

No.	Ordinary Resolution	For	Against
1.	To approve the payment of Directors' fee of RM500,000 for the financial period from 1 January 2025 to 30 June 2025 and financial year ending 30 June 2026.		
2.	To approve the payment of Directors' benefits up to an aggregate amount of RM80,000 from 2 December 2025 until the next AGM of the Company.		
3.	To re-elect Datin Chan Bee Leng who retires in accordance with Clause 93 of the Company's Constitution.		
4.	To re-elect Narayanasamy A/L N Chithambaram who retires in accordance with Clause 98 of the Company's Constitution.		
5.	To re-appoint UHY Malaysia PLT ("UHY") as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration.		
As Special Business			
6.	Authority to allot and issue shares pursuant to the Companies Act 2016		
7.	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions ("RRPTs") of a Revenue or Trading Nature as set out in Section 2.4 of the Circular to Shareholders dated 31 October 2025 ("RRPT Circular")		

Please indicate with an "x" in the spaces provided whether you wish your votes to be cast for or against the resolution. In the absence of specific instructions, your proxy will vote or abstain as he/she thinks fit.

Dated this _____ day of _____ 2025

_____
Signature(s)/Common Seal of Member(s)

** Strike out whichever is not applicable*

Notes:

(1) In respect of deposited securities, only members whose names appear in the Record of Depositors on 24 November 2025 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.

(2) A member entitled to attend and vote at the meeting is entitled to appoint proxy / proxies to attend and vote in his stead. A proxy need not be a member of the Company. Notwithstanding this, a member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the Meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

(3) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds which is credited with ordinary shares of the Company.

(4) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(5) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer or attorney duly authorised.

(6) The instrument appointing a proxy must be deposited at the office of the Registrar of the Company at ShareWorks Sdn. Bhd., 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll.

(7) The resolutions set out in the Notice of Postponement of 51st AGM will be put to vote by poll in accordance with Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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AFFIX
STAMP

THE REGISTRAR
HO HUP CONSTRUCTION COMPANY BERHAD
197301000497(14034-W)
ShareWorks Sdn Bhd
2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur

Please fold here

HO HUP CONSTRUCTION COMPANY BERHAD
197301000497 (14034-W)

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