HOHUP®

HO HUP CONSTRUCTION COMPANY BERHAD
197301000497 (14034-W)

Rebuilding Today for a Better Tomorrow

ANNUAL REPORT **2026**

52nd ANNUAL GENERAL MEETING

DATE
30th November 2026

TIME
3:00 p.m.

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

OUR VISION, MISSION AND 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.

CORE VALUES

- Innovation
- Responsibility
- Customer Oriented
- Integrity
- 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.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Wong Kit-Leong
Executive Director

Ms. Tan Guan Ling
Executive Director
(appointed on 24 February 2026)

Mr. Bernard Chen Tong Liang
Independent Non-Executive Director
(appointed on 20 November 2025)

Mr. Haikel Bin Ismail
Independent Non-Executive Director
(appointed on 4 September 2026)

Mr. Narayanasamy A/L N Chithambaram
Independent Non-Executive Director
(resigned on 5 October 2026)

Dato' Mohamad Azmi Bin Ali
Independent Non-Executive Director
(appointed on 18 December 2025 and resigned on 1 September 2026)

Datin Chan Bee Leng
Non-Independent Non-Executive Director
(retired as a director on 1 December 2025)

Mr. Low Kheng Lun
Executive Director
(removed as a director on 20 November 2025)

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

AUDIT COMMITTEE

Mr. Bernard Chen Tong Liang
(Chairman) *(appointed on 18 December 2025 and redesignated as Chairman of Audit Committee on 4 September 2026)*

Encik Haikel Bin Ismail
(appointed on 4 September 2026)

Mr. Narayanasamy A/L N Chithambaram
(ceased on 5 October 2026)

Dato' Mohamad Azmi Bin Ali
(appointed on 18 December 2025 and ceased on 1 September 2026)

Mr. Keith Anicetus Vaz
(ceased as Chairman on 21 October 2025)

Datin Chan Bee Leng
(ceased on 1 December 2025)

RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

Mr. Narayanasamy A/L N Chithambaram
(Chairman)
(ceased on 5 October 2026)

Mr. Bernard Chen Tong Liang
(appointed on 24 February 2026)

Encik Haikel Bin Ismail
(appointed on 4 September 2026)

Dato' Mohamad Azmi Bin Ali
(appointed on 18 December 2025 and ceased on 1 September 2026)

Dato' Wong Kit-Leong
(resigned on 24 February 2026)

Mr. Low Kheng Lun
(ceased on 20 November 2025)

Mr. Keith Anicetus Vaz
(ceased on 21 October 2025)

NOMINATION AND REMUNERATION COMMITTEE

Merging of Nomination Committee and Remuneration Committee into a Single Committee known as "Nomination and Remuneration Committee" on 18 December 2025

Mr. Narayanasamy A/L N Chithambaram
(Chairman)
(ceased on 5 October 2026)

Mr. Bernard Chen Tong Liang
(appointed on 18 December 2025)

Encik Haikel Bin Ismail
(appointed on 4 September 2026)

Dato' Mohamad Azmi Bin Ali
(appointed on 18 December 2025 and ceased on 1 September 2026)

Mr Keith Anicetus Vaz
(ceased on 21 October 2025)

Datin Chan Bee Leng
(ceased on 1 December 2025)

COMPANY SECRETARIES

Tan Tong Lang
(MAICSA 7045482 / SSM PC No. 202208000250)
(appointed on 31 July 2026)

Nurul Syahidah Binti Mat Tahil
(LS0010742 / SSM PC No. 202308000535)
(appointed on 31 July 2026)

Ms. Lim Shook Nyee
(MAICSA 7007640 / SSM PC No. 201908003593)
(resigned on 31 July 2026)

Ms. Lee Le En (Stella)
(MAICSA 7069628 / SSM PC No. 202508000165)
(resigned on 31 July 2026)

REGISTERED OFFICE

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Tel : +(603) 9770 2200
Fax : +(603) 2201 7774
Email : boardroom@boardroom.com.my

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

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

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 22 SEPTEMBER 2026

HOHUP®

HO HUP CONSTRUCTION COMPANY BERHAD

CONSTRUCTION DIVISION

- 100% H2Energy Corporation Sdn Bhd
- 70% New Interconnected Expressway Sdn Bhd
- 100% Ho Hup Construction Company (L) Ltd **
- 50% KHH Infrastructures Sdn Bhd
- 100% Ho Hup Infinite Sdn Bhd
- 100% Ho Hup Rail (Seremban) Sdn Bhd
- 100% Pelita Pintasan Sdn Bhd
- 100% Pinggir Prima Sdn Bhd

PROPERTY DEVELOPMENT DIVISION

- 100% Ho Hup Ventures (Kuantan) Sdn Bhd
- 75% Ho Hup Ventures (KK) Sdn Bhd
  - 100% Suria Jayajuta Sdn Bhd
- 24.99% Ho Hup Ventures (Johor) Sdn Bhd
- 100% Ho Hup Teratai Sdn Bhd
- 100% Ho Hup Fadason Sdn Bhd

BUILDING MATERIALS DIVISION

- 100% Ho Hup Industries Sdn Bhd
  - 70% Ho Hup Ventures (Malacca) Sdn Bhd

PROPERTY & RETAIL MANAGEMENT DIVISION

- 100% Ho Hup Jaya Sdn Bhd
  - 100% HH Interpark Sdn Bhd
- 100% Ho Hup F&B Sdn Bhd
  - 70% Coffee Delight Sdn Bhd
  - 100% Aurora Café Sdn Bhd
  - 70% 6 Teppan Dining Sdn Bhd
  - 70% Easy I Zak Sdn Bhd
  - 70% Aurora Exhibit Sdn Bhd

Note:

** *Incorporated in Labuan*

FINANCIAL CALENDAR

15 OCTOBER 2026

- Notice of 52nd Annual General Meeting
- Issuance of Annual Report 2026

30 NOVEMBER 2026

52nd Annual General Meeting

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

QUARTERLY RESULTS

1

26 NOVEMBER 2025

Unaudited consolidated results for 1st quarter ended 30th September 2025

2

24 FEBRUARY 2026

Unaudited consolidated results for 2nd quarter ended 31st December 2025

3

26 MAY 2026

Unaudited consolidated results for 3rd quarter ended 31st March 2026

4

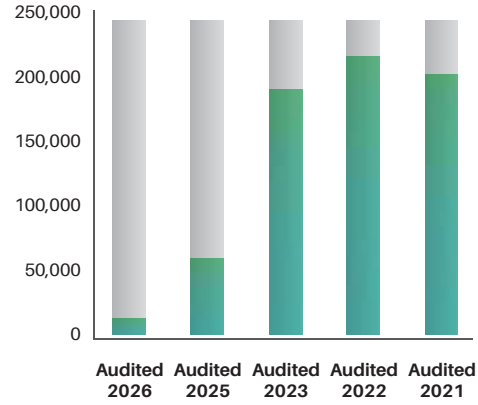
28 AUGUST 2026

Unaudited consolidated results for 4th quarter ended 30th June 2026

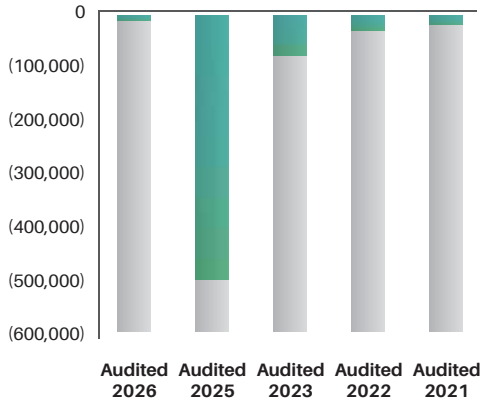
FIVE-YEAR FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHT (RM'000)	2026 Audited	2025 Audited	2023 Audited	2022 Audited	2021 Audited
Key Statement of Comprehensive Income					
Revenue	11,313	57,074	187,943	213,041	199,126
Loss Before Tax	(8,723)	(494,499)	(85,186)	(25,849)	(20,958)
Loss After Tax	(8,887)	(499,369)	(84,472)	(36,358)	(24,939)
Loss Attributable to Owners of the Parent	(12,522)	(490,194)	(80,618)	(32,129)	(18,082)
Key Statement of Financial Position					
Total Assets	119,135	122,588	1,217,765	1,523,642	1,547,308
Total Borrowings	135,939	131,417	509,139	650,701	645,774
Total Equity	(172,620)	(176,822)	342,326	419,702	456,346
Share Information					
Basic Loss per Share Attributable to Owners of the Parent (sen)	(1.67)	(94.58)	(16.20)	(6.50)	(3.80)
Net (Liability) / Asset per Share Attributable to Owners of the Parent (sen)	(32.23)	(41.86)	65.51	84.81	92.22
Financial Indicators					
Net Return on Shareholders' Funds (%)	(7.25%)	(277.22%)	(22.65%)	(7.66%)	(3.96%)
Gearing Ratio (times)	(0.79)	(0.74)	1.49	1.57	1.41

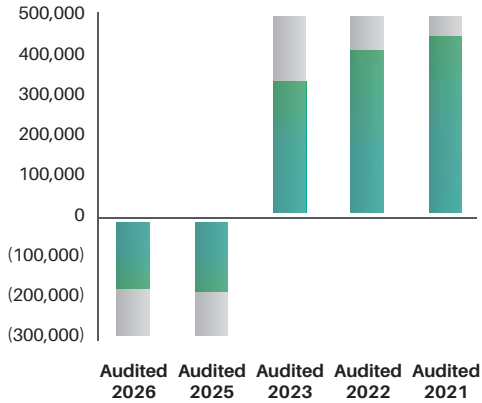
Revenue (RM'000)



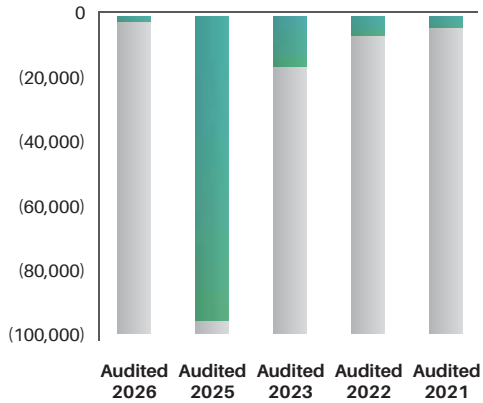
Loss After Tax (RM'000)



Total Equity (RM'000)

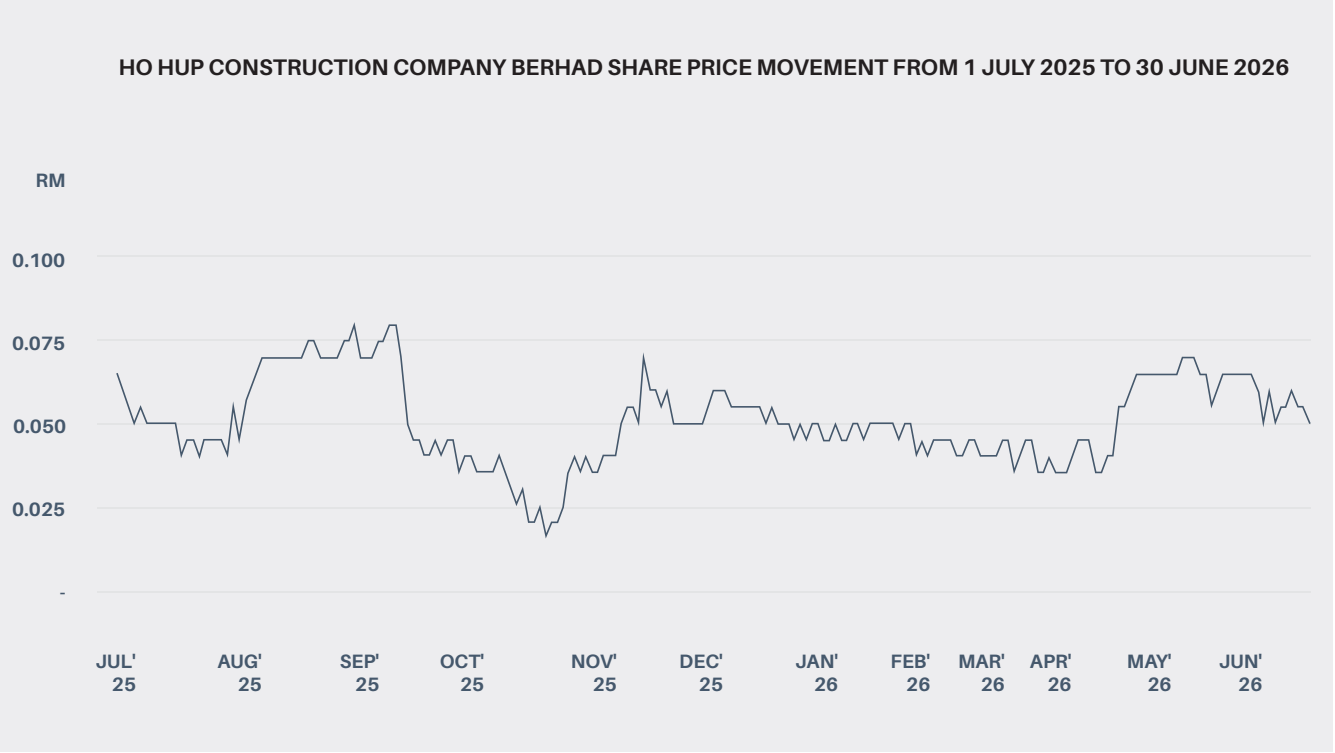


Basic Loss per Share Attributable to Owners of the Parent (SEN)



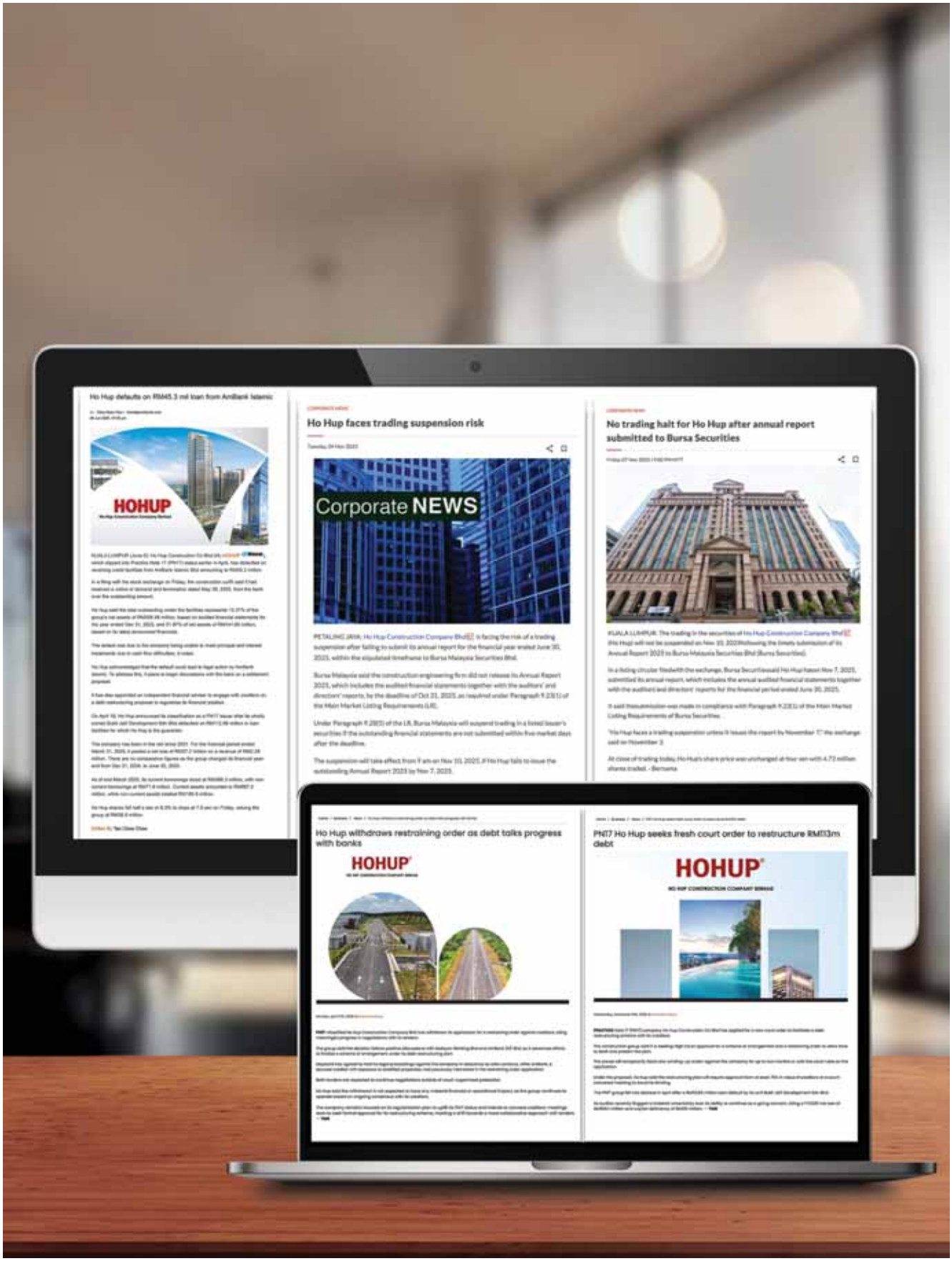
SHARE PERFORMANCE

STOCK EXCHANGE	TRADING NAME	STOCK CODE
Bursa Malaysia Securities Berhad	HOHUP	5169



Month	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26	Jun 26
High (RM)	0.07	0.08	0.08	0.04	0.07	0.06	0.05	0.05	0.05	0.07	0.07	0.07
Low (RM)	0.04	0.05	0.04	0.02	0.04	0.05	0.05	0.04	0.04	0.04	0.06	0.05
Average (RM)	0.05	0.07	0.06	0.03	0.05	0.05	0.05	0.04	0.04	0.05	0.07	0.06
Volume ('000)	5,147	7,055	8,866	81,681	51,144	3,586	1,994	2,595	764	10,211	4,937	1,322

MEDIA
HIGHLIGHTS



DIRECTORS' PROFILE

DATO' WONG KIT-LEONG

Executive Director

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 to 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 eight (8) out of eight (8) Board Meetings of the Company held during the financial year ended 30 June 2026 of the Company.

He has no family relationship with any Director and/or major shareholders of the Company and has no conflict of interest with the Company or its subsidiaries. He does not have any convictions for any offenses within the past five (5) years or any public sanction or penalty imposed by regulatory bodies during the financial year ended 30 June 2026.

Age:
55

Gender:
Male

Nationality:
Malaysian

Date of Appointment:
12 August 2010

Length of Service:
16 years
(as at 10 September 2026)

Date of Last Re-election:
30 May 2024

Membership of Board Committees:
• Nil

Board Meeting Attendance:
8/8

DIRECTORS' PROFILE
(CONT'D)

MS. TAN GUAN LING
Executive Director

Academic/Professional Qualifications:

- Diploma in Commerce, Tunku Abdul Rahman College, Kuala Lumpur
- Chartered Institute of Management Accountants (CIMA), Jeff Wooller College, London
- ACMA (Associate Chartered Management Accountant)
- Member of Malaysian Institute of Accountants (MIA)

Working Experience:

Ms. Tan Guan Ling is a senior professional with over 25 years of experience across construction, property development, investment holding, and manufacturing sectors. She began her career as a Finance Executive at MBF Holdings Berhad in 1996.

Prior to joining the Company on 23 September 2019 as Senior Manager, she held various positions in corporate finance and accounting functions with several companies, primarily public-listed entities. She was subsequently promoted to Assistant General Manager, where she heads the Corporate and Finance Department. In this role, she oversees corporate finance, treasury, budgeting, statutory reporting, Bursa compliance, and board reporting functions.

Directorships of other Public Listed Companies

- Nil

She attended two (2) out of two (2) Board Meetings of the Company held during the financial year ended 30 June 2026 of the Company.

She has no family relationship with any Director and/or major shareholders of the Company and has no conflict of interest with the Company or its subsidiaries. She does not have any convictions for any offenses within the past five (5) years or any public sanction or penalty imposed by regulatory bodies during the financial year ended 30 June 2026.

Age:
56

Gender:
Female

Nationality:
Malaysian

Date of Appointment:
24 February 2026

Length of Service:
6 months
(as at 10 September 2026)

Date of Last Re-election:
N/A

Membership of Board Committees:
Nil

Board Meeting Attendance:
2/2

DIRECTORS' PROFILE
(CONT'D)

MR. NARAYANASAMY A/L N CHITHAMBARAM
Independent Non-Executive Director *(Resigned on 5 October 2026)*

Academic/Professional Qualifications:

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

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 seven (7) out of eight (8) Board Meetings of the Company held during the financial year ended 30 June 2026 of the Company.

He has no family relationship with any Director and/or major shareholder of the Company. He is Non-Independent Non-Executive Director of Microlink Solutions Berhad ("MSB"), which rents office premises from Ho Hup Jaya Sdn Bhd, a wholly-owned subsidiary of the Company, under the shareholders' mandate for Recurrent Related Party Transactions ("RRPT"). This gives rise to a potential conflict of interest. He has declared his interest in MSB to the Board and abstained from all Board and Board Committee deliberations and decisions on transactions with MSB. Save as disclosed, he has no conflict of interest or potential conflict of interest with the Company or its subsidiaries. He does not have any convictions for any offenses within the past five (5) years or any public sanction or penalty imposed by regulatory bodies during the financial year ended 30 June 2026.

Age:
67

Gender:
Male

Nationality:
Malaysian

Date of Appointment:
18 April 2025

Length of Service:
1 year 4 months
(as at 10 September 2026)

Date of Last Re-election:
1 December 2025

Membership of Board Committees:
- Nomination and Remuneration Committee (Chairman)
- Risk Management and Sustainability Committee (Chairman)
- Audit Committee

Board Meeting Attendance:
7/8

DIRECTORS' PROFILE
(CONT'D)

MR. BERNARD CHEN TONG LIANG
Independent Non-Executive Director

Academic/Professional Qualifications:

- Bachelor of Business (Banking and Finance), Monash University Australia
- Fellow of Malaysian Insurance Institute ("FMII")

Working Experience:

Mr. Bernard Chen has over three decades of experience in corporate finance, banking, asset management, and business advisory. Currently serving as Executive Director at ThinkBridge Advisory Sdn Bhd since 2017, he leads corporate consultancy initiatives focused on debt restructuring, business turnaround strategies, and sustainable growth models for both public and private companies.

Previously, he was the Chief Executive Officer of BIB Insurance Brokers Sdn Bhd, a Hong Leong Group company, where he was responsible for driving business expansion and improving operational efficiency. Prior to that, he held senior roles at OCBC Bank (Malaysia) Bhd and its subsidiary, Horizon Asset Management Sdn Bhd, where he managed distressed and special situation assets, and led the creation of a specialised vehicle to invest in non-performing loans and distressed property assets.

Earlier roles include heading the Group Special Assets Division at Alliance Bank Malaysia Berhad, managing major non-performing and strategic assets, and serving as Senior Manager, Recover Operations at Pengurusan Danaharta Nasional Berhad, Malaysia's national asset management company, where he led complex corporate debt restructuring exercises. His career also includes investment banking experience with Perdana Merchant Bankers Berhad and early roles in credit, project analysis, and corporate finance. His expertise spans corporate debt recovery, special situation management, asset restructuring, capital markets, risk management, and financial advisory across diverse sectors and geographies.

Directorships of other Public Listed Companies

- Nil

He attended four (4) out of four (4) Board Meetings of the Company held during the financial year ended 30 June 2026 of the Company.

He has no family relationship with any Director and/or major shareholders of the Company and has no conflict of interest with the Company or its subsidiaries. He does not have any convictions for any offenses within the past five (5) years or any public sanction or penalty imposed by regulatory bodies during the financial year ended 30 June 2026.

Age:
62

Gender:
Male

Nationality:
Malaysian

Date of Appointment:
20 November 2025

Length of Service:
9 months
(as at 10 September 2026)

Date of Last Re-election:
N/A

Membership of Board Committees:
- Audit Committee (Chairman)
- Nomination and Remuneration Committee
- Risk Management and Sustainability Committee

Board Meeting Attendance:
4/4

DIRECTORS' PROFILE
(CONT'D)

ENCIK HAIKEL BIN ISMAIL
Independent Non-Executive Director

Academic/Professional Qualifications:

- Bachelor of Commerce & Management, Lincoln University, Christchurch, New Zealand
- Master of Business Administration, Edinburgh Business School, Heriot Watt University, Scotland, United Kingdom
- Chartered Member (CMIIA), Institute of Internal Auditors Malaysia
- Certified Fraud Examiner (CFE), Association of Certified Fraud Examiners USA
- Certified Risk Management Assurance (CRMA), Institute of Internal Auditors USA
- Certified Internal Auditor (CIA), Institute of Internal Auditors USA
- Chartered Global Management Accountant (CGMA), Chartered Institute of Management Accountants, UK
- Chartered Accountant (CA), Malaysian Institute of Accountants

Working Experience:

En Haikel Bin Ismail is a seasoned Board advisor and senior executive with over 25 years of leadership experience in strategy, finance, governance, risk, and compliance. He has extensive experience advising Boards and Board Committees on enterprise risk, internal control, major investments, and complex governance matters across public-listed and government-linked organisations.

He has held Group-level leadership roles including Chief Risk Officer and Chief Internal Auditor, where he led enterprise-wide governance, risk, and assurance frameworks and oversaw large-scale capital projects, mergers and acquisitions, and transformation initiatives. His background spans highly regulated and capital-intensive sectors including telecommunications, oil and gas, utilities, transportation, property, and construction.

He currently serving as Independent Non-Executive Director and Audit Committee Chairman of Omesti Berhad, while undertaking advisory work through AEQUITY Sdn Bhd and related assignments focused on due diligence, acquisition risk, financial sustainability, governance and transformation.

En Haikel Bin Ismail brings strong independence of thought and sound judgment, supported by deep expertise in risk oversight, financial stewardship, internal audit, and fraud investigations. He is known for his ability to challenge constructively, provide clear insight to Boards, and strengthen organisational resilience, accountability, and long-term value creation.

Directorships of other Public Listed Companies

- Omesti Berhad

He has no family relationship with any Director and/or major shareholders of the Company and has no conflict of interest with the Company or its subsidiaries. He does not have any convictions for any offenses within the past five (5) years or any public sanction or penalty imposed by regulatory bodies during the financial year ended 30 June 2026.

Age:
52

Gender:
Male

Nationality:
Malaysian

Date of Appointment:
4 September 2026

Length of Service:
6 days
(as at 10 September 2026)

Date of Last Re-election:
N/A

Membership of Board Committees:
- Audit Committee
- Nomination and Remuneration Committee
- Risk Management and Sustainability Committee

KEY SENIOR MANAGEMENT PROFILE

MR. YAP YOON LEAN
General Manager – Group

Age:	Gender:	Nationality:
66	Male	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 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.

ENCIK FAZLI BIN MAT JAI
Senior Manager – Project

Age:	Gender:	Nationality:
46	Male	Malaysian

He holds a Bachelor of Science in Project Management from University Technology Malaysia. He started his career with Technochase Sdn Bhd as a Site Supervisor in 2002 and has over 20 years of experience in the construction and engineering industries.

He joined the Company in 2013 as Project Manager and has extensive experience in managing large-scale residential, mixed development, institutional, infrastructure and government projects. His responsibilities include project planning and execution, construction operations, project scheduling, budgetary control and contractual matters.

He was subsequently promoted to Senior Manager in 2025 and currently heads the Project Department, providing leadership in project delivery and construction operations.

KEY SENIOR MANAGEMENT PROFILE
(CONT'D)

MR. TAN KIM MINH
Senior Manager – Legal

Age:	Gender:	Nationality:
57	Male	Malaysian

Admitted to the Malaysian Bar in 1999, he holds a Bachelor Degree in Law from University of London, United Kingdom and commenced legal career upon obtaining the Certificate in Legal Practice.

Over a career spanning more than two decades, he amassed 12 years of private practice experience in corporate conveyancing, litigation and advisory work before pivoting into in-house legal management in 2012.

He joined the Company in 2018, drawing on six years of prior experiences in two public listed entities, where he managed complex legal affairs for industrial and construction operations. His core areas of proficiency encompass corporate governance, secretarial compliance, and property conveyancing.

MS. LEE PING YEE
Senior Manager – Human Resource & Administration and Assets & Property Management

Age:	Gender:	Nationality:
52	Female	Malaysian

She has over 25 years of experience in Human Resource and Administration, with extensive exposure in human resource management, payroll, recruitment, employee relations, training and development, ISO compliance and administrative management.

She holds a Master in Human Resource Management from Open University Malaysia and a Degree in Human Resource Development from University of Technology, Malaysia.

She began her career with Isetan of Japan Sdn Bhd as a Personnel Clerk in 1994. She joined the Company in 2000 and has held various positions within the Group, progressing from Human Resource Assistant to her current position as Senior Manager in 2016. In her current role, she is responsible for overseeing and managing the Group's human resource and administrative functions. With effect from 2026, her responsibilities were expanded to include the Group's asset and property management functions.

Notes:

Save as disclosed above, none of the 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 continued global economic uncertainties arising from geopolitical tensions, particularly the prolonged conflict in the Middle East and the Russia-Ukraine conflict, as well as volatility in energy prices, supply chains and global financial markets, Malaysia's economy has demonstrated resilience. Bank Negara Malaysia ("BNM") expects the Malaysian economy to grow by between 4.0% and 5.0% in 2026, supported by resilient domestic demand, sustained private-sector expenditure, continued investment activities and growth in technology-related exports. Nevertheless, the economic outlook remains subject to external developments, including fluctuations in commodity prices, global trade conditions and changes in international financial market sentiment. Headline inflation is projected to remain moderate at between 1.5% and 2.5% in 2026, although persistent external cost pressures may affect operating costs across various industries.

The Malaysian construction sector continued to record positive growth in the first half of 2026. According to the Department of Statistics Malaysia ("DOSM"), the value of construction work done increased by 8.7% year-on-year to RM94.3 billion, reflecting continued activity across residential and non-residential buildings, civil engineering and specialised construction works. Growth was supported by private-sector investment, particularly in non-residential developments and specialised trade activities, while infrastructure-related works continued to contribute significantly to overall construction activity. These developments reflect sustained demand for industrial, commercial, utility and infrastructure facilities, although the pace of growth varied across subsectors and project categories.

Looking ahead, Budget 2027, tabled in the Dewan Rakyat on 9 October 2026, is expected to provide continued support for Malaysia's construction and infrastructure industries. The Government has maintained its emphasis on infrastructure development, regional connectivity, housing, flood mitigation and the upgrading of essential public facilities. The continued implementation of road, utility, public-facility and other infrastructure projects may create opportunities for construction companies with the relevant technical capabilities, project experience and financial capacity. Meanwhile, the expansion of data centres, digital infrastructure and other high-value industrial investments presents opportunities for contractors capable of undertaking complex building, electrical, mechanical and utility-related works.

Monetary policy and financing conditions will also remain relevant to the construction industry. As at 3 September 2026, BNM maintained the Overnight Policy Rate ("OPR") at 2.75%. While market participants may continue to assess the possibility of future interest-rate adjustments in response to inflationary pressures, energy-market developments and changes in global monetary policy, any subsequent movement in the OPR remains uncertain.

For the financial year ended 30 June 2026 ("FYE2026"), the Group recorded revenue of RM11.31 million, representing a decrease of approximately 69.33% compared with revenue from continuing operations of RM36.89 million for the financial period ended 30 June 2025 ("FPE 2025").

The Group's loss after tax from continuing operations decreased significantly to RM8.88 million in FYE 2026, compared to the loss after tax from continuing operations of RM266.46 million in FPE2025.

We anticipate that FYE2027 will remain challenging. We will continue to focus on asset management, namely Ho Hup Tower, which we are optimistic will continue to generate the necessary cash flow and profitability, 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.

For the financial year ended 30 June 2026 ("FYE2026"), the Group recorded revenue of RM11.31 million, representing a decrease of approximately 69.33% compared with revenue from continuing operations of RM36.89 million for the financial period ended 30 June 2025 ("FPE 2025").

MANAGEMENT DISCUSSION & ANALYSIS
(CONT'D)

GROUP BUSINESS ACTIVITIES

For FYE 2026, 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.

Following its classification as an affected issuer pursuant to Practice Note 17 ("PN17") of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company is in the process of formulating a regularisation plan with the appointed Principal Adviser, to regularise its financial position.

FINANCIAL REVIEW

As announced on 25 February 2025, the Group changed its financial year end from 31 December to 30 June. Accordingly, the financial period ended 30 June 2025 ("FPE 2025") covered an extended reporting period, and the financial information for FYE 2026 is not directly comparable with that of the preceding financial period.

Revenue

For FYE2026, the Group registered revenue of RM11.31 million, entirely contributed by the continuing operations. This represents a decrease of 69.33% compared with revenue from continuing operations of RM36.89 million in FPE2025.

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.

Revenue
RM11.31
million

Other Income & Expenses

In FYE 2026, the Group recorded other income of RM6.76 million, representing a decrease of RM117.19 million compared to RM123.95 million in FPE 2025. Other income in FYE2026 comprised mainly the gain on deconsolidation of subsidiaries of RM4.92 million and the gain on disposal of property, plant and equipment of RM1.04 million, compared with the significant gains on disposal and deconsolidation of subsidiaries recognised in FPE2025.

Administrative expenses decreased by RM20.58 million, or 83.30%, to RM4.13 million in FYE2026, compared to RM24.70 million in FPE2025. The decrease was primarily attributable to the reduction in the Group's operational scale following the implementation of its restructuring initiatives.

Other expenses decreased substantially to RM8.30 million in FYE 2026, representing a reduction of RM300.66 million, or approximately 97.31%, compared to RM308.96 million in FPE2025. The FPE2025 amount mainly comprised impairment losses on assets, trade and other receivables, and on receivables from subsidiaries disposed of or deconsolidated.

Other Income
RM6.76
million

Administrative Expenses
RM4.13
million

Other Expenses
RM8.30
million

MANAGEMENT DISCUSSION & ANALYSIS
(CONT'D)

FINANCIAL REVIEW (CONT'D)

Finance Costs

Finance costs reduced to RM10.43 million in FYE2026 from RM24.62 million in FPE2025.

Finance Costs
RM10.43
million

Taxation

For FYE2026, the Group recorded a taxation charge of RM0.16 million.

Taxation
RM0.16
million

OPERATIONAL REVIEW

For FYE 2026, the Group recorded total revenue of RM11.31 million, contributed primarily by its Property and Retail Management and Construction divisions.

Property and Retail Division

For FYE 2026, the Property and Retail Division recorded revenue of RM8.27 million, representing approximately 73.11% of the Group's total revenue of RM11.31 million, primarily attributable to rental income.

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

Property and Retail Division Revenue
RM8.27
million

Construction Division

For FYE 2026, the Construction Division contributed RM3.04 million, representing approximately 26.89% of the Group's total revenue of RM11.31 million. The revenue was primarily attributable to the finalisation of the account for the East Coast Rail Link ("ECRL") project, which was completed in the preceding financial year.

Construction Division Revenue
RM3.04
million

MANAGEMENT DISCUSSION & ANALYSIS
(CONT'D)

OPERATIONAL REVIEW (CONT'D)

Property Development Division

No revenue was recognised from the Property Development division during the financial year, following the disposal of the Group's property development projects and the liquidation of the relevant subsidiaries in the previous financial year.

Building Material Division

The Building Material division ceased operations in the second quarter of 2024 as part of the Group's business restructuring initiatives. Accordingly, no revenue was recorded for the current financial year following the cessation of the division's operations.

PLANNING AHEAD

Looking forward, the Group remains cautiously optimistic about the prospects of Malaysia's construction industry. The continued implementation of national development priorities, infrastructure investment and private-sector projects is expected to provide a range of opportunities for construction companies.

The Group remains focused on strengthening its financial position, including efforts to reduce finance and operating costs through comprehensive cost-optimisation initiatives to support sustainable long-term performance. The Group is actively pursuing opportunities to secure a strategic investor to assist with our current financial position.

The Board of directors remains confident that its proactive approach in pursuing strategic partnerships will deliver positive outcome in due course.

Thank you.

DATO' WONG KIT-LEONG
Executive Director

SUSTAINABILITY REPORT

ABOUT THIS STATEMENT

We operate in an industry with inherent sustainability-related challenges and recognize that the nature of the work necessarily results in significant environmental impacts. With all this in mind, we have integrated Sustainability at the heart – from our Group-wide business strategies to our specific operational processes. Besides, it helps minimise negative outcomes and creates lasting positive impacts through our liveable communities and supportive work environments.

Our FYE 2026 Sustainability Statement provides updates on initiatives and activities undertaken by the Group during the year to enhance our Environmental, Social, and Governance (ESG) performance to improve the long-term Sustainability of the Group's businesses. Throughout the FYE 2026, we track our ESG performance, measure progress towards our sustainable development goals, and provide insight into our ESG outcomes. This report is guided by Bursa Malaysia Securities Berhad's Sustainability Reporting Guidelines.

This is an on-going journey, one that compels us to continuously assess and enhance our efforts in pursuit of a truly sustainable future.

SCOPE

In accordance with Bursa Malaysia Securities Berhad ("**Bursa Malaysia**")'s Sustainability Reporting Guide, the information presented in this Sustainability Statement encompasses the Group's core business activities in Construction, Property Development, Building Materials, and Property and Retail Management for the financial year 2026, from 1 July 2025 to 30 June 2026. Our approach is grounded in a comprehensive assessment of material Economic, Environmental, and Social ("**EES**") impacts, risks, and opportunities that are most relevant to our Business and stakeholders.

We also refer to the United Nations' ("**UN**") Sustainable Development Goals ("**SDGs**") as a global compass to align our business practices with internationally recognized sustainability priorities. Where applicable, we highlight how our initiatives contribute to specific SDGs to enhance transparency and accountability in our sustainability journey. As part of our commitment to continuous improvement, this Statement will evolve to meet future reporting requirements, market expectations, and stakeholder interests.

REPORTING FRAMEWORK AND STANDARD

This Statement has been prepared in accordance with the guidelines outlined in Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) and is aligned with the Global Reporting Initiative ("**GRI**") Standards. Our disclosure approach is designed to reflect the material ESG matters relevant to our operations, stakeholders, and long-term value creation.

Ho Hup Construction Company Berhad ("Ho Hup") recognizes the importance of transparent disclosure of climate-related risks and opportunities. For FYE 2026, the Group also acknowledges the introduction of the International Financial Reporting Standards ("**IFRS**") S1 and S2 by the International Sustainability Standards Board ("**ISSB**") in 2023, which build upon the TCFD framework, which covers:

- **Governance**: Oversight by the Board and Sustainability Committee.
- **Strategy**: Identification of short-, medium-, and long-term climate risks and opportunities affecting the Business.
- **Risk Management**: Integration of climate risks into enterprise risk management.
- **Metrics and Targets**: Tracking of energy consumption, emissions, and efficiency initiatives.

Ho Hup will progressively align its future disclosures with **IFRS S1** (**general Sustainability**) and **IFRS S2** (**climate-related disclosures**), in line with **Bursa Malaysia's** sustainability roadmap.

SUSTAINABILITY REPORT
(CONT'D)

CORE VALUES FOR SUSTAINABILITY

At the heart of our sustainability journey is a commitment to creating long-term value for all stakeholders by integrating responsible practices across our operations. Guided by our core values—**Better Communities**, **Better Environment**, **Better Business**, and **Better Workplace**—we strive to deliver sustainable growth while contributing positively to society and the Environment.

Key Pillars			
Better Communities	Better Environment	Better Business	Better Workplace
Our Goals			
Building sustainable communities	Minimizing environmental impact	Strengthening governance, upholding integrity, and delivering excellence	Creating safe, inclusive, and empowered workplaces
Our Commitments			
Participating in Corporate Social Responsibility ("CSR") activities to promote social responsibility	Developing green practices in our property & construction activities	Optimize operational processes and achieve high performance. Strive to offer high-quality products and services	Maintain the highest safety standard and promote an integrity & accountability culture.

Better Communities

We are committed to being a responsible corporate citizen by contributing to the social and economic development of the communities in which we operate. Our approach focuses on fostering inclusive growth, supporting local initiatives, and building meaningful relationships with stakeholders.

We actively engage with local communities through outreach programs, partnerships, and social investment initiatives that address key societal needs. By promoting education, well-being, and economic empowerment, we aim to create lasting positive impacts and enhance the quality of life for the communities we serve.

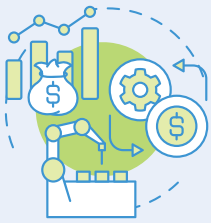
Better Environment

We recognize our responsibility to minimise environmental impact and to contribute to global efforts to address climate change and conserve resources. Our commitment to environmental stewardship is embedded in our operational practices and decision-making processes.

We focus on reducing greenhouse gas emissions, improving energy efficiency, managing waste responsibly, and optimizing the use of natural resources. Through continuous improvement and innovation, we aim to enhance environmental performance and support a transition to a low-carbon, sustainable future.

SUSTAINABILITY REPORT
(CONT'D)

Better Business



We uphold the highest standards of governance, ethics, and integrity in all aspects of our business operations. Our commitment to sustainable business practices ensures long-term value creation while maintaining trust and transparency with our stakeholders.

We integrate sustainability considerations into our strategic planning, risk management, and operational processes. By strengthening governance frameworks, ensuring regulatory compliance, and promoting ethical conduct, we aim to build a resilient and responsible business that delivers sustainable financial performance.

Better Workplace

Our people are our greatest asset, and we are dedicated to fostering a safe, inclusive, and empowering workplace. We strive to create an environment where employees feel valued, respected, and supported in their professional growth.

We prioritize occupational health and safety, employee well-being, diversity and inclusion, and continuous learning and development. By nurturing a positive workplace culture and encouraging employee engagement, we aim to enhance productivity, innovation, and overall organisational performance.

SUSTAINABILITY STRATEGY

Towards a low-carbon future by 2030, **Sustainability** is a key enabler of this transformation, driving efforts to reduce our environmental impact while enhancing our social contributions. The core of this commitment is the establishment of a Sustainability Charter, which defines our sustainability goals and initiatives. This charter aligns with our carbon-neutrality target by 2050, reinforcing our dedication to environmental stewardship and community engagement as we navigate the journey.

Ho Hup's sustainability strategy is built on the conviction that business resilience and sustainable development are inseparable. As the demand for responsible construction and ethical sourcing intensifies, we recognize the need to operate not only efficiently, but also ethically, inclusively, and sustainably.

Our strategy is driven by a commitment to balance economic growth with environmental stewardship, social responsibility, and sound governance. It focuses on embedding Sustainability into every layer of our operations – from energy consumption and workplace safety to customer satisfaction and regulatory compliance.

We take a **practical, stakeholder-informed approach** to Sustainability, prioritizing initiatives that reflect our material risks and opportunities while aligning with national goals and global standards.

Environmental Stewardship

The Group remains committed to minimizing its environmental impact by efficiently using resources and adopting responsible operational practices.

Key focus areas include **energy management**, **greenhouse gas ("GHG") emissions**, **water consumption**, and **waste management**. Continuous improvement initiatives are undertaken to enhance environmental performance, including process optimization, operational efficiency measures, and, where feasible, the evaluation of cleaner, more efficient technologies.

SUSTAINABILITY REPORT
(CONT'D)

Social Responsibility

Key priorities include occupational health and safety, human capital development, employee well-being, diversity and inclusion, and community engagement. The Group continues to promote a safe and conducive working environment, while supporting capability development and strengthening engagement with local communities.

Governance and Ethics

Ho Hup Group maintains a strong governance framework to support the effective oversight of ESG matters. This includes adherence to ethical business practices, regulatory compliance, transparency, and accountability.

Governance structures are in place to oversee sustainability-related matters, ensuring that ESG risks and opportunities are identified, monitored, and managed systematically. The Group's risk management framework would incorporate ESG considerations to support informed decision-making and long-term resilience.

Climate Transition Strategy

Ho Hup recognizes climate change as a key environmental and business consideration that may impact its operations, supply chain, and long-term sustainability. The Group is committed to progressively transitioning to a **low-carbon, climate-resilient business model**, in line with regulatory expectations and industry best practices.

A key focus area is the management of **greenhouse gas ("GHG") emissions.** The Group is establishing baselines for Scope 1 (direct emissions) and Scope 2 (indirect emissions from purchased electricity), while progressively expanding its assessment to include relevant Scope 3 emissions. Efforts are underway to enhance the accuracy and consistency of emissions data to support future target setting and disclosure.

In supporting its transition, Ho Hup is implementing initiatives to improve **energy efficiency** across its operations. The Group is also exploring the feasibility of renewable energy solutions, such as solar energy, where appropriate.

Moving forward, the Group will continue to strengthen its climate transition strategy by enhancing disclosures in line with the IFRS Foundation (IFRS S2), establishing measurable emissions reduction targets, and expanding climate-related initiatives. These efforts are intended to support long-term resilience, operational efficiency, and sustainable value creation.

SUSTAINABILITY GOVERNANCE

Our sustainability governance is overseen by the **Board of Directors**, which provides overall direction and ensures that sustainability objectives align with our corporate strategy. The Board of Directors is responsible for **approving sustainability goals** and reviewing progress towards their achievement. To support this, the **Sustainability Working Committee ("SWC")** would be established, comprising the management team, the sustainability team, and the operating divisions, as highlighted below.

Governance Structure

Board of Directors	Management Team	Sustainability Team	Operating Divisions
The Board is ultimately accountable for managing sustainability matters in the organisation.	The team, comprising representatives from each Business Division, reports to the Board on sustainability matters and coordinates among its members in their duties and responsibilities.	The team comprises of employees appointed by the management team to manage sustainability initiatives.	Operating divisions comprise of employees and staff assigned to work/operate in these divisions.

SUSTAINABILITY REPORT
(CONT'D)

Sustainability / Material Matters

Our sustainability or material matters are the ESG issues that most impact our business and our stakeholders' assessments. Through active engagement with our stakeholders, we proactively identify these issues and develop effective strategies to address them. This creates shared values, fosters increased trust, and enhances the resilience of our business.

To ensure our strategies remain relevant and impactful, we conduct a comprehensive materiality assessment on our material matters through structured internal discussions with senior Management and stakeholder engagement. These topics were evaluated based on their **potential impact on the Group's performance** and their **relevance to stakeholder expectations**, guided by the principles set out in Bursa Malaysia's Sustainability Reporting Guide.

Aligned with our strategic planning cycle, the conducted **materiality assessment** follows the steps below.

Materiality Assessment Process

Step 1	Step 2	Step 3
Identification of Stakeholders and Sustainability Matters	Prioritisation of Key Stakeholders and Sustainability Matters	Review and Validation
Process		
Step 1 Identification of Stakeholders and Sustainability Matters	**Step 2** Prioritisation of Key Stakeholders and Sustainability Matters	**Step 3** Review and Validation
Description		
Identify key stakeholders, and undertake a review of potential material matters and a peer benchmarking exercise	Evaluated each topic based on its significance to stakeholders and potential impact on the Group's value chain	Finalized the material matters through senior leadership validation and Board-level review

SUSTAINABILITY REPORT
(CONT'D)

Stakeholder Engagement

We recognize that effective stakeholder management is fundamental to delivering sustainable value and maintaining long-term business resilience. Our stakeholders play a critical role in shaping our strategic priorities, operational practices, and sustainability initiatives. As such, we are committed to fostering transparent, inclusive, and on-going engagement with all stakeholder groups.

In FYE 2026, we continued to engage with our key stakeholders through formal and informal platforms. These engagements provide us with meaningful feedback to refine our ESG priorities and improve performance across the Group.

Stakeholders	Area of Interest	Engagement Channel	Frequency
Employees	• Company Direction and Performance • Career Development and Training Opportunities • Workplace Safety and Health • Employee Benefits	• Management Meetings • Annual Staff Luncheon • Employee Handbook	• Once / Twice a year • Timely Update
Shareholders/ Investors	• Operational and Financial Performance • Shareholder EPS Returns • Sustainability Performance	• AGM/EGM • Corporate Website • Investor Relations • Public Announcement	• As needed
Customers	• Product Quality and Design • Products/Services	• Sales Engagement • Client Survey • Social Media	• As needed
Board of Directors	• Discussion of Key Decision Matters • Deliberation of Financial Review	• Board Meetings	• As needed • When required
Business Partners	• Negotiation of Contract Terms • Quality Standard	• Business Meetings • Business Ventures	• Frequent
Suppliers & Subcontractors	• Transparency in the Procurement Process • Streamline Procurement Process • Health and Safety	• Suppliers Evaluation • Email • Meeting	• Once / Twice a year
Regulators	• Regulatory Compliance & Obtaining Licenses • Improving Construction Sector Productivity	• Regulatory Meeting • Industry Workshop	• Ad-Hoc • When required
Local Communities	• Communication on Our Development Plans and Projects • Community Development and Support	• Community Programmes • Community Engagement • Social Media	• During Event

SUSTAINABILITY REPORT
(CONT'D)

Our Material Matters

The Group has identified and prioritized a set of material sustainability topics that reflect the most significant economic, environmental, and social impacts of our operations, as well as the key concerns of our stakeholders. The material topics guide our sustainability strategy, targets, and initiatives, ensuring that resources are focused on the most relevant and impactful areas. Each topic is actively managed through established policies, procedures, and performance monitoring mechanisms, with progress regularly reviewed by Management.

We have identified **15 topics** that remain material to our Business. By addressing these material topics, we aim to enhance our resilience, strengthen stakeholder trust, and contribute positively to sustainable development.

Priority	Material Matter	Stakeholder	Impact
M1	Sustainable Growth	Shareholders / Investors Board of Directors Business Partners	Economic
M2	Good Procurement Practices	Shareholders / Investors Business Partners Suppliers / Subcontractors	Economic
M3	Customer Satisfaction	Customers	Economic
M4	Business Ethics and Compliance	Shareholders / Investors Board of Directors Business Partners	Economic
M5	Data Privacy and Security	Suppliers / Subcontractors Customers	Economic
M6	Energy & Emissions (Climate Change)	Shareholders / Investors	Environment
M7	Water and Effluent	Shareholders / Investors	Environment
M8	Noise Management	Local Communities	Environment
M9	Waste Management	Regulators	Environment
M10	Green Nature Indoors and Outdoors	Customers	Environment
M11	Dust Emission (Air Quality)	Local Communities	Environment
M12	Occupational Health and Safety (OHS)	Regulators	Social
M13	Learning and Development	Employees	Social
M14	Inclusion, Diversity and Talent	Board of Directors	Social
M15	Supporting Our Community	Local Communities	Social

SUSTAINABILITY REPORT
(CONT'D)

Materiality Matrix

The Materiality Matrix illustrates the prioritization of Ho Hup sustainability matters for FYE 2026, based on the outcomes of the Group's materiality assessment conducted in accordance with **Bursa Malaysia Sustainability Reporting Guidelines** and the **GRI Standards**.

A total of **15 material topics** were identified and validated through a structured assessment process involving internal and external stakeholders. These topics are mapped across two key dimensions.

We have identified and prioritized the sustainability matters most significant to both the Group and its stakeholders.

Very High Priority Matters

The top right quadrant of the matrix highlights sustainability issues that are critically important to both Ho Hup Group and its stakeholders. These matters demand immediate attention and strategic integration into business operations, which include:

- M1 (Sustainable Growth)
- M6 (Energy & Emissions - Climate Change)
- M4 (Business Ethics and Compliance)
- M2 (Good Procurement Practices)
- M12 (Occupational Health and Safety)

These **five** (**5**) areas scored 80% and above on both axes, reflecting their direct linkage to operational efficiency, regulatory expectations, customer trust, and climate-related obligations. Addressing these areas proactively will be central to enhancing Ho Hup's long-term resilience, digital accountability, and ESG performance.

High Priority Matters

Nine (**9**) sustainability issues emerged as highly important, either due to significant stakeholder concern or their impact on business continuity, which are:

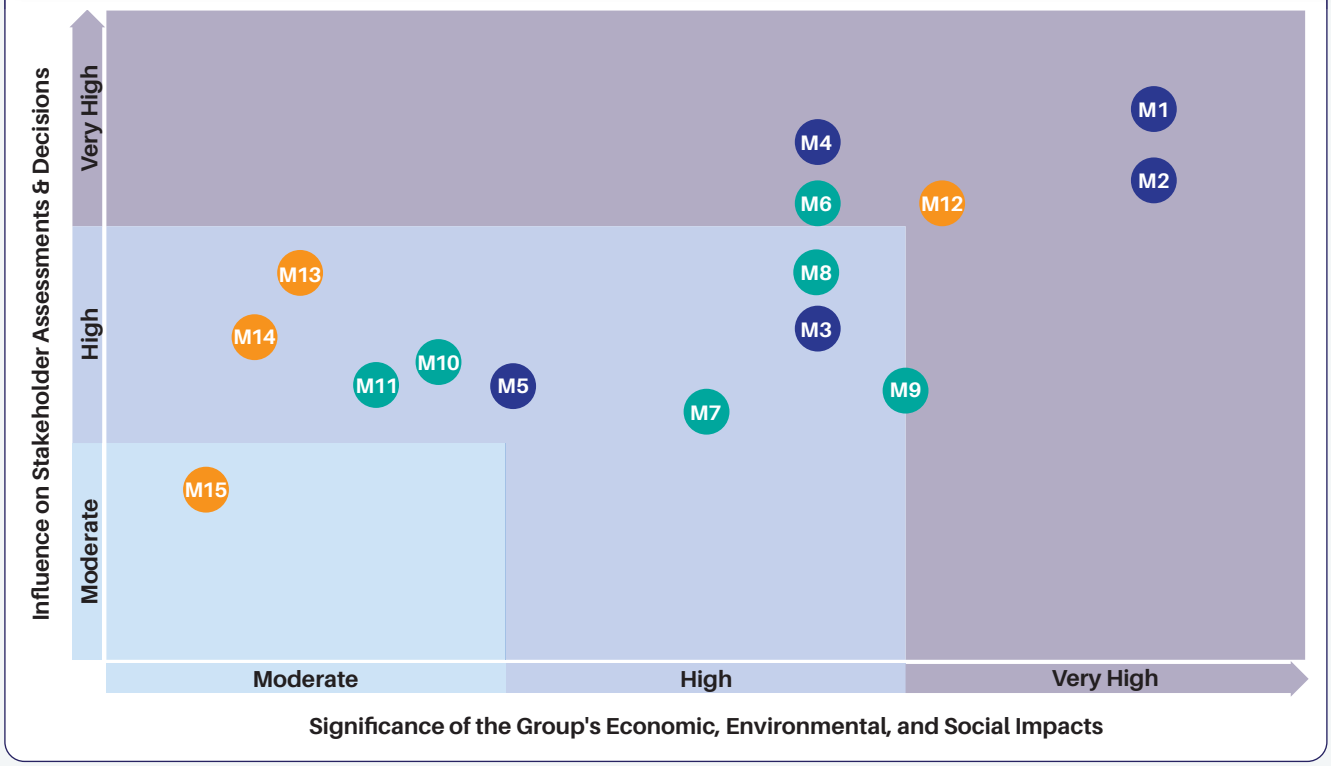
- M13 (Learning and Development)
- M7 (Water and Effluent)
- M8 (Noise Management)
- M3 (Customer Satisfaction)
- M9 (Waste Management)
- M14 (Inclusion, Diversity and Talent)
- M10 (Green Nature Indoors and Outdoors)
- M11 (Dust Emission)
- M5 (Data Privacy and Security)

Moderate Priority

M15 (Supporting Our Community)

SUSTAINABILITY REPORT
(CONT'D)

Materiality Matrix



Economic Impact

- M1 Sustainable Growth
- M2 Good Procurement Practices
- M3 Customer Satisfaction
- M4 Business Ethics & Compliance
- M5 Data Privacy & Security

Environment Impact

- M6 Energy & Emissions
- M7 Water & Effluent
- M8 Noise Management
- M9 Waste Management
- M10 Green Nature Indoors & Outdoors
- M11 Dust Emission (Air Quality)

Social Impact

- M12 Occupational Health & Safety
- M13 Learning & Development
- M14 Inclusion, Diversity & Talent
- M15 Supporting Our Community

SUSTAINABILITY REPORT
(CONT'D)

Our Initiatives - Contributing to the United Nations Sustainable Development Goals (UNSDGs)

ECONOMIC IMPACT

The impact of Ho Hup's business operations on the economic perspectives of its stakeholders from a sustainability perspective.

Strategic Focus	Initiatives	Outcome	UNSDGs Alignment
Sustainable Growth	Collaborating with strategic partners to ensure sustainable growth in our business divisions	Creating strategic business ventures with our business partners	8, 9, 11, 17
Good Procurement Practises	Regular performance evaluation of suppliers and subcontractors' performance	Services and materials are sourced and delivered trustworthily	8, 11, 12, 17
Customer Satisfaction	Conduct clients' satisfaction feedback and survey	Gaining market reputation as a high-quality and responsible developer/contractor	9, 11, 15
Business Ethics and Compliance	Establishing a code of conduct for all directors and employees against bribery and corruption practices	No material incident reported throughout the year	8, 12, 16
Data Privacy and Security	Managing ICT, Data Security and Disaster Recovery Plan	No IT security-related breach incident was reported throughout the period	9, 16

ENVIRONMENT IMPACT

The impact of Ho Hup's business operations on the ecosystem, habitat, and the planet.

Strategic Focus	Initiatives	Outcome	UNSDGs Alignment
Energy & Emissions (Climate Change)	Improving energy efficiency and managing greenhouse gas (GHG) emissions across its operations	Improved energy efficiency, reduced fuel and electricity consumption, and lower GHG emissions intensity over time	7, 12, 13
Noise Management	Regulate noise levels to be within the allowable threshold	All noise levels are within the allowable threshold	8, 11, 12, 16
Water and Effluent	Optimizing water use and minimizing wastage across its operations	Improved water use efficiency and reduced overall consumption intensity	6, 12, 13

SUSTAINABILITY REPORT
(CONT'D)

Environment Impact (Cont'd)

Strategic Focus	Initiatives	Outcome	UNSDGs Alignment
Waste Management	Proper scheduled waste management	Reduced pollution incident reported	
Green Nature Indoors and Outdoors	Incorporating green policy as part of our development	Green spaces create an atmosphere closer to nature	
Dust Emission (Air Quality)	Watering the project pathways to reduce dust in the air	Dust levels are within the allowable threshold	

SOCIAL IMPACT

The impact of Ho Hup's business operations on the social Environment and its local communities.

Strategic Focus	Initiatives	Outcome	UNSDGs Alignment
Occupational Health and Safety (OHS)	Conduct proper Health, Safety, and Environment ("**HSE**") training, supervision, and compliance	Practice higher safety standards	
Learning and Development	Invest in training for upskilling employees in industry practices	Build a competitive and skilful workforce	
Inclusion, Diversity and Talent	Investing in talent with different working experiences	A workforce with diverse experience	
Supporting Our Community	Actively exploring Corporate Social Responsibility ("CSR") initiatives that can bring meaningful benefits and positive impact to the community and society	Supporting other associations' activities	

SUSTAINABILITY REPORT
(CONT'D)

Strategic Approach in Managing Risk and Opportunities for Sustainability Matters

Ho Hup adopts a proactive approach in managing sustainability-related risks and opportunities across its identified material matters. These are integrated into the Group's enterprise risk management framework to enhance resilience, ensure regulatory compliance, and support long-term value creation.

For each material topic, Ho Hup **identifies potential risks** that may impact operations, financial performance, and reputation, while also **recognizing opportunities** to improve efficiency, drive innovation, and enhance stakeholder value. By proactively managing risks with appropriate mitigation and management approaches, we are better equipped to safeguard value creation, enhance adaptability, and future-proof our Business.

ECONOMIC

(M1) Sustainable Growth

Risks

- The Group faces increasing exposure to **climate-related risks**, including rising energy costs, carbon regulations, and physical climate impacts that may disrupt operations and supply chains.
- **Operational risks**, such as workplace safety incidents, resource inefficiencies, and supply chain disruptions, may affect productivity and cost structures.
- **Reputational risks**, particularly in relation to product quality, ethical conduct, and stakeholder expectations on sustainability performance.

Opportunities

- Improvements in **resource efficiency**, including energy, water, and waste management, present opportunities for cost optimization and environmental impact reduction.
- The transition towards **low-carbon operations** enables the Group to align with global climate expectations while enhancing competitiveness.

Mitigation / Management Approach

- Group integrates ESG considerations into its strategic planning and enterprise risk management ("ERM") framework.
- Setting clear sustainability targets, monitoring performance indicators, and identifying improvement opportunities across operations.

(M2) Good Procurement Practices

Risks

- Exposed to potential **supply chain disruptions**, including delays, shortages, and dependency on key suppliers, which may impact project timelines and operational continuity.
- **Compliance and governance risks**, such as unethical supplier conduct, corruption, or non-adherence to regulatory and contractual requirements.
- **Environmental and social risks** may arise if suppliers fail to meet expected sustainability standards, potentially affecting Ho Hup's reputation and compliance with ESG standards.

Opportunities

- Strengthen **supplier relationships** and build a more resilient and reliable supply chain.
- Strategic sourcing and bulk purchasing create opportunities for **cost optimization and efficiency gains**.
- Adopting **transparent and ethical procurement processes** enhances governance, strengthens stakeholder confidence, and supports long-term business sustainability.

Mitigation / Management Approach

- Ho Hup implements **procurement policies and procedures** to ensure transparency, fairness, and accountability in supplier selection.
- The Group conducts **supplier evaluations and due diligence**, including ESG considerations where applicable, and maintains clear documentation and approval processes.

SUSTAINABILITY REPORT
(CONT'D)

ECONOMIC (CONT'D)

(M3) Customer Satisfaction

Risks

- Ho Hup Group may face **product quality issues**, defects, or failure to meet customer specifications, which could result in complaints, returns, or loss of customer trust.
- **Delays in delivery or project execution** may also impact customer satisfaction and contractual performance.

Opportunities

- Strong focus on customer satisfaction enables Ho Hup to build **long-term customer relationships** and enhance brand loyalty.
- Strengthening **customer engagement and feedback mechanisms** provides valuable insights for service and product enhancement.
- Continuous improvement in **quality assurance processes** and adherence to standards can reduce defects and increase product reliability.

Mitigation / Management Approach

- Customer feedback and complaint handling mechanisms are established to enable timely resolution and continuous improvement.
- The Group maintains **quality management systems and standard operating procedures** (**SOPs**) to ensure products meet customer specifications and regulatory standards.

(M4) Business Ethics and Compliance

Risks

- The Group is exposed to potential **non-compliance with laws and regulations**, which may result in financial penalties, legal action, and operational disruptions.
- Risks of **corruption, bribery, or unethical conduct** within business operations or across the supply chain may also lead to reputational damage and loss of stakeholder confidence.
- Inadequate internal controls, lack of awareness, or weak enforcement of policies may further increase exposure to **fraud, misconduct, or conflicts of interest**.

Opportunities

- Strong business ethics and compliance practices enable Ho Hup to enhance **corporate governance and transparency**, reinforcing trust among investors, customers, regulators, and business partners.
- Implementing robust **policies, training, and internal controls** supports a culture of integrity and accountability across the organization.
- Demonstrating ethical conduct and adherence to standards strengthens the Group's **reputation and competitiveness**, positioning Ho Hup as a responsible and reliable business partner.

Mitigation / Management Approach

- Ho Hup enforces a **Code of Conduct and Anti-Bribery & Corruption** (**ABC**) **policy** to promote ethical behavior across the organization.
- A **whistleblowing mechanism** is in place to encourage reporting of unethical practices, supported by regular employee training and awareness programs to reinforce compliance culture.

SUSTAINABILITY REPORT
(CONT'D)

ECONOMIC (CONT'D)

(M5) Data Privacy and Security

Risks

- The Group is exposed to potential **data breaches, cyberattacks, and unauthorized access** to sensitive information, which may result in financial loss, legal liabilities, and reputational damage.
- Weaknesses in IT systems, inadequate cybersecurity controls, or human error may increase the risk of **data leakage or system compromise**.

Opportunities

- Enhance **stakeholder trust and confidence**, particularly among customers, business partners, and regulators.
- Improve **data management and digital efficiency** to support better decision-making and business performance.

Mitigation / Management Approach

- The Group adopts **data protection policies and IT security controls** to safeguard sensitive information.
- Employee awareness programs on data protection are conducted to reduce human-related risks.

ENVIRONMENT

(M6) Energy and Emissions (Climate Change)

Risks

- **Transition risks** arising from evolving environmental regulations, carbon pricing mechanisms, and stricter emissions standards may increase operational costs.
- Rising **energy prices** and dependency on conventional energy sources may also impact cost efficiency.
- **Physical risks** such as extreme weather events may disrupt operations, supply chains, and logistics.

Opportunities

- Improving **energy efficiency** across operations presents significant potential for cost savings and reduced environmental impact.
- The adoption of **energy-efficient technologies and renewable energy sources** supports the Group's transition towards lower emissions.

Mitigation / Management Approach

- Monitor energy consumption.
- Implement energy-saving initiatives
- Track GHG Emissions (Scope 1 & Scope 2)

(M7) Water and Effluent

Risks

- The Group faces potential **water scarcity and supply disruptions**, which may affect operational continuity and production processes.
- Inefficient water usage and inadequate monitoring may lead to increased operational costs and resource wastage.

Opportunities

- Effective water management enables Ho Hup to improve **resource efficiency** and reduce operational costs through water conservation initiatives.
- Implementing **water recycling and reuse systems** can further optimize water use and reduce reliance on external water sources.

Mitigation / Management Approach

- Monitor water usage and consumption.
- Implement water-saving measures.
- Ensure proper wastewater treatment.

SUSTAINABILITY REPORT
(CONT'D)

ENVIRONMENT (CONT'D)

(M8) Noise Management

Risks

- Excessive noise levels may pose **health and safety risks** to employees, including hearing impairment, stress, and workplace incidents.
- Noise pollution may also create **community concerns or regulatory non-compliance**, resulting in fines, operational restrictions, or reputational damage.

Opportunities

- Effective noise management enables Ho Hup to improve **occupational health and safety standards**, reducing workplace incidents and enhancing employee well-being.
- Proactive noise monitoring and community engagement also strengthen **stakeholder relationships** and demonstrate environmental responsibility.

Mitigation / Management Approach

- Conduct noise monitoring.
- Implement noise-control measures (e.g., PPE and maintenance).
- Employee awareness programs.

(M9) Waste Management

Risks

- Inefficient waste management practices may lead to **higher disposal costs** and increased resource waste.
- Poor waste segregation or handling may cause **environmental pollution** and pose **health and safety risks** to employees and surrounding communities.
- Risk of **reputational** damage if waste management practices fail to meet stakeholder expectations or regulatory standards.

Opportunities

- Enables Ho Hup to achieve **cost savings** through waste reduction and improved resource efficiency.
- Implementing **waste segregation, recycling, and reuse initiatives** supports a more circular approach to materials management.

Mitigation / Management Approach

- Establishing **waste segregation practices** at source (e.g., recyclable, non-recyclable, scheduled waste).
- Maintaining proper **documentation and tracking** of waste generation and disposal.

(M10) Green Nature Indoors and Outdoors

Risks

- Poorly maintained landscaping or green features may also lead to **increased maintenance costs**, pest issues, or inefficient use of resources such as water.
- Limited incorporation of green spaces may negatively impact **workplace well-being**, air quality, and overall employee satisfaction.

Opportunities

- Outdoor landscaping and tree-planting initiatives enhance **biodiversity**, promote **urban cooling**, and **sequester carbon**.
- Indoor greenery can enhance **air quality**, reduce stress, and improve employee productivity and well-being.

Mitigation / Management Approach

- Implementing **landscaping and tree-planting programs** to enhance outdoor green coverage.
- Incorporating **indoor plants and green spaces** within office and operational environments.
- Promoting **employee awareness and participation** in green initiatives.

SUSTAINABILITY REPORT
(CONT'D)

ENVIRONMENT (CONT'D)

(M11) Dust Emissions (Air Quality)

Risks

- Lead to **air pollution** and pose **health risks** to employees, including respiratory issues and long-term exposure effects.
- Contribute to **community disturbance and complaints**, leading to reputational risks.

Opportunities

- Enhances **occupational health and safety**, improving employee well-being and productivity.
- Enhances stakeholder confidence and demonstrates the Group's commitment to responsible environmental practices.

Mitigation / Management Approach

- Conducting **regular air quality monitoring** (e.g., PM10, PM2.5 levels).
- Ensuring compliance with **environmental and occupational safety regulations**.
- Providing appropriate **personal protective equipment** (**PPE**) to employees.

SOCIAL

(M12) Occupational Health and Safety (OSH)

Risks

- Workplace hazards arising from manufacturing processes, machinery operations, and material handling may lead to **injuries, accidents, or occupational illnesses**.
- Inadequate safety practices or non-compliance with regulatory requirements may result in **legal penalties, operational disruptions, and reputational damage**.

Opportunities

- Strong OHS practices enable Ho Hup to enhance **employee well-being, morale, and productivity**, while reducing workplace incidents and associated costs.
- Establishing a robust safety culture promotes **employee engagement and accountability**, contributing to a safer work environment.

Mitigation / Management Approach

- Establishing and enforcing **health and safety policies and procedures** in line with regulatory requirements.
- Providing appropriate **personal protective equipment** (**PPE**) and ensuring its proper usage.
- Delivering **regular safety training and awareness programs** for employees and contractors.
- Conducting **routine inspections, audits, and monitoring** of workplace safety conditions.

(M13) Learning and Development

Risks

- Inadequate training and development may result in **skills gaps**, reduced productivity, and operational inefficiencies.
- Limited career development opportunities may lead to **low employee engagement, reduced morale, and higher staff turnover**, potentially affecting business continuity and performance.

Opportunities

- Effective learning and development initiatives enable Ho Hup to strengthen **employee competencies, productivity, and innovation**.
- Well-trained workforce contributes to improved **operational efficiency, quality, and safety performance**, supporting the Group's long-term Sustainability.

Mitigation / Management Approach

- Conducting **training needs analysis** (**TNA**) to identify skill gaps and development priorities.
- Encouraging **continuous learning and professional development** across all levels.

SUSTAINABILITY REPORT
(CONT'D)

SOCIAL (CONT'D)

(M14) Inclusion, Diversity and Talent

Risks

- Inequitable employment practices or discrimination may expose the Group to **regulatory and reputational risks**, as well as reduced employee morale and engagement.
- A lack of diversity and inclusive practices may lead to **limited perspectives**, reduced innovation, and challenges in decision-making.

Opportunities

- A diverse and inclusive workforce enables Ho Hup to benefit from **broader perspectives, creativity, and innovation**, enhancing problem-solving and business performance.
- Strong talent management practices support **employee engagement, retention, and productivity**, while promoting equal opportunities, strengthening organisational culture, and employer branding.

Mitigation / Management Approach

- Promoting **equal opportunity and non-discrimination policies** across all employment practices.
- Implementing **fair recruitment, promotion, and remuneration processes**.
- Developing **talent management and supporting employee engagement and well-being initiatives**.

(M15) Supporting Our Community

Risks

- Inadequate engagement with local communities may lead to **misunderstandings, dissatisfaction, or social conflicts**, thereby impacting the Group's reputation.
- Poorly structured community initiatives may result in **ineffective resource allocation** and limited long-term impact.

Opportunities

- Active community engagement enables Ho Hup to strengthen **stakeholder relationships and trust**, enhancing its reputation as a responsible corporate citizen.
- Engaging with local communities also provides valuable insights into stakeholder expectations, enabling better risk management and alignment with ESG priorities.

Mitigation / Management Approach

- Establishing **structured community engagement and communication channels**.
- Monitoring and addressing **community feedback, complaints, and grievances**.
- Ensuring operational activities comply with **environmental and social regulations** to minimise impact.

SUSTAINABILITY REPORT
(CONT'D)

SUSTAINABILITY MATTERS PERFORMANCE

Economic Performance

(M1) 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 contribute to the building of communities and townships. We are fully committed to sustainably conducting business to deliver our strategic and operational objectives in accordance with our business philosophy and core values.

- **Construction Division** – Our Construction Division continues to leverage the Group's technical expertise and established track record to build sustainable growth momentum for the Group's Business. Ho Hup remains committed to exploring strategic long-term, sustainable business growth.

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

(M2) Good Procurement Practices

Ho Hup Group recognizes that good procurement practices are fundamental to ensuring operational efficiency, cost effectiveness, and sustainable value creation. Responsible procurement supports the selection of qualified suppliers, promotes fair and transparent sourcing processes, and helps safeguard the continuity and quality of materials and services required for business operations.

- **Enhance Supplier Selection for a Sustainable Procurement Practice** - the Procurement Department enhances its standard operating procedures (SOPs) by continuously revising supplier 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:
  - Supplier Quality;
  - Reputation and Delivery Track Record; and
  - Price.

- **Enhance Subcontractor Selection for Long-Term Sustainable Performance** - Ho Hup's Project Department has been continuously refining its subcontractor selection evaluation methods. Subcontractor performance is vital to the successful implementation of every project. The risk posed by an underperforming sub-contractor could lead to Liquidated Ascertained Damages ("LAD"), which will ultimately affect the project's visibility and profitability, as well as the Project Owners' reputation. Ho Hup has established stringent criteria for selecting subcontractors as part of its risk mitigation program for 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 utilization are suitable for the project to be undertaken.

Ho Hup is committed to building a **resilient and responsible supply chain**, with an emphasis on **local sourcing**, supplier diversification, and ethical procurement.

For FYE 2026, we worked with only **1 local supplier**.

No. of Supplier	% Purchases
Local - 1	100 %

SUSTAINABILITY REPORT
(CONT'D)

Economic Performance (Cont'd)

(M3) Customer Satisfaction

Ho Hup is committed to delivering quality services through a corporate policy that emphasizes total quality. To enhance quality control, Ho Hup has adopted the **ISO 9001:2015 Quality Management System** (**"QMS"**) to ensure our construction operations deliver the best quality to our customers.

As part of the QMS, surveys are conducted among clients to monitor project delivery quality. To further improve our delivery and service quality, Ho Hup conducted post-mortem studies on completed project stages.

(M4) Business Ethics and Compliance

We are committed to delivering 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
- Whistleblowing policy.

We are committed to complying with the principles of the **Malaysian Code of Corporate Governance 2021**, with the assurance that the Group practices sound, 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** are 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 whistleblowing policy has been enhanced accordingly.

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

T R U S T

TRUST Framework for Integrity & Compliance

To strengthen governance and uphold the highest standards of integrity, we adopt a structured framework encompassing the following key elements:

Tone at the Top	Risk Assessment	Undertake Controls	Systematic Review	Training & Communication
Leadership Commitment	**Proactive Identification**	**Control Implementation**	**Monitoring & Enforcement**	**Awareness & Capability**
Senior Management sets the ethical tone by fostering a culture of integrity, transparency, and zero tolerance for misconduct across the organisations.	Periodic risk assessments are conducted to identify, evaluate, and prioritize corruption and compliance risks across all operations.	Robust policies, procedures, and internal controls are established and continuously enhanced to mitigate identified risks.	Policies and controls are regularly reviewed, monitored, and strengthened to ensure effectiveness and regulatory alignment.	Ongoing training and communication initiatives are implemented to reinforce ethical conduct & compliance awareness Group-wide.

The **TRUST Framework** encompasses leadership commitment, proactive risk assessment, implementation of control measures, continuous monitoring, and ongoing training and communication, ensuring a consistent and effective approach to managing corruption and compliance risks across all operations.

SUSTAINABILITY REPORT
(CONT'D)

Economic Performance (Cont'd)

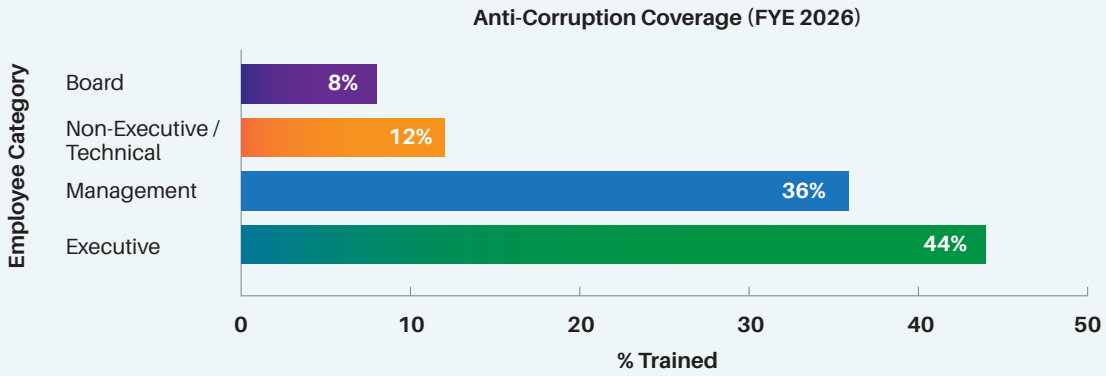
(M4) Business Ethics and Compliance (Cont.)

Ho Hup upholds a zero-tolerance policy toward corruption and is committed to ensuring that all employees act with integrity and accountability across every level of operation. We recognize that robust anti-corruption measures are fundamental to maintaining stakeholder trust and upholding good corporate governance.

In FYE 2026, we strengthened our anti-bribery and corruption framework through awareness-building and training sessions, particularly for decision-making personnel.

Anti-Corruption Training Coverage

Employee Category	% Trained
Board	8 %
Management	36 %
Executive	44 %
Non-Executive / Technical Staff	12 %



While executive and management participation was strong, non-executive coverage remains low. This highlights an area for improvement in ensuring top-down alignment on governance expectations.

Corruption Risk Assessment & Incidents

Indicator	FYE 2026 Status
% of operations assessed for corruption risks	0 %
Confirmed corruption incidents & actions taken	0

There were **no confirmed incidents of corruption** reported during the financial year **2026**. However, we acknowledge the **absence of formal risk assessments** for corruption, which we aim to address in the coming cycle.

FYE 2027 Governance Enhancements:

- Implement a **corruption risk screening protocol** across business units; and
- Strengthen enforcement of Ho Hup's **Anti-Bribery & Corruption Policy**, which is publicly accessible on our official website.

Ho Hup remains steadfast in upholding ethical conduct and transparency in all business dealings — aligned with the **Malaysian Anti-Corruption Commission Act 2009** and **Bursa Malaysia's corporate governance expectations**.

SUSTAINABILITY REPORT
(CONT'D)

Economic Performance (Cont'd)

(M5) Data Privacy and Security

Ho Hup recognises that effective **Information and Communication Technology** (**"ICT"**) and **data security management** are increasingly important in today's digital Environment. While the Group's current operations are not highly dependent on ICT infrastructure and its exposure to cybersecurity risks is assessed as relatively low, Management adopts a prudent approach to ensure adequate safeguards are in place.

To mitigate potential cybersecurity risks, the Group has implemented appropriate security measures, including **installing firewall protection systems** to safeguard its IT infrastructure. In addition, **Closed-Circuit Television** (**"CCTV"**) **systems** are deployed at operational sites to enhance overall security and monitoring.

In relation to **data privacy**, compliance with the **Personal Data Protection Act** (**"PDPA"**) remains a key priority. The Group has established and implemented a Group-wide personal data protection policy to ensure that confidential information of customers, employees, and business partners is properly managed and protected against unauthorized access or disclosure.

The ICT function is responsible for ensuring that data and information are securely maintained, including implementing regular data backup processes and appropriate storage controls. Periodic server maintenance, monitoring, and servicing are conducted to minimise the risk of system downtime and enhance operational reliability.

As part of the Group's overall control environment, a **Disaster Recovery Plan** (**"DRP"**) **has been established** to support business continuity in the event of system disruptions or unforeseen incidents.

Ho Hup is committed to protecting the confidentiality, integrity, and security of all personal and Business data in our care. As a trusted manufacturing partner and listed company, we understand that robust data governance practices are essential to maintaining **stakeholder trust** and **regulatory compliance**.

Indicator	FYE 2026 Status
Number of substantiated complaints concerning breaches of customer privacy or losses of customer data	0

In FYE 2026, there were **no reported or substantiated incidents** of customer data breaches or privacy violations.

Although we do not currently operate high-risk data environments (e.g., financial systems or large-scale personal data processing), we take **preventive data protection measures** seriously towards our operations.

Moving forward FYE 2027, the Group will continue to strengthen its ICT and data security practices to ensure resilience, safeguard information assets and support sustainable business operations.

SUSTAINABILITY REPORT
(CONT'D)

Environment Performance

(M6) Energy and Emissions (Climate Change)

Greenhouse Gas (GHG) Emissions

Ho Hup recognizes the growing importance of **tracking and managing GHG emissions** as part of our broader environmental responsibility and future regulatory compliance. In FYE 2026, we have commenced tracking all **three (3) scopes** of Emissions:

- **Scope 1** – Direct Emissions
- **Scope 2** – Indirect Emissions (Purchased Electricity)
- **Scope 3** - Associated with staff travel, including both commuting and business-related trips

i. Scope 1 – Direct Emissions (from fuel combustion)

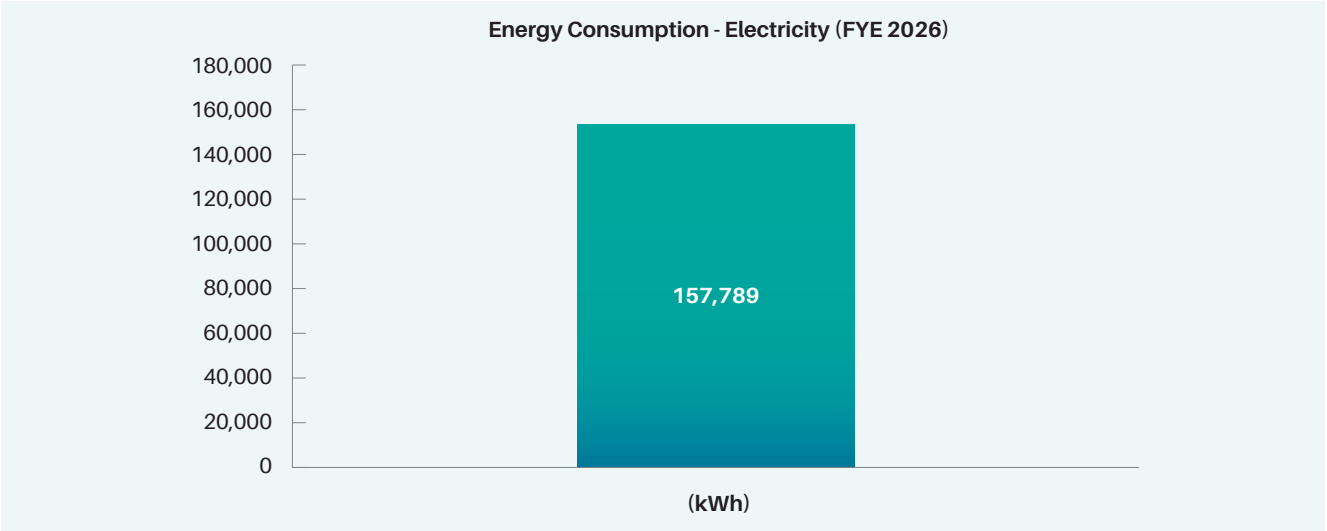
In FPE 2025, data showed that Ho Hup's Building Material Division recorded an estimated combined sales volume of **5,341.5 mAof ready-mix concrete**. In supporting the distribution and transportation of these products, a total of **17,546.52 liters** of diesel were consumed. Based on the diesel usage, the associated greenhouse gas emissions from transportation activities are estimated at approximately **47,469.13 kg of CO_2**. For FYE 2026, the building material Division has been no operation and no data has been collected.

This data reflects the environmental impact associated with logistics activities within the Division and serves as a baseline for on-going monitoring and improvement. Moving forward FYE 2027 onwards, Ho Hup continues to explore opportunities to **enhance fuel efficiency, optimize delivery routes**, and **reduce overall carbon intensity in its transportation operations** as part of its sustainability commitment.

ii. Scope 2 – Indirect Emissions (Purchased Electricity)

Energy remains one of the key operational resources at Ho Hup. In line with our sustainability focus, we have initiated tracking of electricity consumption starting in FYE 2026 and continuously monitor and manage energy usage to enhance efficiency, reduce carbon emissions, and contain operational costs.

In FYE 2026, Ho Hup recorded a **total electricity usage of 157,789 kWh** across Ho Hup building offices.



Moving forward FYE 2027, we will impose a few key initiatives to contribute to reducing the energy consumption:

- Introduction of off-peak production where feasible;
- Equipment optimization and periodic maintenance; and
- Staff-level energy management campaigns.

SUSTAINABILITY REPORT
(CONT'D)

Environment Performance (Cont'd)

(M6) Energy and Emissions (Climate Change) (Cont'd)

The gradual decline in the next reporting period demonstrates the success of our **energy conservation practices**, including optimized production scheduling and preventive maintenance of high-consumption equipment.

iii. Scope 3 – Employee Commuting Data

Scope 3 (GHG) emissions associated with staff travel, including both commuting and business-related trips. Based on recorded travel distances for FYE 2026, Ho Hup's estimated Scope 3 emissions amounted to **3.84 tonnes CO_2e** per month, considering by the collected data and emission factor assumptions:

Description	Remark
Distance travelling (monthly)	= 910km daily x 22 working days = 20,020km per month
Emission factor assumption	Average petrol car emission factor ≈ ***0.192 kg CO_2e per km***
CO_2e calculation	= 20,020km x 0.192 kg CO_2e/km = 3,843.84 kg CO_2e
Convert to **tonnes CO_2e**	= 3,843.84 ÷ 1,000 = **3.84 tCO_2e per month**

This marks Ho Hup's first effort to quantify indirect emissions across its value chain, in line with expanding disclosure expectations under the TCFD framework. Moving forward FYE 2027, we aim to improve data collection across all subsidiaries and establish formal reduction targets.

Gas Consumption

For the reporting period, Ho Hup recorded **no consumption of natural gas or other gaseous fuels** across its operational activities. The Group does not utilize gas as an energy source in its manufacturing processes, production facilities, or supporting operations.

This reflects Ho Hup's current energy profile, where other sources, such as electricity primarily meet energy demand. The absence of gas consumption contributes positively to the Group's emissions profile, as it eliminates direct greenhouse gas emissions associated with combustion of gaseous fuels (Scope 1 emissions from stationary combustion).

Energy Consumption – Gas

Indicator	FYE 2026 Status
Total Energy Consumption - Gas	0 GJ

For FYE 2027 onwards, Ho Hup will continue to monitor its energy mix on an on-going basis as part of its sustainability commitment to efficient resource use and continuous improvement in environmental performance.

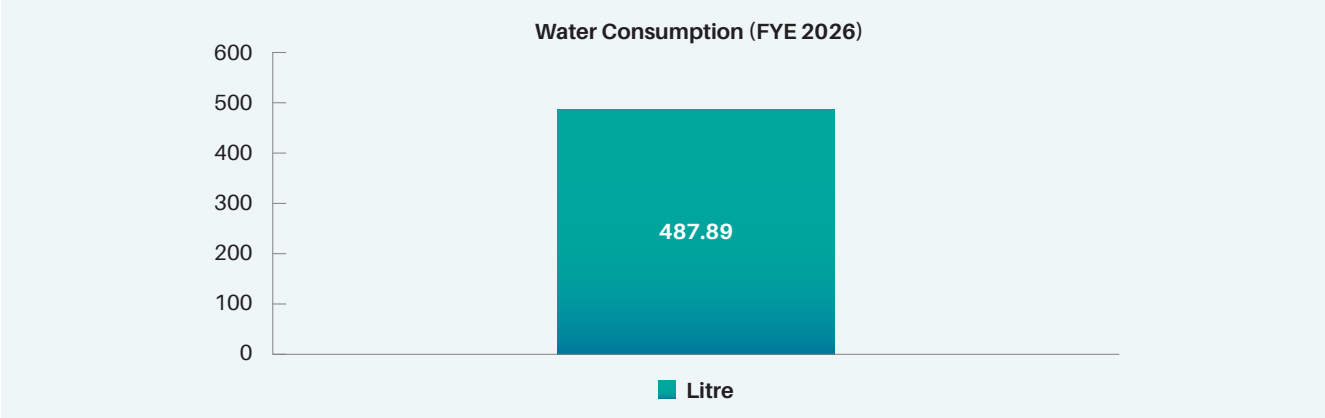
SUSTAINABILITY REPORT
(CONT'D)

Environment Performance (Cont'd)

(M7) Water and Effluent

At Ho Hup, water is a vital resource in our manufacturing operations, particularly in processes such as material cooling, fire-rated door treatment, and equipment cleaning. We remain committed to **minimizing water consumption** through operational efficiency, preventive maintenance, and employee awareness.

In FYE 2026, our total water consumption amounted to **487.89 litres**, or **487.89 m³**.



Similar to electricity consumption, we have initiated monthly tracking of water use to optimize consumption and sustain business operations. Moving forward FYE 2027, the decline in consumption indicates the optimization of usage throughout operations and, indirectly, contributes to positive sustainability initiatives adopted by Ho Hup Group.

(M8) Noise Management

Ho Hup implements noise management controls as part of its **occupational health and safety practices** across all project sites. Noise levels are regularly monitored by designated Site Environmental Officers to ensure that workplace exposure and construction-related noise are kept within permissible limits. These monitoring activities form part of the Group's preventive safety measures to safeguard workers from prolonged exposure to high noise levels, thereby supporting a safe and healthy working environment.

In addition to worker protection, Ho Hup is committed to minimizing noise-related impacts on **surrounding communities**. All project sites comply with operating hours for high-noise activities as prescribed by relevant local authorities. Construction activities are carefully managed to avoid disturbance to neighbouring communities, particularly after **6:00 p.m.** or during other restricted periods as mandated by local regulations.

Through these measures, Ho Hup ensures responsible site operations that balance project execution with the well-being of workers and local communities, while maintaining regulatory compliance and fostering good stakeholder relations.

Noise Management Result

Year	Noise Management	Remark
FPE 2025 Status	Within an appropriate level	No non-conformance reported
FYE 2026 Status	Within an appropriate level	No non-conformance reported

Moving forward FYE 2027, we will continue to:

- Monitor community noise complaints & feedback; and
- Enhance occupational health control - worker noise exposure management (e.g., periodic audiometric testing for exposed workers).

SUSTAINABILITY REPORT
(CONT'D)

Environment Performance (Cont'd)

(M9) Waste Management

Ho Hup implements comprehensive environmental protection measures to prevent pollution and ensure responsible waste management across its operational sites. These measures are supported by continuous awareness, training, monitoring, and internal auditing initiatives to strengthen environmental performance and compliance.

All **project sites adopt structured waste management procedures**, including designated holding areas and bunded facilities to prevent and contain potential spillages. Skid tanks are equipped with proper bunding systems to ensure that any accidental leaks or spillages are effectively contained and do not impact the surrounding Environment.

In addition, nearby **streams and watercourses around project sites are regularly monitored** by Site Environmental Officers to ensure that operational activities do not result in any contamination or environmental degradation.

During the financial year 2026, there were **no construction activities reported incidents of hazardous chemical waste contamination or environmental pollution** arising from Ho Hup's earlier operations. This reflects the Group's effective preventive controls and its commitment to maintaining high environmental standards.

Site Environmental Officers at all project sites conduct routine monitoring to assess potential levels of environmental contamination. This includes collecting water samples from streams within or passing through project areas, which are subsequently analyzed to detect any signs of contamination and to ensure environmental protection and compliance. Moving forward FYE 2027, we will continuously monitor practices and ensure compliance with the authorities' stipulations.

(M10) Green Nature Indoors and Outdoors

We are committed to integrating green and nature-based elements into both its indoor and outdoor environments as part of its broader environmental sustainability and workplace well-being agenda.

In our project sites and operational areas, we continue to strengthen greenery and nature-based solutions through on-going landscaping and green buffer development. Ho Hup Group incorporates vegetation and natural buffers around construction sites to help reduce dust dispersion, improve air quality, and provide natural visual screening for surrounding communities.

Ho Hup also promotes a greener indoor working environment within its offices and operational facilities. Indoor initiatives include incorporating potted plants and greenery into office spaces to improve air quality and create a more conducive working environment for employees. Throughout the financial year, Ho Hup Group is exploring further enhancements to workplace environmental quality, including energy-efficient lighting practices and improved indoor environmental comfort measures to support employee well-being and productivity.

Moving forward FYE 2027 and our ongoing commitment to green initiatives, we aim to foster a culture of environmental responsibility that extends beyond compliance to create healthier work environments, enhance site sustainability practices, and contribute positively to the surrounding ecosystem.

(M11) Dust Emissions (Air Quality)

Dirt, Mud, and Sediment Management

Ho Hup implements a comprehensive policy to manage dirt, mud, and sediment across all operational and construction sites, minimizing environmental impact and maintaining site cleanliness.

All vehicles entering and exiting construction sites must undergo wheel washing before being permitted onto public roads. This measure helps prevent the transfer of mud and debris onto surrounding road networks. In addition, internal site roadways are regularly washed and watered to suppress dust generation caused by vehicle movement, thereby reducing airborne particulate emissions.

Sediment control systems are also installed at project sites, including **sedimentation ponds that serve dual purposes**: facilitating vehicle washdown activities and as part of the site drainage management system. These ponds allow suspended particles to settle before water is discharged into the public drainage system, thereby reducing the risk of siltation and blockage in external drains.

SUSTAINABILITY REPORT
(CONT'D)

Environment Performance (Cont'd)

(M11) Dust Emissions (Air Quality) (Cont'd)

Ambient Air Quality Monitoring

These monitoring activities are carried out by designated Site Environmental Officers, who oversee environmental compliance and site conditions.

Dust Emission (Air Quality) Result

Year	Air Quality	Remark
FPE 2025 Status	Within an appropriate level	No non-conformance reported
FYE 2026 Status	Within an appropriate level	No non-conformance reported

Moving forward from FYE 2027 onwards, Ho Hup will continue to adopt best practices to operate in a good and better working environment throughout its operations.

Social Performance

(M12) Occupational Health and Safety (OHS)

At Ho Hup, ensuring the health and safety of our workforce is a **non-negotiable priority**. We are committed to maintaining a safe, compliant, and injury-free workplace across all our operational sites.

In FYE 2026, we are pleased to report:

Indicator	FYE 2026 Status
Work-related fatalities	0
Lost time injury incident	0
Major safety violation	0
Employees trained on health & safety	0

These results reflect our strong safety culture and operational discipline. While the absence of incidents is a positive indicator, we acknowledge that on-going training is essential to sustain long-term workplace safety and ensure preparedness for emergencies.

Moving forward from FYE 2027 onwards, Ho Hup will continue to implement various measures to keep our workforce safe, including formal weekly inspections and surveillance exercises. HSE system audits have been conducted monthly, jointly by the HSE Team at the respective site. Other initiatives to promote safety include:

- **Safety assembly and fire drill exercises** - regular safety assemblies and fire drills were conducted in collaboration with Jabatan Bomba dan Penyelamat;
- **Warning signboards and fences** at construction sites are placed with bright-colored signboards and fenced to ensure public safety; and
- **Safety at work and heights** - guarding fences are installed along walking paths to make working at heights safe for both our workers and the public.

SUSTAINABILITY REPORT
(CONT'D)

Social Performance (Cont'd)

(M13) Learning and Development

At Ho Hup, employees' competencies are constantly monitored and strengthened through adequate training and development to support our continuous business growth.

The total hours of training by employees for FYE 2026 were tabulated as follows:

Training Hours of Employee (FYE 2026)

Indicator	FYE 2026 Status
Executives	636 hours
Non-Executives	60 hours

(M14) Inclusion, Diversity and Talent

Ho Hup Group recognizes 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 enable employees to deliver projects effectively. We strive to establish conducive working conditions for our employees. At the same time, a variety of events are held annually to show appreciation for our employees and to promote staff development, both personally and professionally.

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

Employee Welfare and Workplace Diversity

At Ho Hup Group, we believe that a sustainable business is built upon the foundation of a respected, empowered, and diverse workforce. We continue to uphold fair labor practices, prioritise employee well-being, and foster an inclusive environment that reflects our corporate values.

Gender Diversity

In FYE 2026, we had a total of **25 employees**, achieving gender balance and maintaining age diversity across staff, Management, and the Board.

Indicator	FYE 2026 Status
Male	12 (48%)
Female	13 (52%)

SUSTAINABILITY REPORT
(CONT'D)

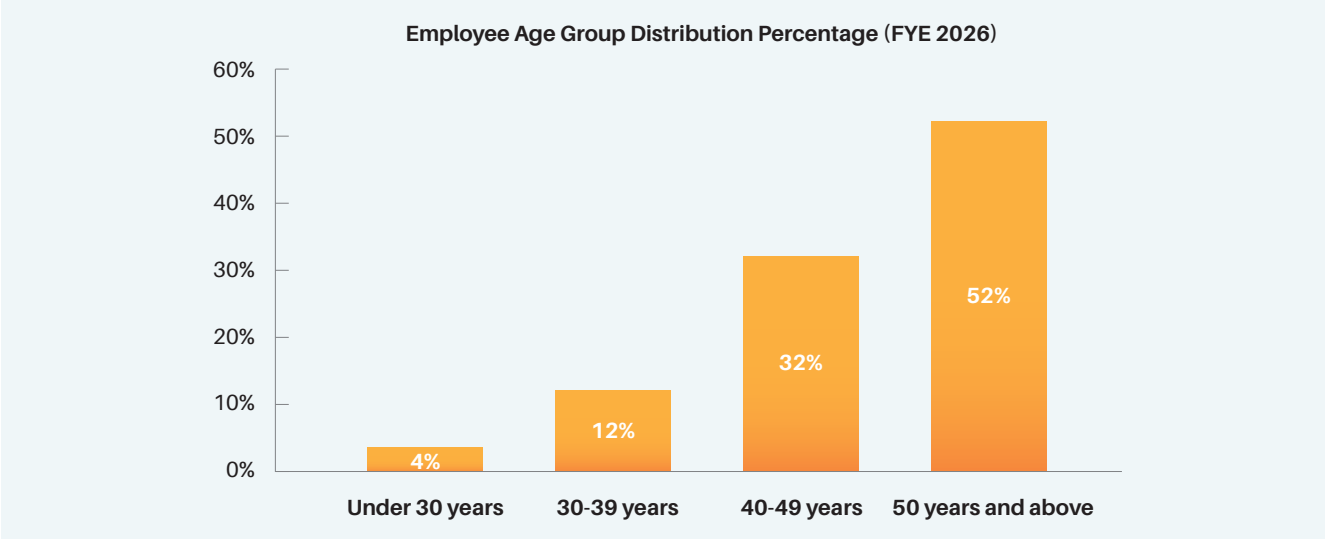
Social Performance (Cont'd)

(M14) Inclusion, Diversity and Talent (Cont'd)

Gender Diversity (Cont'd)

The table below outlines the level of diversity in the Ho Hup Group's workforce:

Age Group	No. of Employees	Percentage (%)
Under 30 years	1	4%
30–39 years	3	12%
40–49 years	8	32%
50 years and above	13	52%



Ho Hup Group's workforce profile reflects a strong base of **experienced employees**, with a majority aged 40 and above, **accounting for 84%** combined with the 40-49 group. While this provides operational stability and deep institutional knowledge, the Group acknowledges the need to strengthen its talent pipeline by increasing representation among younger age groups.

The **mid-level workforce** in the 30-39 age group is equivalent to **12%**, which is relatively small. This could indicate a **gap in succession planning and leadership pipeline**, as this Group typically forms future Management.

Moving forward FYE 2027 onwards, Ho Hup aims to:

- Enhance succession planning and implement structured knowledge transfer initiatives; and
- Attract new talent to ensure a balanced, sustainable, and future-ready workforce.

SUSTAINABILITY REPORT
(CONT'D)

Social Performance (Cont'd)

(M14) Inclusion, Diversity and Talent (Cont'd)

Employment Structure and Turnover

As of FYE 2026, Ho Hup's workforce comprised **12 temporary (contract) employees**, representing approximately **48% of the total workforce**. This indicates there is a workforce planning for the company.

Employees - Contract or Temporary

Indicator	FYE 2026 Status	Percentage (%)
Contract or Temporary Employees	12	48%

Employee turnover for the reporting year is **1 employee** (Executive).

Moving forward FYE 2027, Ho Hup continues to:

- Assess its workforce composition to strike an optimal balance between operational agility and workforce stability; and
- Strengthening its talent retention strategies and promoting diversity across all levels of the organization.

Human Rights and Grievances

No substantiated complaints of human rights violations were reported in FYE 2026. We continue to maintain clear internal grievance channels and promote awareness of labor rights in line with International Labor Organization (**ILO**) **standards** and **UN human rights principles**.

(M15) Supporting Our Community

We view community engagement not only as part of our CSR but also as a meaningful way to **build trust, foster goodwill, and support shared progress**.

In FYE 2026, Ho Hup did not organise or participate in any formal community investment programs. However, **contributions** were made in conjunction with the **Chinese New Year ("CNY") celebrations**, including the distribution of angpao as a gesture of goodwill and support.

Community Investment Programs

Indicator	FYE 2026 Status	Remark
CNY Angpao for staff	Yes	RM1,150

While the Group's primary focus during the year was on strengthening its core operations, Ho Hup recognizes the importance of contributing to the communities in which it operates. Moving forward FYE 2027 onwards, Ho Hup remains committed to creating positive social impact and aims to:

- Reintroduce structured community engagement; and
- Investment initiatives in the next financial year

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 for the financial year ended 30 June 2026 ("FYE2026"). This overview takes 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.

During the year, the Board considers that the Company has complied with the provisions and applied the main principles of the MCCG, for the whole FYE2026 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 last reviewed in November 2025 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 three (3) Board Committees, namely the Audit Committee, Risk Management and Sustainability Committee, Nomination 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 12 of this Annual Report.

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

During the FYE 2026, the Company did not have a permanently designated Chairman. A Director was appointed by the Board to preside over each Board meeting on an ad-hoc basis, while the Executive Directors remained accountable to the Board for the Group's day-to-day management and operational performance. Pending the formal appointment, the Board collectively exercised oversight of governance and decision-making, supported by the Company Secretaries on statutory and governance matters. The Audit Committee, Nomination and Remuneration Committee and the Risk Management and Sustainability Committee continued to function independently under their respective Terms of Reference.

The Board recognises the importance of separating the roles of Chairman and Executive Director, and of ensuring that the Chairman does not sit on the Board Committees. It will take these into account when making the formal appointments. Accordingly, the Company has departed from Practices 1.2, 1.3 and 1.4 of the MCCG. The explanations for these departures are set out in the Corporate Governance Report.

The Board currently has four (4) members comprising two (2) Independent Non-Executive Directors and two (2) Executive Directors, following the resignation of Mr. Narayanasamy A/L N Chithambaram on 5 October 2026. 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.

At the Company's Extraordinary General Meeting on 20 November 2025, Mr. Low Kheng Lun was removed as a Director. At the Company's 51st Annual General Meeting on 1 December 2025, shareholders did not pass the resolution to re-elect Datin Chan Bee Leng, who retired by rotation under Clause 93 of the Company's Constitution.

The Board adheres to Paragraph 15.02(1) of the MMLR of Bursa Securities, which requires at least two (2) directors or one-third (1/3) of the Board, whichever is higher, to be independent directors, and Paragraph 15.02(1)(b), which requires at least one (1) woman director on the Board.

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

Supply and Access to Information

The Board has unrestricted access to the advice and services of the Company Secretaries who is suitably qualified and competent to support the Board. The Company Secretaries are responsible for providing support and guidance to the Board on policies and procedures, rules and regulations and relevant laws in regard to the Company as well as the best practices on governance.

In addition, all Directors have full and unrestricted access to all information pertaining to the Group's businesses and affairs, in a timely manner to enable them to discharge their duties effectively.

Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors and Board Committees in advance of the scheduled meetings. Notices of meetings together with the relevant meeting papers are sent to Directors at least three (3) days before the date of meetings. This is to guarantee that the meeting documents, inclusive of timely notice of agenda items and supporting information, are provided to the Board well in advance.

Additionally, Directors have ample time to review the meeting papers and seek clarification whenever they require advice or further explanation from management and/or Company Secretaries. The discussions of the Board regarding the meeting's agenda and the conclusions drawn on fulfilling its duties and responsibilities are meticulously documented in the minutes of meetings by the Company Secretaries. These records are appropriately maintained and stored at the Registered Office of the Company.

Technology is effectively used in the meetings of Board and Board Committees and in communication with the Board, where the Directors may receive agenda and meeting materials online and participate in meetings via audio or video conferencing.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

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 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 of material announcements to Bursa Securities.

The Company Secretaries consistently keep themselves abreast of the dynamic capital market environment, regulatory alterations, and developments in corporate governance through active participation in relevant conferences and training programs. Moreover, they conscientiously participate in ongoing professional development initiatives as required by the Companies Commission of Malaysia or the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) for practicing company secretaries.

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 and Remuneration Committee, will be scouting for additional female directors as a step to meet the target of at least 30% women directors.

As at 13 October 2026, the date of this Statement, the diversity of the Board is as follows:

	Male	Female
Age Group		
31-40	-	-
41-50	-	-
51-60	2	1
61-70	1	-
Ethnicity		
Malay	1	-
Chinese	2	1
Indian	-	-
Nationality		
Malaysian	3	1
Foreigner	-	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

Independence of Independent Directors

The Independent Directors are non-executive Directors of the Company who are not involved in management and are free from any significant business or other relationship with the Company. Hence, they are able to provide unfettered and unbiased independent judgment in ensuring that the strategies proposed by the Management are fully and objectively deliberated, challenged and examined, taking into account the interests of shareholders and other stakeholders of the Group. They serve as vital safeguards for the rights of minority shareholders and bring invaluable impartiality to the Board's decision-making process.

The assessment of each Independent Director's independence status is conducted on an annual basis, upon reappointment, or whenever new interests or relationships emerge. This assessment adheres to the criteria outlined in the MMLR.

As of the date of this statement, none of the Independent Directors has served for a cumulative period exceeding nine (9) years. Upon completion of nine (9) years tenure, the Independent Director may continue to serve on the Board as Non-Independent Director. However, should the Board wish to retain an Independent Director beyond the ninth (9th) year, they will be required to justify this decision and seek annual approval from shareholders through a Two-Tier Voting Process.

Board Meetings and Attendance

The Board meets at least once every quarter and additional meetings are convened as and when necessary. During the FYE2026, eight (8) Board meetings were held. The record of attendance of the Board and Board Committees are as follows:-

	Board	Audit	Remuneration	Nomination and Remuneration#	RMSC
Number of meetings held in the year	8	3	1	1	3
Executive Directors					
Dato' Wong Kit-Leong	8/8	-	-	-	1/1
Mr. Low Kheng Lun *(removed on 20 November 2025)*	4/4	-	-	-	1/1
Ms. Tan Guan Ling *(appointed on 24 February 2026)*	2/2	-	-	-	-
Non-Executive Directors					
Datin Chan Bee Leng *(ceased as Director on 1 December 2025)*	5/5	1/1	1/1	-	-
Mr. Narayanasamy A/L N Chithambaram *(resigned on 5 October 2026)*	7/8	3/3	1/1	1/1	3/3
Mr. Keith Anicetus Vaz *(resigned on 21 October 2025)*	3/3	1/1	-	-	1/1
Mr. Bernard Chen Tong Liang *(appointed on 20 November 2025)*	4/4	2/2*	-	1/1*	1/1**
Dato' Mohamad Azmi Bin Ali *(appointed on 18 December 2025 and resigned on 1 September 2026)*	3/3	2/2	-	1/1	2/2

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

Board Meetings and Attendance (Cont'd)

Notes:

- # The Board of Directors of Ho Hup Construction Company Berhad has on 18 December 2025 approved the merger of the Nomination Committee and the Remuneration Committee into a single committee known as the "Nomination and Remuneration Committee".
- ## No Nomination Committee Meeting was held for FYE2026.
- * Mr. Bernard Chen Tong Liang was appointed as a member of the Audit Committee and Nomination and Remuneration Committee on 18 December 2025.
- ** Mr. Bernard Chen Tong Liang was appointed as a member of the Risk Management and Sustainability Committee on 24 February 2026.

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

Nomination and Remuneration Committee ("NRC")

On 18 December 2025, the Board merged the Nomination Committee and the Remuneration Committee into a single committee known as the "Nomination and Remuneration Committee". As of the date of this statement, the NRC comprises of two (2) Independent Non-Executive Directors ("INEDs"). The NRC shall meet at least once a year or as and when deemed fit and necessary.

The NRC annually performs Board self-evaluation to evaluate the performance of the Board, Board Committees and individual Directors, in order to verify that the Board is operating effectively and efficiently as a whole. 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.

Any appointment of a new Director to the Board or a Board Committee is recommended by the NRC for consideration and approval by the Board.

Based on the assessment carried out during the financial year, the NRC concluded the following:-

a) The Board was found to be competent and had a dynamic and balanced mix of skills with the necessary experience wherein the Directors were able to contribute effectively to the Board's decision-making process.
b) The current structure, size and composition of the Board, which comprises people who possess a wide range of expertise and experience in various fields with diverse backgrounds and specialisations, would enable the Board to lead and manage the Company effectively.
c) The Directors discharged their responsibilities in a commendable manner, acted competently, contributed effectively to the Board and demonstrated full commitment to their duties as Directors.
d) The Board Chairman provided leadership and guidance to the Board.
e) The performance of the Board Committees was found to be effective.

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 year 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

Nomination and Remuneration Committee ("NRC") (Cont'd)

The roles and responsibilities of the NRC also 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.

The details of the aggregate remuneration (including benefits-in-kind) of the Directors of the Company for the FYE2026 are as follows:

		Group FYE 2026 RM'000	Company FYE 2026 RM'000
(i)	**Executive Director's Remuneration**		
	Directors of Company		
	Salaries	643	643
	Defined Contribution Plan	37	37
	Other Emoluments	107	107
	Benefits-in-kind	7	7
	Total	794	794
	Directors of Subsidiaries		
	Salaries	-	-
	Defined Contribution Plan	-	-
	Other Emoluments	-	-
	Benefits-in-kind	-	-
	Total	-	-
	Total Executive Directors' Remuneration	794	794

		Group FYE 2026 RM'000	Company FYE 2026 RM'000
(ii)	**Non-Executive Director's Remuneration**		
	Directors of Company		
	Fees	221	221
	Meeting and Other Allowances	56	56
	Benefits-in-kind	-	-
	Total	277	277
	Directors of Subsidiaries		
	Other Allowances	-	-
	Total	-	-
	Total Non-Executive Directors' Remuneration	277	277
	Total Executive and Non-Executive Directors' Remuneration (i & ii)	1,071	1,071

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

Nomination and Remuneration Committee ("NRC") (Cont'd)

The details of the aggregate remuneration (including benefits-in-kind) of the Directors of the Company for the FYE2026 are as follows:

Name	Directors' Fees (RM'000)	Meeting and Other Allowances (RM'000)	Salaries (RM'000)	Defined Contribution Plan (RM'000)	Other Emoluments (RM'000)	Benefits-in-kind (RM'000)	Total (RM'000)
Datin Chan Bee Leng *(ceased as Director w.e.f. 1 December 2025)*	31	9	-	-	-	-	40
Mr. Low Kheng Lun *(removed on 20 November 2025)*	-	1	142	18	-	-	161
Dato' Wong Kit-Leong	-	-	503	22	78	7	610
Mr. Narayanasamy A/L N Chithambaram *(resigned on 5 October 2026)*	74	18	-	-	-	-	92
Mr. Keith Anicetus Vaz *(resigned on 21 October 2025)*	26	6	-	-	-	-	32
Mr. Bernard Chen Tong Liang *(appointed on 20 November 2025)*	44	10	-	-	-	-	54
Ms. Tan Guan Ling *(appointed on 24 February 2026)*	-	-	21	3	-	-	24
Dato' Mohamad Azmi Bin Ali *(appointed on 18 December 2025 and resigned on 1 September 2026)*	46	8	-	-	-	-	54
Tan Sri Datuk Seri (Dr) Mazlan Bin Lazim *(resigned on 8 May 2025)*	-	2	-	-	-	-	2
Mr. Danny Hoe Kam Thong *(resigned on 18 April 2025)*	-	1	-	-	-	-	1
Mr. Thevanaigam Rajan Chitty *(resigned on 8 May 2025)*	-	1	-	-	-	-	1

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

Nomination and Remuneration Committee ("NRC") (Cont'd)

The proposed fees and remuneration for the Directors of the Board and Board Committees for the financial year 2027 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 and Remuneration Committee	1,500	1,000	-
Risk Management and Sustainability Committee	1,500	1,000	-
Member:			
Non-Executive Directors	96,000	1,000	-
Audit Committee	12,000	1,000	-
Nomination and Remuneration Committee	1,000	1,000	-
Risk Management and Sustainability Committee	1,000	1,000	-

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 4 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 300,001 to RM350,000	-
RM 250,001 to RM300,000	1
RM 200,001 to RM250,000	-
RM 150,001 to RM200,000	3
RM 100,001 to RM150,000	-

The summary of the NRC activities for the year is found on page 56.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

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 FYE2026 activities and priorities are set out below:

Board Activities & Focus in FYE2026		
Strategy – Sustainability	**Governance & Reporting**	**Financial, Risk & Management Performance**
Sustainability Implementation Plan	Reviewed annual report, quarterly results & financial statements	The Group's budget, forecasts & key performance targets & indicators
Improving Sustainability Reporting and data collection	Board evaluation & effectiveness assessment	Risk management & internal control with focus on projects basis
Enhancing staff training and development activities	Composition of Board & Board Diversity	Group's operational cost management

Board Committee Activities & Focus in FYE2026
NRC
Assessed the Directors' fees and related benefits payable.
Determined the independence of the Independent Non-Executive Directors.
Recommended the re-election of Directors retiring by rotation pursuant to the Company's Constitution at the 51st AGM of the Company.
Recommended the re-election of Director retiring pursuant to Clause 93 of the Company's Constitution at the 51st 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.
Recommended the appointment of Ms. Tan Guan Ling as a Director of the Company and, subsequent to the financial year, the appointment of Mr. Haikel Bin Ismail as Director and the re-designation of Mr. Bernard Chen Tong Liang as Chairman of the Audit Committee and the appointment of Directors to the Board Committees.

During FYE2026, the appointments of Mr. Bernard Chen Tong Liang on 20 November 2025 and Dato' Mohamad Azmi Bin Ali on 18 December 2025 as Independent Non-Executive Directors were approved by the Board without a prior recommendation from the NRC, as no NRC meeting was held to deliberate on the appointments. This arose because the NRC was unable to form a quorum following the cessation of Mr. Keith Anicetus Vaz on 21 October 2025 and Datin Chan Bee Leng on 1 December 2025.

Code of Conduct and Business Ethics

The Board is committed to conduct its business fairly, impartially and in full compliance with all applicable laws and regulations in Malaysia and in countries where the Company has operations, if any. The Board has established a Code of Conduct and Business Ethics that outlines the expected conduct for both, the Board and employees.

The Code of Conduct and Business Ethics offers guidance to Directors and all employees within the Group regarding the ethical and behavioural considerations or actions in the fulfilment of their duties and obligations throughout their appointments.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

Whistleblowing Policy

The Company has implemented a Whistleblowing Policy, reflecting the Board's belief that a robust whistleblowing system enhances effective management and underscores accountability, prudent risk management, and strong corporate governance practices. This policy aims to encourage the reporting of significant concerns associated with any misconduct within the Group.

The policy outlines the relevant procedures, specifying when, how, and to whom suspicions of wrongdoing within the Company and its subsidiaries should be appropriately raised. The whistle-blower's identity is maintained confidentially, and protection is accorded to the Whistle-blower from any potential reprisals or retaliatory actions. To report such concerns, individuals are instructed to document them in writing and send them in a sealed envelope to the Chairman of the AC.

A copy of the Whistleblowing Policy is accessible on the Company's website at www.hohupgroup.com.my for reference and transparency.

Anti-Bribery and Anti-Corruption Policy

Ho Hup is committed to conduct business in an ethical and honest manner while upholding zero tolerance position on bribery and corruption. The company has instituted an Anti-Bribery and Anti-Corruption Policy to establish effective measures intended to deter individuals associated with the Group from participating in corrupt practices related to business activities.

This policy offers clear guidance to all employees and the Board on addressing improper solicitation, bribery, and other corrupt activities that may arise in the course of business, in full compliance with the amended Corporate Liability Provisions outlined in Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 (Amendment 2018).

A copy of the Anti-Bribery and Anti-Corruption Policy is readily accessible on the Company's website at www.hohupgroup.com.my for reference.

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.

All Directors of the Company have attended the Mandatory Accreditation Programme Part I and Part II (save for Mr. Bernard Chen Tong Liang and Ms. Tan Guan Ling who will attend MAP Part II by 20 May 2027 and 24 August 2027 respectively).

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

Directors' Training (Cont'd)

During FYE2026 the Directors have attended the following courses:

Courses Attended	Date of Training	Attended By
Compliance with Listing Requirement: Reporting of Financial Statements	7 January 2026	Dato' Wong Kit-Leong
Compliance with Listing Requirement: Reporting of Financial Statements	7 January 2026	Narayanasamy A/L N Chithambaram (resigned on 5 October 2026)
Compliance with Listing Requirement: Reporting of Financial Statements	7 January 2026	Bernard Chen Tong Liang (appointed on 20 November 2025)
Mandatory Accreditation Programme (MAP)	4 March 2026 – 5 March 2026	
Compliance with Listing Requirement: Reporting of Financial Statements	7 January 2026 *	Tan Guan Ling (appointed on 24 February 2026)
Key Amendments to Listing Requirements	5 March 2026	
Mandatory Accreditation Programme (MAP)	15 June 2026 – 16 June 2026	
Compliance with Listing Requirement: Reporting of Financial Statements	7 January 2026	Dato' Mohamad Azmi Bin Ali (appointed on 18 December 2025 and resigned on 1 September 2026)

Notes:

* *Attended prior to the appointment as director of the Company.*

In addition, during the financial year 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee ("AC")

In accordance with the best practices outlined in the MCCG, the Board has established the AC, which is composed solely of Independent Non-Executive Directors and the Chairman of the AC does not hold the position of Chairman of the Board.

The AC currently comprises two (2) INEDs following the resignation of Mr. Narayanasamy A/L N Chithambaram on 5 October 2026, and the vacancy will be filled within three (3) months in accordance with Paragraph 15.19 of the MMLR. Mr. Haikel Bin Ismail, a Chartered Accountant and a member of the MIA, fulfils Paragraph 15.09(1)(c)(i) of the MMLR. The vacancies that arose in the AC during FYE2026 were filled within the period prescribed under Paragraph 15.19 of the MMLR, as further explained in the Audit Committee Report. 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.

For FYE2026, none of the Board members or members of the AC have previously served as the key audit partner for the Group's External Auditors. The Company will adhere to a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of AC membership is a key audit partner for the Group's external auditors.

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 have been prepared on a going concern basis, the appropriateness of which is dependent on the matters set out in Note 2(b) to the financial statements, including the extension of the restraining order, the approval and implementation of the proposed scheme of arrangement and regularisation plan, and the continued support of financial institutions and creditors. The External Auditors have expressed a disclaimer of opinion on the financial statements of the Group and of the Company for FYE2026; the Board's assessment and the AC's deliberations on these matters are set out in the Audit Committee Report.

The membership of the AC, its responsibilities and works done in FYE2026 are set out in the 'Audit Committee Report' in this Annual Report.

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 FYE2026, two (2) private sessions were held on 25 August 2025 and 28 August 2026 (the latter after the financial year end) 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 FYE2026 did not in any way impair their objectivity and independence as External Auditors of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

External Auditors (Cont'd)

Having regard to the outcome of the annual assessment of UHY, the Board had in October 2026 approved the AC's recommendation for the re-appointment of the External Auditors, subject to approval by shareholders at the upcoming AGM.

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

Risk Management and Sustainability Committee ("RMSC")

As at 13 October 2026, the date of this Statement, the present members of the RMSC are as follows:

Mr Bernard Chen Tong Liang
(Independent & Non-Executive Director)

Mr Haikel Bin Ismail
(Independent and Non-Executive Director)

The RMSC comprises of three (3) INEDs. The Risk Management Committee was established on 26 April 2024 to ensure the following objectives:-

(a) to assist the 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 MCCG 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.

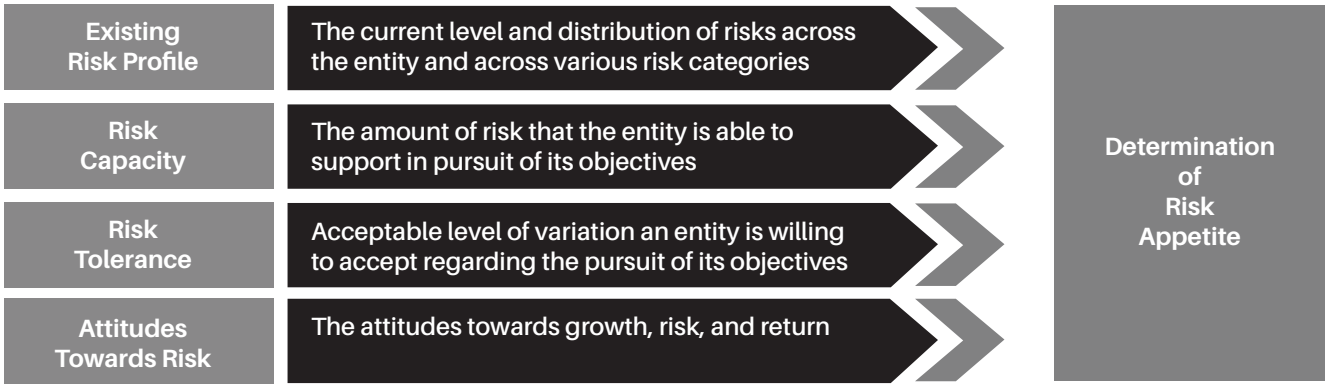
The primary task of the RMSC is to identify and assess the various risks inherent in the Group's operating environment including sustainability matters and review the adequacy of controls implemented to mitigate such risks.

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.

A summary of the material risks that could affect the Group are monitored for changes in their exposure and are reported to the AC and the Board during the course of the year, along with their related controls and action plans.

Risk Reporting Structure



CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

Internal Audit Function

The Group's Internal Audit function is outsourced to Quadrant Biz Solutions Sdn Bhd and, from the second quarter of FYE2026, was overseen on an interim basis by Mr. Desmond Chew, Group Internal Audit Manager of Insas Berhad, a deemed major shareholder of the Company, to assist the AC in providing an 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 year under review, the Internal Auditors in teams of two (2) had conducted one (1) cycle of Internal audit reviews on asset management 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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

Investor Relations Activities

Investor relations activities such as meeting with fund managers and analysts; and interviews by the media will be 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 1 December 2025, 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.

In accordance with the paragraph 8.29A of MMLR, the Company will ensure that every resolution outlined in the notice of any general meeting, or in any notice of resolution that can appropriately be proposed and is intended to be proposed at any general meeting, will be voted on by a poll. Simultaneously, the Company will designate at least one (1) scrutineer to authenticate the votes cast during the general meeting.

The minutes of the AGM are subsequently published on the Company's website upon confirmation by the Board.

Compliance Statement

This Statement on the Company's corporate governance practices is made in compliance with paragraph 15.25 of the MMLR. The Board is satisfied that the Company has applied the Principles and, save for the departures from Practices 1.2, 1.3, 1.4, 5.9, 8.2, 13.2 and 13.3 explained in the Corporate Governance Report, complied with the Practices of the MCCG, the relevant chapters of the MMLR on CG and all applicable laws and regulations throughout the financial year under review.

This Statement was approved by the Board on 13 October 2026.

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 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 year ended 30 June 2026 ("FYE 2026"). 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 ("SORMIC").

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 of those should be realised, and then, managing the identified risks effectively, efficiently and economically.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for implementing the internal control systems, policies, procedures processes to identify, assess, 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 effective risk management framework is essential in pursuit of the Group's corporate objectives and operating goals. Key management personnel(s) and Heads of Departments are responsible to manage their business risks in the respective operating units and reporting the progress status monthly.

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

The above-mentioned practices and initiatives have been in place by the Board and served as an on-going risk management process to identify, access, evaluate, monitor and report any significant risks.

In the FYE 2026 under review, one (1) audit review was performed on asset management. The audit findings of the risks reviewed have been reported to the Audit Committee ("AC") and subsequently presented to the Board for discussion and deliberation accordingly. Remediates and corrective actions with the implementation date were agreed by the Management to mitigate the risks identified during review.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

KEY ELEMENTS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROLS

1. Investment/Project Risk

Investment risk on major investments is being mitigated with legal and financial due diligence, feasibility studies and comprehensive risk assessment as the pre-implementation framework on all investments and projects. The investment proposals are submitted by the Management directly at the Board meetings for evaluation and approval process after the dissolution of the Executive Committee as of 18 April 2025.

All investment and projects risk are assessed before decision making process. The Audit Committee review the quarterly risk management report presented by the Management to ascertain the Board's assurance obtained prior to the adoption and to identify any potential and emerging investments and projects risks respectively.

2. Funding Risk

Capital demands for financing funding these activities and new projects have increased for the Group's continuous expansion of business activities. For strategic planning to mitigate funding risks, the Company explored funding options with various banks, secured financing facilities including contract financing, equity loan for equity investments,term-loans on the Group's on-going projects for general working capital and acquisition of companies. This multi-tiered financing strategy ensures that the Group's capital availability and liquidity buffers are robustly aligned with its expanding project pipeline while preserving cash reserves.

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 the Management meetings to ensure that work progresses are completed as scheduled, and closely monitoring by our Project Managers on the sub-contractor's performance that have been appointed for the Group's projects.

4. Foreign Currency Risk

In evaluating the oversea projects, the Group will monitor currency trends and evaluate appropriate financial instruments to hedge against adverse exchange rate movements and stabilise net operational margins.

5. Country and Political Risk

In evaluating the overseas projects, the Board prioritises the mitigation of geopolitical and macroeconomic exposures by strictly avoiding high-risk jurisdictions and minimising working capital requirements. The Group shall strategically leverage on operational model, marketing its specialised project management expertise and technical consultancy services rather than committing extensive capital infrastructure. This approach effectively hedges the Group's asset base against cross-border political uncertainties, regulatory shifts, and capital repatriation restrictions while safely expanding its global footprint.

6. Joint-Venture Partners' Performance Risk

To prevent operational bottlenecks and safeguard the Group's financial performance against external disruptions, the Group managed dependencies on third-party alliances through a rigorous monitoring framework. Joint-venture operations are evaluated closely against the specific legal terms of respective joint-venture agreements, utilising mandatory monthly status reports to proactively identify and rectify projects delay. The Management actively engages with partners through structured, regular operational meetings and strategic dialogues to ensure continuous oversight loop keeps executive leadership abreast of the latest developments. The delivery timelines are maintained, and partner capabilities remains fully aligned with the Group's corporate standards and compliance requirements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(CONT'D)

KEY ELEMENTS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROLS (CONT'D)

7. Bribery and Corruption Risk

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

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

The Group's Code of Ethics and Conduct of Directors and Employees are updates with emphasis to Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 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.

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 knowledge and skills of employees and reinforce qualities of professionalism and integrity. Training programme includes internal briefings and external seminars for selected employees to enhance their controls environment relating to risk management, leadership, selling and marketing skills, and talent management.

- **Control Structure**

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

The Group's control structure consists of *(at least but not limited to):*

(i) Management

- A well-established Standard Operating Procedures ("SOPs") covers all key aspects of the Group's various business processes. These SOPs deal with, amongst others, control issues for financial accounting and reporting, cash management, asset security, information technology, health and safety requirements etc. These procedures are subjected to regular reviews to cater for changes in processes, regulations, and process improvements.
- Aside from the SOPs, effective information flows such as changes in procedures, if any, are communicated via circulars and internal memos, which are properly authorised by the Board.
- Fortnightly meetings chaired by the Executive Directors ("EDs") with the Management allow direct communication and feedback in respect of compliance and monitoring of financial status, project management status, and other key business matters.
- All significant contracts and legally enforceable agreements are vetted by the Group's legal department and/or the appointed legal firms;
- Tailored-made training and development programmes are identified and scheduled for designated personnel(s) to acquire for technical competency and performance expectations.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

INTERNAL CONTROL SYSTEM (CONT'D)

(ii) Internal Audit Function

The Group engaged an independent professional team for Internal Audit services which carries out its internal review functions and provides assurance on the adequacy and effective of the internal control systems. The Internal Audit is responsible for internal audit planning, engagement, reviewing and reporting audit findings with recommendations for the Group. For this purpose, each year, the Internal Auditors:

- Prepare detailed Annual Audit Plan submission for the Audit Committee's approval;
- Conduct all audit activities in accordance with the approved Audit Plan;
- Perform exit meeting with the auditees upon completion of each audit assignment to share audit findings with recommendations; and
- Present the Internal Audit Reports with the Management's remedial actions to the Audit Committee.

(iii) Audit Committee

The Audit Committee, on behalf of the Board, reviews the Group's financial performance and monitors the implementation of remediation measures on internal control issues identified by the Internal Auditor, External Auditors, and Management on a quarterly basis. While acknowledging that these risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, the Board's acknowledge that these mechanisms provide reasonable, but not absolute assurance against material misstatement, fraud, or operational loss throughout the financial year under review.

(iv) Board of Directors ("Board")

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

- **Reporting and Information**

  The Board has a formal agenda on matters for discussion and meet during the Board meeting quarterly. The EDs leads the presentation of board papers and provides explanations on pertinent issues. The quarterly financial results tabled at the Board Meetings are approved by the Board, upon recommendations highlighted by the Audit Committee and after due deliberations at the Board meetings.

  The EDs chaired fortnightly meetings with the Management to discuss the Group's business, financial and operational performance. Key matters affecting the Group are brought to the attention of the Audit Committee by the EDs, 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 actions agreeable by the Management. The system is reviewed at an ongoing basis by the Board, the Audit Committee, the Management and the Internal Auditors respectively. Responsibility for monitoring compliance with the 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)

INTERNAL AUDIT MECHANISM

The Group's Internal Audit function is outsourced to the Quadrant Biz Solutions Sdn Bhd. The outsourced audit advisory and services are engaged primarily to assist the Board and the Audit Committee in providing an independent review and risk assessment of the adequacy, efficiency and effectiveness of the Group's internal control systems. They report directly to the Audit Committee and presented the Internal Audit Plans to the Audit Committee for review and approval.

The Internal Auditors reported the audit findings with recommendation of the audited business processes to the Audit Committee on a quarterly basis. In addition, the status of 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 fully implemented and addressed by the Management.

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 controls.

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 it remains 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 the business processes.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement, as required by Paragraph 15.23 of the MMLR and against the scopes 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 year 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 controls to safeguard the interest of stakeholders. 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 EDs and the Head of Finance, who are primarily responsible for the financial management. 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 was approved by the Board on 13 October 2026.

AUDIT COMMITTEE **REPORT**

The Audit Committee ("AC") of Ho Hup Construction Company Berhad ("the Company") is pleased to present the Audit Committee Report for the financial year ended 30 June 2026 ("FYE2026").

1. Composition of the AC

As at 13 October 2026, the date of this report, the AC comprises two (2) members, both of whom are Independent Non-Executive Directors: -

Directors	Directorship	Designation
Mr. Bernard Chen Tong Liang *(appointed on 18 December 2025 and re-designated as Chairman of Audit Committee on 4 September 2026)*	Independent Non-Executive Director	Chairman
Mr. Haikel Bin Ismail *(appointed on 4 September 2026)*	Independent Non-Executive Director	Member
Mr. Narayanasamy A/L N Chithambaram *(ceased on 5 October 2026)*	Independent Non-Executive Director	Member
Dato' Mohamad Azmi Bin Ali (b) *(appointed on 18 December 2025 and ceased on 1 September 2026)*	Independent Non-Executive Director	Chairman
Mr. Keith Anicetus Vaz (c) *(appointed on 8 May 2025 and ceased on 21 October 2025)*	Independent Non-Executive Director	Chairman
Datin Chan Bee Leng *(ceased on 1 December 2025)*	Non-Independent Non-Executive Director	Member

During FYE2026, the composition of the AC fell below the requirements of Paragraph 15.09(1) of the MMLR for the following periods:

a) following the cessation of Mr. Keith Anicetus Vaz on 21 October 2025, the AC did not have a member who fulfilled Paragraph 15.09(1)(c)(i) of the MMLR. Following the further cessation of Datin Chan Bee Leng on 1 December 2025, the AC comprised only one (1) member, Mr. Narayanasamy A/L N Chithambaram, from 1 December 2025 to 17 December 2025. Both requirements were restored on 18 December 2025 with the appointments of Mr. Bernard Chen Tong Liang and Dato' Mohamad Azmi Bin Ali. Dato' Mohamad Azmi Bin Ali is a member of the Malaysian Institute of Accountants ("MIA") and fulfilled Paragraph 15.09(1)(c)(i) of the MMLR; and

b) following the resignation of Dato' Mohamad Azmi Bin Ali on 1 September 2026, the AC did not have a member who fulfilled Paragraph 15.09(1)(c)(i) of the MMLR until the appointment of Mr. Haikel Bin Ismail ("Mr Haikel") on 4 September 2026. Mr Haikel is a Chartered Accountant and a member of the MIA.

In each instance, the vacancy was filled within three (3) months in accordance with Paragraph 15.10 of the MMLR.

The AC shall elect a Chairman from among its members and the elected Chairman shall be an Independent Director. All members of the AC are not alternate directors and are financially literate in discharging their duties and responsibilities as members of the AC.

The AC members possess pertinent experience and expertise in finance and accounting and have diligently fulfilled their responsibilities in alignment with the AC's terms of reference.

AUDIT COMMITTEE REPORT
(CONT'D)

1. Composition of the AC (Cont'd)

The Company acknowledged the importance of preserving the independence of its external auditors, ensuring the absence of any potential conflicts of interest. None of the AC members had previously served as audit partners for External Auditors of the Group. The Company will comply with a cooling-off period of at least three (3) years if a prospective AC member was formerly an audit partner for the Group's external auditors. This practice has been formalised and incorporated into the AC's Terms of Reference.

Attendance of Meetings

The AC met three (3) times during the FYE2026 and the attendance records of the AC members as follows: -

Name of Audit Committee Members	Attendance at Audit Committee Meetings
Mr. Bernard Chen Tong Liang *(appointed on 18 December 2025 and re-designated as Chairman of Audit Committee on 4 September 2026)*	2/2
Dato' Mohamad Azmi Bin Ali *(appointed on 18 December 2025 and ceased on 1 September 2026)*	2/2
Mr. Keith Anicetus Vaz *(appointed on 8 May 2025 and ceased on 21 October 2025)*	1/1
Mr. Narayanasamy A/L N Chithambaram *(ceased on 5 October 2026)*	3/3
Datin Chan Bee Leng *(appointed on 6 June 2025 and ceased on 1 December 2025)*	1/1

Following the cessation of Mr. Keith Anicetus Vaz on 21 October 2025, the AC comprised two members until 1 December 2025 and one member from 1 to 18 December 2025, when Mr. Bernard Chen Tong Liang and Dato' Mohamad Azmi Bin Ali were appointed within the period permitted under Paragraph 15.19 of the MMLR. As the required quorum could not be achieved, no AC meeting was convened to review the unaudited quarterly results for the quarter ended 30 September 2025. The results were accordingly approved by the Board on 26 November 2025 without prior review by the AC, to meet the announcement deadline under Paragraph 9.22 of the MMLR.

All AC meetings held during the financial year were quorate as stipulated in the Terms of Reference ("TOR") of the AC. However, no AC meeting was convened to review the unaudited quarterly results for the quarter ended 30 September 2025 as the required quorum could not be achieved following the cessation of an AC member.

To ensure robust oversight and thorough deliberation, the Heads of Department and members of the Senior Management attended the meeting by invitation. They provided the AC with essential clarification and detailed explanation on relevant matters as required. The primary role of the AC is to ensure that all recommendations made by the Internal Auditors, External Auditors and the Regulators are effectively addressed and resolved in a timely manner.

During the FYE2026, the AC held two (2) private sessions were held on 25 August 2025 and 28 August 2026 (the latter after the financial year end) with the External Auditors without the presence of any executive member of the Board, Management and staff. These sessions were convened to facilitate open communication and ensure independent oversight role.

The Company Secretaries served as the secretary for all AC meetings. Minutes of each meeting were recorded, tabled for confirmation at the subsequent AC meeting, and subsequently presented to the Board for notation.

AUDIT COMMITTEE REPORT
(CONT'D)

2. Terms of Reference (TOR)

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

SUMMARY OF AUDIT COMMITTEE'S ACTIVITIES

A summary of the primary activities carried out by the AC during the financial year 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 both the Company and the Group respectively. Subsequent to these reviews, the financial statements were submitted to the Board for their consideration and approval.

The dates on which the AC convened during the FYE2026 to deliberate on these financial reporting matters are detailed below:

Date of Meetings	Activities
25 August 2025	• Audit Findings for the financial period ended 30 June 2025 • Unaudited quarterly report on consolidated results of the Group for the sixth quarter ended 30 June 2025
23 February 2026	• Unaudited quarterly report on consolidated results of the Group for the second quarter ended 31 December 2025
22 May 2026	• Audit Planning Memorandum for financial year ending 30 June 2026 • Unaudited quarterly report on consolidated results of the Group for the third quarter ended 31 March 2026

During the financial year, as the required quorum of the AC could not be achieved, the unaudited quarterly results for the quarter ended 30 September 2025 were approved by the Board on 26 November 2025 without prior review by the AC. This constituted a non-compliance with Paragraph 15.12(1)(g) of the MMLR.

In reviewing the annual audited financial statements, the AC collaborated closely with both Management and the External Auditors on the accounting principles and standards that were applied and their professional opinions on the significant items that may impact the Group's financial statements.

Internal Audit ("IA")

The primary role of the IA functions is to assess the adequacy and effectiveness of the Group's risk management, internal control and governance frameworks. The IA report directly to the AC, providing independent review for the internal control system established by the Management to evaluate on their effectiveness vis-à-vis the objectives and to provide audit recommendations for improvement. The IA adopts a risk-based methodology strictly guided by the International Professional Practices Framework ("IPPF") issued by The Institute of Internal Auditors, and established Internal Audit Charter approved by the AC.

The IA function is outsourced to Quadrant Biz Solutions Sdn Bhd led by Ms. Chew Bee Suan. Following her resignation, the IA function was temporarily overseen by Mr. Desmond Chew, Group Internal Audit Manager of Insas Berhad (a deemed major shareholder of the Company), from second quarter of FYE2026 onwards, who assumed interim responsibilities to manage the transition and handover of operational duties for the FYE2026.

AUDIT COMMITTEE REPORT
(CONT'D)

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

Internal Audit ("IA") (Cont'd)

Throughout the financial year under review, the IA assisted the AC in discharging their duties and responsibilities by executing independent reviews, objective assurance and consulting activities across the Group's key operations. The IA engagement and audit activities were designed to ensure consistency within the control environment and compliance with the established policies, procedures, rules, regulations, guidelines, directives and relevant statutory laws.

The core activities performed by the IA function during the financial year include:

- refreshed on the two (2) years pre-approved Internal Audit Plan ("IA Plan") during the FPE 30 June 2025 to ensure internal audit activities were carried out accordingly. Any significant changes to the IA Plan were communicated to the AC for approval prior to the commencement of the audit assignment.

- performed audit reviews of asset management and assessed key operational processes to evaluate the adequacy and efficiency of the internal control systems, and highlighted significant risk exposures and non-compliance matters affecting the Group;

- one (1) cycle of Internal Audit were carried out throughout FYE2026, the Internal Audit outlines the findings and observations and provides recommendations to strengthen and improve controls of the Group.

- conducted follow-up audit during each audit cycle completed to ensure the status of Management's implementation based on the IA's recommendations which were previously reported in the preceding cycles of audit review;

- deliberated the Internal Audit Reports arising from the audit review to the AC during quarterly meeting with the Management to ensure that all matters arising by the IA team were adequately and promptly addressed by the auditee or Management.

The AC acknowledges that the internal control systems enforced and implemented and maintained by the Group throughout the financial year, up to the date of approval of this report, provide reasonable, though not absolute, assurance against material misstatements or loss. Accordingly, any audit findings highlighting internal control weaknesses were appropriately tracked, remediated, monitored and rectified to prevent future operational and financial irregularities.

Based on the one internal audit cycle completed (asset management) and Management's representations, the AC noted the findings and the status of remedial actions. The AC draws attention to the limitations described in the External Auditors' report and the matters set out in the Statement on Risk Management and Internal Control; the system of internal control provides reasonable, not absolute, assurance, and the Board has identified the areas of weakness and the actions taken.

The cost incurred for the internal audit function in FYE2026 was RM5,625 (FPE 30 June 2025: RM142,063), paid to Quadrant Biz Solutions Sdn Bhd. Two (2) personnel were deployed under Mr. Desmond Chew's supervision, reporting directly to the AC.

AUDIT COMMITTEE REPORT
(CONT'D)

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

2. 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 matters giving rise to the modified opinion and those issues that have been subsequently resolved and those that remain unresolved:

On 22 May 2026, the AC reviewed the Audit Planning Memorandum, including the significant risks and areas of audit focus identified by the External Auditors. On 13 October 2026, the AC reviewed the draft audited financial statements for FYE2026 together with the External Auditors' draft report, including the Basis for Disclaimer of Opinion and Management's responses thereto, before recommending the financial statements to the Board for approval.

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 on 25 August 2025 and 28 August 2026, without the presence of Executive Board members, Management and Staff to discuss their observations and areas for improvements.

3. Review of the AC

During the financial year, the AC could not achieve the required quorum, and accordingly no AC meeting was convened to review the unaudited quarterly results for the quarter ended 30 September 2025. These results were approved by the Board on 26 November 2025 without prior review by the AC, which constituted a non-compliance with Paragraph 15.12(1)(g) of the MMLR.

The AC has reported the matter to the Board and is satisfied that they have been appropriately addressed. Save for the above, the AC's reviews did not identify any other matter that resulted in a breach of the MMLR warranting a report to Bursa Malaysia Securities Berhad under Paragraph 15.16 of the MMLR.

AUDIT COMMITTEE REPORT
(CONT'D)

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

4. Related Party Transactions

At the AC meetings held on 25 August 2025, 23 February 2026 and 22 May 2026, the AC reviewed the reports on related party transactions entered into by the Company and the Group respectively, including continuous monitoring of recurrent related party transactions for which a 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 and internal control procedures maintained with regard to such transactions; and

(iii) compliance were fully achieved regarding the disclosure requirements pursuant to Chapter 10 of the MMLR, Malaysian Financial Reporting Standard 124 ("MFRS 124") and the Companies Act 2016.

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

5. Conflict of Interest or Potential Conflict of Interest Situation

Pursuant to paragraph 15.12(1)(h) of the MMLR of Bursa Malaysia, the AC is responsible for reviewing conflict of interest situations that arise, persist, or may arise within the Group, including transactions, procedures, or conduct that could raise concerns regarding management integrity, as well as the measures taken to address, eliminate, or mitigate such conflicts.

6. Risk Management

(i) Reviewed the updates on the Group's financial assistance status presented by the Management; and*

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

*(*Note: Risk management oversight is undertaken by the RMSC, established by the Board on 26 April 2024; the AC reviews the Statement on Risk Management and Internal Control and the financial-reporting risks reported to it.)*

This AC Report has been reviewed by the AC and approved by the Board on 13 October 2026.

STATEMENT OF **RESPONSIBILITY BY DIRECTORS**

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.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the financial year ended 30 June 2026, the Group and the Company have used appropriate accounting policies and applied them consistently and are supported by reasonable and prudent judgements and estimates. The Directors also consider that all applicable approved accounting standards have been complied with and further confirm that the financial statements have been prepared on a going concern basis.

This Statement was approved by the Board on 13 October 2026.

ADDITIONAL COMPLIANCE **INFORMATION**

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

1. 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 year from 1 July 2025 to 30 June 2026 ("FYE2026") are as follows:

	Group (RM'000)	Company (RM'000)
Audit services rendered		
(1) Current year provision	265	191
Non-audit services rendered		
(1) Review of the Statement of Risk Management and Internal Control	5	5

2. 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 year under review or which were entered into since the end of the previous financial period.

3. Recurrent Related Party Transactions of A Revenue Nature

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

The breakdown of the aggregate value of transactions of a revenue and trading nature conducted during the FYE 2026, pursuant to the shareholders' mandate obtained at the 51st Annual General Meeting ("AGM") of the Company held on 1 December 2025, 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	Estimated Value from 1 December 2025 (date of 51st AGM) to the date of next AGM (RM'000)	Aggregate value of transactions from 1 July 2025 to 30 June 2026 (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	#	-

ADDITIONAL COMPLIANCE INFORMATION

(CONT'D)

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

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

The breakdown of the aggregate value of transactions of a revenue and trading nature conducted during the FYE 2026, pursuant to the shareholders' mandate obtained at the 51st Annual General Meeting ("AGM") of the Company held on 1 December 2025, is set out below (cont'd):-

No	Ho Hup and/or its subsidiaries	Transacting Parties	Interested Directors/Major Shareholders and Persons Connected with them	Nature of Transactions	Estimated Value from 1 December 2025 (date of 51st AGM) to the date of next AGM (RM'000)	Aggregate value of transactions from 1 July 2025 to 30 June 2026 (RM'000)
2.	Ho Hup Jaya Sdn Bhd ("HHJ")	Omesti Berhad	Dato' Sri Thong Kok Khee ("DSTKK") (1) Dato' Wong Kit-Leong (2) Insas Berhad ("Insas") (3) Gryphon Asset Management Sdn Bhd ("GAM") (4) Thong Mei Chuen ("TMC") (5) Thong Weng Sheng ("TWS") (5) Winfields Development Pte Ltd ("WDPL") (4) Montego Assets Limited ("MAL") (4) H2O Holdings Sdn Bhd ("H2O") (6)	Rental of office premises	3,600	436
3.	HHJ	Microlink Solutions Berhad	Omesti Holdings Berhad ("OHB") (7) Omesti Berhad ("OB") (8)	Rental of office premises	2,100	421
4.	HHJ	Symphony Interactive Sdn Bhd ("SISB")	DSTKK (1) DWKL (2) Insas (3) GAM (4) TMC (5) TWS (5) WDPL (4) MAL (4) H2O (6)	Renting of retail spaces	3,360	1,980

 # Estimates of the value of this category of transactions cannot be ascertained given the various types of properties sold by Ho Hup Group which varies from project to project. However, in accordance with Paragraph 3.3 of Practice Note 12 of the Listing Requirements, no estimate is required where any one of the percentage ratios of the transactions is not more than 10%.

@ No sale of development properties to Directors, Major Shareholders and/or Persons Connected with them was transacted by the Ho Hup Group during FYE2026.

ADDITIONAL COMPLIANCE INFORMATION
(CONT'D)

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

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

The breakdown of the aggregate value of transactions of a revenue and trading nature conducted during the FYE 2026, pursuant to the shareholders' mandate obtained at the 51st Annual General Meeting ("AGM") of the Company held on 1 December 2025, is set out below (cont'd):-

(1) DSTKK is a common Director of Omesti Berhad ("OB") and SISB. He is also a Major Shareholder of OB, Microlink Solutions Berhad ("MSB") and Insas, and holds an indirect shareholding in SISB through Filmont Holdings Sdn. Bhd. (a wholly-owned subsidiary of Insas), and is a Major Shareholder of Ho Hup, the holding company of HHJ.

(2) 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.

(3) 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.

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

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

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

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

(8) 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 year ended 30 June 2026.

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, investment holding, project management, and property and retail management, while several subsidiaries remain dormant.

Financial Results

	Group RM'000	Company RM'000
Loss for the financial year	(8,887)	(8,878)
Attributable to:		
Owners of the parent	(12,522)	(8,878)
Non-controlling interests	3,635	-
	(8,887)	(8,878)

Reserves and Provisions

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

DIRECTORS' REPORT
(CONT'D)

Dividends

There were no dividends proposed, declared or paid by the Company since the end of the previous financial period. The Directors do not recommend any dividend in respect of the current financial year ended 30 June 2026.

Issue of Shares and Debentures

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

Directors

The Directors of the Company in office since the beginning of the financial year until the date of this report are:

Dato' Wong Kit-Leong*	
Bernard Chen Tong Liang	(Appointed on 20 November 2025)
Tan Guan Ling	(Appointed on 24 February 2026)
Haikel Bin Ismail	(Appointed on 4 September 2026)
Keith Anicetus Vaz	(Resigned on 21 October 2025)
Low Kheng Lun*	(Removed on 20 November 2025)
Datin Chan Bee Leng	(Retired on 1 December 2025)
Dato' Mohamad Azmi Bin Ali	(Appointed on 18 December 2025 and resigned on 1 September 2026)
Narayanasamy A/L N Chithambaram	(Resigned on 5 October 2026)

* 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 year up to the date of this report are:

Dato' Sri Chee Hong Leong	
Yap Yoon Lean	
Liew Vun Let	
Monteiro Gerard Clair	
Choo Fong	(Appointed on 6 March 2026)
Dato' Wizan Bin Abdul Ghani	(Resigned on 9 September 2025)
Oh Yao Qiang	(Resigned on 14 September 2025)
Mohd Arief Aslam Bin Arifin	(Resigned on 20 November 2025)
Victoria Loui Hoong Mei	(Resigned on 26 February 2026)

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 year (including their spouse or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 01.07.2025	Acquired	Disposed	At 30.06.2026
Ho Hup Construction Company Berhad				
Direct interest				
Dato' Wong Kit-Leong	150,000	-	-	150,000
Tan Guan Ling	400,000	-	-	400,000

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

Directors' Benefits

Since the end of the previous financial period, 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 34(b).

The details of the Directors' remuneration for the financial year ended 30 June 2026 are set out below:

	Group RM'000	Company RM'000
Salary and other emoluments	750	750
Fees	221	221
Defined contribution plan	37	37
Benefit in kind	7	7
Meeting and other allowances	56	56
	1,071	1,071

Neither during nor at the end of the financial year, 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.

DIRECTORS' REPORT
(CONT'D)

Indemnity and Insurance Costs

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Company were RM10,000,000 and RM27,810 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.

(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 year 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 year other than as disclosed in the financial statements.

DIRECTORS' REPORT
(CONT'D)

Other Statutory Information (Cont'd)

(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 year 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 year 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 year 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 year in which this report is made.

Subsidiary Companies

The details of the subsidiaries are disclosed in Note 9 to the financial statements.

Auditors' Remuneration

The auditors' remuneration of the Group and of the Company for the financial year ended 30 June 2026 is as follows:

	Group RM'000	Company RM'000
Auditors' remuneration		
UHY Malaysia PLT		
- Statutory audit	240	191
- Non-statutory audit	5	5
	245	196
Other auditors - Statutory audit	25	-
	270	196

Material Litigation

The details of material litigation are disclosed in Note 37 to the financial statements.

DIRECTORS' REPORT
(CONT'D)

Contingent Liabilities

The details of contingent liabilities are disclosed in Note 41 to the financial statements.

Subsequent Events

The details of significant events subsequent to the end of the financial year are disclosed in Note 42 to the financial statements.

Auditors

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

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

DATO' WONG KIT-LEONG	TAN GUAN LING

KUALA LUMPUR

15 October 2026

STATEMENT BY **DIRECTORS**

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

The Directors of the Company, 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 2026 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

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

DATO' WONG KIT-LEONG

TAN GUAN LING

KUALA LUMPUR

15 October 2026

STATUTORY **DECLARATION**

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

I, Tan Guan Ling (MIA Membership No. 31484), the Director 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 15 October 2026)

TAN GUAN LING

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT **AUDITORS' REPORT**

TO THE MEMBERS OF HO HUP CONSTRUCTION COMPANY BERHAD (CONT'D)

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 2026 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 year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 17 to 150.

We do not express an opinion on the accompanying financial statements of the Group and of the Company. 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. Going concern. 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) For the financial year ended 30 June 2026 the Group and the Company incurred net losses of RM8,887,918 and RM8,877,723 respectively; as at that date the Group's and the Company's current liabilities exceeded their current assets by RM280,745,789 and RM179,302,998 respectively, and the Group and the Company recorded capital deficiencies of RM172,620,108 and RM173,197,998 respectively.

INDEPENDENT AUDITORS' REPORT

Basis for Disclaimer of Opinion (Cont'd)

1. Going concern. 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 triggered the prescribed criteria under Paragraph 2.1(f) of Practice Note 17 ("PN17") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") following a default in payment announced under Paragraph 9.19A and its inability to provide a solvency declaration. On 26 September 2025 the Company announced that it had also triggered Paragraph 2.1(a) of PN17, its consolidated shareholders' equity being less than 25% of issued share capital and less than RM40 million. The regularisation plan was due on 17 April 2026; on 30 April 2026 Bursa Securities granted an extension of time to 17 October 2026. As at the date of this report no regularisation plan had been submitted to Bursa Securities and no further extension of time had been applied for or granted; Bursa Securities may suspend trading in and de-list the Company's securities.

   c) As at 30 June 2026 the Group and the Company were in default on loans and borrowings amounting to RM135,939,258 and RM53,481,268 respectively (30 June 2025: RM131 million and RM53 million), including facilities with AmBank Islamic Berhad and Insas Credit & Leasing Sdn. Bhd. on which monthly default announcements continue to be made under Paragraph 9.19A.

   d) On 25 February 2025 the Company was served with a winding-up petition by Malayan Banking Berhad ("MBB") for the disputed sum of RM13,608,435 plus interest and costs pursuant to a Court of Appeal judgment. No winding-up order has been made. On 27 April 2026 MBB agreed to suspend the proceedings pending negotiations; the matter has been adjourned for case management on several occasions, most recently on 23 July 2026, for the Company to update the Court on its proposed restructuring scheme. As announced on 8 October 2026, the Company was notified by its solicitors on 7 October 2026 that the High Court had further adjourned the matter to 20 October 2026 for case management.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HO HUP CONSTRUCTION COMPANY BERHAD (CONT'D)

Basis for Disclaimer of Opinion (Cont'd)

1. Going concern. 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)

   e) The Company applied to the High Court of Malaya for a proposed scheme of arrangement and restraining order under Sections 366, 368 and 369 of the Companies Act 2016. An ad-interim restraining order granted on 19 June 2025 was withdrawn on 3 December 2025; a fresh application filed on 10 December 2025 led to an interim injunction on 25 February 2026 effective until 22 April 2026, on which date the Company withdrew its application. On 27 April 2026 Omesti Holdings Berhad, a substantial shareholder, served an application under Section 368 (refiled on 4 May 2026 and served on 15 May 2026); case management took place on 19 May 2026 and 8 September 2026. As at the date of this report no restraining order or statutory moratorium is in force and no scheme has been put to creditors.

   f) Creditors continue to enforce against the Group. The Inland Revenue Board served a winding-up petition on HH Interpark Sdn. Bhd. on 23 February 2026 (RM157,137) and a notice of winding-up on the Company on 6 March 2026 (RM1.52 million); Messrs Elison Wong presented a winding-up petition against the Company on 26 August 2026 for a judgment debt of RM213,443, fixed for hearing on 28 October 2026; statutory notices from One Fueller Sdn. Bhd. (RM1,803,913) and Vision Pipe Sdn. Bhd. (RM3,351,032) have expired or remain outstanding; and judgments and guarantee calls by Malayan Banking Berhad (RM29,988,772), Zen Courts Sdn. Bhd. (RM14,500,000) and Sabah Development Bank (RM46,849,297) remain unpaid and unprovided for.

   No restraining order is in force, no application to extend or renew one has been made, and no regularisation plan has been submitted. The ability of the Group and of the Company to continue as going concerns depends on:

   (i) obtaining a restraining order and creditor approval of a scheme of arrangement;
   (ii) the timely submission, approval and implementation of the regularisation plan to address the PN17 condition;
   (iii) generating sufficient cash flows to meet their obligations as they fall due; and
   (iv) the continued support of financial institutions and creditors.

   If these 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, and adjustments may be required to the recoverability and classification of recorded assets and liabilities.

INDEPENDENT AUDITORS' REPORT

Basis for Disclaimer of Opinion (Cont'd)

1. Going concern. 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)

   None of these conditions had been met at the date of this report and management has not provided a cash flow forecast supported by lender or creditor commitments. We were therefore unable to obtain sufficient appropriate audit evidence on the appropriateness of the going concern basis, or on the adjustments to the recoverability and classification of recorded assets and liabilities that would be required if that basis is not appropriate. The matters giving rise to our disclaimer of opinion dated 6 November 2025 likewise remain unresolved.

2. Deconsolidation of subsidiaries. As disclosed in Note 9 to the financial statements, the Group deconsolidated H2Advance Builders Sdn. Bhd., Kenanga M&E Sdn. Bhd. and Ho Hup Construction Company (India) Pte. Ltd. during the financial year on loss of control, recognising losses of RM13,767 up to the dates of deconsolidation and a net gain on derecognition of RM4,916,205. These amounts were computed from unaudited management accounts.

   The comparative figures for the 18-month period ended 30 June 2025 include losses of RM227,453,300 up to the dates of deconsolidation and a net gain on derecognition of RM31,336,412 in respect of Golden Wave Sdn. Bhd. (Receiver and Manager appointed 3 December 2024) and Bukit Jalil Development Sdn. Bhd. (liquidator appointed 23 May 2025), similarly computed from unaudited management accounts and reported on in our report dated 6 November 2025. No audited financial statements of any of these subsidiaries are available.

   We were unable to obtain sufficient appropriate audit evidence on these amounts, on the assets and liabilities derecognised and consequently on the opening accumulated losses, non-controlling interests and foreign currency translation reserve of the Group, or to determine whether adjustments were necessary to the comparative information and to the current-year statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HO HUP CONSTRUCTION COMPANY BERHAD (CONT'D)

Basis for Disclaimer of Opinion (Cont'd)

3. Opening balances and bank confirmations. Our report dated 6 November 2025 on the financial statements for the 18-month period ended 30 June 2025 contained a disclaimer of opinion. We were unable to obtain sufficient appropriate audit evidence on the opening balances at 1 July 2025, in particular bank balances and borrowings of RM134.8 million and RM56.6 million of the Group and of the Company and alternative procedures did not provide sufficient appropriate evidence of existence, rights and obligations or completeness. Consequently we were unable to determine whether adjustments were necessary to the results of operations and cash flows of the Group and of the Company for the financial year.

4. Financial guarantee contracts. The Company has guaranteed facilities and supplies of former subsidiaries deconsolidated in the period ended 30 June 2025: Golden Wave Sdn. Bhd. (in liquidation), claimed by Sabah Development Bank Berhad for RM35.6 million plus interest (trial November 2026; collateral auctioned for RM12.5 million); Bukit Jalil Development Sdn. Bhd. (in liquidation), demanded by Insas Credit & Leasing Sdn. Bhd. for RM112,691,368; and Tru-Mix Concrete Sdn. Bhd., claimed by cement suppliers for RM2.4 million. The exposure falls on the Group as well as the Company. Other than the RM38,039,000 quantified in paragraph 6, we were not provided with evidence of amounts recoverable from the securities or liquidations, and were unable to determine what liability under MFRS 9 should be recognised and its effect on the loss for the year and capital deficiency.

5. Foreign currency translation. Exchange differences of approximately RM13.2 million on translation of foreign operations were recognised in other comprehensive income, and a translation reserve of approximately RM5.6 million remains at 30 June 2026 although no foreign operation remains after the deconsolidation of Ho Hup Construction Company (India) Pte. Ltd. No roll-forward or functional-currency assessment was provided, and we were unable to determine whether these amounts should have been recognised in profit or loss, reclassified under MFRS 121 or corrected as a prior-period error.

INDEPENDENT AUDITORS' REPORT

Basis for Disclaimer of Opinion (Cont'd)

6. Uncorrected misstatements. Management has not recorded: provisions for litigation and related liabilities of RM109,676,000 under MFRS 137 in respect of eighteen judgments and claims against the Group, including RM35,609,000 for the Golden Wave guarantee and RM2,430,000 for the Tru-Mix judgment and settlement liabilities described in paragraph 4, and the judgments in favour of Malayan Banking Berhad (RM29,989,000) and Zen Courts Sdn Bhd (RM21,387,000); corrections to revenue and cost of sales on completed and terminated construction projects, including ECRL Package 7 and Package 8, understating the loss by RM2,362,000; an expected credit loss of RM1,000,000 on other receivables for which no evidence of recoverability was provided; and the depreciation of office units of RM6,105,000 reclassified from held for sale to property, plant and equipment with the related depreciation. In addition, expenses and project margins of RM1,368,000 relating to the 18-month period ended 30 June 2025 were recorded against opening retained earnings in the current year instead of by restating the comparatives under MFRS 108.

   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 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 of 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)

Auditors' Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Group and of the Company's financial statements in accordance with International Standards on Auditing (ISAs) and to issue an auditors' report. However, because of the matters 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 Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

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 9 to the financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HO HUP CONSTRUCTION COMPANY BERHAD (CONT'D)

Other Matters

The comparative figures are for the 18-month financial period from 1 January 2024 to 30 June 2025 and are therefore not comparable with the figures for the financial year ended 30 June 2026.

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

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

KUALA LUMPUR

15 October 2026

STATEMENTS OF **FINANCIAL POSITION**

AS AT 30 JUNE 2026

		Group		Company	
		2026	2025	2026	2025
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	6,105	-	6,105	-
Investment properties	5	101,100	101,100	-	-
Intangible assets	6	-	-	-	-
Quarry development cost	7	-	-	-	-
Right-of-use assets	8	2,132	1,576	-	-
Investment in subsidiary companies	9	-	-	-	-
Investment in associates	10	-	-	-	-
Investment in joint ventures	11	-	-	-	-
Total Non-Current Assets		109,337	102,676	6,105	-
Current Assets					
Inventories	12	-	-	-	-
Contract assets	13	3,563	-	1,212	-
Trade receivables	14	631	1,648	-	350
Other receivables	15	4,430	8,759	4,500	7,888
Amount due from subsidiary companies	16 (a)	-	-	-	-
Amount due from a joint venture	17	-	-	-	-
Amount due from an associate	18	-	-	-	-
Tax recoverable		11	11	2	2
Fixed deposits with licensed banks	19	6	2,567	6	2,567
Cash and bank balances	19	1,157	822	233	593
		9,798	13,807	5,953	11,400
Assets classified as held for sale	20	-	6,105	-	6,105
Total Current Assets		9,798	19,912	5,953	17,505
TOTAL ASSETS		119,135	122,588	12,058	17,505

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2026 (CONT'D)

	Note	Group 2026 RM'000	Group 2025 RM'000	Company 2026 RM'000	Company 2025 RM'000
EQUITY					
Share capital	21	262,369	262,369	262,369	262,369
Reserves	22	(429,412)	(433,866)	(435,567)	(426,689)
Equity attributable to owners of the parent		(167,043)	(171,497)	(173,198)	(164,320)
Non-controlling interests		(5,577)	(5,325)	-	-
Capital Deficiency		(172,620)	(176,822)	(173,198)	(164,320)
LIABILITIES					
Non-Current Liabilities					
Lease liabilities	23	1,203	431	-	-
Deferred tax liabilities	24	8	8	-	-
Total Non-Current Liabilities		1,211	439	-	-
Current Liabilities					
Contract liabilities	13	-	882	-	1,909
Trade payables	25	73,658	72,854	61,051	61,227
Other payables	26	72,735	84,898	51,869	46,034
Lease liabilities	23	1,413	1,600	-	-
Bank borrowings	27	135,939	131,417	53,481	53,488
Amount due to subsidiary companies	16 (b)	-	-	12,337	12,376
Provision for taxation		6,799	7,320	6,518	6,791
Total Current Liabilities		290,544	298,971	185,256	181,825
TOTAL LIABILITIES		291,755	299,410	185,256	181,825
TOTAL EQUITY AND TOTAL LIABILITIES		119,135	122,588	12,058	17,505

STATEMENTS OF PROFIT OR LOSS AND **OTHER COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

		Group		Company	
		01.07.2025 to 30.06.2026 (12 months)	01.01.2024 to 30.06.2025 (18 months)	01.07.2025 to 30.06.2026 (12 months)	01.01.2024 to 30.06.2025 (18 months)
	Note	RM'000	RM'000	RM'000	RM'000
Continuing operations					
Revenue	28	11,313	36,885	3,042	1,404
Cost of sales		(3,193)	(15,970)	(2,961)	(1,469)
Gross profit/(loss)		8,120	20,915	81	(65)
Other income		6,758	123,954	1,677	116,111
Administrative expenses		(4,125)	(24,703)	(3,891)	(8,299)
Other expenses		(8,302)	(308,963)	(4,010)	(110,804)
Net (loss)/gain on impairment of financial instruments		(742)	(47,228)	512	(419,936)
Finance costs	29	(10,432)	(24,620)	(2,955)	(10,674)
Loss before tax	30	(8,723)	(260,645)	(8,586)	(433,667)
Taxation	31	(164)	(5,810)	(292)	(3,382)
Loss for the financial year/ period from continuing operations		(8,887)	(266,455)	(8,878)	(437,049)
- Loss for the financial year/ period from discontinued operation, net of tax		-	(232,915)	-	-
Loss for the financial year/period		(8,887)	(499,370)	(8,878)	(437,049)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

	Note	Group		Company	
		01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000
Other comprehensive income/(loss):					
Items that are or may be reclassified subsequently to profit or loss					
Exchange translation differences for foreign operations		13,179	(19,778)	-	-
Other comprehensive income/(loss) for the financial year/period		13,179	(19,778)	-	-
Total comprehensive income/(loss) for the financial year/period		4,292	(519,148)	(8,878)	(437,049)
Loss for the financial year/period attributable to:					
Owners of the parent		(12,522)	(490,195)	(8,878)	(437,049)
Non-controlling interests		3,635	(9,175)	-	-
		(8,887)	(499,370)	(8,878)	(437,049)
Total comprehensive income/(loss) attributable to:					
Owners of the parent		4,454	(509,973)	(8,878)	(437,049)
Non-controlling interests		(162)	(9,175)	-	-
		4,292	(519,148)	(8,878)	(437,049)
Loss per share					
Basic and diluted loss per share (sen)					
- from continuing operations	32	(2.42)	(49.64)		
- from discontinued operations	32	-	(44.94)		
		(2.42)	(94.58)		

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

	Note	Attributable to Owners 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	Accumulated Losses RM'000	Total RM'000		
Group								
At 1 July 2025		262,369	(20,392)	(77,104)	(336,370)	(171,497)	(5,325)	(176,822)
Loss for the financial year		-	-	-	(12,522)	(12,522)	3,635	(8,887)
Other comprehensive income for the financial year		-	16,976	-	-	16,976	(3,797)	13,179
Total comprehensive income for the financial year		-	16,976	-	(12,522)	4,454	(162)	4,292
Transactions with owners:								
Derecognition of non-controlling interests on deconsolidation of subsidiary companies		-	-	-	-	-	(90)	(90)
Total transaction with owners		-	-	-	-	-	(90)	(90)
At 30 June 2026		262,369	(3,416)	(77,104)	(348,892)	(167,043)	(5,577)	(172,620)

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

	Note	Attributable to Owners of the Parent							
		Non-Distributable			Distributable				
		Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Other Reserves RM'000	Retained Earnings RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity 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		-	-	-	(490,195)	(490,195)	(9,175)	(499,370)
Other comprehensive loss for the financial period		-	(19,778)	-	-	(19,778)	-	(19,778)
Total comprehensive loss for the financial period		-	(19,778)	-	(490,195)	(509,973)	(9,175)	(519,148)
At 30 June 2025		262,369	(20,392)	(77,104)	(336,370)	(171,497)	(5,325)	(176,822)

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

	Attributable to Owners of the Parent		
	Non-distributable	Distributable	
	Share Capital RM'000	Accumulated Losses RM'000	Total Equity RM'000
Company			
At 1 July 2025	262,369	(426,689)	(164,320)
Loss for the financial year, representing total comprehensive loss for the financial year	-	(8,878)	(8,878)
At 30 June 2026	262,369	(435,567)	(173,198)
At 1 January 2024	262,369	10,360	272,729
Loss for the financial period, representing total comprehensive loss for the financial period	-	(437,049)	(437,049)
At 30 June 2025	262,369	(426,689)	(164,320)

STATEMENTS OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

	Group		Company	
	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000
Cash Flows from Operating Activities				
Loss before taxation				
- continuing operations	(8,723)	(260,645)	(8,586)	(433,667)
- discontinued operations	-	(233,855)	-	-
Adjustments for:				
Depreciation of:				
- property, plant and equipment	-	2,444	-	658
- right-of-use assets	1,874	3,649	-	654
Impairment loss:				
- trade receivables	1,373	104,070	-	40,682
- other receivables	4,544	265,877	4,539	21,668
- amount due from subsidiaries	-	-	1,072	82,036
- amount due from joint ventures	-	99	-	99
- amount due from associates	-	75,451	-	75,451
- property, plant and equipment	-	13,438	-	1,475
- investment in joint venture	-	367	-	375
- investment in subsidiary companies	-	-	-	8,313
- investment in associate	-	200	-	200
- right-of-use assets	-	-	-	1,057
(Gain)/Loss on disposal of:				
- investment property	-	21,900	-	-
- property, plant and equipment	(1,036)	1,968	(1,036)	31
- right-of-use assets	-	3,536	-	1,453
Gain on deconsolidation of subsidiary companies	(4,916)	-	-	-
Operating loss before working capital changes carried forward	(6,884)	(1,501)	(4,011)	(199,515)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

	Group		Company	
	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000
Cash Flows from Operating Activities (Cont'd)				
Adjustment for: (Cont'd)				
Operating loss before working capital changes brought forward	(6,884)	(1,501)	(4,011)	(199,515)
Loss on termination of lease agreement	-	119	-	-
Written off of property, plant and equipment	-	1,634	-	-
Bad debts written off	4	-	4	-
Reversal of impairment loss:				
- trade receivables	(3,843)	-	(3,843)	-
- other receivables	(1,332)	-	(155)	-
- amount due from subsidiaries	-	-	(2,125)	-
Gain from recognition of property, plant and equipment	(264)	-	(264)	-
Waiver of debt	(190)	-	(190)	-
Interest income	(91)	(174)	(71)	(1,058)
Finance costs	10,432	53,503	2,955	10,674
Operating (loss)/profit before working capital changes	(2,168)	53,581	(7,700)	(189,899)
Changes in working capital:				
Change in contract assets	1,748	102,218	(1,212)	26,346
Change in contract liabilities	(882)	(6,220)	(1,909)	(5,193)
Change in receivables	7,658	(132,845)	3,193	(56,313)
Change in amount due from an associate	-	-	-	75,350
Change in payables	(1,735)	(113,989)	5,752	45,282
	6,789	(150,836)	5,824	85,472
Cash generated from/(used in) operations	4,621	(97,255)	(1,876)	(104,427)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

	Group		Company	
	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000
Cash Flows from Operating Activities (Cont'd)				
Cash generated from/(used in) operations	4,621	(97,255)	(1,876)	(104,427)
Interest paid	(10,432)	(53,503)	(2,955)	(10,674)
Interest received	91	174	71	1,058
Tax paid	(468)	-	(468)	-
	(10,809)	(53,329)	(3,352)	(9,616)
Net cash used in operating activities	(6,188)	(150,584)	(5,228)	(114,043)
Cash Flows from Investing Activities				
Purchase of:				
- property, plant and equipment (Note 4)	-	(235)	-	(4)
Proceeds from disposal of:				
- property, plant and equipment	1,300	-	1,300	-
Net cash flow on deconsolidation or disposal of subsidiary companies	(15)	536,023	-	115,899
Advances to subsidiary	-	-	-	26,655
Net movement of amount due from subsidiary companies	-	-	1,014	-
Change in pledged deposits	2,561	4,943	2,561	401
Net cash from investing activities	3,846	540,731	4,875	142,951

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026 (CONT'D)

	Group		Company	
	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000
Cash Flows from Financing Activities				
Net changes of bank borrowings	4,803	(377,722)	274	(25,785)
Repayment of lease liabilities	(1,845)	(10,860)	-	(7,846)
Net cash from/(used in) financing activities	2,958	(388,582)	274	(33,631)
Net increase/(decrease) in cash and cash equivalents	616	1,565	(79)	(4,723)
Cash and cash equivalents at the beginning of the financial year/period	(6,947)	(8,512)	(7,176)	(2,453)
Cash and cash equivalents at the end of the financial year/period (Note 19)	(6,331)	(6,947)	(7,255)	(7,176)

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026

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 was 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. With effect on 31 July 2026, the registered office of the Company is changed to B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 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 9.

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 material accounting policies below.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of amended standards

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

Amendments to MFRS	
MFRS 121	Lack of Exchangeability

The adoption of the amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

Standards issued but not yet effective

The Group and the Company have not applied the following new and 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
Annual Improvements to MFRS Accounting Standards - Volume 11		1 January 2026
Amendments to MFRS 7 and MFRS 9	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 7 and MFRS 9	Contracts Referencing Nature - dependent Electricity	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency	1 January 2027
MFRS 20	Regulatory Assets and Regulatory Liabilities	1 January 2029
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

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

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

The initial application of the above-mentioned new standards and amendments to standards are not expected to have any significant impacts on the financial statements of the Group and of the Company except as disclosed below:

MFRS 18 *Presentation and Disclosure in Financial Statements*

MFRS 18 will replace MFRS 101 *Presentation of Financial Statements*. It preserves the majority requirements of MFRS 101 while introducing additional requirements. In addition, narrow-scope amendments have been made to MFRS 107 *Statement of Cash Flows* and some requirements of MFRS 101 have been moved to MFRS 108 *Basis of Preparation of Financial Statements*.

MFRS 18 additional requirements are as follows:

(i) Statement of Profit or Loss and Other Comprehensive Income

MFRS 18 introduces newly defined "operating profit or loss" and "profit or loss before financing and income tax" subtotal which are to be presented in the statement of profit or loss, while the net profit or loss remains unchanged. Statement of profit or loss to be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

(ii) Statement of Cash Flows

The standard modifies the starting point for calculating cash flows from operations using the indirect method, shifting from "profit or loss" to "operating profit or loss". It also provides guidance on classification of interest and dividend in statement of cash flows.

(iii) New disclosures of expenses by nature

Entities are required to present expenses in the operating category by nature, function or a mix of both. MFRS 18 includes guidance for entities to assess and determine which approach is most appropriate based on the facts and circumstances.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

MFRS 18 *Presentation and Disclosure in Financial Statements (Cont'd)*

MFRS 18 additional requirements are as follows: (Cont'd)

(iv) Management-defined Performance Measures (MPMs)

The standard requires disclosure of explanations of the entity's company-specific measures that are related to the statements of profit or loss, referred to MPMs. MPMs are required to be reconciled to the most similar specified subtotal in MFRS Accounting Standards.

(v) Enhanced Guidance on Aggregation and Disaggregation

MFRS 18 provides enhanced guidance on grouping items based on shared characteristics and requires disaggregation when items have dissimilar characteristics or when such disaggregation is material.

The potential impact of the new standard on the financial statements of the Group and of the Company has yet to be assessed.

(b) Basis of measurement

The financial statements of the Group and of the Company have been prepared on the assumption that the Group and the 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) For the financial year ended 30 June 2026, the Group and the Company incurred a net loss of RM8,887,918 and RM8,877,723 (2025: 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 RM280,745,789 and RM179,302,998 (2025: RM279,058,962 and RM164,318,278) respectively, and the Group and the Company recorded a capital deficiency of RM172,620,108 and RM173,197,998 (2025: RM176,821,650 and RM164,318,278) respectively.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

2. Basis of Preparation (Cont'd)

(b) Basis of measurement (Cont'd)

(ii) On 18 April 2025, the Company triggered the prescribed criteria under Paragraph 2.1(f) of Practice Note 17 ("PN17") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") following a default in payment announced under Paragraph 9.19A and its inability to provide a solvency declaration. On 26 September 2025 the Company announced that it had also triggered Paragraph 2.1(a) of PN17, its consolidated shareholders' equity being less than 25% of issued share capital and less than RM40 million. The regularisation plan was due on 17 April 2026; on 30 April 2026 Bursa Securities granted an extension of time to 17 October 2026. As at the date of this report no regularisation plan had been submitted to Bursa Securities and no further extension of time had been applied for or granted.

(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. No winding-up order has been made to date. On 27 April 2026, Malayan Banking Berhad agreed to suspend the legal proceedings pending negotiations between the parties, and the matter has been adjourned for case management on several occasions, with a case management fixed on 23 July 2026 for the Company to update the Court on the status of its proposed restructuring scheme. As announced on 8 October 2026, the Company was notified by its solicitors on 7 October 2026 that the High Court had further adjourned the matter to 20 October 2026 for case management.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

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 criterion 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 applied to the High Court of Malaya for a proposed scheme of arrangement and restraining order pursuant to Sections 366, 368 and 369 of the Companies Act 2016. An ad-interim restraining order was granted on 19 June 2025 and was subsequently withdrawn on 3 December 2025. A fresh application was filed on 10 December 2025 and, on 25 February 2026, the High Court granted an interim injunction effective until 22 April 2026. On 22 April 2026, the Company withdrew its restraining order application. On 27 April 2026, Omesti Holdings Berhad, a substantial shareholder of the Company, served on the Company an application pursuant to Section 368 of the Companies Act 2016, which was refiled on 4 May 2026 and served on 15 May 2026. The matter came up for case management on 19 May 2026, with a further case management fixed on 8 September 2026. As at the date of this report, no restraining order or statutory moratorium is in force. As announced on 12 October 2026, the Company was notified by its solicitors that the High Court had dismissed the restraining order application filed by Omesti Holdings Berhad. The Company is seeking legal advice on the matter.

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 obtaining of a restraining order pursuant to the proposed scheme of arrangement;
(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.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

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.

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 rely 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 12(i) and 13 respectively.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

2. Basis of Preparation (Cont'd)

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

Fair value of investment properties

The Group engaged an independent valuation specialist to assess fair value of investment properties as at 30 June 2026. 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 are disclosed in Note 5 to the financial statements.

Recognition of investment properties pending issuance of strata titles

The Group recognises certain units within Ho Hup Tower, Aurora Place @ Bandar Bukit Jalil as investment properties notwithstanding that the individual strata titles have not yet been issued and the master title remains registered in the name of Bukit Jalil Development Sdn. Bhd. ("BJD"). The Group acquired the units pursuant to executed sale and purchase agreements and management considers that the Group has obtained the substantive rights and benefits associated with ownership of the units.

BJD was placed into creditors' voluntary liquidation and liquidators were appointed on 13 June 2025. Management has assessed the effect of BJD's liquidation on the Group's entitlement to the units and, based on the contractual documentation available, considers that the Group continues to be the beneficial owner of the units and that recognition of the properties remains appropriate.

As at the date of authorisation of these financial statements, the strata titles have not been perfected in the name of the Group and confirmation/documentation regarding the status of the strata-title application is being sought from BJD's liquidators.

The carrying amount of the affected investment properties is disclosed in Note 5(d) to the financial statements.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

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 is disclosed in Note 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.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

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 determines 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 9.

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 2026, the Group and the Company has tax recoverable of RM10,901 and RM1,663 (2025: RM10,901 and RM1,663) respectively and tax payable of RM6,798,788 and RM6,518,388 (2025: RM7,319,718 and RM6,791,017) respectively.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

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 for using the 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 effected 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.

(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 (i.e. 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 frequently when there is objective evidence that the carrying amount may be impaired.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

3. Material Accounting Policy Information (Cont'd)

(a) Basis of consolidation (Cont'd)

(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 is stated at cost less accumulated impairment losses.

(vi) Joint arrangements

The Group classifies its joint arrangements as disclosed in Note 11 as joint ventures and accounts for 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 is stated at cost less accumulated impairment losses.

(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
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

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

3. Material Accounting Policy Information (Cont'd)

(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.

(d) Inventories and other contract costs

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

(i) 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 are 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, are classified as current assets.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

3. Material Accounting Policy Information (Cont'd)

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

(ii) 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 is the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated costs necessary to make the sales.

(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 with 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.

(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. In the previous financial period, the Group disposed of its quarry subsidiary, any remaining carrying amount was derecognised, and no further amortisation is recognised.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

3. Material Accounting Policy Information (Cont'd)

(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 payments 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.

Lessor accounting

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

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

3. Material Accounting Policy Information (Cont'd)

(h) Investment properties

Investment properties are measured at fair value with gains and losses arising from 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.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

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

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 where 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.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

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.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

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:

(a) Fair value through profit or loss

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, 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.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

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)

The categories of financial liabilities at initial recognition are as follows: (Cont'd)

(b) 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 for 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.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

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.

(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 with the principles of MFRS 15 *Revenue from Contracts with Customers.*

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

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

3. Material Accounting Policy Information (Cont'd)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

3. Material Accounting Policy Information (Cont'd)

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

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

The gross carrying amount of a financial asset is written off (either partially or in 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 of 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.

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 case 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.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

3. Material Accounting Policy Information (Cont'd)

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

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

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 the 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.

(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 are re-presented as if the operation had 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.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

3. Material Accounting Policy Information (Cont'd)

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

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 do not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

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 is 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.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

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.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

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 July 2025	10,306	2,688	388	32,181	8,121	149	53,833
Additions	264	-	-	-	-	-	264
Reclassification from assets held for sale	6,105	-	-	-	-	-	6,105
Disposals	(264)	-	-	-	-	-	(264)
Written off	-	(131)	(202)	(32,138)	-	(1)	(32,472)
At 30 June 2026	16,411	2,557	186	43	8,121	148	27,466

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 July 2025	1,016	2,320	361	15,373	4,310	70	23,450
Written off	-	(111)	(175)	(15,330)	-	-	(15,616)
At 30 June 2026	1,016	2,209	186	43	4,310	70	7,834
Accumulated impairment losses							
At 1 July 2025	9,290	368	27	16,808	3,811	79	30,383
Written off	-	(20)	(27)	(16,808)	-	(1)	(16,856)
At 30 June 2026	9,290	348	-	-	3,811	78	13,527
Carrying amount							
At 30 June 2026	6,105	-	-	-	-	-	6,105

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							
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 loss of control of 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	1,522	5	2,444
Disposals	(68)	(75)	(8,969)	(11,361)	-	(273)	(20,746)
Written off	-	(613)	-	-	(1,659)	-	(2,272)
Derecognition on loss of control of subsidiary companies	(23)	(193)	(160)	-	(24)	(1)	(401)
Derecognition on disposal of subsidiary companies	-	(1,120)	(2,488)	(5,943)	(958)	(49)	(10,558)
At 30 June 2025	1,016	2,320	361	15,373	4,310	70	23,450
Accumulated impairment losses							
At 1 January 2024	-	98	27	16,808	-	12	16,945
Recognised during the financial period	9,290	270	-	-	3,811	67	13,438
At 30 June 2025	9,290	368	27	16,808	3,811	79	30,383
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 July 2025	-	1,627	202	32,138	3,313	1	37,281
Additions	264	-	-	-	-	-	264
Disposals	(264)	-	-	-	-	-	(264)
Written off	-	(131)	(202)	(32,138)	-	(1)	(32,472)
Reclassification from assets held for sale	6,105	-	-	-	-	-	6,105
At 30 June 2026	6,105	1,496	-	-	3,313	-	10,914
Accumulated depreciation							
At 1 July 2025	-	1,418	175	15,330	2,030	-	18,953
Written off	-	(111)	(175)	(15,330)	-	-	(15,616)
At 30 June 2026	-	1,307	-	-	2,030	-	3,337
Accumulated impairment losses							
At 1 July 2025	-	209	27	16,808	1,283	1	18,328
Written off	-	(20)	(27)	(16,808)	-	(1)	(16,856)
At 30 June 2026	-	189	-	-	1,283	-	1,472
Carrying amount							
At 30 June 2026	6,105	-	-	-	-	-	6,105

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	-	-	427	-	658
Disposals	(69)	(4)	-	-	-	-	(73)
Written off	-	(56)	-	-	-	-	(56)
At 30 June 2025	-	1,418	175	15,330	2,030	-	18,953
Accumulated impairment losses							
At 1 January 2024	-	18	27	16,808	-	-	16,853
Recognised during the financial period	-	191	-	-	1,283	1	1,475
At 30 June 2025	-	209	27	16,808	1,283	1	18,328
Carrying amount							
At 30 June 2025	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

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

The only addition during the financial year RM264,000 arose from the recognition of a previously derecognised building.

5. Investment Properties

	Group	
	2026 RM'000	2025 RM'000
Fair value		
At 1 July 2025/1 January 2024	101,100	132,256
Disposal	-	(21,900)
Derecognition on loss of control of subsidiary companies	-	(9,256)
At 30 June	101,100	101,100

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 in the valuation model.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

5. Investment Properties (Cont'd)

Description	Valuation techniques	Significant unobservable input	Relationship of unobservable inputs
Commercial building	Investment method	Term yield 5.50% (2025: 5.50%)	The higher the term yield, the lower the fair value.
		Reversion yield 5.75% (2025: 5.75%)	The higher the reversion yield, the lower the fair value.
Commercial building	Comparison method	Price psf RM729 – RM998 (2025: RM787 – RM1,083)	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	
	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000
Rental income	6,864	11,510
Direct operating expenses:		
- Income generating investment properties	1,196	2,339

(b) Investment properties pledged as securities to financial institutions

Investment properties of the Group amounting to approximately RM101.1 million (2025: RM101.1 million) have been pledged to secure banking facilities granted to the Group as disclosed in Note 27.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

5. Investment Properties (Cont'd)

(c) In the previous financial period, BJD was deconsolidated from the Group's consolidated financial statements. Consequently, the carrying amount of RM9.3 million relating to the investment properties was derecognised upon the deconsolidation of the subsidiary company.

(d) Included in investment properties are Units B-07-01 and B-09-01 to B-19-01 (inclusive) of Ho Hup Tower, Aurora Place @ Bandar Bukit Jalil, with a carrying amount of approximately RM101.1 million for which individual strata titles have yet to be issued. The master title (Geran 78076, Lot No. 101462) remains registered in the name of BJD, which entered creditors' voluntary liquidation on 13 June 2025.

6. Intangible Assets

	Goodwill on Consolidation (Note b) RM'000
Group	
Cost	
At 1 July 2025/30 June 2026	5,566
Accumulated impairment	
At 1 July 2025/30 June 2026	5,566
Carrying amount	
At 30 June 2026	-

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 2024	119	5,566	75,445	2,500	83,630
Derecognition on loss of control of 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 loss of control of 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 loss of control of 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	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

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.

In the previous 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

In the previous 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.

In the previous financial period, Niaga Sari Sdn. Bhd. ("NSSB") was disposed of 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.

In the previous 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 RM Nil. 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 previous financial period.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

6. Intangible Assets (Cont'd)

(c) Land rights

Land rights are being allocated arising from the excess of the fair value of th considerations given by the Company over the Company's share of the fair value o 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 Developmen Plan for a block of 14 storey hotel, 14 storey service apartments and 2 level of retail units. The lease term of the land is 99 years, expiring on 31 Decembe 2111. The carrying amount of the land right is approximately RM Nil millio (2025: RM51.77 million) and is amortised based on the percentage o completion over the development period.

(ii) In the previous financial period, GWSB was deconsolidated from the Group' consolidated financial statements. Consequently, the carrying amount o RM51.77 million relating to the land right was derecognised upon th deconsolidation of the subsidiary.

(d) Quarrying right

This represents payment made by a subsidiary company to undertake, operate, manag and control the quarry operation project on a site located at Taboh Naning, Alor Gajah Melaka, which is beneficially owned by Kolej Teknologi Islam Melaka Berhad. Th quarrying right is expiring on 25 March 2028.

In the previous financial period, the Company disposed of its equity interest in Intac Corporate Approach Sdn. Bhd. ("ICA") and ICA ceased to be a subsidiary of th Company. ICA was deconsolidated from the Group's consolidated financia statements. Consequently, the carrying amount of RM0.5 million relating to the lan right was derecognised upon the deconsolidation of the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

7. Quarry Development Cost

	Group	
	2026	2025
	RM'000	RM'000
Cost		
At 1 July 2025/1 January 2024	-	7,046
Derecognition on disposal of subsidiary company	-	(7,046)
At 30 June 2026/2025	-	-
Accumulated amortisation		
At 1 July 2025/1 January 2024	-	3,743
Derecognition on disposal of subsidiary company	-	(3,743)
At 30 June 2026/2025	-	-
Carrying amount	-	-

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 (2025: 3 years), expiring on 25 March 2028.

In the previous 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.

8. Right-of-Use Assets

	Leasehold land and buildings RM'000	Motor vehicles RM'000	Total RM'000
Group			
Cost			
At 1 July 2025	7,917	857	8,774
Additions	2,430	-	2,430
Derecognition arising from expiration of lease agreement	(4,815)	-	(4,815)
At 30 June 2026	5,532	857	6,389
Accumulated depreciation			
At 1 July 2025	6,409	789	7,198
Charge for the financial year	1,806	68	1,874
Derecognition arising from expiration of lease agreement	(4,815)	-	(4,815)
At 30 June 2026	3,400	857	4,257
Carrying amount			
At 30 June 2026	2,132	-	2,132

8. 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 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/loss of control of 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/loss of control of subsidiary companies	(5,331)	(4,108)	(794)	-	(10,233)
At 30 June 2025	6,409	-	789	-	7,198
Carrying amount					
At 30 June 2025	1,508	-	68	-	1,576

8. Right-of-Use Assets (Cont'd)

	Leasehold land and buildings RM'000	Motor vehicles RM'000	Tools and technical equipment RM'000	Total RM'000
Company				
Cost				
At 1 July 2025	2,560	1,012	513	4,085
Termination of lease agreement	(2,560)	-	-	(2,560)
Disposals	-	(1,012)	-	(1,012)
At 30 June 2026	-	-	513	513
Accumulated depreciation				
At 1 July 2025	2,066	809	153	3,028
Termination of lease agreement	(2,066)	-	-	(2,066)
Disposals	-	(809)	-	(809)
At 30 June 2026	-	-	153	153
Accumulated impairment losses				
At 1 July 2025	494	203	360	1,057
Termination of lease agreement	(494)	-	-	(494)
Disposals	-	(203)	-	(203)
At 30 June 2026	-	-	360	360
Carrying amount				
At 30 June 2026	-	-	-	-

8. 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
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
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	-	-	-	-	-

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.

8. Right-of-Use Assets (Cont'd)

The aggregate additional costs for the right-of-use assets of the Group during the financial year are as follows:

	Group	
	2026 RM'000	2025 RM'000
Aggregate costs	2,430	-
Less: Lease liabilities financing	(2,430)	-
Cash payment	-	-

9. Investment in Subsidiary Companies

	Company	
	2026 RM'000	2025 RM'000
Unquoted shares, at cost		
In Malaysia	58,652	60,912
Outside Malaysia	3	11
	58,655	60,923
Less: Accumulated impairment		
In Malaysia	(58,652)	(60,912)
Outside Malaysia	(3)	(11)
	(58,655)	(60,923)
	-	-

Movements in the allowance for impairment losses of subsidiary companies are as follows:

	Company	
	2026 RM'000	2025 RM'000
At 1 July 2025/1 January 2024	60,923	52,610
Impairment loss recognised during the year/period	-	8,313
Written off	(2,268)	-
At 30 June 2026/2025	58,655	60,923

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

9. Investment in Subsidiary Companies (Cont'd)

In the previous 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 is estimated based on fair value less cost of disposal method which is determined based on the carrying amount of the net assets. Therefore, an impairment loss amounting to RM8,312,577 was recognised in the statements of profit or loss.

The subsidiary companies and shareholdings therein are as follows:

Name of Company	Place of business/ Country of incorporation	Effective equity interest 2026 %	Effective equity interest 2025 %	Principal activities
Direct holding:				
H2Energy Corporation Sdn. Bhd.	Malaysia	100	100	Engineering, procurement, construction and commissioning of pipeline system
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	Construction
H2Advance Builders Sdn. Bhd. *@	Malaysia	-	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

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

9. 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 2026 %	Effective equity interest 2025 %	Principal activities
Direct holding (Cont'd):				
Ho Hup F&B Sdn. Bhd. *	Malaysia	100	100	Dormant
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
Indirect holding				
Subsidiary company of H2 Advance Builders Sdn. Bhd.				
Kenanga M&E Sdn. Bhd.* @	Malaysia	-	100	Dormant
Subsidiary company of Ho Hup Ventures (KK) Sdn. Bhd.				
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

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

9. 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 2026 %	Effective equity interest 2025 %	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 companies not audited by UHY Malaysia PLT

@ Note 9(b)

9. Investment in Subsidiary Companies (Cont'd)

(a) Disposal of subsidiary companies

Ho Hup Infrastructures Sdn. Bhd. ("HH Infra")

In the previous 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

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

9. Investment in Subsidiary Companies (Cont'd)

(a) Disposal of subsidiary companies (Cont'd)

Niaga Sari Sdn Bhd ("NSSB")

In the previous 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

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

9. Investment in Subsidiary Companies (Cont'd)

(a) Disposal of subsidiary companies (Cont'd)

Tru-mix Concrete Sdn Bhd ("TMC")

In the previous 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)

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

9. Investment in Subsidiary Companies (Cont'd)

(b) Deconsolidation of subsidiary companies

Ho Hup Construction Company (India) Pte. Ltd. ("HH India")

As at the reporting date, the Company has lost its control over HH India, as a subsidiary company. Consequently, all the assets and liabilities of the Company have been deconsolidated on that date.

The financial statements of HH India were deconsolidated as a result of loss of control on 30 June 2026. The loss on derecognition of the subsidiary company amounting to RM257,921 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 HH India on the financial position of the Group was as follows:

	2026 RM'000
Other receivables	917
Cash and bank balances	15
Other payables	(675)
Net assets deconsolidated	257
Cash consideration received	-
Less: Cash and bank balances of subsidiary deconsolidated	(15)
Net cash outflow on deconsolidation	(15)

H2Advance Builders Sdn. Bhd. ("H2Advance")

On 29 May 2025, the High Court of Malaya at Kuala Lumpur ordered H2Advance, a 60%-owned subsidiary of the Company, to be wound up pursuant to the Companies Act 2016 and appointed the Insolvency Officer as liquidator. Following the winding-up order and the appointment of the liquidator, the Group ceased to have control over H2Advance. Accordingly, H2Advance was deconsolidated from the consolidated financial statements of the Group with effect from 31 December 2025.

9. Investment in Subsidiary Companies (Cont'd)

(b) Deconsolidation of subsidiary companies (Cont'd)

H2Advance Builders Sdn. Bhd. ("H2Advance") (Cont'd)

The financial statements of H2Advance (in liquidation) were deconsolidated as a result of loss of control upon the appointment of liquidator on 31 December 2025. The gain on derecognition of the subsidiary company amounting to RM8,848,771 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 H2Advance on the financial position of the Group was as follows:

	2026 **RM'000**
Other payables	(8,849)
Net liabilities deconsolidated	(8,849)
Cash consideration received	-
Less: Cash and bank balances of subsidiary deconsolidated	-
Net cash outflow on deconsolidation	-

Kenanga M&E Sdn. Bhd. ("Kenanga M&E")

Kenanga M&E was a wholly-owned subsidiary of H2Advance and an indirect subsidiary of the Company. Consequent upon the loss of control over H2Advance, the Group also ceased to control the shareholder rights held through H2Advance in Kenanga M&E. Accordingly, Kenanga M&E ceased to be an indirect subsidiary of the Group and was deconsolidated from the consolidated financial statements with effect from 29 May 2025, notwithstanding that H2Advance remained the registered holder of the shares in Kenanga M&E.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

9. Investment in Subsidiary Companies (Cont'd)

(b) Deconsolidation of subsidiary companies (Cont'd)

Kenanga M&E Sdn. Bhd. ("Kenanga M&E") (Cont'd)

The financial statements of Kenanga M&E were deconsolidated as a result of loss of control on 31 December 2025. The loss on derecognition of the subsidiary company amounting to RM225,227 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 Kenanga M&E on the financial position of the Group was as follows:

	2026 RM'000
Other receivables	353
Other payables	(11)
Provision for taxation	(116)
Net assets deconsolidated	226
Cash consideration received	-
Less: Cash and bank balances of subsidiary deconsolidated	-
Net cash outflow on deconsolidation	-

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 previous 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 unaudited management financial statement owing to incomplete records, unconfirmed bank balances, and uncertainties arising from liquidation.

9. Investment in Subsidiary Companies (Cont'd)

(b) Deconsolidation of subsidiary companies (Cont'd)

Bukit Jalil Development Sdn. Bhd. ("BJD") (Cont'd)

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 deconsolidated	(1,997)
Net cash outflow on deconsolidation	(1,997)

Ho Hup (Myanmar) E&C Co., Ltd. ("Myanmar")

In the previous financial period 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.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

9. Investment in Subsidiary Companies (Cont'd)

(b) Deconsolidation of subsidiary companies (Cont'd)

Ho Hup (Myanmar) E&C Co., Ltd. ("Myanmar") (Cont'd)

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 deconsolidated	(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.

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 43 – 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 the previous 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 RM28,007,000 for the Group and RM9,613,000 attributable to non-controlling interest, were unaudited management financial statement due to pervasive limitations on audit evidence relating to going concern, valuation of assets, and completeness of bank and creditor balances.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

9. Investment in Subsidiary Companies (Cont'd)

(b) Deconsolidation of subsidiary companies (Cont'd)

Golden Wave Sdn. Bhd. ("GWSB") (Cont'd)

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	9,613
Cash consideration received	-
Less: Cash and bank balances of subsidiary deconsolidated	(1,807)
Net cash outflow on deconsolidation	(1,807)

(c) Non-controlling interest

The Group's subsidiaries which have non-controlling interests are not individually or in aggregate material to the financial position, financial performance and cash flows of the Group.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

10. Investment in Associates

	Group and Company	
	2026 RM'000	2025 RM'000
Unquoted shares, at cost:		
- In Malaysia	200	218
Less: Accumulated impairment losses	(200)	(218)
	-	-

Movements in the allowance for impairment losses of investment in associate companies are as follows:

	Group and Company	
	2026 RM'000	2025 RM'000
At 1 July 2025/1 January 2024	218	18
Impairment loss recognised during the year/period	-	200
Written off	(18)	-
At 30 June 2026/2025	200	218

The associates and shareholdings therein are as follows:

Name of companies	Place of business/ Country of incorporation	Effective interest		Principal activities
		2026 %	2025 %	
Direct holding:				
Ho Hup Ventures (Johor) Sdn. Bhd. *	Malaysia	24.99	24.99	Investment holding
Indirect holding:				
Subsidiary company of Ho Hup Ventures (Johor) Sdn. Bhd.				
Intact Corporate Approach Sdn. Bhd.	Malaysia	17.5	17.5	Project management that includes consultancy and infrastructure development

* Associates not audited by UHY Malaysia PLT

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

10. Investment in Associates (Cont'd)

(a) Summarised statement of financial position

	2026 HHVJ RM'000
Non-current assets	28,611
Current assets	189,355
Non-current liabilities	(4,345)
Current liabilities	(224,261)
Net liabilities	(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	-

11. Investment in Joint Ventures

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Unquoted shared:				
- In Malaysia	375	375	375	375
- Outside Malaysia	-	250	-	250
Share of post-acquisition reserves	(8)	(8)	-	-
Less: Accumulated impairment loss	(367)	(617)	(375)	(625)
	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

11. Investment in Joint Ventures (Cont'd)

Movements in the allowance for impairment losses of investment in joint venture company are as follows:

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
At 1 July 2025/ 1 January 2024	617	250	625	250
Impairment loss recognised during the year/period	-	367	-	375
Written off	(250)	-	(250)	-
At 30 June 2026/2025	367	617	375	625

The joint venture and shareholdings therein are as follows:

Name of companies	Place of business/ Country of incorporation	Effective interest		Principal activities
		2026 %	2025 %	
KHH Infrastructures Sdn. Bhd. *	Malaysia	50	50	Construction

* Joint ventures not audited by UHY Malaysia PLT

12. Inventories

	Group	
	2026 RM'000	2025 RM'000
Current		
Property development cost (i)	-	-
Contract materials (ii)	-	-
Completed properties	-	-
Other contract costs	-	-
	-	-
	-	-

12. Inventories (Cont'd)

(i) Property development cost

	Group	
	2026	**2025**
	RM'000	**RM'000**
Freehold land, at cost		
At 1 July 2025/1 January 2024	-	59,238
Derecognition on disposal/loss on control of subsidiary companies	-	(59,238)
At 30 June 2026/2025	-	-
Leasehold land, at cost		
At 1 July 2025/1 January 2024	-	88,131
Derecognition on disposal/loss on control of subsidiary companies	-	(88,131)
At 30 June 2026/2025	-	-
Property development costs		
At 1 July 2025/1 January 2024	-	350,205
Derecognition on disposal/loss on control of subsidiary companies	-	(350,205)
At 30 June 2026/2025	-	-
Cost recognised in the statement of profit or loss and other comprehensive income		
At 1 July 2025/1 January 2024	-	(131,721)
Recognised during the financial year/period	-	(303,545)
Less: Derecognition on disposal/loss on control of subsidiary companies	-	435,266
At 30 June 2026/2025	-	-
Total development costs	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

12. Inventories (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 has 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 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 2026, the land and related development costs with carrying values of RM Nil (2025: RM171.39 million) are pledged to a licensed bank for banking facilities as disclosed in Note 27.

In the previous 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.

In the previous 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.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

12. Inventories (Cont'd)

(i) Property development cost (Cont'd)

The following costs are capitalised to property development costs:

		Group	
	Note	2026 RM'000	2025 RM'000
Finance costs	29	-	11,070
Staff costs	33	-	1,445

(ii) Contract materials

	Group	
	2026 RM'000	2025 RM'000
Contract material, at cost		
Quarry products	-	-
Recognised in profit or loss:		
Inventories recognised as cost of sales	-	369

In the previous financial period, Ho Hup-ICM Quarry Sdn. Bhd. ("ICM") was disposed of 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.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

13. Contract Assets/(Liabilities)

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Contract assets				
Construction contracts (Note a)	3,563	-	1,212	-
Property development activities (Note b)	-	-	-	-
	3,563	-	1,212	-
Contract liabilities				
Construction contracts (Note a)	-	(882)	-	(1,909)
Property development activities (Note b)	-	-	-	-
	-	(882)	-	(1,909)

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 the 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.

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		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
At 1 July 2025/1 January 2024	(882)	25,189	(1,909)	19,244
Construction contracts revenue recognised during the financial year/period	3,042	1,404	3,042	1,404
Less: Progress billing during the financial year/period	1,403	(27,475)	79	(22,557)
At 30 June 2026/2025	3,563	(882)	1,212	(1,909)

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

13. Contract Assets/(Liabilities) (Cont'd)

(a) Construction contracts (Cont'd)

Construction contracts revenue recognised during the financial year ended 30 June 2026 of the Group and of the Company amounted to RM3,042,322 and RM3,042,322 (2025: RM1,404,027 and RM1,404,027) respectively.

During the financial year, the following costs are capitalised to costs:

		Group		Company	
		2026	2025	2026	2025
	Note	RM'000	RM'000	RM'000	RM'000
Staff cost	33	-	1,427	-	-

(b) Property development activities

	Group	
	2026	2025
	RM'000	RM'000
At 1 July 2025/1 January 2024	-	69,927
Less: Derecognition of deconsolidation of subsidiary companies	-	(69,927)
At 30 June 2026/2025	-	-

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 is recognised when the performance obligations are satisfied.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

14. Trade Receivables

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Current				
Trade receivables	43,420	115,207	32,281	41,032
Less: Accumulated impairment losses	(42,789)	(113,559)	(32,281)	(40,682)
	631	1,648	-	350

Trade receivables are non-interest bearing and are generally on 14 to 140 days (2025: 14 to 140 days) terms. 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 3 (2025: 2) and 3 (2025: 3) debtors respectively, which accounted for 66% (2025: 62%) and 80% (2025: 63%) respectively of the total trade receivables as at 30 June 2026.

Retention on contracts, included in trade receivables of the Group and of the Company and the expected recovery are presented as follows:

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Within one year	5,113	7,388	5,113	7,388

14. Trade Receivables (Cont'd)

Movements in allowance for impairment losses of trade receivables are as follows:

Recognition and measurement of impairment loss

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Simplified approach				
Individually assessed for credit-impaired receivables				
At 1 July 2025/1 January 2024	113,509	9,489	40,682	-
Impairment losses recognised	1,373	104,070	-	40,682
Reversal of impairment losses	(3,843)	-	(3,843)	-
Written off	(68,300)	(50)	(4,558)	-
At 30 June 2026/2025	42,739	113,509	32,281	40,682
Collectively assessed for non-credit impaired receivables				
At 1 July 2025/1 January 2024	50	5,633	-	2,907
Written off	-	(5,583)	-	(2,907)
At 30 June 2026/2025	50	50	-	-
	42,789	113,559	32,281	40,682

In managing credit risk of trade receivables, the Group and the Company manage their debtors and take 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").

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

14. Trade Receivables (Cont'd)

Full impairment losses are made for financial assets and contract assets that are determined to be credit impaired ("Lifetime ECL – Credit Impaired"). These are debtors 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			
2026			
Not past due	230	(16)	214
Past due not impaired:			
61 to 90 days	176	(13)	163
More than 90 days	275	(21)	254
Individually assessed	42,739	(42,739)	-
	43,420	(42,789)	631
2025			
Not past due	283	(50)	233
Past due not impaired:			
Individually assessed	114,924	(113,509)	1,415
	115,207	(113,559)	1,648

	Gross Amount RM'000	Loss Allowance RM'000	Net Amount RM'000
Company			
2026			
Individually assessed	32,281	(32,281)	-
	32,281	(32,281)	-
2025			
Past due not impaired:			
More than 90 days	350	-	350
Individually assessed	40,682	(40,682)	-
	41,032	(40,682)	350

15. Other Receivables

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Other receivables	195,235	278,369	194,203	228,137
Deposits	5,392	10,599	121	3,626
Prepayments	19	226	-	-
	200,646	289,194	194,324	231,763
Less: Accumulated impairment losses				
- Other receivables	(191,888)	(276,188)	(189,713)	(223,875)
- Deposits	(4,315)	(4,247)	(111)	-
- Prepayments	(13)	-	-	-
	(196,216)	(280,435)	(189,824)	(223,875)
	4,430	8,759	4,500	7,888

Movements in allowance for impairment losses of other receivables and deposits are as follows:

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
At 1 July 2025/1 January 2024	280,435	14,558	223,875	2,207
Impairment losses recognised	4,544	265,877	4,539	221,668
Reversal of impairment losses	(1,332)	-	(155)	-
Written off	(87,431)	-	(38,435)	-
At 30 June 2026/2025	196,216	280,435	189,824	223,875

Other receivables and deposits that are individually determined to be impaired at the end of the reporting year relate to debtors that are in significant financial difficulties and have defaulted on payments.

In the previous financial period, 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 of during the restructuring exercise.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

16. Amount Due from/(to) Subsidiary Companies

(a) Amount due from subsidiary companies

	Company	
	2026 RM'000	2025 RM'000
Non-trade	94,897	113,675
	94,897	113,675
Less: Accumulated impairment losses	(94,897)	(113,675)
	-	-

These represent 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	
	2026 RM'000	2025 RM'000
At 1 July 2025/1 January 2024	113,675	31,639
Impairment loss recognised during the year/period	1,072	82,036
Reversal of impairment loss during the year/period	(2,125)	-
Written off	(17,725)	-
At 30 June 2026/2025	94,897	113,675

(b) Amount due to subsidiary companies

These represent trade and non-trade balances which are unsecured, interest free and repayable on demand.

17. Amount Due from a Joint Venture

	Group and Company	
	2026 RM'000	2025 RM'000
Non-trade	99	99
	99	99
Less: Accumulated impairment losses	(99)	(99)
	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

17. Amount Due from a Joint Venture (Cont'd)

This represents non-trade balance which is unsecured, interest free and repayable on demand.

Movements in impairment losses on amount due from joint venture during the financial year are as follows:

	Group and Company	
	2026	2025
	RM'000	RM'000
At 1 July 2025/1 January 2024	99	-
Impairment loss recognised during the year/period	-	99
At 30 June 2026/2025	99	99

18. Amount Due from Associate Company

	Group and Company	
	2026	2025
	RM'000	RM'000
Non-trade	45,286	75,451
	45,286	75,451
Less: Accumulated impairment losses	(45,286)	(75,451)
	-	-

This represents non-trade balance which is unsecured, interest free and repayable on demand.

Movements in impairment losses on amount due from associate company during the financial year are as follows:

	Group and Company	
	2026	2025
	RM'000	RM'000
At 1 July 2025/1 January 2024	75,451	-
Impairment loss recognised during the year/period	-	75,451
Written off	(30,165)	-
At 30 June 2026/2025	45,286	75,451

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

19. Cash and Cash Equivalents

		Group		Company	
		2026	2025	2026	2025
	Note	RM'000	RM'000	RM'000	RM'000
Fixed deposits with licensed banks		6	2,567	6	2,567
Cash and bank balances		1,157	822	233	593
		1,163	3,389	239	3,160
Less: Bank overdrafts	27	(7,488)	(7,769)	(7,488)	(7,769)
		(6,325)	(4,380)	(7,249)	(4,609)
Less: Fixed deposits with pledged for bank facilities	(a)	(6)	(2,567)	(6)	(2,567)
		(6)	(2,567)	(6)	(2,567)
Cash and cash equivalents		(6,331)	(6,947)	(7,255)	(7,176)

(a) The fixed deposits of the Group amounting to RM6,498 (2025: RM2,567,000) 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 1.50% to 3.00% (2025: 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 30 days and 30 days (2025: 30-365 days and 30-365 days) respectively.

20. Assets Classified as Held for Sale

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Assets classified as held for sale				
Freehold buildings	-	6,105	-	6,105
At 30 June 2026/2025	-	6,105	-	6,105

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

20. Assets Classified as Held for Sale (Cont'd)

Movement of assets classified as held for sale during the year:

	At 01.01.2024 RM'000	Movement during the period RM'000	At 30.06.2025/ 01.07.2025 RM'000	Movement during the year RM'000	At 30.06.2026 RM'000
Assets classified as held for sale					
Freehold buildings	6,105	-	6,105	(6,105)	-
	6,105	-	6,105	(6,105)	-

During the financial year, the Group reassessed certain property, plant and equipment previously classified as held for sale following the mutual termination of the proposed disposal arrangements with counterparties. As a result, the criteria for classification as held for sale under MFRS 5 were no longer met, as the disposals were no longer highly probable.

Accordingly, the assets were reclassified to property, plant and equipment and measured at the lower of:

(i) their carrying amount before classification as held for sale, adjusted for depreciation that would have been recognised had the assets not been classified as held for sale; and

(ii) their recoverable amount at the date of reclassification.

In the previous financial period, the Group classified two office units as assets held for sale in accordance with MFRS 5. The units met 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.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

21. Share Capital

	Group and Company			
	Number of shares		Amount	
	2026 Unit'000	2025 Unit'000	2026 RM'000	2025 RM'000
Issued and fully paid				
Ordinary shares				
At 1 July 2025/1 January 2024/ At 30 June 2026/2025	518,260	518,260	262,369	262,369

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.

22. Reserves

		Group	
	Note	2026 RM'000	2025 RM'000
Non-distributable			
Foreign currency translation reserve	(a)	(3,416)	(20,392)
Other reserves	(b)	(77,104)	(77,104)
		(80,520)	(97,496)
Accumulated losses	(c)	(348,892)	(336,370)
		(429,412)	(433,866)

		Company	
	Note	2026 RM'000	2025 RM'000
Accumulated losses	(c)	(435,567)	(426,689)

(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.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

22. Reserves (Cont'd)

(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 RM349 million (2025: RM336 million) as at 30 June 2026, resulting in shareholders' deficit of RM167 million (2025: RM171.5 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.

23. Lease liabilities

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
At 1 July 2025/ I January 2024	2,031	12,891	-	7,846
Additions	2,430	-	-	-
Accretion of interest	180	32	-	-
Derecognition on disposal of subsidiary company	-	(8,806)	-	-
Termination of lease term	-	-		(7,846)
Disposal	-	(922)	-	-
Payment	(2,025)	(1,164)	-	-
At 30 June 2026/2025	2,616	2,031	-	-
Presented as:				
Non-current	1,203	431	-	-
Current	1,413	1,600	-	-
	2,616	2,031	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

23. Lease liabilities (Cont'd)

The maturity analysis of lease liabilities of the Group and the Company at the end of the reporting period:

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Within one year	1,530	1,600	-	-
Later than one year and not later than two years	959	463	-	-
Later than two years and not later than five years	300	-	-	-
	2,789	2,063	-	-
Less: Future finance charges	(173)	(32)	-	-
Present value of lease liabilities	2,616	2,031	-	-

The Group and the Company lease buildings, motor vehicles and machinery. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

24. Deferred Tax (Assets) and Liabilities

	Group	
	2026 RM'000	2025 RM'000
Deferred tax assets:		
At 1 July 2025/1 January 2024	-	(542)
Overprovision in prior period	-	542
At 30 June 2026/2025	-	-
Deferred tax liabilities:		
At 1 July 2025/1 January 2024	8	12,868
Derecognised on disposal of subsidiary	-	(12,860)
At 30 June 2026/2025	8	8

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

24. Deferred Tax (Assets) and Liabilities (Cont'd)

The net deferred tax liabilities and assets shown on the statements of financial position after appropriate offsetting are as follows:

	Group	
	2026 RM'000	2025 RM'000
Deferred tax liabilities	8	8
Deferred tax assets	-	-
	8	8

The components of the deferred tax liabilities and assets prior to offsetting are as follows:

	Group	
	2026 RM'000	2025 RM'000
Deferred tax liabilities:		
Accelerated capital allowances		
At 1 July 2025/1 January 2024	8	12,868
Derecognised on disposal of subsidiary	-	(12,860)
At 30 June 2026/2025	8	8
Property development cost		
At 1 July 2025/1 January 2024	-	542
Recognised in profit or loss	-	(542)
At 30 June 2026/2025	-	-
	-	-

The deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Unutilised capital allowances	27,623	27,623	3,221	3,221
Unutilised tax losses	155,943	149,347	34,443	28,972
	183,566	176,970	37,664	32,193

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

24. Deferred Tax (Assets) and Liabilities (Cont'd)

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.

25. Trade Payables

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Current				
Trade payables	73,658	72,854	61,051	61,227

(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	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Within one year	13,849	14,633	11,958	3,006

(b) Credit terms of trade payables of the Group and of the Company ranged from 30 to 120 days (2025: 30 to 120 days) depending on the terms of the contracts.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

26. Other Payables

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Other payables	58,619	46,101	39,677	34,058
Accruals	12,234	37,648	12,094	11,745
Deposits received	1,882	1,149	98	231
	72,735	84,898	51,869	46,034

Included in accruals is provision of subcontractor cost for the Group and the Company amounting to RM6,339,509 (2025: RM5,775,200) and RM6,339,509 (2025: RM5,775,200) respectively.

27. Bank Borrowings

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Secured				
Bank overdrafts	7,488	7,769	7,488	7,769
Revolving credit	43,000	43,000	43,000	43,000
Term loans	85,451	80,648	2,993	2,719
	135,939	131,417	53,481	53,488

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Current				
Bank overdrafts	7,488	7,769	7,488	7,769
Revolving credit	43,000	43,000	43,000	43,000
Term loans	85,451	80,648	2,993	2,719
	135,939	131,417	53,481	53,488

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

27. Bank Borrowings (Cont'd)

The bank overdrafts, revolving credit and term loans obtained from licensed banks are secured by the following:

Term loans, bank overdrafts and revolving credit

(a) All monies in the facilities agreement;

(b) Deed of assignment and charge over a designated escrow account-I;

(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 5 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) Pledge of fixed deposit by way of an open all monies memorandum of deposit as disclosed in Note 19;

(g) Joint and several guarantees of the individual shareholders and directors of a subsidiary company;

(h) 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 5);

(i) 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 is held under Master Title Lot No. 78076, 101462, Negeri Wilayah Persekutuan Mukim of Petaling Daerah, Kuala Lumpur;

(j) A fixed charge over the designated collection account, sinking fund account and fixed deposit account; and

(k) Specific debenture over 12 units of stratified office unit held under Geran 78076, Lot 101462, Tempat Bandar Bukit Jalil, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

27. Bank Borrowings (Cont'd)

The bank overdrafts, revolving credit and term loans obtained from licensed banks are secured by the following: (Cont'd)

The interest rates per annum are as follows:

	Group		Company	
	2026	2025	2026	2025
	%	%	%	%
Bank overdrafts	7.59 - 8.49	3.45 - 8.64	7.59 - 8.49	7.65 - 7.90
Revolving credit	4.68	4.28 - 8.75	4.68	4.28 - 6.95
Term loans	9.50 - 9.65	5.45 - 18.00	9.50 - 9.65	6.70

Included in the secured term loans is an amount of RM82,457,990 (2025: RM77,929,715) granted by a subsidiary company of a corporate shareholder with significant influence over the Group. The term loans are subject to interest at 9.50% (2025: 12%-18%) per annum and are repayable on demand.

As at 30 June 2026, the Group's total borrowings amounted to RM135.9 million (2025: RM131.4 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.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

28. Revenue

	Group		Company	
	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000
Continuing operations				
Revenue from contracts with customers:				
- Construction contracts	3,042	18,043	3,042	1,404
- Sale of goods	-	1,395	-	-
- Others	1,407	5,937	-	-
	4,449	25,375	3,042	1,404
Rental	6,864	11,510	-	-
	11,313	36,885	3,042	1,404
Timing of revenue recognition:				
At a point in time	1,407	7,332	-	-
Over time	3,042	18,043	3,042	1,404
Total revenue from contracts with customers	4,449	25,375	3,042	1,404

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

28. Revenue

	Group		Company	
	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000
Continuing operations				
Revenue from contracts with customers:				
- Construction contracts	3,042	18,043	3,042	1,404
- Sale of goods	-	1,395	-	-
- Others	1,407	5,937	-	-
	4,449	25,375	3,042	1,404
Rental	6,864	11,510	-	-
	11,313	36,885	3,042	1,404
Timing of revenue recognition:				
At a point in time	1,407	7,332	-	-
Over time	3,042	18,043	3,042	1,404
Total revenue from contracts with customers	4,449	25,375	3,042	1,404

28. 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	Others RM'000	Total RM'000
30 June 2026			
Major goods and services:			
- Construction contracts	3,042	-	3,042
- Others	-	1,407	1,407
Revenue from external customers	3,042	1,407	4,449
Timing of revenue recognition:			
At a point in time	-	1,407	1,407
Over time	3,042	-	3,042
Revenue from external customers	3,042	1,407	4,449

28. 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
30 June 2025					
Major goods and services:					
- Construction contracts	18,043	-	-	-	18,043
- Sale of development properties	-	1,395	-	-	1,395
- Sale of goods	-	-	1,394	-	1,394
- Others	-	-	-	4,543	4,543
Revenue from external customers	18,043	1,395	1,394	4,543	25,375
Timing of revenue recognition:					
At a point in time	-	1,395	1,394	4,543	7,332
Over time	18,043	-	-	-	18,043
Revenue from external customers	18,043	1,395	1,394	4,543	25,375

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

29. Finance Costs

	Group		Company	
	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000
Continuing operations				
Interest expenses on:				
Bank overdrafts	783	927	783	927
Banker acceptance	-	-	-	45
Lease liabilities	180	700	-	368
Revolving credit	1,913	8,903	1,913	8,903
Term loans	7,556	8,896	259	306
Others	-	202	-	125
	10,432	19,628	2,955	10,674
Discontinuing operations				
Interest expenses on:				
Bank overdrafts	-	58	-	-
Bridging loan	-	4,958	-	-
Banker acceptance	-	400	-	-
Lease liabilities	-	37	-	-
Term loans	-	39,491	-	-
Others	-	1	-	-
	-	44,945	-	-
Less: Interest expense capitalised in property development costs (Note 12(i))	-	(11,070)	-	-
	-	33,875	-	-
	10,432	53,503	2,955	10,674

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

30. Loss Before Tax

Loss before tax is determined after charging/(crediting) amongst others, the following items:

	Group		Company	
	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000
Continuing operations				
Auditors' remuneration (Note a)	270	276	196	220
Depreciation of:				
- Right-of-use assets (Note 8)	1,874	3,520	-	654
Depreciation of property, plant and equipment (Note 4)	-	959	-	658
Impairment loss on:				
- Property, plant and equipment (Note 4)	-	6,170	-	1,475
- Right-of-use assets (Note 8)	-	-	-	1,057
- Investment in subsidiary companies (Note 9)	-	-	-	8,313
- Investment in associate companies (Note 10)	-	200	-	200
- Investment in joint ventures (Note 11)	-	367	-	375
- Amount owing from subsidiary companies (Note 16 (a))	-	-	1,072	82,036
- Amount owing from an associate (Note 18)	-	75,451	-	75,451
- Amount owing from joint venture (Note 17)	-	99	-	99
- Trade receivables (Note 14)	1,373	84,994	-	40,682
- Other receivables (Note 15)	4,544	218,591	4,539	221,668

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

30. Loss Before Tax (Cont'd)

Loss before tax is determined after charging/(crediting) amongst others, the following items: (Cont'd)

	Group		Company	
	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000
Continuing operations (Cont'd)				
Interest income:				
- deposits with licensed banks	(69)	(174)	(69)	(172)
- subsidiary company	-	-	-	(20)
- others	(22)	-	(2)	(866)
Lease expenses relating to short-term leases	417	-	377	-
Loss/(Gain) on disposal of:				
- Property, plant and equipment	(1,036)	76	(1,036)	31
- Right-of-use assets	-	3,536	-	1,453
- Investment property	-	21,900	-	-
- Subsidiary company	(4,916)	(13,068)	-	13,122
Loss on termination of lease agreement	-	119	-	-
Reversal of impairment losses on:				
- Amount due from subsidiaries (Note 16 (a))	-	-	(2,125)	-
- Other receivables (Note 15)	(1,332)	-	(155)	-
- Trade receivables (Note 14)	(3,843)	-	(3,843)	-
Rental income	(84)	(983)	(84)	(500)
Waiver of debt	(190)	-	(190)	-
Written off of:				
- Bad debts	4	-	4	-

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

30. Loss Before Tax (Cont'd)

Loss before tax is determined after charging/(crediting) amongst others, the following items: (Cont'd)

	Group		Company	
	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000
Discontinued operations				
Auditors' remuneration (Note a)	-	162	-	-
Depreciation of:				
- Right-of-use assets (Note 8)	-	129	-	-
Depreciation of property, plant and equipment (Note 4)	-	1,485	-	-
Fair value loss on other investment	-	25,758	-	-
Impairment loss on:				
- Property, plant and equipment (Note 4)	-	7,268	-	-
- Inventories	-	282	-	-
- Trade receivables (Note 14)	-	19,076	-	-
- Other receivables (Note 15)	-	47,286	-	-
Interest income:				
- deposits with licensed banks	-	(64)	-	-
- others	-	(45)	-	-
Loss/(Gain) on disposal of:				
- Property, plant and equipment	-	520	-	-
Rental income	-	(5,695)	-	-
Written off of:				
- Property, plant and equipment	-	227	-	-

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

30. Loss Before Tax (Cont'd)

(a) Auditors' remuneration

	Group		Company	
	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000
UHY Malaysia PLT				
- Statutory audit	240	276	191	215
- Non-statutory audit	5	5	5	5
	245	281	196	220
Other auditors				
- Statutory audit	25	65	-	-
	270	346	196	220

31. Taxation

	Group		Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Tax expenses/(credit) recognised in profit or loss				
Current income tax:				
Current tax provision				
- in Malaysia	5	1,966	-	-
Under provision in prior period/year	62	3,375	195	3,375
Real Property Gains Tax	97	993	97	7
	164	6,333	292	3,382
Deferred tax (Note 24):				
Relating to origination and reversal of temporary differences	-	(523)	-	-
	-	(523)	-	-
Tax expense for the financial year/period	164	5,810	292	3,382

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

31. Taxation (Cont'd)

Malaysian income tax is calculated at the statutory tax rate of 24% (30.06.2025: 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 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 is as follows:

	Group		Company	
	01.07.2025 to 30.06.2026 (12 months) RM'000	**01.01.2024 to 30.06.2025 (18 months) RM'000**	**01.07.2025 to 30.06.2026 (12 months) RM'000**	**01.01.2024 to 30.06.2025 (18 months) RM'000**
Loss before tax				
- Continuing operations	(8,723)	(260,645)	(8,586)	(433,667)
- Discontinued operation	-	(233,855)	-	-
	(8,723)	(494,500)	(8,586)	(433,667)
At Malaysian statutory tax rate of 24%	(2,094)	(118,680)	(2,061)	(104,080)
Income not subject to tax	(3,257)	(23,842)	(1,782)	(24,187)
Expenses not deductible for tax purposes	3,773	141,365	2,530	126,570
Deferred tax assets not recognised	1,583	2,599	1,313	1,697
Under provision of taxation in prior periods	62	3,375	195	3,375
Real Property Gains Tax	97	993	97	7
Tax expense for the financial year/period	164	5,810	292	3,382

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

31. 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	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Unutilised capital allowance	27,623	27,623	3,221	3,221
Unutilised tax losses	155,943	149,347	34,443	28,972
	183,566	176,970	37,664	32,193

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 a 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	
	30.06.2026 RM'000	30.06.2025 RM'000	30.06.2026 RM'000	30.06.2025 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	10,831	10,831	7,070	7,070
- Year of assessment 2036	6,596	-	5,471	-
	155,943	149,347	34,443	28,972

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

32. 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	
	01.07.2025 to 30.06.2026 (12 months) RM'000	**01.01.2024 to 30.06.2025 (18 months) RM'000**
Net loss for the financial year/period, attributable to owners of the parent		
- from continuing operations	(12,522)	(257,280)
- from discontinued operations	-	(232,915)
	(12,522)	(490,195)
Weighted average number of ordinary shares in issue in 1 July 2025/1 January 2024/ 30 June 2026/2025 (in thousand of shares)	518,260	518,260
Basic and diluted loss per share (sen)		
- from continuing operations	(2.42)	(49.64)
- from discontinued operations	-	(44.94)
	(2.42)	(94.58)

(ii) Diluted loss per share

There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the financial year and before the authorisation of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

33. Staff Costs

	Group		Company	
	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000
Fees	221	448	221	448
Salaries, wages and other emoluments	3,186	9,380	2,862	5,568
Defined contributions plan	256	1,077	238	480
	3,663	10,905	3,321	6,496
Less: Staff costs capitalised				
- property development costs (Note 12(i))	-	(1,445)	-	-
- construction contracts costs (Note 13)	-	(1,427)	-	-
	3,663	8,033	3,321	6,496

Included in staff costs is the 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	
	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000
Executive Directors				
- Salaries and other emoluments	750	2,064	750	1,124
- Defined contributions plan	37	24	37	-
- Benefits-in-kind	7	-	7	-
	794	2,088	794	1,124
Non-executive Directors				
- Fees	221	448	221	448
- Meeting and other allowances	56	62	56	62
	277	510	277	510
Total Directors' remuneration	1,071	2,598	1,071	1,634

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

34. 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 follows:

	2026 RM'000	2025 RM'000
Group		
Transactions with subsidiary companies of a corporate shareholder with a significant influence over the Company		
Interest expenses paid/payable	(7,557)	(11,275)
Transaction with a company in which a Director of the Company has interest		
Rental of retail spaces	1,980	2,161
Rental of office	857	384
Company		
Transactions with subsidiary companies		
Management fee income received/receivable	-	14,532
Rental paid/payable	(377)	(412)

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

34. Related Party Disclosures (Cont'd)

(c) Compensation of key management personnel

Remuneration of Directors and other members of key management personnel is as follows:

	Group		Company	
	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000
Executive Directors				
Salaries, wages and other emoluments	750	2,064	750	1,124
Defined contributions plan	37	24	37	-
Benefits-in-kind	7	-	7	-
	794	2,088	794	1,124
Non-Executive Directors				
Director fee	221	448	221	448
Other emoluments	56	62	56	62
	277	510	277	510
	1,071	2,598	1,071	1,634

(d) Disposal to PRSB (indirect wholly-owned subsidiary of Insas Berhad, a major shareholder holding 11.12% 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. However both were terminated during the year.

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.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

35. 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.

35. Segmental Information (Cont'd)

	Construction RM'000	Others RM'000	Total segments RM'000	Adjustments and eliminations RM'000	Per consolidated financial statements RM'000
2026					
Revenue					
External customers	3,042	8,271	11,313	-	11,313
Inter-segment	-	377	377	(377)	-
Total revenue	3,042	8,648	11,690	(377)	11,313
Results					
Interest income	71	20	91	-	91
Finance costs	(2,955)	(7,477)	(10,432)	-	(10,432)
Depreciation and amortisation	-	(1,874)	(1,874)	-	(1,874)
Other non-cash (expenses)/income	1,998	(1,254)	744	4,916	5,660
Segment (loss)/ profit before tax	(8,587)	(4,416)	(13,003)	4,280	(8,723)

35. 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
2025							
Revenue							
External customers	16,388	5,048	1,395	14,054	36,885	-	36,885
Inter-segment	1,656	-	-	824	2,479	(2,479)	-
Total revenue	18,043	5,048	1,395	14,878	39,364	(2,479)	36,885
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)

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

35. 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	
	01.07.2025 to 30.06.2026 (12 months) RM'000	**01.01.2024 to 30.06.2025 (18 months) RM'000**
Gain/(Loss) on disposal of:		
- property, plant and equipment	1,036	(1,968)
- right-of-use assets	-	(3,536)
- investment properties	-	(21,900)
- subsidiary companies (deconsolidation)	4,916	-
Gain from recognition of property, plant and equipment	264	-
Reversal of impairment losses on:		
- Trade receivables	3,843	-
- Other receivables	1,332	-
Waiver of debt	190	-
Impairment on trade receivables	(1,373)	(104,070)
Impairment on other receivables	(4,544)	(265,877)
Impairment on investment in associate	-	(200)
Impairment on property, plant and equipment	-	(13,438)
Impairment on amount due from associates	-	(75,451)
Impairment on amount due from joint ventures	-	(99)
Impairment on investment in joint venture	-	(367)
	5,660	(486,906)

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

35. Segmental Information (Cont'd)

(d) Geographical information

Substantially all the Group's revenue is derived locally and non-current assets are located within Malaysia.

In the previous financial period, Building Materials (ready-mix) ceased operations, Property Development in Kota Kinabalu "The Crown" had no new sales and no progress recognised due to restraining order/JM path.

36. Financial Guarantees

	Group and Company	
	2026	**2025**
	RM'000	**RM'000**
Corporate guarantees given to licensed banks and financial institutions for banking facilities granted to subsidiary companies		
- Limit of guarantee	517,000	517,000
- Amount utilised	358,271	333,112
Corporate guarantees given to a supplier of goods to subsidiary companies		
- Limit of guarantee	35,350	35,350
- Amount utilised	6,183	6,770
Guarantees issued by financial institutions in connection with performance bonds, security and tender deposits in favour of third parties for construction projects	-	7,834

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

37. 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) Malayan Banking Berhad ('Maybank') v DSE Construction Sdn Bhd & HHCCB - Ipoh High Court Suit No. AA-22NCC-10-09/2022

On 1 September 2022, Maybank commenced an action against DSE Construction Sdn Bhd ('DSE', the main contractor) and the Company as 2nd defendant, claiming that progress payment certificates PC20 to PC23 were not paid into the designated account assigned to Maybank. The principal sum claimed against the Company is RM29,988,772, alternatively 79.23% of the certified sums, together with 7% retention sums, 5% sinking fund and interest. The Company has filed its defence and the trial is fixed for 17 to 20 November 2026. The Directors do not recognise any provision as at 30 June 2026.

(b) Maybank v HHCCB, Seni Kenanga Sdn Bhd & Hj Said Binaan Sdn Bhd - KL High Court Suit No. WA-22NCC-112-03/2019; Court of Appeal Civil Appeal No. W-02(NCC)(W)-463-03/2024; Winding-up Petition No. WA-28NCC-204-02/2025

On 21 February 2024, the High Court entered judgment against the Company for RM4,000,486.82 (Certificate 41) and RM9,500,348.16 (Certificate 42), together with interest at 5% per annum from 7 February 2020 and costs of RM100,000, and dismissed the Company's counterclaim. The Company has appealed to the Court of Appeal and the appeal remains pending. Maybank presented a winding-up petition against the Company in February 2025 for the judgment sum of RM13,608,434; Sime Darby Industrial Sdn Bhd has been granted leave to intervene. The petition is pending, with case management fixed on 20 October 2026. Although the judgment constitutes a present legal obligation, the judgment sum together with accrued interest to 30 June 2026, totalling RM17,926,852, has not been recognised in other payables / provisions. The solicitors have not expressed a view on the outcome of the appeal.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

37. 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) Strata Fokus Sdn Bhd & Alam Damai Abadi Sdn Bhd v HHCCB & Ho Hup Ventures (Kuantan) Sdn Bhd - KL High Court Suit No. WA-22NCVC-19-01/2021

The plaintiffs claimed a finder's fee of RM1,940,000 and project management fees of RM782,000 relating to the proposed KOSMA development project in Kuantan. The Company counterclaimed for the refund of advances of RM120,000. Trial was concluded in April 2025 and, following the demise of the trial judge, the matter was re-heard on submissions before a new judge. On 28 September 2026, the High Court dismissed the plaintiffs' claims with costs and allowed the counterclaims of the Company (RM120,000) and Ho Hup Ventures (Kuantan) Sdn Bhd (RM100,000). No provision was recognised at 30 June 2026; the claim is disclosed as a contingent liability and the amounts awarded on the counterclaims have not been recognised as they are contingent assets.

(d) Inti Perdana Sdn Bhd v HHCCB - KL High Court Suit No. WA-22NCvC-319-06/2023

The plaintiff claims consultancy fees of RM3,374,013 and interest of RM649,590 in respect of the Besut project. The Company denies the claim on the basis that the fees were contingent on the award of the project and has counterclaimed for the refund of sums paid. Trial is fixed for 26 to 28 April 2027. An accrual of RM65,456 has been recognised in respect of consultancy fees for the project. Based on legal advice, the Directors consider that the outflow of any further amount is possible but not probable; the balance of the claim of RM3,958,147 is disclosed as a contingent liability.

(e) Kerajaan Malaysia (Lembaga Hasil Dalam Negeri) v HHCCB - KL High Court Suit No. WA-21NCvC-53-04/2026

The Inland Revenue Board commenced civil proceedings to recover additional tax of RM4,085,902.73 assessed for the year of assessment 2022. The Company disputes the assessment, which it considers to have been raised on erroneous assumptions, and has filed its defence. A summary judgment application is fixed for hearing on 24 November 2026. The full amount assessed has been recognised in current tax liabilities at 30 June 2026 pending resolution of the dispute.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

37. 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) Negeri Sembilan Cement Industries Sdn Bhd v HHCCB - Shah Alam High Court Petition No. BA-28NCC-5-01/2025

The petitioner presented a winding-up petition against the Company as corporate guarantor for Tru-Mix Concrete Sdn Bhd, a former subsidiary, in respect of a judgment sum of RM2,144,788. The petition was withdrawn on 5 May 2025 with liberty to file afresh following a settlement agreement providing for payment by 8 instalments. The Company has defaulted on the 2nd to 5th instalments and the outstanding balance of RM1,845,000 has not been recognised in other payables / provisions.

(g) Sabah Development Bank Berhad ('SDB') v Golden Wave Sdn Bhd & 7 Ors (including HHCCB and Ho Hup Ventures (KK) Sdn Bhd) - Kota Kinabalu High Court Suit No. BKI-22NCvC-64-5/2024

SDB claims RM46,849,297.41 as at 2 May 2024, together with interest at 5% per annum from 1 November 2023 and costs, under bridging facilities granted to Golden Wave Sdn Bhd ('GWSB'), a former subsidiary, for which the Company and Ho Hup Ventures (KK) Sdn Bhd are sued as corporate guarantors on a joint and several basis. SDB's application for summary judgment was dismissed and the trial is fixed for 1 to 5 March 2026. Shoplots charged to SDB by a third party were auctioned on 19 August 2025 for RM12,500,000 and the proceeds are expected to reduce the outstanding debt. GWSB is under receivership and the Directors consider that the guarantee will be called; a financial guarantee liability of RM34,349,297, being the amount claimed net of the auction proceeds, has not been recognised. The solicitors are unable to express a view on the outcome.

(h) Vision Pipe Sdn Bhd v HHCCB - CIPAA adjudication (AIAC)

The nominated sub-contractor for the Sabah project claims RM3,351,032 under interim payment certificates and has served a statutory notice under section 466 of the Companies Act 2016 on 9 April 2025. An application for appointment of an adjudicator was lodged with the AIAC on 6 October 2026. The full amount claimed is included in the balance of RM6,247,332 due to the sub-contractor in trade payables.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

37. 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)

(i) Applied Engineering Sdn Bhd v HHCCB - CIPAA adjudications AIAC/D/ADJ-5937, 5938, 5961 and 5962-2025

Applied Engineering, the fire protection and ACMV sub-contractor for the Hotel and SSR packages of the Sabah project, commenced four adjudication proceedings for an aggregate of RM12,394,762. Adjudication decisions dated 20 February 2026 allowed claims of RM995,469.88 and RM3,958,126.88 in respect of the Hotel packages; decisions on the SSR packages (RM2,233,980 and RM5,207,186) are pending. The amounts claimed are included in the balance of RM14,980,166 due to the sub-contractor in trade payables.

(j) AmBank (M) Berhad v HHCCB - KL High Court Suit No. WA-22NCC-620-07/2026, and AmBank Islamic Berhad v HHCCB - KL High Court Suit No. WA-22M-1817-07/2026

Subsequent to the financial year end, on 21 July 2026 and 24 July 2026 respectively, AmBank (M) Berhad and AmBank Islamic Berhad commenced actions to recover RM10,387,382.39 under term loan and overdraft facilities and RM45,271,975.51 under revolving credit facilities. The facilities, with carrying amounts of RM10,481,268 and RM46,530,556 respectively at 30 June 2026, are recognised in borrowings and classified as current liabilities. The Company has filed its defence and case management is fixed on 20 October 2026 and 30 October 2026 respectively. AmBank and AmBank Islamic have also intervened in the restraining order proceedings referred to in Note 43.

(k) Zen Courts Sdn Bhd & Home Effect Sdn Bhd v HHCCB & 5 Ors - KL High Court Suit No. WA-22NCC-654-07/2026

Subsequent to the financial year end, the plaintiffs commenced an action claiming RM14,500,000, being the agreed value of properties B13-1 to B13-5 under a settlement agreement and consent order dated 24 July 2020, together with interest at 8% per annum and damages. As the consent order constitutes a present legal obligation existing at the reporting date, a provision of RM21,386,904, comprising the agreed value of RM14,500,000 and interest at 8% per annum from 24 July 2020 to 30 June 2026, has not been recognised. Case management is fixed on 10 November 2026.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

37. 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)

(l) Kumpulan Liziz Sdn Bhd (In Liquidation) v Ho Hup Industries Sdn Bhd - KL High Court Suit No. WA-22NCC-739-08/2026

Subsequent to the financial year end, on 21 August 2026 (served 7 September 2026), the liquidator of Kumpulan Liziz Sdn Bhd commenced an action against Ho Hup Industries Sdn Bhd claiming RM6,657,235.68 as alleged overpayments for the supply of rock to the Besut project. The subsidiary denies that any sum is owing and is filing its defence (due 14 October 2026); case management is fixed on 9 December 2026.

(m) Suria Jayajuta Sdn Bhd v Peter Bin Tayah & 3 Ors - Kota Kinabalu High Court Suit No. BKI-22NCvC-150-12/2024

Suria Jayajuta Sdn Bhd ('SJSB') commenced an action on 3 December 2024 to recover RM4,000,000 alleged to have been wrongfully remitted to the late Liew Vui Keong in connection with the sale of land held under NT033203502 and NT034022994. The defendants' striking-out application was dismissed and the trial is fixed for 15 to 18 February 2027. The solicitors are unable to express a view on the outcome. No contingent asset has been recognised; The amount is carried as a deposit receivable of RM4,000,000 against which a provision of impairment of RM4,000,000 has been recognised.

(n) Ho Hup Ventures (KK) Sdn Bhd

Co-defendant with the Company in the SDB action described in Note 37 (g) above as corporate guarantor for GWSB.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

38. 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").

	2026 RM'000	2025 RM'000
Group		
Financial Assets		
At fair value through profit or loss		
At amortised cost		
Trade receivables	631	1,648
Other receivables	4,424	8,533
Fixed deposits with licensed banks	6	2,567
Cash and bank balances	1,157	822
	6,218	13,570
Financial Liabilities		
At amortised cost		
Trade payables	73,658	72,854
Other payables	72,735	84,898
Lease liabilities	2,616	2,031
Bank borrowings	135,939	131,417
	284,948	291,200

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

38. Financial Instruments (Cont'd)

(a) Categories of financial instruments (Cont'd)

	2026 RM'000	2025 RM'000
Company		
Financial Assets		
At amortised cost		
Trade receivables	-	350
Other receivables	4,500	7,888
Fixed deposits with licensed banks	6	2,567
Cash and bank balances	233	593
	4,739	11,398
Financial Liabilities		
At amortised cost		
Trade payables	61,051	61,227
Other payables	51,869	46,034
Amount due to subsidiary companies	12,337	12,376
Bank borrowings	53,481	53,488
	178,738	173,124

(b) Net loss/(gain) on impairment of financial instruments

	Group		Company	
	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000	01.07.2025 to 30.06.2026 (12 months) RM'000	01.01.2024 to 30.06.2025 (18 months) RM'000
Net loss/(gain) on impairment of financial instruments:				
- Financial asset at amortised cost	742	47,228	(512)	419,936

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

38. 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 in 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.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

38. 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 represent the Group's and the Company's maximum exposure to credit risk.

Concentration of credit risk

The Group has no significant concentration of credit risk except as disclosed in Note 14. The Company has no significant concentration of credit risk except as disclosed in Note 14 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 is 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.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

38. 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 guarantees 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 RM358 million and RM6.2 million (2025: RM333 million and RM6.8 million), representing the outstanding banking facilities and for supply of goods to certain subsidiary companies as at the end of the reporting period. The subsidiary company have defaulted 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.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

38. 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.

38. 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	Total contractual cash flows RM'000	Total carrying amount RM'000
Group					
2026					
Non-derivative financial liabilities					
Trade payables	73,658	-	-	73,658	73,658
Other payables	72,735	-	-	72,735	72,735
Lease liabilities	1,530	959	300	2,789	2,616
Bank borrowings	135,939	-	-	135,939	135,939
	283,862	959	300	285,121	284,948

38. 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						
2025						
Non-derivative financial liabilities						
Trade payables	72,854	-	-	-	72,854	72,854
Other payables	84,898	-	-	-	84,898	84,898
Lease liabilities	1,600	463	-	-	2,063	2,031
Bank borrowings	131,417	-	-	-	131,417	131,417
	290,769	463	-	-	291,232	291,200

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

38. 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	Total contractual cash flows RM'000	Total carrying amount RM'000
Company			
2026			
Non-derivative financial liabilities			
Trade payables	61,051	61,051	61,051
Other payables	51,869	51,869	51,869
Amount due to subsidiary companies	12,337	12,337	12,337
Bank borrowings	53,481	53,481	53,481
	178,738	178,738	178,738

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

38. 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	Total contractual cash flows RM'000	Total carrying amount RM'000
Company			
2025			
Non-derivative financial liabilities			
Trade payables	61,227	61,227	61,227
Other payables	46,034	46,034	46,034
Amount due to subsidiary companies	12,376	12,376	12,376
Bank borrowings	53,488	53,488	53,488
	173,124	173,124	173,125

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

38. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risks

(a) 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 term deposits.

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	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Fixed rate instruments				
Fixed deposit with licensed bank	6	2,567	6	2,567
Lease liabilities	(2,616)	(2,031)	-	-
	(2,610)	536	6	2,567
Floating rate instruments				
Bank borrowings	(135,939)	(131,417)	(53,481)	(53,488)

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

38. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(a) 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% (2025: 0.5%) interest rate at the end of the reporting period would have increased/(decreased) the Group's and the Company's loss before tax by RM0.68 million and RM0.27 million (2025: RM0.66 million and RM0.27 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.

(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.

39. 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 July 2025/ 1 January 2024 RM'000	Net changes from financing cash flows (i) RM'000	Non-cash changes: New lease Note 23 RM'000	Non-cash changes: Other Changes (ii) RM'000	At 30 June 2026/ 2025 RM'000
Group					
2026					
Lease liabilities (Note 23)	2,031	(1,845)	2,430	-	2,616
Revolving credit (Note 27)	43,000	-	-	-	43,000
Term loans (Note 27)	80,648	4,803	-	-	85,451
Total liabilities from financing activities	125,679	2,958	2,430	-	131,067
2025					
Lease liabilities (Note 23)	12,891	(11,313)	-	453	2,031
Bridging loan	55,732	-	-	(55,732)	-
Revolving credit (Note 27)	68,000	(25,000)	-	-	43,000
Invoice financing	4,167	(102)	-	(4,065)	-
Term loans (Note 27)	361,105	(7,052)	-	(273,405)	80,648
Total liabilities from financing activities	501,895	(43,467)	-	(332,749)	125,679

39. 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 July 2025/ 1 January 2024 RM'000	Net changes from financing cash flows (i) RM'000	At 30 June 2026/ 2025 RM'000
Company			
2026			
Revolving credit (Note 27)	43,000	-	43,000
Term loans (Note 27)	2,719	274	2,993
Total liabilities from financing activities	45,719	274	45,993
2025			
Lease liabilities (Note 23)	7,846	(7,846)	-
Revolving credit (Note 27)	68,000	(25,000)	43,000
Invoice financing	102	(102)	-
Term loans (Note 27)	3,713	(994)	2,719
Total liabilities from financing activities	79,661	(33,942)	45,719

(i) The cash flows from loans and borrowings make up the net changes from borrowings in the statements of cash flows.

(ii) Other changes of the Group include the non-cash changes on lease liabilities.

40. 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	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Total loans and borrowings	135,939	131,417	53,481	53,488
Less: Fixed deposits, cash and bank balances (Note 19) ^	(1,163)	(3,389)	(239)	(3,160)
Net debt	134,776	128,028	53,242	50,328
Total equity	(172,620)	(176,822)	(173,198)	(164,320)
Debt-to-equity ratio	(0.78)	(0.72)	(0.31)	(0.31)

^ 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.

41. Contingent Liabilities

(a) Corporate guarantees given for former subsidiaries

The Company has given corporate guarantees to suppliers and financiers of Golden Wave Sdn Bhd and Tru-Mix Concrete Sdn Bhd (former subsidiaries), both of which are under receivership or have ceased operations. Claims under these guarantees in litigation, other than SDB (Note 37 (g)) and Negeri Sembilan Cement (Note 37 (f)), comprise Niro Ceramic (RM899,684 claimed; RM300,000 per solicitors), Sungai Rambai Angkut (RM219,291 judgment plus costs RM15,000), Agrow Corporation (RM250,144 judgment plus costs RM3,000), Hume Cement (RM350,690; RM311,414 per solicitors) and Ideal Bath (RM110,537). Although the Directors consider the outflow probable, financial guarantee liabilities totalling RM1,848,346 have not been recognised in respect of these claims.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

41. Contingent Liabilities (Cont'd)

(b) Other individually immaterial claims

Other claims against the Group, each individually below RM1.9 million, aggregate approximately RM 9.0 million. Where the Directors consider an outflow probable the claims have been provided for in full; they are not separately disclosed.

The Company has provided the following corporate guarantees:

- Corporate guarantees to licensed banks for banking facilities of subsidiaries, limit RM517.0 million, of which RM358.3 million was utilised as at 30 June 2026 (2025: RM517.0 million limit; RM333.1 million utilised).
- Guarantees to suppliers for goods of RM35.4 million (2025: RM35.4 million).
- Performance bonds and tender deposits of RMNil (2025: RM7.8 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.

42. Subsequent Events

(a) Winding-up proceedings and statutory notices

As at the date of this report the following winding-up proceedings and statutory demands are outstanding against the Company:

(i) Maybank winding-up petition No. WA-28NCC-204-02/2025 (RM13.6 million) - pending;

(ii) Messrs Elison Wong winding-up petition No. WA-28NCC-906-08/2026 presented on 26 August 2026 for a judgment debt of RM213,443.68 (recognised in other payables) - hearing 27 October 2026;

(iii) statutory notice under section 465 of the Companies Act 2016 by One Fueller Sdn Bhd dated 26 August 2026 for RM1,803,913 in respect of diesel supplied, which expired on 15 September 2026 and which is not recognised in trade payables; and

(iv) statutory notice under section 466 by Vision Pipe Sdn Bhd (RM3,351,032). Winding-up notices have also been served on Ho Hup Infinite Sdn Bhd (RM245,709) and Ho Hup Interpark Sdn Bhd (RM157,137) by the Inland Revenue Board in respect of tax judgments which only RM275,463 are recognised in current tax liabilities.

NOTES TO THE FINANCIAL STATEMENTS

30 OCTOBER 2026 (CONT'D)

42. Subsequent Events (Cont'd)

(b) Continuation of Restraining Order and Scheme of Arrangement Proceedings

The Company's applications for a restraining order under section 368 of the Companies Act 2016 (No. WA-24NCC(SOA)-4-04/2025 and No. WA-24NCC(SOA)-29-12/2025) were withdrawn on 3 December 2025 and 22 April 2026 respectively.

On 4 May 2026, Omesti Holdings Berhad, a member of the Company, filed an application for a restraining order (No. WA-24NCC-229-04/2026 / WA-24NCC(SOA)-7-05/2026) in which AmBank (M) Berhad, AmBank Islamic Berhad and Niro Ceramic Sales & Services (M) Sdn Bhd have been allowed to intervene.

On 12 October 2026, the Company was notified by its solicitors that the Court had dismissed the restraining order application filed by Omesti Holdings Berhad. The Company is currently seeking legal advice on the matter.

(c) Post year-end claims

The AmBank, AmBank Islamic, Zen Courts and Kumpulan Liziz actions described in Note 37 (j), (k) and (l) were commenced after 30 June 2026 and are non-adjusting events, except to the extent the underlying obligations existed at the reporting date. The dismissal of the Strata Fokus claim on 29 September 2026 (Note 37 (c)) provides evidence of conditions existing at the reporting date.

43. Comparative Figures

In the previous financial period, the Company changed its financial year end from 31 December to 30 June. Consequently, the comparative figures of the Group and of the Company are made up of the eighteen-month period from 1 January 2024 to 30 June 2025, while the current financial year covers the twelve months from 1 July 2025 to 30 June 2026.

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 year.

44. 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 15 October 2026.

DISCLOSURE OF FINANCIAL DATA **FOR SHARIAH SCREENING**

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

a) Group Total Income and Total Assets

		Group	
Total Income	**Remarks**	**FYE 30 June 2026 (RM'000)**	**FPE 30 June 2025 (RM'000)**
Revenue		11,313	36,885
Other Income		6,758	123,954
Total		**18,071**	**160,839**
Total Assets		**119,135**	**122,588**

b) Business Activities

		Group	
Shariah Non-Compliant Activities	**Remarks**	**FYE 30 June 2026 (RM'000)**	**FPE 30 June 2025 (RM'000)**
Rental Income Received from tenant involved in Shariah non-compliant activities		84	1,033
Interest Income		91	194
Total		**175**	**1,227**

c) Component of Financial Position

i. Cash Component

		Group	
Islamic Account / Instruments	**Remarks**	**FYE 30 June 2026 (RM'000)**	**FPE 30 June 2025 (RM'000)**
Deposits with Licensed Bank		6	2,554
Cash at Bank (exclude Cash in Hand)		1,046	226
Total		**1,052**	**2,780**

		Group	
Conventional Account / Instruments	**Remarks**	**FYE 30 June 2026 (RM'000)**	**FPE 30 June 2025 (RM'000)**
Deposits with Licensed Bank		0	13
Cash at Bank (exclude Cash in Hand)		111	581
Total		**111**	**594**

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

(CONT'D)

ii. Debt Component

Islamic Financing	Remarks	Group FYE 30 June 2026 (RM'000)	Group FPE 30 June 2025 (RM'000)
Current			
Bank Borrowings		43,000	43,000
Total		**43,000**	**43,000**

Conventional Financing	Remarks	Group FYE 30 June 2026 (RM'000)	Group FPE 30 June 2025 (RM'000)
Current			
Bank Borrowings		92,939	88,417
Total		**92,939**	**88,417**

LIST OF **MATERIAL PROPERTIES**

AS AT 30 JUNE 2026

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)	9.78 years	21/09/2016	Freehold	117,507 square feet	Office Tower	Office Tower	101,100

ANALYSIS OF **SHAREHOLDINGS**

AS AT 22 SEPTEMBER 2026

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	:	3,814

DISTRIBUTION OF ORDINARY SHAREHOLDERS
according to statistical summary of the Record of Depositors as at 22 September 2026

Size of Holdings	No. of Shareholders	No. of Shares Held	% of Issued Capital
Less than 100 shares	144	2,836	~
100 to 1,000 shares	472	241,457	0.05
1,001 to 10,000 shares	1,834	10,071,462	1.94
10,001 to 100,000 shares	1,087	39,992,490	7.72
100,001 to less than 5% of issued shares	274	309,583,301	59.73
5% and above of issued shares	3	158,369,150	30.56
Total	**3,814**	**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 September 2026

Name of Directors	Direct Shareholdings	%	Indirect Shareholdings	%
Dato' Wong Kit-Leong	150,000	0.03	-	-
Narayanasamy A/L N Chithambaram	-	-	-	-
Bernard Chen Tong Liang	-	-	-	-
Tan Guan Ling	400,000	0.08	-	-
Haikel Bin Ismail	-	-	-	-

ANALYSIS OF SHAREHOLDINGS

AS AT 22 SEPTEMBER 2026 (CONT'D)

LIST OF THIRTY LARGEST ORDINARY SHAREHOLDERS
according to the Record of Depositors as at 22 September 2026

	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	51,844,600	10.00
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.	Loh Kok Wai	21,757,000	4.20
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.	Affin Hwang Nominees (Asing) Sdn Bhd Pledged Securities Account for Mettiz Capital Limited	14,744,800	2.85
11.	Berjaya Equity Nominees (Tempatan) Sdn Bhd Berjaya IPS Credits Sdn Bhd for Fabulous Channel Sdn Bhd	7,868,000	1.52
12.	Low Tuck Choy	6,817,500	1.32
13.	Chee Li Fong	5,867,600	1.13
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.	M & A Nominee (Asing) Sdn Bhd For Winfields Development Pte. Ltd.	5,000,000	0.97
17.	Toh Chai Hoon	4,652,000	0.90
18.	M & A Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Chan Chee Hong (M&A)	4,093,100	0.79
19.	Cartaban Nominees (Asing) Sdn Bhd Exempt an for Standard Chartered Bank Singapore Branch (BJSSHKBR-CL FR)	4,000,000	0.77
20.	Wong Wai Hong	3,957,300	0.76
21.	Lim Chau Liang	3,846,800	0.74

ANALYSIS OF SHAREHOLDINGS

AS AT 22 SEPTEMBER 2026 (CONT'D)

LIST OF THIRTY LARGEST ORDINARY SHAREHOLDERS
according to the Record of Depositors as at 22 September 2026 (Cont'd)

	Name	No. of Shares Held	%
22.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Private Wealth Management for Mohamed Nizam Bin Abdul Razak	3,525,554	0.68
23.	Kwan Siew Deeg	2,753,100	0.53
24.	Minat Megah Sdn Bhd	2,521,000	0.49
25.	Geoffrey Lim Fung Keong	2,490,200	0.48
26.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Low Choon Chong	2,411,300	0.47
27.	Lau Sam Siong	2,000,000	0.39
28.	Monteiro Gerard Clair	2,000,000	0.39
29.	Tan Hong Lai	2,000,000	0.39
30.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Liong Yen Yong	1,934,000	0.37
	Total	**384,946,404**	**74.28**

SUBSTANTIAL SHAREHOLDERS BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS
according to the Register of Substantial Shareholders as at 22 September 2026

Name	Direct Shareholdings	%	Indirect Shareholdings	%
Omesti Holdings Berhad	53,879,300	10.40	-	-
Gryphon Asset Management Sdn Bhd	52,645,250	10.16	-	-
Omesti Berhad	-	-	53,879,300 (1)	10.40
Insas Berhad	-	-	57,645,250 (2)	11.12
Dato' Sri Thong Kok Khee	-	-	57,645,250 (3)	11.12
Lee Fook Yuen	51,844,600	10.00	-	-
Teguh Sedaya Sdn. Bhd			53,879,300 (4)	10.40
Datin Seri Yasmin Hanimarbee Binti Mohammed Isaarbee	213,000	0.04	53,879,300 (5)	10.40
Nur Atisya Binti Mohd Yunus	-	-	53,879,300 (5)	10.40

Notes

(1) Deemed interest by virtue of its substantial shareholdings in its wholly-owned subsidiary, Omesti Holdings Berhad pursuant to Section 8(4) of the Companies Act 2016 ("Act").

(2) 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.

(3) 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) of the Act.

(4) Deemed interest by virtue of its substantial interest in Omesti Berhad, the holding company of Omesti Holdings Berhad pursuant to Section 8 of the Act.

(5) Deemed interest by virtue of her substantial interest in Teguh Sedaya Sdn Bhd, which in turn owned 22.57% equity interest in Omesti Berhad, the holding company of Omesti Holdings Berhad pursuant to Section 8 of the Act.

NOTICE OF FIFTY-SECOND **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT the Fifty-Second Annual General Meeting ("52nd 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, 30 November 2026 at 3:00 p.m. to transact the following business:

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2026 together with the Reports of the Directors and the Auditors thereon ("Audited Financial Statements and Reports for FYE 2026"). [**Please refer to Explanatory Note 1**]

2. To approve the payment of Directors' fees amounting to RM600,000 for the Non-Executive Directors of the Company in respect of the financial year ending 30 June 2027. (**Ordinary Resolution 1**)

3. To approve the payment of benefits payable to the Non-Executive Directors up to an amount of RM80,000 from 1 December 2026 until the next Annual General Meeting ("AGM") of the Company. (**Ordinary Resolution 2**)

4. To re-elect Dato' Wong Kit-Leong who retires by rotation in accordance with Clause 93 of the Company's Constitution and being eligible, has offered himself for re-election. (**Ordinary Resolution 3**)

5. To re-elect Bernard Chen Tong Liang who retires in accordance with Clause 98 of the Company's Constitution and being eligible, has offered himself for re-election. (**Ordinary Resolution 4**)

6. To re-elect Tan Guan Ling who retires in accordance with Clause 98 of the Company's Constitution and being eligible, has offered herself for re-election. (**Ordinary Resolution 5**)

7. To re-elect Haikel Bin Ismail who retires in accordance with Clause 98 of the Company's Constitution and being eligible, has offered himself for re-election. (**Ordinary Resolution 6**)

8. To re-appoint Messrs. UHY Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration. (**Ordinary Resolution 7**)

Special Business

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

9. **Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016** (**Ordinary Resolution 8**)

   "**THAT** pursuant to Sections 75 and 76 of the Companies Act 2016 ("**the Act**") and subject to the approvals of the relevant authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to 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 hereby also empowered to obtain approval from Bursa Securities for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next AGM of the Company, unless revoked or varied by ordinary resolution of the Company at a general meeting.

   AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

NOTICE OF FIFTY-SECOND ANNUAL GENERAL MEETING

(CONT'D)

10. **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 15 October 2026 ("RRPT Circular")** **(Ordinary Resolution 9)**

"**THAT**, subject to the provision of the Main Market 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;

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."

11. To transact any other business of which due notice shall have been given.

By order of the Board
HO HUP CONSTRUCTION COMPANY BERHAD

TAN TONG LANG (MAICSA 7045482/ SSM PC No. 202208000250)
NURUL SYAHIDAH BINTI MAT TAHIL (LS0010742/ SSM PC No. 202308000535)
Company Secretaries

Kuala Lumpur
15 October 2026

NOTICE OF FIFTY-SECOND ANNUAL GENERAL MEETING

(CONT'D)

Notes:

(i) In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 November 2026 ("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 not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(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 in such form and content and duly completed and executed by the member in such manner as may be specified by the Company from time to time, and shall be issued under the hand of the appointer or attorney duly authorised, or, if the appointer is a corporation, either under seal or the hand of its 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 52nd AGM will be put to vote by poll in accordance with Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities.

Personal data privacy:
By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 52nd AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 52nd AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 52nd AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Explanatory Notes:

1. 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 for FYE 2026. Hence, this Agenda is not put forward for voting.

2. 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 52nd AGM of the Company on the two (2) separate resolutions as below:

NOTICE OF FIFTY-SECOND ANNUAL GENERAL MEETING

(CONT'D)

(i) Resolution 1 - Payment of Directors' fees

This resolution is to facilitate payment of Directors' fees on current financial year basis. 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.

(ii) Resolution 2 - Payment of Directors' benefits

At the Fifty-First ("51st") AGM of the Company held on 1 December 2025, the Company had obtained the shareholders' approval for the payment of Directors' benefits to the Non-Executive Directors up to an amount of RM80,000 from 2 December 2025 until 30 November 2026, being the appointed date of holding the 52nd 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 1 December 2026 until the next AGM of the Company in year 2027. 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.

3. Resolutions 3, 4, 5 & 6 – 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. Dato' Wong Kit-Leong who is retiring by rotation in accordance with Clause 93 of the Company's Constitution and being eligible, has offered himself for re-election at the 52nd AGM.

Clause 98 of the Company's Constitution provides that the Directors shall have the power at any time, and from time to time, appoint a person to be Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the maximum number fixed in accordance with this Constitution. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting. Mr. Bernard Chen Tong Liang, Ms. Tan Guan Ling and Mr. Haikel Bin Ismail are standing for re-election as Director in accordance with Clause 98 of the Company's Constitution and being eligible, has offered themselves for re-election at the 52nd AGM.

The Board has conducted an assessment on the Directors who are seeking re-election at the 52nd 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 of Bursa Securities. These four (4) retiring Directors have abstained from deliberations and decisions at the relevant Board Meeting on their own eligibility to stand for re-election at the 52nd AGM and will continue to do so. The Board has endorsed the re-elections subject to the shareholders' approval at the 52nd AGM.

4. Resolution 7 – Re-appointment of Messrs UHY Malaysia PLT as Auditors of the Company for the ensuing year

The Board through the Audit Committee had reviewed and was satisfied with the performance and independence of Messrs UHY Malaysia PLT ("UHY") during the financial year under review. The Board has therefore recommended the re-appointment of UHY as external auditors of the Company for the financial year ending 30 June 2027.

5. The Ordinary Resolution 8, further information in relation to the general mandate for issue of securities is set out in the Statement Accompanying Notice of 52nd AGM.

6. The Ordinary Resolution 9, 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 15 October 2026 which is circulated together with the Company's Annual Report 2026.

STATEMENT ACCOMPANYING NOTICE OF **ANNUAL GENERAL MEETING**

(PURSUANT TO PARAGRAPH 8.27(2) OF MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES)

Details of individuals who are standing for election as Directors (excluding Directors standing for re-election)

No notice of nomination has been received to date from any member nominating any individual for election as a Director at the AGM of the Company. There is therefore no individual standing for election as Director, save for the above Directors who are standing for re-election. Further details of Directors standing for re-election as Directors are set out in their respective profiles which appear on the Board of Directors' Profile of this Annual Report.

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 1 December 2025.

As at the date of the Notice of the 52nd AGM, no new share in the Company was issued pursuant to the mandate granted to the Directors at the 51st AGM held on 1 December 2025 and which will lapse at the conclusion of the 52nd AGM.

The proposed Ordinary Resolution 8, 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 52nd 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), workings 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.

HOHUP®

HO HUP CONSTRUCTION COMPANY BERHAD
[Registration No. 197301000497 (14034-W)]

FORM OF PROXY

CDS Account No.	
No. 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* (*delete as appropriate)

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 Fifty-Second Annual General Meeting ("52nd 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, 30 November 2026 at 3:00 p.m. and at any adjournment thereof.

No.	Resolution	For	Against
1.	To approve the payment of Directors' fees amounting to RM600,000 for the Non-Executive Directors of the Company in respect of the financial year ending 30 June 2027.		
2.	To approve the payment of benefits payable to the Non-Executive Directors up to an amount of RM80,000 from 1 December 2026 until the next AGM of the Company.		
3.	To re-elect Dato' Wong Kit-Leong who retires in accordance with Clause 93 of the Company's Constitution.		
4.	To re-elect Bernard Chen Tong Liang who retires in accordance with Clause 98 of the Company's Constitution.		
5.	To re-elect Tan Guan Ling who retires in accordance with Clause 98 of the Company's Constitution.		
6.	To re-elect Haikel Bin Ismail who retires in accordance with Clause 98 of the Company's Constitution.		
7.	To re-appoint Messrs. UHY Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration.		
As Special Business			
8.	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
9.	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 15 October 2026 ("RRPT Circular")		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolution. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.

Signed this _____ day of _____ 2026

_____
Signature of Shareholder(s)

Fold this flap for sealing

Notes:

(i) In respect of deposited securities, only members whose names appear in the Record of Depositors on 20 November 2026 ("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 not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(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 in such form and content and duly completed and executed by the member in such manner as may be specified by the Company from time to time and shall be issued under the hand of the appointer or attorney duly authorised, or, if the appointer is a corporation, either under seal or the hand of its 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 52nd AGM will be put to vote by poll in accordance with Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities.

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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

1st fold here

HO HUP CONSTRUCTION COMPANY BERHAD
197301000497 (14034-W)

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